

NAGARJUNA FERTILIZERS AND CHEMICALS LIMITED

Transcript of the 14th Annual General Meeting (“AGM”) held on Wednesday, December 30, 2020 at 10.00 a.m. (IST), through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) at the Registered office of the Company situated at D.No. 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad – 500082, Telangana to transact the business set out in the notice of the AGM.

Mr. Vijaya Bhasker M (Company Secretary): Good Morning to all the Shareholders of the Company, It is indeed a great pleasure to have you all to participate in the 14th Annual General Meeting of your Company.

I welcome Mr. Uday Shankar Jha, Chairman of the Board and Directors of the Company present, to the 14th Annual General Meeting of the Company.

The Chairman of the Board shall chair the Meeting.

Before the meeting is open for transacting the business set out in the Notice of the 14th AGM, I would like to highlight certain important points with regard to this AGM.

In view of the prevailing lockdown situation across the country due to outbreak of the COVID-19 pandemic and resultant travel restrictions as well as continuing Government guidelines to maintain social distancing, the Ministry of Corporate Affairs has permitted companies to hold their Annual General Meeting (AGM) through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') and also allowed companies to send Annual Reports and the Notice convening the Annual General Meeting electronically. Considering the health and safety of all our stakeholders and in particular the shareholders, the 14th Annual General Meeting of the Company is being conducted through Video Conferencing or Other Audio Visual Means without the physical presence of members at a common venue.

The soft copy of the Annual Report has been sent to all the Members whose e-mail addresses are registered with the Company / In house Share Transfer Agent / Depository Participant.

The meeting opened 30 minutes before the scheduled time i.e. 10.00 am and it will remain open for 15 minutes after the conclusion of the meeting.

Members are encouraged to join the meeting through their laptops and headphones for a better experience and use internet with a good speed to avoid any disturbance during the meeting. Participants connecting from mobile devices or tablets or through laptops connecting via a mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use a stable wi-fi or LAN connection to mitigate any kind of aforesaid glitches.

As mentioned in the notice, the facility of participation at the AGM through video conferencing or Other Audio Visual Means has been made available for members on first come first serve basis, except for large shareholders, promoters, institutional investors, directors, key-managerial personnel, the chairperson of the audit committee, nomination and remuneration committee, and stakeholders relationship committee as well as the auditors who are allowed to attend the AGM without any restrictions.

Subsequent, to the MCA circular of 8th April 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the body corporate is entitled to appoint authorized representatives to attend the AGM through VC, other audio/video means and participate and cast their votes through e-voting.

The registered office of the company situated at H. No. 8-2-248, Nagarjuna Hills, Punjagutta, Hyderabad - 500082 shall be deemed as the venue for this AGM and proceedings of the AGM shall be deemed to be made here at.

The members can inspect all documents referred to in the notice through the link provided by the company on the CDSL portal used by the members for attending the meeting.

Members registered as speakers have been provided with specific links to log in to the meeting who shall be allowing to speak once the Chairman directs the same. We request speakers to limit their speeches for the benefit of other shareholders.

We request Mr. Uday Shankar Jha, Chairman to preside over the meeting and start the proceedings of the Meeting.

Thank you.

Mr. Uday Shankar Jha (Chairman): Dear Shareholders, I, on behalf of the Board of Directors of NFCL pleased to welcome you all to the 14th Annual General Meeting of the Company.

I welcome Mr. K Rahul Raju, Managing Director, Mr. Chandrapal Singh, Director and Mr. Rajendra Mohan Gonela and Mrs. Lalitha Raghuram Independent Directors to the 14th Annual General Meeting of the Company.

As the requisite quorum is present the Meeting may now commence.

With your consent, I take the notice convening the 14th Annual General Meeting, the Board's Report along with annexures thereto and the Annual Accounts for the financial year ended March 31, 2020 which has already been circulated to the members as read.

As required under Section 171 of the Companies Act, 2013, the Register of Directors' Key Managerial Personnel's and their shareholding are open for inspection electronically.

I welcome you again dear shareholders.

I welcome you all to the 14th Annual General Meeting of your Company. The COVID -19 pandemic has disrupted the socio-economic order of our country and the globe. I hope that you and your family are safe and healthy in the ongoing pandemic period.

Though 2019-20 has been a steady year for our nation, your Company, despite being bogged down with challenging external environment for last few years, is taking every effort to bounce back. It has been extremely challenging and testing time for your Company since the GAIL pipeline accident in 2014. Your Company continued to wrestle through the financial distress, cyclones and now, the consequences of COVID-19 pandemic.

The global economy is coming back from the depths of its collapse in the first half of this year. Employment has partially rebounded after having plummeted during the peak of the COVID-19 crisis. This crisis is however far from over.

Amidst the National level COVID -19 lockdown and despite lot of movement restrictions, there had been a record sale of Fertilizers to farmer community with the concerted efforts of Department of Fertilizers. The production and supply of fertilizers of your Company was on going without much hindrance.

We feel proud to say that your Company is lowest in terms of fixed cost amongst the urea manufacturers in the Country and is able to compete successfully with the imported urea.

India has the 10th-largest arable land resource in the world. India can be among the top five exporters of agro-commodities by shifting its focus on cultivation and effectively handholding farmers.

India is the second-largest consumer of fertilizers in the world with an annual consumption of more than 55 million metric tons. Among the various type of fertilizers used in India, Urea is one of the highest consumed fertilizers in the country as a source of Nitrogen.

As you are aware, during the FY 2015 on account of GAIL pipeline accident around 100KM from the Company's plants, the company had to stop urea production and started incurring losses.

The Company's lenders constituted an empowered Joint Lenders Forum (JLF) in 2015 and approved rectification under the extant Corrective Action Plan (CAP) guidelines of RBI dated 2014 along with funding. The funding assessed by the lenders for rectification

was Rs 3050 Crs of working capital and Rs 800 Crs of Working Capital Term Loan. Due to partial release of the funds assessed for rectification in FY 16 the company's fast growing and profitable non-urea businesses were severely impacted and the company could not meet the CAP targets resulting in losses and eventual loan defaults in 2018.

The company's financial stress is purely on account of external factors. While there are ongoing litigations relating to Debt Resolution of the disputed CAP loans in various courts, the company is working closely with lenders and other agencies and targeting to amicably resolve the debt stress by the end of FY21.

As stated the factors impacting the business operations of your Company is beyond our control, your company could operate only one plant during the year 2019-20.

The Company continued to operate under strained financial conditions and continued to incur losses. Due to financial stress the Company had operated only one plant for production of urea during the current financial year 2019-20. The company has taken up with its Lenders for a long-term financial Resolution Plan (RP) and the lenders continued to support the company and have initially permitted 'Holding on Operations' (HOO) from December 2018. Such HOO continued till the end of the current financial year and further extended till January 31, 2021.

As the Resolution Plan is yet to be implemented there exists Material Uncertainty relating to Going concern of the Company. The management of the company is currently in discussion with lenders and are hopeful of a positive response to the resolution plan. The ability of the Company to continue as going concern is solely dependent on the acceptance of debt restructuring proposal, which is not wholly within the control of the Company

On a positive sign, despite all the challenges and hardships your company is facing, we have managed to keep our plants in good operating condition. We hope that the day we get the break through with our bankers and GAIL, we can start our two units operations to full capacity.

During the past year your company's main focus was on Urea and Micro Irrigation manufacturing and distribution business. Additionally, your Company has taken various initiatives to substantially reduce Overheads and other Costs.

Your Company is in discussion with the Banks on an alternate resolution plan or One Time Settlement (OTS) / Debt Settlement and is confident of debt resolution before the end of March, 2021.

During the year under review, the Total Income of your Company is Rs.1,733.49 Crs and Loss after Tax is Rs.(472.35) Crs. Earnings per share (EPS) is (7.90) for the year.

Your Company has always been a socially responsible Company. In spite of financial frailty, your Company continued to contribute to CSR through PM CARES And AP CM Relief fund, an amount of Rs.18.17 Lakhs.

Finally, I would like to state that your company has demonstrated time and again its ability to face challenges, overcome adversities.

The fundamentals of your Company remain strong and will continue to work for sustainable development & growth of the Company.

I convey my deep appreciation and sincere thanks to our fellow Board members for leading the Company through this challenging year and to our management and staff.

In anticipation of a bright future, I convey our sincere thanks to our shareholders for their continued trust in the Company and its Management.

Thanking you all.

Turning to the formal business, I now call upon the Company Secretary to read the Auditors' Report.

Mr. Vijaya Bhasker M: In terms of Section 145 of the Companies Act, 2013 and the Secretarial Standards on General Meeting issued by Institute of Company Secretaries of India, the auditor's report is required to be read at the Annual General Meeting.

Further the qualifications, observations or comments or other remarks, if any, mentioned in the Auditor's Report on the financial transactions and Secretarial Audit Report, which have any adverse effect on the functioning of the company, shall be read at the Annual General Meeting.

With the request of Members present, I would read the first and last paragraph of the auditor's report.

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Nagarjuna Fertilizers and Chemicals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Nagarjuna Fertilizers and Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income) as at March 31, 2020.

The Auditors have emphasized the matters. The attention is invited to the following notes to standalone (Ind AS) Financial Statements.

The Management has given their explanation to the emphasis of the matters. I will read out the emphasis of the matters that has been covered in the auditor's report.

a) Accounting of interest and penal interest on the overdue borrowings, pending confirmation and acceptance by the lenders.

Management Explanation to emphasis on the matter:

a) Emphasis of Matter given in Note (a) of the Auditor's Report on standalone financial statements read with Note 16.5 of Notes forming part of the standalone financial statements for the year ended March 31, 2020 are self-explanatory and do not call for any further comments

b) Recognizing Income from urea operations including reimbursement claims for additional fixed cost, input escalation/de-escalation, and for production beyond reassessed capacity based on prices and provisions applicable under NPS III, Modified NPS III, pending notification of final prices under New Urea Policy 2015 and consequential adjustments, if any that may arise.

Management Explanation to emphasis on the matter:

b) Emphasis of Matter given in Note (c) of the Auditor's Report on standalone financial statements read with Note 38.1.1 of Notes forming part of the standalone financial statements for the year ended March 31, 2020 are self-explanatory and do not call for any further comments.

c) Arbitration awards passed against the Company for USD 15,275,688, GBP 6,90,630, EURO 4,55,000 aggregating to Rs.15,641.51 Lakhs (31.03.2019: Rs.14,188.03 Lakhs), approximately and Rs. 221.39 Lakhs.

Management Explanation to emphasis on the matter:

c) Emphasis of Matter given in Note (b) of the Auditor's Report on standalone financial statements read with Note 25.1 of Notes forming part of the standalone financial statements for the year ended March 31, 2020 are self-explanatory and do not call for any further comments.

For M Bhasker Rao & Co, Chartered Accountants, (Firm's Registration No. 000459S) D. Bapu Raghavendra, Partner, Membership No.213274.

Mr. Uday Shankar Jha: Okay Dear Members, I open the meeting for discussion. Question and Answers.

Mr. K Rahul Raju (Managing Director): Sir we can take questions first as discussed.

Mr. Uday Shankar Jha: We will take all the questions first and then after that we will respond. So please put your questions.

Mr. Atul Bhoyar (Moderator), you have to enable.

Mr. Atul Bhoyar (Moderator): Yes Sir. Please mention the shareholders name. I will unmute from the back end.

Mr. Uday Shankar Jha: How do you identify who will speak.

Mr. Atul Bhoyar (Moderator): Mr. Vijaya, please read the shareholders name. I will unmute them from the back end one by one. They can ask their questions.

Mr. Vijaya Bhasker M: Sir, Mr. Bharat Shah is a speaker shareholder.

Mr. Atul Bhoyar (Moderator): Mr. Bharat Shah, you are unmuted. You can speak.

Mr. Bharat Shah: I am audible Sir?

Mr. Atul Bhoyar and Mr. Uday Shankar Jha: Yeah. Yeah.

Mr. Bharat Shah: To Mr. Chairman. Managing Director and other Directors. I have gone through Chairman's speech. Problems are there but we hope prudent code is there under the guidance of Uday Shankar Jha, the Chairman, Hon'ble Justice K Bhanu Sir, Other IDBI Nominee and other Directors. We hope that this Company should turn around as fast as possible. Particularly I am appealing to Mr. K Rahul Raju, Managing Director, that we have seen this Company how your grandfather had started Mr. KVK Raju and now you have to take this Company to new heights. Difficult days are there because lots of problem came. Gas Pipeline accident was there, interest burden is there, some other problems are there. But we hope that this Company now as Chairman has mentioned that only one plant is running but this Company should take in some strategic partner, strategic alliance and run this Company at full capacity and please see that in next 3-4 years, this Company should turn around and again old glory days should come. And again I thank the management for giving me the opportunity and again our Company Secretary, Mr. Vijaya Bhasker, who is active always, guides, briefs us if any problem is there regarding the management, the Company's working. We hope that this Company should come glory days again in the coming days.

Thank You Sir.

Mr. K Rahul Raju: Thank You Mr. Bharat.

Mr. Vijaya Bhasker M: Thank You Sir. I request the Moderator to elevate Mr. Ramesh Mangaluru who is a Shareholder, who is registered for speaker to speak at the AGM.

Mr. Ramesh Mangaluru: Hello. Am I audible Sir?

Mr. Atul Bhojar, Mr. K Rahul Raju and Mr. Uday Shankar Jha: Yes. Yes.

Mr. Ramesh Mangaluru: Sir, first of all, Good Afternoon. Good Morning to all You Sir.

Mr. Uday Shankar Jha: Good Morning.

Mr. Ramesh Mangaluru: I would like to seek some clarifications Sir. Why the management is unable to implement the resolution plan so far and what is the reason behind it?

No.2: As per the Annual Report, we understand that the Company opened a Escrow account and subsidy receipts routing through this escrow account. Why the Company is routing subsidy receipts through this escrow account, I would like to know.

And No.3 Sir, DBT is implemented in the fertilizers sector. What are the repercussions on our company. And how the Company is going to minimize the negative impacts.

And No.4: What are the steps taken to improve the efficiency of the Company and as well as volume of business. Thank you very much.

Mr. K Rahul Raju: Thank You Sir.

Mr. Vijaya Bhasker: Please elevate Mr. Praful Chavda, who is registered as speaker shareholder for the AGM.

Mr. Praful Chavda: Sir, Erstwhile, Chambal Fertilizers and Nagarjuna Fertilizers were named together. But today, Nagarjuna Fertilizers is running downtrade and Chambal Fertilizers has progressed. But even now, in the south, Nagarjuna has big brand name.

I have mentioned earlier to Mr. K S Raju and I am telling it here in the meeting also that any Company that works from Nagarjuna Hills do not progress due to astrology. So, according to me, the registered office of the company is required to be changed.

Secondly, the Company is required to get a new investor. New Investor will invest only when the investor sees any development in the Company. Rahul Sir, the Managing Director, is youngest of all Directors and that his education is also lesser than the other directors. Rahul Raju, I request you to do everything, accept all the conditions of the investors, which will benefit the Promoter and the shareholders and also to develop and grow the Company.

Mr. Vijaya Bhasker: I request the host to elevate Mr. Suresh Chand Jain who has registered as speaker shareholder for the AGM.

Mr. Suresh Chand Jain: I have been attending the meetings of this Company since many years. You people are so professional that you have always developed the

Company. Chairman Sir along with his team shall work so hard to improve the company and we will keep supporting always. Thank You Sir.

Mr. Vijaya Bhasker: I request the host to elevate Mr. Kamal Kishore who has registered as speaker shareholder for the AGM.

Mr. Kamal Kishore: Greetings to all the Directors and the Company Secretary. I have been a shareholder of this company since long time, and I own 10000 shares personally of this Company. I am yearning for money. When will the share price of NFCL increase and when will I get dividend. I pray to all of you that Company grows and we benefit from it.

Today, the share price of Deepak Fertilizers, Chambal Fertilizers, Coromandel Fertilizers have soared. But our Company, though being so old, why is it not improving. Bring in a big investor, OTS for Loan and improve the Company Sir. Earlier, NFCL was very popular not just in south, but in the whole of India. Start the second plant. Nevertheless of the dividend, the Company's turnover will increase, the Company's share price will increase and will also benefit the promoter. Best Wishes for the new year and wish better business for the Company in the coming year.

Mr. Vijaya Bhasker: I request the host to elevate Mr. Santosh Kumar Saraf who has registered as speaker shareholder for the AGM.

Mr. Atul Bhojar (Moderator): Santosh Kumar Saraf, you are unmuted.

Mr. Vijaya Bhasker: As Mr. Santosh Kumar Saraf is speaking to somebody else, I request the host to mute him.

Mr. K Rahul Raju: Vijay, We could faintly hear his voice, but we muted him. Is it like that?

Mr. Vijaya Bhasker: I request the host to elevate Mr. Santosh Kumar Saraf who has registered as speaker shareholder for the AGM.

Mr. Atul Bhojar (Moderator): I think Mr. Santosh Kumar Saraf is attending another meeting.

Mr. Uday Shankar Jha: Is he addressing this meeting:

Mr. Atul Bhojar (Moderator): He is attending some other meeting.

Meanwhile Mr. Santosh Kumar Saraf: Hope all are in pink of their health. I have few questions. 1. What is the future CAPEX plan of the Company. 2. What is the status of the dispute cases which are pending since 2008-09 and the cases relating to Income tax pending since 2012-13. 3. Out of 1096 employees, how many are female and male employees.

And I wish 2021 is prosperous for all us. And I pray that the Company grows and starts distributing dividend.

Also, I request that from next time the Company continues to convene meeting through video conferencing in the future along with physical meeting to enable us to attend the meetings.

Thank you sir...

Mr. Uday Shankar Jha: Since all the registered shareholders have spoken, I request Mr. Rahul Raju, Managing Director to respond to the questions.

Mr. K Rahul Raju: I will try and answer to all the questions.

First Question was when will our second plant start. We are working very closely with GAIL. We are having problems relating to working problems and because of the same, we are unable to run both plants. The current plant is running with the support of GAIL and Government, the Escrow account maintained with Department of Fertilizers. We are working very closely with GAIL and Government of India to restart the second plant. We are expecting that the plant may restart in January or latest in February. This is our plan.

Coming to the issue of debt resolution. The reason the debt resolution got delayed. The Company has been giving debt resolution consistently since 2018-19 as sought by the banks. But due to disagreement between the banks, there has been delays that has happened. As recently as March 2019-20, the banks have in-principally approved the debt resolution. But again in mid way, one of the banks had disapproved and therefore the discussions got opened up again. But the Company is working for both debt resolution plan and one time settlement. We are confident that in next few months, we will come to a final decision. Between this, the operations will become normal.

Coming to the investment plan, the Company has chartered out a plan of close to 400 crs for maintainance/ energy reduction programme. That will help to reduce the energy cost and ensure that the plant health will maintain. As part of the DRT and post OTS, the company will initiate the CAPEX related plan.

Coming to the revenue plans going forward. The Company, apart from CAPEX programme, the Company's plan is to focus and grow also its non-urea businesses specially micro irrigation and distribution businesses which will diversify revenue from Urea and help us increase our revenue and bottom line. The Company is also expecting along with the urea sector as a whole, we are expecting the Government to announce relief on true DBT and we are expecting the subsidy to be directly given to the farmers and the urea manufacturing will also be brought under the NBS Scheme. So we expect some kind of breakthrough in the next year. We are working closely but we cannot confirm. Once this resolution is in place and the second plant restarts, the share price is definitely going to increase.

Coming to the issue of the Management capabilities, I would like to bring to the notice of the investors, that with the management change, the Company had come out of CDR. I had joined the Company in 2004. From 2004-14, the Company become the largest private sector fertilizers company in India by sales. The Company had, before other companies got permission for Phase – 3 Kakinada expansions, we finished financial closure and we were on our track to increase our manufacturing revenues. Unfortunately, the management is not responsible for GAIL Pipeline accident. The Management is also not responsible for the lenders not implementing corrective action plan. We have given our personal guarantee and share pledge, though it was not required from our side, we voluntarily did it so that the Company can benefit. The management had not left even one day to ensure that this Company is back to its feet and leading in its sector and the shareholders are rewarded.

Salary point of view, I would like to announce that salary taken by me for the past 3 years and also in compliance with the Company Law, I will be refunding the Company or adjusting my receivables to the that extent the whole salary I had received for past 3 years which will also benefit the Company. I am not getting any financial gain in any form with this.

And, I would like to make one point, apart from being leaders in fixed cost, the shareholders had asked about the actions the company is taking to reduce its cost. I would like to inform that the Company is lowest in terms of fixed cost per kg of urea manufactured. From active cost reduction point of view, the Company had closed on all non core business across the company to ensure that our fixed cost is reduced. From operating cost point of view, we are the lowest in the country. If you look at our cash management cycle from urea production to urea sale, while we are not using any working capital at all.

From cash collection point of view, your company is the fastest in terms of collection. Substantial part of sales, we do it through advances from the market. The raw material cost, due to NFCL being in gas location, even variable cost of production, we are one of the lowest in the country and are able to compete in the market.

A question was asked about the pandemic situation, during the pandemic time, the company had taken lot of initiatives to reduce the physical travel and used IT as much as possible to reduce the cost of travel.

Relating to male, female and disabled – The Company has 1033 employees. 30 of them are female employees and one male handicapped. The Company will take specific efforts to diversify the ratio.

Mr. Vijaya Bhasker M: Sir, you have covered almost all the questions. One of the questions that was asked was the total expenditure incurred to conduct the AGM in 2019. The total amount was approximately Rs.50 Lakhs.

Mr. K Rahul Raju: There was a question about my qualification. So my qualification, I am a Post Graduate Diploma holder in Management by qualification. I have not done my Ph.D.

Mr. Uday Shankar Jha: So, I think all the shareholders concerns have been addressed. And I reassure again that your Company is fundamentally strong and the financial crisis or distress is purely beyond the control of the Company and sincere efforts are being taken to correct it and the Company will bounce back and redeem its own growing.

With that I request the secretary to inform the evoting process.

Mr. Rajendra Mohan Gonela: In future it would be better to hold online meetings like this and many shareholders will be interested to join and would save a lot of cost. I think we will have to learn this lesson in future.

Mr. Vijaya Bhasker M: Thank you Sir. The Company in compliance with the provisions of Section 108 of the Companies Act, 2013 and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, has provided the facility of remote e-voting to the shareholders to enable them to cast their vote electronically, on all the resolutions set forth in the notice to the 14th Annual General Meeting.

The company had engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting platform to the shareholders.

The detailed instructions were communicated to the shareholders through the Annual Report and through emails to shareholders, as registered with the company.

The company provided remote e-voting facility to all the persons who were members on December 23, 2020, being the cut-off date for vote on all the nine resolutions set out in the notice of AGM.

The Remote e-voting period commenced from December 27, 2020 at 10.00 A.M. and concluded on December 29, 2020 at 5.00 P.M. Members attending the AGM today who have not casted their vote by remote e-voting are entitled to exercise their right to vote by e-voting.

As the meeting is convened through VC today, resolutions have already been put to vote through remote e-voting and the requirement to propose and second is not applicable.

Members who have cast their vote through remote E-voting can participate in the general meeting but would not be eligible to vote again at the meeting. Voting, if exercised, will be invalid and the vote cast through remote e-voting will be considered.

I would like to further inform that there would be no voting by show of hands.

Mr. C S S Krishna, Partner, KBG Associates, has been appointed by the Board of Directors of the company as Scrutinizer for the entire voting process.

The results will be declared on or before January 01, 2021 after considering the e-voting done today by members participating in this AGM and also the remote e-voting already done by the members. The results along with scrutinizer report shall also be submitted to the stock exchanges, i.e., NSE and BSE and will also be placed on the website of the company & CDSL.

I request the Chairman to proceed with the meeting as detailed in the notice.

Mr. Uday Shankar Jha: Now I request the Company Secretary to read out the proposed resolutions for your approval.

Mr. Vijaya Bhasker M: Yes sir.

Mr. Uday Shankar Jha: RESOLUTION NO. 1.

Mr. Vijaya Bhasker M: The 1st item of the ordinary business relates to approval of the 14th Annual Report of the company, Balance Sheet as at March 31, 2020, Statement of Profit & Loss for the Financial Year ended March 31, 2020, the Cash Flow Statement for the Financial Year ended March 31, 2020, Statement of change in Equity for the Financial Year ended March 31, 2020 and the reports of the Directors and Auditors thereon.

“RESOLVED THAT the 14th Annual Report of the company, Balance Sheet as at March 31, 2020, Statement of Profit & Loss for the Financial Year ended March 31, 2020, the Cash Flow Statement for the Financial Year ended March 31, 2020, Statement of change in Equity for the Financial Year ended March 31, 2020 and the reports of the Directors and Auditors thereon, be and are hereby received, approved and adopted.”

The results of this item shall be announced within 48 hours

Mr. Uday Shankar Jha : RESOLUTION NO. 2.

Mr. Vijaya Bhasker M: “The next Resolution relates to reappointment of Mr. Uday Shankar Jha, Director of the Company who retires by rotation and being eligible, offers himself to be reappointed as a Director of the Company.”

“RESOLVED THAT Mr. Uday Shankar Jha, be and is hereby re-appointed as Director of the Company.”

The results of this item shall be announced within 48 hours

Mr. Uday Shankar Jha: RESOLUTION NO. 3.

Mr. Vijaya Bhasker M: “The next Resolution relates to reappointment of Mr. Chandrapal Singh Yadav, Director of the Company who retires by rotation and being eligible, offers himself to be reappointed as a Director of the Company ”.

“RESOLVED THAT Mr. Chandrapal Singh Yadav, be and is hereby re-appointed as Director of the Company.”

The results of this item shall be announced within 48 hours

Mr. Uday Shankar Jha : RESOLUTION NO. 4.

Mr. Vijaya Bhasker M: “The next resolution which is proposed as an Ordinary Resolution relates to approval of remuneration payable to Cost Auditor, Mr. Sagar & Associates, for the financial year 2020-2021”.

"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-enactments thereof, for the time being in force), remuneration of Rs. 4 lakhs plus service tax as applicable and reimbursement of out-of-pocket expenses as approved by the Board of Directors to be paid to M/s. Sagar & Associates (Firm Registration No-000118), Cost Auditors, Hyderabad, to conduct the Cost Audit in relation to the products - 'Manufactured Fertilizer' and 'Micro Irrigation' of the Company for the Financial Year ended March 31, 2021, be and is hereby approved and ratified"

The results of this item shall be announced within 48 hours

Mr. Uday Shankar Jha : RESOLUTION NO. 5

Mr. Vijaya Bhasker M: “The next resolution which is proposed as an Ordinary Resolution relates to appointment of Mr. Rajendra Mohan Gonela as an Independent Director.

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions,if any, of the Companies Act, 2013 and the rules made thereunder read with Schedule IV of the Companies Act, 2013, Mr. Rajendra Mohan Gonela (DIN:02354356), Additional Director of the Company, who meets the criteria of independence under Section 149 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of five years commencing from May 28, 2020 upto May 27, 2025.”

The results of this item shall be announced within 48 hours

Mr. Uday Shankar Jha : RESOLUTION NO. 6.

Mr. Vijaya Bhasker M: “The next resolution which is proposed as a Special Resolution relates to reappointment of Mrs. Lalitha Raghuram as an Independent Director for a second term of five years

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV of the Companies Act, 2013, Mrs. Lalitha Raghuram (DIN: 00010180), Independent Director of the Company, who meets the criteria of independence under Section 149 of the Companies Act, 2013, be and is hereby reappointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from April 18, 2020 upto April 17, 2025.”

The results of this item shall be announced within 48 hours

Mr. Uday Shankar Jha : RESOLUTION NO. 7

Mr. Vijaya Bhasker M: The next resolution which is proposed as a Special Resolution relates to Re-appointment of Mr. K Rahul Raju, (DIN: 0001599) as a Managing Director for a term of three years

With the permission of members I would like to read first and last paragraph of the resolution.

“RESOLVED THAT subject to the provisions of Sections 196, 197,198, 203 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the rules made there under, read with Schedule V to the Act and subject to such other approvals and permissions as maybe required in this regard, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. K Rahul Raju as Managing Director of the Company for a period of 3 Years with effect from August 01, 2020.

“RESOLVED FURTHER THAT the above remuneration be paid as minimum remuneration for the entire tenure of appointment or for such tenure of appointment as may be payable in compliance with applicable provisions of law, subject to such clarifications, notifications or orders as may be issue, from time to time, by Ministry of Corporate Affairs.”

The results of this item shall be announced within 48 hours

Mr. Uday Shankar Jha : RESOLUTION NO. 8

Mr. Vijaya Bhasker M: The next resolution which is proposed as a Special Resolution relates to Contribution to the PM cares relief fund and AP CM relief fund for relief efforts against Covid-19 outbreak of an amount of Rs.18.17 lakhs

“RESOLVED THAT pursuant to Section 135 and Section 181 of the Companies Act, 2013 and other applicable provisions and the Rules made thereunder, the contribution of

the Company for an amount of Rs.17.29 lakh to Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM-CARES Fund) and an amount of Rs.0.88 lakh to AP CM Relief Fund aggregating to Rs. 18.17 lakh extended to fight the COVID-19 pandemic, as part of the Corporate Social Responsibility activities for the Financial Year 2020-21 as approved by the Board of Directors of the Company be and is hereby approved and ratified."

The result of this item shall be announced within 48 hours

Mr. Uday Shankar Jha : RESOLUTION NO. 9

Mr. Vijaya Bhasker M: The next resolution which is proposed as a Special Resolution relates to Sell or Dispose off the investment held in Jaiprakash Engineering and Steel Company Limited, subsidiary company.

With the permission of members I would like to read first and last paragraph of the resolution.

"RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013 read with rules made thereunder and Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions, if any and subject to such other approvals / permissions as may be required in this regard, the consent of the Members be and is hereby accorded and shall always deemed to have been accorded to the Board of Directors of the Company (hereinafter called "the Board") to sell, transfer, lease and/or otherwise dispose of the whole or substantially the whole of the investment in Jaiprakash Engineering and Steel Company Limited, a Wholly Owned Subsidiary of the Company with effect from such date and on such terms and conditions as may be considered or deemed expedient, necessary or desirable and finalized by the Board;

The last line – "in Jaiprakash Engineering and Steel Company Limited, a Wholly Owned Subsidiary of the Company, as the Board, in its sole discretion, deems fit."

The result of this item shall be announced within 48 hours.

Mr. Uday Shakar Jha: Mr. Vijaya, is there any other item on the agenda.

Mr. Vijaya Bhasker M: No Sir

Mr. Uday Shankar Jha: With no other item on the agenda, the meeting concludes with thanks to the Shareholders. And also the Directors, the management team and all the speaker shareholders.

As you know, 2020 has been very traumatic period, given from the personal front, I hope with the year about to end, our holes are also about to end. We wish you to stay healthy, stay safe.

Thank you all. Thank you very much.