



नेशनल फर्टिलाइजर्स लिमिटेड

(भारत सरकार का उपक्रम)

कॉर्पोरेट कार्यालय : ए-11, सेक्टर-24, नोएडा - 201301

जिला गौतम बुद्ध नगर (उ.प्र.),

दूरभाष : 0120 2412294, 2412445, फ़ैक्स : 0120-2412397



NATIONAL FERTILIZERS LIMITED

(A Govt. Of India Undertaking)

Corporate Office : A-11, Sector-24, Noida-201301,

Distt. Gautam Budh Nagar (U.P.)

Ph.: 0120-2412294, 2412445, Fax : 0120-2412397

No.NFL/SEC/SE/900

Dated: 12.10.2018

✓ Asstt. Vice President (Listing), National Stock Exchange of India Limited, Registered Office (Exchange Plaza), C-1, Block-G, Bandra Kurla Complex, Bandra (E), Mumbai-40005.	Dy. General Manager (Corp. Relations), Bombay Stock Exchange of India Limited, 25 th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.
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Sub: Minutes of 44th Annual General Meeting of National Fertilizers Limited held on 27.09.2018.

Dear Sir,

Pursuant to regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, please find attached copy of Minutes of 44th Annual General Meeting of the Company held on Thursday, 27th September, 2018 for your reference and record.

Thanking you,

**Yours faithfully,
For National Fertilizers Limited**

R. Kumar
(Raj Kumar)
Company Secretary

Encl: As above.



**Minutes of 44th Annual General Meeting of National Fertilizers Ltd.
(CIN No. 74899DL1974 GOI007417) held on Thursday, 27.09.2018 at
02.30 PM at Joseph Stein Auditorium, India Habitat Centre,
Lodhi Road, New Delhi-110016.**

Present

Shri Manoj Mishra, Chairman & Managing Director

Shri Rajiv Kumar Chandiok, Director (Finance)

Shri D.S. Ahuja, Director (Technical)

Shri Anil Verma, Independent Director and Chairperson, Audit Committee and Stakeholders Relationship Committee.

Smt. Bhavnaben Kardambhai Dave, Independent Director and Chairperson, Corporate Social Responsibility & Sustainable Development Committee.

Dr. Ramesh Kumar Agarwal, Independent Director and Chairperson, Nomination & Remuneration Committee.

Dr. Kalpana Saini, Independent Director

Shri Raj Kumar, Company Secretary.

Invitees

Statutory Auditors

Shri B. B. Kalia, Partner, Chandiok and Guliani, Chartered Accountants

Shri Rajat Sethi, Representative of Chandiok and Guliani, Chartered Accountants

Shri Harbir Gulati, Partner, HDSG & Associates, Chartered Accountants

Shri Dalbir Gulati, Partner, HDSG & Associates, Chartered Accountants

Shri Manish Jhanwar, Partner, HDSG & Associates, Chartered Accountants

Secretarial Auditor and Scrutinizer

Shri Sachin Agarwal, M/s. Agarwal S. & Associates, Practicing Company Secretaries,
FCS (CCP No.5910)

Members

283 Members in person (Nil proxy) including Shri R.S. Yadav, Section Officer, Department of Fertilizers, as Representative of President of India were present.

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R. Ramesh



Chairman of the Meeting

Pursuant to Article 53 of the Articles of Association of the Company, Shri Manoj Mishra, Chairman & Managing Director took the Chair.

Opening

Company Secretary extended a warm welcome to the Members to the 44th Annual General Meeting of the Company.

At the outset, National Anthem was played.

Company Secretary introduced Chairman, Directors and Nominee of President of India, sitting on the dais.

Leave of absence

Smt. Meenakshi Gupta and Shri Dharam Pal, Govt. Nominee Directors could not attend the Meeting due to pre-occupation.

Company Secretary acknowledged the presence of Representative of President of India and Statutory Auditors. Company Secretary also acknowledged the presence of Secretarial Auditor & Scrutinizer for conducting remote e-voting and polling at the AGM.

Documents available for Inspection

Register of Members, Auditors Report and C&AG Comments on the Audited Financial Statements (including Consolidated Financial Statements), Secretarial Audit Report, etc. were made available for inspection of Members.

Quorum

Upon confirmation by the Company Secretary that the quorum for the meeting was present as required under the Companies Act 2013 and Rules made thereunder and Secretarial Standards, Chairman called the Meeting to order. Chairman extended a very warm and hearty welcome to the Members at the 44th Annual General Meeting.

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R. Kumar



Notice convening the Meeting

With the consent of all the Members present, the Notice dated 03.08.2018 for convening the 44th Annual General Meeting (AGM) together with the Financial Statements including the Consolidated Financial Statements, Board Report etc. having already been circulated to the Members were taken as read.

Auditors' Report

Company Secretary read out the Auditors' Report, C&AG Comment and Management's reply thereto, Observations of Secretarial Auditor and Management explanations thereto and Observations of Statutory Auditors on Corporate Governance and Explanations of Management thereto.

He informed the Members that the Auditors Report on the financial statements including consolidated financial statements for the financial year 2017-18 did not contain any qualifications, observations or comments on financial transactions for matters which had adverse effect on the functioning of the Company. C&AG of India had made a comment on financial position and the Management had replied the same in an annexure of the Board Report.

He further informed that Secretarial Auditor in their Report, have made certain observations with respect to the composition of the Board of Directors not being in line with Regulation 17 (1) of SEBI (LODR) Regulations, 2015 and DPE Guidelines i.e. the number of Independent Directors on the Board was less than 50% of the original strength of the Board and that the Company had not been complying with Regulation 17(10) of SEBI (LODR) Regulations, 2015 regarding performance evaluation of the Directors. Similar observations have been made by Stationary Auditors on Corporate Governance. He stated that those observations had been adequately explained by the Management in annexures to the Board Report.

Chairman's Address

Chairman in his Address to the shareholders spoke about the Indian economy and fertilizer scenario in the country during 2017-18 and stated that the Indian economy had been gaining momentum after steps taken by the Indian government like NPA resolution, banks recapitalization and inducing funds for enhancing the income of farmers to address the problem of rural distress. A number of reforms undertaken by the

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R. Kumar



government recently like implementation of GST, Bankruptcy & Insolvency Code etc. towards ease of doing business were also helping to attract foreign investment in the country. After two sub-par years, interjected by demonetization and rollout of Goods and Services tax (GST), growth was seen recuperating to a respectable 7.5 per cent next fiscal.

Regarding fertilizer sector, Chairman stated that during the year 2017-18, country had produced Urea of 24 Million tons and imported 6 million tons to meet the total consumption of 30 million tons of Urea in the country. Availability of Urea in the market remained quite comfortable. As per Policy on rationalizing the size of Urea bags, Govt. introduced 45 kg bag replacing existing 50 kg bag of Urea from 1st May 2018. Under Vision 2022 of New India, efforts were being made to revive closed Urea plants in the country in a time bound manner to make the country self-reliant in Urea by 2022.

Chairman stated that Government of India had rolled out DBT system for fertilizer subsidy across all states effective from 01.03.2018. Under DBT system 100% subsidy on various fertilizer grades was being released to the fertilizer companies on the basis of actual sales made by the retailers through Point of Sale (PoS) Machines to the farmers.

Chairman stated that the Company had performed exceedingly well during 2017-18 and had achieved the highest-ever Urea production of 3810250 MT with an overall capacity utilization of 117.9% against previous best of 3810054 MT of 2016-17. Company had also achieved best-ever sale of fertilizers of 43.09 Lakh MT including sale of 39.16 LMT of Urea, 3.82 LMT of imported fertilizers and 0.11 LMT of Compost surpassing previous best of 39.78 LMT during 2016-17 which included sale of 37.58 LMT of Urea, 2.17 LMT of imported fertilizers and 0.03 LMT of Compost. Company has also achieved ever-best sale performance of industrial products including Nitric Acid, Ammonium Nitrate, etc.

Chairman stated that Company had imported 4.59 Lakh MT fertilizers like DAP, MoP, NPK, APS, Bentonite Sulphur, an increase of more than 100% over the previous year. Company had sold 3.82 LMT of imported fertilizers including DAP, MoP, APS and Complex (NPK) worth ₹1,102 crore during 2017-18 as against 2.17 LMT of imported fertilizers worth ₹ 659 crore during 2016-17. During the year, Company also imported 4.01 LMT of Urea in Government account during 2017-18 as a State Trading Enterprise (STE).

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Chairman informed the Members that Company had also increased its presence in agro chemical business in its own brand 'KISAN'; and registered a sale of ₹ 10 crore in this segment in 2017-18, from a modest figure of ₹ 50 Lakh in 2016-17. He further informed the Members that Company was gradually shifting from single product to multi-product company. The non-urea segment had significantly helped company in increasing the profitability as the income from that segment had increased to 15% in 2017-18 from 1% in 2014-15.

Chairman stated that during the year 2017-18, Company had achieved turnover of ₹ 8,928.29 crore compared to ₹ 7,643.36 crore of the previous year. That was primarily due to higher sale of urea by 1.58 lakh MT, sale of non-Urea fertilizers by 1.73 lakh MT and increase in average gas price to USD 9.66/MMBTU during the FY 2017-18 as compared to USD 8.04/MMBTU of the previous year.

Speaking about profitability of Company, Chairman stated that Company had earned PBT of ₹ 334.83 crore (CPLY ₹ 324.88 crore) and PAT of ₹ 212.77 crore (CPLY ₹208.16 crore), highest in last more than a decade. The increase in profit was mainly attributed to increase in contribution from Urea due to higher production of Urea, increase in profit from traded goods, increase in contribution from Industrial products, saving on energy consumption owing to efficient operation of the plants, decrease in depreciation charges etc. Provision made for pay revision on account of 3rd pay revision of the employees of CPSEs due from 01-01-2017 and provision for actual liability for EL/HPL had reduced profits.

Chairman also informed that the Ramagundam Plant being implemented by Ramagundam Fertilizers and Chemicals Limited (a joint venture company of NFL, EIL and FCIL) with total annual installed Urea capacity of 12.71 LMT at an estimated project cost of ₹ 5254 crore was expected to be completed by June 2019. NFL would be marketing 100% urea to be produced by that plant. Company had also signed Manpower Consultancy Agreement for recruiting and training the manpower for operation and maintenance of Ramagundam Plant. Chairman also stated that to meet the demand of Bentonite Sulphur and to address the issue of Sulphur deficiency in soil, Bentonite Sulphur plant of 25000 MTPA at Panipat had been commissioned in December 2017. Regarding production of Murate of Potash plant in Little Rann of

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R. Ullman



Kutch, Company could not collect the mixed salt (raw material) of desired specifications and the project had to be shelved of.

Chairman informed the Members that stringent energy norms, which were to be implemented w.e.f. 1st April, 2018 have been deferred till 31st March 2020 with a minor penalty of 2% and 5% for financial years 2018-19 and 2019-20 respectively. To meet revised energy norms at Nangal, Bathinda and Panipat Units work had been awarded to M/s Thermax for installation of GTG-HRSG (Gas Turbine Generator along with Heat recovery Steam Generation Unit) at a cost of ₹ 674.56 crore to bring down the energy consumption of Urea below 6.5 Gcal/MT.

Chairman also dwelt on the initiatives taken by the Company upliftment of the farming community by educating them on various aspects of crop production, animal husbandry and other allied agriculture sectors.

Chairman also dwelt on the importance of Human Resource and efforts made by the Company to have adequate and competent manpower to run operations efficiently.

Chairman in his address also spoke of various CSR initiatives undertaken by the Company in the field of health and sanitation, skill development, distribution of artificial limbs, sponsoring of para players etc.

Chairman also spoke of initiatives undertaken by the Company with respect to health safety, environment management and sustainable development.

Sharing the philosophy of the company in relation to Corporate Governance, Chairman informed the Members that the Company was committed to the best corporate governance practices and had maintained a high level of business ethics to optimize the value for all its stakeholders.

Chairman also spoke of prestigious awards received by the Company in different spheres especially Safety and Energy Conservation.

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R. Kumar



In his address, Chairman also made a mention of growth drivers and stated that Company had embarked on the action plan finalized in line with socio-economic transformation of the country under Vision-2022.

Items of Business transacted at the Meeting

As advised by the Chairman, Company Secretary read out the items of business enlisted in the Notice of AGM as below:

Item No. 1:

To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended March 31st 2018, together with the Board's Report and the Auditors' Report thereon and comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013.

Item No. 2:

To appoint a director in place of Shri Rajiv Kumar Chandiok (DIN 05146544), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

Item No. 3:

To appoint a director in place of Smt. Meenakshi Gupta (DIN 07686646), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

Item No. 4:

To fix remuneration of Statutory Auditors for the Financial Year 2018-19.

Item No. 5:

To ratify the remuneration of the Cost Auditors for the financial year ending March, 31st 2019.

Thereafter, Chairman briefed the Shareholders about the objectives and implications of the said items of business. The Chairman interacted with the Members and invited them to speak on the subjects related to the items of business one by one.

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First Speaker, Shri Tony Bhatia appreciated the overall performance of the Company and also corporate governance practices followed in the organization. He also made a mention of various initiatives taken by the Company including import of fertilizers and revival of Ramagundam Urea Plant through a Joint Venture.

Shri Yash Pal Chopra (Client ID No. 1205920000000281) appreciated the performance of the Company at all the fronts. He also complemented the Management for selecting excellent venue and arrangements made to conduct the AGM. He also complimented the management for its Corporate Governance initiatives.

Shri Jasmeet Singh (Client ID IN30045011424470) also complimented the company for the excellent arrangement made at the AGM and for very informative Annual Report particularly the Corporate Governance Report. Shri Singh desired to know the reasons that inspite of the excellent performance and higher profit vis-à-vis previous year, the Company had not declared any dividend.

Another shareholder sought clarification on merger of NFL, FACT and other fertilizers Companies to make NFL bigger player in the industry and also share NFL vision for the future.

Another shareholder Shri J.K. Bhambari (Folio No. 0001486) spoke about his difficulty of encashment of past dividend and getting back the shares transferred to IEPF.

Regarding non-declaration of dividend for the year 2017-18, the Chairman explained that the Company had been in the process of implementation of various capital schemes which would have better impact on the future profitability. Keeping in view the capital requirements, dividend had not been recommended.

As regards merger of various government Fertilizers Companies, Chairman stated that merger of companies have its own advantages and disadvantages and the decision lies with the Government of India, the promoter.

Regarding the future vision, Chairman stated that Company would like to be a bigger player in urea production and also in the trading of other fertilizers like DAP, MoP, ASP.

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Company would also like to have its presence in the agro inputs like pesticides, bentonite Sulphur, seeds, etc.

Chairman of Audit Committee also apprised the Members that the Board had taken every decision with due deliberation and keeping in view overall wealth maximization for the shareholders and other stakeholders. He stated that some of the members would be feeling aggrieved because of non-declaration of dividend inspite of good profits, but it was necessary to understand that the Dividend had not been declared considering various capex requirements for future growth of the organization that required the present earnings to be retained and that decision of the Management was in the interest of the nation which would be beneficial in the long run.

Remote e-Voting Facility and Physical Poll at the AGM

Chairman stated that in pursuance of Regulation 44 of the SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015 (LODR) as well as Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company had provided e-voting facility to its Members to exercise their right to vote at the AGM by electronic means and that Remote e-voting facility was made available from 24.09.2018 (09.00 A.M.) to 26.09.2018 (5.00 P.M.). The voting rights of the members were in proportion to the paid-up share capital of the Company owned by them as on the cut-off date i.e. 20.09.2018.

Members who could not exercise their vote through e-voting process were provided with the facility to vote at the AGM through polling for which poll papers were made available to Members. Members, who had cast their vote through electronic mechanism and were taking part in the Meeting, were advised not to vote again. After the poll was over, the ballot boxes were sealed by the Scrutinizer in the presence of Members.

Both remote e-voting and physical poll was conducted by Shri Sachin Agarwal of M/s. Agarwal S & Associates, Practicing Company Secretary, Scrutinizer.

Sharing the manner in which results would be compiled, the Chairman stated that the results of voting on each resolution shall be determined by adding the votes of the Poll in favour or against a resolution with the electronic votes in favour or against the same resolution. Chairman also stated that as the counting of the votes and verification of the

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ballot papers would take some time, the result of the poll along with the result of e-voting would be put up on the website of the Company at www.nationalfertilizers.com and on the website of NSDL at the URL www.evoting.nsdl.com.

The Chairman announced that the requisite Quorum was present throughout the meeting.

Closure of the AGM

Chairman announced the formal closure of 44th Annual General Meeting of the Company at 04.00 PM.

Results of e-Voting and Physical Poll on the Business conducted at the 44th AGM of the Company held on 27.09.2018.

On the basis of the Scrutinizer's Reports (i) Remote e-voting (ii) Physical votes polled at the AGM and (iii) Consolidated results of remote e-voting and physical poll all dated 27.09.2018, Chairman announced the results of the voting on 28.09.2018 that all the Five Resolutions for the Ordinary and Special Business specified in the notice of AGM dated 03.08.2018 had been passed with requisite majority as follows:

S. No.	Resolutions	No. of votes in favour	% of votes in favour of votes polled (approx .)	No. of votes against	% of votes against of votes polled (approx.)	Abstain/ Invalid
1.	Resolution No.1 – Ordinary Resolution To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended March, 31st 2018, together with the Board's Report and the Auditors' Report thereon and comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013.	427458228	100.00	645	0.00	0
2.	Resolution No.2 –	423570772	99.04	4088704	0.96	0

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	Ordinary Resolution To appoint a director in place of Shri Rajiv Kumar Chandiok (DIN 05146544), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.					
3.	Resolution No.3 – Ordinary Resolution To appoint a director in place of Smt. Meenakshi Gupta (DIN 07686646), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.	422090149	98.70	5569267	1.30	0
4.	Resolution No.4 – Ordinary Resolution To fix remuneration of Statutory Auditors for the Financial Year 2018-19.	427457152	99.95	202324	0.05	0
5.	Resolution No.5 – Ordinary Resolution To ratify the remuneration of the Cost Auditors for the financial year ending March, 31 st 2019.	427657856	100.00	1636	0.00	0

The resolutions for the Ordinary and Special Business as set out in Item No. 1 to 5 in the Notice of the 44th Annual General Meeting, which have been duly approved by the Members with requisite majority, are recorded hereunder as a part of the proceedings of 44th Annual General Meeting of the Company held on 27.09.2018:

ORDINARY BUSINESS

Item No.1:- To adopt the Audited Standalone and Consolidated Financial Statements for the FY ended 31.03.2018.

“**RESOLVED THAT** the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended March 31st 2018, together with the Board’s Report and the Auditors’ Report thereon and comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013 thereon be and are hereby adopted.”

Item No.2:- To appoint Shri Rajiv Kumar Chandiok (DIN 05146544), as Director (Finance) who retires by rotation.

“**RESOLVED THAT** Shri Rajiv Kumar Chandiok (DIN 05146544), who retires by rotation and being eligible for re-appointment, be and is hereby appointed as Director (Finance) of the Company.”

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Item No.3:- To appoint Smt. Meenakshi Gupta (DIN 0768664), as Director who retires by rotation.

“RESOLVED THAT Smt. Meenakshi Gupta (DIN 0768664), who retires by rotation and being eligible for re-appointment, be and is hereby appointed as Director of the Company.”

Item No.4:- To fix remuneration of Statutory Auditors for the Financial Year 2018-19.

“RESOLVED THAT pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013, the Statutory Audit Fee for the financial year 2018-19 be and is hereby fixed at ₹25.00 Lakh plus GST and reimbursement of actual TA and out of pocket expenses to the Auditors as per Company Rules.”

SPECIAL BUSINESS:-

Item No.5:- To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2019.

“RESOLVED THAT pursuant to the provision of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014 (including any statutory modification or re-enactment thereof), the remuneration payable to Cost Auditors M/s. K.G. Goyal & Associates, M/s. K. L. Jaisingh & Co., M/s. Ravi Sahni & Co. & M/s. Musib & Co., who have been appointed by the Board as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31.03.2019 amounting to ₹50,000/-, ₹25,000/-, ₹25,000/-, ₹25,000/- respectively and additional fee of ₹15,000/- payable to M/s. K. L. Jaisingh & Co. as lead Cost Auditor, as also payment of TA/DA, GST and out of pocket expenses incurred by the Cost Auditors during the course of Cost Audit of the Units, as per the Company Rules, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

(Manoj Mishra)
Chairman
(DIN 06408953)

Date of Entry in Minutes Book	12.10.2018
Date of Signing	12.10.2018
Place	New Delhi

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R. Kumar

राज कुमार
कंपनी सचिव
(ए.सी.एस.-11914)
नेशनल फर्टिलाइजर्स लिमिटेड