MADRAS FERTILIZERS LIMITED

59th Annual General Meeting thru VC / OAVM

24th September 2025

CHAIRMAN's SPEECH

Dear Shareholders, Ladies and Gentlemen,

Good morning.

It is my privilege to welcome you all to the 59th Annual General Meeting of your Company, being held today via video conference. Thank you for joining us and for your continued trust and support.

With your permission, I will take the Director's Report and Audited Accounts for the year ended March 31, 2025, as read.

Economic and Industry Environment

India's economy continues to grow at a steady and confident pace. In 2024–25, real GDP growth was estimated at 6.5 per cent the highest among major economies.

Key sectors such as manufacturing, services, and infrastructure are pushing ahead, As the global economy continues to face challenges, India's consistent performance offers reassurance that it is well placed to lead from the front and keep building a stronger, more inclusive future.

Agriculture, supported by favourable monsoons and record harvests, expanded by 3.8%.

The fertilizer sector also witnessed positive momentum. Urea consumption grew by 8–9%, aided by government subsidies that kept fertilizers affordable despite global price volatility. This stable environment created a strong foundation for our operations.

Operational Achievements

I am delighted to share that your Company delivered its **best-ever operational performance** in FY 2024–25.

- **Neem Coated Urea**: Production reached a record 5,28,400 MT, with 109% capacity utilisation and a low specific energy consumption of 6.875 Gcal/MT — reflecting efficiency and sustainability.
- **Ammonia**: Highest-ever production since inception, at 3,26,260 MT.

These achievements are a testament to the dedication of our teams, robust processes, and commitment to operational excellence.

In alignment with the Government's **Atmanirbhar Bharat** vision, your Company has initiated plans for a **Greenfield Ammonia-Urea Complex** with a proposed annual capacity of 1.3 million MT of Urea. The pre-feasibility report has been approved by your Board, and necessary applications have been submitted to the Government.

This investment will not only create value and ensure better returns but also contribute significantly to India's long-term food security.

Sales Highlights

- **Urea**: Sales stood at 5,22,932 MT the second highest since our plant revamp. Our Point-of-Sale (POS) sales matched invoiced quantities, reflecting strong demand and efficient inventory management.
- **Market Share**: Improved from 6.57% to 8.32%.
- **Neem Products**: Sold 1,43,730 litres of Vijay Neem (second highest since launch).
- **Organic Manure**: Record sales of 15,982 MT, up 49% year-on-year.
- **City Compost**: Nearly 10,000 MT sold under the Swachh Bharat Mission.
- **New Organic Products**: Launched FOM and PROM under PM-PRANAM, with combined sales of 3,000 MT.
- **Industrial Segment**: For the first time, we marketed Anhydrous Ammonia, selling 21,209 MT.

We also conducted extensive dealer training on POS systems to support the Government's Direct Benefit Transfer scheme.

Financial Performance

- **Revenue from Operations**: ₹2,541.85 crore, a growth of 14% (₹313.43 crore) over the previous year.
- **Profit After Tax**: ₹64.25 crore.
- **Audit Excellence**: Our accounts were audited by the Comptroller and Auditor General of India (CAG) and received a **clean report with NIL comments** a strong validation of our commitment to transparency, compliance, and accountability.

However, in view of accumulated losses as on March 31, 2025, the Board has decided not to declare a dividend for FY 2024–25, prioritising long-term financial stability and balance sheet strength.

Corporate Governance & CSR

We continue to uphold strong governance practices anchored in transparency and accountability.

On the CSR front, though modest, we spent ₹0.10 lakh on community development initiatives in the neighbourhood of our factory. We remain committed to enhancing these efforts in the coming years.

Outlook & Strategy

Looking forward, we are committed to sustainable growth and exploring new revenue streams:

- Establishing a **modern, eco-friendly business park** at Guindy to generate recurring income.
- Expanding **fertilizer trading activities** to enhance market presence and profitability.

Acknowledgement

Before concluding, I wish to extend my sincere gratitude:

- To our **shareholders**, for your continued trust.
- To our **employees (MFLers)**, whose dedication and teamwork form the backbone of our success.
- To our **Board Members**, for their guidance and vision.
- To the **Department of Fertilizers**, Government of India, for timely settlement of subsidy bills.
- To the **farming community and dealers**, for their unwavering faith in Vijay products.
- To the **Government of India, Government of Tamil Nadu, NICO, financial institutions, banks, depositors, suppliers, vendors, customers, and investors** for their steadfast support.

Conclusion

In conclusion, I reaffirm our confidence in the strength of our Company in its people, its purpose, and it's potential. Together, with resilience and responsibility, we are well-prepared not only to meet today's challenges but also to seize tomorrow's opportunities.

With your support, I am confident that we will move forward with strength and stability.

Thank you once again for your presence and participation in today's AGM.

JAI HIND!

Sd/-
Manoj Kumar Jain
Chairman & Managing Director