



**MINUTES OF 39<sup>TH</sup> ANNUAL GENERAL MEETING OF NATIONAL FERTILIZERS LTD.**  
**Held ON TUESDAY, THE 17<sup>TH</sup> SEPTEMBER 2013 AT 10.30 AM AT AIR FORCE**  
**AUDITORIUM, SUBROTO PARK, NEW DELHI**

नॅशनल फर्टिलाइजर्स लिमिटेड  
एन.एफ.एल.  
NATIONAL FERTILIZERS LIMITED  
कारपोरेट ऑफिस  
CORPORATE OFFICE

**PRESENT**

S/Shri

1. Ms. Neeru Abrol, Chairperson & Managing Director
2. Capt. P.K. Kaul, Director (Marketing)
3. C.M.T. Britto, Director (Technical)
4. Munikoti Niranjana Rao, Independent Director and Chairman Audit Committee

**AND**

19987 Members and 137 Proxies were present as per attendance registered. Shri K.S. Rana, Under Secretary, Department of Fertilizers, Ministry of Chemicals & Fertilizers, Government of India was present as the Nominee of The President of India.

**IN ATTENDANCE**

Shri Tek Chand, Company Secretary

- 1 Ms. Neeru Abrol, Chairperson & Managing Director (C&MD) took the Chair as Chairperson of the meeting as per Article 53 of the Articles of Association of the Company and the meeting proceeded to transact its business.
- 2 Company Secretary welcomed the Chairperson, Chairman of Audit Committee, other Directors on the Board, Hon'ble shareholders of the Company present in the meeting and announced that the quorum was present as per Article 51 of the Articles of Association of the Company.
- 3 The Notice convening the Meeting and the Directors' Report having already been circulated, were taken as read with the permission of the Members present.
- 4 Company Secretary read out the Auditors' Report and thereafter Chairperson addressed the Members.

LAW



## Chairperson's Address

Chairperson apprised the members of the general state of the economy and fertilizer sector in particular. She stated that the slowdown in Indian Economy continued during 2012-13. India meets 80 per cent of its urea requirement through indigenous production and is largely import dependent for meeting its requirements of the potassic and phosphatic fertilizer requirements. Priority allocation and reasonable pricing of domestic gas would be crucial for cost competitiveness of urea.

She further stated that the Government has notified the New Investment Policy 2012 (NIP-2012) in the urea sector which will encourage investments leading to increase in indigenous capacities, reduction in import dependence.

- 5.2 She informed the Members that Company has successfully implemented the feedstock conversion projects undertaken at Panipat, Bathinda and Nangal by changing over from fuel-oil to natural gas.
- 5.3 Chairperson further stated that Company produced 32.11 Lakh MT of urea during the year 2012-13. The production remained lower than the target due to extended shutdown for hooking up and Commissioning of Urea Capacity Enhancement Projects at Vijaipur and changeover of feed-stock from fuel-oil to natural gas at Nangal, Bathinda and Panipat Units. On the marketing front, sale of Urea was recorded at 31.62 LMT. The sale was less than the previous year due to lower production and limited dispatches from Vijaipur Unit owing to insufficient availability of rail wagons. The above factors and higher energy consumption due to lower production at the Units adversely affected the profitability and the Company has reported a post tax net loss of ₹170.73 crores during 2012-13. Bottom line of the Company was also adversely impacted due to non-revision of New Pricing Scheme Stage-III parameters of urea. Under the existing policy, reimbursement of fixed cost is based on the financial year 2002-03. Further, delay in receipt of subsidy has increased the interest expenses on working capital loan.

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Chairperson also spoke of the various initiatives undertaken by the Company under its Corporate Social Responsibility plan for the upliftment of the underprivileged sections of the society and has supported various social and community initiatives touching the lives of large number of people.

- 5.5 Chairperson spoke of initiatives undertaken towards sustainable development including commissioning of Carbon Dioxide Recovery System. She also stated that Company is in the process of installing a Purge Gas Recovery System at Ammonia-II Plant similar to the existing one at Ammonia-I Plant at Vijaipur Unit. This would help to increase ammonia/urea production and improve energy efficiency at the plant.
- 5.6 Chairperson exuded confidence that New Investment Policy (2012) in urea sector will provide an opportunity for new investments. Government of India on nomination basis has allotted NFL and Engineers India Limited revival closed unit of FCI Limited at Ramagundam.
- 5.7 Chairperson stated that NFL believes in transparency, accountability and effective disclosures and that Corporate Governance practices of the Company meet the requirements of the regulators including DPE guidelines.
- 6 Chairperson then invited queries from the members. Members sought clarifications relating to the affairs of the Company, including profitability, capital projects and future plans, etc. which she replied to.

## 7 ORDINARY BUSINESS

- 7.1 The Members considered the Annual Accounts for the financial year ended 31<sup>st</sup> March, 2013. The following resolution proposed by Shri K.S. Rana, President's Nominee and seconded by Shri Anil Motsara, was adopted unanimously as an Ordinary Resolution on being put to vote by the Chairperson by Show of Hands:

**"RESOLVED THAT** the Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2013, the Balance Sheet at that date and the Reports of Directors and

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the Auditors as laid before the Company at this meeting be and are hereby adopted.”

On being put to vote by the Chairperson by Show of Hands, the following resolution with regard to re-appointment of Shri Satish Chandra as Director, proposed by Shri N.K. Bhatia and seconded by Mrs. Yogesh Vij, was adopted unanimously as an Ordinary Resolution:

“**RESOLVED THAT** Shri Satish Chandra, who retires as a rotational Director and is eligible for reappointment, be and is hereby reappointed as a Director of the Company.”

7.3 On being put to vote by the Chairperson by Show of Hands, the following resolution regarding remuneration of Auditors, proposed by Shri Anil Motsara and seconded by Mrs. Charanjit Choudhary, was adopted unanimously as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 224(8)(aa) and other applicable provisions, if any, of the Companies Act, 1956, the Statutory Audit Fee for the financial year 2013-14 be and is hereby fixed at ₹14.80 lakhs plus Service Tax and reimbursement of actual TA and out of pocket expenses to the Auditors as per Company Rules.”

## 8 SPECIAL BUSINESS

8.1 On being put to vote by the Chairperson by Show of Hands, the following resolution, regarding appointment of Shri Vikram Srivastava as Director proposed by Mrs. Yogesh Vij and seconded by Shri N.K. Bhatia, was adopted unanimously as an Ordinary Resolution:

“**RESOLVED THAT** Shri Vikram Srivastava, who was appointed as an Additional Director of the Company and who holds Office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956 and who is eligible for appointment to the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

8.2 On being put to vote by the Chairperson by Show of Hands, the following resolution, regarding appointment of Shri M. Raman as

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Director proposed by Mrs. Charanjit Choudhary and seconded by Mrs. Yogesh Vij, was adopted unanimously as an Ordinary Resolution:


**"RESOLVED THAT** Shri M. Raman who was appointed as an Additional Director of the Company and who holds Office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, proposing his candidature for the office of Director under Section 257 of the Companies Act, 1956 and who is eligible for appointment to the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

8.3 On being put to vote by the Chairperson by Show of Hands, the following resolution regarding alteration of Articles of Association of the Company providing for Buyback of Shares, proposed by Shri M.A. Khan and seconded by Shri Anil Motsara, was adopted unanimously as a Special Resolution:

**"RESOLVED THAT** the following be inserted as Article 37AA in the Articles of Association of the Company providing for buyback of shares:-

"Subject to such directions as may be issued by the President in this behalf, notwithstanding anything contained in any other Article of the Articles of Association, but subject to the provisions of Section 77A and 77B of the Companies Act, 1956 and Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 as may be in force at any time and from time to time, the Company may acquire, purchase, own, any of its shares and any other security as may be specified under the Act, Rules and regulations from time to time and may make payment thereof out of funds at its disposal or in any manner as may be permissible or in respect of such acquisition/purchase on such terms and conditions and at such time or times in one or more installments as the Board may in its discretion decide and deem fit. Such shares which are so bought back by the Company may either be extinguished and destroyed as may be permitted under the Act or the Regulations as may be in force at the relevant time subject to such terms and conditions as may be decided by the Board and subject further to the rules & regulations governing such issue."

There being no other business, the Meeting then ended with Vote of Thanks to the Chair.

  
(Neeru Abrol)  
Chairperson

Dated: 17<sup>th</sup> September, 2013

