

**IN THE HIGH COURT OF JUDICATURE OF ANDHRA PRADESH
AT HYDERABAD**

(Original Jurisdiction)

Company Application No. 2334 of 2004

In the matter of Companies Act, 1956

and

In the matter of Sections 391 to 394 of the Companies Act, 1956

and

IN THE MATTER OF Scheme of Amalgamation of
Nagarjuna Palma India Limited with
Nagarjuna Fertilizers and Chemicals Limited

Nagarjuna Fertilizers and Chemicals Limited
having Regd. Office at Nagarjuna Hills,
Panjagutta, Hyderabad - 500 082.

.....Applicant
(Transferee Company)

NOTICE CONVENING MEETING

To

The Shareholders of Nagarjuna Fertilizers and Chemicals Limited

Take further notice that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you, is deposited at the Registered office of the Company at Nagarjuna Hills, Panjagutta, Hyderabad - 500 082, not later than 48 hours before the meeting.

Take notice that by an order made on November 19, 2004 the Hon'ble High Court of Andhra Pradesh, Hyderabad has directed that the meeting of the equity shareholders of the Applicant Company be held on Thursday, the 23rd day of December, 2004 at 11.30 A.M. for the Purpose of considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Amalgamation of Nagarjuna Palma India Limited with Nagarjuna Fertilizers and Chemicals Limited.

The Hon'ble High Court, Andhra Pradesh, has appointed Justice A. Hanumanthu, Retired Judge, High Court of Andhra Pradesh to be the Chairman of the said meeting.

A copy of the Scheme of Amalgamation, the statement under Section 393, Disclosure under Section 391 to 394 of the Companies Act, 1956, as prescribed by the Securities and Exchange Board of India and a form of proxy are enclosed.

Take further notice that in pursuance of the said order, a meeting of the equity shareholders of the company will be held at Sri Satya Sai Nigamagamam, 8-3-987/2, Srinagar Colony, Hyderabad-500 073 on Thursday, the 23rd day of December, 2004 at 11.30 A.M. when you are requested to attend.

Justice A. Hanumanthu
Chairman appointed for the meeting

November 19, 2004

Hyderabad.

SCHEME OF AMALGAMATION OF NAGARJUNA PALMA INDIA LIMITED WITH NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meanings :

- 1.1 'Transferor Company', means Nagarjuna Palma India Limited, a Company incorporated under the Companies Act, 1956 with its Registered Office at Nagarjuna Hills, Panjagutta, Hyderabad 500 082 and a subsidiary of the Transferee Company.
- 1.2 'Transferee Company', means Nagarjuna Fertilizers and Chemicals Limited, a Company incorporated under the Companies Act, 1956, with its Registered Office at Nagarjuna Hills, Panjagutta, Hyderabad.
- 1.3 'Act', means The Companies Act, 1956 or any other statutory modifications or re-enactment thereof from time to time.
- 1.4 'Assets', in relation to the Transferor Company means Fixed Assets, Current Assets, Tangible and Intangible Assets, Deferred Revenue Expenditure, Loans and Advances, Investments and Other Assets as per the books of the Transferor Company as at October 01, 2004, and 'Liabilities' in relation to the Transferor Company means, Secured and Unsecured Loans, Current Liabilities, Reserves and Surpluses (including Balance in the Profit & Loss Account) Provisions and other liabilities of the Transferor Company as per the books of the Transferor Company as at October 01, 2004.
- 1.5 'Transfer Date' means October 01, 2004 i.e. the date of vesting of the Undertaking of the Transferor Company in the Transferee Company pursuant to the Scheme as per the Order(s) of the High Court of Andhra Pradesh.
- 1.6 'Effective Date' means the date the Transferee Company files the certified copy of the order of the High Court of Andhra Pradesh with the Registrar of Companies, Andhra Pradesh, Hyderabad, under Section 391(3) of the Act, from which date this Scheme shall come into effect.
- 1.7 'Scheme' means this Scheme of Amalgamation in its present form with such modification(s) as approved or imposed or directed by the High Court of Andhra Pradesh.
- 1.8 'Undertaking' means and includes
 - (i) all the properties, Assets, Liabilities, employees and the business as a going concern of the Transferor Company as on October 01, 2004.
 - (ii) without prejudice to the generality of the foregoing Clause all the properties whether moveable or immovable, real or personal, corporeal or incorporeal, tangible or intangible, present or contingent including but without being limited to all Fixed Assets, work-in-progress, current assets, investments, funds, quota rights, licenses, registrations, patents, trade names, trade marks, intellectual property rights and other industrial rights, and licenses in respect thereof, leases, tenancy rights, telephones, telexes, facsimile connections, e-mail connections, internet connections, installations and utilities, benefits and advantages of whatsoever nature and wheresoever situate belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company as on

the Transfer Date and all debts, Liabilities, duties and obligations of the Transferor Company of whatsoever kind.

- 1.9 'Record Date' means the date fixed by the Board of Directors of the Transferee Company and informed to the Stock Exchange as the date on which the shareholders of the Transferor Company shall be eligible to be allotted equity shares of the Transferee Company, pursuant to the Scheme.

2. SHARE CAPITAL

- 2.1. The Authorised Share Capital of the Transferor Company as on October 01, 2004, is Rs.14,00,00,000/- divided into 1,40,00,000 equity shares of Rs.10/- each. The Subscribed and Paid up equity share capital is Rs. 13,95,15,350/- divided into 1,39,51,535 equity shares of Rs.10/- each.
- 2.2. The Authorised Share Capital of the Transferee Company as on October 01, 2004 is Rs. 800 crores, comprising of 60 crores equity shares of Rs.10/- each amounting to Rs.600 crores and Two crore Preference Shares of Rs.100/- each amounting to Rs.200 crores. The Subscribed equity share capital is Rs.417.02 crores, divided into 41,70,20,593 equity shares of Rs.10/- each. The paid up equity share capital is Rs.416.60 crores and allotment money to the extent of Rs.41.27 lakhs is in arrears, as on March 31, 2004.

3. TRANSFER OF UNDERTAKING

- 3.1 With effect from the Transfer Date the Undertaking shall stand vested in the Transferee Company as per Order(s) of the High Court of Andhra Pradesh pursuant to the Scheme.
- 3.2 The vesting of the Undertaking as aforesaid shall be subject to the existing charges, hypothecation, mortgages and litigation if any, over or in respect of all the Assets and or Liabilities, as the case may be or any part thereof of the Transferor Company and with restatement, if any, of its present values to reflect permanent changes. Provided that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company, which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged in pursuance of the Scheme to create any further or additional security thereof after the Transfer Date.
- 3.3 With effect from the Transfer Date, the Transferee Company shall be deemed to carry on, and is authorised to carry on, the business of the Transferor Company.

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatsoever nature to which the Transferor Company is a party, subsisting or having effect immediately before the Transfer Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

5. LEGAL PROCEEDINGS

If any suit, writ petition, appeal, revision or other proceedings of whatsoever nature (hereinafter called "the Proceedings") be pending, by or against the Transferor Company, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the dissolution of the Transferor Company or of anything contained in the Scheme, but the same may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Transfer Date, the Transferee Company shall have the right to initiate any legal proceedings for and on behalf of the Transferor Company, and shall be sued instead of the Transferor Company.

6. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

With effect from the Effective Date, all the staff, workmen, employees, in the service of the Transferor Company immediately before the Effective Date shall become the staff, workmen, employees, as the case may be of the Transferee Company subject however to compliance of the Act wherever necessary on the basis that :

- 6.1 their service shall have been continuous and shall not have been interrupted by reason of the vesting of the Undertaking as per the Scheme;
- 6.2 the terms and conditions of service applicable to the said staff, workmen, employees, shall not in any way be less favourable to them than those applicable to them immediately before the Effective Date; and
- 6.3 it is expressly provided that as far as provident fund, gratuity fund, superannuation fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company as aforesaid are concerned, upon the Scheme becoming effective with effect from the Effective Date, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever relating to the administration or operation of such funds or in relation to the obligation to make contributions to the said funds in accordance with provisions of such funds as per the terms provided in the respective trust deeds. All the rights, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in different units of the Transferor Company under such funds and trusts shall be governed by the funds in the name of the Transferee Company, without any interruption, or diminution or adverse variation. It is clarified that for the purpose of this Clause, the service of the employees of the Transferor Company will also be treated as having been continuous for the purpose of the aforesaid funds or provisions.

7. CONDUCT OF BUSINESS

- 7.1 With effect from the Transfer Date, the Transferor Company :
 - 7.1.1 shall carry on and be deemed to carry on all its business and activities and stand possessed of the Undertaking for and on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Company or losses arising or incurred by it shall, for all purposes, be treated as the profits or losses of the Transferee Company as the case may be ;
 - 7.1.2 hereby undertakes to carry on its business with reasonable diligence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the said Undertaking or any part thereof except in the ordinary course of business;
 - 7.1.3 shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business;
 - 7.1.4 shall not, without the written consent of the Transferee Company, undertake any new business;

7.1.5 shall pay all statutory dues (including advance tax) relating to the Undertaking for and on account of the Transferee Company.

7.2 The Transferee Company shall be entitled to apply to the Central / State governments and all other agencies, departments and authorities concerned as are necessary under any law, contract or are otherwise considered necessary for such consents, approvals and sanctions which the Transferee Company may require to effectually own and operate the Undertaking.

7.3 Upon the vesting of the Undertaking of the Transferor Company in the Transferee Company, the Transferor Company shall be dissolved without being wound up.

8. REORGANISATION OF EQUITY SHARE CAPITAL OF THE TRANSFEE COMPANY

ISSUE OF SHARES BY THE TRANSFEE COMPANY.

- 8.1 With effect from the Effective Date, in consideration of the vesting of the Undertaking consequent to amalgamation of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall, subject to the provisions of the Scheme and without any further application or deed, issue and allot 4 (Four) equity shares of Rs.10/- each credited as fully paid up in the share capital of the Transferee Company to the shareholders of the Transferor Company whose names appear in its Register of Shareholders, on the Record Date to be fixed by the Board of Directors of the Transferee Company, for every 5 (Five) equity shares of the face value of Rs.10/- each fully paid up and held by the shareholders in the Transferor Company. Such shares held in the Transferor Company shall stand cancelled upon the allotment of equity shares in the Transferee Company as aforesaid.

In respect of 99,12,815 equity shares of Rs.10/- each held by the Transferee Company in the Transferor Company, the Transferee Company shall issue and allot 79,30,252 equity shares of Rs.10/- each in favour of Nagarjuna Employee Welfare Foundation, a Company incorporated under Section 25 of the Companies Act, 1956, with its Registered Office at Nagarjuna Hills, Panjagutta, Hyderabad 500 082, for the welfare of the employees of Nagarjuna Fertilizers and Chemicals Limited.

- 8.2 The equity shares to be issued to the shareholders of the Transferor Company in accordance with the Scheme shall be subject to all the terms and conditions of the Articles of Association of the Transferee Company and shall rank pari passu with the existing equity shares of the Transferee Company for dividend, bonus shares, rights shares and voting rights.

- (a) In respect of the equity shares of the Transferor Company held by its shareholders in the physical form, the Board of Directors of the Transferee Company shall intimate to such shareholders as on the Record Date and require such shareholders to inform the Transferee Company in the prescribed form, as to whether such shares are to be received by them in dematerialised form with the necessary particulars thereof. If such communication is not received by the Transferee Company within 30 days from the Record Date, the Transferee Company shall issue its equity shares in the physical form. In respect of those shareholders exercising the option to receive the shares in dematerialised form, such shareholders shall have opened and maintained an account with a depository participant and shall provide such other confirmations and details as may be required in this behalf. The Board of Directors of the Transferee Company shall credit the respective demat account of shareholders with their entitlement as per share exchange ratio hereinabove fixed in Clause 8.1.

- 8.3 The equity shares of the Transferor Company are presently not listed on any Stock Exchanges. The equity shares allotted in pursuance of the Scheme shall be listed on all the stock exchanges, where the equity shares of the Transferee Company are presently listed.

- 8.4 Upon amalgamation and vesting of the undertaking in the Transferee Company, the Transferee Company shall draw up a Balance Sheet reflecting therein the values of the assets and liabilities of the Transferor Company and also the values of assets and liabilities of the Transferee Company, subject to restatement,

revaluation / revision of such assets by credit to Revaluation Reserve as are in the opinion of the Board of Directors appropriate having regard to the fair value of such assets so as to reflect a true and fair view of the assets and liabilities in the Balance Sheet of the Transferee Company.

- 8.5 For the purpose of issue and allotment of 1,11,61,228 equity shares of Rs.10/- each to the existing shareholders of the Transferor Company on a preferential basis under the Scheme, the requirements under Section 81(1A) of the Companies Act, 1956, is being sanctioned by the Members of the Transferee Company, as a part of the Scheme and no separate special resolution is required to be passed at the Meeting of the Members of the Transferee Company under the Scheme. The Transferee Company at the conclusion of the Extra Ordinary General Meeting summoned by the Court, shall file necessary returns with the appropriate fee before the Registrar of Companies, Andhra Pradesh, Hyderabad.

9 DIVIDENDS, PROFITS, BONUS / RIGHTS SHARES

- 9.1 The Transferor Company shall not declare any dividend for the period commencing from and after the Transfer Date without the prior written consent of the Transferee Company.
- 9.2 Subject to the provisions of the Scheme, the profits of the Transferor Company for the period beginning from October 01, 2004 shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed off in any manner as it thinks fit including declaration of dividend by the Transferee Company in respect of its financial year after the Transfer Date, in accordance with the Act.
- 9.3 The Transferor Company shall not issue or allot any rights shares or bonus shares out of its authorised unissued share capital after the Transfer Date without the prior written consent of the Transferee Company.
- 10 The objects clause of the Transferor Company shall stand amended, with the insertion of the following clause as Clause No.7 under (A), Main Objects Clause of the Memorandum of Association and the Transferee Company shall at the conclusion of the Extra Ordinary General Meeting summoned by the Court, file the necessary forms with appropriate fee before the Registrar of Companies, Andhra Pradesh, Hyderabad:

Clause No. 7:

To carry on the business of manufacturing, producing, assembling, marketing, dealing, distributing, installing, buying selling, importing, exporting, leasing, trading, hiring and dealing whether as Principals and / or agents in and with any and all classes of irrigation equipment, garden equipment, water management equipment including drip irrigation or micro irrigation equipments, sprinklers, sprayers, pipes, fittings, valves, filters, pumps, gauges, moulds whether metal or plastic or any other material and all other accessories for use in such systems of irrigation and all other products and equipment required in the manufacture or production, installation assembly of any irrigation equipment or systems and also to set up model demonstration farms for use of irrigation systems and for training farmers in using irrigation systems and to carry on the business of fertigation by manufacturing or producing, formulating, refining, processing, importing, purchasing, acquiring, leasing, selling, trading, hiring or dealing in whether as Principals and / or agents in all kinds of fertigation systems whether liquid or solid, manures, mixtures and formulations of systems any and all kinds of chemicals whether organic or inorganic and all other products arising from or required in the manufacture or production, refining of any kind of fertilizers, manure, mixtures and formulations to be used in the irrigation systems.

10.1 APPLICATIONS TO THE HIGH COURT

The Transferor Company and the Transferee Company hereto shall, with all reasonable despatch, make applications / petitions under Sections 391 and 394 of the Act to the High Court of Andhra Pradesh for sanctioning the Scheme and for dissolution of the Transferor Company without winding up.

11 MODIFICATIONS / AMENDMENTS TO THE SCHEME

- 11.1 The Transferor Company by its Director(s) and the Transferee Company by its Director(s) or Secretary may assent to any modification or amendment to the Scheme or agree to any terms

and or conditions which the Court and or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.

- 11.2 For the purpose of giving effect to the Scheme or to any modification thereof, the Board of Directors of the Transferor and the Transferee Company are hereby authorised to give such directions and or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

12 SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

The Scheme is conditional upon and subject to :

- 12.1 the approval to the Scheme by the requisite majorities of the shareholders of the Transferor Company and of the shareholder of the Transferee Company and such other approvals as may be required.
- 12.2 approval of the Scheme by the secured creditors of the Transferor Company and of the Transferee Company, including the public financial institutions.
- 12.3 the requisite resolution(s) under the applicable provisions of the Act being passed by the shareholders of the Transferee Company for any of the matters provided for or relating to the Scheme including approval to the issue and allotment of equity shares in the Transferee Company to the shareholders of the Transferor Company, as may be necessary or desirable.
- 12.4 the sanction of the High Court of Judicature of Andhra Pradesh at Hyderabad under Sections 391 and 394 of the Act, in favour of the Transferor Company and the Transferee Company and the necessary order or orders under Section 394 of the Act, being obtained.
- 12.5 the Scheme being fully effective in accordance with Sections 391 to 394 of the Act after the necessary forms are filed with the Registrar of Companies, Andhra Pradesh in accordance with the Act, within the requisite time.
- 12.6 any other sanction or approval of the appropriate authorities concerned, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.
- 13 EFFECT OF NON RECEIPT OF APPROVALS / SANCTIONS**
- In the event of any of the said sanctions and approvals not being obtained and or the Scheme not being sanctioned by the High Court and or the order or orders not being passed as aforesaid as may be agreed upon between the Transferor Company and the Transferee Company through their respective Board of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.
- 14 EXPENSES CONNECTED WITH THE SCHEME**
- All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing / completing the terms and provisions of the Scheme and or incidental to the completion of amalgamation of the said Undertaking of the Transferor Company including fee of whatsoever nature payable to Registrar of Companies, Andhra Pradesh, Hyderabad by the Transferee Company in pursuance of the Scheme shall be borne by the respective companies.
15. The Transferor Company and the Transferee Company shall have liberty to apply to the Honourable High Court of Andhra Pradesh for necessary direction to remove difficulties if any, in implementing the Scheme.
16. The Scheme does not violate any of the provisions of the Securities Laws or the provisions of the Listing Agreement with Stock Exchanges.

IN THE HIGH COURT OF JUDICATURE AT HYDERABAD
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY APPLICATION NO. 2334 OF 2004

IN THE MATTER of the Companies Act, 1956 :

AND

IN THE MATTER of Sections 391 to 394 of the
Companies Act, 1956 :

AND

IN THE MATTER of Scheme of Amalgamation of Nagarjuna Palma India Limited with
Nagarjuna Fertilizers and Chemicals Limited.

Nagarjuna Fertilizers and Chemicals Limited,)
Company incorporated)
under the Companies Act, 1956 and)
Having Its Registered Office at)
Nagarjuna Hills, Hyderabad 500 082)

.... Applicant

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an Order dated November 19, 2004 passed by the Hon'ble High Court of Judicature at Hyderabad in the Company application referred to above, meeting of the equity shareholders of the applicant company is being convened for the purpose of considering and if thought fit, approving, with or without modification, the Scheme of Amalgamation of Nagarjuna Palma India Limited with Nagarjuna Fertilizers and Chemicals Limited which is annexed to the Notice. A certified copy of the said Order will be available for inspection at the Registered Office of the Applicant Company at Nagarjuna Hills, Panjagutta, Hyderabad 500 082, between 10.00 a.m. and 4.00 p.m. on any working day of the Company from the 26th day of November, 2004 to 23rd day of December, 2004.
2. In this statement, Nagarjuna Palma India Limited is hereinafter referred to as 'Transferor Company' and Nagarjuna Fertilizers and Chemicals Limited is referred to as 'Transferee Company'.
- 3.a. The Transferor Company was incorporated on October 6, 1994, under the Companies Act, 1956, in the name and style of 'Nagarjuna Palma India Limited'. The Transferor Company is an unlisted subsidiary of the Transferee Company.
 - b. The Registered Office of the Transferor Company is situated at Nagarjuna Hills, Panjagutta, Hyderabad 500 082.
 - c. The Authorised Share Capital of the Transferor Company as on October 1, 2004, is Rs.14,00,00,000/- divided into 1,40,00,000 equity shares of Rs.10/- each. The subscribed and paid up equity share capital is Rs.13,95,15,350/- divided into 1,39,51,535 equity shares of Rs.10/- each.
- 4.a. The Transferee Company was incorporated on January 28, 1976, under the Companies Act, 1956, under the name and style of Nagarjuna Fertilizers and Chemicals Limited.
 - b. The Registered Office of the Transferee Company is situated at Nagarjuna Hills, Panjagutta, Hyderabad 500 082.
 - c. The Authorised Share Capital of the Transferee Company as on October 1, 2004 is Rs. 800 crores, comprising of 60 crores equity shares of Rs.10/- each amounting to Rs.600 crores and Two crore Preferential shares of Rs.100/- each amounting to Rs.200 crores. The subscribed equity share capital is Rs.417.02 crores, divided into 41,70,20,593 equity shares of Rs.10/- each. The paid up equity share capital is Rs.416.60 crores and allotment money to the extent of Rs.41.27 lakhs is in arrears, as on March 31, 2004.
5. The Transferor Company is, inter alia, engaged in the business of manufacturing and marketing micro irrigation systems. The objects for which the Transferor Company has been established are set out in its Memorandum of Association.
6. The Transferee Company is engaged in the business of manufacture of Urea and marketing and selling of other Fertilizers. The objects for which the Transferee Company has been established are set out in its Memorandum of Association.
7. The Amalgamation of the Transferor Company with the Transferee Company will be effected by a Scheme of Amalgamation (hereinafter referred to as 'Scheme') under Section 391 to 394 of the Companies Act, 1956 (hereinafter referred to as the 'Act'). The Transfer date i.e., the date of vesting of the undertaking of the Transferor Company in the Transferee Company shall be October 01, 2004.
8. The Amalgamation of the Transferor Company with the Transferee Company is being carried out in view of both the Transferor and the Transferee Company catering to common market, i.e., the farming community as the end user. The impetus given to micro irrigation in the year 2003, based on the recommendations of the National Task Force constituted by the Government of India, the fillip given by the various State Governments, ability of administering Specially Fertilizers using micro irrigation systems, growing awareness among the farming community in view of depleting water resources, the fast growing market for micro irrigation systems and the need for better water management practices had brought this industry to the forefront. The Amalgamation is expected to bring synergistic benefits through the operational expertise of the Transferor Company in Micro Irrigation and the financial strength, marketing capabilities and excellent network built by the Transferee Company, in the agricultural markets in India.
9. The salient features of the Scheme are as follows:
 - (i) with effect from the Transfer Date the Undertaking of the Transferor Company shall stand vested in the Transferee Company as per Order(s) of the High Court of Andhra Pradesh pursuant to the Scheme.
 - (ii) the vesting of the Undertaking as aforesaid shall be subject to the existing charges, hypothecation, mortgages and litigation if any, over or in respect of all the Assets and or Liabilities, as the case may be or any part thereof of the Transferor Company and with restatement, if any, of its present values to reflect permanent changes. Provided that the Scheme shall not operate to enlarge the security

for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be obliged in pursuance of the Scheme to create any further or additional security thereof after the Transfer Date.

- (iii) Upon amalgamation and vesting of the undertaking in the Transferee Company, the Transferee Company shall draw up a Balance Sheet reflecting therein the values of the assets and liabilities of the Transferor Company and also the values of assets and liabilities of the Transferee Company, subject to restatement, revaluation / revision of such assets by credit to Revaluation Reserve as are in the opinion of the Board of Directors appropriate having regard to the fair value of such assets so as to reflect a true and fair view of the assets and liabilities in the Balance Sheet of the Transferee Company.
 - (iv) with effect from the Transfer Date, the Transferee Company shall be deemed to carry on, and be authorised to carry on, the business of the Transferor Company.
10. The objects clause of the Transferor Company shall stand amended, with the insertion of the following clause as Clause No.7 under (A), Main Objects Clause of the Memorandum of Association. The Transferee Company shall at the conclusion of the Extra Ordinary General Meeting summoned by the Court, file the necessary forms with appropriate fee before the Registrar of Companies, Andhra Pradesh, Hyderabad:

Clause No. 7:

To carry on the business of manufacturing, producing, assembling, marketing, dealing, distributing, installing, buying selling, importing, exporting, leasing, trading, hiring and dealing whether as Principals and / or agents in and with any and all classes of irrigation equipment, garden equipment, water management equipment including drip irrigation or micro irrigation equipments, sprinklers, sprayers, pipes, fittings, valves, filters, pumps, gauges, moulds whether metal or plastic or any other material and all other accessories for use in such systems of irrigation and all other products and equipment required in the manufacture or production, installation assembly of any irrigation equipment or systems and also to set up model demonstration farms for use of irrigation systems and for training farmers in using irrigation systems and to carry on the business of fertigation by manufacturing or producing, formulating, refining, processing, importing, purchasing, acquiring, leasing, selling, trading, hiring or dealing in whether as Principals and / or agents in all kinds of fertigation systems whether liquid or solid, manures, mixtures and formulations of systems any and all kinds of chemicals whether organic or inorganic and all other products arising from or required in the manufacture or production, refining of any kind of fertilizers, manure, mixtures and formulations to be used in the irrigation systems.

11. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatsoever nature to which the Transferor Company is a party, subsisting or having effect immediately before the Transfer Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

12. LEGAL PROCEEDINGS

If any suit, writ petition, appeal, revision or other proceedings of whatsoever nature (hereinafter called 'the Proceedings') be pending by or against the Transferor Company, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the dissolution of the Transferor Company or of anything contained in the Scheme, but the same may be

continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Transfer Date, the Transferee Company shall have the right to initiate any legal proceedings for and on behalf of the Transferor Company and shall be sued instead of the Transferor Company.

13. TRANSFEROR COMPANY'S STAFF, WORKMEN AND EMPLOYEES

With effect from the Effective Date, all the staff, workmen, employees, in the service of the Transferor Company immediately before the Effective Date shall become the staff, workmen, employees, as the case may be of the Transferee Company, on the basis that :

- a. Their Service shall have been continuous and shall not have been interrupted by reason of the vesting of the Undertaking as per the Scheme;
- b. The terms and conditions of service applicable to the said staff, workmen, employees, in the Transferee Company shall not in any way be less favourable to them than those applicable to them immediately before the Effective Date; and
- c. It is expressly provided that as far as provident fund, gratuity fund, superannuation fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company as aforesaid are concerned, upon the Scheme becoming effective with effect from the Effective Date, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever relating to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such Funds as per the terms provided in the respective Trust Deeds. All the rights, duties, powers and obligations of the Transferor Company in relation to such Funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in the Transferor Company under such funds and trusts shall be governed by the funds in the name of the Transferee Company, without a interruption, or diminution or adverse variation. It is clarified that for the purpose of this clause, the services of the employees of the Transferor Company will also be treated as having been continuous for the purpose of the aforesaid funds or provisions.

14. CONDUCT OF BUSINESS

With effect from the Transfer Date, the Transferor Company :

- a. shall carry on and be deemed to carry on all its business and activities and stand possessed of the Undertaking for and on account of and in trust for the Transferee Company and all the profits accruing to the Transferor Company or losses arising or incurred by it shall, for all purposes be treated as the profits or losses of the Transferee Company as the case may be ;
- b. hereby undertakes to carry on its business with reasonable diligence and shall not, without the written consent of the Transferee Company alienate, charge or otherwise deal with the said Undertaking or any part thereof except in the ordinary course of business;
- c. shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business
- d. Shall not, without the written consent of the Transferee Company; undertake any new business;
- e. Shall pay all statutory dues (including advance tax) relating to the Undertaking for and on account of the Transferee Company.

15. The Transferee Company shall be entitled to apply to the Central/ State governments and all other agencies, departments and authorities concerned as are necessary under any law, contract or are otherwise considered necessary for such consents, approvals and sanctions which the Transferee Company may require to effectually own and operate the Undertaking.
16. **REORGANISATION OF EQUITY SHARE CAPITAL OF THE TRANSFEE COMPANY :**
The aggregate Subscribed Share Capital of the Transferee Company, on and from the Effective Date shall be Rs. 428,18,18,210/- divided into 42,81,81,821 equity shares of Rs.10/- each. The Paid up equity share capital shall be Rs.427.76 crores and allotment money or calls in arrears to the extent of Rs. 41.27 lakhs shall be carried to the Balance Sheet of the Transferee Company.
17. **ISSUE OF SHARES BY THE TRANSFEE COMPANY**
 - a. With effect from the Effective Date, in consideration of the vesting of the Undertaking consequent to amalgamation of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall, subject to the provisions of the Scheme and without any further application or deed, issue and allot 4 equity share(s) of Rs. 10/- each credited as fully paid up in the share capital of the Transferee Company to the shareholders of the Transferor Company whose names appear in its Register of Shareholders on the Record Date to be fixed by the Board of Directors of the Transferee Company, for every 5 equity share(s) of the face value of Rs.10/- each fully paid up, held by the shareholders in the Transferor Company. The shares held by the shareholders in the Transferor Company shall stand cancelled upon the allotment of the equity shares in the Transferee Company as aforesaid.
In respect of 99,12,815 equity shares of Rs.10/- each held by the Transferee Company in the Transferor Company, the Transferee Company shall issue and allot 79,30,252 equity shares of Rs.10/- each in favour of Nagarjuna Employee Welfare Foundation, a Company incorporated under Section 25 of the Companies Act, 1956, with its Registered Office at Nagarjuna Hills, Panjagutta, Hyderabad 500 082, for the welfare of the employees of Nagarjuna Fertilizers and Chemicals Limited.
 - b. The equity shares to be issued to the shareholders of the Transferor Company in accordance with the Scheme shall be subject to all the terms and conditions of the Articles of Association of the Transferee Company and shall rank pari passu with the existing equity shares of the Transferee Company for dividends, bonus shares, rights shares and voting rights.
 - c. In respect of the equity shares of the Transferor Company held by its shareholders in physical form, the Board of Directors of the Transferee Company shall intimate to such shareholders as on the Record Date and require such shareholders to inform the Transferee Company in prescribed form as to whether such shares are to be received by them in dematerialised form with the necessary particulars thereof. If such communication is not received by the Transferee Company within 30 days from the Record Date, the Transferee Company shall issue its equity shares in the physical form. In respect of those shareholders exercising the option to receive the shares in dematerialised form, such shareholders shall have opened and maintained an account with a depository participant, and shall provide such other confirmations and details as may be required in this behalf. The Board of Directors of the Transferee Company shall credit the respective demat account of the shareholders with their entitlement as per the share exchange ratio hereunder fixed under Clause 8.1 of the Scheme.
 - d. For the purpose of issue and allotment of 1,11,61,228 equity shares of Rs.10/- each to the existing shareholders of the Transferor Company on a preferential basis under the Scheme, the requirements under Section 81(1A) of the Companies Act, 1956, is being sanctioned by the Members of the Transferee Company, as a part of the Scheme and no separate special resolution is required to be passed at the Meeting of the Members of the Transferee Company under the Scheme. The Transferee Company at the conclusion of the Extra Ordinary General Meeting summoned by the Court, shall file necessary returns with the appropriate fee before the Registrar of Companies, Andhra Pradesh, Hyderabad.
18. The Equity Shares of the Transferee Company are presently listed on two Stock Exchanges namely, The Stock Exchange Mumbai, and The National Stock Exchange, Mumbai. The Transferee Company after allotment of the equity shares in pursuance of the Scheme shall list the equity shares on the above two Stock Exchanges.
19. **DIVIDENDS / PROFITS / BONUS / RIGHTS SHARES**
 - a. The Transferor Company shall not declare any dividend for the period commencing from and after the Transfer Date without the prior written consent of the Transferee Company.
 - b. Subject to the provisions of the Scheme, the profits of the Transferor Company for the period beginning from October 01, 2004, shall belong to and be the profits of the Transferee Company and will be available to the Transferee Company for being disposed of in any manner as it thinks fit including declaration of dividend by the Transferee Company in respect of its financial year after the Transfer Date, in accordance with the Act.
 - c. The Transferor Company shall not issue or allot any Rights Shares or Bonus Shares out of its Authorised un-issued Share Capital after the Transfer Date without the prior written consent of the Transferee Company.
20. **APPLICATIONS TO THE HIGH COURT**
The Transferor Company and the Transferee Company hereto shall, with all reasonable despatch, make applications / petitions under Sections 391 and 394 of the Act to the High Court of Andhra Pradesh, for sanctioning the Scheme and for dissolution of the Transferor Company without winding up.
21. **MODIFICATIONS / AMENDMENTS TO THE SCHEME**
 - a. The Transferor Company by its Directors and the Transferee Company by its Directors or Secretary may assent to any modification or amendment to the scheme or agree to any terms and or conditions which the Court and or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.
 - b. For the purpose of giving effect to the Scheme or to any modification thereof, the Board of Directors of the Transferor and the Transferee Company are hereby authorised to give such directions and or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.
22. **SCHEME CONDITIONAL ON APPROVALS / SANCTIONS**
The Scheme is conditional upon and subject to:
 - a. the approval of the Scheme by the requisite majorities of the shareholders of the Transferor Company and of the

shareholders of the Transferee Company and such other approvals as may be required.

- b. approval of the Scheme from the Secured Creditors of the Transferor Company and of the Transferee Company including the public financial institutions and banks.
- c. the requisite resolution(s) under the applicable provisions of the Act being passed by the Shareholders of the Transferee Company for any of the matters provided for or relating to the Scheme including approval to the issue and allotment of Equity Shares in the Transferee Company to the shareholders of the Transferor Company, as may be necessary or desirable.
- d. the sanction of the High Court of Judicature of Andhra Pradesh at Hyderabad, under Section 391 and 394 of the Act, in favour of the Transferor Company and the Transferee Company and the necessary Order or Orders under Section 394 of the Act, being obtained.
- e. the Scheme being fully effective in accordance with Section 391 to 394 of the Act after the necessary forms are filed with the Registrar of Companies, Andhra Pradesh in accordance with the Act, within the requisite time.
- f. any other sanction or approval of the Appropriate Authorities concerned, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.

23. EFFECT OF NON RECEIPT OF APPROVALS / SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and / or the Scheme not being sanctioned by the High Court and / or the Order or Orders not being passed as aforesaid, as may be agreed upon between the Transferor Company and the Transferee Company through their respective Board of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and / or in connection with the Scheme.

24. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing / completing the terms and provisions of the Scheme and or incidental to the completion of amalgamation of the said Undertaking of the Transferor Company including fee of whatsoever nature payable to the Registrar of Companies, Andhra Pradesh, Hyderabad, in pursuance of the Scheme shall be borne by the respective companies.

25. The Transferor Company shall stand dissolved on the Scheme being approved by the High Court of Andhra Pradesh without going through the process of Winding Up.
26. The Scheme does not violate any of the provisions of the Securities Laws or the provisions of the Listing Agreement with Stock Exchanges.
27. The Transferor Company and the Transferee Company shall have liberty to apply to the Honourable High Court of Andhra Pradesh for necessary direction to remove difficulties if any, in implementing the Scheme.
28. a. The Directors of the Transferee Company have no interest in the Scheme except as Shareholders in general, the extent of which will appear from the Register of Directors' Shareholdings maintained by the Transferee Company, which is as follows :

Sl. No.	Name	No. of Shares held in Transferee Company (NFCL)	No. of Shares held in Transferor Company (NPIL)
1.	Shri K S Raju	28,700	- NIL -
2.	Field Marshal Sam Manekshaw	13,000	- NIL -
3.	Shri R S Nanda	10,200	- NIL -
4.	Shri K Rahul Raju	13,22,388	10
5.	Shri R Krishnan	2,600	- NIL -
6.	Shri P P Singh	-NIL-	-NIL-
7.	Shri R Satyamurthi	-NIL-	-NIL-
8.	Dr. NCB Nath	-NIL-	-NIL-
9.	Shri M P Radha Krishnan	-NIL-	-NIL-
10.	Shri Ashok Chopra	-NIL-	-NIL-
11.	Shri Chandra Pal Singh Yadav	-NIL-	-NIL-
12.	Shri VN Rai (Alternate to Shri Chandra Pal Singh Yadav)	-NIL-	-NIL-
13.	Shri S R Rama Krishnan	-NIL-	-NIL-
14.	Shri Jainder Singh	-NIL-	-NIL-
15.	Shri K M Jaya Rao	-NIL-	-NIL-
16.	Shri R K Chavali	-NIL-	-NIL-

- b. There are no Directors common on the Board of the Transferee Company and the Transferor Company.
 - c. None of the Directors of the Transferee Company have any interest in the Scheme except to the extent of the shares held by the Directors of the Transferee company, either in the Transferee Company or Transferor Company or both, as indicated above.
29. The following documents will be open for inspection at the Registered Office of the Transferee Company between 10.00 a.m. and 4.00 p.m. on any working day from the 26th day of November, 2004 to 23rd day of December, 2004.
1. The Memorandum and Articles of Association of Nagarjuna Fertilizers and Chemicals Limited.
 2. The Memorandum and Articles of Association of Nagarjuna Palma India Limited
 3. The Balance Sheet and Profit & Loss Account of Nagarjuna Fertilizers and Chemicals Limited for the year ended March 31, 2004 and Half Year ended September 30, 2004.
 4. The Balance Sheet and Profit & Loss Account of Nagarjuna Palma India Limited for the year ended March 31, 2004 and Half Year ended September 30, 2004.
 5. Certified copy of the Order dated November 19, 2004 passed by the High Court of Judicature at Hyderabad in Company Application No. 2334 of 2004.
 6. The joint valuation report dated October 09, 2004 By Deloitte Haskins & Sells, Chartered Accountants, Hyderabad and M/s M Bhaskara Rao & Co., Chartered Accountants, Hyderabad.
 7. Letter of The Stock Exchange, Mumbai, according their No Objection to the Scheme of Amalgamation.

Dated this 19th day of November, 2004

Chairman appointed for the meeting

**Disclosures to the shareholders for mergers and amalgamation through Scheme of Arrangement under
Section 391 to 394 of the Companies Act, 1956 as prescribed by SEBI-**

S.No	Details of the Companies	Transferor Company (Nagarjuna Palma India Limited)	Transferee Company (Nagarjuna Fertilizers And Chemicals Limited)																																																																		
1	Names and Registered Office of the Companies	Nagarjuna Palma India Limited Nagarjuna Hills, Punjagutta, Hyderabad - 500 082	Nagarjuna Fertilizers And Chemicals Limited Nagarjuna Hills, Punjagutta, Hyderabad - 500 082																																																																		
2	The Extent to /manner in which the companies are related to each other	Nagarjuna Fertilizers and Chemicals Limited promoted the company by way of a joint venture for a host of micro irrigation needs of the Indian farming community. Nagarjuna Fertilizers and Chemicals Limited is holding 71.05% of the paid up equity share capital of the company and is a subsidiary of the Nagarjuna Fertilizers and Chemicals Limited within the meaning of Section 4 of the Companies Act, 1956	Nagarjuna Fertilizers and Chemicals Limited was promoted by Nagarjuna Holdings Private Limited to undertake the manufacture of Urea. The company is holding 71.05% of the paid up equity share capital of Nagarjuna Palma India Limited and is the Holding Company of Nagarjuna Palma India Limited within the meaning of Section 4 of the Companies Act, 1956.																																																																		
3	Capital Structure of the Companies-	Authorised Share Capital- Rs.14, 00,00,000/-(Rupees Fourteen Crores Only) divided into 1,40,00,000 (One Crore Forty Lakhs Only) Equity shares of Rs.10/- each. Issued Share Capital Rs.13, 95,15,350/-(Rupees Thirteen Crores Ninety-Five Lakhs Fifteen Thousand and Three Fifty Only) divided into 1,39,51,535(One Crore Thirty-Nine Lakhs Fifty One Thousand Five Hundred and Thirty Five Only) Equity shares of Rs.10/- each. Subscribed and Paidup Share Capital Rs.13, 95,15,350/-(Rupees Thirteen Crores Ninety-Five Lakhs Fifteen Thousand and Three Fifty Only) divided into 1,39,51,535(One Crore Thirty-Nine Lakhs Fifty One Thousand Five Hundred and Thirty Five Only) Equity shares of Rs.10/- each.	Authorised Share Capital- The Authorised Share Capital of the Company is Rs.800,00,00,000/- (Rupees Eight Hundred Crores Only) comprising 60,00,00,000 (Sixty Crores Only) Equity shares of Rs10/- each and 2,00,00,000(Two Crores Only) Preference Shares of Rs.100/- each. Issued Share Capital Rs. 419,72,50,620 (Rupees Four Hundred and Nineteen Crores Seventy Two Lakhs Fifty Thousand Six Hundred and Twenty Only) divided into 41,97,25,062 (Forty One Crores Ninety Seven Lakhs Twenty Five Thousand Sixty Two Only) Equity Shares of Rs.10/- each. Subscribed and Paidup Share Capital Rs.417,02,05,930 (Rupees Four Hundred Seventeen Crores Two Lakhs Five Thousand Nine Hundred and Thirty Only) divided into 41,70,20,593(Forty One Crores Seventy Lakhs Twenty Thousand Five Hundred and Ninety Three Only) Equity Shares of Rs.10/- each. An amount of Rs.41.27 lakhs is in arrears towards Call money. The paid up share capital therefore is Rs.416,60,79,000/-																																																																		
4	Share holding pattern clearly indicating the shares held by the promoters and by persons other than promoters	Distribution of Shareholding as on October 01,2004 <table><tr><th>Category</th><th>No. of Shares held</th><th>%</th></tr><tr><td>A. Promoter's Holding (NFCL)</td><td>99,12,815</td><td>71.0517</td></tr><tr><td>B. Non-Promoters</td><td>-</td><td>-</td></tr><tr><td>C. Others</td><td>-</td><td>-</td></tr><tr><td>a. Bodies Corporate</td><td>40,38,660</td><td>28.9477</td></tr><tr><td>b. Any other (individuals)</td><td>60</td><td>0.00043</td></tr></table>	Category	No. of Shares held	%	A. Promoter's Holding (NFCL)	99,12,815	71.0517	B. Non-Promoters	-	-	C. Others	-	-	a. Bodies Corporate	40,38,660	28.9477	b. Any other (individuals)	60	0.00043	Distribution of Shareholding as on October 01,2004 <table><tr><th>Category</th><th>No. of Shares held</th><th>%</th></tr><tr><td colspan="3">Promoters Holding :</td></tr><tr><td>Indian Promoters</td><td>14,90,06,846</td><td></td></tr><tr><td>Foreign Promoters</td><td>40,00,000</td><td></td></tr><tr><td>Sub Total</td><td>15,30,06,846</td><td>36.69</td></tr><tr><td colspan="3">Non-Promoter Holding :</td></tr><tr><td>Mutual Funds and UTI-</td><td>1,03,84,267</td><td></td></tr><tr><td>Banks, FIS, Insurance Cos.-</td><td>5,07,60,002</td><td></td></tr><tr><td>Foreign Institutional Investors -</td><td>2,93,950</td><td></td></tr><tr><td>Sub Total</td><td>6,14,38,219</td><td>14.73</td></tr><tr><td colspan="3">Others :</td></tr><tr><td>Private Corporate Bodies</td><td>3,25,55,747</td><td></td></tr><tr><td>Indian Public</td><td>16,64,72,727</td><td></td></tr><tr><td>NRIs / OCBs</td><td>35,47,054</td><td></td></tr><tr><td>Sub Total</td><td>20,25,75,528</td><td>48.57</td></tr><tr><td>Grand Total</td><td>41,70,20,593</td><td></td></tr></table>	Category	No. of Shares held	%	Promoters Holding :			Indian Promoters	14,90,06,846		Foreign Promoters	40,00,000		Sub Total	15,30,06,846	36.69	Non-Promoter Holding :			Mutual Funds and UTI-	1,03,84,267		Banks, FIS, Insurance Cos.-	5,07,60,002		Foreign Institutional Investors -	2,93,950		Sub Total	6,14,38,219	14.73	Others :			Private Corporate Bodies	3,25,55,747		Indian Public	16,64,72,727		NRIs / OCBs	35,47,054		Sub Total	20,25,75,528	48.57	Grand Total	41,70,20,593	
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S.No	Details of the Companies	Transferor Company (Nagarjuna Palma India Limited)	Transferee Company (Nagarjuna Fertilizers And Chemicals Limited)
5	Line of Business	Manufacture, sale and installation of drip and Extruded Irrigation Systems, Fertilization, tissue culture, food processing	Production of Urea and marketing of Urea and other Fertilizers and pesticides.
6	Dates of Agreement, if any, with the other companies which are parties to the scheme or arrangement	There are no agreements entered with respect to the scheme of the merger.	There are no agreements entered with respect to the scheme of the merger.
7	Names and Profile of the promoters and Directors – viz age, educational qualifications, experience, personal addresses and etc., of the companies	<p>A. Names and Profiles of the Promoters</p> <p>Nagarjuna Palma India Limited, was promoted by Nagarjuna Fertilizers and Chemicals Limited as a joint venture company.</p> <p>Nagarjuna Fertilizers and Chemicals Limited (NFCL) is a public limited company, incorporated under the Companies Act, 1956, on January 28, 1976, having fertilizer plants at Kakinada, Andhra Pradesh, with Registered Office at Nagarjuna Hills, Hyderabad-500 082.</p> <p>NFCL commenced commercial production of Urea from its Plant-I in August 1992. The installed capacity of the plant is 900 tpd of ammonia and 1,500 tpd of urea (2,97,000 tonnes of ammonia and 4,95,000 tonnes of urea per annum).</p> <p>Subsequently, in the year 1998 the Company has set up a second plant to produce 900 tonnes of ammonia and 1500 tonnes of urea per day (2,97,000 tonnes of ammonia and 4,95,000 tonnes of urea per annum).</p> <p>NFCL has an authorised share capital of Rs.800 crores and a paid share capital of Rs.416.61 crores. The shares of NFCL are listed on The Stock Exchange, Mumbai and the National Stock Exchange, Mumbai.</p> <p>B. Names and Profiles of the Directors-</p> <p>Shri R.Venkatrama Raju - 62 years, Plot No. 40, Nagarjuna Hills, Punjabgutta, Hyderabad-500082</p> <p>Shri R.Venkatrama Raju served as Director for Nagarjuna Steels Limited for several years.</p> <p>Shri Mahesh Chandra Goel - 49 years, G-7, Vora Towers, Main Yusufguda Road, Near KK Towers, Hyderabad.</p> <p>Shri Mahesh Chandra Goel is B.Sc Ag & Ah, Spl. C. Production Technology, M.A. Economics, PGDBA and Worked for Aditya Vikram Birla Group for 17 and 1/2 years.</p>	<p>A. Names and Profiles of the Promoters</p> <p>Nagarjuna Fertilizers and Chemicals Limited, is a public Limited Company incorporated under the Companies Act, 1956 promoted by Nagarjuna Group consisting of Nagarjuna Holdings Private Limited and other investment companies along with the Co-promoters - Government of Andhra Pradesh, KRIBHCO and its Foreign Promoters & Technology supplier Snamprogetti, SpA.</p> <p>B. Names and Profiles of the Directors-</p> <p>Field Marshal Sam Manekshaw - 90 years - 'Stavka', Spring Field, Coonor, The Nilgiris, Tamil Nadu - 643 101</p> <p>Shri K S Raju - 54 years - B.E.(Mech.) - He has been associated with the Company since 1985 in various capacities. He has been the Managing Director of the Company since 1993. He has over 26 years of experience. - 'Digvijayam', Plot No. 933A, Road No. 47, Jubilee Hills, Hyderabad - 500 033</p> <p>Shri P P Singh - 63 years - F.I.E. (Fellow of Institute of Engineers, India) - Has 41 years of experience and expertise for Project Management and operation of fertilizer plants, was formerly Managing Director of KRIBHCO.- Plot No. 871, Road No. 45, Jubilee Hills, Hyderabad - 500 034</p> <p>Shri R Sathyamurthi - 57 years- Nominee of IDBI, has over 30 years of experience in the Banking Sector - 204 - A, Jolly Maker Apartment No.1, Cuffe Parade, Mumbai - 400 005</p>

S.No	Details of the Companies	Transferor Company (Nagarjuna Palma India Limited)	Transferee Company (Nagarjuna Fertilizers And Chemicals Limited)
		<p>Shri D.Srinath Raju - 46 years, 104, Nagarjuna Residency, Plot No. 2 & 3, Rajeev Nagar, Hyderabad-500045.</p> <p>Shri D.Srinath Raju graduated in Commerce and served for more than twenty years in Nagarjuna Group.</p>	<p>Dr. NCB Nath - 74 years - Ph. D (Eco.) - is a well known Economist and Management Consultant and has over 51 years of experience - 11, Prime Street, Richmond Road, Bangalore - 560 025</p> <p>Shri M P Radhakrishnan - 65 years - B.Com, LLB, CAIIB -has over 41 years of experience in the Banking Sector and was retired as Chairman of SBI - 'Panchavati', Kajura Gardens, First Street, East Coast Road, Neelankarai, Chennai - 600 041</p> <p>Shri Ashok Chopra - 44 years - B. Tech (Chem. Engg.), P G Dip. in Busi. Mgmt - Nominee of Snamprogetti S.p.A., has over 19 years of experience and is currently the Country Manager of Snamprogetti S.p.A. - Hotel Meridien Commercial Tower, 9th Floor, 8-Windsor Place, New Delhi - 110 001.</p> <p>Shri Chandra Pal Singh Yadav - 45 years - M. Sc., B.Ed., LLB -Nominee of KRIBHCO, has over 16 years of experience and is currently the Chairman of KRIBHCO - No. 466, Marihganj, Sipri Bazar, Jhansi, Uttar Pradesh.</p> <p>Shri V N Rai (Alternate Director to Shri Chandra Pal Singh Yadav) - 58 years - B. Tech (Honours) Mech. Engg., PGDM (Indl. Relations, Pers. Mgmt), AIMA Diploma in Mgmt - D - 88, Sector - 26 NOIDA - 201 301, Dist. Gautam Budh Nagar, U.P.</p> <p>Shri R Krishnan - 78 years - B.E., M.I.E. -Has over 53 years of experience in the Fertilizer Industry and was formerly Executive Director of IFFCO and Development Consultants Limited- 4 C, May Flower Royale, 21, Bhashyakar Street, R S Puram, Coimbatore - 641 002</p> <p>Shri S R Ramakrishnan - 69 years - B.E. (Mech.) Hons. - Has over 46 years of experience and was formerly the Managing Director of Bokaro Steel Plant, SAIL - 1005, Nanda Block, Kaushambi Apartments, Shahibabad - 201 010</p> <p>Shri K Rahul Raju - 28 years - B. Com (Hons.) - Has over 7 years of experience - Plot NO. 1176, Road No. 56, Jubilee Hills, Hyderabad - 500 033.</p> <p>Shri Jainder Singh - 55 years - M.A. English Literature - Nominee of Government of Andhra Pradesh, has over 30 years of experience in Indian Administrative Service since 1972. - BH-2/3, Officers Colony, Road No.10, Banjara Hills, Hyderabad - 500 034</p> <p>Shri K M Jaya Rao - 48 years - Nominee of ICICI and is currently the General Manager of ICICI - Flat No.402, ICICI Apartments, Near Kirti College, Dadar (W) Mumbai - 28</p> <p>Shri R K Chavali - 55 years - Nominee of IFCI, has over 30 years of experience- Flat No.B-2/33,34 Mayuri Apartments, Mayuri Marg, Begumpet, Hyderabad</p> <p>Shri R S Nanda - 60 years - B.Sc. Engg. (Mechanical)-Has over 35 years of experience and was formerly the Managing Director of Cormondel Fertilizers Ltd.- H.No.140, 'Sheesh Mahal', Road No.47, Banjara Hills, Hyderabad - 500 032</p>

S.No	Details of the Companies	Transferor Company (Nagarjuna Palma India Limited)	Transferee Company (Nagarjuna Fertilizers And Chemicals Limited)
8	Names of Subsidiary/ Group Companies and Companies with which the promoters of the resultant company are associated	- Not Applicable -	Subsidiary Companies- <ol style="list-style-type: none"> 1. Jai Prakash Engineering and Steel Company Limited 2. Nagarjuna Oil Corporation Limited 3. Nagarjuna Power Corporation Limited 4. Nagarjuna Palma India Limited Group Companies- <ol style="list-style-type: none"> 1. Nagarjuna Agriculture Research and Development Institute(NARDI) 2. Nagarjuna Corporation Limited 3. Nagarjuna Foundation 4. Ikisan Limited 5. KVK Raju International Leadership Academy
9	Indicate whether there would be a change in control in the resultant company vis-a- vis the issuing company	No change will result in the control or management in the resultant company.	No change will result in the control or management in the resultant company.
10	Capital Structure and Share holding pattern, before (of issuing company) the proposed scheme of arrangement, and the management's views on the change in the public holding on how it would affect the shareholders at large	<p>— Not Applicable—</p> <p>as NPIL, a subsidiary of NFCL, is merging with NFCL, the issuing company and the resultant company would be one and the same i.e., the Transferee Company, NFCL</p>	<p><u>A) Capital Structure before the proposed Arrangement</u></p> <p><u>Authorised Share Capital-</u></p> <p>The Authorised Share Capital of the Company is Rs.800,00,00,000/- (Rupees Eight Hundred Crores Only) comprising 60,00,00,000 (Sixty Crores Only) Equity shares of Rs10/- each and 2,00,00,000(Two Crores Only) Preference Shares of Rs.100/- each.</p> <p><u>Issued Share Capital</u></p> <p>Rs. 419,72,50,620 (Rupees Four Hundred and Nineteen Crores Seventy Two Lakhs Fifty Thousand Six Hundred and Twenty Only) divided into 41,97,25,062 (Forty One Crores Ninety Seven Lakhs Twenty Five Thousand Sixty Two Only) Equity Shares of Rs.10/- each.</p>

S.No	Details of the Companies	Transferor Company (Nagarjuna Palma India Limited)	Transferee Company (Nagarjuna Fertilizers And Chemicals Limited)																																																
			<p><u>Subscribed and Paidup Share Capital</u></p> <p>Rs.417,02,05,930 (Rupees Four Hundred Seventeen Crores Two Lakhs Five thousand Nine Hundred and Thirty Only) divided into 41,70,20,593(Forty One Crores Seventy Lakhs, Twenty Thousand Five Hundred and Ninety Three Only) Equity Shares of Rs.10/- each. An amount of Rs.41.27 lakhs is in arrears towards Call money. The paid up share capital therefore is Rs.416,60,79,000/-</p> <p><u>B) Distribution of Shareholding before the proposed Scheme of arrangement—</u></p> <table><tr><th><u>Category</u></th><th><u>No. of Shares held</u></th><th><u>%</u></th></tr><tr><td colspan="3">Promoters Holding :</td></tr><tr><td>Indian Promoters</td><td>- 14,90,06,846</td><td></td></tr><tr><td>Foreign Promoters</td><td>- <u>40,00,000</u></td><td></td></tr><tr><td>Sub Total</td><td>- <u>15,30,06,846</u></td><td>36.69</td></tr><tr><td colspan="3">Non-Promoter Holding :</td></tr><tr><td>Mutual Funds and UTI</td><td>- 1,03,84,267</td><td></td></tr><tr><td>Banks, RS, Insurance Cos.</td><td>- 5,07,60,002</td><td></td></tr><tr><td>Foreign Institutional Investors</td><td>- <u>2,93,950</u></td><td></td></tr><tr><td>Sub Total</td><td>- <u>6,14,38,219</u></td><td>14.73</td></tr><tr><td colspan="3">Others :</td></tr><tr><td>Private Corporate Bodies</td><td>- 3,25,55,747</td><td></td></tr><tr><td>Indian Public</td><td>- 16,64,72,727</td><td></td></tr><tr><td>NRIs / OCBs</td><td>- <u>35,47,054</u></td><td></td></tr><tr><td>Sub Total</td><td>- <u>20,25,75,528</u></td><td>48.57</td></tr><tr><td>Grand Total</td><td>- 41,70,20,593</td><td>100.00</td></tr></table> <p><u>C) Capital Structure after the Scheme of arrangement -</u></p> <p><u>Authorised Share Capital:-</u></p> <p>The Authorised Share Capital of the Company is Rs.800,00,00,000/- (Rupees Eight Hundred Crores Only) comprising 60,00,00,000 (Sixty Crores Only) Equity shares of Rs10/- each and 2,00,00,000(Two Crores Only) Preference Shares of Rs.100/- each.</p> <p><u>Issued Share Capital</u></p> <p>Rs. 430,88,62,900 (Rupees Four Hundred and Thirty Crores, Eighty Eight Lakhs, Sixty Two Thousand, Nine Hundred Only) divided into 43,08,86,290 (Forty Three Crores Eight Lakhs Eighty Six Thousand Two Hundred and Ninety Only) Equity Shares of Rs.10/- each.</p> <p>* Rs. 37,20,37,200/- (Rupees Thirty Seven Crores, Twenty Lakhs, Thirty Seven Thousands and Two Hundred Only), divided into 37,20,372 (Thirty Seven Lakhs, Twenty Thousand, Three Hundred and Seventy Two Only) Preference Shares of Rs. 100/- each.</p>	<u>Category</u>	<u>No. of Shares held</u>	<u>%</u>	Promoters Holding :			Indian Promoters	- 14,90,06,846		Foreign Promoters	- <u>40,00,000</u>		Sub Total	- <u>15,30,06,846</u>	36.69	Non-Promoter Holding :			Mutual Funds and UTI	- 1,03,84,267		Banks, RS, Insurance Cos.	- 5,07,60,002		Foreign Institutional Investors	- <u>2,93,950</u>		Sub Total	- <u>6,14,38,219</u>	14.73	Others :			Private Corporate Bodies	- 3,25,55,747		Indian Public	- 16,64,72,727		NRIs / OCBs	- <u>35,47,054</u>		Sub Total	- <u>20,25,75,528</u>	48.57	Grand Total	- 41,70,20,593	100.00
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			<p>Subscribed and Paidup Share Capital Rs. 428,18,18,210, (Rupees Four Hundred and Twenty Eight Crores, Eighteen Lakhs, Eighteen Thousand, Two Hundred and Ten Only) divided into 42,81,81,821 (Forty Two Crores Eighty One Lakhs, Eighty One Thousand, Eight Hundred and Twenty One Only) Equity Shares of Rs. 10/- each. An amount of Rs. 41.27 lakhs is in arrears towards Call money! The paid up share capital therefore will be Rs. 427,76,91,210/-</p> <p>* Rs. 37,20,37,200/- (Rupees Thirty Seven Crores, Twenty Lakhs, Thirty Seven Thousands and Two Hundred Only), divided into 37,20,372 (Thirty Seven Lakhs, Twenty Thousand, Three Hundred and Seventy Two Only) Preference Shares of Rs. 100/- each.</p> <p>* Issued pursuant to the approval of the Corporate Debt Restructuring of the Company and are convertible into Equity Shares in the year 2016, in accordance with the Securities and Exchange Board of India Guidelines.</p> <p>D) Shareholding Pattern after the Scheme of arrangement-</p> <table><thead><tr><th>Category</th><th>No. of Shares held</th><th>%</th></tr></thead><tbody><tr><td>Promoters Holding :</td><td></td><td></td></tr><tr><td>Indian Promoters -</td><td>15,22,37,782</td><td></td></tr><tr><td>Foreign Promoters -</td><td><u>40,00,000</u></td><td></td></tr><tr><td>Sub Total -</td><td><u>15,62,37,782</u></td><td>36.49</td></tr><tr><td>Non-Promoter Holding :</td><td></td><td></td></tr><tr><td>Mutual Funds and UTI-</td><td>1,03,84,267</td><td></td></tr><tr><td>Banks, FIs, Insurance Cos. -</td><td>5,07,60,002</td><td></td></tr><tr><td>Foreign Institutional Investors-</td><td><u>2,93,950</u></td><td></td></tr><tr><td>Sub Total -</td><td><u>6,14,38,219</u></td><td>14.35</td></tr><tr><td>Others :</td><td></td><td></td></tr><tr><td>Private Corporate Bodies -</td><td>4,04,85,999</td><td></td></tr><tr><td>Indian Public -</td><td>16,64,72,767</td><td></td></tr><tr><td>NRIs / OCBs -</td><td><u>35,47,054</u></td><td></td></tr><tr><td>Sub Total -</td><td><u>21,05,05,820</u></td><td>49.16</td></tr><tr><td>Grand Total -</td><td><u>42,81,81,821</u></td><td>100.00</td></tr></tbody></table>	Category	No. of Shares held	%	Promoters Holding :			Indian Promoters -	15,22,37,782		Foreign Promoters -	<u>40,00,000</u>		Sub Total -	<u>15,62,37,782</u>	36.49	Non-Promoter Holding :			Mutual Funds and UTI-	1,03,84,267		Banks, FIs, Insurance Cos. -	5,07,60,002		Foreign Institutional Investors-	<u>2,93,950</u>		Sub Total -	<u>6,14,38,219</u>	14.35	Others :			Private Corporate Bodies -	4,04,85,999		Indian Public -	16,64,72,767		NRIs / OCBs -	<u>35,47,054</u>		Sub Total -	<u>21,05,05,820</u>	49.16	Grand Total -	<u>42,81,81,821</u>	100.00																		
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11	Audited financial Statement of the companies for the last three years including the latest audited financial statement (not more than six months old) and material development after balance sheet date (as per the format given in clause 41 of Listing Agreement)	<p>Audited Financial Statements A) For the period ending September 30, 2004.</p> <table><thead><tr><th></th><th>Rs. In Lakhs</th></tr></thead><tbody><tr><td>Total Income</td><td>446.70</td></tr><tr><td>Expenditure</td><td>398.89</td></tr><tr><td>Bad Debts Written Off</td><td>-</td></tr><tr><td>Provision for doubtful debts</td><td>-</td></tr><tr><td>Financial Charges</td><td>15.92</td></tr><tr><td>Profit/(Loss) before Depreciation</td><td>31.89</td></tr><tr><td>Depreciation & write off Misc. Exp.</td><td>29.04</td></tr><tr><td>Prior Period Adjustments</td><td>0.50</td></tr><tr><td>Profit/(Loss) before Tax</td><td>2.35</td></tr><tr><td>Provision for Tax</td><td>-</td></tr><tr><td>Profit / (Loss) after Tax</td><td>2.35</td></tr><tr><td>Profit / (Loss) b/f from previous year</td><td>(592.39)</td></tr><tr><td>Profit / (Loss) c/f to Balance Sheet</td><td>(590.03)</td></tr></tbody></table>		Rs. In Lakhs	Total Income	446.70	Expenditure	398.89	Bad Debts Written Off	-	Provision for doubtful debts	-	Financial Charges	15.92	Profit/(Loss) before Depreciation	31.89	Depreciation & write off Misc. Exp.	29.04	Prior Period Adjustments	0.50	Profit/(Loss) before Tax	2.35	Provision for Tax	-	Profit / (Loss) after Tax	2.35	Profit / (Loss) b/f from previous year	(592.39)	Profit / (Loss) c/f to Balance Sheet	(590.03)	<p>Audited Financial Statements A) For the period ending September 30, 2004.</p> <table><thead><tr><th></th><th>Rs. In Crores</th></tr></thead><tbody><tr><td>Net Sales/Income from operations</td><td>594.48</td></tr><tr><td>Other Income</td><td>10.98</td></tr><tr><td>Remission of Principal amount of loan</td><td>-</td></tr><tr><td>Total Expenditure</td><td></td></tr><tr><td>(Increase)/ Decrease in Stock</td><td>(3.20)</td></tr><tr><td>Consumption of Raw Materials</td><td>179.80</td></tr><tr><td>Staff Cost</td><td>14.48</td></tr><tr><td>Purchase-Traded products</td><td>22.58</td></tr><tr><td>Power and Fuel</td><td>142.37</td></tr><tr><td>Transport and Handling</td><td>41.14</td></tr><tr><td>Other Expenditure</td><td><u>50.62</u></td></tr><tr><td>Total</td><td>447.79</td></tr><tr><td>Interest</td><td>71.09</td></tr><tr><td>Depreciation</td><td>60.65</td></tr><tr><td>Profit/Loss before Tax</td><td>25.93</td></tr><tr><td>Provision for Tax(Current)</td><td>2.03</td></tr><tr><td>(Deferred)</td><td>(16.18)</td></tr><tr><td>Profit/Loss After Tax</td><td>7.72</td></tr></tbody></table>		Rs. In Crores	Net Sales/Income from operations	594.48	Other Income	10.98	Remission of Principal amount of loan	-	Total Expenditure		(Increase)/ Decrease in Stock	(3.20)	Consumption of Raw Materials	179.80	Staff Cost	14.48	Purchase-Traded products	22.58	Power and Fuel	142.37	Transport and Handling	41.14	Other Expenditure	<u>50.62</u>	Total	447.79	Interest	71.09	Depreciation	60.65	Profit/Loss before Tax	25.93	Provision for Tax(Current)	2.03	(Deferred)	(16.18)	Profit/Loss After Tax	7.72
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S.No	Details of the Companies	Transferor Company (Nagarjuna Palma India Limited)	Transferee Company (Nagarjuna Fertilizers And Chemicals Limited)
		B) For the year ended March 31, 2004 Rs. in Lakhs Total Income 921.05 Expenditure 819.40 Bad Debts Written Off 21.13 Provision for doubtful debts — Financial Charges 49.14 Profit/(Loss) before Depreciation 31.38 Depreciation & write off Misc. Exp. 56.78 Prior Period Adjustments 18.46 Profit/(Loss) before Tax (43.86) Provision for Tax 23 Profit / (Loss) after Tax (44.09) Profit / (Loss) b/f from previous year (548.30) Profit / (Loss) c/f to Balance Sheet (592.39)	B) For the year ended March 31, 2004 Rs. in Crores Net Sales/ Income from operations 1072.62 Other Income 33.89 Remission of Principal amount of loan 8.41 Total Expenditure (Increase)/ Decrease in Stock 117.69 Consumption of Raw Materials 231.35 Staff Cost 29.76 Purchase-Traded products 30.57 Power and Fuel 187.13 Transport and Handling 83.66 Other Expenditure 75.62 Total 755.78 Interest 255.74 Depreciation 121.64 Profit/Loss before Tax (18.24) Provision for Tax(Deferred) 35.68 Profit/Loss After Tax 17.44
		C) For the year ended March 31, 2003 Rs. in Lakhs Total Income 757.94 Expenditure 738.37 Write off Stocks and Debtors — Provision for Doubtful Debts 47.54 Financial Charges 54.39 Profit/Loss before Depreciation (82.36) Depreciation and write off Misc. Expenses 50.34 Profit/loss before Tax (132.70) Provision for Tax — Profit/Loss after Tax (132.70) Profit/Loss brought forward (415.59) Profit/Loss carried forward to Balance Sheet (548.29)	C) For the year ended March 31, 2003 Rs. in Crores Net Sales/ Income from operations 899.85 Other Income 16.42 RPS adjustments (151.20) Total Expenditure (Increase)/ Decrease in Stock (36.76) Consumption of Raw Materials 216.43 Staff Cost 29.10 Purchase-Traded products 43.71 Power and Fuel 128.51 Marketing, Operating and Adm. Expenses 168.64 Total 549.63 Interest 266.87 Depreciation 119.09 Profit before extra-ordinary items (170.52) Extra-ordinary items — Transfer from General Reserve — Provision for Tax Current Year — Previous Year — Deferred Tax 43.05 Profit/Loss After Tax (127.47)
		D) For the year ended March 31, 2002 Rs. in Lakhs Total Income 980.93 Expenditure 795.71 Write off Stocks and Debtors — Provision for Doubtful Debts 124.85 Financial Charges 54.82 Profit/Loss before Depreciation 5.54 Depreciation and write off Misc. Expenses 53.31 Profit/Loss before Tax (47.77) Provision for Tax — Profit/Loss after Tax (47.77) Profit/Loss brought forward from Previous year (367.82) Profit/Loss carried forward to Balance Sheet (415.59)	D) For the year ended March 31, 2002 Rs. in Crores Net Sales/ Income from operations 1043.68 Other Income 30.25 RPS adjustments 19.01 Total Expenditure (Increase)/ Decrease in Stock (0.30) Consumption of Raw Materials 232.00 Staff Cost 30.06 Purchase-Traded products 81.42 Power and Fuel 133.67 Marketing, Operating and Adm. Expenses 170.23 Total 647.08

S.No	Details of the Companies	Transferor Company (Nagarjuna Palma India Limited)	Transferee Company (Nagarjuna Fertilizers And Chemicals Limited)
			Interest 294.32 Depreciation 118.98 Profit before extra-ordinary items 32.55 Extra-ordinary items (7.83) Transfer from General Reserve 7.83 Provision for Tax Current Year (1.79) Previous Year (26.39) Deferred Tax 5.33 Profit/Loss After Tax 9.70
12	Basis of valuation	Valuation was done by M/s Deloitte Haskins & Sells, Chartered Accountants, Hyderabad and M/s. M Bhaskara Rao & Co., Chartered Accountants, Hyderabad. M/s Deloitte Haskins & Sells, Chartered Accountants, Hyderabad and M/s. M Bhaskara Rao & Co., Chartered Accountants, Hyderabad, have considered the 1. Asset Method and 2. Earnings Method to arrive at the Valuation.	Valuation was done by M/s Deloitte Haskins & Sells, Chartered Accountants, Hyderabad and M/s. M Bhaskara Rao & Co., Chartered Accountants, Hyderabad. M/s Deloitte Haskins & Sells, Chartered Accountants, Hyderabad and M/s. M Bhaskara Rao & Co., Chartered Accountants, Hyderabad, have considered the 1. Asset Method, 2. Earnings Method and 3. Market Value Method to arrive at the Valuation.
13	Nature of Consideration if any, payable/ receivable under the scheme	The Undertaking of the Transferor Company would be vested in the Transferee Company. The Transferee Company would in turn issue fully paid shares to the existing shareholders of the Transferor Company basing on the share exchange ratio approved by the Board of Directors of the Transferee and the Transferor Company.	The Undertaking of the Transferor Company would be vested in the Transferee Company. The Transferee Company would in turn issue fully paid shares to the existing shareholders of the Transferor Company basing on the share exchange ratio approved by the Board of Directors of the Transferee and the Transferor Company.
14	Mode of payment/receipt	Nagarjuna Fertilizers and Chemicals Limited will pay the shareholders of the Company by way of issue of fresh equity shares.	The Company will pay the shareholders of Nagarjuna Palma India Limited through issue of fresh equity shares.
15	Manner of surrender/receipt of shares or securities	The Share certificates shall be surrendered to NFCL by the shareholders of the Company and NFCL would credit to the Demat Account of the shareholder of the company, fully paid equity shares to be issued by NFCL	The Share certificates shall be surrendered to NFCL by the shareholders of NPIL and NFCL would credit to the Demat Account of the shareholder of NPIL, fully paid equity shares to be issued by NFCL
16	The time schedule within which the shares/ securities are to be surrendered/ received and payments to be made/ received	Within One Month from the date of the offer – pursuant to Section 395(1) of the Companies Act, 1956.	Within One Month from the date of the offer – pursuant to Section 395(1) of the Companies Act, 1956.
17	Tentative date by which the scheme would become effective under the provisions of the Companies Act etc.,	The Scheme would be effective after all statutory approvals are obtained which is expected to be received before April 01, 2005.	The Scheme would be effective after all statutory approvals are obtained which is expected to be received before April 01, 2005.
18	Details of approvals obtained/ to be obtained/ sought from creditors, authorities like stock exchanges/ authorities under the Companies Act etc.,	1. Approval from Financial Institution 2. Approval from Shareholders of the Company 3. Approval from Honourable High Court of Andhra Pradesh	1. Approval from Financial Institutions 2. Approval from Shareholders of the Company 3. Approval from Honourable High Court of Andhra Pradesh

S.No	Details of the Companies	Transferor Company (Nagarjuna Palma India Limited)	Transferee Company (Nagarjuna Fertilizers And Chemicals Limited)
19	Details of Board Meeting when the proposal was considered/ approved	Board Meeting dated October 9, 2004	Board Meeting dated October 9, 2004
20	Any other details which deemed necessary for information to shareholders enabling them to make an informed decision about the proposed scheme, including those required under Section 393 of the Companies Act, 1956.	<p>The Amalgamation of the Transferor Company (Nagarjuna Palma India Limited), an unlisted subsidiary company of NFCL, with the Transferee Company (Nagarjuna Fertilizers and Chemicals Limited) is being carried with the objective of meeting the agricultural needs of the farming community.</p> <p>In view of the impetus being given to water management, growing awareness among the farming community, the large volume of business in the Sector, the Amalgamation will benefit both the Transferor and the Transferee Company.</p> <p>The Amalgamation further proposes to bring synergic benefits through the operational expertise of Transferor Company in Micro Irrigation and the marketing capabilities and excellent network built by the Transferee Company, in the Agricultural markets in India.</p>	<p>The Amalgamation of the Transferor Company (Nagarjuna Palma India Limited), an unlisted subsidiary company of NFCL, with the Transferee Company (Nagarjuna Fertilizers and Chemicals Limited) is being carried with the objective of meeting the agricultural needs of the farming community.</p> <p>In view of the impetus being given to water management, growing awareness among the farming community, the large volume of business in the Sector, the Amalgamation will benefit both the Transferor and the Transferee Company.</p> <p>The Amalgamation further proposes to bring synergic benefits through the operational expertise of Transferor Company in Micro Irrigation and the marketing capabilities and excellent network built by the Transferee Company, in the Agricultural markets in India.</p>

