MCF
Mangalore Chemicals
& Fertilizers Limited

Registered Office: Level 11, UB Tower, UB City, 24, Vittal Mallya Road Bangalore 560 001
Phone: 080-39855500 / 39856000 Fax: 080- 39855588
(CIN:L24123KA1966PLC002036)
Email:shares@mangalorechemicals.com, Website: mangalorechemicals.com

POSTAL BALLOT NOTICE

Dear Shareholders,

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 to transact the following business by the members of the Company by passing resolution through Postal Ballot:

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

   "RESOLVED THAT pursuant to Section 161(4) and other applicable provisions, if any, 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) read with the relevant provisions of Articles of Association of the Company and Regulation 24(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, consent of the members be and is hereby accorded for the appointment of Mr. Srinivasulu Reddy Magunta (DIN 00035021) as Director designated as an "Independent Director" with effect from August 7 2014, in the casual vacancy caused by the demise of Mr. N. Sunder Rajan.

   "RESOLVED FURTHER THAT pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and Regulation 24(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Mr. Srinivasulu Reddy Magunta (DIN 00035021) who has submitted a declaration of independence under section 149(6) of the Act and who is eligible for appointment and in respect of whom the company has received a notice in writing proposing his candidature by a member under section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a consecutive period of 5 years with effect from August 7, 2014".

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

   "RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting held on September 23, 2005, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any committee thereof), under the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules 2014 (including any statutory modification(s) thereof for the time being in force) and the Articles of Association 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 of the Company be and is hereby authorised to do all such acts, deeds, matters, and things to execute all such documents, instruments and writings as may be required to give effect to this resolution."

By order of the Board

Place : Bangalore
Date : August 7, 2014

K. Raghuveeran
Senior Vice President & Company Secretary

Notes:

1. An explanatory statement pursuant to Section 102 of the Act, setting out the material facts and reasons for the proposed resolution is annexed to the notice.
2. In compliance with the provisions of Sections 108 and 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Management & Administration) Rules, 2014 and Listing Agreement entered into with the Stock Exchanges, the Company is pleased to offer e-voting facility as an option to all members of the Company. The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the members to cast their votes electronically. E-voting is optional.
3. As per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014, Notice of Postal Ballot may be served on the members through electronic means. This notice of Postal Ballot will be sent through e-mail to members who have registered their e-mail IDs with depositories or with the Company, and the members who have not registered

their e-mail IDs will receive notice of Postal Ballot along with physical Form through post/courier. Members who have received Postal Ballot notice by e-mail and wish to vote through physical form may indicate their option to receive the physical form from the company by clicking on the box provided in the email.

4. The Company has appointed Mr. K S Sudhindra, Company Secretary in practice with membership no. 22599, to act as the Scrutinizer, for conducting the Postal Ballot and e-voting process, in a fair and transparent manner.

General Instructions:

- Members have option to vote either through Postal Ballot Form or through e-voting. If a member has opted for Physical Postal Ballot, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both physical postal ballot and e-voting, then vote cast through physical postal ballot shall be considered and vote cast through e-voting shall be treated as invalid.
- The notice of Postal Ballot is dispatched/e-mailed to the members whose names appear on the Register of Members as on August 14, 2014 and voting rights shall be reckoned on the paid-up value of the shares registered in the name of the members as on the said date.

The instructions for shareholders voting electronically are as under:

The voting period begins on 1.9.2014 (9.00 a.m.) and ends on 30.9.2014 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 14, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab.

(iii) Now, select the "Mangalore Chemicals & Fertilizers Limited" from the drop down menu and click on "SUBMIT"

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) 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.

(vii) 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)
	• Members who have not updated PAN with the Company/Depository Participant are requested to use the first two letters of your name and the last 8 digits of the demat account/folio number in the PAN Field.
	• In case the folio number is less than 8 digits enter the applicable number of 0's (zero) before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN Field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter **the number of shares held by you as on the cut-off date in the Dividend Bank details field.**

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of Mangalore Chemicals & Fertilizers Limited to vote.

(xii) 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.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity 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.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

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.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

Resolution 1:

SCM Soilfert Limited together with Deepak Fertilizers and Petrochemicals Corporation Limited launched an open offer for the Equity Shares of Mangalore Chemicals & Fertilizers Ltd (Target Company) as per public announcement dated April 23, 2014. Zuari Fertilisers and Chemicals Ltd along with Persons Acting in concert (PACs) made a competing offer to the open offer as per public announcement dated May 12, 2014. SEBI vide letter dated July 24, 2014 has informed that the tendering period of the open offer may commence not later than twelve working days from the receipt of approvals from Competition Commission of India (CCI). As on date, approval of CCI is awaited.

As per Regulation 26(6) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, (SAST) the Board of Directors of the Target Company shall constitute a committee of independent directors to provide reasoned recommendations on such open offer and publish the same.

Due to the sad demise of Mr. N Sunder Rajan, an Independent Director on the Board, on 17th July 2014, your company is incapacitated to hold the meeting of the independent directors as required under Regulation 26(6) of SEBI (SAST) Regulation 2011.

As per Regulation 24(3) of SEBI (SAST) Regulations, 2011 during the pendency of competing offers, there shall be no induction of any new Director to the Board of Directors of the Target Company. Nevertheless, in the event of death or incapacitation of any Director, the vacancy arising therefrom may be filled by any person, subject to approval of such appointment by the members of the Target Company by way of a postal ballot.

In view of the above, your Board of Directors at their meeting held on 7th August 2014 appointed Mr. Srinivasulu Reddy Magunta (DIN 00035021) as Director in the casual vacancy caused by the demise of Mr. N Sunder Rajan, Independent Director, subject to the shareholders' approval by postal ballot.

Further the Board appointed Mr. Srinivasulu Reddy Magunta, who fulfils the condition specified in the Companies Act, 2013 and the Rules made thereunder and is independent of management, as an Independent Director for a consecutive period of 5 years with effect from August 7, 2014, subject to the shareholders approval by Postal Ballot. In this regard the company has received requisite notice from a member proposing his name for appointment as Director. Considering expertise, rich experience and profile of Mr. Srinivasulu Reddy Magunta, the Board is of the opinion that he fulfills the conditions specified in this Act for such an appointment and his appointment will immensely benefit the Company and would be in the interest of the Company.

The Board recommends the resolution at item no. 1 of the notice for approval of the shareholders through Postal Ballot.

Mr. Srinivasulu Reddy Magunta is concerned and interested in the matter. None of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in this matter.

The profile of Mr. Srinivasulu Reddy Magunta is provided below:

DETAILS OF DIRECTOR SEEKING APPOINTMENT

Name of the Director	**Mr. Srinivasulu Reddy Magunta**
Date of Birth	15.10.1953
Date of Appointment	07.08.2014
Qualification	B.Com
Brief Resume / Expertise in specific functional areas	**Mr. Srinivasulsu Reddy Magunta** was a Member of Parliament (Lok Sabha) from 1998 to 2014. He is the Chairman of Balaji Group of Industries having its corporate office in Chennai. Its business verticals consist of steel manufacturing, distilleries, entertainment, packaging, spirits, real estate, services and energy. The group has pan India operations with business units located in several states of India.
Directorship in other Public Limited Companies	Balaji Hotels & Enterprises Ltd.
Membership of Committees in other Public Limited Companies	Nil
Shareholding in the Company (Equity Shares of ₹10/- each)	Nil

Mr. Srinivasulsu Reddy Magunta is not related to any Director of the Company.

Resolution 2:

Under Section 293(1)(a) of the Companies Act, 1956, approval of the members of the Company by way of an **"Ordinary Resolution"** was required for sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of the Company. Company has been availing Loan facilities from Banks and creating mortgage and charge on the movable and immovable properties of the Company.

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, the members had, at the Annual General Meeting of the Company held on September 23, 2005 authorised the Board to create mortgage and charge on the movable and immovable properties of the Company under the erstwhile Section 293(1)(a) of the Companies Act, 1956 by way of an **"Ordinary Resolution".**

Under Section 180(1)(a) of the Companies Act, 2013, which was made effective from September 12, 2013, the above powers can be exercised by the Board only with the approval of the members of the Company by way of a **"Special Resolution".** Further, as per the circular dated March 25, 2014 issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under the erstwhile Section 293(1)(a) of the Companies Act, 1956, will remain valid for a period of one year from the date of notification of Section 180 of the Act, i.e. up to September 11, 2014.

Considering the above facts, approval of the members by way of an enabling resolution is sought pursuant to Section 180(1)(a) of the Companies Act, 2013 by way of a **"Special Resolution"** to enable the Board to create mortgage and charge on the movable and immovable properties of the Company.

Your Directors recommend the Special Resolution as set out in the Notice for approval by shareholders through Postal Ballot.

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.

By order of the Board

K. Raghuveeran
Senior Vice President & Company Secretary

Place : Bangalore
Date : August 7, 2014

Mangalore Chemicals
& Fertilizers Limited

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(CIN:L24123KA1966PLC002036)
Email:shares@mangalorechemicals.com, Website: mangalorechemicals.com

Postal Ballot No.

POSTAL BALLOT FORM

1.	Name(s) and registered address of the Shareholder(s) including Joint holders, if any	
2.	Registered Folio Number / Demat Account Number	
3.	Number of Shares held	

I / We hereby exercise my / our vote in respect of the Resolutions to be passed through Postal Ballot for the business stated in the Notice dated August 7, 2014 by conveying my / our assent or dissent to the said Resolution by placing a tick (✔) mark at the appropriate box below:

Res. No.	Description of Resolution	No. of Shares	I/We assent to the Resolution (For)	I/We dissent to the Resolution (Against)
1.	Appointment of Mr. Srinivasulu Reddy Magunta as a Director in casual vacancy caused by demise of Mr. N. Sunder Rajan & his appointment as non retiring Independent Director for a consecutive period of 5 years from August 7, 2014.			
2.	Creation of Charge / Mortgage on moveable & immovable properties of the Company			

Notes:

1. If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
2. For e-voting, please refer the instructions under "electronic voting" in the notice attached herewith.

Email ID :
Place :
Date :

(Signature of the Shareholder)

INSTRUCTIONS

1. A Shareholder desiring to exercise vote by Postal Ballot should complete the Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed postage pre-paid envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballots, if deposited in person or sent by courier at the expense of the Registered Shareholder will also be accepted.

2. This postal ballot form should be completed and signed by the Shareholder as per the specimen signature recorded with the Company/Depository Participant. In case of joint holding, this Form should be completed and signed by the first named shareholder and in his absence, by the next named shareholder. Unsigned postal ballot forms will be rejected.

3. In case of Shares held by Companies, Trusts, Societies, etc, the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution/Authorization.

4. A shareholder need not use all his votes nor he needs to cast all his votes in the same way.

5. Duly completed postal ballot forms should reach the Scrutinizer not later than the close of working hours on Tuesday, September 30, 2014. Any postal ballot form received after this date will be treated as if the reply from the shareholder has not been received.

6. A shareholder may request for a duplicate postal ballot form, if so required. However, the duly filled in duplicate postal ballot form should reach the Scrutinizer not later than the date specified at the item no. 5 above.

7. Voting Rights shall be reckoned on the paid up value of the Shares registered in the name of the Shareholder as on the cut-off date.

8. Shareholders are requested not to send any other paper along with the Postal Ballot Form. They are also requested not to write anything in the Postal Ballot form, except giving their assent or dissent and putting their signature. If any such paper is sent the same will be destroyed by the Scrutinizer.

9. Incomplete, unsigned or incorrectly ticked Postal Ballot Forms will be rejected. The Scrutinizer's decision on the validity of the Postal Ballot will be final.

10. The Postal Ballot shall not be exercised by Proxy. However, corporate and institutional members shall be entitled to vote through their authorised representatives with proof of their authorization.

11 The Scrutinizer will submit his consolidated report of Postal Ballot and e-voting process to the Chairman after completion of the scrutiny of the Postal Ballot Forms. The results will be announced on 6.10.2014, at the Registered Office of the Company and also be placed on the website of the Company.

12 The documents referred to in this notice and explanatory statement are open for inspection at the Registered Office of the Company on all working days of the Company, excluding Saturday.

13 Any query in relation to the resolutions proposed to be passed by Postal Ballot may be addressed to The Company Secretary at the Registered Office of the Company or by email at shares@mangalorechemicals.com

14 Shareholders who have not registered their email IDs are requested to register the same with the Company, in case of shares held in physical form and with their respective Depository Participants, in case of share held in dematerialized/electronic form.