

12TH ANNUAL GENERAL MEETING – FRIDAY, 23.09.2022 at 11.30 A.M.

AGM TRANSCRIPT

Company Secretary	<p>Good Morning everyone. I, Ritu Gupta, Company Secretary of Kanpur Fertilizers & Chemicals Limited, welcome all of you to this 12th Annual General Meeting of the Company being held through Video Conferencing / Other Audio Visual Means as per the provisions of the Companies Act, 2013 and various other circulars issued by Ministry of Corporate Affairs. As the meeting is being conducted through VC / OAVM, hence attendance through proxies is not allowed. I am attending this meeting from JA House, Basant Lok, Vasant Vihar, New Delhi, the deemed venue of the Meeting. The notice of AGM for conducting this Meeting through VC / OAVM was sent via electronic mode to all such members whose e-mail IDs were registered with the Company or with the Depositories as on August 26, 2022.</p> <p>Now, I will take you through certain important points for participating in this meeting.</p> <p>All the members who have joined this meeting are put on mute mode, by default, for smooth and seamless conduct of the meeting.</p> <p>Voting at the Meeting shall be done by show of hands, if less than 50 members are present in the meeting, unless poll is demanded by the any Member. In case where the number of members exceeds 50 or if poll is demanded, members can e-mail their votes at kfcl.investor@jalindia.co.in by using the polling paper provided at Page No. 70 of the Annual Report. Please note that voting through polling paper will remain open for 30 minutes after the conclusion of the proceedings of the meeting and you may kindly vote by that time. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. September 16, 2022.</p> <p>Further, all the documents referred to in the notice of AGM and Statutory Registers are available for inspection by members, as per the process mentioned in the AGM notice.</p> <p>As per the confirmation received from the host of the meeting, quorum for the meeting is present.</p>
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	<p>I now request Shri S.D. Nailwal Ji, Director to take the Chair and to take forward the proceedings of this Meeting as per the confirmation received from the Members, in the absence of Shri Manoj Gaur Ji.</p>
Chairman	<p>Thank you Ms. Ritu ji.</p> <p>Esteemed Members of the Board and Respected Shareholders.</p> <p>Since Shri Manoj Gaur, Chairman of the Company, is unable to attend this Meeting due to some work exigency, I, S.D. Nailwal have been asked to preside this meeting. I am joining this meeting through Video Conferencing from JA House, Basant Lok, Vasant Vihar, New Delhi.</p> <p>It is my privilege to welcome our esteemed members of the Board and Respected Shareholders attending this 12th Annual General Meeting of the Company, being conducted through Video Conferencing. The Company has made all feasible arrangements to enable the Members to participate and vote on the Agenda of this meeting contained in the Notice of this AGM.</p> <p>As the Members are aware, since the outburst of Covid-19 in Jan/Feb 2020, the whole world has witnessed severe impact of Covid-19 pandemic on the human life and the economy and India had been no exception. The Company, well aware of socio-economic impact besides threatening the human life posed by this pandemic, took every step to fight against the same. The guidelines issued by Central Government and the State Governments were strictly followed. The Company, during this Covid period, was at forefront to protect our employees. The Company has gradually come out of the situation and has been able to fight the crisis.</p> <p>I sincerely wish for the well being of all shareholders and pray for safety and their good health.</p> <p>Now, I would like to request each and every shareholder attending this meeting to kindly help in smooth conduct of this meeting. The requisite quorum is present through Video Conferencing / Other Audio Visual Means, I call the meeting to order.</p> <p>The members of the Board who have joined this meeting through video conferencing/ other Audio Visual Means are:</p>

1. Shri S.C.K. Patne ji, an Independent Director and Chairman of the Audit Committee of the Board attending this Meeting from Kaushambi, Ghaziabad.
2. Shri K.V. Rajendran ji, an Independent Director and Chairman of Nomination and Remuneration Committee of the Board of Directors attending this Meeting from 'JA House', Basant Lok, Vasant Vihar, New Delhi.
3. Ms. Sunita Joshi ji, Director, attending this Meeting from Gurgaon.
4. Shri Anil Mohan ji, Director, attending this Meeting from 'JA House', Basant Lok, Vasant Vihar, New Delhi
5. Shri Ajit Kumar ji, Director, attending this Meeting from 'JA House', Basant Lok, Vasant Vihar, New Delhi
6. Shri Devinder Singh Ahuja ji, Director, attending this Meeting from 'JA House', Basant Lok, Vasant Vihar, New Delhi

I whole-heartedly thank all of them for sparing their valuable time for attending this meeting.

Shri Manoj Gaur ji, Chairman and Shri Alok Gaur ji, Joint Managing Director & CEO of the Company are unable to attend this Meeting due to some work exigencies.

I would also like to record my deepest appreciation for the invaluable contribution made by Shri R.K. Pandey ji during his long association with the Company as a Director, who has resigned w.e.f. August 1, 2022 due to health reasons.

I have with me, Shri Sudhir Rana ji, Chief Financial Officer of the Company and Ms. Ritu Gupta ji who has joined the Company as Company Secretary in May, 2022.

Shri Rohit Mehra ji and Shri Manoj Vats ji, Partners, R. Nagpal & Associates, Internal Auditors and Sharma Vats & Associates, Statutory Auditors respectively and Ms. Anjali Yadav ji, the Secretarial Auditor as well as the Scrutinizer, are also attending this Meeting from 'JA House', Basant Lok, Vasant Vihar, New Delhi.

I welcome them also.

	<p>Before we start the Meeting, we regret to inform all our Shareholders that our dear Shri Rajendra Swarup ji, President at Kanpur Fertilizers & Chemicals Plant has passed away on 18th September, 2022. Shri Swarup ji was not only a respected Engineer from IIT Kanpur, but with his stint of hard work and aptitude, he worked illustriously in Chemical Industry and played two distinguished innings at this Plant, first between 1992 to 2002 and then from 2015 onwards. Shri Swarup ji joined us when the Company was passing through several challenges including resource crunch. With application of knowledge and intellect presented with rock solid temperament which he possessed, he emerged as a pillar of strength during his tenure before God took him away from us. He will be respected and admired for his rare traits of being gentleman to the core of his heart besides his human values, his mentorship and his contribution at this critical phase of plant's life.</p> <p>I will request everyone to pray for his eternal peace and observe two minutes silence in JA House.</p>
Two Minutes Silence	
Chairman	<p>It gives me immense pleasure to share with you an update on the overall performance of the Company during the Financial Year 2021-22. It is really appreciable that your Company is emerging stronger.</p> <p>Before deliberating on the activities of the Company, I would like to briefly share information with respect to state of economy and in particular, the fertilizer sector during Financial Year 2021-22. As per the third advance estimates of production of major agricultural crops released by the Union Ministry of Agriculture and Farmers Welfare for the year 2021-22, the production of Foodgrains in the country is estimated at record 314.51 million tonnes which is higher by 3.77 million tonnes than the production of foodgrains during 2020-21. The production during 2021-22 is higher by 23.80 million tonnes considering the previous five years' average production of foodgrains. Urea is a nitrogenous fertilizer which is the major source of nitrogen for crops. Its demand is continuously growing in the country. There is a wide gap between the requirement of urea and its availability in the country as is evident from the import of large quantities of urea in the last few years.</p> <p>In the challenging environment, your Company performed well and reported Profit after Tax of Rs.21.06 Crores during the</p>

Financial Year 2021-22 as against a loss of Rs. 46.52 Crores incurred during previous Year. It is also notable that your Company has achieved total revenue of Rs. 2,592.12 Crores as against Rs.1,894.66 Crores achieved during previous year. The Company has taken several steps for conservation of energy and technology absorption during Financial Year 2021-22. During the year under review, the Company was able to achieve 93% capacity utilization which was same as that of last year. Energy consumption slightly increased to 7.15 GCal/MT of urea from 7.01 GCal/MT of urea in the previous year 2020-21.

Consequent to New Urea Policy-2015 relating to energy norms for the Fertilizer Industry, from July, 2015 onwards, the Company has made several representations for special energy norms to the Government of India at various levels including numerous meetings with the Hon'ble Minister of Fertilizers and Secretary Fertilizers, in view of the fact that the Company is operating a BIFR revived plant outside Group-III of New Urea Policy-2015.

In October 2018, a presentation was made to Niti Aayog for considering the Company along with SFC Kota and GNFC Bharuch as special case for fixation of economic energy norms compared to the energy norm of 6.5 GCal/MT of Urea, specially on account of the vintage plant having technology usage of Coal as against new technology plants that fully rely on Imported Natural Gas which involves forex fluctuation as well as forex outflow.

While the applications to consider our request for a sustainable energy norms of not less than 7.424 GCal/MT of Urea against the new energy norms of 6.5 GCal/MT of Urea for Group-III plants, is under process for a final decision, the Department of Fertilizers has applied the new energy norms of 6.5 GCal/MT of Urea for subsidy calculation w.e.f. 1st October, 2020 on our Bills. This is a policy issue where Department of Fertilizers has taken on record our various submissions. Given the fact that the Company is engaged in the manufacturing of product of national agricultural importance, the matter is poised to get a positive outcome for sustainable operations of the Company.

Considering the energy norms and the vintage value of the plant coupled with the importance of urea, we are in consonance with the concerned departments of Central Government and are anticipating a favorable decision. As a result of Company's continuous efforts in this regard, a Committee has been formed by the Secretary Fertilizer to recommend the energy norms for the Company and the said Committee has submitted its report

	<p>and the notification fixing the energy norm for the Company is expected to be issued shortly. Basis the said estimate, provision for subsidy claim has been recognized at 7.424 GCal / MT of Urea in the books of account of the Company.</p> <p>During the year under Report, the loan from Yes Bank Limited has been re-aligned after receiving No-objection Certificates from Consortium of Lenders and account of the Company has been upgraded by Yes Bank Limited. Upgradation of the Account by Consortium is being followed up and an external Rating agency is working on the upgradation assignment.</p> <p>Your Company takes pride in considering its Human Resource as its most important asset and the Company is making sustained efforts for the development of its manpower and recruiting highly qualified and competent Human Resource that contribute their best towards success of the Company.</p> <p>Your Company is sincerely working towards inclusive growth of society through its CSR efforts. During Financial Year 2021-22, the focus of CSR activities of your Company was on Health, with particular focus on COVID related measures. Our empathy and sense of responsibility towards the society has always been a priority.</p> <p>On behalf of the Board of Directors and my sincere gratitude for the valuable and continued support extended by the Ministry of Chemicals & Fertilizers, Kanpur Electricity Supply Co. Ltd., GAIL (India) Limited, Consortium of Banks / Financial Institutions led by SBI, various departments of Central and State Government and other Authorities for their valuable and continued co-operation and support to the Company and the Auditors of the Company for their guidance. I also wish to place on record my appreciation for the team work, commitment and unstinting efforts of the employees at all levels for the successful operations of the Company's Fertilizer Plant.</p>
Chairman	Now I request Ms. Ritu Gupta ji, Company Secretary to read the Auditors' Report.
Company Secretary	<p>Thank you Sir.</p> <p>Statutory Auditors and Secretarial Auditors of the Company have already submitted their respective Reports for Financial Year 2021-22 and the same form part of Annual Report already circulated to the members. These Report do not contain any qualification, reservation or adverse remark.</p>

	<p>As per request received from some of the members and with the due permission of the Chairman, I am reading the first and last line of the Auditors' Report and rest can be taken as read.</p> <p>To the Members of Kanpur Fertilizers & Chemicals Ltd.....</p> <p>....Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.</p> <p>Now, I will request Shri S.D. Nailwal ji, Chairman of the Meeting, to take up the items of business as mentioned in the Notice of AGM, for approval of the Members.</p>
Chairman	<p>Thank you Ritu Gupta Ji.</p> <p>Since members attending the meeting are less than 50, Resolutions mentioned in the Notice may be passed by show of hands. Item Nos. 1 to 3 are Ordinary Businesses and Item Nos.4 to 8 are Special Businesses for which explanatory statements are given in the Notice of AGM. Now I am proceeding with the items as mentioned in the Notice of AGM dated 27th May, 2022.</p> <p>With the permission of the members present, Notice convening 12th AGM, Board's Report, Auditors' Report and the Financial Statements having already been circulated to the members be taken as read.</p> <p>I now take up the items as per the Notice circulated to members and will explain the objectives and implications of each of the items as included in the Notice.</p>
	<p>Item No. 1 – Consideration and adoption of Audited Financial Statements of the Company for the Financial Year ended on March 31, 2022 together with the Reports of the Board of Directors and Auditors thereon.</p> <p>The Resolution is now placed before the meeting to be passed as an Ordinary Resolution.</p> <p>It is a statutory requirement as per Sections 129 and 134 of the Companies Act, 2013.</p> <p>Members who are in favour of the Resolution are requested to raise their hands</p>

	<p>The resolution has been proposed and seconded by the Members and is passed unanimously by the Members.</p> <p>Item No. 2 – Re-appointment of Shri Manoj Gaur, Director liable to retire by rotation who being eligible, offers himself for re-appointment</p> <p>The Resolution is now placed before the meeting to be passed as an Ordinary Resolution.</p> <p>It is a statutory requirement. Shri Manoj Gaur (DIN : 00008480) has consented for his re-appointment as Director, liable to retire by rotation.</p> <p>Members who are in favour of the Resolution are requested to raise their hands.</p> <p>The resolution has been proposed and seconded by the Members and is passed unanimously by the Members.</p> <p>Item No. 3 – Re-appointment of Shri Anil Mohan, Director liable to retire by rotation who being eligible, offers himself for re-appointment</p> <p>The Resolution is now placed before the meeting to be passed as an Ordinary Resolution.</p> <p>It is a statutory requirement. Shri Anil Mohan (DIN : 08733802) has consented for his re-appointment as Director, liable to retire by rotation.</p> <p>Members who are in favour of the Resolution are requested to raise their hands</p> <p>The resolution has been proposed and seconded by the Members and is passed unanimously by the Members.</p> <p>Item No. 4 – Ratification of Remuneration of Cost Auditor for the Financial Year 2022-23</p> <p>The Resolution is now placed before the meeting to be passed as an Ordinary Resolution.</p> <p>Pursuant to the applicable provisions of Companies Act read with Rules made thereunder, consent of the Members is being sought for payment of Remuneration amounting to Rupees Three Lakhs (excluding applicable taxes and re-imbursement of out-of-pocket expenses incurred during audit) to M/s Kabra & Associates for conducting audit of the Cost Records of the Company for the Financial Year ending on 31st March, 2023. The proposed</p>
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	<p>remuneration is same as paid in the Previous Financial year and is reasonable.</p> <p>Members who are in favour of passing the Resolution can raise their hands</p> <p>The resolution has been proposed and seconded by the Members and is passed unanimously by the Members.</p> <p>Item No. 5 – Approval/ Ratification for payment of Remuneration to Shri Gaurav Jain, Ex Whole-time Director, for the period from April 1, 2019 to May 27, 2020</p> <p>As per the provisions of Section 197 read with Schedule V to the Companies Act, 2013, after obtaining the No-objection Letter from Yes Bank Limited in its capacity as Lender, the approval / ratification of the Members is being sought for Remuneration paid to Shri Gaurav Jain (DIN : 01102024), Ex Whole-time Director, for the period from April 1, 2019 to May 27, 2020.</p> <p>The Resolution is now placed before the meeting to be passed as a Special Resolution.</p> <p>Members who are in favour of passing the Resolution can raise their hands.</p> <p>The resolution has been proposed and seconded by the Members and is passed unanimously by the Members.</p> <p>Item No. 6 – Approval/ Ratification for payment of Remuneration to Shri Ashok Kumar Jain, Ex Whole-time Director designated as ‘Vice Chairman & CEO’, for the period from April 1, 2019 to June 13, 2020</p> <p>As per the provisions of Section 197 read with Schedule V of the Companies Act, 2013, after obtaining the No-objection Letter from Yes Bank Limited in its capacity as Lender, the approval / ratification of the Members is being sought for Remuneration paid to Shri Ashok Kumar Jain (DIN : 01731920), Ex Whole-time Director designated as ‘Vice Chairman & CEO’, for the period from April 1, 2019 to June 13, 2020.</p> <p>The Resolution is now placed before the meeting to be passed as a Special Resolution.</p> <p>Members who are in favour of passing the Resolution can raise their hands.</p>
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The resolution has been proposed and seconded by the Members and is passed unanimously by the Members.

Item No. 7 – Approval for payment of Remuneration to Shri Alok Gaur, Whole-Time Director, designated as ‘Joint Managing Director & CEO’

As per the provisions of Section 197 read with Schedule V of the Companies Act, 2013, after obtaining the No-objection Letter from Yes Bank Limited in its capacity as Lender, the approval of the Members is being sought for payment of Remuneration to Shri Alok Gaur (DIN : 00112520), Whole-time Director designated as ‘Joint Managing Director & CEO’, for the period from February 1, 2021 to January 31, 2024.

The Resolution is now placed before the meeting to be passed as a Special Resolution.

Members who are in favour of passing the Resolution can raise their hands.

The resolution has been proposed and seconded by the Members and is passed unanimously by the Members.

Item No. 8 – Re-appointment of Shri Krishnaswamy Venkatraman Rajendran as an Independent Director for Second Term of Five Years

Based on the recommendation of the Nomination and Remuneration Committee and in view of rich experience, continued valuable guidance to the management and performance of Shri K.V. Rajendran (DIN: 02468551), it is proposed to re-appoint him as an Independent Director of the Company for second term of 5 consecutive years with effect from May 3, 2023 to May 2, 2028. Approval of the Members is being sought for his re-appointment, as per the provisions of the Companies Act, 2013.

The Resolution is now placed before the meeting to be passed as a Special Resolution.

Members who are in favour of passing the Resolution can raise their hands.

The resolution has been proposed and seconded by the Members and is passed unanimously by the Members.

	<p>So all the items of business as per the Notice of the 12th AGM have been taken up and passed with the requisite majority.</p> <p>Before I conclude, I sincerely thank my colleagues on the Board of Directors for their valuable guidance and support in managing the affairs of the Company. With the trust and confidence shown by all of you, we are looking forward to moving towards a bright and prosperous future which will enhance the long term value for all stakeholders.</p> <p>I hereby declare this meeting as concluded.</p> <p>THANK YOU EVERYONE</p>
Company Secretary	I propose vote of thanks to the Chair.