



FACT

MINUTES OF THE 73rd ANNUAL GENERAL MEETING

Day/Date : Friday / 22-09-2017
Time : 11.00 AM
Venue : Udogamandal Club,
Udyogamandal

PRESENT

- A. 1 176 shareholders in person
2. 8 Shareholder in proxy
3. Shri R.S. Yadav
Section Officer
Department of Fertilizers,
Representing Government of India.
- B. 1. Shri S.K. Lohani
Chairman and Managing Director.
2. Shri Suresh Warior
Director (Finance)
3. Ms Alka Tiwari
Director
4. Dr. S. Murali
Director
5. Dr. Gangidi Manohar Reddy
Director
6. Shri S. Hariharan,
Partner, K. Varghese & Company
Statutory Auditors
8. Shri Sreekumar, Partner, SVJS Associates,
Company Secretaries - Secretarial Auditor
7. Shri M.C.Sajumon, Practising Company Secretary,
Kochi – Scrutinizer
9. Shri K.V.Balakrishnan,
Company Secretary.

I OPENING

Shri S.K. Lohai, Chairman and Managing Director, took the Chair. Company Secretary informed that the quorum is present.

After ascertaining the presence of the requisite quorum, the Chairman declared the 73rd Annual General Meeting of the Company open.

Company Secretary confirmed that the provisions of Companies Act 2013, Companies (Management & Administration) Rules 2014 and the provisions of SEBI Listing (Obligation and Disclosure Requirements) Regulation, 2015 and secretarial standards have been complied with in respect of calling, convening and conducting the meeting. All the statutory Registers and Reports are available for inspection.

II INTRODUCTION:

The Chairman extended a warm welcome to the members to the 73rd Annual General Meeting. Chairman requested the dignitaries on the dais to introduce themselves.

Shri S.K. Lohani, Chairman & Managing Director informed the members that due to certain unexpected and unavoidable reasons, Shri K.P.S. Nair, Chairman, Audit Committee of the Board is not able to attend the meeting.

The Chairman also informed that Shri Suresh Warior, Director (Finance) will reply to the queries of the shareholders, if any, relating to the accounts of the Company.

The Chairman further informed that due to certain unavoidable assignments, Shri U. Saravanan, Director (Technical), Prof. B. Vijayakumar, Independent Director and Dr. Jyoti Kaushal Sheth, Independent Director are also not attending the meeting.

III CHAIRMAN'S ADDRESS

Shri S.K. Lohani, Chairman and Managing Director addressed the gathering. In his address, he briefly explained the economic scenario and fertilizer industry scenario in the country and the performance and achievements of the company during the financial year 2016-17, constraints being faced by the Company, outlook for the year 2017-18 and the steps



taken for the sustained operation in the long run. The text of the Chairman's statement is **annexed**.

IV NOTICE CONVENING THE MEETING AND REPORT OF THE AUDITORS

The Company Secretary read out the Notice convening the meeting and presented the report of M/s K. Varghese & Co., Chartered Accountants, Statutory Auditors, on the accounts of the Company for the year ended 31st March 2017 and the comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act 2013. Company Secretary also presented the Secretarial Audit Report for the year 2016-17.

V ANNUAL ACCOUNTS

The Annual Accounts for the year 2016-17 was taken as read.

VI PRESENTATION OF ANNUAL ACCOUNTS

Chairman and Managing Director presented the financial statements for the year ended 31-3-2017 to the shareholders for consideration and approval & adoption. He invited the shareholders for their views on the annual accounts and requested that each member may take maximum 5 minutes to speak, in order to enable more members to participate in deliberation. The chairman also requested the members to confine their queries to the Annual Accounts, Directors' Report and the Agenda of the Annual General Meeting. Personal issues/grievances/ matters relating to policy, if any, may be taken up at other appropriate forum to save time for meaningful interaction on the agenda items.

The following shareholders took part in the deliberations:

- 1) Shri K.C. Mathew

Shri K.C. Mathew stated that the Annual Accounts of the Company for the financial year 2016-17 is not prepared in accordance with the provisions of the Companies Act, 2013 and the relevant accounting standards since the arrears payable to the employees relating to 1997 pay revision is not provided in the accounts. Hence the accounts do not show a true and fair view of the states of affairs of the company.



Shri K.C. Mathew opposed adoption of the financial statement of the company for the year 2016-17. He also requested the Chairman & Managing Director to release the pay revision arrears relating to 1997 pay revision.

2) Shri Philip Joseph

Shri Philip Joseph stated that the Annual Accounts of the company is not showing a true and fair view of the state of affairs of the company since the arrears due to the employees for the period 01-01-1997 to 30-06-2001 is not provided in the accounts. He opposed adoption of the Annual Financial Statement of the Company for the year 2015-16.

Shri Philip Joseph stated that the clarification given by the Company in the annual report on 1997 pay revision arrears is not correct. He also read out the judgement of the Hon'ble High Court of Kerala in the case relating to 1997 pay revision arrears.

3) Shri K.A. Varghese

Shri K.A. Varghese appreciated Chairman & Managing Director for his efforts for the turn around of the company.

He stated that the realization from the gypsum sale has reduced considerably during the financial year 2016-17 and steps should be taken for increase of revenue from sale of gypsum. He also stated that as compared to previous years, there is considerable increase in audit fee paid to Statutory Auditors.

VIII REPLIES

Shri S.K. Lohani, Chairman and Managing Director replied to various queries raised by the Shareholders. He informed the members that the company is taking active steps for increase in sale of gypsum.

The Chairman informed that the entire issue relating to 1997 pay revision arrears will be once again taken up at the meeting of the Board for deliberation. He requested the cooperation of all the stake holders for the successful turn around of the company.



IX RESOLUTIONS

Resolution No.1

To approve and adopt the Financial Statements as at 31st March, 2017 together with Reports of the Directors' and Auditors thereon.

C&MD proposed the following Resolution as an ordinary resolution:

(a) RESOLVED that the audited financial statements of the Company for the financial year ended 31st March 2017, and the Reports of the Board of Directors and Auditors thereon be and are hereby considered, approved and adopted.

(b) RESOLVED that the audited consolidated financial statements of the Company for the year ended 31st March, 2017 and the reports of the Auditors thereon be and are hereby considered, approved and adopted.

The Proposal was seconded by Shri R.S. Yadav, nominee of the Government of India for the 73rd AGM.

Resolution No.2

Remuneration to Statutory Auditors and Branch Auditors for the Financial Year 2017-18.

Shri A. Girish, a Shareholder, proposed the following Resolution as an ordinary resolution

RESOLVED that the Board of Directors of the Company be and is hereby authorized to fix remuneration of the Statutory Auditors and Branch Auditors appointed by the Comptroller and Auditor General of India for the financial year 2017-18.

Shri N.R. Das, a shareholder seconded the proposal.

Resolution No.3

Election of Dr. Gangidi Manohar Reddy, as a Director on the Board of Directors of the Company.

Shri N.R. Das, a shareholder proposed the following resolution as an ordinary resolution.



RESOLVED that pursuant to the provisions of Section 149, 152, 160 and all other applicable provisions of the Companies Act, 2013("Act") and the rules made there under read with Schedule IV to the Act, and Articles of Association of the company, Dr. Gangidi Manohar Reddy (DIN 07028036), H.No. 17-1-388/P/69, Laxmi Nagar Colony, Saidabad, Hyderabad who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby elected as a Director of the Company.

Shri Hendry Andrew Seemanthy, a shareholder, seconded the resolution.

Resolution No. 4

Election of Dr. Jyoti Kaushal Sheth, as a Director on the Board of Directors of the Company

Shri M.V. Danaseelan, a shareholder, proposed the following resolution as an Ordinary resolution.

RESOLVED that pursuant to the provisions of Section 149, 152, 160 and all other applicable provisions of the Companies Act, 2013("Act") and the rules made there under read with Schedule IV to the Act, and Articles of Association of the company, Dr. Jyoti Kaushal Sheth (DIN 07744339), Opp: Panigate Police Station, Haankhana Road, Vadodara, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby elected as a Director of the Company.

Smt. I.S. Girija, a shareholder, seconded the proposal.

Resolution No. 5

Election of Prof. B. Vijayakumar as a Director on the Board of Directors of the Company.

Smt. I.S. Girija, a Shareholder proposed the following Resolution as an ordinary resolution.

RESOLVED that pursuant to the provisions of Section 149, 152, 160 and all other applicable provisions of the Companies Act, 2013("Act") and the rules made there under read with Schedule IV to the Act, and Articles of Association of the company, Prof. B. Vijayakumar (DIN 07744346), 'Anagha', Chettikadavu Road, Chethimattom, Pala, Kottayam district, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby elected as a Director of the Company.



Smt. Geetha V. Menon, a shareholder, seconded the proposal.

Resolution No. 6

Election of Ms Alka Tiwari, as a Director on the Board of Directors of the Company

Smt. Geetha V. Menon, a shareholder, proposed the following resolution as an ordinary resolution.

RESOLVED that pursuant to the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013("Act") and the rules made there under read with Schedule IV to the Act, and Articles of Association of the company, Ms. Alka Tiwari, (DIN No. 06912948)), Joint Secretary, Department of Fertilisers, Govt. of India, Ministry of Chemicals & Fertilisers, New Delhi, be and is hereby elected as a Director of the Company.

Shri M.V. Danaseelan, a shareholder, seconded the proposal.

Resolution No. 7

Fixation of Remuneration of Cost Auditors

Shri Hendry Andrew Seemanthy, a shareholder, proposed the following resolution as an ordinary resolution.

RESOLVED that pursuant to the provisions of Section 148 and all other provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules 2014, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the company for the financial year 2017-18 be paid the remuneration of Rs.65,000/- plus out of pocket expenses (subject to a maximum of Rs.10,000/-).

Shri A. Girish, a shareholder seconded the resolution.

XI POLL

Chairman informed the members that the company has introduced e-voting and appointed Shri M.C. Sajumon, Practicing Company Secretary, Kochi, as Scrutinizer. The Ballot papers in the form prescribed under the Companies Act 2013 and Companies (Management & Administration) Rules 2014, have already been circulated. Blank Ballot papers are available with the Scrutinizer. The members may exercise their vote.



On conclusion of the voting, Chairman declared that the result of the poll will be announced as and when the report of the Scrutinizer is received. The same will be posted in the website of the Company www.fact.co.in

XII VOTE OF THANKS

The Chairman & Managing Director thanked the Shareholders once again for their active participation.

XIII CLOSURE

There being no other business, the Chairman declared the Meeting as closed at 1.00 P.M.

XIV POLL RESULTS

Based on the Scrutinizer's report, Shri D. Nandakumar, Director (Marketing), declared the results of the Poll, which is annexed to the minutes. The report of the Scrutinizer is attached and is forming part of the Minutes of the 73rd Annual General Meeting.

S.K. LOHANI
Chairman & Managing Director