



CHAMBAL FERTILISERS AND CHEMICALS LIMITED

Transcript of 36<sup>th</sup> Annual General Meeting of  
Chambal Fertilisers and Chemicals Limited  
held at 10.30 A.M. Indian Standard Time on Thursday,  
September 16, 2021

**Moderator:** Good morning ladies and gentlemen, welcome to the 36<sup>th</sup> Annual General Meeting of Chambal Fertilisers and Chemicals Limited. For the smooth conduct of the meeting, the members will be in mute mode and the audio and video will be opened when the member speaks at the meeting. I now request Mr. Saroj Kumar Poddar, Chairman to initiate the proceedings of the annual general meeting. Over to you, Mr. Poddar.

**Saroj Kumar Poddar:** Thank you. May I now request Company Secretary, Rajveer to confirm the quorum.

**Rajveer Singh:** Thank you Chairman. At present, we have 134 members participating through video conferencing. Therefore, the requisite quorum is present and the meeting is duly constituted. Thank you Chairman.

**Saroj Kumar Poddar:** Since the quorum is present, I call the meeting to order. Good morning ladies and gentlemen, very warm welcome to each one of you at the 36<sup>th</sup> Annual General Meeting of our Company, Chambal Fertilisers and Chemicals Limited. I am attending the meeting through video conference from my office in Kolkata. This AGM is being held through video conference in accordance with the provisions of the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India. I am satisfied that all the efforts feasible under the circumstances had been made by the Company to enable members to participate and vote on the items being considered at today's meeting. All the directors are attending the meeting which is a matter of great satisfaction.

Let me now introduce the members of the Board of Directors and KMPs attending the meeting:

I begin with Mr. Shyam Bhartia.

Number two is Ms. Radha Singh - Independent Director and Chairperson of the Stakeholders Relationship Committee and Nomination and Remuneration Committee, joining from Gurgaon.

Then we have Mr. Marco Wadia - Independent Director and Chairman of Audit Committee, joining from Oxford, UK.

Number four, we have Mr. Chandra Shekhar Nopany - Non-Executive Director, joining from Kolkata.

Number five, we have Mr. Vivek Mehra - Independent Director, joining from Mukteshwar, Uttarakhand.

Six, we have Mr. Pradeep Jyoti Banerjee - Independent Director, joining from Mumbai.

Seven, we have our Managing Director – Mr. Gaurav Mathur joining from New Delhi.

Eight, we have Mrs. Rita Menon - Independent Director joining from New Delhi.

Nine, we have Mr. Abhay Baijal – CFO, joining from New Delhi.

And Ten, we have Mr. Rajveer Singh – Company Secretary, joining from New Delhi.

Mr. Prमित Agrawal – Partner of Price Waterhouse, Auditors of the Company and Manish Gupta, Partner, RMG & Associates, Secretarial Auditor of the Company are also present in the meeting.

The register of directors and key managerial personnel maintained under Section 170 of the Companies Act, register of contracts or arrangements maintained under Section 189 of the Companies Act and certificate of auditors in respect of CFCL Employees Stock Option Scheme 2010 are available for inspection electronically. Members who desire to inspect the documents may send an e-mail at [isc@chambal.in](mailto:isc@chambal.in) which is also mentioned in the notice of the meeting.

I would now like to share my thoughts with you of the economic environment in the country and the performance of your Company. As you all know, COVID-19 pandemic continue to disrupt life and economic activity across the globe. After lifting of the lockdown last year, there was hope that the worst was behind us and things will improve gradually. However, this hope was short lived as the pandemic returned with more ferocity in March-April 2021 which has taken a toll on many precious lives in our country and around the world. I sincerely hope that you and your family members are safe and taking all safety precaution to contain the spread of the pandemic.

The second wave of COVID-19 has delayed economic recovery in general, but reduction in COVID cases and mass level vaccination program have added momentum in the economic recovery.

The fertiliser industry witnessed a significant improvement in the liquidity during the financial year 2020-21, which is very important to note, following the release of subsidy arrears by Government of India. We are now current on our subsidy payments.

However, financial year 2021 is presenting challenges as the international prices of fertilisers have gone up substantially. Though the Government of India had increased subsidies of P&K fertilisers in May 2021 to mitigate the impact of higher prices on the farmers, further measures are needed to withstand the impact of international prices that have gone up substantially since then.

I am delighted to share with you that the financial year 2020-21 was the most successful year for your Company. The management team at Chambal has been instrumental in ensuring that the business was not impacted by the restrictions and hurdles during the past 18 months of the global pandemic. It was supported further by a strong agriculture sector, which was well enabled by the Governments both at the centre and at the state.

Apart from financial performance, the Company's efforts under its corporate social responsibility initiatives in this period of stress gives us a lot of satisfaction. I am proud to share that the Company had made all-out efforts to serve the community during the pandemic. Your Company installed oxygen plants and provided oxygen concentrators in both rural and urban hospitals in

Kota and Baran districts of Rajasthan. Our outreach proved to be a lifesaver for many during the unforgiving second wave of the pandemic.

Your Company also continued to make significant contribution in the areas of education including technical and vocational education, rural development, healthcare and sanitation, employability and empowerment, environment sustainability, animal welfare and soil health and disaster management for the community.

The Company recognizes the importance of sustainability and environment protection and had improved its performance on the front of energy and water consumption. The overall specific energy consumption and water consumption per metric ton of Urea for the financial year 2020-21 was lower in comparison to the previous year, which is a matter of great satisfaction for the Company.

In terms of financial performance, your Company executed industry-leading performance during the financial year 2020-21 and achieved the significant milestone of 5 million tons of fertiliser sales on an aggregate basis. The Company produced 33.47 lakhs tonnes of urea as against 32.66 lakhs tonnes of urea during the previous year. On standalone basis, the Company registered around 10% increase in profit after tax which was Rs. 1347.04 crores as against Rs. 1224.31 crores achieved during the previous financial year. This performance has enabled the Company to substantially increase the dividend payout to the shareholders. The Company, as all of you know, had paid an interim dividend of Rs. 3 per equity share during the financial year 2020-21 and the Board of Directors has recommended a final dividend of Rs. 4.5 per equity share of Rs. 10 each taking a total payout of Rs. 7.5 per equity share of the Company face value, which means 75% of the face value.

On a standalone basis, the Company achieved the total income of Rs. 3574.77 crores during the quarter ended June 30<sup>th</sup> as against Rs. 3251 crores during the corresponding quarter of the previous year. The profit after tax stood at Rs. 342.17 crores as against Rs. 314.03 crores during the same quarter last year.

Over the past 3 decades, we have built an organization with a credible brand which stands for 'Trust and Reliability' as a leading supplier of agricultural inputs in India. The Company has already started operations in 5 more states that is Maharashtra, Gujarat, West Bengal, Telangana and Andhra Pradesh with the objective of achieving growth in sales volumes and diversification of product portfolio. It will also allow the Company to get the advantage of different weather cycles and seasons for sale of its products. Our focus towards crop protection chemicals has also increased which is another promising area of growth.

I would like to conclude with sincere thanks to each one of you for reposing faith and being a partner with us in the journey of the growth of your Company. I also recognize the collective efforts of the entire Chambal team and management which had worked tirelessly to create a strong and successful organization. Thank you.

We now move to the formal items of the meeting.

Ladies and Gentlemen, since the notice of the meeting and the audited financial statements and audited consolidated financial statements and the reports of the auditors and the Board's report are already with the members. The same may be please taken as read.

As per Section 145 of the Companies Act, 2013 and Secretarial Standard on General Meetings, the qualifications, observations, comments or other remarks in Auditor's Report on the financial transaction or matters, if any, which shall have any adverse effect on the functioning of the Company shall be read at this AGM. Further, qualification, observations, comments or other remarks, if any, mentioned in the secretarial audit report which have any adverse effect on the functioning of the Company, shall also be read at this AGM. These reports are forming part of the Annual Report. As per these reports, there is no such qualification, observation, comment or any other remark.

May I now request Company Secretary, Rajveer Singh to brief the members about the e-voting procedure.

**Rajveer Singh:**

Thank You, Chairman. As per the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, the Company had provided the facility of casting the votes by members through electronic means. The Company has engaged National Securities Depository Limited, to provide the facility of remote e-voting to the members and the facility of e-voting to the members participating in the Annual General Meeting through video conferencing or other audio visual means. The remote e-voting facility was open from 9:00 am Indian Standard Time on September 11, 2021 to 5:00 pm IST on September 15, 2021. The members who have not cast their vote by remote e-voting, will be able to vote through e-voting in the meeting on the link provided in the portal through which you have joined this meeting. I will explain further once the agenda items are taken up. Thank you Chairman.

**Saroj Kumar Poddar:**

Thank you Rajveer. Friends, we shall now take up the item of business as set out in the notice of the Annual General Meeting:

Item 1 pertains to the adoption of financial statements of the Company. In pursuance of Section 129 read with Section 134 and other applicable provisions of the Companies Act, the audited financial statements and consolidated financial statements of the Company for the year ended March 31, 2021, Board's report and reports of auditors are laid before the Annual General Meeting. The statement containing salient features of financial statement of subsidiaries and joint venture of the Company is also attached thereto.

Item 2 pertains to declaration of final dividend on equity shares for the financial year ended March 31, 2021. The Board of Directors has recommended a final dividend at the rate of Rs. 4.50 per equity share of Rs. 10 each and it requires your approval. This, as you know, is in addition to the interim dividend of Rs. 3 per equity share of Rs. 10 each which was paid earlier

during the financial year 2020-21. Final dividend together with the interim dividend aggregates to Rs. 7.50 per equity share.

Since I am interested in Item 3, with your consent, may I request Mr. Gaurav Mathur – Managing Director to take the chair for item number 3 and continue with the proceedings of the meeting.

**Gaurav Mathur:**

Thank you Chairman. Item No. 3 pertains to reappointment of Mr. Saroj Kumar Poddar as a Director of the Company. In pursuance of section 152 of the Companies Act 2013, one third of the directors liable to retire by rotation shall retire at every annual general meeting. Further, as per Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, no listed entity shall appoint or continue the directorship of a Non-Executive Director who has attained the age of 75 years unless a special resolution is passed to that effect. Mr. Saroj Kumar Poddar, who had attained the age of 75 years, is liable to retire by rotation at this annual general meeting and has offered himself for reappointment as a director of the Company. Accordingly, approval of the members by way of special resolution has been sought for reappointment of Mr. Saroj Kumar Poddar as a Director of the Company, liable to retire by rotation. The qualification, experience and other details of Mr. Saroj Kumar Poddar are given in the notice of this annual general meeting. The text of the resolution is also in the notice.

Now, I request Mr. Saroj Kumar Poddar to resume the Chair and continue with the proceedings of the meeting. Thank you.

**Saroj Kumar Poddar:**

Thank you Gaurav. Members may kindly note that we are now moving to the special business. The objective and implication of these resolutions are already explained in the notice of the meeting.

Item 4 pertains to the ratification of remuneration payable to M/s K. G. Goyal & Associates, cost auditor. The Board of Directors has appointed K. G. Goyal & Associates, Cost Accountants to conduct the audit of the cost records of the Company as applicable for the financial year ending March 31, 2022 at the remuneration of Rs. 1,10,000 plus applicable taxes and reimbursement of out-of-pocket expenses. As per the Companies Act 2013, the members need to ratify the remuneration payable to the cost auditor. Text of the resolution is given in the notice.

Item 5 pertains to the approval of the appointment of Mr. Gaurav Mathur as Managing Director of the Company. Subject to approval of members, Board of Directors has appointed Gaurav as Managing Director for the period - April 16, 2021 to January 5, 2025 not liable to retire by rotation. Qualifications, experience, key terms and conditions of appointment including remuneration payable to Gaurav are given in the notice of the AGM. The text of the resolution is also given in the notice.

Item 6 pertains to the continuation of Radha Singh ji as an Independent Director after attaining the age of 75 years, so she falls in line with me. As per Regulation 17 (1A) of SEBI Listing Regulations, 2015 with effect from April 1, 2019, no listed entity shall appoint or continue the

directorship of a non-executive director who has attained the age of 75 unless a special resolution is passed to that effect. Radha Singh ji shall attain the age of 75 on November 24<sup>th</sup>, 2021. Accordingly, approval of the members by way of special resolution has been sought for continuation of Radha Singh ji as an Independent Director of the Company after she attains the age of 75 years. The qualification and experience and other details of the Radha Singh ji are given in the notice of the AGM. The text of resolution is also given in the notice.

Ladies and Gentlemen, we shall now move on discussion with members who have registered for queries or expressed views with regards to financial statements or any other matter raised at the AGM. While we proceed with the queries of the members, the e-voting by the members during the AGM through electronic voting platform can commence.

I now request Rajveer – Company Secretary to commence the question and answer session.

**Rajveer Singh:** Thank you Chairman. The speaker shareholders are requested to mention their names, folio number or DP ID and client ID and location from where they are joining. Members can also post queries in the communication box available on the screen to each member participating in the meeting. I now invite Mr. Yusuf Yunus Rangwala, DP ID and Client ID 101001601010000232396 to unmute his video and audio. In the interest of time, I request Mr. Rangwala to be brief and restrict your questions to 2 to 3 minutes. Thank you.

**Moderator:** Thank you. I now request Mr. Yusuf Rangwala to please unmute your line.

**Yusuf Yunus Rangwala:** Sir, you paid dividend of Rs. 3, you have given dividend liberally. Sir, I want to know about Mangalore Chemical, who is our main competitor, and who else I want to know. And during COVID-19, how many person got affected? What is your total staff? You have two factories; I think you have two factories in Rajasthan. Sir, you are in Mumbai and talking from Rajasthan. Sir, first time I am joining the meeting over phone. Your Secretarial Department is giving good service, they are very hardworking. Sir, we are very lucky to have Chorus people, they take care of all problems. See I am talking to the Company over telephone and you are able to listen to me so well, because of Chorus people. Please keep on working with them. Also I am hoping for a bonus in the coming year. Sir, I want to tell you, let the coming year be good for you and keep your sorrows away. I support all the resolutions. Thank you very much. May God Bless our Company. I am wishing a very happy Ganesh Chaturthi, Dussehra, Diwali and all festivals. Sir, I am looking to meet you next year in physical meeting. If possible please call me, I am from Mumbai sir. Thank you.

**Saroj Kumar Poddar:** Thank you Yusuf Bhai. We move on to the next one before giving answer.

**Rajveer Singh:** Thank you Chairman. Now I invite Mr. Manoj Kumar Gupta, DP ID and Client ID IN30045011218986 to unmute his audio and video. Thank you.

**Manoj Kumar Gupta:** Good morning, respected Chairman, Board of Directors, fellow shareholders, my name is Manoj Gupta, I am equity shareholder of Chambal Fertiliser. I have joined this meeting from Kolkata.

I am very happy to see our Chairman in the meeting and we small shareholders always feel proud under his leadership because he is the man of principle and dedicated that who always want to help the small investors and I have seen his Chairmanship in several multinational companies that he always stand behind the small investor to get huge return by the way of buyback or by the way of anything. So, we always pray to God for his healthy and prosperous safe long life that he is the man that who can take the Company on new heights, to bring the Company in four digits price in the stock market, four digits and market cap can cross up to Rs. 1 lakh crore in coming time because Company is number one and the Company has a huge capacity and sir, thanks for your huge dividend of 75%. During this epidemic COVID-19, several Companies Board says that due to COVID-19, board is unable to recommend any dividend, but thanks to you that you have paid the huge dividend. You want to return and you are fulfilling the vision of Swami Vivekananda earn more, save more, pay more. You are fulfilling the view of son of this world, Swami Vivekananda. Before starting your AGM, I was watching your video of 20 minutes and I am very happy to see that your visions of “Safar, Tarun, Kartavya, Taap, Bhookh, Beej, Mitti, Khad, Badlav, Samajik Duri, virus, mehnat” these things we have never seen in any other companies how they have made all these things. And your excellent CSR for women empowerment by producing the garments near to Gadepan so it is a good job that you are helping women to empowering, so it is a good sign. And sir, what were the COVID impact, direct or indirect on our Company? And sir, have you any plan in future to acquire any Company like as Mangalore Chemicals, you have acquired from Vijay Mallya, so have you any plan further to acquire any more Company and sir, what is your future plan with CAPEX and I thank to the Company Secretary and his team that they always take care of the investors on their any problem, they are always ready to help the investor to resolve their problems. And last but not least, I always pray to God for your all executives and directors and all staff for their healthy and prosperous safe long life because you are always available to meet the people, you never avoid to meet the people sir, so that we always because in every Company, we always support you and we will support you and we are with you, sir. Thank you sir.

**Saroj Kumar Poddar:** Thank you Manoj. As far as I think we should restrict our comments basically to Chambal because this is the Chambal AGM and Mangalore is not part of Chambal, so let us not bring other companies here. As far as Chambal is concerned, I think Gaurav could you please brief both the shareholders on the COVID impact?

**Gaurav Mathur:** Sure, Thank You Mr. Chairman.

**Rajveer Singh:** Chairman, one query we have received through email that is also related, so we can reply at once. This is from Mr. Ramesh Lal Bhutiani. We have no other speaker shareholders registered, so these were only two shareholders, Mr. Ramesh Lal Bhutiani has asked about the future expansion plans of the Company, organic or inorganic and he has suggested to venture into manufacturing of phosphatic fertilisers and agrochemicals? This is the email from Mr. Bhutiani that is all. Thank you, sir.

**Saroj Kumar Poddar:** Gaurav, I think you can reply first to the COVID and then to the other questions.

**Gaurav Mathur:** Thank you Mr. Chairman. Thank you Mr. Gupta for your kind words and for your question. On the COVID front, the Company has been continuously monitoring the situation right from the time COVID started in 2020 and considering both internal and external factors. Your Company took several proactive steps such as we relocated the critical workforce in and around the factory complex and created an island to prevent any COVID infections and of course implemented all the strict social distancing, masking, sanitization measures as advised from time to time by the Government of India. The Company also allowed employees to work from home wherever feasible. Very importantly, almost all the employees of the Company, more than 99.9%, have had the first dose of the COVID vaccine and those who are eligible for the second dose have also obtained the second dose. The Company is taking a very focussed view to ensure that all employees get vaccinated with the second dose as soon as possible. Last but not least, with all the measures taken, I am happy to state that the Company was able to operate its plants at normal levels. So that's the overall COVID situation.

In terms of our growth and expansion plans, thank you for that question also. As the Chairman had mentioned in his opening remarks, we have first of all increased our geographic presence and expanded our sales and operations to five more states in West and Southern India which are Maharashtra, Gujarat, Telangana, Andhra Pradesh and also in the East to West Bengal. In addition to that, we have really renewed our focus on agrochemicals and we see some good positive signs there. Last but not least, we are exploring a number of other opportunities including phosphatics and as we finalize our plans, suitable communication shall be made in the coming months. Thank you very much.

**Rajveer Singh:** Chairman, I have received one more query in the chat box, what is the strategy of the Company with respect to Nano Urea? That can be taken.

**Saroj Kumar Poddar:** Gaurav, you may like to add.

**Gaurav Mathur:** As we are all aware, Nano Urea was recently introduced in the Indian market and we are carrying out trials with regard to Nano Urea and also understanding the nutrient use efficiency and how the overall requirement of nitrogen as a nutrient will fit in with Nano Urea and the total Urea required. We will monitor this over the next one to two years and we will then take appropriate steps. As such, given the large demand of Urea in the country as well as the huge quantities of Urea that are imported, approximately 25%, we do not expect any impact on Urea for Chambal Fertilisers with regard to Nano Urea.

**Saroj Kumar Poddar:** Thank you Gaurav. Rajveer.

**Rajveer Singh:** Thank you Chairman. The e-voting facility is open for the members who have not cast their vote through remote e-voting. You may vote on the portal through which you have joined this meeting. The icon for e-voting is available on the screen. The members may click on the EVEN that is 116769 which is available on your screen. It will redirect you to separate window where you can proceed to cast your vote on each of the items/resolutions if you have not already cast

your vote during remote e-voting period. I now request Chairman to continue with the proceedings of the meeting. Thank you Chairman.

**Saroj Kumar Poddar:** Thank you Rajveer. Mr. Manish Gupta, Partner, RMG & Associates, Company Secretaries in whole time practice has been appointed as Scrutinizer to scrutinize the remote e-voting and voting at the AGM. The consolidated results of the remote e-voting and e-voting at the AGM shall be made available along with scrutinizer's report on the websites of the Company and that of NSDL within 48 hours from the conclusion of this meeting. Mr. Rajveer Singh, Company Secretary is authorized to declare the results of the voting and place the results on the website of the Company. Friends, all the items of business forming part of the AGM have been taken up. The e-voting will continue to be available for the next 15 minutes on all items forming part of the notice of the meeting. The annual general meeting will stand concluded at the end of 15 minutes. Thank you for joining us today. On behalf of my colleagues on the Board of Directors as well as the management of the Company, I convey our sincere thanks to all members who are attending and participating in this meeting. I wish you all a happy, healthy and safe year ahead. Thank you.

**Rajveer Singh:** Thank you Chairman. Thank you very much.