

ANNUAL REPORT

2017-18



Directors	:	Arun Duggal, Independent Director and Chairman N. Suresh Krishnan, Managing Director Akshay Poddar, Director Sunil Sethy, Director Pratap Narayan, Independent Director Narendra Mairpady, Independent Director D. A. Prasanna, Independent Director Rita Menon, Independent Director K. Prabhakar Rao, Director-Works
Company Secretary	:	Vijayamahantesh Khannur
Chief Financial Officer	:	T. M. Muralidharan
Bankers	:	Axis Bank Limited State Bank of India Corporation Bank Kotak Mahindra Bank Limited RBL Bank Limited IndusInd Bank Limited IDFC Bank Limited ICICI Bank Limited
Statutory Auditors	:	S.R. Batliboi & Co. LLP,
Cost Auditor	:	P. R. Tantri, Bengaluru
Secretarial Auditor	:	S. Kedarnath, Bengaluru
Registered Office	:	Level 11, UB Tower, UB City No. 24, Vittal Mallya Road Bengaluru – 560 001 Tel. No. 080-3985 5599 Fax No. 080-3985 5588 email : shares@mangalorechemicals.com Website : www.mangalorechemicals.com CIN : L24123KA1966PLC002036
Works	:	Panambur, Mangaluru – 575 010 Tel. No. 0824-2220 600 Fax No. 0824-2407 938
Share Transfer Agent	:	Cameo Corporate Services Limited Subramanian Building No.1, Club House Road, Chennai – 600 002 Tel.No.044-2846 0390, Fax No.044-2846 0129 e-mail: investor@cameoindia.com

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NOTICE

To

The Members,

Notice is hereby given that the Fifty First (51st) Annual General Meeting of the Members of the Company will be held on **Thursday, September 06, 2018 at 12.00 noon at Conference Hall, 1st Floor, UB Tower, UB City, No. 24, Vittal Mallya Road, Bengaluru – 560 001** to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2018, the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Statutory Auditors.
2. To declare dividend on the equity shares for the financial year 2017-18.
3. To re-appoint Mr. Akshay Poddar (DIN: 00008686), who retires by rotation, and being eligible, offers himself for the re-appointment.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 4 and Section 13 of the Companies Act, 2013, and other applicable provisions read with the rules and regulations made there under including any amendment, re-enactment or statutory modification thereof, approval of the members be and is hereby accorded to amend the Memorandum of Association of the Company as per the draft made available at this meeting as may be required to align the Memorandum of Association with the provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT any Director and Mr. Vijayamahantesh Khannur, Company Secretary of the Company be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things, including delegate such authority, as may be considered necessary, proper or expedient in order to give effect to the above resolution.

RESOLVED FURTHER THAT any Director and Mr. Vijayamahantesh Khannur, Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things and to sign all such other documents, in each case, as they or any of them may deem necessary, proper or desirable (including without limitation making the appropriate e-filings with the Registrar of Companies, Karnataka / Ministry of Corporate Affairs), in connection with the amendment of Memorandum of Association of the Company, as approved by the Board and the members of the Company and/ or generally to give effect to the foregoing resolutions.

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 5 and Section 14 of the Companies Act, 2013, and other applicable provisions read with the rules and regulations made there under including any amendment, re-enactment or statutory modification thereof, the new set of Articles of Association as made available at this meeting be and are hereby approved and adopted in substitution for, and to the exclusion, of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT any Director and Mr. Vijayamahantesh Khannur, Company Secretary of the Company be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds, matters and things, including delegate such authority, as may be considered necessary, proper or expedient in order to give effect to the above resolution.

RESOLVED FURTHER THAT any Director and Mr. Vijayamahantesh Khannur, Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things and to sign all such other documents, in each case, as they or any of them may deem necessary, proper or desirable (including without limitation making the appropriate e-filings with the Registrar of Companies, Karnataka / Ministry of Corporate Affairs), in connection with the amendment of Articles of Association of the Company, as approved by the Board and the members of the Company and/ or generally to give effect to the foregoing resolutions.

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT in supersession of all the resolutions passed earlier at the Annual General Meetings held on 20.04.1977, 28.08.1986, 28.09.2007 and 04.09.2014 and pursuant to the provisions of the Articles of Association of the Company and

Section 180(1)(c) and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Rules made thereunder, the consent of the members be and is hereby accorded to the Board of Directors of the Company to borrow any sum or sums of money for the purposes of the Company at any time or from time to time, notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purposes, provided that the total amount so borrowed by the Company together with the amount already borrowed and outstanding shall not exceed higher of Rs.1000,00,00,000/- (Rupees One thousand crores only), or the aggregate of the paid up capital and free reserves of the Company, apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board of Directors be and are hereby authorized to arrange to fix the terms and conditions of all such borrowings from time to time as it may deem fit and to sign and execute all such deeds, contracts, instruments, agreements and any other documents as may be required and to do all such acts, deeds, matters, things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred by this resolution to any Committee of Directors and/or Directors and/or Officers of the Company to give effect to this resolution.

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting of the Company held on 23.09.2005 and by Postal Ballot on 06.10.2014 and pursuant to the provisions of the Articles of Association of the Company and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to the Board of Directors of the Company to mortgage and/or to create charge in any manner, on all or any of the immovable and/or moveable assets including outstanding monies, receivables, claims, bills, documents, contracts, engagements, securities, investments and rights of the Company both present and future of the Company for securing any loan obtained or as may be obtained from any Bank or any Consortium of Banks or Financial Institutions or funds or any person or body(ies) together with interest, cost, charges, expenses and any other money(ies) payable by the Company, on such terms and conditions as the Board may deem fit in the interest of the Company provided that the total amount at any point of time so secured/mortgaged, shall not exceed the limit as approved under Section 180(1)(c) of the Companies Act, 2013.

RESOLVED further that the Board be and is hereby authorized to do and perform all such acts, deeds and things, as may be necessary and to execute all such documents, instruments and writings as may be required.

8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of the Section 148 of Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), payment of remuneration of Rs.1,40,000/- (Rupees One lakh and forty thousand only) exclusive of applicable tax and other statutory levies, if any, and reimbursement of actual expenses incurred on travel, accommodation and other out-of-pocket expenses to Mr. P. R. Tantri, Cost Accountant (Membership Number 2403), for conducting audit of cost records of the Company for the Financial Year 2018-19, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors is authorized to take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.

9. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to Regulation 31A and other relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") shareholder entities, namely (i) United Breweries (Holdings) Limited; (ii) Kingfisher Finvest India Limited and (iii) McDowell Holdings Limited (collectively referred to as "UB Group Companies"), which together presently hold 9.25% of the issued and paid-up share capital of Company, be reclassified from the "Promoter and Promoter Group" category to the "Public" category, in the shareholding pattern filed with the Stock Exchanges with effect from the date of this Ordinary Resolution.

RESOLVED FURTHER THAT (i) United Breweries (Holdings) Limited; (ii) Kingfisher Finvest India Limited and (iii) McDowell Holdings Limited comply with the following necessary requirements for reclassification as required under Regulation 31A of the SEBI Listing Regulations:

- a. that none of the aforementioned shareholders hold, individually or in aggregate, more than 10% of the paid-up equity capital of the Company;

- b. that none of the aforementioned shareholders have any special rights through formal or informal agreements;
- c. that none of the aforementioned shareholders or any person nominated by them are presently acting as Key Managerial Personnel and shall act as Key Managerial Personnel for a period of more than 3 years from the date of shareholders' approval ; and
- d. that none of the aforementioned shareholders, directly or indirectly, exercise control, over the affairs of the Company.

RESOLVED FURTHER THAT, (i) United Breweries (Holdings) Limited; (ii) Kingfisher Finvest India Limited and (iii) McDowell Holdings Limited shall cease to be part of the "Promoter Group" of the Company with effect from the date of this Ordinary Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director, or Company Secretary of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution including filing of necessary forms / returns with the Ministry of Corporate Affairs / Stock Exchanges / other authorities concerned.

By the order of the Board

Bengaluru
July 31, 2018

Vijayamahantesh Khannur
Company Secretary

NOTES

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument appointing proxy in prescribed form, in order to be effective should be duly completed, signed and must be sent to the Company so as to reach at the registered office of the Company at least 48 hours before the commencement of the meeting. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total paid-up share capital of the Company. Members holding more than ten percent of the total paid up share capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member.
3. The Register of Members and Share Transfer Books will remain closed from August 31, 2018 to September 06, 2018 (both days inclusive) for the purpose of determination of members who are entitled to receive the dividend for the financial year 2017-18, if declared.
4. All relevant documents referred to in the Notice and the statements/reports annexed to Notice shall be open for inspection by Members at the Registered Office of the Company during normal business hours between 11.00 a.m. and 1.00 p.m. on all working days (except Saturdays, Sundays and Public Holidays) up to the date of the Annual General Meeting.
5. Pursuant to the provisions of Section 124(5) and 125 of the Companies Act, 2013, the dividend amount remaining unclaimed/unpaid for a period of seven years from the due date of payment shall be transferred to the Investor Education and Protection Fund (IEPF) established by Central Government. Pursuant to the provisions of Section 124(6) and Section 125 of the Companies Act, 2013 read with Rule 6 of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to the IEPF within 30 days of they becoming due to be transferred.

Members who have not yet encashed their dividend warrant(s) are requested to make their claims without any delay.

IT MAY BE NOTED THAT THE UNCLAIMED DIVIDEND PERTAINING TO THE FINANCIAL YEAR 2010-11 IS DUE FOR TRANSFER TO THE INVESTOR EDUCATION AND PROTECTION FUND AND THE SAME CAN BE CLAIMED FROM THE COMPANY ON OR BEFORE OCTOBER 30, 2018.

6. Electronic copy of the Notice of the 51st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 51st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.

7. Pursuant to Section 108 of Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the members the facility to exercise their right to vote at the 51st Annual General Meeting by way of remote e-voting i.e casting votes by a member using an electronic voting system from a place other than venue of a general meeting, and the business may be transacted through e-voting services provided by Central Depositories Services (India) Limited. The ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be entitled to cast their vote at the meeting. Members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The Company has appointed Mr. Sudhir Hulyalkar, Practicing Company Secretary (Membership No. FCS 6040 and CP No. 6137), who is willing to be appointed and is, in the opinion of the Board, a duly qualified person and can scrutinize the voting and remote e-voting process in a fair and transparent manner, as a Scrutinizer. After the conclusion of the voting at the meeting, the Scrutinizer shall count votes casted at the meeting and through remote e-voting and provide a consolidated Scrutinizer's report of the total votes casted, within a period of three days from the date of conclusion of the meeting, to the Chairman or to the person authorized by the Chairman in writing who shall countersign the same. The Chairman or the person authorized by the Chairman shall declare the result of the voting forthwith. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.mangalorechemicals.com and on the website of CDSL – www.cdslindia.com and communicated to the Stock Exchanges

The instructions for shareholders voting electronically are as under:

- i. The remote e-voting period begins at 9.00 AM on September 03, 2018 and ends at 5.00 PM on September 05, 2018. The facility for remote e-voting shall forthwith be blocked at the end of the period of remote e-voting.
- ii. The cut-off date for determining the eligibility to vote by electronic means or in the general meeting shall be August 30, 2018. Members who are holding shares on cut-off date are only eligible for remote e-voting and attending Annual General Meeting.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- iv. Click on Shareholders / Members
- v. Now Enter your Login ID.
 - a. For CDSL: 16 digits beneficiary ID;
 - b. For NSDL: 8 Character DP ID followed by 8 digit client ID;
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- viii. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the sequence number in the PAN field In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ram with sequence number 1 then enter RA00000001 in the PAN field
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company's records in order to login. If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- xii. Click on the EVSN of Mangalore Chemicals & Fertilizers Limited to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xviii. If Demat account holder has forgotten the changed login password then enter the Login ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xx. Note for Non-Individual Shareholders & Custodians:
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xxi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
8. Members / proxy holders are requested to produce the enclosed attendance slip duly completed and signed at the entrance of the meeting venue.
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
10. The Register of Contracts, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
11. Members should address all correspondence to the Company's Registrar and Share Transfer Agent at the following address quoting their Registered Folio Number or Demat Account Number & Depository Participant (DP) ID Number.
 Cameo Corporate Services Limited
 Subramanian Building, No.1, Club House Road, Chennai-600 002
 Phone: 91-44-2846 0390 to 94 Fax : 91-44-2846 0129
 E-mail: investor@cameoindia.com
12. The equity shares of the Company are mandated by Securities and Exchange Board of India for compulsory trading in demat form by all investors. The Company's shares have been admitted into both the depositories viz. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL]. The ISIN allotted to the Company's equity shares is INE558B01017.
13. Members holding shares in physical form are requested to notify any change in their addresses, mandates/bank details immediately to the Company's Registrar and Share Transfer Agent, Cameo Corporate Services Limited, Chennai.
14. With effect from December 05, 2018, except in the case of transmission or transposition of securities, the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a Depository. Hence, the members holding shares in physical form are requested to dematerialize their physical shares into electronic form by sending demat request to their concerned Depository Participants.
15. Members holding shares in electronic mode are requested to intimate all changes pertaining to their bank details to their Depository Participants in order to arrange the dividend payment by NECS/ECS or through warrant by printing the bank details, as the case may be.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 4

Upon enactment of the Companies Act, 2013, the Memorandum of Association of the Company were required to be re-aligned as per the provisions of the new Act.

The Board of Directors at its meeting held on July 31, 2018 have approved (subject to the approval of members) the amendment in the Memorandum of Association of the Company with respect to the following:

- a. Clause IIIA – Main Objects of the Company and Matters which are necessary for furtherance of the Main Objects by way of insertion(s) / deletion(s) / alteration(s) / re-numbering; and
- b. Clause III(B) – Other objects have been deleted;
- c. Clause V(1) – Word “Cumulative” appearing before “Preference Shares” has been deleted.
- d. Other amendments required to align with the provisions of the Companies act, 2013.

The draft of the amended Memorandum of Association proposed for approval is available on the website of the Company and also available for inspection by the shareholders of the Company during normal business hours at the Registered office of the Company and copies thereof shall also be made available at the place of the meeting on the meeting day.

In terms of Section 4 and 13 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for proposed amendments in the Memorandum of Association of the Company. Accordingly, consent of members is sought by way of Special Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in this matter.

Item No. 5

Upon enactment of the Companies Act, 2013, various provisions of the Companies Act, 1956 have been repealed and in view of the same the Articles of Association of the Company needs to be re-aligned as per the provisions of the new Act.

The Board of Directors in its meeting held on July 31, 2018 have approved (subject to the approval of members) to adopt a new set of Articles of Association in place of and to the exclusion of existing Articles of Association of the Company.

The draft of the new set of Articles of Association proposed for approval is available on the website of the Company and also available for inspection by the shareholders of the Company during normal business hours at the Registered office of the Company and copies thereof shall also be made available at the place of the meeting on the meeting day.

In terms of Section 5 and Section 14 of the Companies Act, 2013, the consent of the Members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company. Accordingly, consent of members is sought by way of Special Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in this matter.

Item No. 6 & 7

As per Section 180(1)(c) of the Companies Act, 2013 (the Act), the Board of Directors of a company cannot, except with the consent of the Company in general meeting by a Special Resolution, borrow monies, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the company. Keeping in view the Company's need to borrow funds in future for its operations and upgradation of plants, the consent of the Members is sought in accordance with the provisions of Section 180(1)(c) of the Act to enable the Board to borrow monies, provided that the total amount so borrowed shall not at any time exceed Rs. 1000,00,00,000/- (Rupees One thousand crores only), or the aggregate of the paid up capital and free reserves of the Company, whichever is higher, apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business. The Special Resolution under Item No. 6 is to obtain the consent of the Members for this purpose.

The borrowings of the Company (existing / proposed) may, if necessary, be secured by way of charge/mortgage/hypothecation on the Company's assets in favour of the lenders as mentioned in the Resolution at Item No. 7. Since the mortgage by the Company of its immovable and movable properties to Banks / Institutions may be regarded as disposal of the Company's properties / undertakings, it is necessary to pass a Special Resolution under Section 180(1)(a) of the Act for creation of charges/mortgages/hypothecations for an amount not exceeding the borrowing limit as approved under Section 180(1)(c) of the Companies Act, 2013.

Accordingly, consent of members is sought by way of Special Resolutions for Item No. 6 and 7.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in Item No. 6 and 7.

Item No. 8

In accordance with the provisions of Section 148 of the Companies Act, 2013, and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board of Directors have approved the appointment of Mr. P R Tantri, Cost Accountant (Membership Number 2403), as Cost Auditor of the Company for the financial year 2018-19 on a remuneration of Rs.1,40,000/- (Rupees One lakh and forty thousand only)