



# **KHAITAN CHEMICALS AND FERTILIZERS LIMITED**

**39<sup>th</sup> Annual Report  
2020-2021**

ANNUAL GENERAL MEETING:		BOARD OF DIRECTORS:	
Date :	7th day of July, 2021	Shri Shailesh Khaitan :	Chairman & Managing Director
Day :	Wednesday	Shri Utsav Khaitan :	Joint Managing Director
Time :	1:00 P.M.	Shri Jagdish Lal Jajoo :	Whole Time Director
Place :	To be convened through VC/OAVM	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 Utsav Khaitan:Joint Managing Director	
		Shri Harsh Vardhan 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 325, Third Floor, U.S. Complex, Opp. Apollo Hospital, 120, Mathura Road, SaritaVihar, New Delhi-110076	
GURUGRAM OFFICE:		KOLKATA OFFICE:	
202-203, Sewa Corporate Park, M.G. Road, Sector-28, Gurugram-122 002 (Haryana)		Tirumala, 22 East Topsia Road, Unit 9A, 9 <sup>th</sup> Floor, Kolkata-700 016	
SECRETARIAL AUDITORS		SOLICITORS:	
Ritesh Gupta & Co.(Company Secretaries) 56-A, Anil Nagar, M.R.-9 Road, Indore - 452 001(M.P.)		M/s. Khaitan & Partners, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi-110001	
WORKS :		BANKERS:	
<b>Fertilizers &amp; Chemical Division:</b>		<ul style="list-style-type: none"> <li>● State Bank of India</li> <li>● Union bank of India</li> <li>● Axis Bank Ltd.</li> <li>● IDBI Bank Ltd.</li> <li>● HDFC Bank Ltd.,</li> </ul>	
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)		<b>CONTENTS:</b>	
<b>Soya Division:</b>		Notice of Annual General Meeting : 01-06 Directors' Report : 07-11 Management Discussion & Analysis Report : 12-14 Report on Corporate Governance : 15-21 Annexure's of Director's Report : 22-31 Auditor's Report : 32-35 Balance Sheet : 36 Statement of Profit & Loss : 37 Cash Flow Statement : 38 Statement of Change in Equity : 39 Notes to Financial Statements : 40-68	
7). Dosigaon Industrial Area, Ratlam - 457001 (M.P.)			
LISTING OF SHARES:			
BSE Limited : Stock Code - 507794 National Stock Exchange of India Limited : Symbol - KHAICHEM ISIN No.: INE745B01028 (NSDL & CDSL)			

**Note:** As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and these Shares that are relodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Ankit Consultancy Private Limited for assistance in this regard.

## KHAITAN CHEMICALS AND FERTILIZERS LIMITED

CIN: L24219MP1982PLC004937

Regd. Office: A. B. Road, Village Nimrani, Dist. Khargone-451569 (M.P.)

e-mail: [secretarial@kcfl.in](mailto:secretarial@kcfl.in), Website: [www.khaitanchemfert.com](http://www.khaitanchemfert.com)

Phone: 0731-4237926, 4753666, Fax: 0731-4753655

### NOTICE OF 39<sup>th</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the **THIRTY NINTH ANNUAL GENERAL MEETING OF 'KHAITAN CHEMICALS AND FERTILIZERS LIMITED'** will be held on Wednesday 7<sup>th</sup> Day of July, 2021 at 1:00 P.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2021, including the Audited Balance Sheet as at 31<sup>st</sup> March, 2021, and the statement of profit and loss for the Financial Year ended on that date, the Cash Flow Statement for the Financial Year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To declare dividend on the equity shares of the Company for the Financial Year ended 31<sup>st</sup> March, 2021.
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.

#### SPECIAL BUSINESS:

4. To Ratify the Remuneration of the Cost Auditors for the financial year ending March 31, 2022.

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. 95000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2022 as 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, Nimbahera, 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."

5. To approve appointment of Shri Utsav Khaitan (DIN: 03021454) as Joint Managing Director (KMP) 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 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 reenactment(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 appointment and remuneration of Shri Utsav Khaitan (DIN: 03021454) as Joint Managing Director (Key Managerial Personnel) of the Company, for a period of Three (3) years from February 1, 2021 to January 31, 2024 as recommend/ approved by the Nomination & Remuneration Committee and Board of Directors in its meeting held on February 2, 2021, 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."

By Order of the Board

S/d

(CS KAMLESH JOSHI)

Company Secretary & General Manager

Place : Indore

Date : May 12, 2021

#### NOTES:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, which sets out details relating to Special Businesses to be transacted at the meeting, is annexed hereto.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

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 2020-21 is being sent to all the members whose email ID's are registered with the Company/Depository Participants. Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company/Ankit Consultancy Pvt. Ltd., the Registrar and Share Transfer Agent in case the shares are held by them in physical form.
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to



- attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
5. Corporate Members whose Authorised Representatives are intending to attend the Meeting through VC/OAVM are requested to send to the Company on their email Id:- [secretarial@kcfi.in](mailto:secretarial@kcfi.in), a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting and through remote e-voting.
  6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
  8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the day of the AGM will be provided by NSDL.
  9. The Register of Members, Beneficial Owner and Share Transfer Books of the Company will remain closed from Thursday, July 1, 2021 to Wednesday, July 7, 2021, both days inclusive for the purpose of payment of dividend, if declared at the Annual General Meeting.
  10. The dividend on Equity Shares, if declared at the AGM, will be payable on or after Monday, July 12, 2021 to those members whose names appear as Members in the Register of Members of the Company on Wednesday, June 30, 2021 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.
  11. In Compliance with the directions issued by Ministry of Corporate Affairs ("MCA") vide its Circular dated May 5, 2020 read with Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars") and SEBI vide its Circular No. SEBI/HO/CFD/ CMD1/CIR/PI/2020/79 dated May 12, 2020 and SEBI/ HO/CFD/CMD2/CIR/PI/2021/11 dated January 15, 2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice of the AGM along with Annual Report 2020-21 will also be available on the Company's website [www.khaitanchemfert.com](http://www.khaitanchemfert.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and also on the website of NSDL (agency for providing the Remote e-Voting facility) [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  12. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
  13. Members who hold shares in dematerialized form are requested to quote Depository Account Number (Client ID No.) for recording of attendance at the meeting.
  14. Members are requested to notify to the Company immediately, quoting Registered Folio No., change in their address, if any, with the pin code number.
  15. 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.
  16. 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.
  17. Shareholders who are still holding physical share certificate are advised to dematerialize their shareholding to avail benefit of dematerialization.
  18. The Company has transferred all unpaid/unclaimed equity dividends up to the financial year 2012-13 to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of Companies Act, 2013.
  19. Members are advised to claim their unpaid dividend for the year 2013-14 to 2019-20 (Final Dividend) and 2020-21 (Interim Dividend) if any, the Company is having total unpaid dividend of Rs. 14.29 lacs for the year 2013-14 to 2019-20 (Final Dividend) and 2020-21 (Interim Dividend). 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](http://www.khaitanchemfert.com)
  20. Members desirous of obtaining any information concerning to 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.
  21. Details required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued 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.
  22. 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 or to the Registrar and Share Transfer Agent.
  23. 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.

24. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
25. 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, 3<sup>rd</sup> 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.

## THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

- I. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, 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 39<sup>th</sup> Annual General Meeting (AGM) by electronic means /remote e-voting and the business may be transacted through e-Voting Services provided by NSDL.
- II. The remote e-voting period begins on Sunday, 4<sup>th</sup> day of July, 2021 (9.00 A.M.) and ends on Tuesday, 6<sup>th</sup> day of July, 2021 (5.00 P.M) The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 30<sup>th</sup> day of June, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 30<sup>th</sup> day of June, 2021.
- III. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. Wednesday, 30<sup>th</sup> day of June, 2021, may obtain the login ID and password by sending a request at "<mailto:evoting@nsdl.co.in>" evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on "[https://linkprotect.cudasvc.com/url?u=http%3a%2f%2fwww.evoting.nsdl.com&c=E.1.Cwf6ZXJG5\\_dHbWEVEUmv6bL\\_IHuiJGgV\\_MFbJbEzD6tlobjVXTic4adOLgmThQFn9juTkKptd0bgKkuJXAz6eAfP57G4Qegcd\\_iRQ4w.&typo=1](https://linkprotect.cudasvc.com/url?u=http%3a%2f%2fwww.evoting.nsdl.com&c=E.1.Cwf6ZXJG5_dHbWEVEUmv6bL_IHuiJGgV_MFbJbEzD6tlobjVXTic4adOLgmThQFn9juTkKptd0bgKkuJXAz6eAfP57G4Qegcd_iRQ4w.&typo=1)" www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Wednesday, 30<sup>th</sup> day of June, 2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
- IV. The Board of Directors has appointed CS Ritesh Gupta, Company Secretary in Whole Time Practice (ICSI Membership No. FCS-5200 CP No. 3764) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- V. 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](http://www.khaitanchemfert.com) within two (2) working days of passing of the resolutions at the AGM of the Company and communicated to The BSE Limited and National Stock Exchange of India Limited.
- VI. The details of the process and manner for remote e-voting are explained herein below.

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

### **Step 1: Access to NSDL e-Voting system**

#### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<b>Individual Share holders holding securities in demat mode with NSDL.</b>	<ol style="list-style-type: none"> <li>If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "<b>Beneficial Owner</b>" icon under "Login" which is available under "<b>IDeAS</b>" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https:// eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/ SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or <b>e-Voting service provider-NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Helpdesk details	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

## B) Login method for e-Voting and joining virtual meeting for shareholders other than Individual Shareholders holding securities in demat mode and shareholders holding securities in physical mode.

### How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is :
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:
  - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com).
  - Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  - Now, you will have to click on "Login" button.
  - After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

- 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [csriteshguptakcfl@gmail.com](mailto:csriteshguptakcfl@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- 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 download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990(Airtel) and 1800 22 44 30(MTNL) or send a request to (Mr. Nipul Shah) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [secretarial@kcfl.in](mailto:secretarial@kcfl.in).
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [secretarial@kcfl.in](mailto:secretarial@kcfl.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for**

### Individual shareholders holding securities in demat mode.

- Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a Speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@kcfl.in](mailto:secretarial@kcfl.in).
- Shareholders who would like to express their views/ask questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [secretarial@kcfl.in](mailto:secretarial@kcfl.in). The same will be replied by the company suitably.
- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.



## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 4

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 12, 2021, 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 Dahej (**for Fertilizer**), units at Nimrani, Jhansi, Malwan and Rajnandgaon (**for Sulphuric Acid**) and Ratlam (**for Soya Products**) at a remuneration of Rs. 95000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2022.

The Resolution at Item No. 4 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. 4 of the Notice.

### Item No. 5

The Chairman informed to the Board, that Shri Utsav Khaitan is associated with this Company since 06.08.2013, and presently he has holding the position of Whole Time Director in the Company. His guidance has been valuable in Company. Shri Utsav Khaitan is Graduate in Economics from New York University.

The Chairman further informed to the Board, that Shri Utsav Khaitan is son of Shri Shailesh Khaitan, Promoter, Chairman and Managing Director of the Company and to take him again on Board as a Joint Managing Director for larger long term interest of the Company. It would be appropriate to appoint him as Joint Managing Director of the Company for a period of Three (3) years with effect from February 1, 2021 to January 31, 2024. The Board of Director of the company in its meeting held on 02.02.2021 and on the recommendation of the Nomination and Remuneration Committee in its meeting held on 02.02.2021 has appointed Shri Utsav Khaitan as Joint Managing Director of the Company subject to the approval of members/shareholders of the Company in ensuing General Meeting 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. 11,00,000/- (Rupees Eleven Lacs) per month, with an annual increment of Rs. 1,00,000/- (Rupees One Lac) 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) Medical Allowance:

Medical Allowance, subject to the ceiling of one month's salary in a year with a right to carry forward.

##### b) Leave and Leave Travel Allowances:

Leave Travel Allowance, subject to the ceiling of one month's salary in a year with a right to carry forward.

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) Insurance Allowance:

Insurance Allowance Rs. 1,00,000/- in a year with a right to carry forward

#### 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 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.

#### vi. Sitting Fees:

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

Shri Utsav Khaitan is liable to retire by rotation during his tenure as a Joint Managing Director.

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

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.

Except Shri Utsav Khaitan, being an appointee and Shri Shailesh Khaitan, Chairman & 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.5. This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Shri Utsav Khaitan is holding 13439 Equity shares consisting 0.01% of the paid up share 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 Appointment of Shri Utsav Khaitan, as the Joint Managing Director.

The resolution for seeks approval of members as an Special Resolution for the Appointment of Shri Utsav Khaitan as a Joint Managing Director of the Company with effect from February 1, 2021 to January 31, 2024, 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.

## 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 Utsav Khaitan	Shri Jagdish Lal Jajoo
Age	30 years	77 years
Qualification	B.Sc (Economics)	Chartered Accountant
Date of Appointment	20 <sup>th</sup> May, 2014	1 <sup>st</sup> January, 1991
Expertise	Marketing	Rich and vast experience in the field of management and Finance
Other Directorships (excluding Pvt. Companies) as on 31 <sup>st</sup> March, 2021	Nil	Nil
Chairman / Member of the Committees as on 31 <sup>st</sup> March, 2021	<b>Member :</b> Corporate Social Responsibility Committee	<b>Chairman:</b> Corporate Social Responsibility Committee
Shareholding (No. of Shares)	13439	240



**DIRECTORS' REPORT****To the Members,**

Your Directors are pleased to present the 39<sup>th</sup> Annual Report of your Company alongwith Audited Financial Statement for the financial year ended 31<sup>st</sup> March, 2021.

**FINANCIAL RESULTS**

The financial performance of the Company for the year ended 31<sup>st</sup> March, 2021 is summarized below:

**(Rs. in Lacs)**

Particulars	2020-21	2019-20
Sales	<b>48,715.28</b>	43,711.31
Total Income	<b>48,770.31</b>	43,937.95
Surplus before interest, depreciation, exceptional items and Tax	<b>6,031.57</b>	4,817.90
Less: Financial Cost	<b>1,354.96</b>	1,810.46
Cash Profit before tax	<b>4,676.61</b>	3,007.44
Less: Depreciation	<b>819.34</b>	851.52
Exceptional Items	-	-
Profit/(Loss) before taxation	<b>3,857.27</b>	2,155.92
Provision for current tax	<b>693.29</b>	395.74
Income Tax of earlier year	<b>7.77</b>	2.95
Deferred tax	<b>669.54</b>	249.18
Profit/(Loss) after taxation	<b>2,486.67</b>	1,508.05
Transfer to General Reserve	-	-
Earning Per Share (face value of Re. 1/- each)	<b>2.56</b>	1.55

**REVIEW OF OPERATIONS****FERTILIZER & CHEMICALS DIVISION**

The year 2020-21 saw the Company start in a Country wide lockdown following the pandemic breakout which is still continuing. There was some impact on operations due to local factors like availability of packing labour, declaration of containment zones in factory areas and nearby areas in some plants, delay in availability of service engineers and spare parts in the event of breakdown.

However despite all these factors your Company saw an improved performance in 2020-21.

During the current year the turnover of your Company has increased from Rs. 43,937.95 lacs for the year 2019-20 to Rs. 48,770.31 lacs for the year 2020-21, the operating income has increased from Rs. 4,817.90 lacs in 2019-20 to Rs. 6,031.57 lacs in 2020-21, and the cash profit has increased from Rs. 3,007.44 lacs to Rs. 4,676.61 lacs in the respective periods, while the net profit after tax has increased from Rs. 1,508.05 lacs to Rs. 2,486.67 lacs.

The Company has produced 4,53,218 MT (previous year 4,36,181 MT) of Single Super Phosphate (SSP) Fertilizer and 1,84,234 MT (previous year 2,13,514 MT) of Sulphuric Acid and sold 4,66,237 MT of SSP (previous year 4,00,796 MT) & 1,11,071 MT of Sulphuric Acid (previous year 1,36,363 MT) respectively.

The Company is continuously putting in efforts to increase the share of 'value added' fortified fertilizers in its product range. The fortified fertilizers launched by the Company have been well accepted by the farmers.

The raw material prices of Rock phosphate and Sulphur remained mostly stable during the year how ever increased towards the end of the year. The prices of rock phosphate have increased mainly on account of short availability of material from supplier & increase in Sea freight and are now constant. The Government has decided to keep the Nutrient Based Subsidy rates same at Rs 2643 per MT for the following year 2021-22 which is likely to increase the farmgate prices of fertilizers.

The pandemic of Covid-19 (first and second phase), didn't affect Khaitan Chemicals and Fertilizers Limited, to the extent that it could

have since the movement and production of fertilizer was not restricted by the Central Government during the lockdown, especially as Fertilizer is covered under the Essential Commodities Act, 1955 and is crucial for farm produce.

Going forward it appears the Government is keen to revive the economy and there are little chances of a country wide lockdown. We are however seeing district-wise lockdowns effected by the state governments while reviewing the local situation. Fertilizer being covered under essential commodities, it is not likely to be restricted. However, the impact of the second wave is yet to be seen. We at our end are taking all precautions to maintain the protocol guidelines laid down by the GOI to keep our employees safe.

In the coming year 2021-22, the long range forecast of monsoons is normal for a third consecutive year. This coupled with the rise in the farm produce in the Kharif and Rabi has given a good disposable income in the hands of the farmers. The estimate of 300 mn plus production of food grains in 2020-21 bodes well for the farmers and the Country.

Another important development in the Industry has been the increased focus of the Ministry of Fertilizers towards quality compliance in the SSP Industry. The movement is already gaining momentum and expected to yield good results. With the improvement in the overall quality of the Industry the organized sector and the Industry as a whole is expected to do well.

**SOYA/AGRI DIVISION**

The Soya Industry is passing through an uncertain phase with widespread activities of speculation by Industry players.

The Company has reduced its activities in this segment to a large extent alongwith total control on fixed expenses.

**DIVIDEND**

Based on the Company's performance, the Board of Directors have declared interim dividend of Re.0.10 per equity share (face value of Re. 1/- per share) in its meeting held on November 2, 2020. The Board of Directors have also proposed to recommend a final dividend of Re.0.15 per equity share (face value of Re. 1/- per share), taking the total dividend to Re.0.25 per equity share (face value of Re. 1/- per share) for the financial year 2020-2021, previous year Re. 0.20 per equity share (face value of Re. 1/- per share).

**SHARE CAPITAL**

The paid up Equity Share Capital as on 31st March, 2021 was Rs. 969.89 Lacs divided into 9,69,89,200 shares of Re. 1/- each. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

**RESERVES AND SURPLUS**

The Company has not transferred any amount to General Reserves for the financial year 2020-21.

**INVESTORS EDUCATION & PROTECTION FUND**

Dividend which was declared by the Company for the year ended March 31, 2014 at the Annual General Meeting held on August 7, 2014 and remained unclaimed will be transferred to the Investor Education and Protection Fund of the Central Government on September 6, 2021 pursuant to the provisions of Companies Act, 2013. Thereafter no claim shall lie on dividend for the year ended March, 31, 2014 from the shareholders.

**PROJECTS & FINANCE**

Due to uncertainty in the economic environment, the Company has neither undertaken any major capital expenditure nor has any fresh loans been raised from banks during the year.

The Company has prepaid its entire Term Loan and Corporate Loan of State Bank of India and IDBI as on March 31, 2021.

As a consortium lead Banker, the State Bank of India has agreed to release of 8,00,000 Pledged Shares of Khaitan Chemicals and Fertilizers Limited held by Promoter Shri Shailesh Khaitan vide their sanction letter dated 03.11.2020.

The State Bank of India has further agreed to release of 3,79,95,680 Pledged Shares of Khaitan Chemicals and Fertilizers Limited held by Corporate Guarantor Shradha Projects Limited vide their sanction letter dated 30.04.2021. Pursuant to the release of the above stated shares there will be no shares pledged by the promoters with the banks and financial institutions.

## **FIXED DEPOSITS**

The Company has not accepted any deposits from the public during the year under review, pursuant to the provisions of Section 73 of the Companies Act, 2013 & the Deposit Rules made there under.

## **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

Information required under section 134(3)(m) of the Companies Act, 2013 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed in Form-A of **Annexure 'A'** and forms part of the report.

Your Directors are of the opinion that the Company has already opted for latest technology for producing Single Super Phosphate, Sulphuric Acid and Seed Processing & Oil Refinery. Hence, information specified to be given in Form-B of **Annexure 'A'** is not applicable.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In accordance with Schedule V(B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report forms part of this Report (**Annexure-B**).

## **FOREIGN EXCHANGE EARNING AND OUTGO**

The Company has earned Rs. NIL on export of goods (Previous year Rs. NIL) and incurred Rs. 11,672.25 lacs (Previous year Rs. 11,389.10 lacs) on import of Raw Materials, Fees & Subscription and Interest on Foreign Currency Loan.

## **DIRECTORS**

In accordance with the provisions of Section 152 (6)(c) of the Companies Act, 2013 and the Articles of Association of the Company, **Shri Jagdish Lal Jajoo** (DIN:02758763), Whole Time Director of the Company is due to retire by rotation at forthcoming Annual General Meeting, and being eligible, has offered himself for re-appointment. Directors recommend his re-appointment for the consideration of members of the Company in ensuing General Meeting.

The Board has appointed **Shri Utsav Khaitan** (DIN : 03021454), as a Joint Managing Director of the Company for a period of three years with effect from February 1, 2021 to January 31, 2024, subject to the approval of the members in ensuing General Meeting.

Particulars of the directors seeking appointment/re-appointment are provided in the notes forming part of the notice for the ensuing Annual General Meeting, as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received disclosures from all the directors and none of the directors has been disqualified as stipulated under Section 164 of the Companies Act, 2013 and rules made thereunder.

During the year, the Board of Directors met 4 (Four) times. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report (**Annexure - C**).

## **KEY MANAGERIAL PERSONNEL:**

The following employees were designated as whole-time key managerial personnel as required under section 203 of the Companies Act, 2013 by the Board of Directors during the year under review:

- Shri Shailesh Khaitan, Chairman & Managing Director;
- Shri Utsav Khaitan, Joint Managing Director;
- Shri Harsh Vardhan Agnihotri, President & Chief Financial Officer and
- Shri Kamlesh Joshi, Company Secretary (Compliance Officer) & General Manager

## **INDEPENDENT DIRECTORS DECLARATION**

The Independent Directors have confirmed and declared that they are not disqualified to act as an Independent Director in compliance with the provisions of Section 149 of the Companies Act, 2013 read with

Regulation 16 (B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as Independent Directors.

## **CORPORATE GOVERNANCE**

Your Company has always strived to maintain appropriate standards of good corporate governance. The report on corporate governance as stipulated under Schedule V (C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report. The requisite certificate confirming compliance with the conditions of corporate governance as stipulated under the said clause is attached to this report. (**Annexure – C**).

## **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

The Company has no Subsidiary/Joint Venture/Associate Company.

## **PARTICULARS OF LOAN, GUARANTEES, INVESTMENTS:**

During the year under review, the Company has not made any investments or given loan or provided security or guarantees falling under the provisions of Section 186 of the "the Act".

## **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

As per the requirement of Section 177 (9) of the Companies Act, 2013, and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism called the 'Whistle Blower Policy' for Directors and Employees to report concern of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy and the details of the Whistle Blower Policy has been uploaded on the Company's website, Web-link: <http://khaitanchemfert.com/wp-content/uploads/2016/04/KCFL-Vigil-Mechanism-Policy>

## **COMPOSITION OF AUDIT COMMITTEE**

As per the requirement of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The present strength of the Audit Committee comprises of Shri Balmukund Dakhera, Shri Vijay Gupta and Ms. Veena Chadha. Shri Balmukund Dakhera, Chartered Accountant, is the Chairman of the Audit Committee of the Company. All the members of the Audit Committee are independent and non-executive directors. The recommendations of audit committee were duly accepted by the Board of Directors.

## **NOMINATION & REMUNERATION POLICY**

Pursuant to Section 178 of the Companies Act, 2013, the rules made there under and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Nomination & Remuneration Committee, comprises of Shri Balmukund Dakhera, Chairman, Shri Vijay Gupta and Ms. Veena Chadha as its members.

The Nomination & Remuneration Committee framed a policy for selection and appointment, re-appointment, removal, appraisals of Directors and Senior Management and the same is stated in the Corporate Governance Report (**Annexure – C**).

## **AUDITORS & AUDIT REPORT**

The Company had appointed M/s. NSBP & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company for carrying out the Statutory Audit of the Company for the Term of 5 years commencing from the conclusion of 35th Annual General Meeting to the conclusion of 40th Annual General Meeting of the Company (from Financial Year 2017-18 to 2021-22). The Company has received a certificate from them to the effect that their appointment as Statutory Auditors of the Company, would be within the limit prescribed u/s 139 & 141 of the Companies Act, 2013 & also received a peer review certificate issued by the ICAI 'Peer Review Board', as required under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed there under, either to the Company or to the Central Government.