



मद्रास फ़र्टिलाइज़र्स लिमिटेड Madras Fertilizers Limited

(भारत सरकार का उपक्रम / A Government of India Undertaking)

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CIN: L32201TN1966GO1005469 GSTIN - 33AAACM5198E1ZK



CS/NSE/2022/992
September 21, 2022

National Stock Exchange of India Ltd
Exchange Plaza 5th Floor,
Plot No.C/1, "G" Block
Bandra Kurla Complex
Bandra (E)
Mumbai – 400 051

SCRIP CODE : MADRASFERT

Dear Sir,

Sub : Chairman's Speech at the 56th Annual General Meeting of the Company

This is further to our letter CS/NSE/2022/981 dated August 26, 2022 wherein the Company had informed that the Annual General Meeting of the Company is scheduled to be held on Wednesday, September 21, 2022 thru Video Conference / Other Audio Video Means. We are enclosing herewith a copy of Chairman's Speech as delivered at the 56th AGM of the Company held today.

You are requested to take the above information on record.

Thanking you,

Very truly yours,


R RAM GANESH
Company Secretary

Encl : a/a

MADRAS FERTILIZERS LIMITED

56th Annual General Meeting thru VC/OAVM

21ST September 2022

CHAIRMAN'S SPEECH



Shri. U SARAVANAN
Chairman & Managing Director

Dear Shareholders,

It gives me immense pleasure to present the 56th Annual Report of MFL for the year 2021-22. The 56th Annual General Meeting of the Company is convened as a virtual meeting in compliance with the guidelines issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

It is an honour and satisfaction for me to address you and to share the performance highlights and achievements of your Company during the financial year 2021-22 and its future outlook.

Indian Agriculture Scenario

The agriculture sector has experienced significant growth in the past two years. This became possible due to good monsoon and various government measures taken especially the timely intervention in the form of Atma Nirbhar Bharat Abhiyan has helped agriculture sector to achieve an improved growth of 3.9% in 2021-22. The production and consumption of fertilizers in India is showing an increasing trend. The Government of India has brought various reforms and ensured that fertilizers are available at affordable prices to the farmers to increase agriculture productivity.

MFL's Performance at a glance

I am happy to inform you that your Company is committed to serve the Nation by providing essential fertilizers for the farming community. Your Company has posted a net profit after tax of ₹ 162.05 Cr during the financial year 2021.22. This is 56 times more than the profit after tax of Rs 2.87 Crore for the year 2020-21.

The revenue from operations of the Company has also been increased by around 50% (₹ 2302.16 Cr for the financial year 2021-22 as against ₹ 1532.79 Cr for the year 2020-21). Your company has achieved the net profit consecutively for two years.

I am happy to share some of the highlights of the performance of your Company during the fiscal 2021-22:

Plant Highlights

- Your company has produced **503900 MT** of Neem Coated Urea in the FY 2021-22 which is the best annual production achieved since inception (previous best was 486750 MT in the FY 2013-14). The Capacity Utilisation and the operating factor of your company in the FY 2021-22 was 103.5% and 101.6% respectively.
- Your company has achieved an Annual Specific Energy Consumption of **7.371 GCal/MT** of Urea in the FY 2021-22 which is the Lowest Specific Energy Consumption ever achieved since inception (Previous Best was 7.386 GCal/MT in the FY 2013-14).
- Your company has achieved the best Quarterly Production of **146662 MT** of Urea during Q3 of 2021-22 which is the highest production achieved since inception (Previous Best quarterly production was 144763 MT achieved during Q4 of 2011-12).
- Your company has achieved the best Quarterly Specific Energy Consumption of **6.989 GCal/MT** of Urea during Q3 of 2021-22 which is the Lowest Specific Energy Consumption achieved since inception (Previous Best was 7.057 GCal/MT during Q4 of 2011-12).
- Your company has achieved the best Monthly production of **50662 MT** in the month of Dec 2021 which is the Best monthly production since inception (The Best was 50650 MT achieved in Mar 2016).
- Your company has achieved the best Monthly Specific Energy Consumption of **6.839 GCal/MT** of Urea during Dec 2021 which is the Lowest Specific Energy Consumption since inception (Previous Best was 6.890 GCal/MT in Apr 2013).
- At the close of Mar 31, 2022, 2911 days were completed without any lost time accident covering 9.99 million man-hours (Previous best Achieved was 5.66 million man-hours).

Sales Highlights

- Your company has achieved an **All-Time Record** sale of 5,04,559 MTs of Vijay Neem Coated Urea since inception which is 5.2% increase over previous year sale of 4,79,402 MTs.
- Your company has sold 5,30,812 MTs of both NPK 17-17-17 and NC Urea during the year 2021-22 which is at par with the previous year sale of 5,31,270 MTs.
- Your company has achieved record movement of 5,28,255 MT of products which is the **second best in the last 8 years**.
- Sold 169.24 MT of Vijay Bio Fertilizers which is the **highest in the past 6 years and it is 8% increase** over previous year sale of 157.00 MT.
- Sold 113.63 KL of Vijay Neem which is the **highest in the past 8 years and it is 17% increase** over previous year sale of 96.67 KL.
- Under "Basket Approach" **MFL sold 6832 MTs** of Vijay Organic which is the **highest in the past 6 years and 35% increase** over previous year sale of 5046 MTs.
- In addition to Organic Manure, Under "Swachh Bharat Mission", **Marketing of City Compost**, a product from Municipality/Factory waste, has been undertaken and 6403 MTs was sold which is **66% increase** over previous year sale of 6403 MTs. With respect to City Compost sales, **MFL is the TOPPER in Tamil Nadu in this segment**.
- With respect to Market Development and Agro Service Programs, MFL's Marketing personnel have contacted 23744 farmers during the year and continuously imparted knowledge to farmers on use of eco-friendly products for soil health, soil fertility, Soil vitality and balanced fertilization (Integrated Nutrient Management). Method demonstrations and farmer seminars were organized in coordination with State/Central Agricultural extension departments.
- Marketing personnel had collected 4036 soil samples, got analyzed and communicated to the farmers about the micro & macro nutrient recommendations of various crops to farmers during the year.
- 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 and crop Insurance.

Corporate Social Responsibility (CSR)

Your company has helped the nearby poor community and health institutions by providing Rs. 10 lakh (0.10 Crs) worth items covering health and nutrient contents. As a responsible corporate entity, your company always stands in solidarity with society and extended all

possible assistance to the country. Your company has spent ₹ 0.39 Crs towards an installation of Oxygen Plant at Government Stanley Hospital, Chennai during the year 2021-22.

Thus, during the year 2021-22, the company has spent an expenditure of ₹ 0.49 Cr towards CSR activities.

Corporate Governance

Your company is committed to protect the interest of all Stakeholders such as Investors, Employees Customers, Suppliers, Bankers, the Central and State Governments and the community by ensuring transparency in all aspects of the Company affairs.

Your company is committed to comply with all directives and guidelines of Government and statutory authorities relating to corporate governance. The philosophy of the company in relation to Corporate Governance is to ensure transparency, disclosure and reporting that conforms to the provisions of Companies Act 2013, SEBI (LODR) Regulations 2015 and all other applicable laws, rules, regulations and guidelines.

Future Outlook

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. Business diversification like Trading of fertilizer products will improve the bottom line of the company.

The outlook for the fertilizer sector is positive on expectations of good monsoon. The underlying macros for the Indian fertilizer industry look promising. With surplus reservoir levels, forecasts for a good monsoon season, demand for the procurement of fertilizers seems also promising.

Acknowledgement

Before I conclude, on behalf of the Board of Directors I wish to convey my sincere regards and deep gratitude to the valued stakeholders for continued support and trust. You always have been the motivational force and have facilitated us to move ahead and achieve the excellent results despite the numerous challenges.

I hereby place on record my sincere thanks to the Board of Directors for their advice and support, all the employees of the Company for their dedicated efforts and unstinted support. I must also thank the various departments of Government of India, in particular, the Department of Fertilisers, Ministry of Chemicals and Fertilizers, Government of India, Government of Tamil Nadu, NICO, Financial Institutions, Banks, Depositors and all stakeholders for their support and co-operation.

Last but not the least, I extend my gratitude to the various Regulatory authorities, Company's valued customers, suppliers, vendors and investors for their consistent co-operation and trust.

My Best Wishes to all of you!

Thank you!
JAI HIND!

U SARAVANAN, B.Tech, MBA
Chairman & Managing Director