

Corporate Office :

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

Distt. Gautam Budh Nagar (U.P.)

Phone : 0120-2412294, 2412445, 3292201-08

Fax : 0120-2412397

Website : <http://www.nationalfertilizers.com>**कारपोरेट कार्यालय :**

ए-11, सेक्टर -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)

Minutes of 40th Annual General Meeting of National Fertilizers Ltd. held on Friday, the 5th September 2014 at 10.30 AM at Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No.2, A.P.S. Colony, Delhi Cantt., New Delhi - 110010

PRESENT

1.	Ms. Neeru Abrol	Chairperson & Managing Director
2.	President of India (Through Authorized Representative Shri K.S. Rana, Under Secretary, Department of Fertilizers, Government of India)	Member
3.	Capt. P.K. Kaul,	Director (Marketing)
4.	Shri M. Sagar Mathews	Director (Technical)
5.	Shri Gurinderjit Singh Sandhu	Director and Chairman Audit Committee
6.	Shri Rakesh Kumar	Director
7.	Shri Raj Kumar	Company Secretary

BY INVITATION

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

31320 Members present, in person or through proxy, marked their attendance. These included Authorized Representative of President of India holding 89.70% of shares of the Company.

Company Secretary introduced the Members of the Board present on the Dais including Chairman of the Audit Committee to the shareholders. He also acknowledged the presence of Shri K.S. Rana, Under Secretary, Department of Fertilizers, the Authorized Representative of the President of India and Shri Sachin Agarwal, Scrutinizer.

Company Secretary stated that M/s. DSP & Associates, one of the Statutory Auditors have sought exemption from attending the meeting and no communication has been received from M/s. Prem Gupta & Co., other Auditors.

Company Secretary stated that due to unavoidable circumstances, the venue of the Annual General Meeting had to be changed from Manekshaw Centre, Parade Road,

पंजीकृत कार्यालय : स्कोप कॉम्प्लेक्स, कोर-III, 7 इन्स्टीट्यूशनल एरिया, लोधी रोड, नई दिल्ली-110003 दूरभाष : 24360066 24361252 फैक्स : 24361553
Registered Office : Scope Complex Core-III, 7 Institutional Area, Lodhi Road, New Delhi-110003, Phone : 24360066, 24361252 Fax : 24361553

(Signature)

Delhi Cantt. New Delhi – 110 010 to Dr. Sarvepalli Radhakrishnan Auditorium, Kendriya Vidyalaya No.2 APS Colony, Delhi Cantt., New Delhi – 110 010. Notice regarding change of venue was published in the newspapers and also displayed at Company's website. Stock Exchanges were also informed of the change in venue. Company has also made transport arrangements at the venue initially fixed i.e. Manekshaw Centre to guide and to bring members to the present venue.

Ms. Neeru Abrol, Chairman & Managing Director (C&MD) took the Chair as Chairman of the meeting. Since quorum as per Companies Act, 2013 i.e. 30 Members were present in person, the Chairman & Managing Director declared the meeting open. She welcomed the Members to the Company's 40th Annual General Meeting.

Chairman stated that the Statutory and Proxy Registers were available during the meeting for inspection by Members.

With the consent of all the Members present, the Notice convening the Meeting and the Directors' Report, the copies of which were with the Members, were taken as read.

Chairman & Managing Director then delivered her speech. She began with the state of economy and the fertilizer scenario in the country during 2013-14. The brief of her speech was as under:-

Economic Scenario & Fertilizer Industry

The economy is more stable now after the instability of past couple of years. Quarterly domestic growth rate is positive and on the rise and the exchange rate is now showing the signs of stability. However, the domestic macro-economic environment still remains challenging. The fertilizer sector is also facing challenges due to lack of availability of adequate quantum of domestic gas, which is the basic raw material for manufacturing of fertilizers. The industry is heavily dependent on imported raw materials. The high prices of imported raw materials and incidence of custom duty thereon increases the cost of production and implication of subsidy on Government and adversely impacts the industry by way of increased working capital requirements.

Indian fertilizer industry has emerged as a world class industry in terms of use of state of the art production technologies, high energy efficiency and excellent record in the areas of safety and environment. However, with partial decontrol of prices of

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fertilizers with capping of subsidy on Phosphate and Potash Fertilizers. Intensive agriculture without balanced use of farm nutrients is affecting health of Indian soils, which are increasingly facing deficiency of nutrients.

Under the prevailing policies, the fertilizer industry is finding it difficult to generate surpluses for research & development activity, extension services and investment in capacity additions. There is a need to encourage R&D activities in the field of alternate feedstock for production of urea to overcome the shortage in availability of low priced gas. There is also a need for creation of a sovereign fund for funding the investment to acquire raw material assets abroad.

Performance Highlights

Company achieved ever-best urea production of 36.36 lakh MT and ever-best urea sale of 36.87 lakh MT and also achieved record production of 12.63 lakh MT of Neem coated urea during the year.

Vijaipur units as a complex produced 21.69 lakh MT of urea during the year, which is also the ever-highest production achieved in a year. Vijaipur I and Vijaipur II achieved a capacity utilization of 100.66% and 109.06% of their revamped capacity respectively.

During the Financial Year 2013-14, the Company has successfully commissioned and declared commercial production of Ammonia Feedstock Changeover Project from fuel oil to natural gas at Nangal on 18th July, 2013. With this, all the five Units of NFL are now on natural gas as feedback.

Company has reported a net loss of about ₹ 90 crore against the loss of about ₹ 171 crore incurred during previous year. The reduction in loss is mainly attributed to higher production and sale, lower energy consumption, decrease in repairs and maintenance expenditure etc. A positive development for the Company has been the notification of Modified New Pricing Scheme of Urea by Government of India on 2nd April, 2014. Under the modified scheme, additional fixed cost and vintage allowance shall be reimbursed to the Company, which will have a positive effect on profitability of the Company from the financial year 2014-15 onwards.

Government has also allocated 0.75 mmscmd domestic gas to Bathinda Unit, which shall reduce subsidy outgo for the Government as well as working capital requirement for the Company and resultant interest expenditure.

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Company has been following up with Government of India for review of New Investment Policy 2008, which will improve the margins for additional production beyond cut off quantity at its Vijaipur Units.

Company has started Financial Year 2014-15 on a good note. During the first quarter of the financial year 2014-15, your company recorded a cumulative production of 9.30 lakh MT of urea, which is 104.2 % of the installed capacity and has registered a Profit Before Tax of 25.80 crores.

Manpower

Skilled and professional manpower is the strength of Company. The Company has a manpower strength of over 4000 employees as on 31st March, 2014. Since last few years, large number of employees are superannuating and Company has been keenly involved in manpower planning to ensure steady availability of suitable manpower.

To fill the gaps, the Company has been conducting recruitment so that 'right person is available at right place'. For the existing employees to improve their skill and expertise, various training programmes were organized during the year.

Services to Farmers

To encourage the balanced and efficient use of fertilizers by farmers, Company is playing a catalytic role in transfer of improved farm technologies to them through various educational programmes, field demonstrations, Kisan Melas, crop seminars and farmers study tours.

Farmers are also provided free Mobile Soil Testing Service at their doorsteps and are encouraged to use fertilizers based on soil test recommendations to maximise output.

Integrity Pact

To maintain the highest standard of transparency and governance, Company has entered into an Integrity Pact with Transparency International. Company has appointed Independent External Monitors, persons of impeccable integrity, with the approval of Central Vigilance Commission, to oversee the implementation and effectiveness of the Integrity Pact. This would help in bringing more transparency in the contracting and procurement operations.





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NATIONAL FERTILIZERS LIMITED
कारपोरेट ऑफिस
CORPORATE OFFICE

CSR Activities

Company has been committed towards upliftment of underprivileged sections of the society and has supported various social and community initiatives touching the lives of large number of people. The major focus of CSR activities was on creating awareness about health and hygiene, children education, women empowerment, skill development for self-employment, rain-water harvesting and ground water recharging, promotion of non-conventional energy resources.

Sustainable Development

Company has taken various initiatives in adopting best practices in environment management and energy conservation, which lead to Sustainable Development. Modern methods and latest technologies such as 'International Sustainable Rating System, Total Quality Management and Hazard and Operability Study' are being implemented to improve process safety. Trial runs are being conducted to improve efficiency of coal fired boilers in Nangal, Bathinda and Panipat units using coal additives.

Afforestation has been adopted in all the units to improve the environment surrounding the units. To increase the sub soil water level, all the units are under process of installation of Rain Water Harvesting system. Initiatives have been taken to tap solar power as an alternative source of energy. A 100 KW roof-top Solar Power Plant has been installed in Corporate Office, Noida to serve a part of its total power requirement. Bathinda unit is also under process of installation of 90 KW Solar Power Plant.

Information Technology

Company has been making use of information technology in various business functions. Implementation of Enterprise Resources Planning (ERP) software is in progress. A secured and robust data center shall be set up to house the ERP application, subsequently followed by a Disaster Recovery Center to ensure interruption free operations. Across Company, e-procurement, e-payment and e-receipt facilities are in use extensively.

Awards & Accolades

Company has received number of prestigious Safety awards during the year. Panipat Unit has won National Level Safety Award "Shreshtha Suraksha Puraskar" given by National Safety Council of India (NSCI) and has also received FAI award for

excellence in Safety for 2012-13. The Bathinda Unit has won NSCI safety award "Parsansa Patra" for 2012 and has also received first prize "Punjab State Safety award 2013" from the Department of Labour, Punjab.

New Initiatives

Company has been exploring various options to use Petroleum Coke as fuel in its plants. Considering non-availability of sufficient domestic gas and steep increase in price of Re-gasified Liquefied Nitrogen Gas (RLNG), the Company is examining the feasibility of utilization of the redundant section for Petroleum Coke gasification.

Keeping in view the demand for Bentonite Sulphur, feasibility is being assessed for setting-up of Bentonite Sulphur Plant at Company's Panipat Unit. NFL and Engineers India Limited (EIL) have undertaken the revival of Ramagundam Unit of Fertilizers Corporation of India Limited (FCIL). NFL would have a 26% equity participation in this joint venture.

Company has also undertaken Research and Development study to explore possibility for production of Sulphate of Potash/ Murate of Potash and making endeavors to produce and market quality seeds of various high yield variety crops under its own brand.

Chairman concluded her speech by thanking the Department of Fertilizers, Fertilizer Industry Coordination Committee, Railways, other Ministries and Departments of the Government of India and the various State Governments for their support. She also conveyed her thanks to the auditors, customers and business associates of the Company. She also thanked her colleagues on the Board for their counsel and commitment in achieving the objectives of the Company.

Chairman thereafter requested Company Secretary to read out the Independent Auditors Report. It was agreed that annexures to the Auditors' Report would be taken as read. The Independent Auditors Report was read by the Company Secretary.

Chairman & Managing Director stated that in pursuance of Clause 35B of the Listing Agreement executed with NSE Limited and BSE Limited and in pursuance of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company had provided e-voting facility to its members to exercise their right to vote at the AGM by electronic means. The e-



voting facility was available from August 30, 2014 (10.00 A.M.) to September 1, 2014 (5.00 P.M.). The voting rights of the Shareholders were in proportion to the paid-up share capital of the Company as on the cut-off date which was July 31, 2014.

Chairman stated that the members who could not exercise their vote through e-voting process are provided facility to vote at the AGM by way of polling. The ballot Papers are available at the counter.

Chairman stated that as per the Clarification issued by the Ministry of Corporate Affairs, those Shareholders who had cast their vote through electronic mechanism and are taking part in the Meeting, are not allowed to vote again at the Meeting.

She stated that Shri Sachin Aggarwal, FCS (CPNo.5910) of M/s. Agarwal S. & Associates, Practicing Company Secretaries, was appointed as Scrutinizer to scrutinize the e-voting process as well as voting at the AGM.

She then requested the Company Secretary to read the items of business to be transacted for the Annual General Meeting and ballot process.

The Company Secretary then read the items of business to be transacted at the AGM. She explained the procedure for the poll and also stated that the polling was open for 30 minutes from the time of announcement.

The Chairman then ordered the poll. While polling was going on, the Chairman also interacted with the Members and answered their queries.

The Members sought clarification on the performance of the Company and its future prospects.

After the poll was over, the ballot boxes were sealed by the Scrutinizer.

Informing the manner in which the results would be compiled, 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 then stated that since 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-

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voting would be put up at the website of the Company at www.nationalfertilizers.com and on the website of RTA at the URL www.masserv.com on 6th September, 2014.

All the voting having being completed, Chairman announced the formal closure of 40th Annual General Meeting of the Company.

On the basis of the Report of the e-voting dated 3rd September, 2014, Poll Result Report dated 6th September, 2014 and Consolidated Report dated 6th September, 2014 of the Scrutinizer, the summary of which is mentioned hereunder, Chairman announced the results of the voting on 6th September, 2014 that all the resolutions for the ordinary and special businesses as set out in Item No. 1 to 9 in the Notice of the 40th Annual General Meeting of the Company have been duly passed by the requisite majority.

Brief particulars of the Consolidated Report of the Scrutinizer for the electronic voting and for the poll dated 6th September, 2014:

Particulars	E- Voting				Polling			Consolidated		
	No. of member s who voted	No. of shares for which votes cast	% of votes to total no. of valid votes cast	No. of member s presen t and voting (in person or by proxy)	No. of votes cast by them	% of total no. of valid votes cast	No. of members voting (in person or by proxy or through E- voting)	No. of votes cast by them	%of total no. of valid votes cast	
Ordinary Businesses:										
Item No.1 Ordinary Resolution for adoption of financial statements for the year ended March 31st 2014	Voted in favour	12	442599499	99.9998	70	54777	86.004	82	442654276	99.998
	Voted Against	3	1002	0.0002	4	304	0.555	7	1306	0.00030
	Invalid Votes	0	-	-	7	8610	-	7	8610	-
Item No. 2: Ordinary Resolution for remuneration of the Statutory Auditors for the financial year ending March 31, 2015	Voted in favour	13	442600499	99.99999955	69	54776	86.003	82	442655275	99.998
	Voted Against	1	1	0.00000023	4	304	0.477	5	305	0.000070
	Invalid Votes	1	1	0.00000023	8	8611	-	9	8612	-
Special Businesses:										
Item No. 3: Ordinary Resolution appointment of Shri G.S. Sandhu as Independent Director	Voted in favour	12	442599200	99.999706	68	54476	85.533	80	442653676	99.998
	Voted Against	3	1301	0.00029	5	604	0.95	8	1905	0.0004
	Invalid Votes	0	0	0	8	8611	-	8	8611	-
Item No. 4: Ordinary Resolution appointment of Shri Vikram Srivastava as Independent Director	Voted in favour	12	442599200	99.99971	69	54477	85.533	81	442653677	99.998
	Voted Against	2	1300	0.000294	6	605	0.950	8	1905	0.0004
	Invalid Votes	1	1	0.0000002	6	8609	-	7	8610	-
Item No. 5: Ordinary Resolution appointment of Shri M. Raman as an Independent Director	Voted in favour	13	442599201	99.99971	68	54476	85.532	81	442653677	99.998
	Voted Against	2	1300	0.00029	5	604	0.948	7	1904	0.0004
	Invalid Votes	0	0	0	8	8611	-	8	8611	-
Item No. 6: Ordinary Resolution appointment of Shri Rajiv Yadav as Part-time Director	Voted in favour	13	442599201	99.99971	68	54726	85.924	81	442653927	99.99
	Voted Against	2	1300	0.00029	4	304	0.477	6	1604	0.0003
	Invalid Votes	0	0	0	9	8661	-	9	8661	-

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Item No. 7: Ordinary Resolution
for the remuneration of Cost
Auditors for the
financial year ending March
31, 2015

Voted in favour	15	442600501	100	69	54776	86.003	84	442655277	99.99
Voted Against	0	0	0	5	305	0.005	5	305	0.00006
Invalid Votes	0	0	0	7	8610	-	7	8610	-
Voted in favour	12	442599101	99.9997	68	54774	86.000	80	442653875	99.99
Voted Against	3	1400	0.0003163	4	304	0.477	7	1704	0.00038
Invalid Votes	0	0	0	9	8613	-	9	8613	-
Voted in favour	12	442599200	99.999706	67	54773	85.998	79	442653973	99.99
Voted Against	3	1301	0.000294	4	304	0.477	7	1605	0.0003
Invalid Votes	0	0	0	10	8614	-	10	8614	-

The resolutions for the ordinary and special businesses as set out in Item No. 1 to 9 in the Notice of the 40th Annual General Meeting, duly approved by the Members with requisite majority, are recorded hereunder as a part of the proceedings of 40th Annual General Meeting of the Members held on 5th September, 2014:

ORDINARY BUSINESS

ITEM NO.1 Ordinary Resolution for adoption of Audited Balance Sheet of the Company as at 31st March, 2014 and the Statement of Profit & Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon.

"RESOLVED THAT the Audited Balance Sheet of the Company as at 31st March, 2014 and the Statement of Profit & Loss Account for the year ended on that date together with the Reports of the Directors and the Auditors thereon be and hereby adopted."

ITEM NO.2: Ordinary Resolution for remuneration of the Statutory Auditors for the financial year ending March 31, 2015.

"RESOLVED THAT pursuant to the provisions of Section 142(1) and other applicable provisions, if any, of the Companies Act, 2013, the Statutory Audit Fee for the financial year 2014-15 be and is hereby fixed at ₹17.00 lakhs plus Service Tax and reimbursement of actual TA and out of pocket expenses to the Auditors as per Company Rules."

SPECIAL BUSINESS

ITEM NO.3: Ordinary Resolution for appointment of Shri G.S. Sandhu as an Independent Director.

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force and Clause 49 of the Listing Agreement, Shri Gurinderjit Singh Sandhu (DIN 01790828) who was appointed as an Additional Director and holds Office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing u/s 160 of the Companies Act, 2013,

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proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office upto 20th February, 2017.

ITEM NO.4: Ordinary Resolution for appointment of Shri Vikram Srivastava as an Independent Director.

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, Shri Vikram Srivastava (DIN 06541689), who was appointed as an Independent Director liable to retire by rotation at the previous Annual General Meeting of the Company in respect of whom the Company has received a notice in writing u/s 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office upto 5th May, 2016.

ITEM NO.5: Ordinary Resolution for appointment of Shri M. Raman as an Independent Director.

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, Shri M. Raman (DIN 01226770), who was appointed as an Independent Director liable to retire by rotation at the previous Annual General Meeting of the Company in respect of whom the Company has received a notice in writing u/s 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office upto 5th May, 2016.

ITEM NO.6: Ordinary Resolution for appointment of Shri Rajiv Yadav as part-time Director.

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, Shri Rajiv Yadav (DIN 00322778), who was appointed as an Additional Director and holds Office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing u/s 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as a part-time non-functional Director liable to retire by rotation.

ITEM NO.7: Ordinary Resolution for remuneration of the Cost Auditors for the financial year ending March 31, 2015.

"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(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the statement annexed to the Notice convening this meeting."

"FURTHER RESOLVED 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."

R.W



नेशनल फर्टिलाइजर्स लिमिटेड
एन.एफ.एल.
NATIONAL FERTILIZERS LIMITED
कार्पोरेट ऑफिस
CORPORATE OFFICE

ITEM NO.8: Special Resolution for Consent to Board of Directors to exercise borrowing powers.

"RESOLVED THAT to meet the capital requirements of the Company for change over of feed-stock from fuel-oil to gas at three FO based Units at Panipat, Bathinda & Nangal and augmentation of urea capacities at Vijaipur-I & II Units and other capital schemes likely to be undertaken during next five years, pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors may think fit which, together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), 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 purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any time exceed the limit of ₹5000 Crores."

ITEM NO.9: Ordinary Resolution for appointment of Shri Rakesh Kumar as Part-time Director.

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force, Shri Rakesh Kumar (DIN 06940386), who was appointed as an Additional Director and holds Office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing u/s 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as a part-time non-functional Director liable to retire by rotation.

All the above Resolutions, which were put to vote, were passed with requisite majority.

(Neeru Abrol)
Chairperson
(DIN 01279485)

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

Dated: 29th September, 2014

Certified True copy.
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R. Kumar

रवि कुमार/RAV KUMAR
कम्पनी सचिव
Company Secretary
नेशनल फर्टिलाइजर्स लिमिटेड
National Fertilizers Limited