

CIN : L74899DLI974GOI007417

Corporate Office :

A-11, Sector-24, NOIDA - 201 301

Distt. : Gautam Budh Nagar (U.P.)

Phone : 0120-2412294, 2412445, 3292201-08

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नेशनल फर्टिलाइजर्स लिमिटेड
एन.एफ.एल.
NATIONAL FERTILIZERS LIMITED

कारपोरेट कार्यालय :

ए-11, सैक्टर-24, नोएडा - 201 301

जिला गौतम बुद्ध नगर (उ०प्र०)

दूरभाष : 0120-2412294, 2412445, 3292201-08

फैक्स : 0120-2412397



नेशनल फर्टिलाइजर्स लिमिटेड

(भारत सरकार का उपक्रम)

NATIONAL FERTILIZERS LIMITED

(A GOVERNMENT OF INDIA UNDERTAKING)

Ref. No.NFL/SEC/SE/AGM/2016/ 6407

Dated: 24.10.2016

Manager, (Listing), National Stock Exchange of India Limited, Registered Office (Exchange Plaza), C-1, Block-G, BandraKurla Complex, Bandra (E), Mumbai-400051.	General Manager, Department of Corporate Services, Bombay Stock Exchange Limited, Floor 25th, PhirozeJeejeebhoy Towers, Dalal Street, Mumbai - 400001.
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Sub: Minutes of 42nd Annual General Meeting of National Fertilizers Limited held on 27.09.2016.

Dear Sir,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached copy of Minutes of 42nd Annual General Meeting of the Company held on Tuesday, 27th September, 2016 for your reference and record.

Thanking you,

Yours faithfully,
For National Fertilizers Limited

R. Kumar

(Raj Kumar)

Company Secretary

Encl: As above.

Minutes of 42nd Annual General Meeting of National Fertilizers Ltd.(CIN No. 74899DL1974 GOI007417) held on Tuesday, the 27.09.2015 at 10.30 AM at Weight Lifting Hall, Jawaharlal Nehru Stadium, Lodhi Road, New Delhi- 110003.

Present

Shri Manoj Mishra, Chairman & Managing Director

Shri M. Sagar Mathews, Director (Technical)

Shri Rajiv Kumar Chandiok, Director (Finance) and a Member

Shri Gurinderjit Singh Sandhu, Independent Director and Chairperson, Audit Committee and Corporate Social Responsibility & Sustainable Development Committee.

Smt. Bhavnaben Kardambhai Dave, Independent Director and Chairperson, Nomination & Remuneration Committee and Stakeholders Relationship Committee.

Shri A. K. Asija, Executive Director, Head of Marketing Division and a Member.

Shri Raj Kumar, Company Secretary.

Invitees

Statutory Auditors

Shri V.K. Lalla, Partner, Chandiok and Guliani, Chartered Accountants

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

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

Secretarial Auditor and Scrutinizer

Shri Sachin Agarwal, M/s. Agarwal S. & Associates, Practicing Company Secretaries
FCS (CPNo.5910)

Members Attendance

322 Members, in person or through proxy (300 shareholders and 22 proxies), including Shri K.S. Rana, Under Secretary, Department of Fertilizers, Government of India, Authorized Representative of President of India holding 89.71% shares of the Company and one Director who have had also been the Member of the Company.

Chairman of the Meeting

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

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At the outset, National Anthem was played and tributes were paid by observing two minutes silence as a mark of respect for the martyr soldiers, who had sacrificed their lives in safeguarding the honour of the country during an attack on an Army Camp at Uri on 19.09.2016.

Company Secretary introduced the Directors present at the Meeting including Shri G.S. Sandhu, Independent Director and Chairperson, Audit Committee and Corporate Social Responsibility & Sustainable Development Committee and Smt. Bhavnaben Kardambhai Dave, Independent Director and Chairperson, Nomination & Remuneration Committee and Stakeholders Relationship Committee. Company Secretary also acknowledged the presence of Representative of President of India, Statutory Auditors, Secretarial Auditors and Scrutinizer for conducting remote e-voting and polling at the AGM.

Documents available for Inspection

Register of Members, Proxies received by the Company, Auditors Report and C&AG Comments on the Audited Financial Accounts (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, Chairman called the meeting to order. Chairman extended a very warm and hearty welcome to the Members at the 42nd Annual General Meeting of the Company.

Notice convening the Meeting

With the consent of all the Members present, the Notice dated 22.08.2016 convening the Annual General Meeting 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

With the permission of the Members, Statutory Auditors' Report and Comments of the Comptroller and Auditor General of India on the financial statements including consolidated financial statements for the year 2015-16 made under Section 129(4) and 143(6)(b) of the Companies Act, 2013 were taken as read.

Chairman informed the Members that the Auditors Report on the financial statements including consolidated financial statements for the financial year 2015-16 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 not made any comments or observations and had submitted nil 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 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and DPE Guidelines i.e. the number of Independent Directors on the Board were less than 50% of the original strength of the Board and the Company was not compliant with provisions of appointment of a woman director and requisite number of Independent Directors. Chairman stated that the observations of the Secretarial Auditor had already been adequately explained by the Management in an annexure to the Board Report.

Chairman's Address

Chairman in his address to the shareholders spoken about the state of economy and the fertilizer scenario in the country during 2015-16 and inter-alia stated that the downward trend in crude oil prices had positively helped the Indian economy in terms of saving in import bill of crude oil. He further stated that the introduction of improved methods of agriculture and high yielding variety (HYV) seeds, mainly wheat, had resulted in remarkable improvement in agricultural outputs and the productivity of land had increased tremendously giving huge economic boost to the nation.

Regarding Fertilizer Sector, Chairman stated that in order to boost availability of domestic Urea in the country, Government of India (GOI) had recently brought some major reforms like 100% mandatory production of Neem Coated Urea, New Urea Policy 2015 and Pooling of Gas mechanism. Chairman also stated that 100% mandatory production of Neem Coated Urea had resulted in reduction in diversion of subsidized Urea for non-agriculture use and improved yield of the crops and that New Urea Policy 2015 had incentivized the additional production beyond re-assessed capacity of the plants and thereby helped to achieve record domestic Urea production in the country during 2015-16. Introduction of gas pooling mechanism had facilitated delivery of gas at uniform price to all Urea manufacturers which had enabled production of Urea beyond re-assessed capacity viable and that had also helped in reducing the requirement of working capital for the company. He further stated that the GOI is working towards direct benefit



transfer of fertilizer subsidy so as to plough back savings into agriculture in a way that could help a greater number of poor farmers.

While referring to the performance of the Company during 2015-16, Chairman stated that despite various challenges including second consecutive year of weak monsoons, Company had achieved the ever highest Urea production of 37.99 LMT with an overall capacity utilization of 118% through ever best performance at Nangal, Panipat and Vijaipur-II plants. He also stated that Urea sales were marginally lower at 36.41 LMT mainly due to poor demand owing to deficit winter rainfall / glut like situation. Company also recorded ever highest sale of 55,199 MT of Nitric Acid during 2015-16 and that after a gap of more than 20 years, during 2015-16 company imported 33459 MT of DAP worth Rs 102 crore. He further stated that Company achieved a turnover of Rs 7765.88 crore (including subsidy of Rs. 5433.58 crore) during 2015-16 compared to Rs. 8519.69 crore in the previous year (including subsidy of Rs. 6461.14 crore). He explained that the decrease in sales turnover was mainly due to cheaper gas price under Gas pooling mechanism and lower sale of Urea. He also stated that Company earned profit before tax of Rs.283.49 crore (CPLY Rs.44.72 crore) and profit after tax of Rs.197.09 crore (CPLY Rs. 26.24 crore) during 2015-16, which was highest during the last ten years. Chairman informed that the Board had recommended a dividend of 12.10% (Rs. 1.21 per equity share) for the year 2015-16 on equity share of Rs. 10 each amounting to Rs. 59.36 crore.

Chairman further informed about the initiatives taken by the Company to encourage balanced and efficient use of fertilizers including field demonstrations, kisan melas, crop seminars, soil testing and that Company would be opening 100 Kisan Suvidha Kendras across its market territory to provide multiple agro products and services to the farmers under a single roof.

Chairman also informed about the importance of Human Resource and the steps taken by the Company to have adequate and competent manpower to run the operations of the Company efficiently.

Chairman also informed about adoption of best practices for health, safety, environment management and sustainable development and about future prospects and focus centres to achieve growth including improvement in energy, production of new products like Bentonite Sulphur, MOP, maximization of production of Industrial products, production and sale of quality and certified seeds in company's own brand name through seed multiplication programme, domestic trading of agro-products like pesticides, compost, import and sale of fertilizers at large scale and revival of closed plants, through joint venture route. Chairman also informed that the Ramagundam Plant being implemented through M/s Ramagundam Fertilizers and Chemicals

Limited, a joint venture company of NFL, EIL and FCIL was expected to be operational in September 2018.

Sharing the philosophy of the company in relation to Corporate Governance, Chairman informed the Members that the company was committed to fully conform to laws, regulations and guidelines and to promote ethical conduct of business in the organization.

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 :

Adoption of Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended 31st March, 2016, 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 :

Declaration of dividend on equity share capital for the financial year 2015-16.

Item No.3 :

Re-appointment of Shri Rajiv Kumar Chandiok (DIN 05146544), as a Director who retires by rotation and being eligible, offers himself for re-appointment.

Item No.4 :

Approval of remuneration of the Statutory Auditors for the financial year 2016-17.

Item No.5 :

Appointment of Shri Dharam Pal (DIN 02354549) as a Director

Item No.6 :

Appointment of Smt. Bhavnaben Kardambhai Dave (DIN 07557056) as an Independent Director

Item No.7 :

Ratification of remuneration of Cost Auditors for the financial year ending 31st March, 2017.

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. First Speaker, Shri Yash Pal Chopra (Client ID No. 1205920000000281) appreciated the Company for the excellent arrangements made for the shareholders at the AGM Venue and complimented the management for the Corporate Governance initiatives. Shri Chopra also desired to know the steps taken by the company for reduction in finance cost.

Shri Jasmeet Singh (Client ID IN30045011424470) also complimented the company for the excellent arrangement made at the AGM and for very informative Annual Report. Shri Singh requested the Chairman to share the vision of the Company and suggested that for distribution of small packs of company's products to shareholders, which they could use for their plants, etc.

Shri V.P. Mishra (Client ID IN30112716432066) desired to know the reasons for decline in turnover of the Company vis.a.vis. previous year.

Shri Kuldeep Singh Rawat (Client ID No. IN30112715803528) desired to know about the plans of the Government for merger of RCF and NFL in near future and also desired to know whether presence of Independent Directors having socio-political affiliations on the Board affects decision making ability of the company.

Chairman explained that the turnover of the Company for 2015-16 had declined mainly due to reduction in subsidy owing to cheaper gas price under Gas Pooling Mechanism (\$9.96 per mmbtu during 2015-16 from \$12.43 mmbtu during 2014-15) and lower urea sale by 0.38 LMT.

Regarding reduction in finance cost, Chairman clarified that the reduction in finance cost by Rs.73.48 crore for 2015-16 could be achieved by effective utilization of credit instrument mix, better credit management, improved credit rating, cheaper source of working capital requirements (i.e. Commercial Paper) and lower level of outstanding subsidy due to reduction in gas cost owing to gas pooling mechanism in urea industry as compared to 2014-15. As a as a consequence, average finance cost on average borrowings during 2015-16 reduced to 8.11% from 9.33% as compared to that of 2014-15. Chairman complemented Director (Finance) and his team for their efforts to bring down the interest cost.

Chairman also shared the vision of the Company with regard to turnover and profitability in the years to come and also stated that there had been no plans of the Government for merger of RCF and NFL in near future.

Regarding Independent Directors on the Board having socio-political affiliations, Chairman informed that Independent Directors from different strata of the society bring knowledge, independent perspective and judgment in Board deliberations and provide Board diversity and contribute in collective decision making process.

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 24.09.2016 (09.00 A.M.) to 26.09.2016 (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. 20.09.2016.

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 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.

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

Closure of the AGM

Chairman announced the formal closure of 42nd Annual General Meeting of the Company at 11.30 AM.

Vote of Thanks:

Director (Technical) proposed vote of thanks at the 42nd Annual General Meeting and expressed his sincere thanks to Shri Manoj Mishra, C & MD, all the Directors, President's Nominee, Shri K.S. Rana, Members present, Secretarial Auditor and Scrutinizer, Statutory Auditors, NFL Employees, officials of Jawaharlal Nehru Stadium, Event Manager and others, who had contributed to make the meeting a great success.

Results of e-Voting and Physical Poll on the Business conducted at the 42nd AGM of the Company held on 27.09.2016.

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 27.09.2016, Chairman announced the results of the voting on 27.09.2016 that all the Seven Resolutions for the Ordinary and Special Business specified in the notice of AGM dated 22.08.2016 had been passed with requisite majority as follows:

Resolution No.	Resolution	No. of votes in favour	% of votes in favour of votes polled (approx.)	No. of votes against	% of votes against of votes polled (approx.)	Invalid Votes
1.	Ordinary Resolution Adoption of Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended 31st March, 2016, together with the Board's Report and the Auditors' Report thereon and Comments of the Comptroller &	460570048	100.00	0.00	0.00	0.00

Resolution No.	Resolution	No. of votes in favour	% of votes in favour of votes polled (approx.)	No. of votes against	% of votes against of votes polled (approx.)	Invalid Votes
	Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013.					
2.	Ordinary Resolution Declaration of dividend on equity share capital for the financial year 2015-16.	460570048	100.00	0.00	0.00	0.00
3.	Ordinary Resolution Re-appointment of Shri Rajiv Kumar Chandiok (DIN 05146544), as a Director who retires by rotation and being eligible, offers himself for re-appointment.	460569704	100.00	344	0.00	0.00
4.	Ordinary Resolution Approval of remuneration of the Statutory Auditors for the financial year 2016-17.	460569714	100.00	334	0.00	0.00
5.	Ordinary Resolution Appointment of Shri Dharam Pal (DIN 02354549) as a Director	460569718	100.00	330	0.00	0.00
6.	Ordinary Resolution Appointment of Smt. Bhavnaben Kardambhai Dave (DIN 07557056) as an Independent Director	460569518	100.00	530	0.00	0.00
7.	Ordinary Resolution Ratification of remuneration of Cost Auditors for the financial year ending	460569728	100.00	320	0.00	0.00

Resolution No.	Resolution	No. of votes in favour	% of votes in favour of votes polled (approx.)	No. of votes against	% of votes against of votes polled (approx.)	Invalid Votes
	31st March, 2017.					

The resolutions for the Ordinary and Special Business as set out in Item No. 1 to 7 in the Notice of the 42nd Annual General Meeting, which have been duly approved by the Members with requisite majority, are recorded hereunder as a part of the proceedings of 42nd Annual General Meeting of the Company held on 27.09.2016:

ORDINARY BUSINESS

Item No.1– Adoption of Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended 31st March, 2016, 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 (Ordinary Resolution).

RESOLVED THAT Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended 31st March, 2016, 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, be and are hereby adopted.

Item No.2: - Declaration of dividend on equity share capital for the financial year 2015-16 (Ordinary Resolution).

RESOLVED THAT a dividend of 12.10% (Rs.1.21 per equity share of Rs.10 each) on the paid-up equity share capital of the Company amounting to Rs.59.36 crore as recommended by the Board of Directors be and is hereby declared.

Item No.3 : - Re-appointment of Shri Rajiv Kumar Chandiok (DIN 05146544), as a Director who retires by rotation and being eligible, offers himself for re-appointment (Ordinary Resolution).

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

Item No.4: - Approval of remuneration of the Statutory Auditors for the financial year 2016-17 (Ordinary Resolution).

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 2016-17 be and is hereby fixed at Rs.20.65 lakh plus applicable Service Tax and reimbursement of TA and DA to the Auditors as per Company Rules.

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SPECIAL BUSINESS

Item No.5: - Appointment of Shri Dharam Pal (DIN 02354549) as a Director (Ordinary Resolution)

RESOLVED THAT pursuant to the provisions of Section 152, 161 and all other applicable provisions of the Companies Act, 2013, Shri Dharam Pal (DIN 02354549) who was appointed as an Additional Director and holds Office upto the date of 42nd Annual General Meeting and in respect of whom the Company has received a notice in writing u/s 160 of the Companies Act, 2013, from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

Item No.6: Appointment of Smt. Bhavnaben Kardambhai Dave (DIN 07557056) as an Independent Director (Ordinary Resolution).

RESOLVED THAT pursuant to the provisions of Section 152, 161 and all other applicable provisions of the Companies Act, 2013, Smt. Bhavnaben Kardambhai Dave (DIN 07557056) who was appointed as an Additional Director and holds Office upto the date of 42nd Annual General Meeting and in respect of whom the Company has received a notice in writing u/s 160 of the Companies Act, 2013, from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office upto 30th June, 2019 and shall not be liable to retire by rotation

Item No.7: - Ratification of remuneration of Cost Auditors for the financial year ending 31st March, 2017 (Ordinary Resolution).

RESOLVED THAT pursuant to the provisions 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 Subhadra Dutta & Associates, 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 31.03.2017 amounting to Rs.40,000.00; Rs.20,000.00; Rs.20,000.00 and Rs.20,000.00 respectively and additional fee of Rs.15,000.00 payable to M/s K.G. Goyal & Associates as Lead Cost Auditor, as also payment of TA/DA, Service Tax and out of pocket expenses incurred by the cost auditors during the course of Cost Audit of the Units, as per 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 and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Registered Office: Scope Complex, Core 3, 7 Institutional Area, Lodhi Road, New Delhi 110 003.

Dated: 21.10.2016.

(Manoj Mishra)
Chairman
(DIN 06408953)

Cost. filed True copy
R. Kumar

24.10.2016
राज कुमार
कंपनी सचिव
(ए.सी.एस.-11914)
नेशनल फर्टिलाइजर्स लिमिटेड
ए-11, सेक्टर-24, नोएडा-201301