

MADRAS FERTILIZERS LIMITED

Minutes of the 57th Annual General Meeting of the Company held on Monday, the September 25, 2023 at 11.00 a.m. at Taj Coramanadel, Nungambakkam Chennai thru Video Conference (VC)

Preliminaries

Shri R Ram Ganesh, Company Secretary, welcomed the Shareholders and Panellists to the 57th Annual General Meeting (AGM) of the Company on behalf of the Management of Madras Fertilizers Limited.

It was noted that totally 51 Members attended the meeting thru VC / OAVM as per the attendance records and Company Secretary, after ascertaining the quorum as per section 103 of the Companies Act, 2013 requested the Chairman and Managing Director of the Company to commence the proceedings of the meeting.

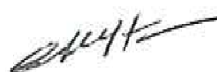
Shri Kishor Rungta, Chairman & Managing Director a/c addressed the meeting.

I. Notice

CMD informed the Members that the Notice dated September 1, 2023 convening the 57th Annual General Meeting of the Company was taken as read with their permission.

II. Chairman's Speech

CMD commenced his address by stating that the government has continued its focus on augmenting farmer income through various steps and has taken a number of initiatives for promoting balanced fertilization to accelerate agricultural growth.



Besides this, CMD also stated there have been efforts on the technological development in production processes that keep pace with the latest global production methods and environmental requirements.

CMD also stressed that there is a compelling need for alternate fertilizers which will have lesser wastage and reduced fertilizer usage while keeping the same or more yield. This opens up for new investment with better return while ensuring food security and that the Business diversification specifically the initiative taken for Trading of fertilizer products in the current year will definitely improve the bottom line of the company.

CMD informed the Shareholders that the Company has posted the highest ever Net Profit since inception of the Company that the Net profit for the year 2022-23 is ₹ 185.33 Cr. He also informed that the Company has reached another milestone that it has achieved profit for 3 consecutive years, which is a proud moment for the Shareholders of the Company. He informed that the revenue from operations of the Company has also been increased by around 50% (₹ 3447 Cr for the financial year 2022-23 as against ₹ 2302.16 Cr).

CMD highlighted the plant performance of the Company that the Company has produced 519800 MT of Neem Coated Urea which is the best annual production (previous best 503900 MT in the FY 2021-22), with the Capacity Utilisation of 106.8%. He also informed that the Annual Specific Energy Consumption of 7.584 GCal/MT of Urea and that the Quarterly Production of 146169 MT of Urea during Jan-Mar 2023 is the Second highest production since inception (previous best 146662 MT during Oct-Dec 2021)

He also informed that the monthly production of 51000 MT achieved during March 2023 is the best monthly production (Best 50662 MT in Dec 2021) and that at the close of Mar 31, 2023, 3276 days were completed without any lost time accident covering 11.01 million man-hours



With respect to Sales CMD informed that the Company has achieved an All Time Record sale of 5,29,879 MTs of Vijay Neem Coated Urea since revamping of Urea Plants which is 5% increase over previous year sale of 5,04,559 MTs and that the Company has sold 5,37,383 MTs of both NPK 20-20-0 and NC Urea during the year against the previous year sale of 5,30,812 MTs. CMD highlighted that the Company has achieved record movement of 5,37,117 MT which is the best in the last 10 years. W.r.t Vijay Neem CMD informed that the Company sold 157.42 KL which is the highest in the past 10 years and it is 38 % increase over previous year sale of 113.63 KL and Under "Basket Approach" MFL sold 7836 MTs of Vijay Organic which is the highest in the past 7 years and 15% increase over previous year sale of 6832 MTs.

CMD informed that in pursuance to the Prime Minister's Mission on empowering the Farmers vide Supportive Schemes & Education on farming techniques, MFL continues its service to the farmers through "Kisan Suvidha Kendra" at Gangavathy and Shimoga in Karnataka State. Farmer services like soil sample analysis and recommendation of fertilizer dosage based on soil test report, educating the farmers on weather, crop Insurance and other improved farm technologies were offered.

CMD also informed the shareholders that the Company had spent excess CSR funds in the previous years than what is envisaged under Section 135 of Companies Act 2013 and as per the applicable provisions of CSR we had got carried over benefits. Even then, your Company spent Rs. 10 lakhs this year as CSR for setting up for Scientific Museum in Bengaluru. Armed Funds, Flag Day and for welfare measures in Manali Police Station.

III. Company Secretary briefing the AGM proceedings

Company Secretary, before taking up the business contained in the Notice of the meeting, briefed the members about the structural changes that were brought out in the new Companies Act, 2013 w.e.f.01.04.2014 relating to the AGM proceedings.



Company Secretary informed that pursuant to changes in the Companies Act, 2013 and the Circulars issued by the Ministry of Corporate Affairs Circular due to the outbreak of COVID 19 pandemic, the 57th AGM of the Company is held thru Video Conference (VC). Accordingly, the 57th Annual Report of the Company for the financial year 2022-23 has been sent thru email and the remote e-voting facility provided to the shareholders thru NSDL platform commenced on September 22, 2023 (09.00 a.m.) and ended on September 24, 2023 (05.00 p.m.).

Company Secretary further informed that the shareholders who have not casted their votes during the remote voting period may exercise their votes during the AGM. Mr V Esaki, Practicing Company Secretary, who has been appointed as Scrutinizer, will be giving a report on the votes cast during the e-voting period on September 26, 2023. The results of the e-voting will be placed in the Company's website www.madrasfert.co.in and communicated to NSDL and NSE within 48 hours of completion of the AGM.

Company Secretary read out that the ordinary business and special business to be transacted in the meeting are set out in the Notice.

V. Queries raised by the Speaker Shareholders

Company Secretary requested the Shareholders who have registered as speakers, to join the meeting virtually and to raise their queries.

Out of 3 registered speakers, Company Secretary informed that only 1 speaker joined for the AGM.

Mr Redappa Gunduluru (DP ID 1201090017620840) thanked MFL Management for having given him an opportunity to join the AGM virtually as a speaker shareholder. He also appreciated the Secretarial department for the timely dispatch of Annual Report and mentioned that the Annual Report has come out in an attractive manner incorporating all the information in a



detailed manner. He appreciated the Management for the efforts taken for the continuous growth of the Company. He sought the future course of action for the coming years for the growth of the Company to the CMD.

VI. CMD's reply to the queries raised by the Speaker Shareholder

CMD informed that there is a compelling need for alternate fertilizers which will have lesser wastage and reduced fertilizer usage while keeping the same or more yield and this opens up for new investment with better return while ensuring food security. CMD also informed that Business diversification like Trading of fertilizer products will improve the bottom line of the company.

He also highlighted that the outlook for the fertilizer sector is positive on expectations of good monsoon and the underlying macros for the Indian fertilizer industry look promising.

VII. CONCLUSION

Dr K Jayachandran, Director Technical a/c addressed the Vote of Thanks and acknowledged all the Directors, President's Nominee Shri. M Subramanian, Members present, Auditors, Secretarial Auditor, Scrutinizer and shareholders for having virtually joined the AGM and CMD concluded the proceedings of AGM on 12.05 p.m.

VIII. VOTING RESULTS

The results of the e-voting were declared by the Scrutinizer on September 26, 2023 in respect of the Resolutions stated below:

Item No.1: Adoption of Financial Statements for the financial year ended March 31, 2023 along with the Reports of the Board of Directors and the Statutory Auditors



To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2023 and Statement of Profit & Loss (including other comprehensive income), Statement of Cash Flow, Statement of Changes in Equity, Notes comprising Significant Accounting Policies and other Explanatory information forming part of Financial Statements for the year ended on that date together with the Directors' Report and the Auditors' Report and the comments of the Comptroller and Auditor General of India and our replies thereon.

Item No.2 - To fix Remuneration of Statutory Auditors for the financial year 2023-24

To authorize the Board of Directors of the Company to fix the remuneration of Statutory Auditors of the Company for the Financial Year 2023-24 in terms of the provisions of Section 139(5) read with Section 142 of the Companies Act, 2013 and to consider and, if thought fit, to pass the following resolution as an ORDINARY resolution:

“RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to decide and fix the remuneration of the Statutory Auditors of the Company as appointed by the Comptroller & Auditor General of India for the Financial Year 2023-24.”

Item No.3 To elect Shri Kishor Rungta (DIN 00231106) as Chairman & Managing Director (Additional Charge) of the Company:

The Government of India as per Government Order notification No.84/3/2017-HR-I dated July 17, 2023 has appointed Shri Kishor Rungta (DIN 00231106) as Chairman & Managing Director (Additional Charge) of the Company effective from June 16 2023 or till regular incumbent joins the post or until further orders whichever is the earliest, subject to his CVC clearance and approval from DoPT (ACC)”. The Members may consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :



“RESOLVED THAT pursuant to the provisions of Sections 196 of Companies Act 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Articles of Association of the Company, Shri Kishor Rungta (DIN 00231106), be and is hereby appointed as the Chairman and Managing Director (Additional Charge) in the Board of Madras Fertilizers Limited as per Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India notification No.84/3/2017-HR-I dated July 17, 2023 with effect from June 16, 2023 or till regular incumbent joins the post or until further orders whichever is the earliest, subject to his CVC clearance and approval from DoPT (ACC)”

Item No: 4 To elect Shri Arvind Kumar (DIN 10117759) as a Director on the Board of Directors of the Company:

As per Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India notification F.No.95/1/2019-HR-PSU dated 10th February 2023 Shri Shri Arvind Kumar (DIN 10117759) was appointed the Government of India Nominee Director in the Board of Directors of the Company. The Members may consider and if thought fit, to pass, with or without modification, the following resolution as an ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 161 (1) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Articles of Association of the Company, Shri Arvind Kumar (DIN 10117759), who was appointed as a Director in the Board of Madras Fertilizers Limited as per Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India notification F.No.95/1/2019-HR-PSU with effect from February 10, 2023, until further orders, be and is hereby elected as a Director of the Company and shall hold office upto the date of the next AGM”.



Item No.5 - Appointment of Dr Jatin Kumar Mohanty, (DIN 02660442) as Director of the Company

To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161(1) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr Jatin Kumar Mohanty (DIN 02660442), who was appointed as Additional Director being designated as Non-official Independent Director in the Board of Madras Fertilizers Limited in its 330th Meeting of the Company held on 08th August 2023 as recommended by the Appointment Committee of the Cabinet vide O.M.NO.20/64/2022-EO(ACC) dated 31.05.2023 and Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India vide its notification F.No.78/2/2006-HR-PSU (pt III) with effect from the notification i.e. June 20, 2023 for a period of three years or until further orders, be and is hereby appointed as Director of the Company effective June 20, 2023 and not liable to retire by rotation”.

Item No.6 - Appointment of Cost Auditor:

To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary resolution:

“RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act 2013 read with Companies (Audit and Auditor) Rules 2014, Mrs. Aruna Prasad, (M No.11816), Practicing Cost Accountant, appointed by the Board in its 330th meeting held on 08th August 2023 as Cost Auditor to consider the cost audit of the Company for fertilizers for the financial year 2023-24 as per the



directions issued by the Central Government at a fee of ₹ 1,21,000/- plus taxes besides reimbursement of travelling and out of pocket expenses at actuals be and is hereby ratified.”

Item No.7 - Renewal of Working Capital Limits with Enhancement

As per Letter dated 05th January 2023, the State Bank of India has accorded sanction for renewal of working capital limits with enhancement in FBWC and NFBWC limits subject to the terms and conditions depicted as below.

Facility	Existing	Bank Sanctioned
FUND BASED		
Cash Credit	191.40	350.00
Total Fund Based	191.40	350.00
NON-FUND BASED		
Letter of Credit (LC)	310.00	395.00
Bank Guarantee	(150.00)	(150.00)
Credit Exposure Limit (CEL)	2.80	2.80
Total Non-Fund Based	312.80	397.80
Total Exposure	504.20	747.80

Vide the Letter referred above State Bank of India has imposed 4 special conditions wherein in they have directed the Company to pass Shareholders Resolution under Section 180 (1) (a) and Section 180 (1) (c) of Companies Act 2013 in compliance with the terms of sanction. The Members may consider and if thought fit, to pass, with or without modification, the following resolution as Special Resolution:

“RESOLVED THAT in terms of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, (including any amendments thereto or re-enactment thereof, for the time being in force) read with relevant Rules thereof and the provisions of the Articles of Association of the Company and subject to approval, if any, of Central Government, Reserve Bank of India, or any other regulatory bodies or authorities or quasi-judicial bodies, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (herein after referred to

as the "Board" which term shall be deemed to include the Management Sub Committee, to borrow from time to time in one or more tranches, any sum or sums or moneys from time to time for the purpose of the business of the Company, from any one or more banks, Indian and foreign financial institutions and other persons, firms, bodies corporate etc. notwithstanding that the money or moneys borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining outstanding at any point of time may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided however, that the total amount up to which the monies so borrowed by the Board and which shall remain outstanding at any given point of time shall not exceed Rs.747.80 Crores (Rupees seven hundred and forty seven crores and eighty lakhs only)."

"RESOLVED FURTHER THAT that for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to do all such acts, deeds, filings, matters and things and execute all such deeds, documents, instruments and writings as may be required, with powers to settle all questions, difficulties or doubts that may arise in this regard as the Board may in its sole and absolute discretion deem fit and delegate all or any of its powers herein conferred to the Chairman and Managing Director and General Manager- Finance & Accounts of the Company, if required, as it may in its absolute discretion deem it necessary or desirable."

All the above resolutions were passed with requisite majority.

The above results were communicated to NSE and NSDL on September 27, 2023 apart from hosting them in the website of the Company to facilitate the Members to know the voting results.

Place: Chennai
Date : 29.09.23


Kishor Rungta
Chairman & Managing Director (a/c)