



नेशनल फर्टिलाइजर्स लिमिटेड

(भारत सरकार का उपक्रम)

कॉर्पोरेट कार्यालय : ए-11, सैक्टर-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/AGM/ 422

Dated: 27.09.2017

Manager, (Listing), National Stock Exchange of India Ltd., 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 25 th , Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.
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Sub: Proceedings of 43rd Annual General Meeting of the Company held on 27.09.2017.

Dear Sir,

As per the requirement of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the summary of proceedings of 43rd Annual General Meeting of the Company held on 27th September, 2017.

The above is for information and record.

Thanking you,

**Yours faithfully,
For National Fertilizers Limited**

R. Kumar

**(Raj Kumar)
Company Secretary**

Encl: As above.



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Sub: Summary of proceedings of 43rd Annual General Meeting (AGM) of National Fertilizers Limited.

43rd Annual General Meeting of the members of the Company was held on Wednesday, 27th September, 2017 at 10:30 A.M. at NCUI Auditorium & Convention Centre, 3, Siri Institutional Area, August Kranti Marg, New Delhi-110016.

Shri Manoj Mishra, Chairman & Managing Director, chaired the meeting. The requisite quorum being present, the Chairman called the meeting to order. The Chairman thereafter delivered his address to the shareholders (copy enclosed). With the consent of all the Members present, the Notice of AGM, Board's Report were taken as read. Company Secretary read out the Auditors' Report.

The Chairman informed the Members that pursuant to Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company had offered Remote e-voting facility to its Members to exercise their right to vote by electronic means from Saturday, 24th September, 2017 (9.00 A.M.) to Monday, 26th September, 2017 (5.00 P.M.).

The Company Secretary proposed items of business set out in the Revised Notice of AGM dated 05.09.2017 for approval of Members and Chairman explained objective and implications, of the resolutions enlisted in the AGM Notice, which were as under:-

Item No.	Business Item	Resolution
Ordinary Business		
1.	To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements for the F.Y. ended 31.03.2017.	Ordinary
2.	To declare dividend on equity share capital for the financial year 2016-17.	Ordinary
3.	To re-appoint Shri Dharam Pal (DIN 02354549), as Director who retires by rotation.	Ordinary
4.	To fix remuneration of Statutory Auditors for the Financial Year 2017-18.	Ordinary
Special Business		
5.	To appoint Ms. Meenakshi Gupta (DIN 07686646), as Director.	Ordinary

R.K.

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Item No.	Business Item	Resolution
6.	To appoint Shri Devinder Singh Ahuja (DIN 07687173), as Director (Technical).	Ordinary
7.	To appoint Shri Anil Verma, (DIN 02544789), as Independent Director.	Ordinary
8.	To appoint Dr. Ramesh Kumar Agarwal, (DIN 00601353), as Independent Director.	Ordinary
9.	To appoint Dr. Kalpana Saini, (DIN 07820260), as Independent Director.	Ordinary
10.	To ratify the remuneration of the Cost Auditors for the financial year ending 31 st March, 2018.	Ordinary

Company Secretary informed the Members that Shri Sachin Agarwal, Practicing Company Secretary of M/s. Agarwal S. & Associates had been appointed as the Scrutinizer to scrutinize the e-voting process as well as voting at the AGM.

Thereafter, shareholders who had not voted electronically were requested to cast their vote on the polling paper made available to them and to drop the same in the Ballot Boxes placed in the auditorium after all the resolutions were read out.

After the casting of votes through ballot papers by the shareholders, the Ballot Boxes were taken over by the Scrutinizer, Shri Sachin Agarwal, under his custody.

It was informed that counting of the votes and verification of the Polling Papers would take some time, the result of the poll alongwith the result of Remote e-voting would be hoisted on website of the Company, NSDL and that of the Stock Exchanges on or before 29.09.2017.

Members present were given the opportunity to raise queries and seek clarifications, if any. The Chairman responded to the queries raised by the Members.

The meeting concluded at 11.30 AM.

R. Kumar
(Raj Kumar)
 Company Secretary
 ACS-11914

Place: New Delhi
 Date: 27.09.2017

Chairman's Message

Dear Shareholders,

I have great pleasure in welcoming you to the 43rd Annual General Meeting of the Company. Board's Report and the Audited Financial Statements for the year ended 31st March, 2017 along with Auditors Report and Comments of C&AG have been with you for quite some time now and, with your permission, I take them as read. Before I proceed to take up the formal agenda of today's meeting, I would like to share with you, in brief, the economic and Industry scenario under which the Company is operating, challenges faced, performance of the company during the year 2016-17 and some of the ongoing activities.

Economic Environment & Fertilizer Industry:

The country is set to witness economic growth a leap forward through various reforms / initiatives undertaken by the Indian government including Make in India, Goods and Services Tax (GST), Insolvency & Bankruptcy Code, Digital India, Skill India etc. De-Monetization decision of the Government during the year has resulted in ample liquidity in the system at reduced lending rates for investment in infrastructure. Increase in Foreign Direct Investment due to above reforms / initiatives of the GoI has also helped to boost up the economic growth in the country.

I am happy to share that our country, during 2016-17, achieved Urea production of 242 lakh MT, marginally lower than record Urea production of 245 Lakh MT made during 2015-16. Under 'Make in India' initiative of the Government, all out efforts are being made to revive the closed Urea plants in the country in a time bound manner which shall not only reduce the dependence on imports but also make the country self-reliant in Urea.

During 2016-17, due to higher production and lower consumption of Neem Coated Urea, there has been a significant cut in Urea imports in the country during 2016-17 by over 3 million tonnes i.e. 5.5 Million tons against 8.5 Million tons made in 2015-16. As a result, availability position of Urea in the market remained quite comfortable and probably no shortage of Urea was felt by the farmers during 2016-17.

Implementation of Direct Benefit Transfer of subsidy in Fertilizers sector is in full swing. After implementation of 16 pilot projects on DBT, it would be rolled out across the whole country which is scheduled to be completed by January 2018. After implementation of DBT, the company would be receiving the subsidy on sales recorded through Point of sales machines (PoS) only. This would ensure timely and adequate supply of fertilizers to the farmers, reduce leakage and also reduce the government's subsidy burden.

Performance Highlights:

Your Company has performed exceedingly well during the year 2016-17. The Company has achieved the ever highest Urea production of 38.10 LMT with an overall capacity utilization of 118% during 2016-17 surpassing the previous best production of 37.99 LMT achieved during 2015-16. Your company is second largest domestic producer of Urea with market share of 15.5%.

On the sales front, the company achieved ever best sale of Fertilizers of 39.75 LMT including record sale of 37.58 LMT of Urea, 2.14 LMT of imported DAP (ever best) and 0.03 LMT of Bentonite Sulphur against previous best of 36.91 LMT during 2015-16 which included 36.41 LMT of Urea and 0.50 LMT of DAP.

During 2016-17, your company recorded ever best sale of Nitric Acid of 67949 MT surpassing previous best of 54559 MT during 2015-16.

Besides this, 9293 MT of Ammonium Nitrate was also produced & sold during 2016-17 after re-commencement of its production in April 2016 at Nangal Unit after a gap of around 2 years. The company sold 545 MT of Bio-Fertilizers (Solid & Liquid) to the tune of Rs. 2.39 crore as against 530 MT of Rs. 3.01 crore during last year. There has been a surge in fertilizers import business of the company during 2016-17. The company imported and sold 214000 MT of DAP and 3000 MT of Bentonite Sulphur worth Rs. 660 crore during 2016-17 as against 52000 MT of imported and indigenous DAP & Bentonite Sulphur worth Rs. 173 crore during 2015-16.

During the year, your company achieved turnover of Rs. 7663.22 crore compared to Rs. 7793.91 crore of the CPLY. Despite higher sale quantity of Urea by 1.17 LMT as compared to CPLY, the decrease in sales turnover is mainly due to lower subsidy on Urea by Rs. 660 crore mainly due to fall in gas price to USD 8.04 / MMBTU during the year as compared to USD 9.96 / MMBTU during CPLY i.e. decrease of 19.28%.

Company earned profit before tax of Rs. 324.88 crore (CPLY Rs. 288.42 crore) and profit after tax of Rs. 208.16 crore (CPLY Rs. 198.62 crore) which is the highest in last more than a decade. The increase in profit is attributed to many factors including higher sale of Urea, higher contribution from traded goods & industrial products, decrease in interest cost, decrease in energy consumption due to optimum operation of the plants. Though, increase in marketing expenses due to oversupply situation in the market had an adverse impact on the profitability of the company during the year.

Projects completed / underway

Revival of closed Urea plant at Ramagundam

Through a JV company (M/s RFCL) with EIL, FCIL and State of Telangana, your company is reviving a closed Urea plant of M/s FCIL at Ramagundam with total annual installed Urea capacity of 12.71 LMT with a total estimated project cost Rs. 5254 crore which is expected to be completed by December 2018. Your company shall be marketing 100% of Urea to be produced by this JV Company and also plan to provide requisite trained manpower for operation and maintenance (O&M) of Ramagundam Plant.

Bentonite Sulphur Plant at Panipat Unit

The mechanical completion of Bentonite Sulphur plant of 25000 MTPA at Panipat Unit is at advanced stage and likely to be commissioned shortly.

Murate of Potash plant in Little Rann of Kutch

Production of Murate of Potash (MoP) from subsoil bitterns available in little Rann of Kutch (LRK) on commercial basis is also being explored in collaboration with M/s CSMCRI, Bhavnagar and Hindustan Salt Limited. Though the results from the pilot plant are not very encouraging.

Integrated Energy Saving Projects

Under New Urea Policy-2015, your company is required to achieve stringent energy norms applicable w.e.f. 01-04-2018 for which action is already under way to line up a LSTK contract to implement Gas Turbine Generators along with Heat Recovery Steam Generation (HRSG) Unit at Panipat, Bathinda & Nangal Units with a total estimated cost of Rs. 700 crore.

Your company, as a part of its well-planned strategy, is gradually shifting from single Product to multi Products Company. As a result, the composition of gross sale of the company during 2016-17 has undergone visible change. Urea contribution to overall revenue of the company during 2016-17 has reduced to 88.31% as compared to 94.49% in CPLY while contribution of non-Urea business has increased to 11.69% as compared to 5.51% in CPLY.

Dividend:

I am pleased to inform you that the Board has recommended a dividend of 8.5% (Rs.0.85 per equity share) for the year 2016-17 on equity share of Rs.10 each amounting to Rs. 41.70 crore. This is equal to about 20% of PAT.

Agricultural Extension Services:

During 2016-17, your company undertook various agriculture extension services which include 172 demonstrations on Bio Fertilizers and City Compost at farmers' field to demonstrate the effect of Bio Fertilizers and City Compost on crop growth. Your Company has opened 100 Kisan Suvidha Kendras (KSKs) across its marketing territory. Towards improving soil health and balanced fertilization, your company has undertaken analysis of more than 27000 soil samples of farmers for Macro and Micro Nutrients during 2016-17.

Human Resource:

Your company accords utmost importance to its Human Resource and makes sustained efforts for the development of its manpower.

Your Company has a man power strength of 3517 employees as on 31-03-2017, which comprises of 1663 Executives and 1854 Non-Executives. The company promotes the employment of women and at present 202 women employees are on its roll.

During 2016-17, on skill development, your company imparted 11750 man-days training to the employees through various in-house and external training programmes. The industrial relations at all Units / Offices of NFL remained cordial.

CSR Activities:

During the year 2016-17, your company has incurred an expenditure of Rs. 2.62 crore on various CSR activities in the area of Health & Sanitation, Cancer Awareness, distribution of Artificial Limbs, Aids & Appliances, Skill Development especially for women & youth and provision of Ambulances in remote village of Arunachal Pradesh, Soil Testing etc. An extensive programme to promote usage of City Compost has been taken up in 10 villages in the states of Haryana and Madhya Pradesh.

Safety, Environment and Sustainable Development:

During the year, the Company has undertaken various initiatives for adopting best practices for health, safety, environment management and sustainable development.

All our manufacturing Units are equipped with on-line monitoring system both for effluent and emission discharges which are further integrated with Central and State Pollution Control Boards in order to monitor the level of pollutants on continuous and real time basis.

On Environment front, our company has been consistently working on reducing the carbon foot prints through afforestation, rain water harvesting, adoption of clean technology and waste disposal.

Awards and Accolades:

I am happy to share with you that during 2016-17, your company has received number of prestigious awards in different spheres such as Safety and Energy Conservation awards to Panipat Unit for the year 2014 and 2016, Technical innovation and Environment protection

awards to Vijaipur Unit for the year 2016 and award for excellence in Cost Management from institute of Cost Accountants of India (ICAI).

Growth Drivers:

The company is focusing on the following areas for achieving growth in its business:

- ✓ Maximization of Urea production in energy efficient manner.
- ✓ Production of new products like Bentonite Sulphur, MoP etc.
- ✓ Maximization of production of Industrial Products including Ammonium Nitrate.
- ✓ Production and sale of quality & certified seeds in own brand name through Seed Multiplication Programme.
- ✓ Domestic trading of Agro products like Pesticides, City Compost, Bentonite Sulphur etc.
- ✓ Import and sale of fertilizers like Urea, DAP, MoP and complex fertilizers.
- ✓ Revival of other closed plants in the country through Joint venture mode.
- ✓ Setting up of Di-nitro Tetroxide (N₂O₄) plant at Vijaipur Unit for M/s ISRO on Built, Own, Operate & Supply (BOOS) basis.
- ✓ Exploring setting up a DAP and Phosphoric Acid Plant in Algeria in a Joint Venture mode and under buy-back arrangement.

Corporate Governance:

Your company is committed to the best practices in the area of Corporate Governance, and maintains a high level of business ethics and to optimize the value for all its stakeholders. All Directors and Senior Management officials have affirmed compliance to Code of Conduct.

Changes in Directors:

I welcome Smt. Meenakshi Gupta, Additional Secretary and Financial Advisor, Department of Fertilizers, Shri D S Ahuja, Director, Shri Anil Verma, Independent Director, Dr. Ramesh Kumar Agarwal, Independent Director, Dr. Kalpana Saini, Independent Director on joining the Board of

the Company and hope that the Company will benefit greatly from their rich experience.

I will also like to place on record deep appreciation for the valuable guidance and significant contributions made by outgoing Directors, Shri Gurinderjit Singh Sandhu, Shri Kuntel Sensarma and Shri M. Sagar Mathews.

Acknowledgement:

I also take this opportunity to express my sincere thanks and gratitude to my colleagues on the Board of Directors for their valuable guidance and support in running the affairs of the company.

I am also thankful for the support received by the Company from Department of Fertilizers, Fertilizer Industry Coordination Committee (FICC), Railways and other Ministries, Departments of Government of India & various State Governments, Company's Bankers and Auditors and look forward to their continued support in Company's future endeavors. In particular, I shall like to thank all the shareholders for their continued confidence in the Company.

I sincerely thank the employees of NFL at all levels and would like to place on record that but for their contribution and dedication, the results achieved would not have been possible. I expect the same determination and spirit to continue in future to further improve the performance of the company.

Thank you all,

Date: 27.09.2017
Place: New Delhi

Manoj Mishra
Chairman