



KHAITAN CHEMICALS AND FERTILIZERS LIMITED



37th Annual Report 2018-2019

ANNUAL GENERAL MEETING:	BOARD OF DIRECTORS:
Date : 9th day of August, 2019 Day : Friday Time : 3:00 P.M. Place : Registered Office	Shri Shailesh Khaitan : Chairman & Managing Director Shri Utsav Khaitan : Whole Time Director Shri Jagdish Lal Jajoo : Whole Time Director Shri Vijay Gupta : Independent Director Shri Balmukund Dakhera : Independent Director Ms. Veena Chadha : Independent Woman Director
REGISTERED OFFICE:	KEY MANAGERIAL PERSONNEL :
A. B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Khargone - 451569 (M.P.)	Shri Shailesh Khaitan :Chairman & Managing Director Shri H. V. Agnihotri : President & Chief Financial Officer Shri Kamlesh Joshi : Company Secretary & General Manager
INDORE OFFICE:	STATUTORY AUDITORS:
301-308, Apollo Arcade, 1/2, Old Palasia, Indore - 452018 (M.P.)	M/s. N.S.B.P. & Co., Chartered Accountant 137, Tribhuvan Complex, Ishwar Nagar, Mathura Road, New Delhi-110 065
GURUGRAM OFFICE:	KOLKATA OFFICE:
202-203, Sewa Corporate Park, M.G. Road, Sector-28, Gurugram-122 002 (Haryana)	46-C, Rafi Ahmed Kidwai Road,3 rd Floor, Kolkata-700 016
WORKS :	SOLICITORS:
<u>Fertilizers & Chemical Division:</u> 1). A.B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Khargone - 451569 (M.P.) 2). Village Goramachia, Kanpur Road, Jhansi - 248001 (U.P.) 3). Village Dhinva, Tehsil Nimbahera Dist. Chittorgarh - 312601 (Rajasthan) 4). A-1, UPSIDC Industrial Area, Malwan, Dist. Fatehpur - 212664 (U.P.) 5). Village Farhad (Somni), Dist. Rajnandgaon - 491443 (Chattisgarh) 6). 42/7, GIDC Industrial Estate, Dahej, Vagra Dist. Bharuch-392130 (Gujarat)	M/s. Khaitan & Partners, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi-110001
<u>Soya Division:</u> 7). Dosigaon Industrial Area, Ratlam - 457001 (M.P.)	BANKERS: ● State Bank of India ● IDBI Bank Ltd. ● Corporation Bank ● HDFC Bank Ltd., ● Axis Bank Ltd.
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	Listing of Shares:
	B.S.E. Ltd. Stock Code: 507794 ISIN No.: INE745B01028 (NSDL & CDSL)

Note: As per SEBI notification date 30.11.2018 and further clarification on 27.03.2019, SEBI has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "except in case of transmission or transposition of securities requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from April 1, 2019". The amendment does not prohibits the Investor from holding the shares in physical form, Investor has the option of holding shares in physical form even after April 1, 2019.

Any Investor who has desirous of transferring shares (which are held in physical form) after April 1, 2019 can do so, only after the shares are dematerialised.

KHAITAN CHEMICALS AND FERTILIZERS LIMITED

CIN: L24219MP1982PLC004937

Regd. Office: A. B. Road, Village Nimrani, Dist. Khargone-451569 (M.P.)
e-mail: khaitanchemfert@gmail.com, Website: www.khaitanchemfert.com
Phone: 0731-4237926, 4753666, Fax: 0731-4753655

NOTICE OF 37th ANNUAL GENERAL MEETING

NOTICE is hereby given that the **THIRTY SEVENTH ANNUAL GENERAL MEETING OF 'KHAITAN CHEMICALS AND FERTILIZERS LIMITED'** will be held at the registered office of the Company at A. B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Khargone, Madhya Pradesh on Friday, 9th day of August, 2019 at 3:00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2019, including the Audited Balance Sheet as on 31st March, 2019, the statement of profit and loss for the year ended on that date, the Cash Flow Statement for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To declare final dividend on the equity shares of the Company for the year ended 31st March, 2019.
3. To appoint a director in place of Shri Jagdish Lal Jajoo (DIN: 02758763), who retires by rotation and being eligible offers himself for re-appointment.
4. Ratification of Appointment of Auditors.
To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s. N S B P & Co., Chartered Accountants, New Delhi (Firm Registration No. 001075N), as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the 40th AGM of the Company to be held in the year 2022, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

5. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2020.
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 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 95,000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2020 as recommended by the Audit Committee and approved by the Board of Directors of the Company, to be paid to **M/s. M.P. Turakhia & Associates, Cost Accountants**, for the conduct of the cost audit of the Company's Manufacturing units at Nimrani, Nimbaheera, Jhansi, Malwan, Rajnandgaon and Dahej (**for Fertilizers**), units at Nimrani, Jhansi, Malwan and Rajnandgaon (**for Sulphuric Acid**) and Ratlam (**for Soya Products**) be and is hereby ratified and confirmed."
"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
6. TO APPROVE THE RE-APPOINTMENT OF SHRI SHAILESH KHAITAN AS THE CHAIRMAN AND MANAGING DIRECTOR (KEY MANAGERIAL PERSONNEL) OF THE COMPANY.
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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 117, 196, 197 and 203 read with Schedule V and Article of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification or re-enactment(s) thereof for the time being in force), the approval of the members/shareholders of the Company be and are hereby accorded to approve the terms of re-appointment and remuneration of Shri Shailesh Khaitan (DIN: 00041247) as the Chairman and Managing Director (Key Managerial Personnel) of the Company, for a period of three years from April 1, 2019 to March 31, 2022 as recommend/ approved by the Nomination & Remuneration Committee and Board of Directors in its meeting held on February 5, 2019, on the terms and conditions including remuneration as set out in explanatory statement annexed to the notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be accepted to Shri Shailesh Khaitan, subject to the same not exceeding the limit specified under Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof.

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

7. TO APPROVE THE RE-APPOINTMENT OF SHRI UTSAV KHAITAN AS A WHOLE TIME DIRECTOR OF THE COMPANY.

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

"RESOLVED THAT pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections , 196, 197 and 203 read with Schedule V and Article of Association of the Company as amended from time to time and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (Including any statutory modification or re-enactment(s) thereof for the time being in force), the approval of the members/shareholders of the Company be and are hereby accorded to approve the terms of re-appointment and remuneration of Shri Utsav Khaitan (DIN: 03021454) as a Whole Time Director of the Company, for a period of three years with retrospective effect from April 1, 2019 to March 31, 2022, as recommend / approved by the Nomination & Remuneration Committee and Board of Directors in its meeting held on May 9, 2019, on the terms and conditions including remuneration as set out in explanatory statement annexed to the notice convening this meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit and as may be accepted to Shri Utsav Khaitan, subject to the same not exceeding the limit specified under Schedule V to the Companies Act, 2013 or any statutory modifications or re-enactment thereof.

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

8. TO APPROVE THE RE-APPOINTMENT OF SHRI VIJAY GUPTA 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 **Special Resolution** :

"RESOLVED THAT pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 149, 150, 152, 197 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and 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) read with Schedule IV to the Companies Act, 2013, the approval of the members/shareholders of the Company be and are hereby accorded to the Re-appointment of Shri Vijay Gupta (DIN : 03511193) as an **'Independent Director'** (Non-Executive) on the Board of the Company for a period of five consecutive years from 01.04.2019 to 31.03.2024 as recommend/ approved by the Nomination & Remuneration Committee and Board of Directors in its meeting held on February 5, 2019."

"RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 197 and 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 Vijay Gupta be paid such fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed by the Company from time to time."

9. TO APPROVE THE RE-APPOINTMENT OF SHRI BALMUKUND DAKHERA 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 **Special Resolution** :

"RESOLVED THAT pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 149, 150, 152, 197 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and 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) read with Schedule IV to the Companies Act, 2013, the approval of the members/shareholders of the Company be and are hereby accorded to the Re-appointment of Shri Balmukund Dakhera (DIN : 05105269) as an **'Independent Director'** (Non-Executive) on the Board of the Company for a period of five consecutive years from 01.04.2019 to 31.03.2024 as

recommend/approved by the Nomination & Remuneration Committee and Board of Directors in its meeting held on February 5, 2019."

"RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 197 and 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 Balmukund Dakhera be paid such fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed by the Company from time to time."

10. TO APPROVE THE RE-APPOINTMENT OF Ms. VEENA CHADHA 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 **Special Resolution** :

"RESOLVED THAT pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 149, 150, 152, 197 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and 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) read with Schedule IV to the Companies Act, 2013, the approval of the members/shareholders of the Company be and are hereby accorded to the Re-appointment of Ms. Veena Chadha (DIN : 06886533) as an **'Independent Director'** (Non-Executive) on the Board of the Company for a period of five consecutive years from 07.08.2019 to 06.08.2024 as recommend/ approved by the Nomination & Remuneration Committee and Board of Directors in its meeting held on May 9, 2019."

"RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 197 and 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), Ms. Veena Chadha be paid such fees as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed by the Company from time to time."

By Order of the Board

S/d

(KAMLESH JOSHI)

Company Secretary & General Manager

Place : Gurugram

Date: May 09, 2019

NOTES:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS PRIOR THE MEETING.**
A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten (10) percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person cannot act as a proxy for any other person or shareholder. A Proxy Form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.
3. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies and has issued a circular on April 21, 2011 stating that the service of document by a Company can be

made through electronic mode. Electronic copy of the Annual Report for the FY 2018-19 is being sent to all the members whose email ID's 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 Annual Report for the year 2018-19 is being sent in the permitted mode.

4. Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
5. Member(s), Proxies and Authorised Representatives are requested to bring the attendance slip annexed herewith, duly filled in, for attending the meeting.
6. The Register of Members, Beneficial Owner and Share Transfer Books of the Company will remain closed from **Saturday 3rd day of August, 2019 to Friday, 9th day of August, 2019**, both days inclusive for the purpose of payment of dividend, if declared at the Annual General Meeting.
7. The dividend on Equity Shares, if declared at the AGM, will be payable on or after **Monday 12th day of August, 2019** to those

- members whose names appear as Members in the Register of Members of the Company on **Saturday 3rd day of August, 2019** in respect of the shares held in electronic form, the dividend will be paid on the basis of Beneficial Ownership as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
8. Members who hold shares in dematerialized form are requested to quote Depository Account Number (Client ID No.) for recording of attendance at the meeting.
 9. Members are requested to notify to the Company immediately, quoting Registered Folio No., change in their address, if any, with the pin code number.
 10. Non-resident members are requested to immediately notify: - (i) change in their residential status on return to India for permanent settlement; and (ii) particulars of NRE account, if not furnished earlier.
 11. Members who are holding shares in identical names in more than one folios, are requested to write to the Company/Ankit Consultancy Pvt. Ltd., the Registrar and Share Transfer Agent, to consolidate their holding in one folio.
 12. Shareholders who are still holding physical share certificate are advised to dematerialize their shareholding to avail benefit of dematerialization.
 13. The Company has transferred all unpaid/unclaimed equity dividends up to the financial year 2010-11 to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of Companies Act, 2013.
 14. Members are advised to claim their unpaid dividend for the year 2011-12 to 2017-18 if any, the Company is having unpaid dividend of Rs. 19.48 lacs for the year 2011-12 to 2017-18. Attention of the members of the Company are drawn towards the provisions of section 124(6) which provides that all the shares in respect of which unpaid or unclaimed dividend has been transferred u/s 124(5) shall also be transferred by the company in the name of IEPF. Therefore in the interest of the members it is advised to take appropriate action to encase the unpaid dividend and update their bank particulars through the respective Dps.
Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the company to the Investor Education and Protection Fund ("the IEPF"), a fund established under sub-section (1) of section 125. The Company has sent intimation to all such shareholders who have not claimed their dividend for seven consecutive years. The details of unclaimed/unpaid dividend are also available on the website of the Company viz. www.khaitanchemfert.com
 15. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company Secretary at least seven days before the date of the meeting so that the required information can be made available at the meeting.
 16. Details required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is annexed herewith to Notice as **Annexure-I**. The Directors have furnished the requisite declarations for their appointment/re-appointment.
 17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
 18. As per SEBI notification date 30.11.2018 and further clarification on 27.03.2019, SEBI has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "except in case of transmission or transposition of securities requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from April 1, 2019". The amendment does not prohibits the Investor from holding the shares in physical form, Investor has the option of holding shares in physical form even after April 1, 2019.
Any Investor who has desirous of transferring shares (which are held in physical form) after April 1, 2019 can do so, only after the shares are dematerialised.
 19. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, and 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 of the Company.
 20. Electronic copy of the Notice of the 37th 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 ID's 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 37th 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 in the permitted mode.
 21. Members may also note that the Notice of the 37th Annual General Meeting and the Annual Report for the FY 2018-19 will also be available on the Company's website www.khaitanchemfert.com for the purpose of downloading. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: khaitanchemfert@gmail.com.
 22. A route map showing directions to reach the venue of the 37th AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on "General Meetings".
 23. Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the Company's Registered Office and at Company's office at 301-308 Apollo Arcade, 3rd Floor, 1/2 Old Palasia Indore-452 018 (M.P.) on all working days (except Sundays and Public Holidays) between 11.00 a.m. to 1.00 p.m. up to the date of this Annual General Meeting ("AGM") and also at the AGM.
 24. **Voting through electronic means**
 - i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the Company is pleased to provide members facility to exercise their right to vote at the 37th Annual General Meeting (AGM) by electronic means / remote e-voting and the business may be transacted through e-Voting Services provided by **NSDL**.
The instructions for e-voting are as under:
 - A. In case a Member receives an email from **NSDL** [for members whose email IDs are registered with the Company/Depository Participants(s)]:

- (i) Open email and open PDF file viz; "**KCFL.PDF**" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "**KCFL.PDF**".
- (ii) Launch internet browser by typing the following URL: **http://www.evoting.nsdl.com**.
- (iii) click on Shareholder – Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "KhaiTan Chemicals and Fertilizers Ltd." (COMPANYNAME).
- (viii) Now you are ready for e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csriteshguptakcfl@gmail.com with a copy marked to khaitanchemfert@gmail.com
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :
EVEN (E-Voting Event Number)PASSWORD/PIN USER ID
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads Section of <http://www.evoting.nsdl.com>
- (iii) If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
NOTE: Shareholders who forgot the User Details/Password can use "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on www.evoting.nsdl.com.
In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).
In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).
- (iv) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (v) The e-voting period commences on **Tuesday, 6th day of August, 2019 (9.00 A.M.)** and ends on **Thursday, 8th day of August, 2019 (5.00 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 **Friday, 2nd day of August, 2019**, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (vi) Members holding shares in physical or in Demat form as on **Friday, 2nd day of August, 2019**, shall only be eligible for e-voting.
- (vii) The Facility for voting through Ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot paper.
- (viii) The members who have cast their vote by remote e-voting prior to the AGM may also attend AGM but shall not entitle to cast their vote again.
- (ix) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date of **Friday, 2nd day of August, 2019**.
- (x) Any person, who acquire shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., **Friday, 2nd day of August, 2019**, may obtain the login ID and password by sending a request at ankit_4321@yahoo.com or khaitanchemfert@gmail.com or evoting@nsdl.co.in.
- (xi) CS Ritesh Gupta, Company Secretary Whole Time in Practice (ICSI Membership No. FCS-5200 CP No. 3764) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xii) The Scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, therefore unblock the votes cast through e-voting in the presence of at least two (2) witnesses not in the employment of the company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xiii) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website at www.khaitanchemfert.com within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 Item No. 5

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a cost accountant in practice on the recommendation of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by the Board of Directors and ratified by the shareholders of the Company.

On the recommendation of the Audit Committee at its meeting held on May 9, 2019, the Board has considered and approved appointment of **M/s. M.P. Turakhia & Associates, Cost Accountants** for the conduct of the cost audit of the Company's Manufacturing units at Nimrani, Nimbahera, Jhansi, Malwan, Rajnandgaon and Dajej (**for Fertilizer**), units at Nimrani, Jhansi, Malwan and Rajnandgaon (**for Sulphuric Acid**) and Ratlam (**for Soya Products**) at a remuneration of Rs. 95,000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2020.

The Resolution at Item No. 5 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Item No. 6

Shri Shailesh Khaitan was Re-appointed as a Managing Director in 32nd Annual General Meeting of the Company w.e.f. 01.04.2015 for a period of 5 year.

Shri Shailesh Khaitan is a Promoter, Director of the Company and associated as the Managing Director since 1st September, 1984. In his able leadership the performance of the Company has been satisfactory. The present terms of appointment of Shri Shailesh Khaitan is expiring on 31.03.2019 and it would be appropriate to re-appoint him from April 1, 2019 for a period of 3 years. The Board of Director of the Company at its meeting held on 05.02.2019 and on the recommendation of the Nomination and Remuneration Committee in its meeting held on 05.02.2019, re-appointment of Shri Shailesh Khaitan as Chairman and Managing Director (KMP) of the Company subject to the approval of members/shareholders of the Company in Annual General Meeting to be held on Friday, 9th day of August, 2019 as a **Special Resolution** for a period of three years from April 1, 2019 to March 31, 2022 at the remuneration, in accordance with norms laid down in Schedule V and other applicable provisions of Companies act, 2013 and rules made thereunder.

The information in respect of terms of remuneration & perquisites is given below:

Remuneration, benefits and perquisites:

- I. **Salary:** Rs. 10,00,000/- (Rupees Ten Lacs) per month, with an annual increment of Rs. 1,00,000/- per month. Salary will be subject to the deduction of Income tax at the applicable rates, under the Income Tax Act, 1961.
- II. **Commission:**
1% on the net profit of the Company, computed in manner laid down under the Companies Act, 2013 subject to the maximum 100% of the salary.
- III. **Perquisites:**
 - a) **Housing:**
 - (i) Expenditure incurred by the Company on hiring accommodation for the Chairman and Managing Director will be subject to 60% of the salary.
 - (ii) If the Company does not provide accommodation to the Chairman and Managing Director, house rent allowance will be paid by the Company to the Chairman and Managing Director subject to the ceiling mentioned hereinabove.
 - (iii) If accommodation in the Company's owned house is provided, the Chairman and Managing Director shall pay to the Company by way of rent i.e. 10% of the salary.
 - (iv) The expenditure incurred by the Company on gas, electricity, water and furnishings provided to him will be valued as per Income Tax Rules, 1962, subject to a ceiling of 10% of the salary.
 - b) **Medical Reimbursement:**
Reimbursement of medical expenses actually incurred for self and family, subject to the ceiling of one month's salary in a year with a right to carry forward.
 - c) **Leave and Leave Travel Concession:**
Leave Travel Concession for self and family, subject to the ceiling of one month's salary.
Earned privilege leaves on full pay and allowance as per the rules of the Company subject to the condition that leave accumulated but not availed of shall not be allowed to be encashed.
 - d) **Club Fees:**
He shall be entitled to the reimbursement of fees of any two clubs in India. This will not include admission and life membership fee.
 - e) **Personal Accident Insurance:**
The Company shall pay an annual premium of a sum not exceeding Rs. 50,000/- towards personal accident insurance policy of Shri Shailesh Khaitan.

f) Car & Telephone:

- (i) Free use of the Company's car for the Company's business.
- (ii) Personal long distance call on telephone and use of car for private purpose shall be billed by the Company to the Chairman and Managing Director.

IV. Limits on Remuneration:

The remuneration as specified in clauses above shall be subject to the overall limits as specified under Sections 196, 197 and other applicable provisions read with Schedule V of the Companies Act, 2013.

V. Minimum Remuneration:

In the event of the Company incurring a loss or having inadequate profits in any financial year, the remuneration, perquisites, benefits, allowances and amenities payable to Shri Shailesh Khaitan shall be in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

VI. Sitting Fees:

He shall not be paid sitting fees for attending the meetings of the Board of Directors of the Company.

Shri Shailesh Khaitan is not liable to retire by rotation during his tenure as the Chairman & Managing Director.

Shri Shailesh Khaitan is father of Shri Utsav Khaitan, Whole Time Director of the Company. Hence, he is covered under the provisions of Section 188 of the Companies Act, 2013 and rules made thereunder.

Except Shri Shailesh Khaitan, being an appointee and Shri Utsav Khaitan, Whole Time Director, being his relative, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6. This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Shri Shailesh Khaitan is holding 3571910 Equity shares consisting 3.68% of the paid up capital of the Company.

This explanation, together with the accompanied notice is and should be treated as an abstract under Section 189 and 190 of the Companies Act, 2013 and rules made there under, in respect of the re-appointment of Shri Shailesh Khaitan, as the Managing Director.

The resolution for seeks approval of members as an **Special Resolution** for the re-appointment of Shri Shailesh Khaitan as the Chairman and Managing Director (Key Managerial Personnel) of the Company with effect from April 1, 2019 to March 31, 2022, pursuant to the provisions of Section 117, 196 and 197 and 203 read with Schedule V other applicable provision of the Companies Act, 2013 and the rules made there under.

Item No. 7

Shri Utsav Khaitan is associated with the Company since 06.08.2013, His Guidance has been valuable in Company. Shri Utsav Khaitan is Graduate in Economics from New York University.

The present terms of appointment of Shri Utsav Khaitan are expiring on May 9, 2019 and it would be appropriate to re-appoint as a Whole Time Director of the Company for a period of three years with retrospective effect from April 1, 2019 to March 31, 2022. The Board of Director of the Company at its meeting held on 09.05.2019 on the recommendation of the Nomination and Remuneration Committee in its meeting held on 09.05.2019, re-appointment of Shri Utsav Khaitan as Whole Time Director of the Company subject to the approval of members/ shareholders of the Company in Annual General Meeting to be held on Friday, 9th day of August, 2019 as a **Special Resolution**, at the remuneration, in accordance with norms laid down in section 196, 197 and other applicable provisions of the Companies Act, 2013 and the rules made there under Schedule V of Companies act, 2013.

The information in respect of terms of remuneration & perquisites is given below:

Remuneration, benefits and perquisites:

I. **Salary:** Rs. 5,00,000/- (Five Lacs) per month, with an annual increment of Rs. 1,00,000/- per month. Salary will be subject to the deduction of Income tax/professional tax at the applicable rates, under the Income Tax Act, 1961.

a) **Medical Reimbursement:**

Reimbursement of medical expenses actually incurred for self and family, subject to the ceiling of one month's salary in a year with a right to carry forward.

b) **Leave and Leave Travel Concession:**

Leave Travel Concession for self and family, subject to the ceiling of one month's salary.

Earned privilege leaves on full pay and allowance as per the rules of the Company subject to the condition that leave accumulated but not availed of shall not be allowed to be encashed.

c) **Club Fees:**

He shall be entitled to the reimbursement of fees of any two clubs in India. This will not include admission and life membership fee.

d) **Personal Accident Insurance:**

The Company shall pay an annual premium of a sum not exceeding Rs. 50,000/- towards personal accident insurance policy of Shri Utsav Khaitan.

II. Limits on Remuneration:

The remuneration as specified in clauses above shall be subject to the overall limits as specified under Sections 196, 197 and other applicable provisions read with Schedule V of the Companies Act, 2013.

III. Minimum Remuneration:

In the event of the Company incurring a loss or having inadequate profits in any financial year, the remuneration, perquisites, benefits, allowances and amenities payable to Shri Utsav Khaitan shall be in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

IV. Sitting Fees:

He shall not be paid sitting fees for attending the meetings of the Board of Directors of the Company and committees thereof.

Shri Utsav Khaitan is liable to retire by rotation during his tenure as Whole Time Director.

Shri Utsav Khaitan is son of Shri Shailesh Khaitan, Chairman and Managing Director of the Company. Hence, he is covered under the provisions of Section 188 of the Companies Act, 2013 and rules made thereunder.

There shall be relations with Mr. Utsav Khaitan and the Company as an employer and employee for all the purposes.

Except Shri Utsav Khaitan, being an appointee and Shri Shailesh Khaitan, Chairman and Managing Director, being his relative, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.7. This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

Shri Utsav Khaitan is holding 13439 Equity shares consisting 0.01% of the paid up capital of the Company.

This explanation, together with the accompanied notice is and should be treated as an abstract under Section 189 and 190 of the Companies Act, 2013 and rules made there under, in respect of the re-appointment of Shri Utsav Khaitan, as the Whole Time Director.

The resolution for seeks approval of members as an **Special Resolution** for the re-appointment of Shri Utsav Khaitan as Whole Time Director of the Company with retrospective effect from April 1, 2019 to March 31, 2022, pursuant to the provisions of Section 196 and 197 read with Schedule V other applicable provision of the Companies Act, 2013 and the rules made there under.

Item No. 8

Shri Vijay Gupta is a Businessman and he is possessing rich and vast experience in field of Trade and Marketing.

Shri Vijay Gupta is a Non-Executive Independent director of the Company. He has been on the Board of KhaiTan Chemicals and Fertilizers Ltd. since May 18, 2011. He is Chairman of Stakeholders Relationship Committee and Member of Audit Committee and Nomination, remuneration Committee & Corporate Social Responsibility Committee In terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 149, 150, 152, 197 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and 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) read with Schedule IV to the Companies Act, 2013, Shri Vijay Gupta being eligible and seeking re-appointment, is proposed to be appointed as an Independent director for a term of five consecutive years from 01.04.2019 to 31.03.2024

In the Opinion of the Board, Shri Vijay Gupta, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and rules made thereunder and he is independent of the management A copy of draft letter for the re-appointment of Shri Vijay Gupta, as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members, at the company's Registered office during normal business hours on working day upto the date of AGM.

The Board considers that his continued association would be immense benefit to the company and it is desirable to continue to avail the services of Shri Vijay Gupta as an Independent Director.

Accordingly, the Board recommends the resolution to appoint Shri Vijay Gupta as an Independent Director for the Approval of members.

Except Shri Vijay Gupta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.8. This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Shri Vijay Gupta is holding 80 Equity shares consisting negligible % of the paid up capital of the Company.

This explanation, together with the accompanied notice is and should be treated as an abstract under Section 189 and 190 of the Companies Act, 2013 and rules made there under, in respect of the re-appointment of Shri Vijay Gupta, as an Independent Director.

The resolution for seeks approval of members as an **Special Resolution** for the re-appointment of Shri Vijay Gupta as an Independent Director of the Company with effect from April 1, 2019 to March 31, 2024, pursuant to the provisions of Section 149, 150, 152, 197 read with Schedule IV and other applicable provision of the Companies Act, 2013 and the rules made there under.

Item No. 9

Shri Balmukund Dakhera is a Chartered Accountant and he is having rich and vast experience in the field of Taxation & Finance.

Shri Balmukund Dakhera is a Non-Executive Independent director of the Company. He has been on the Board of KhaiTan Chemicals and Fertilizers Ltd. since October 31, 2011. He is Chairman of Audit Committee and Nomination and Remuneration Committee and member of Corporate Social Responsibility Committee. In terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 149, 150, 152, 197 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and 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) read with Schedule IV to the Companies Act, 2013, Shri Balmukund Dakhera being eligible and seeking re-appointment, is proposed to be re-appointed as an Independent director for a term of five consecutive years from 01.04.2019 to 31.03.2024



In the Opinion of the Board Shri Balmukund Dakhera, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and rules made thereunder and he is independent of the management. A copy of draft letter for the appointment of Shri Balmukund Dakhera, as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members, at the company's Registered office during normal business hours on working day upto the date of AGM.

The Board considers that his continued association would be immense benefit to the company and it is desirable to continue to avail the services of Shri Balmukund Dakhera as an Independent Director.

Accordingly, the Board recommends the resolution to appoint Shri Balmukund Dakhera as an Independent Director for the Approval of members.

Except Shri Balmukund Dakhera, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.9. This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Shri Balmukund Dakhera is holding NIL Equity shares consisting NIL% of the paid up capital of the Company.

This explanation, together with the accompanied notice is and should be treated as an abstract under Section 189 and 190 of the Companies Act, 2013 and rules made there under, in respect of the re-appointment of Shri Balmukund Dakhera, as an Independent Director.

The resolution for seeks approval of members as an **Special Resolution** for the re-appointment of Shri Balmukund Dakhera as an Independent Director of the Company with effect from April 1, 2019 to March 31, 2024, pursuant to the provisions of Section 149, 150, 152, 197 read with Schedule IV and other applicable provision of the Companies Act, 2013 and the rules made there under.

Item No. 10

Ms Veena Chadha is a Social Worker, she has served 7 years in Indian Airlines/Air India as a Trainer, 4 year as a President of Inner Wheel (Rotary Qutab) and since last 18 years, she is with cultural group (SAMAGAM) and holding the position of an Executive Director. She is qualified as B.A. Hons (English).

Ms Veena Chadha is a Non-Executive Independent director of the Company. She has been on the Board of Khaitan Chemicals and Fertilizers Ltd. since August 7, 2014. She is Member of Audit Committee, Nomination and remuneration committee, Stakeholders

Relationship Committee and Corporate Social Responsibility Committee. In terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sections 149, 150, 152, 197 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and 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) read with Schedule IV to the Companies Act, 2013, Ms Veena Chadha being eligible and seeking re-appointment, is proposed to be re-appointed as an Independent director for a term of five consecutive years from 07.08.2019 to 06.08.2024

In the Opinion of the Board Ms Veena Chadha, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and rules made thereunder and she is independent of the management. A copy of draft letter for the appointment of Ms Veena Chadha as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members, at the company's Registered office during normal business hours on working day upto the date of AGM.

The Board considers that her continued association would be immense benefit to the company and it is desirable to continue to avail the services of Ms Veena Chadha as an Independent Director.

Accordingly, the Board recommends the resolution to appoint Ms Veena Chadha as an Independent Director for the Approval of members.

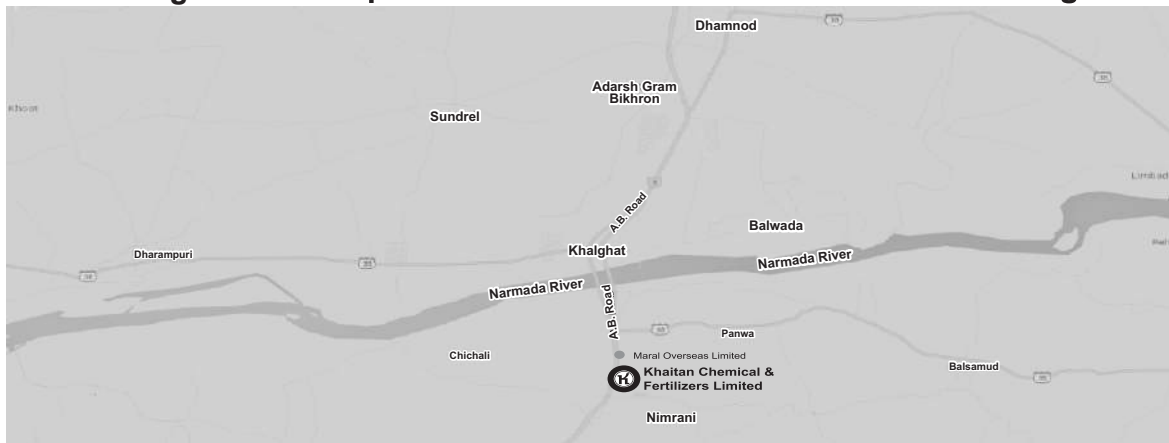
Except Ms. Veena Chadha, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.10. This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Ms. Veena Chadha is holding NIL Equity shares consisting NIL% of the paid up capital of the Company.

This explanation, together with the accompanied notice is and should be treated as an abstract under Section 189 and 190 of the Companies Act, 2013 and rules made there under, in respect of the re-appointment of Ms. Veena Chadha, as an Independent Director.

The resolution for seeks approval of members as an **Special Resolution** for the re-appointment of Ms. Veena Chadha as an Independent Director of the Company with effect from April 1, 2019 to March 31, 2024, pursuant to the provisions of Section 149, 150, 152, 197 read with Schedule IV and other applicable provision of the Companies Act, 2013 and the rules made there under.

Google Route Map for the Venue of 37th Annual General Meeting





Annexure-I

Details of Directors seeking appointment/re-appointment at the Annual General Meeting (In pursuance of Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of Director	Shri Shailesh Khaitan	Shri Utsav Khaitan
Age	63 years	28 years
Qualification	B.com (Hons.)	B.Sc (Economics)
Date of Appointment	1 st September, 1984	20 th May, 2014
Expertise	Industrialist	Marketing
Other Directorships (excluding Pvt. Companies) as on 31 st March, 2019	1. Shradha Projects Ltd. 2. Tribhuvan Properties Ltd.	Nil
Chairman / Member of the Committees as on 31 st March, 2019	Nil	Member : (1) Corporate Social Responsibility Committee
Shareholding (No. of Shares)	3571910	13439

Name of Director	Shri Jagdish Lal Jajoo	Shri Vijay Gupta
Age	75 years	62 years
Qualification	Chartered Accountant	B.com (Hons)
Date of Appointment	1 st January, 1991	18 th May, 2011
Expertise	Rich and vast experience in the field of management and Finance	Businessman
Other Directorships (excluding Pvt. Companies) as on 31 st March, 2019	Nil	Nil
Chairman / Member of the Committees as on 31 st March, 2019	Chairman : (1) Corporate Social Responsibility Committee	Chairman: Stakeholders Relationship Committee Member: (1) Audit Committee (2) Nomination and remuneration committee (3) Corporate Social Responsibility Committee
Shareholding (No. of Shares)	240	80

Name of Director	Shri Balmukund Dakhera	Ms. Veena Chadha
Age	57 years	73 years
Qualification	Chartered Accountant	B.A Hon. (English)
Date of Appointment	31 st October, 2011	7 th August, 2014
Expertise	Rich and vast experience in the field of Taxation and Finance	Rich and vast experience in the field of Service Sector
Other Directorships (excluding Pvt. Companies) as on 31 st March, 2019	Nil	Nil
Chairman / Member of the Committees as on 31 st March, 2019	Chairman: 1) Audit Committee 2) Nomination and remuneration committee Member : (1) Corporate Social Responsibility Committee	Member: (1) Audit Committee (2) Nomination and remuneration committee (3) Stakeholders Relationship Committee (4) Corporate Social Responsibility Committee
Shareholding (No. of Shares)	Nil	Nil