TRANSCRIPTION OF THE PROCEEDINGS OF THE 54TH ANNUAL GENERAL MEETING OF THE COMPANY HELD THROUGH VIDEO CONFERENCING AT 2:00 PM (IST) ON TUESDAY, THE 23RD SEPTEMBER 2025

(Pursuant to Para 3, Part A (I) of MCA General Circular no. 14/2020 dated 8th April 2020)

Address by Mr. Ashwin C Muthiah, Chairman

Ladies and gentlemen, good afternoon. It is exactly 02:00 P.M. I'm informed that the necessary quorum is present and I call the meeting to order. I welcome you all to the 54th Annual General Meeting of your Company, being held through Video Conferencing facilitated by Central Depository Services India Limited (CDSL). A live streaming of the meeting is also available through their website. It has been confirmed that this meeting is held in due compliance with matters specified in the circulars issued by the Ministry of Corporate Affairs and SEBI. The information and documents to be made available for inspection during the Meeting are available in digital form through the E-voting platform of CDSL. I welcome my colleagues who are participating in the meeting through Video Conferencing.

- Mr. B S Purshotham, Independent Director, Chairman of the Audit Committee.
- Ms. Latha Ramanathan, Independent Director, Chairperson of the Nomination and Remuneration Committee.
- Mr. T K Arun, Independent Director, Chairman of the Stakeholders Relationship Committee.
- Mr. Debendranath Sarangi I.A.S. (Retd.), Independent Director
- Mr. S Radhakrishnan, Independent Director.
- Ms. Devaki Muthiah Chardon, Non - Executive Director, and Chairperson of the Corporate Social Responsibility Committee.
- Ms. Rita Chandrasekar, Independent Director
- Mr. E Balu, Whole-time Director

Mr. V Dakshinamoorthy, IAS, Nominee of TIDCO, will be joining the Meeting and Mr. Sandeep Nanduri, IAS, Nominee of TIDCO, has regretted his inability to join the Meeting today.

The Company Secretary, Mr. R Swaminathan, is present. As specified in the MCA Circular, the Statutory Auditors, the Secretarial Auditor, Cost Auditor, Internal Auditor, and Management Team are also participating through VC.

Before we proceed to take up the agenda items, I would like to share a few thoughts with you.

Chairman's speech

Ladies and gentlemen,

Let me start by sharing my viewpoints from a global perspective.

Global Outlook: Challenges Galore

The outlook for the agriculture and allied sectors continue to remain robust, aided by better living standards and an improvement in per capital income.

The OECD FAO report projects the global agricultural production to expand by 14% and the consumption of agricultural products by 13% by the year 2034. India, one of the emerging economies will be a major driving force in this demand surge.

The fertilizer industry's relevance is now directly tied to the global food security challenge. With the world's population rising, our role in boosting agricultural output, improving farm yields and supporting farmer incomes is becoming increasingly critical.

The global fertilizer market is projected to reach $281.6 billion by 2030, growing at a CAGR of 4.1% between 2025 and 2030. This growth highlights both the immense opportunity and the critical responsibility the industry carries in advancing sustainable high quality food production.

Going ahead, we expect significant shifts in demand supply dynamics in the fertilizer industry. The focus is shifting towards high quality, high efficiency fertilizers that minimize environmental impact. Innovation and R & D in organic and low / non-chemical fertilizers will increasingly drive this trend.

On the demand side, two crucial factors will impact;

First, large consumers like India, Brazil and other countries are focusing on the efficient use of fertilizers, exploring alternatives and working towards self-sufficiency. Thus, there is a growing trend to shift to a balanced mix of organic and inorganic fertilizers.

Secondly, as agriculture shifts from generational knowledge to scientific farming, techniques like precision farming are driving the use of high efficiency, specialized fertilizers, bio fertilizers, micronutrient blends and controlled release solutions like use of drones. This means the global fertilizer industry will gradually, alongside volume-based mass production, introduce innovation led portfolios with quality replacing share quantity.

In this journey, higher margin value added products will increasingly compensate for commodity based sales. In the future, the global fertilizer industry will focus more on R & D and innovation, redefining its role from a bulk input provider to a knowledge and science driven solution industry.

To ease the change in supply dynamics, India is strengthening international cooperation in the fertilizer sector through strategic partnerships. In this context, I am pleased to state that during the year 2024–25, your Company did not face any material challenges arising from geopolitical factors - a testament to our resilient operations, a robust domestic market demand and proactive strategies.

Today, the role of the fertilizer industry goes beyond inputs - It is becoming strategic to global food security. Our contribution will be to enable higher yields, better soil health and sustainable farming practices ensuring that agriculture can feed the world responsibly.

India's Fertilizer Industry: A Promising Roadmap.

India is among the few countries globally recording strong economic growth with real GDP growth at six and a half percent in 2024-2025. Your Company is proud to be part of such a dynamic and resilient economy.

India's agriculture sector is expected to grow steadily with projections indicating a CAGR of 4.52% by 2030. As an allied industry, the domestic fertilizer market is also expected to grow at a CAGR of around 4% reflecting its critical role in supporting sustainable agriculture development.

India is the 2nd largest consumer of fertilizer globally and has the potential to meet this demand domestically, being the 3rd largest producer. India has achieved near self-sufficiency in the manufacturer of key fertilizers, meeting around 87% of Urea consumption domestically.

The One Nation One Fertilizer initiative has enhanced transparency and consistency in the supply of fertilizers under the **'Bharath'** brand.

Sustainability is now at the heart of growth. The government is supporting the adoption of nano fertilizers and Neem Coated Urea through awareness drives and facilitating their accessibility at PM Kisan Samridhi Kendras.

Your Company has contributed to the government's innovation initiatives by clocking sales of Neem Coated Urea of 717,255 MT during the year.

Technological adoption is equally inspiring. From drones under the Nomo drone DD program to the iFMS and mFMS digital platforms, efficiency in distribution and precision in application are becoming the new norm.

Together, these measures at the national level are precolating to the grassroot levels as all players in the fertilizer industry aligning their products to meet the government's objectives of building a stronger, greener and more self-reliant agriculture sector.

Your Company, bearing in mind the larger interests of society, is very well attuned to move in tandem with the policy initiatives of the Government.

Milestones Achieved.

I trust you've had a chance to study the Company's financials for the year 2024-25. During the financial year 2024-25, the revenue from operations and profit after tax were Rs. 3086 Crores and Rs.130 Crores, which have increased as compared to previous years.

Coming to operational milestones, I'm pleased to announce that during FY 2024-25, production of Neem coated Urea stood at 721,051 MT surpassing the RAC (Reassessed Production Capacity) of 620,400 MT.

The production of ammonia touched its peak at 430,623 MT, the highest in the Company's production history.

We also continued to advance our digital journey through enhanced IT infrastructure, strengthened data security and dedicated dealer management.

Dividend

The Board of Directors have recommended an equity dividend of 20% for FY 2024–25, with the highest payout of around Rs. 40.72 Crores subject to rounding off and taxes. It reflects your Company's firm commitment to sustainability, creating shareholder and stakeholder value.

Environmental, Social and Governance (ESG): Towards a Sustainable Future

Your Company remains committed to contributing to Environmental, Social and Governance (ESG) practices embedding ecological care, social responsibility and strong governance into its business.

ESG practices are driven towards carbon neutrality and promoting green energy sources like natural gas, solar power and water recycling initiatives. On the environmental front, we advanced our green belt development by planting saplings and secured regulatory approvals for our Urea revamp and carbon dioxide capture projects. The Company recycled 80% of treated effluent and processed 1,804 MT of plastic waste.

We strengthened our emergency preparedness through a real time head counting system. Safety training programs clocked over 7,600 person-hours with engaging and interactive sessions.

By embedding these practices in the daily operations, the Company contributes towards a sustainable future.

Corporate Social Responsibility (CSR): Giving Back to Society

It is not mandatory for your Company to spend on CSR activities due to the absence of profit as per the relevant provisions of the Companies Act, 2013. Nevertheless, several initiatives were undertaken voluntarily to address the local community needs and improve the ecology.

Your Company's activities towards CSR focuses mainly on primary health care, sanitation, child, maternity and elderly nutrition and primary education.

During the year, your Company contributed towards education, school uniforms, preventive health care - breath analyzer aid and safe Drinking water.

Employees:

Employees are the true drivers of your Company's growth. Building professional talent and leadership across all levels remains a core priority. As we embrace new technologies and digital and AI solutions, our focus is on preparing a young, skilled and future ready workforce.

Towards this, during the year, we conducted knowledge sharing and capability building programmes to employees across technical, behavioral and functional areas. Service awards, competitive compensation benchmarking and structured training have further strengthened loyalty and improved performance.

Initiatives such as parent’s orientation programmes and education support for employee’s children up to class twelve, reinforce a strong culture of caring and family bond.

Acknowledgment:

I would like to express my sincere appreciation for the contributions of all my colleagues on the Board for their continued guidance and support at all times.

I also extend my gratitude to the Central and State governments, Financial Institutions, Banks, vendors, customers and other stakeholders for their continued support and collaboration.

I acknowledge the hard work and dedication of the employees of your Company to sustain and improve its operations. Their commitment and support has been instrumental in our journey.

I wish to thank the shareholders for your support and trust reposed on the management at all times.

I on behalf of the board wish to assure you that our efforts to enhance value for all stakeholders will continue.

Hope you stay safe and healthy and wish you all a many more successful years to come.

Thank you, Ladies and Gentlemen.

Now we may take up the items as per the Agenda.

The Notice of the meeting and the financial statements for the financial year 2024-25 have already been circulated and with your consent, we take these as read.

The resolutions given in the notice have already been put to vote through remote e voting, so there will be NO proposing or seconding of the resolutions.

There are no adverse observations or remarks in the report of the statutory auditors, so there is no requirement to read the Report.

Before proceeding further, I would like to bring to your attention certain information regarding the proceedings.

As you would be aware, facility for remote E-voting on the resolutions was made available between 09:00 A.M. (IST) on 19th September 2025 to 05:00 P.M. (IST) on 22nd September 2025. Arrangements have also been made for e-voting during the meeting. The voting is open now and will close 15 minutes after the conclusion of the meeting.

Members who have not exercised their votes through remote E-voting and attending the meeting now may cast their votes through e-voting link.

Now we will proceed with the Q & A Session.

Those shareholders who have registered to speak at the meeting will be invited one by one.

If so desired, they can enable their video while they speak. Kindly note, the maximum time available for each speaker would be about 3 minutes.

I request Members to be as brief as possible, not to repeat questions if they're similar to the one raised by any other member and speak only on items pertaining to the Agenda of the Meeting.

I will collate all the questions and respond to the same at the end.

Now I request the moderator to invite the speakers one by one. I also request the moderator to prompt the speaker if they stretch beyond the permitted time.

Over to you moderator.

Moderator: Sir, the first Speaker will be Mr. Santosh Kumar Saraf. Mr. Santosh Kumar, you can ask your questions please.

Mr. Santosh Kumar Saraf: Yes. Respected Chairman and Board Members, my name is Santosh Kumar Saraf, I'm from Kolkata. Hope all of you are safe and good. Also, I thank all our employees for the hard work done in our Company. Sir, you told everything in your speech and also your CFO gave everything in your Company's Annual Report. I'm not finding any new questions to ask you. I want to ask only one question. Sir, what is the ESG rating of the Company and what is the Score? Second, what steps have been taken to reduce Carbon emissions and how much Carbon emission is reduced and when we'll be achieving the target of zero carbon emissions? Third sir, what step have been taken for renewable energy, have you installed any Solar Panel, wind power in the factory and others? Sir, nothing to ask further because your Annual Report contains everything and I thank once again the CFO. Sir, I wish all for Financial Year 2025-26 a happy, healthy and prosperous year sir. Also, thanks to you and all your associates for coming festivals sir, and our national festivals, our family festivals, we bring many happiness and prosperity to our life. I also thank the moderator for giving me a chance. Thank you, sir.

Moderator: Thank you, Mr. Santosh Kumar Saraf. Sir, we'll move to the next Speaker Shareholder Mr. Om Prakash Kejriwal. Mr. Om Prakash Kejriwal, you can ask your questions please.

Mr. Om Prakash Kejriwal: Hello, Am I Audible Sir?

Moderator: Yes sir

Chairman: Yes

Mr. Om Prakash Kejriwal: Thank you sir. Good afternoon, Sir and everybody attending this AGM. Myself Om Prakash Kejriwal, your Equity Shareholder from Kolkata. Thank You sir for providing me the platform to speak something before you. Thanks to our Secretarial Department for helping me to register as a Speaker Shareholder. Especially thanks to our new Secretary, Mr. Swaminathan for calling me and taking my note. Sir, this is my 3rd AGM only due to Virtual though I'm your very old shareholder from the time of your father. I have joined the AGM only due to Virtual mode. So, if possible please follow this Virtual AGM for next year also so that more and more investors from different parts of the world could join our AGM and express their views and Company could benefit from their view's sir. Sir, our India is growing, the Agriculture Sector of our country is growing and so our Company is also growing. Our revenue has grown to Rs. 3086 Crores. Previously it was Rs. 1944 Crores and Net Profit has grown to Rs. 131 Crores, previously, it was Rs. 88 Crores and our EPS has grown to 6.43 on face value of Rs. 10/- when compared to previously it was 4.32. In consolidated, our EPS has grown to Rs. 7.64 when compared to previously it was 5.55. Very good going sir. It shows we'll achieve our whole glory in coming future. Sir, thank you for increasing the Dividend from Rs. 1.50/- to Rs. 2.00/-. It shows your confidence for future earnings, and it also gives confidence to us, being the minority shareholders. Sir, our first quarter ended, June quarter of FY 2025-26 result is also good. What is your expectations for the remaining three quarters? Sir, last AGM I told you that our share was underpriced compared to our peers. Last year our share was quoted at around Rs. 70/-, today it is around Rs. 100/- In my opinion, we are still underpriced sir. Sir, I have one request, please diversify our Company in NPK and other Chemical sector just like Chambal Fertilizer has done. Previously, Chambal was only Urea making Company but today it is producing multiple chemicals. If we diversify, we can go upto Rs. 300/- in share market. Again, I also suggest you to increase our Promoter Holding from 53.38%. Please let me know your opinion, sir. Sir, I have few requests also, for previously conducted AGM, sir we have held our Board Meeting on 8th May 2025. We are a good Company sir. So please organise our AGM in the month of June, July and August sir. It will be better. Plant visit – Sir, I'm your very old shareholder, So if possible, organize a program for Plant Visit so that we can see our plant how it is running. Sir do remember your speaker shareholders at the time of festivals in the same manner as you remember your friends and relatives. At last, please maintain your smile and be cheerful, we are always with you as a long investor. Thank you, sir.

Moderator: Thank you, Mr. Om Prakash.

Moderator: Sir, we have completed with the Speaker Shareholders so you can continue by answering those questions and over to you.

Chairman: Thank you, Moderator. So, I'll take most of the questions and I'll also request Mr. Balu, Whole-time Director, to support me on one or more things. So first going to Mr. Saraf, on ESG rating, all I can tell you is that while we are conscious of the ESG, rating requirement is not mandatory today for companies like us. So, we don't do an ESG rating. However, we are as I said in my speech, very conscious of ESG and we are taking a lot of steps to make sure that we fulfill the ESG requirements. Can Balu please explain on the efforts being taken on reduction of Carbon Emission and renewable energy please?

Mr. E Balu, Whole-time Director: Yes sir. Good afternoon. Mr. Santosh Kumar Saraf, your question on the Carbon emissions, two years before we were operating the plant with Naphtha. So, after gas conversion, we are 100% switched over from Naphtha to Natural Gas. By this initiative of switching over the feed stock as well as the fuel from Naphtha to Natural Gas, the emissions have come down to 40% level. Also, our Urea energy has come down from 6.9 to 6.2. This energy reduction is substantial reduction in the input raw materials, both natural gas, for the feed as well as fuel. So this corresponds to around 40% reduction in Carbon emission. That's all for question no. 2.

For the question no. 3, regarding renewable energy, we will be taking 3.7 MWs of Solar Power from nearby Company. Also, we are procuring 8 MW of power from a third party, so both put together, 11 MW of solar power is being procured and used for our Plant Operation which translates to close to around 70% of our total power requirement. So thereby we are taking only 30% from the grid power. So, this answer is for the third question sir.

Chairman: Thank you, Mr. Balu. I am moving on to Mr. Kejriwal. Virtual AGM is definitely a good way for us to connect with the Shareholders in various locations and with the Regulator permitting we will continue to be on virtual mode for AGMs as long as possible. For the remaining three quarters, you asked about the likely performance. It is bit hard to give guidance at this stage. So, all I can tell you is we will endeavor to maintain or sustain our top line and bottom line over the next three quarters. You also asked whether we would be diversifying into NPK and other Chemicals, SPIC is a pure Ammonia, Urea producer, and we will stay focused only on Ammonia and Urea for a period of time. Thank you very much for suggesting on increasing the Promoter Holding. I don't have anything to comment on that. We try to do early AGMs, but we will also look at other aspects of accounts getting ready etc. before we do AGMs. So, we have done our best and we'll try to improve it if possible. Plant Visits are more than welcome. Please write to the Company Secretary and I'll be very happy to invite you and let you visit our Plant and our people are there to take good care of you when you visit. You may kindly write to the Company Secretary. With that I have answered the queries of both the Shareholders.

As mentioned earlier, the venue voting window would remain open for another 15 minutes and those who want to cast their votes may do so.

The votes polled will be consolidated and the results will be displayed on the Company's website as stipulated in the relevant regulations.

Members may view the final results from the Website of the Company or the Stock Exchanges on such release. As per the relevant rules, the resolutions shall be deemed to have been passed on the date of the AGM.

Ladies and Gentlemen, I thank you all once again for your presence and co-operation and with your permission I will declare this AGM as closed.

Thank you very much.

Moderator: With the consent from Chairman, we are concluding this Meeting. Thank you all for joining.

Chairman: Thank you, Moderator.

Moderator: Thank you.

The content of the proceedings hereinabove is subject to the extent of clarity in the audio based on which the transcript has been made out.