



Rashtriya Chemicals and Fertilizers Limited

(A Government of India Undertaking)

Let us grow together



38th Annual Report 2015-16

FAI Best Production Performance Award 2015 for Complex Fertilizers Plant



Shri Ananth Kumar, Hon'ble Union Minister of Chemicals & Fertilizers, Govt. of India handing over FAI Best Production Performance Award 2015 for Complex Fertilizers Plant for RCF Trombay Unit to Shri C.M.T. Britto, Director (Technical) in presence of Shri Hansraj Ahir Hon'ble Union Minister of State for Chemicals & Fertilizers, Shri Anuj Kumar Bishnoi, I.A.S, Secretary (Fertilizers), Shri Abir Banerjee, Executive Director (Tr.) and other dignitaries.

FAI Best Production Performance Award 2015 for Nitrogen(Ammonia & Urea) Plants



Shri Ananth Kumar, Hon'ble Union Minister of Chemicals & Fertilizers, Govt. of India handing over FAI Best Production Performance of an operating Fertilizer unit for Nitrogen(Ammonia & Urea) to RCF Thal for the Year 2014-15 to Shri C.M.T. Britto, Director (Technical) in presence of Shri Hansraj Ahir, Hon'ble Union Minister of State for Chemicals & Fertilizers, Shri Anuj Kumar Bishnoi, I.A.S, Secretary (Fertilizers), Shri Umesh Dhatrak, Executive Director (Thal) and other dignitaries.

BOARD of DIRECTORS



Rashtriya Chemicals and Fertilizers Limited
(A Government of India Undertaking)
Let us grow together



Shri Manoj Mishra
Chairman & Managing Director
(From 15.06.2016)



Shri R. G. Rajan
Chairman & Managing Director
(Up to 14.06.2016)



Shri C.M.T. Britto
Director (Technical)



Shri Ashok Ghasghase
Director (Marketing)
(Up to 30.06.2016)



Shri Suresh Warior
Director (Finance)



Shri Sham Lal Goyal, IAS
Jt. Secretary, Dept. of Fertilizers,
New Delhi
(Up to 27.01.2016)



Shri Dharm Pal, IAS
Jt. Secretary, Dept. of Fertilizers,
New Delhi
(From 28.01.2016)



Shri Sushil Kumar Lohani, IAS
Jt. Secretary, Dept. of Fertilizers,
New Delhi



Prof. Damodar Acharya
Independent Director



Shri Harin Pathak
Independent Director
(From 08.07.2016)



Shri Bharkat Kumar Barot
Independent Director
(From 08.07.2016)



Shri G. M. Inamdar
Independent Director
(From 08.07.2016)

Mission of the Company

“Exponential Growth through Business Excellence with Focus on Maximising Stakeholder Value by Manufacturing and Selling Fertilizers and Chemicals in a Reliable, Ethical and Socially Responsible Manner.”

Value Statement

“RCF shall Deal all Aspects of Business with Integrity, Honesty, Transparency and with Ulmost Respect to the Stakeholders, by Honouring our Commitment, Providing Results and Striving for the Highest Quality.”

Vision Statement

“To be a World Class Corporate in the field of Fertilizers and Chemicals with Dominant Position in Indian Market Ensuring Optimal Utilisation of Resources, taking Due Care of Environment and Maximising Value of Stakeholders.”

LETTER from the CHAIRMAN



Dear Shareholders,

It gives me great pleasure to share with you an update on the overall performance of your Company. In a challenging external environment, your Company performed well and delivered another year of profit. Simultaneously, we recognized the need for responsible growth and focused on creating greener and more efficient manufacturing with cleaner fuels, more efficient energy consumption and lesser generation of waste.

We remained committed to our purpose of making sustainable living commonplace across the value chain.

Before deliberating on the performance of the Company, I would like to briefly talk about the state of economy and more particularly, fertilizer industry scenario during 2015-16.

Overview of the Economy

India has achieved robust growth despite very complex global conditions and emerged as a beacon of hope, amongst major economies, by recording the highest gross domestic product (GDP) growth rate of 7.6 per cent for fiscal 2015-16 as against 7.2% in 2014-15. There is high expectation of the growth rate to be maintained in the fiscal 2016-17 by India's overall growth story accompanied with the progressive policies of the government and its commitment towards drastic policy reforms, innovation and technology led governance, benign oil prices, strong domestic consumption demand, implementation of the 7th pay commission to the government employees.

The economy is expected to get a further boost from the passage of Constitution (122nd amendment) Bill, 2014 in the monsoon session of parliament with implementation of GST which will give much desired thrust to "Make in India" initiative. The implementation of a unified GST in India will be one of the most significant reforms introduced in recent times which would go a long way in strengthening the economy as one common market for taxation as well as address key issues of transparency, ease of doing business, simplification of tax laws and will have an overall positive impact on the Indian economy which is now at critical stage.

Overview of the Fertilizer Industry

The financial year 2015-16 was a reasonably good year for the fertilizer industry with overall volumes rising by 7% to 58.2 MMT from 54.1 MMT in financial year 2015 despite second consecutive year of weak monsoons. The domestic production of Urea witnessed healthy 8% growth during the fiscal 2015-16, driven by favorable policy changes of GOI, especially the New Urea Policy 2015 (which altered the policy with regard to reimbursement on the production beyond reassessed capacity) and the Gas Pooling policy (which resulted in uniform gas costs for all gas-based units). As a result, Urea imports fell by 3% year to year to 8.47 MMT in financial year 2016. As the domestic production is expected to remain high at 24.5-25.5 MMT during financial year 2017, the import volumes are expected to remain similar to last year levels. This, along with subdued Urea prices, would lower the import bill further in the financial year 2017. The price of pooled gas for Urea units have fallen to about US\$ 6.5- 6.6/MMBTU during April-May 2016 from -US\$ 7.2-7.3/MMBTU during Feb-March 2016 due to a further 20% reduction in the domestic gas prices w.e.f. April 1, 2016 and subdued spot gas prices. This lowers the cost of production of Urea, which in turn would reduce the subsidy burden for the Government. The revenues of the domestic fertilizer industry posted a modest growth of 5% to ₹ 820.9 billion in financial year 2016 from ₹ 779.4 billion in financial year 2015, driven by higher sales volumes. The profit margins continued to remain under pressure due to high reliance on working capital borrowings to fund subsidy receivable. As subsidy delays are expected to continue and Urea pricing reforms are not expected immediately, the financial performance of the industry is expected to remain impacted in the near- to- medium term. The volume growth during financial year 2015-16 was driven by relatively low opening inventory levels compared with the previous years, and low base effect and was supported by moderate growth in the domestic production of urea and higher import of non-urea fertilizers. During the financial year, urea sales grew by 4% to 31.98 MMT, whereas non-urea sales grew substantially at 13% to 26.19 MMT. However, higher volume growth has resulted in increase in the systemic inventory levels as on end-Mar 2016.

In line with its philosophy of promoting a sustainable environment, Government of India, during the year has mandated 100% production of neem coated urea. Neem coating ensures slow release of nitrogen resulting in lower usage of urea, prevents leaching of soil nutrient and hinders diversion of urea for non-agricultural uses. This will reduce the consumption of urea by 10-15%. As far as environment is concerned, normal prilled Urea use-efficiency is 30% (Paddy crop). In case of Neem Coated Urea, this loss is significantly reduced by about 10%-15%, thereby resulting in less pollution of underground water. Moreover, the usage of Neem Coated Urea is environmental friendly.

The beginning of monsoon this year has been very encouraging with widespread good rains in the month of June and

July. In case the normal rainfall continues during the balance monsoon period, I expect the systemic inventory levels to come down to more reasonable levels by the end of the kharif 2016 season.

Corporate Overview

I am glad to inform you that your Company continues to perform well on a sustained basis. Your Company achieved a turnover of ₹ 8761.64 Crore registering an increase of about 12.5 % over previous year turnover of ₹ 7787.81 Crore. During the year, your Company's margins, besides lower sales of both fertilizers and Industrial Products, have also been adversely impacted by the stringent energy norms specified by the Government with effect from 01.06.2015, higher gas price for non-urea operations, lower IPP of urea for production beyond Re-assessed Capacity, higher financial cost, abundant availability of cheap imported chemicals, steep depreciation in rupees vis-a-vis US\$, delayed disbursement of subsidy etc. All these factors have affected the profitability of the Company. In spite of above factors, your company could earn a Profit Before Tax (PBT) of ₹ 291.10 Crore and Profit After Tax (PAT) of ₹ 191.23 Crore. Your Company achieved a lower fertilizer sales volume of 33.75 lakh MT during 2015-16 as compared to 37.32 lakh MT in the previous year as the Company's major markets were very severely hit by drought. But for the resilience of your Company, the result for the year would have not been so good.

Dividend

Although your Company has lined up a number of capex programmes which will entail substantial expenditure, considering the consistent profits being made by the Company, your Directors have recommended a dividend of ₹ 1.10 (i.e. 11%) per equity share for the financial year 2015-16.

Awards & Accolades

As in the past several years, your Company received 'MoU Excellent' rating for 2014-15 from Ministry of Heavy Industries and Public Enterprises.

I am also happy to share with you the several recognitions and awards received by the Company under various category from central as well as state Government and Institutes of repute for conservation in energy, excellence in Cost Management, Best Production performance of an operating fertilizer unit for nitrogen, excellence in Innovation Management, outstanding performance in environment management in Fertilizer Sector, and so on. The details of these awards are more specifically spelt out in the Directors report.

Sustainable Development

As a Company concerned about the need to conserve the natural resources, your Company has already commenced the work on the project of Sewage Treatment Plant (STP) which, when operational, will generate 15 MLD of treated water for usage in plants of RCF and some quantity of this water will be shared with BPCL, the other PSU with whom the Company has entered in to an MoU to this effect. Similarly, as a part of its commitment to promote ecologically sustainable growth by generating greener power, your Company has set up 2 MWp Grid connected Photovoltaic Solar power plant within our factory premises at Trombay, Mumbai to harness renewable energy sources to meet our demands. The power generated is used for captive consumption of the Trombay unit.

Projects

Further, your Company is planning to undertake major projects by participating in the revival of closed fertilizer units, Additional Ammonia Urea project at Thal, Coal Based Fertilizer Plant at Talcher, and a Urea Plant in Iran for import of Urea to India through a JV, the details of such projects are available in the Directors' Report.

The Company is also carrying out a number of energy conservation projects which will improve the profitability of the Company in the coming years. Your Company is also looking for opportunities for long term off take agreements for procurement of fertilizers, to ensure sustained growth. I am confident that with your unflinching support and support from the Government, your Company would march ahead successfully.

I am delighted to present the Annual Report for the year 2015-16 and hope to see you on 23rd September, 2016 at the 38th Annual General Meeting of the Company.

Acknowledgement

Before I conclude, I would like to place on record my appreciation to all my colleagues on the Board, past and present, for their valuable contribution in the growth of the company. Finally, I would like to thank you, our valued shareholders, for your unwavering support in our journey to deliver value to all our stakeholders.

Thank you, ladies and gentlemen.

Manoj Mishra

Chairman and Managing Director
Mumbai

15th August, 2016

National Energy Conservation Award to RCF Thal



Shri Piyush Goyal, Hon'ble Union Minister of State (I/C) for Power, Coal, New and Renewable Energy giving away National Energy Conservation Award to RCF Thal to Shri R. G. Rajan, CMD, in presence of Shri Pradeep Kumar Pujari, IAS, Secretary (Power), Shri B. P. Pandey, IAS Addl. Secretary (Power), Shri B.N. Sharma, IAS Addl. Secretary (Renewable Energy), Dr. Ajay Mathur, Director General, BEE, Shri Major Singh, Chairperson, CEA.

"13th National Award for Excellence in Cost Management for FY 2014-15"-



RCF bagged "13th National Award for Excellence in Cost Management for FY 2014-15". This award is instituted by Institute of Cost Accountants of India and is given for the excellent efforts made for cost reductions in various fields and achievements. Shri S. Parthasarathy, Executive Director(Fin.), Shri S. S. Kawade, General Manager (Fin.) receiving award at the hand of Shri Najib Shah, IRS, Chairman, Central Board of Excise and Customs, Ministry of Finance, Govt. of India in presence of other dignitaries.

FINANCIAL HIGHLIGHTS AT A GLANCE

Sr. No.	PARTICULARS	2015-16 As per revised Schedule VI	2014-15 As per revised Schedule VI	2013-14 As per revised Schedule VI	2012-13 As per revised Schedule VI	2011-12 As per revised Schedule VI	2010-11 As per revised Schedule VI	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03
1	Turnover (Gross Sales+ Subsidy + Other Income)	9013.43	8057.65	6877.89	7102.49	6662.36	5671.60	5826.25	8538.43	5325.06	3644.60	3187.80	2895.90	2396.64	2135.98
2	Profit before Interest(Net), Depreciation and Tax (EBIDTA)	573.24	887.29	628.59	612.72	531.24	476.74	439.70	487.22	384.31	363.66	284.39	303.99	233.38	12.10
3	Depreciation	145.13	258.12	141.75	173.15	142.44	112.62	75.60	86.58	86.96	75.42	68.53	96.71	69.17	68.25
4	Interest [Net]	135.93	111.38	119.90	59.09	12.75	9.65	19.87	74.93	59.32	46.93	0.80	(3.98)	(91.59)	40.54
5	Prior year Adj. - Expenses / (Income)	1.08	8.16	(0.38)	0.36	1.59	(0.22)	0.02	0.01	(4.04)	0.07	(0.61)	(0.41)	(0.85)	(2.97)
6	Profit / (Loss) Before Tax	291.10	509.63	367.32	380.12	374.46	354.69	344.21	325.70	242.07	241.24	215.67	211.67	256.65	(93.72)
7	Tax Provision (Net of Adj.)	99.87	187.57	117.43	99.22	125.22	109.57	109.34	114.12	83.92	92.50	67.71	70.71	88.86	(45.65)
8	Profit / (Loss) After Tax	191.23	322.06	249.89	280.90	249.24	245.12	234.87	211.58	158.15	148.74	147.96	140.96	167.79	(48.07)
9	Dividend														
	Rate %	11.00	18.00	15.00	15.00	14.00	11.00	11.00	12.00	10.00	10.00	10.00	17.00	17.00	0.00
	Amount :	73.04	119.52	96.79	96.81	89.77	70.53	70.77	77.45	64.55	64.55	62.91	107.02	105.81	0.00
	Dividend Payout Ratio %	38.19	37.11	38.73	34.46	36.02	28.77	30.13	36.61	40.82	43.39	42.52	75.92	63.06	0.00
10	Working Capital	1465.03	1695.06	1378.73	1199.67	1116.04	1036.33	1933.66	1896.01	1418.44	1434.06	884.39	849.81	734.48	983.56
11	Capital Employed	5564.75	4705.99	4333.38	4073.22	3423.14	2542.65	3176.37	2973.17	2472.58	2449.97	1756.80	1738.87	1609.53	1901.93
12	Net Worth	2829.12	2710.93	2508.39	2355.29	2171.20	2011.73	1837.14	1672.42	1537.38	1447.30	1361.50	1271.42	1234.08	1169.51
13	RATIOS														
	Current Ratio [CA : 1]	1.35	1.62	1.58	1.42	1.40	1.85	2.25	1.93	2.63	3.28	2.29	2.78	2.86	4.54
	Debt Equity Ratio [Debits : 1]	0.05	0.14	0.13	0.09	0.13	0.08	0.72	0.85	0.81	0.66	0.32	0.29	0.17	0.53
	EBIDTA to capital employed %	10.30	18.85	14.51	15.04	15.52	18.75	13.84	16.39	15.54	14.84	16.19	17.48	14.50	0.64
	PBT to Capital Employed %	5.23	10.83	8.48	9.33	10.94	13.95	10.84	10.95	9.79	9.85	12.28	12.17	15.95	(4.93)
	PAT to Capital Employed %	3.44	6.84	5.77	6.90	7.28	9.64	7.39	7.12	6.40	6.07	8.42	8.11	10.42	(2.53)
	PBT to Net Worth %	10.29	18.80	14.64	16.14	17.25	17.63	18.74	19.47	15.75	16.67	15.84	16.65	20.80	(8.01)
	PAT to Net Worth %	6.76	11.88	9.96	11.93	11.48	12.18	12.78	12.65	10.29	10.28	10.87	11.09	13.60	(4.11)
	PAT to Equity %	34.66	58.38	45.30	50.92	45.18	44.43	42.57	38.35	28.67	26.96	26.82	25.55	30.41	(8.71)
	PBT to Turnover %	3.23	6.32	5.34	5.35	5.62	6.25	5.91	3.81	4.55	6.62	6.77	7.31	10.71	(4.39)
	PAT to Turnover %	2.14	4.04	3.67	3.99	3.78	4.37	4.07	2.50	3.00	4.12	4.69	4.92	7.07	(2.27)
	Earning per share Before Tax (Rs.)	5.28	9.24	6.66	6.89	6.79	6.43	6.24	5.90	4.39	4.37	3.91	3.84	4.65	(1.70)
	Earning per share After Tax (Rs.)	3.47	5.84	4.53	5.09	4.52	4.44	4.26	3.84	2.87	2.70	2.68	2.56	3.04	(0.87)
	EBIDTA to Turnover %	6.42	11.12	9.23	8.71	8.05	8.49	7.55	5.71	7.22	9.98	8.92	10.50	9.74	0.57



Senior Mangers

Name	Designation
Karthikeyan P.	Executive Director (Mktg.)
A. Kundu	Executive Director (Planning & Proj. Devt.)
Umesh V. Dhattrak	Executive Director (Thal)
Ravindra P. Jawale	Executive Director (Trombay)
M. Thyagarajan	Executive Director (QC)
Shirish G. Bhogle	Executive Director (Mktg.)
S. Parthasarathy	Executive Director (Finance)
Saifuddin K. Fidvi	Executive Director (HR)
Ajit S. Kashikar	Chief Gen. Mgr. (Maintenance & Fire & Safety)
Arvind N. Shende	Chief Gen. Mgr. (HSE) Corp.
Suhas S. Varadkar	Gen. Mgr. (Operations), Thal
Arun V. Nawade	Gen. Mgr. (HR)
Bharat G. Galgali	Gen. Mgr. (Commercial)
P. L. C. K. Prasad	Gen. Mgr. (Finance)
Chandraguptarajah S. A.	Gen. Mgr. (IT)
Arvind T. Jadhav	Gen. Mgr. (Mktg)
Sudhir D. Pandare	Gen. Mgr. (Corp.)
V. P. Sreekrishnan	Gen. Mgr. (Operations)
Subhash S. Kawade	Gen. Mgr. (Corp.Finance)
Rajendra P. Paradkar	Gen. Mgr. (Co-Ordination)
Asok Kumar Das	Gen. Mgr. (Projects, PHS & Utilities), Thal
Naresh N. Massand	Gen. Mgr. (Vigilance)
Milind M. Deo	Gen. Mgr. (Technical), Thal

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Company Secretary : Shri D. M. Sati
Email address : investorcommunications@rcfltd.com
Website address : www.rcfltd.com
Telephone : (022) 25523114/3118
Registered Office : "Priyadarshini"
 Eastern Express Highway
 Sion, Mumbai 400 022.
Share Transfer Agent : M/s. Link Intime India Pvt. Ltd.,
 C-13, Pannalal Silk Mills Compound,
 L.B.S.Marg, Bhandup,
 Mumbai 400 078.
(022) 25963838

Bankers : State Bank of India
 Commercial Branch,
 Fort, Mumbai
Statutory Auditors : M/s. NBS & Co., Mumbai
 M/s. Kalyaniwalla &
 Mistry, Mumbai
Cost Auditors : Shri Suresh D. Shenoy,
 Mumbai
 M/s V. J. Talati &
 Company, Mumbai
Solicitor : M/s M.S. Bodhanwala &
 Co., Mumbai.

RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED

Registered Office: “Priyadarshini”, Eastern Express Highway, Sion, Mumbai - 400 022.

CIN: L24110MH1978GOI020185

Phone: 022-24045024/ Fax:022 24045022

Email Id: investorcommunications@rcfltd.com / Website: www.rcfltd.com

NOTICE

THIRTY EIGHTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the THIRTY EIGHTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED will be held at “Sivaswamy Auditorium” The Fine Arts Society, Fine Arts Chowk, RC Marg, Chembur, Mumbai 400 071, on Friday, the 23rd day of September, 2016 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the year ended 31st March, 2016, including Profit & Loss Statement for the year ended 31st March, 2016 and Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
2. To declare dividend.
3. To fix remuneration of Auditors.
4. To appoint a Director in place of Shri Sushil Kumar Lohani (DIN 06912948), who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri Suresh Warior (DIN 06920261), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS:

6. To appoint Shri Dharam Pal, as Director of the Company.

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 Sections 149, 152, 160 and 161 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force), Shri Dharam Pal (DIN 02354549), who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 28th January, 2016 and who holds office upto the date of

this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company w.e.f. 28th January, 2016, in terms of letter no. 130/8/2003-H.R. –I dated 14th January, 2016 from Ministry of Chemicals & Fertilizers, who shall be liable to retire by rotation.”

7. To appoint Shri Harin Pathak, as an Independent Director of the Company.

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 Sections 149, 150, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force) Shri Harin Pathak (DIN 07552994), who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of three years w.e.f. 10th June, 2016, or until further order, whichever is earlier, in terms of letter no. 78/2/2006-H.R. –I dated 10th June 2016 from Ministry of Chemicals & Fertilizers . He shall not be liable to retire by rotation.”

8. To appoint Shri Bharatkumar Barot, as an Independent Director of the Company.

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 Sections 149, 150, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof



for the time being in force) Shri Bharatkumar Barot (DIN 07552993), who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of three years w.e.f. 10th June, 2016, or until further order, whichever is earlier, in terms of letter no. 78/2/2006-H.R. -I dated 10th June 2016 from Ministry of Chemicals & Fertilizers . He shall not be liable to retire by rotation”.

9. To appoint Shri G. M. Inamdar, as an Independent Director of the Company.

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 Sections 149, 150, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re- enactment thereof for the time being in force) Shri G. M. Inamdar (DIN 07552999), who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period of three years w.e.f. 10th June, 2016, or until further order, whichever is earlier, in terms of letter no. 78/2/2006-H.R. -I dated 10th June 2016 from Ministry of Chemicals & Fertilizers . He shall not be liable to retire by rotation.”

10. Approval of cost Auditor's remuneration

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 Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re- enactment thereof for the time being in force) the remuneration payable to Shri Rohit J. Vora, Cost Accountants and M/s. Musib & Co., Cost Accountants, Mumbai, appointed by the Board of Directors as Cost Auditors to conduct the audit of the Cost records of the Company for the financial year ending 31st March, 2017, amounting to ₹ 2,14,500/- and ₹1,54,000/- (plus out of pocket expenses incurred in connection with aforesaid audit) respectively, as

also the payment of service tax as applicable be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

By order of the Board of Directors

(D. M. Sati)
Company Secretary

Date: 8th August, 2016

Place: Mumbai

Notes:

1. A member entitled to attend and vote at the Annual General Meeting (the “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 the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting. A person can act as a proxy on behalf of members not exceeding fifty numbers and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Register of Members and Share Transfer books will be closed from Saturday, the 17th September, 2016 to Friday, the 23rd September, 2016 [both days inclusive].
4. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
5. Members are requested to notify immediately any changes in their address to the Company or its Transfer Agents M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (W), Mumbai 400 078.
6. Any clarifications needed by the members of the Company may be addressed to the Company Secretary at the Registered Office of the Company or through