

KHAITAN CHEMICALS & FERTILIZERS LIMITED



NOTICE

KHAITAN CHEMICALS & 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: 0731-2562572

NOTICE is hereby given that the **THIRTY FOURTH ANNUAL GENERAL MEETING OF 'KHAITAN CHEMICALS & 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 Thursday, 11th day of August, 2016 at 1:00 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, 2016, including the Audited Balance Sheet as on 31st March, 2016, 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, 2016.
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. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to provisions of Section 139 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), M/s. S.S. Kothari Mehta & Co., Chartered Accountants (Firm Registration No. 000756N) be and is hereby appointed as an Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

5. **To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2017.**

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 service tax as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2017 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."

6. **Revision in terms of appointment of Shri Utsav Khaitan, as a Director liable to retire by rotation and also as a Whole Time Director**

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

"**RESOLVED THAT** pursuant to the provisions of Section 188, 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule V of the said Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), subject to the provisions of Articles of Association of the Company and reviewed by Nomination and Remuneration Committee, the consent of the members of the Company be and is hereby accorded to revise the remuneration of Shri Utsav Khaitan (DIN: 03021454), Whole time Director of the Company on such terms and conditions as specified in the statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to this notice convening this Annual General Meeting".

By Order of the Board

S/d
(KAMLESH JOSHI)
Company Secretary &
General Manager

Place : Gurgaon
Date: 27.05.2016

NOTES:

1. **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 TO 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 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.
2. 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.

3. Member(s)/Proxies are requested to bring the attendance slip annexed herewith, duly filled in, for attending the meeting.
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. The Register of Members and Share Transfer Books of the Company will remain closed from 04.08.2016 to 11.08.2016, both days inclusive for the purpose of payment of dividend, if declared at the Annual General Meeting.

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6. Members who hold shares in dematerialized form are requested to quote Depository Account Number (Client ID No.) for recording of attendance at the meeting.
7. Members are requested to notify to the Company immediately, quoting Registered Folio No., change in their address, if any, with the pin code number.
8. 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.
9. 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.
10. Shareholders who are still holding physical share certificate are advised to dematerialize their shareholding to avail benefit of dematerialization.
11. The Company has transferred all unpaid/unclaimed equity dividends up to the financial year 2007-08 to the Investor Education & Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of Companies Act, 2013.
12. Members are advised to claim their unpaid dividend for the year 2008-09 to 2014-15 if any, the Company is having unpaid dividend of Rs. 32.31 lacs for the year 2008-09 to 2014-15. 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.
13. 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.
14. Details required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
15. 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.
16. 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.
17. Electronic copy of the Annual Report for the FY 2015-16 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 2015-16 is being sent in the permitted mode.
18. The register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting of the Company.
19. 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 34th 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 34th 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 34th Annual General Meeting and the Annual Report for the FY 2015-16 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. **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 as amended from time to time, the Company is pleased to provide members facility to exercise their right to vote at the 34th 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.
 - (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 EVEN of "Khaitan Chemicals & Fertilizers Ltd." (COMPANY NAME).
 - (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

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- 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]:
- Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:
EVEN (E-Voting Event Number) PASSWORD/PIN USERID
 - Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. 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.
- 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 Saturday, 6th day of August, 2016 (9.00 am) and ends on Wednesday, 10th day of August, 2016 (5.00 pm). 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 Thursday, 4th day of August, 2016, 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 Thursday, 4th day of August, 2016, 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 the AGM but shall not be entitled 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 4th August, 2016.
- X. Any person, who acquires 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. 4th August, 2016, 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.
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" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. CS Ritesh Gupta, Company Secretary whole time in Practice (ICSI Membership No. 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 and 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 27, 2016, 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 service tax as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2017.

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 Utsav Khaitan was appointed as a Whole Time Director in the 32nd Annual General Meeting of the Company w.e.f. 20.05.2014 for a period of five years.

The Board of Directors of the Company at its meeting held on the 14th day of November, 2015 upon the approval of the Nomination and Remuneration Committee of the Board at their meeting held on 14.11.2015, has therefore revised the terms of appointment of Shri Utsav Khaitan, as a Whole Time Director of the Company pursuant to the provisions of Section 188, 196, 197 and 203 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder read with Schedule V of the Companies Act, 2013

The information in respect of the terms of remuneration and perquisites is mentioned below:-

Remuneration, benefits and perquisites:

i. **Salary:** Rs. 2,00,000/- (Rupees Two Lacs) per month, with an annual increment of Rs. 20,000/- per month. Salary will be subject to the deduction of Income tax at the applicable rates, under the Income Tax Act, 1961.

ii. Perquisites:

a) Housing:

The Company shall provide accommodation for the Whole Time Director at place other than New Delhi, being his permanent residence.

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

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Rs. 20000/- towards personal accident insurance policy of Shri Utsav Khaitan.

f) Car & Telephone:

Free use of the Company's car for the Company's business. Personal long distance call on telephone and use of car for private purpose shall be billed by the Company to the Whole Time Director.

g) 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.

He 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 Shri 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. 6.

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

The resolution for seeks approval of members as an **Ordinary Resolution** for revision in the terms of remuneration of Shri Utsav Khaitan as a Whole Time Director of the Company.

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 Requirement) Regulations, 2015:

Name of Director	Shri Jagdish Lal Jajoo	Shri Utsav Khaitan
Age	72 years	25 year
Qualification	Chartered Accountant	BSc (Economics)
Date of Appointment	15 th November, 2014	20 th May, 2014
Expertise	Rich and vast experience in the field of Management and finance.	Marketing
Other Directorships (excluding Pvt. Companies) as on 31 st March, 2016	Nil	Nil
Chairman / Member of the Committees as on 31 st March, 2016	Khaitan Chemicals & Fertilizers Ltd.: Chairman -Corporate Social Responsibility Committee.	Khaitan Chemicals & Fertilizers Ltd. : Member - Corporate Social Responsibility Committee.

Route Map for the Venue of 34th Annual General Meeting

