

RASHTRIYA CHEMICALS AND FERTILIZERS LIMITED
(Priyadarshini, Eastern Express High Way, Sion, Mumbai-400022)

MINUTES OF THE 36TH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY HELD ON FRIDAY, THE 19TH DAY OF SEPTEMBER, 2014 AT 3 P.M. AT SIVASWAMY AUDITORIUM, THE FINE ARTS SOCIETY, FINE ARTS CHOWK, RC MARG, CHEMBUR, MUMBAI-400 071.

Present

Shri R. G. Rajan : Chairman and Managing Director
Shri C.M.T. Britto : Director [T]
Shri Ashok Ghasghase : Director [M]
Shri Suresh Warior : Director [F]
Prof. Damodar Acharya : Independent Director
Shri Kulwant Rana : Under Secretary, Department of Fertilizers,
Representative of President of India

In attendance

Shri Divyesh M. Sati : Company Secretary

and 143 members, as per the attendance Register, including Shri Kulwant Rana, Under Secretary, Department of Fertilizers, being the nominee of the President of India as required under Article 53 of the Articles of Association.

The proceedings started at 3 P.M. Company Secretary announced that the quorum as required under article 53 of the Articles of Association of the Company was present. He then introduced the Chairman & Managing Director, other Directors, representative of the President of India and the members of the Company and requested the Chairman to conduct the meeting.

Chairman began his address by welcoming the members. Chairman announced that the Statutory registers, including those pertaining to Members and Directors, as required to be maintained under the provisions of the Companies Act, 2013, were available for inspection by the members at any time during the meeting. With the consent of the members, the Notice, the Balance Sheet as at 31st March, 2014, Profit and Loss Account for the year 2013-2014 and the Directors' Report circulated to the members were taken as read.

Chairman also announced that Statutory Auditors of the Company M/s. M. M. Nissim & Co., and M/s. NBS & Co., Chartered Accountants in their Independent Auditor's Report on Audited Financial Statement for the year ended 31st March, 2014 have not made any qualifications which have any adverse effect on the functioning of the Company. Their report is "Unqualified" and is available for inspection by the members of the Company at this Meeting and with the consent of the members, the same is taken as read.

Thereafter, Chairman addressed the members. Chairman, in his speech, dwelt on the aspects of Economic scenario and perspective on Fertilizer Industry. He explained in detail the Company's operational and financial performance for the year 2013-14. He explained the details of different projects that have been undertaken and those on the anvil. The future plans of the Company were also briefed. Chairman briefed about various CSR and sustainable development projects undertaken by the Company. Chairman informed that several awards were received by the Company for its various achievements. Finally, he concluded the address by acknowledging support given by the members of the Company, Government of India, State Governments, various authorities, local bodies, institutions, members of the Board of Directors and employees of the Company.

Chairman informed the members that now e-voting has been made compulsory for listed companies. Accordingly, the Company had provided electronic voting facility to the members for exercising their vote at the Annual General Meeting. E- voting commenced on 13th September, 2014 and ended on 15th September, 2014. The Company had appointed Central Depository Services (India) Limited (CDSL) to facilitate e-voting. He further informed that for the members who have not exercised their voting rights through electronic means, Ballot papers were already distributed for their voting. He also informed that the Company has appointed Shri B. V. Dholakia, Practising Company Secretary as Scrutinizer for e-voting and also as the Scrutinizer for Poll. Chairman informed that the Company is already in receipt of the report from Shri Dholakia for e-voting.

Thereafter, he invited Company Secretary to explain the Poll Procedure. The Company Secretary explained the Poll procedure to the members. The Scrutinizer displayed the empty ballot box and locked it in the presence of the members. The ballot box was kept in the auditorium to enable the members to exercise their voting right.

Company Secretary, before the shareholders proceeded for voting, requested the Chairman to release the Sustainability Report for the year 2013-14 and informed to the members that this is the first time that RCF is releasing Sustainability Report in the AGM. RCF is one of the few companies who have achieved this feat. This is the second year of publishing Sustainability Report by RCF. The Sustainability Report highlights the Company's performance for the year 2013-14 reflecting emphasis on Economic, Environmental and Social performance of the Company. The report is prepared according to Global Reporting Initiative (GRI) G3.1 guidelines and National Voluntary Guidelines (NVG). The report meets application level 'B' of GRI guidelines. He further informed that this report shall be hosted on RCF website. The sustainability report was released by chairman.

Thereafter, Chairman read out the business items of the meeting, seriatim, in accordance with the AGM notice and proposed the resolutions as under.

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014, including Profit & Loss Statement for the year ended 31st March, 2014 and Balance Sheet as at that date together with the Reports of Directors and Auditors thereon.
2. To declare dividend on equity shares for the year 2013-14.
3. To fix remuneration of Auditors.
4. To appoint a Director in place of Shri Ashok Ghasghase, Director who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Prof. Damodar Acharya, as an Independent Director of the Company.
6. To appoint Shri Sushil Kumar Lohani, as a Director of the Company.

7. To appoint Shri Suresh Warior as a Director of the Company.
8. To ratify the Remuneration of Shri S. D. Shenoy, and M/s. V. J Talati & Co, as Cost Auditors of the Company.
9. For the financial year ending March 31, 2015.

Chairman requested members, who have not casted their vote electronically, to cast their vote.

Chairman, thereafter, invited members to raise queries/comments on the Annual Accounts, the Directors Report and the agenda of the meeting as mentioned in the notice convening the meeting.

19 Members viz. Shri Nigel Gonsalves, Shri Rajendra Joshi, Shri Rajesh Chainani, Shri Hiranand Kotwani, Shri Vinod Agarwal, Shri Michael Martin, Shri L. C. Prasad, Shri S. P. Kaushik, Shri Sharadkumar Shah, Shri Vinay Bhide, Shri Prakash Vazirani, Shri P. K. Agnihotri, Shri P. S. Mapara, Smt. C. Mascarenhas, Shri Aspi Bhesania, Shri Mahesh Makhija, Shri Sudhir Vartak, Smt. Smita Shah and Shri Bharat Shah raised various queries, sought clarifications and made observations relating to the performance of the Company, which inter-alia included the following:

- Appreciation for the declaration of higher dividend of 15%;
- Clarifications with respect to the subsidy to be received from the Government;
- Clarifications with respect to the impact on RCF, if the gas price increases;
- Amount to be received from BPCL on account of sale of water from STP;
- RCF investment in Talcher Project;
- Clarifications on certain items appearing in the balance sheet, profit and loss account, schedules and notes thereof;
- Appreciation for the compilation of the Annual Report and timely receipt of the same;
- Clarifications with respect to the reduction in the revenue and profit of the Company;
- Appreciation for the CSR activities of the Company;
- Concern over the exchange loss;
- Competitors of the Company;
- Scope for Collaboration and Joint Ventures;
- Disinvestment plan of the Company;

- Selling of land of the Company in future;
- Clarifications with respect to the contingent liabilities;
- Clarifications with respect to the Water Soluble Fertilizers;
- Future challenges;
- Concern over the lower spending on Research and Development activities;
- Adoption of digital marketing by RCF;
- Appreciation for innovation/manufacturing of Boronated Suphala;
- Status of the various joint ventures and subsidiary companies;
- Clarifications with respect to the withdrawal from Oman Project;
- Status of the title deeds of the land;
- Status of the various court cases/suits for and against the Company;
- Status of appointment of Independent Directors and Woman Director in the Company;
- Coal Gasification benefits to the Company;
- Clarifications with respect to the capex plans of the Company;
- Steps taken by the Company to protect the environment;
- Impact of the rupee depreciation on the performance of the Company;
- Suggestions for conducting AGM at Dadar instead of Chembur;
- Borrowings for the new projects;
- Number of woman employees of the Company;
- Upgrading of the status of the Company from Miniratna to Maharatna;

The Chairman replied to the queries, observations and clarifications sought by the members on the various issues. The chairman also clarified on common issues raised by number of members regarding the performance, future plans, issues relating to Annual Accounts and Finance related issues of the company as under:

- The Company receives the subsidy from the Government in cash now and not in the form of bonds.
- The increase in Gas price may make some of our Chemical products unviable, but the Company is confident of meeting any eventuality by optimizing operational parameters and increasing our prices, wherever possible.
- For the proposed new STP, the Company will receive 40% of the project cost as interest free loan from BPCL which is repayable as per the terms of MoU over a period of 15 years. BPCL will be entitled to take 40% of the water produced from STP on an agreed price formula.
- The cost of the Talcher project will be ₹ 9,000 Crore which includes ₹ 3,000 Crore as equity contribution, and RCF's equity contribution will be around ₹ 1,000 Crore.
- Chairman clarified the issues raised by number of members regarding the annual accounts, performance, future plans and challenges, competitors of the Company, scope for the collaboration and joint ventures, CSR activities, water soluble fertilizers, status of joint ventures and subsidiary

companies, clarifications with respect to the withdrawal from Oman Project, steps taken by the Company to protect the environment, status of the title deeds of the land, Coal Gasification benefits to the Company, borrowings for the new projects; average no. of woman employees of the Company and other major developments of the Company.

- He also clarified that the Government will take decision regarding the disinvestment and most probably, it may be in the next year.
- He further clarified that there is no plan to sell the land of the Company.
- He also clarified that the Company has taken necessary steps for appointment of the balance Independent Directors and one Woman Director in the Company to comply with the provisions of the Companies Act and Listing Agreement.
- The Chairman informed that the Company is expected to get the Navaratna status by the end of December, 2014.
- He informed that the Company will improve the spending on Research and Development activities.

Shri Suresh Warior, Director (F) gave in detail information pertaining to Finance and accounts such as the loans availed by the Company, reconciliation of gas cost, contingent liabilities, miscellaneous expenses, status of various cases, capex plan of the Company, foreign exchange management, funding arrangement for the projects, details of borrowing so far made and proposed for projects.

Chairman thanked all the members for their active participation and detailed analysis of the Accounts.

The shareholders expressed their sincere appreciation for the clarifications provided to their satisfaction.

Chairman informed the members that the results of the voting (e- voting and physical voting) shall be notified to the Stock Exchanges and hosted on the website of the Company.

Shri Narayan Patil, a Member, proposed vote of thanks to the Chair.

COMBINED REPORT OF SCRUTINIZER FOR E-VOTING AND POLL AT THE MEETING.

After the polling was completed, the ballot boxes were sealed by the Scrutinizer. The Scrutinizer alongwith the representatives of Link Intime India Private Limited, Registrar and Transfer Agent of the Company, verified and counted the votes. The Scrutinizer after completing the poll process submitted his report on the physical voting on 20th September, 2014. The Scrutinizer had already submitted his report on e-voting process on 15th September, 2014. Based on the Scrutinizer's Reports on e-voting and Poll, the combined report was prepared and results were declared at 11.00 a.m. on 20th September, 2014, which is as under:

ORDINARY BUSINESS:

Item No. 1

To receive, consider and adopt the audited Profit and Loss account for the year ended 31st March, 2014 and Balance Sheet as at that date, together with the Reports of Directors and Auditors thereon.

The Combined results of the voting (e-voting and poll) is as under:

| Promoter /Public | No of Shares held (1) | No of Votes Polled (2) | % of Votes polled on Outstanding shares (3) | No of Votes - in Favour (4) | No of Votes Against (5) | % of Votes in favour on Votes polled (6) | % of Votes Against on Votes polled (7) |
|------------------------------|-----------------------|------------------------|---|-----------------------------|-------------------------|--|--|
| Promoter and Promoter Group | 441353888 | 441353888 | 100.00 | 441353888 | 0 | 100.00 | 0.00 |
| Public Institutional Holders | 57013566 | 37274977 | 65.3791 | 37274977 | 0 | 100.00 | 0.00 |
| Public –Others | 53320646 | 36834 | 0.0691 | 35634 | 1200 | 96.7421 | 3.2579 |
| Total | 551688100 | 478665699 | 86.7638 | 478664499 | 1200 | 99.9997 | 0.0003 |

The following resolution was, therefore, passed with a majority of 99.99% votes:

Ordinary resolution

“RESOLVED THAT the Financial Statements of the Company for the year ended 31st March, 2014, including Profit & Loss Statement for the year ended 31st March, 2014 and Balance Sheet as at that date together with the Reports of Directors and Auditors thereon, supplemented by comments and review of the accounts by the Comptroller and Auditor General of India, laid before the Company pursuant to Section 210 and other applicable provisions of the Companies Act, 1956, be and the same are hereby approved and adopted.”

Item No. 2

To declare dividend

The Combined results of the voting (e-voting and poll) is as under:

| Promoter /Public | No of Shares held (1) | No of Votes Polled (2) | % of Votes polled on Outstanding shares (3) | No of Votes - in Favour (4) | No of Votes Against (5) | % of Votes in favour on Votes polled (6) | % of Votes Against on Votes polled (7) |
|------------------------------|-----------------------|------------------------|---|-----------------------------|-------------------------|--|--|
| Promoter and Promoter Group | 441353888 | 441353888 | 100.0000 | 441353888 | 0 | 100.00 | 0.00 |
| Public Institutional Holders | 57013566 | 37274977 | 65.3791 | 37274977 | 0 | 100.00 | 0.00 |
| Public-Others | 53320646 | 50571 | 0.0948 | 50571 | 0 | 100.00 | 0.00 |
| Total | 551688100 | 478679436 | 86.7663 | 478679436 | 0 | 100.00 | 0.00 |

The following resolution was, therefore, passed with a majority of 100% votes:

Ordinary resolution

“RESOLVED THAT pursuant to Section 123 and other applicable provisions if any, of the Companies Act, 2013, the recommendation of the Board of Directors for payment of ₹ 1.50 per each equity share i.e. 15% dividend on the equity share capital of ₹ 551,68,81,000 [Rupees

five hundred fifty one crore sixty eight lakh eighty one thousand] be and is hereby approved and the dividend be so declared.”

Item No. 3

Remuneration payable to Auditors

The Combined results of the voting (e-voting and poll) is as under:

| Promoter /Public | No of Shares held (1) | No of Votes Polled (2) | % of Votes polled on Outstanding shares (3) | No of Votes - in Favour (4) | No of Votes Against (5) | % of Votes in favour on Votes polled (6) | % of Votes Against on Votes polled (7) |
|------------------------------|-----------------------|------------------------|---|-----------------------------|-------------------------|--|--|
| Promoter and Promoter Group | 441353888 | 441353888 | 100.0000 | 441353888 | 0 | 100.00 | 0.00 |
| Public Institutional Holders | 57013566 | 37274977 | 65.3791 | 37274977 | 0 | 100.00 | 0.00 |
| Public-Others | 53320646 | 50546 | 0.0948 | 49246 | 1300 | 97.4281 | 2.5719 |
| Total | 551688100 | 478679411 | 86.7663 | 478678111 | 1300 | 99.9997 | 0.0003 |

The following resolution was, therefore, passed with a majority of 99.99% votes:

Ordinary resolution

“**RESOLVED THAT** pursuant to Section 142 and other applicable provisions, if any, of the Companies Act, 2013, approval of the Company is hereby accorded to the Board of Directors to fix the remuneration, as may be reasonable and expedient, of the Statutory Auditors for conducting the Audit of the accounts of the Company for the financial year 2014-2015”.

Item no. 4

To appoint a Director in place of Shri Ashok Ghasghase (DIN: 06378677), Director who retires by rotation and being eligible, offers himself for reappointment.

The Combined results of the voting (e-voting and poll) is as under:

| Promoter /Public | No of Shares held (1) | No of Votes Polled (2) | % of Votes polled on Outstanding shares (3) | No of Votes - in Favour (4) | No of Votes Against (5) | % of Votes in favour on Votes polled (6) | % of Votes Against on Votes polled (7) |
|------------------------------|-----------------------|------------------------|---|-----------------------------|-------------------------|--|--|
| Promoter and Promoter Group | 441353888 | 441353888 | 100.00 | 441353888 | 0 | 100.00 | 0.0000 |
| Public Institutional Holders | 57013566 | 37274977 | 65.3791 | 37274977 | 0 | 100.00 | 0.0000 |
| Public-Others | 53320646 | 50571 | 0.0948 | 48865 | 1706 | 96.6265 | 3.3735 |
| Total | 551688100 | 478679436 | 86.7663 | 478677730 | 1706 | 99.9996 | 0.0004 |

The following resolution was, therefore, passed with a majority of 99.99% votes:

Ordinary resolution

“RESOLVED THAT pursuant to Sections 152 and other applicable provisions, if any, of the Companies Act, 2013, if any, Shri Ashok Ghasghase, be and is hereby appointed as Director of the Company who shall be liable to retire by Rotation”.

SPECIAL BUSINESS

Item No.5:

To appoint Prof. Damodar Acharya (DIN: 06817842), as an Independent Director of the Company

The Combined results of the voting (e-voting and poll) is as under:

| Promoter /Public | No of Shares held (1) | No of Votes Polled (2) | % of Votes polled on Outstanding shares (3) | No of Votes - in Favour (4) | No of Votes Against (5) | % of Votes in favour on Votes polled (6) | % of Votes Against on Votes polled (7) |
|------------------------------|-----------------------|------------------------|---|-----------------------------|-------------------------|--|--|
| Promoter and Promoter Group | 441353888 | 441353888 | 100.00 | 441353888 | 0 | 100.00 | 0.0000 |
| Public Institutional Holders | 57013566 | 37274977 | 65.3791 | 37274977 | 0 | 100.00 | 0.0000 |
| Public-Others | 53320646 | 42526 | 0.0798 | 41026 | 1500 | 96.4727 | 3.5273 |
| Total | 551688100 | 478671391 | 86.7649 | 478669891 | 1500 | 99.9997 | 0.0003 |

The following resolution was, therefore, passed with a majority of 99.99% votes:

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 Companies (Appointment and Qualification of Directors) Rules, 2014 and clause 49 of the Listing Agreement, Prof. Damodar Acharya (DIN 06817842), 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 with effect from 19th September, 2014 upto 29th January, 2017, who shall not be liable to retire by rotation.”

Item No.6

To appoint Shri Sushil Kumar Lohani (DIN 06912948), as a Director of the Company

The Combined results of the voting (e-voting and poll) is as under:

| Promoter /Public | No of Shares held (1) | No of Votes Polled (2) | % of Votes polled on Outstanding shares (3) | No of Votes - in Favour (4) | No of Votes Against (5) | % of Votes in favour on Votes polled (6) | % of Votes Against on Votes polled (7) |
|------------------------------|-----------------------|------------------------|---|-----------------------------|-------------------------|--|--|
| Promoter and Promoter Group | 441353888 | 441353888 | 100.00 | 441353888 | 0 | 100.00 | 0.00 |
| Public Institutional Holders | 57013566 | 37274977 | 65.3791 | 37274977 | 0 | 100.00 | 0.00 |
| Public-Others | 53320646 | 50571 | 0.0948 | 49071 | 1500 | 97.0339 | 2.9661 |
| Total | 551688100 | 478679436 | 86.7663 | 478677936 | 1500 | 99.9997 | 0.0003 |

The following resolution was, therefore, passed with a majority of 99.99% votes:

Ordinary resolution

“RESOLVED THAT pursuant to the provisions of Sections 152, 160 and 161 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Shri Sushil Kumar Lohani (DIN 06912948), 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 a Director of the Company, who shall be liable to retire by rotation.”

Item No.7

To appoint Shri Suresh Warior(DIN 06920261) as a Director of the Company

The Combined results of the voting (e-voting and poll) is as under:

| Promoter /Public | No of Shares held (1) | No of Votes Polled (2) | % of Votes polled on Outstanding shares (3) | No of Votes - in Favour (4) | No of Votes Against (5) | % of Votes in favour on Votes polled (6) | % of Votes Against on Votes polled (7) |
|------------------------------|-----------------------|------------------------|---|-----------------------------|-------------------------|--|--|
| Promoter and Promoter Group | 441353888 | 441353888 | 100.00 | 441353888 | 0 | 100.00 | 0.0000 |
| Public Institutional Holders | 57013566 | 37274977 | 65.3791 | 37274977 | 0 | 100.00 | 0.0000 |
| Public-Others | 53320646 | 50571 | 0.0948 | 48741 | 1830 | 96.3813 | 3.6187 |
| Total | 551688100 | 478679436 | 86.7663 | 478677606 | 1830 | 99.9996 | 0.0004 |

The following resolution was, therefore, passed with a majority of 99.99% votes:

Ordinary resolution

“RESOLVED THAT pursuant to the provisions of Sections 152, 160, 161 and 196 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors)

Rules, 2014, Shri Suresh Warior (DIN 06920261), 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 the Director (Finance) of the Company, in the scale of ₹ 75,000 – ₹ 1,00,000/- plus perquisite as applicable to the grade, for a period of five years from the date of his assumption of charge of the post or till the date of his superannuation or until further orders, whichever is earliest”.

Item No.8

To Ratify the Remuneration of Shri S. D. Shenoy, and M/s. V. J Talati & Co, as Cost Auditors of the Company

The Combined results of the voting (e-voting and poll) is as under:

| Promoter /Public | No of Shares held (1) | No of Votes Polled (2) | % of Votes polled on Outstanding shares (3) | No of Votes - in Favour (4) | No of Votes Against (5) | % of Votes in favour on Votes polled (6) | % of Votes Against on Votes polled (7) |
|------------------------------|-----------------------|------------------------|---|-----------------------------|-------------------------|--|--|
| Promoter and Promoter Group | 441353888 | 441353888 | 100.0000 | 441353888 | 0 | 100.00 | 0.00 |
| Public Institutional Holders | 57013566 | 37274977 | 65.3791 | 37274977 | 0 | 100.00 | 0.00 |
| Public-Others | 53320646 | 50546 | 0.0948 | 49246 | 1300 | 97.4281 | 2.57 |
| Total | 551688100 | 478679411 | 86.7663 | 478678111 | 1300 | 99.9997 | 0.0003 |

The following resolution was, therefore, passed with a majority of 99.99% votes:

Ordinary resolution

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 , Shri S. D. Shenoy, Cost Accountant and M/s. V. J. Talati & Co., Cost Accountants, Mumbai, who have been appointed by the Board as Cost Auditors for

the financial year ending 31st March, 2015, at a remuneration of ₹1,95,000/- (all inclusive) and ₹1,40,000/- (plus out of pocket expenses) respectively, be and is hereby ratified”.

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 proper or expedient to give effect to this resolution.”

The results declared were notified to the stock exchanges as well as hosted on the website of the Company on 20th September, 2014.



[R.G.Rajan]

Chairman and Managing Director

Date: 30.09.2014

Place: Mumbai