

**13<sup>TH</sup> ANNUAL GENERAL MEETING – WEDNESDAY, 07.06.2023 at 3.30 P.M.**

**AGM TRANSCRIPT**

**Company  
Secretary**

Good Afternoon everyone. I, Ritu Gupta, Company Secretary of Kanpur Fertilizers & Chemicals Limited, welcome all of you to this 13<sup>th</sup> Annual General Meeting of the Company being held through Video Conferencing as per the provisions of the Companies Act, 2013 and Circulars issued by Ministry of Corporate Affairs. As the Meeting is being conducted through Video Conferencing, hence attendance through proxies is not allowed. I am attending this meeting from JA House, Basant Lok, Vasant Vihar, New Delhi alongwith the Board of Directors, Auditors and Chief Financial Officer of the Company.

The notice of AGM for conducting this Meeting through Video Conferencing was sent electronically to all such Members whose e-mail IDs were registered with the Company or with the Depositories as on Friday, May 12, 2023.

Now, I will take you through certain important points for participating in this Meeting.

All the Members who have joined this Meeting are put on mute mode, by default, for smooth and seamless conduct of the meeting.

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 any Member. In case the number of Members exceeds 50 or if poll is demanded, Members can e-mail their votes at [kfcl.investor@jalindia.co.in](mailto:kfcl.investor@jalindia.co.in) by using the polling paper provided alongwith the AGM Notice. 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. May 31, 2023.

Further, all the documents referred to in the notice of AGM and Statutory Registers are available for inspection by Members electronically, as per the process mentioned in the AGM notice.

As per the confirmation received from the host of the Meeting, quorum for the meeting is present.

Since Shri Manoj Gaur Ji, Chairman of the Board, is not present rightnow, we can hold this Meeting for sometime.

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<b>Company Secretary</b>	<p><b><u>After 15 Minutes</u></b></p> <p>Shri Manoj Gaur Ji is not able to attend this Meeting due to some work exigencies. As per the Articles of Association, the Directors of the Company have elected Shri Alok Gaur Ji, Joint Managing Director &amp; CEO of the Company as Chairman of this Meeting. So, I will request Shri Alok Gaur Ji to chair this Meeting and conduct the proceedings of this Meeting.</p>
<b>Shri Alok Gaur, Chairman of the Meeting</b>	<p>Thank you Ms. Ritu Gupta Ji.</p> <p>Esteemed Members of the Board and dear Shareholders,</p> <p>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 dear Shareholders attending this 13<sup>th</sup> 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 items contained in the Notice of this AGM.</p> <p>I would like to request each and every Member attending this Meeting to kindly help in smooth conduct of this Meeting. Since the requisite quorum is present through Video Conferencing, I call the Meeting to order.</p> <p>As already mentioned by Ms. Ritu Gupta Ji, Company Secretary, Shri Manoj Gaur Ji, Chairman of the Board, is not able to attend this Meeting due to work exigencies. Now, I take this opportunity to introduce the Directors present in the Meeting and who have joined this Meeting through Video Conferencing from JA House, Basant Lok, Vasant Vihar, New Delhi:</p> <ol style="list-style-type: none"> <li>1. Shri S.D. Nailwal Ji, Director and Chairman of Audit and Corporate Social Responsibility Committee</li> <li>2. Ms. Sunita Joshi Ji, Director</li> <li>3. Shri Anil Mohan Ji, Director</li> <li>4. Shri K.V. Rajendran Ji, Independent Director and Chairman of Nomination and Remuneration Committee</li> <li>5. Shri Ajit Kumar Ji, Director</li> <li>6. Shri Devinder Singh Ahuja Ji, Director</li> <li>7. Shri N.K. Grover Ji, Independent Director</li> <li>8. Shri Vinod Sharma Ji, Director</li> </ol> <p>I whole-heartedly thank all of them for sparing their valuable time for attending this meeting.</p>

I would also like to record my deepest appreciation for the valuable contribution made by Shri S.C.K. Patne Ji during his long association with the Company as an Independent Director, who has ceased to be a Director w.e.f. May 2, 2023 consequent to completion of his tenure as an Independent Director and Shri Sudhir Rana Ji who has been appointed as Chief Financial Officer of Jaiprakash Associates Limited, the Holding Company of the Company.

Shri R.C. Sharma Ji (ACMA) having 37 years of vast experience in finance, accounts and corporate matters who has been appointed as Chief Financial Officer of the Company in place of Shri Sudhir Rana Ji; Shri Manoj Vats Ji, Partner, Sharma Vats & Associates, Statutory Auditors; Shri Arpit Taneja Ji, Partner, Arpit Taneja & Associates, Internal Auditors and Ms. Anjali Yadav Ji, Proprietor of Anjali Yadav & Associates, Secretarial Auditors as well as the Scrutinizer, are also present in this Meeting from 'JA House', Basant Lok, Vasant Vihar, New Delhi.

It gives me immense pleasure to share with you an update on the overall performance of the Company during the Financial Year 2022-23. The Members will be happy to know that your Company is emerging stronger.

Now, I would like to briefly share the information with respect to state of economy and in particular, the fertilizer sector during Financial Year 2022-23.

During the year, the Department of Fertilizers has started implementing schemes i.e. Urea Subsidy Scheme, Nutrient Based Subsidy Scheme (NBS) and Direct Benefit Transfer (DBT) Projects for fertilizer subsidy payments, which are implemented on a PAN India basis for ensuring adequate availability of fertilizers to the farmers and also "One Nation One Fertilizer" scheme under the Fertilizer Subsidy Scheme by introducing Single Brand for Fertilizers and Logo viz. "Pradhanmantri Bhartiya Janurvarak Pariyojna" (PMBJP), which aims to ensure timely supply of fertilizers, as well as eliminate the dilemma of farmers in choosing one of the many brands available in the market.

It has also been decided to convert the existing village, block/sub district/taluk and district level fertilizer retail outlets into model fertilizer retail outlets during this year under the name Pradhan Mantri Kisan Samridhi Kendra (PMKSK). These shops will act as "one stop shop" for all agriculture related inputs and services.

Third Advance Estimates of production of major crops for agricultural year 2022-23 have been released by the Ministry of Agriculture and Farmers Welfare. The foodgrain production in the Country is estimated at record 3305.34 Lakh Tonnes in the current agricultural year which is higher by 149.18 LMT as

compared to previous year 2021-22. Agriculture sector is growing day by day due to hard work of farmers, proficiency of scientists and farmer's friendly policies of the Government under the leadership of Hon'ble Prime Minister Shri Narendra Modi Ji.

Majority of the world ranking institutions have also forecasted India's GDP growth rate to be well above to that of the major developed economies of the World. One of the contributing factors to this growth rate is the flourishing agriculture sector. Resilient agriculture sector offers a pathway to economic development, especially for a country like India where almost 55% of the population relies on agri and allied activities for their livelihood. The agri and allied sectors account for around 14-16% in the Gross value added (GVA) at constant prices.

Sharing the operational performance of the Company, during the Financial Year 2022-23, the Company was able to achieve 87% capacity utilization as against 93% last year, primarily on account of reduced Natural Gas supply, necessitated by the Ukraine conflict. Correspondingly, energy consumption marginally increased to 7.36 GCal/MT of urea from 7.15 GCal/MT of urea in the previous year. Despite difficult and challenging time faced by the Company due to limitations imposed on gas supply and price fluctuations, the Company has earned a Revenue of Rs. 3,203.17 Crores during Financial Year 2022-23 as against a Revenue of Rs. 2,592.12 Crores earned during the previous Year 2021-22 and Profit before tax of Rs. 40.80 Crores as against a Profit of Rs. 11.53 Crores during the Previous Financial Year.

I am pleased to inform you that with the Grace of God and due to consistent and untiring efforts of the Management and all the employees of the Company under the valuable guidance of the Board of Directors of the Company, the Company has prepaid all its debts in March, 2023.

In the month of October, 2021, in a sudden move, energy norms of 6.5 GCal/MT of urea for computation of subsidy were applied retrospectively w.e.f. October 1, 2020. The Company made a representation to the Ministry of Chemicals and Fertilizers as this would be a death knell for the Company when all along it was assured that energy norms of not less than 7.424 GCal/MT of urea shall be applied for vintage category plant as per the recommendation of Niti Aayog for subsidy computation.

Shri Manoj Gaur Ji, Chairman of the Board, has been relentlessly representing the viability of the plant and norms which were essential for uninterrupted operation of the plant producing urea, a vital ingredient for meeting the food requirement of the Country and employing around 5000 persons (directly and indirectly) in the state of U.P. The Department of

Fertilizers appreciated economic viability of the plant after considering the rationality of the representations, keeping in view the food security of the Nation which can only be addressed by providing adequate fertilizers to the farmers of the Country. The Department of Fertilizers issued Notification dated November 18, 2022 stipulating the revised energy norms for the Company for computation of subsidy of 7.712 GCal/MT of urea from October 1, 2020 to September 30, 2022 and @ 7.685 GCal/MT of urea from October 1, 2022 to March 31, 2023

In February, 2023, the Company received arrears on account of deductions made from July, 2022 onwards till third week of January, 2023 which, inter alia, has been utilized for making prepayment of entire debt, in totality, to save interest and to make the Company debt free. Accordingly, entire term loan, Fund based and Non-fund based Working Capital loan stands prepaid with Nil outstanding as on March 31, 2023 as against peak debt which amounted to Rs. 1,262 Crores as on April 1, 2015.

Energy norms for computation of subsidy applicable to the Company are as per the policy in vogue i.e. 6.5 GCal/MT of urea from April 1, 2023. The Company's representation for continuation of energy norms approved for the Company upto March 31, 2023 for next two years i.e. March 31, 2025 is under consideration of the Department of Fertilizers.

### **AGROINOVATION**

The Company will have to find suitable product(s) to sustain the future operations. Investment in upgrading the plant/installation for energy saving equipment entailing an investment of more than Rs.1,000 Crores, which the Company is not in a position to arrange, given the changing stance of Government of India (GoI) towards this sector.

Accordingly, it has been decided to undertake Research & Development activities under an Innovative Intellectual Property (IIP) Project in the Agri-tech and Agro-chemical sectors for development of suitable technology and products that are aimed at increasing the yield per hectare for farm sector of the Country keeping in view soil chemistry of the various agri zones and to help GoI efforts to reduce the dependence on imported fertilizers like Urea, DAP Potash, etc. and reduce the financial burden of subsidy on the exchequer for a self-reliant India, in line with clarion call of our Hon'ble Prime Minister under "Atmanirbhar Bharat".

History is replete that the robust Industry-Education linkage leads to Research, fostering of new concepts and break-through technologies which make impact to the Society and have numerous applications besides obvious benefits to all

stakeholders. In this context, in the prevailing situation where GoI has been pushing new frontiers in technology innovation and digitalization, your Company cannot lag behind.

Jaypee Institute of Information Technology (JIIT), Noida along with Jaypee University of Information Technology (JUIT), Waknaghat and Jaypee University (JU) at Anoopshahr is in the process of expanding its joint initiative and collaboration efforts by initiating a dialogue of constructive academic collaboration with leading Agricultural Universities and Institutions in Northern India viz. Y. S. Parmar University of Horticulture and Forestry, Solan, Himachal Pradesh; Chandrashekhar Azad University of Agriculture & Technology, Kanpur in Uttar Pradesh and Indian Council for Agriculture Research (ICAR), Pusa Road, New Delhi. The objective of such collaborative efforts between the Universities of Jaypee Higher Education System and leading Agricultural Universities of our Country is aimed at developing innovative and cost-effective solutions for the Indian Agriculture Sector by leveraging the domain knowledge of the Agricultural Universities and the Bio-technology as well as Data Analytics and the Computer Science Departments of the Jaypee Universities. The imaginative and intuitive power of young and bright students under the guidance of experienced and qualified faculty is also envisaged to be harnessed as part of this collaborative Agroinnovation Research initiative, which will be spearheaded by JIIT, Noida. Agri-based research to be undertaken in the cradle of knowledge requires setting up of Research Centre which will have to factor trends of various agronomic zones of the Country, dovetail the Information Technology and Bio-Technology to arrive at solutions which have relevance for a Company which is seeking new products as well as wants to effectively participate in the Agri-extension sector as well.

Your Company has bestowed this task to the aforesaid consortium of Universities to establish a state-of-art Agroinnovation Centre and has, in-principle, decided to commit funds towards this cause, taking due cognizance of the CSR Committee of the Board. In order to protect the interest of the Company, it has been documented that all Intellectual Property Rights (IPR) for all the products and processes that are invented/developed /innovated, as a result of this support, will vest with your Company only.

## **HUMAN RESOURCES**

Your Company takes pride in considering its Human Resource as its most important asset and your Company is making sustained efforts for the development of its manpower and recruiting highly qualified and competent Human Resource that contribute their best towards the success of the Company.

	<p>On behalf of the Board of Directors, I would like to express my sincere gratitude for the valuable support extended by various Ministries and Departments of Government of India, Central and State Governments, Government of Uttar Pradesh, Ministry of Chemicals &amp; Fertilizers, Department of Fertilizers, Fertilizer Industry Co-ordination Committee (FICC), Kanpur Electricity Supply Co. Ltd. (KESCO), GAIL (India) Limited, Consortium of Banks / Financial Institutions led by SBI and Auditors of the Company for their valuable and continued co-operation and support to the Company.</p> <p>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 at Kanpur.</p> <p>May, I now request Ms. Ritu Gupta Ji, Company Secretary, to read the Auditors' Report.</p>
<b>Company Secretary</b>	<p>Thank you Sir.</p> <p>Statutory Auditors and Secretarial Auditors of the Company have already submitted their respective Reports for Financial Year 2022-23 which form part of Annual Report already circulated to the Members. These Reports do not contain any qualification, reservation or adverse remark.</p> <p>As per the request received from some of the Members and with the due permission of the Chairman of the Meeting, I am reading the first and last line of the Auditors' Report and the rest can be taken as read.</p> <p>To the Members of Kanpur Fertilizers &amp; Chemicals Ltd.....Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.</p> <p>Now, I will request Chairman of the Meeting to take up the items of business as mentioned in the Notice of AGM, for approval of the Members.</p>
<b>Chairman of the Meeting</b>	<p>Thank you Ms. 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 6<sup>th</sup> May, 2023.</p> <p>With the permission of the Members present, Notice convening 13<sup>th</sup> 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><b>Item No. 1 – Consideration and adoption of Audited Financial Statements of the Company for the Financial Year ended on March 31, 2023 together with the Reports of the Board of Directors and Auditors thereon.</b></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><b>I, BEING INTERESTED IN THE MATTER AT ITEM NO. 2, VACATE THE CHAIR AND WOULD REQUEST SHRI S.D. NAILWAL, DIRECTOR OF THE COMPANY, TO TAKE THE CHAIR AND PROCEED WITH ITEM NO. 2</b></p>
<p><b>Shri S.D. Nailwal, Director (Chairman for this Item)</b></p>	<p>Thank you Shri Alok Gaur Ji.</p> <p><b>Item No. 2 – Re-appointment of Shri Alok Gaur, Director liable to retire by rotation who being eligible, offers himself for re-appointment</b></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 Alok Gaur (DIN : 00112520) 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><b>I NOW VACATE THE CHAIR AND REQUEST SHRI ALOK GAUR JI, CHAIRMAN OF THE MEETING, TO CHAIR THE MEETING FOR FURTHER PROCEEDINGS.</b></p>



<b>Shri Alok Gaur, Chairman of the Meeting</b>	<p>Thank You Nailwal Ji.</p> <p><b>Item No. 3 – Re-appointment of Shri Ajit Kumar, Director liable to retire by rotation who being eligible, offers himself for re-appointment</b></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 Ajit Kumar (DIN : 07774104) 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><b>Item No. 4 – Ratification of Remuneration of Cost Auditors for the Financial Year 2023-24</b></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-imburement of out-of-pocket expenses incurred during audit) to M/s Kabra &amp; Associates for conducting audit of the Cost Records of the Company for the Financial Year ending on March 31, 2024. The proposed 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><b>Item No. 5 – Appointment of Shri Vinod Sharma as Director, liable to retire by rotation</b></p> <p>The Resolution is now placed before the meeting to be passed as an Ordinary Resolution.</p> <p>Based on the recommendation of the Nomination and Remuneration Committee and in view of qualifications and vast experience of Shri Vinod Sharma (DIN: 02072969), the Board has appointed Shri Vinod Sharma as an Additional Director w.e.f. September 24, 2022 to hold office till the date of this Meeting.</p>

	<p>It is proposed to appoint him as Director, liable to retire by rotation. His profile is available in the Notice of AGM. Approval of the Members is being sought for his appointment, as per the provisions of the Companies Act, 2013.</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><b>Item No. 6 – Appointment of Shri Narinder Kumar Grover as an Independent Director for a term of five consecutive years</b></p> <p>The Resolution is now placed before the meeting to be passed as an Ordinary Resolution.</p> <p>Based on the recommendation of the Nomination and Remuneration Committee and in view of varied qualifications and rich experience of Shri Narinder Kumar Grover (DIN: 08543115), the Board has appointed Shri Narinder Kumar Grover as an Additional Director w.e.f. September 24, 2022 to hold office till the date of this Meeting and as an Independent Director of the Company w.e.f. September 24, 2022 to September 23, 2027 for a term of 5 consecutive years.</p> <p>It is proposed to appoint him as an Independent Director of the Company for a term of 5 consecutive years with effect from September 24, 2022 to September 23, 2027. His profile is available in the Notice of AGM. Approval of the Members is being sought for his appointment, as per the provisions of the Companies Act, 2013.</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><b>Item No. 7 – Alteration of Memorandum of Association of the Company</b></p> <p>The Resolution is now placed before the meeting to be passed as a Special Resolution.</p> <p>In furtherance to the manufacturing and distribution of Fertilizers and Chemicals including Agro-chemicals, the Company also wants to engage in extension services to farmers community at large including state-of-art technologically driven delivery systems such as drones, mobile app driven delivery</p>

	<p>systems etc. Further, with a view to gainfully utilize the infrastructure available at Kanpur Plant site including vacant land and railway siding inside the Plant, the Company is exploring new business opportunities in Logistics (Kanpur as an Industrial hub is being considered as a nodal city for Logistics) and manufacturing &amp; development of healthcare related products, as and when feasible.</p> <p>In order to undertake such activities, subject to such approvals as may be required, the Company needs to alter its Object Clause of the Memorandum of Association of the Company.</p> <p>The Board has approved and recommended the alteration of Memorandum of Association for inserting the Clauses relating to new business activities proposed to be undertaken by the Company in the Object Clause and for aligning the Memorandum of Association as per the provisions of Companies Act, 2013. Approval of Members is being sought by way of Special Resolution for the aforesaid alteration of Memorandum of Association.</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><b>Item No. 8 – Payment of Remuneration by way of Commission to Chairman and other Non-Executive Directors of the Company</b></p> <p>The Resolution is now placed before the meeting to be passed as a Special Resolution.</p> <p>With the Grace of God, relentless efforts and direction of the Chairman and the team efforts of the Management, officers and staff of the Company under the guidance of the Board of Directors of the Company, the Company has prepaid all its debts in March, 2023. On this event, as a token of respect for the enormous contribution made by the Chairman Sir and guidance of other Non-executive Directors including Independent Directors of the Company, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company has approved and recommended to Members, the matter of remunerating the Chairman and other Non-executive Directors including Independent Directors by way of annual commission for Financial Year 2022-23 and further period of 2 (two) Financial Years, exceeding the prescribed limit of 1% of net profits of the Company but not exceeding the total managerial remuneration limit of 11% of the net profits of the Company computed in accordance with the provisions of Section 198 of the</p>

	<p>Companies Act, 2013. The said remuneration shall be paid in such proportion and manner as may be decided by the Board of Directors of the Company, from time to time, based on the recommendation of the Nomination and Remuneration Committee after considering the relevant factors such as contribution, tenure etc.</p> <p>The matter requires the approval of Members by way of 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>So all the items of business as per the Notice of the 13<sup>th</sup> AGM have been taken up and passed unanimously.</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 continued 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 the stakeholders.</p> <p>I hereby declare this meeting as concluded.</p> <p><b>THANK YOU EVERYONE.</b></p>
<b>Company Secretary</b>	I propose vote of thanks to the Chair.