

KRIBHCO FERTILIZERS LIMITED
Registered Office: A-60, Kailash Colony, New Delhi – 110048
Corporate Office: KRIBHCO Bhawan, A-10, Sector -1, Noida – 201301 (U.P.)
Tel. No. 011-29243412, 0120-2443701, Fax: 0120-2545464
Website: www.kfl.net.in; Email: query@kfl.net.in
CIN: U24121DL2005PLC143452

NOTICE

Notice is hereby given that the 15th Annual General Meeting of the Shareholders of KRIBHCO FERTILIZERS LIMITED will be held at shorter notice on Monday, 12th day of October, 2020 at 15.00 Hours (03.00 PM) at KRIBHCO Bhawan, Board Room, A-10, Sector - 1, Noida - 201301 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended on 31st March, 2020 together with the report of Directors and the Auditors' thereon.
2. To appoint a Director in place of Dr. Chandrapal Singh Yadav (DIN 00023382), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT M/s S. K. Mehta & Co., Chartered Accountants (Registration No. 000478N), the retiring auditors are being eligible for re-appointment, be and is hereby re-appointed as Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

RESOLVED FURTHER THAT the statutory audit fee of M/s S. K. Mehta & Co., Chartered Accountants, for conducting statutory audit of company's accounts for the FY 2020-21 at Rs. 8,80,000/- (Rupees Eight lakhs Eighty Thousand only) plus applicable GST in addition to travel and out of pocket expenses incurred for purpose of statutory audit, as per the guidelines approved by the Board be and is hereby approved.

RESOLVED FURTHER THAT the Managing Director, Chief Financial Officer and Company Secretary of the Company be and are hereby severally authorised to take necessary action in this regard."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to Section 152 and any other applicable provisions of the Companies Act 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Shri Sudhakar Chowdary Vallabhaneni (DIN 00320555) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 03.02.2020 and who holds office upto the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Nomination and Remuneration Committee of the Board has recommended the candidature of Shri



Sudhakar Chowdary Vallabhaneni for the office of Director and who has consented, if appointed, to act as Director, be and is hereby appointed as Director, liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of section 197 read with schedule V and other applicable provisions (if any) of the Companies Act, 2013 or any Statutory amendment or re-enactment thereof; Articles of Association of the Company, consent of the shareholders of the Company be and is hereby accorded for giving an annual increment of Rs. 8,750/- per month in the basic pay of Shri Ravi Kumar Chopra, Managing Director (DIN 06969911) taking his basic pay from existing Rs. 1,75,000/- to Rs. 1,83,750 per month alongwith other consequential increases as per the policy of the Company w.e.f. 07.11.2020 and that there will be no change in the other existing terms and conditions of his employment and that the remuneration to be paid shall be considered as minimum remuneration whether the company earns any profit or not during his tenure.

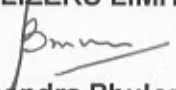
RESOLVED FURTHER THAT the Company Secretary of the Company be and is hereby authorized to file the necessary forms with the Registrar of Companies, NCT of Delhi & Haryana to do all such acts, deeds and things as may be required in this regard."

6. To ratify the remuneration of the Cost Auditor for the financial year 2020-21 and in this regard, to consider and if thought fit, to pass with or without modification 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 read with 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. 50,000/- (Rupees Fifty Thousand only) plus applicable GST and out of pocket expenses payable to M/s Ravi Sahni & Associates, Cost Accountants (Firm Registration No 000383), as the Cost Auditor of the Company to conduct the audit of the Company's cost records for the financial year 2020-21 as approved by the Board of Directors on the recommendation of the Audit Committee be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Managing Director, Chief Financial Officer and Company Secretary of the Company be and is hereby severally authorised to take necessary action in this regard."

By Order of the Board
For KRIBHCO FERTILIZERS LIMITED


(Bipin Chandra Phuloria)
Company Secretary
M. No. ACS 13307

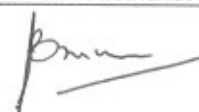
Place: Noida
Dated: 12.10.2020

Regd. Office: A-60, Kailash Colony,
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CIN: U24121DL2005PLC143452
Website: www.kfl.net.in;
Email: query@kfl.net.in

NOTES:

- A SHAREHOLDER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A SHAREHOLDER. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. HOWEVER, THE SHAREHOLDERS MAY CONSIDER ACCEPTANCE OF PROXY WITH A SHORTER PERIOD.**
- The Explanatory statement pursuant to section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto and forms part of this notice.
- Any person attending this Annual General Meeting as authorised representative(s) of KRIBHCO is requested to carry a certified true copy of the relevant resolution of the Board of Directors wherein authorization be given under the said resolution to attend and vote on their behalf at the meeting.
- During the meeting, the Statutory Registers, Memorandum and Articles of Association will be available for inspection by the shareholders of the Company at the venue of the meeting.
- As per section 136 (2) of the Companies Act, 2013, the audited financial statement, auditors report and every other relevant document as required to be attached thereto, will be available for Members for inspection during business hours at the registered office of the company.
- Members seeking any information with regard to any matter to be placed at the AGM, are requested to write in advance to the Company through an email on query@kfl.net.in
- None of the Directors, KMP and their relatives are in any way concerned and interested in any of the ordinary business items, except Dr. Chandrapal Singh Yadav (DIN: 00023382) who is interested in the ordinary resolution set out at item No. 2 of this notice with regard to his re-appointment.
- Notice of the AGM along with the Annual Report 2019-20 may also be sent through electronic mode to those members whose e-mail addresses are registered with the Company. The Notice and Annual Report 2019-20 have also been uploaded on the Company's website at www.kfl.net.in in the Investor Desk Section.
- Brief profile of the Directors seeking appointment/re-appointment at the AGM as per the provisions of Secretarial Standard-2 on General Meetings issued by Institute of Company Secretaries of India and approved by Government of India is given hereunder:

Name of the Director	Dr. Chandrapal Singh Yadav	Shri Sudhakar Chowdary Vallabhaneni
Appointment / Re-appointment	Re-appointment as Director and liable to retire by rotation	Appointment as Director and liable to retire by rotation
DIN	00023382	00320555
Date of Birth and Age	19/03/1959 (61 years)	06/06/1969 (51 years)
Date of First Appointment on the Board	08/12/2006	03/02/2020
Qualification	Bachelor's degree in Education and Law, Master's degree in Science and Ph.D. in Maths	Engineering Graduate in Industrial Production
Expertise in specific Functional	He has more than 39 years of	He is an eminent industrialist



areas	experience as Agriculturalist and Co-operator. Earlier he was the Chairman of UP Cooperative Marketing Federation and Bundelkhand Vikas Nigam. Dr. Yadav was a member of legislative Assembly Uttar Pradesh between 1996 & 2001 and also elected Member of Parliament in 14 th Lok Sabha (2004-2009) from Jhansi U.P. In November, 2014, he had been elected for Member of Parliament (in Rajya Sabha) through Samajwadi Party. He has wide experience in fertilizer industry.	in the State of Andhra Pradesh and is Managing Director of Mohan Spintex India Limited. He is also the elected Director in KRIBHCO since 2005 and a member of KRIBHCOs Executive Committee and Audit Committee. He is the managing committee member of South India Mills Association (SIMA) and Confederation of Indian Textile Industry (CITI). He is also associated with Andhra Pradesh Chamber of Commerce and Industry Federation since May, 2010. He has wide experience in fertilizer industry.
Terms and conditions of appointment or reappointment	Dr. Chandrapal Singh Yadav is a non-executive director and nominee of KRIBHCO. The terms as applicable on his first appointment shall remain same.	Shri Sudhakar Chowdary Vallabhaneni is a non-executive director and nominee of KRIBHCO. The terms as applicable on his first appointment shall remain same.
Remuneration last drawn	NIL	NIL
Remuneration proposed to be paid	NIL	NIL
Directorship in other Companies	<ul style="list-style-type: none"> • Kribhco Infrastructure Ltd. • Krishco Gramin Vikas Sanstha • Continental Multimodal Terminals Ltd. • Nagarjuna Fertilizers and Chemicals Ltd. • Nagarjuna Oil Refinery Limited 	<ul style="list-style-type: none"> • Mohan Spintex India Limited • Mohan Apparels Private Limited • Mohan Renewable Energy India Private Limited • Mohan Dwellings Private Limited • Mohan Mercantile India Private Limited • Confederation of Indian Textile Industry • BSR Infratech India Limited • The Cotton Textiles Export Promotion Council
Membership / Chairmanship of Committees in other Companies	Nil	Audit Committee -KRIBHCO
No of Board Meetings attended during the Financial Year 2019-20	06 out of 06 Board meetings held during FY 2019-20	02 out of 02 Board meetings held since his appointment w.e.f. 03.02.2020
No of shares held in the Company		
(a) Own	Nil	Nil
(b) For other persons on a beneficial basis	01 (one) Equity share of Rs. 10/- each as nominee of KRIBHCO	01 (one) Equity share of Rs. 10/- each as nominee of KRIBHCO
Inter-se relationship with other Directors and Key Managerial personnel	None	None

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

Item no. 4

To appoint Shri Sudhakar Chowdary Vallabhaneni (DIN 00320555) as Director, liable to retire by rotation

The Board of Directors of the Company had appointed Shri Sudhakar Chowdary Vallabhaneni (DIN 00320555) as an Additional Director of the Company w.e.f. 03.02.2020 in pursuant to the provisions of section 161 of the Companies Act, 2013. According to the provisions of section 161, he holds office as Director only upto the date of the ensuing Annual General Meeting.

Shri Sudhakar Chowdary Vallabhaneni is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as a Director. The Nomination and Remuneration Committee of the Board has recommended the candidature of Shri Sudhakar Chowdary Vallabhaneni for the office of Director of the Company, being liable to retire by rotation. Accordingly consent of the shareholders is sought for passing an ordinary resolution as set out at Item No. 4 of the notice.

Except Shri Sudhakar Chowdary Vallabhaneni, none of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financial or otherwise in the resolution.

Your Directors recommends the resolution for your approval.

Item no. 5

To increase the remuneration of Managing Director of the Company

Shri R. K. Chopra, Managing Director of the Company falls in the category of Key Management Personnel (KMP) and his remuneration package has to be reviewed and recommended to the Board by Nomination & Remuneration Committee (NRC) of the Company. Shri Ravi Kumar Chopra, Managing Director is in M-01A Grade since 01.02.2019 and his existing remuneration was last fixed on 07.11.2019.

The Nomination and Remuneration Policy of the Company inter-alia provides as under:

"The remuneration to be paid to Senior Management Personnel / KMP's shall be based on the experience, qualification and expertise of the related personnel and shall be decided by the Board of Directors on the recommendation of the Committee."

The terms of appointment / re-appointment of Whole Time Director / Managing Director and remuneration shall be in compliance to Schedule V and other applicable provisions of Companies Act, 2013.

The annual increment to the employees of the Company has already been given. Keeping in view the overall factors, the Nomination and Remuneration Committee has recommended to the Board to give an increment of Rs. 8750/- per month i.e. @ 5% in the basic pay of Managing Director of the Company taking his basic pay to Rs. 1,83,750/- w.e.f. 07.11.2020 alongwith other consequential increases as per the policy of the Company and that there will be no change to any other existing terms and conditions of his employment and that the remuneration to be paid shall be considered as minimum remuneration whether the company earns any profit or not during his tenure.

On the recommendation of the NRC, the Board of Directors in their 74th meeting held on October 12th, 2020 has approved the same. Accordingly consent of the shareholders is sought for passing a special resolution as set out at Item No. 5 of the notice.



Except Shri Ravi Kumar Chopra, none of the Directors / Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financial or otherwise, in the resolution.

A Statement pursuant to Schedule V, Part II, Section II (B) (iv) is also being placed for the consideration of the Members of the Company.

Accordingly consent of the members is sought for passing a special resolution as set out at item no. 5 of the Notice.

The Board recommends the resolution for your approval

Item no. 6

To ratify remuneration of Cost Auditor of the Company for the financial year 2020-21

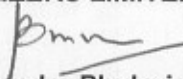
On the recommendation of the Audit Committee, the Board of Directors has appointed M/s Ravi Sahni & Associates, Cost Accountants (Firm Registration No 000383), as Cost Auditor for FY 2020-21 at a remuneration of Rs. 50,000/- (Rupees Fifty thousand only) plus applicable GST and out of pocket expenses. As per the provisions of section 148 and all other applicable provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly consent of the shareholders is sought for passing an ordinary resolution as set out at Item No. 5 of the notice for ratification of the remuneration payable to M/s Ravi Sahni & Associates, Cost Accountants as Cost Auditor to conduct the audit of the Company's cost records for the financial year 2020-21.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the resolution.

Your Directors recommends the resolution for your approval.

**By Order of the Board
For KRIBHCO FERTILIZERS LIMITED**


**(Bipin Chandra Phuloria)
Company Secretary
M. No. ACS 13307**

**Place: Noida
Dated: 12.10.2020**

Regd. Office: A-60, Kailash Colony,
New Delhi – 110048
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Email: query@kfl.net.in
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Statement pursuant to Schedule V, Part II, Section II (B) (iv)

In compliance to the provisions of Schedule V to the Companies Act, 2013 the following information is now being placed before the Members in the General Meeting for their consideration.

I. GENERAL INFORMATION

1. Nature of Industry: **Fertilizer**
2. Date or expected date of commencement of commercial production: **18th January, 2006**
3. The Company is not a new Company and is already in existence since 2005.
4. Financial performance based on given indicators:

The Operating and Financial performance of the company for FY 2019-20 and FY 2018-19 is given hereunder:

OPERATIONAL PERFORMANCE:

Particulars	Urea		Ammonia	
	FY 19-20	FY 18-19	FY 19-20	FY 18-19
Production (LMT)	10.336	10.639	6.261	6.454
Energy Consumption (Gcal/PMT)	5.4622	5.5111	7.7089	7.7405
Capacity Utilisation	119.55%	123.05%	124.82%	128.68%

FINANCIAL PERFORMANCE:

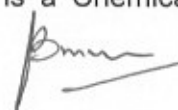
Particulars	FY 19-20 (Rs. In lakh)	FY 18-19 (Rs. In lakh)
Total Revenue	2,50,612.78	2,64,195.39
EBIDTA	20,841.09	20,992.58
Profit/Loss for the year	(3002.96)	(667.53)

5. Foreign Investments or collaborations, if any: Nil

II INFORMATION ABOUT THE APPOINTEE

1. Background details:

Shri R.K.Chopra, has joined the organization on 07.11.2016 for a tenure of 3 years as Vice President (Works) and was the Head of Works at Shahjahanpur Plant. The Board of Directors on the recommendation of the Nomination and Remuneration Committee (NRC) in their meeting held on 30.01.2019 had appointed Shri R.K. Chopra (DIN 06969911) as Director (Technical) w.e.f. 01.02.2019. Before the expiry of his term on 07.11.2019, on the recommendation of the Nomination and Remuneration Committee the Board of Directors in their meeting held on 06.11.2019 had appointed Shri Ravi Kumar Chopra, Director (DIN 06969911) as Managing Director of the Company for a term of 2 years w.e.f. 07.11.2019 on whole time basis who will also look after the Plant Operations till further order. He is a Chemical



Engineering Graduate from AMIE-India and carries with him a rich experience of more than 40 years in National Fertilizers Limited (NFL). He had joined NFL as Engineer trainee in Oct 1976 and resigned as Executive Director, NFL-Vijaipur to join KFL in Nov, 2016.

2. Past remuneration:

Before being appointed as V.P. (Works) of the Company, while working with National Fertilizers Limited, Shri Ravi Kumar Chopra last drawn salary was of Rs 22 lakh p.a. in the year 2016-17 excluding perquisites and benefits applicable as per that company norms.

3. Recognition or awards:

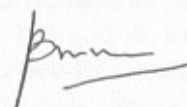
Shri Ravi Kumar Chopra is the V.P.(W) of the Company since 7th November, 2016. During his tenure the best technical innovation runner up award "**FAI Technical Innovation Award 2018**" was presented to the Company for its innovation in "**Development of Indigenous Indian Manufacturer as an Import Substitute of Pressure Reducing and De-superheating System (PRDS) Valve in Ammonia Plant**". The award was given by Hon'ble Union Minister for Chemicals and Fertilizers and Union Minister for Statistics and Programme Implementation Shri D.V. Sadananda Gowda on 5th of December, 2018 at the FAI Annual Seminar.

4. Job profile and his suitability:

The position of Managing Director in a Fertilizer Company requires a good experience in operating and managing a fertilizer unit who will also be responsible for the overall functioning of the Company. Shri Ravi Kr Chopra is heading the Shahjahanpur Fertilizer Plant w.e.f 07.11.2016 and appointed as Director (Technical) w.e.f. 01.02.2019 and Managing Director w.e.f. 07.11.2019. He is also looking after the Plant Operations and all activities related to Operation and Maintenance, Administration, Purchase, Transportation, Raw material sourcing, Contracting and other related functions for running this complex. His past experience and existing role suits the requirement of Managing Director of the Company.

5. Remuneration Proposed:

On the recommendation of the Board, the shareholders of the Company had approved the remuneration of Shri Ravi Kumar Chopra in their meeting held on 06.11.2019. The annual increment to the employees of the Company has already been given. Keeping in view the overall factors, the Nomination and Remuneration Committee has recommended to the Board to give an increment of Rs. 8750/- per month i.e. @ 5% in the basic pay of Managing Director of the Company taking his basic pay to Rs. 1,83,750/- w.e.f. 07.11.2020 alongwith other consequential increases as per the policy of the Company and that there will be no change to any other existing terms and conditions of his employment and that the remuneration to be paid shall be considered as minimum remuneration whether the company earns any profit or not during his tenure.



6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The Company is manufacturer of fertilizers and required a person who is capable to manage the company with his experience. Shri Ravi Kumar Chopra has experience to manage the affairs of the Company at Plant Level. Since Feb, 2019, shri Chopra is holding the dual charge of Managing Director as well as Plant Head of the Company. Since he is already working with the Company, his remuneration commensurate with his profile, industry, size of the Company.

7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

Shri Ravi Kumar Chopra has no pecuniary relationship with any company or with managerial personnel.

III OTHER INFORMATION

1. Reasons of loss or inadequate profits:

During Financial Year 2019-20, the Company had produced 10.336 Lakh MT of Urea and 6.261 Lakh MT of Ammonia with capacity utilization of 119.55% and 124.82% for Urea and Ammonia respectively, The Energy consumption figures for urea was 5.4622 Gcal/MT and ammonia was 7.7089 Gcal/MT.

During Financial Year 2019-20, the operating profit (PBDIT) was Rs. 208.41 crore on an income of Rs. 2506.13 crore with a net loss of Rs. 30.03 crore. The DoF had deleted the concept of reimbursement of Minimum Fixed cost and this issue is still pending. Since not much progress has been made on this matter, the Company finalized its financial statements taking the impact of reversal of Fixed Cost for production beyond reassessed quantity resulting in writing off an amount of Rs. 30.22 crore.

2. Steps taken or proposed to be taken for improvement:

As stated under point No. 1 above on reversal of fixed cost, the Company is following up with the Ministry and if some positive development takes place in future, the same will be considered in that financial year.

The New Urea Policy 2015 (NUP 2015) effective from 01.06.2015 had earlier revised the energy norm for the company to 5.643 GCal/MT of urea w.e.f. 01.06.2015. The said policy also indicated that Your Company has to reach a targeted energy norm of 5.500 GCal/MT in FY 2018-2019. In order to achieve the targeted norm, Your Company had taken action for implementation of some energy saving schemes since the announcement of NUP 2015 in May 2015 and has also planned for implementation of additional energy saving schemes so as to achieve the targeted norm on sustained basis. Responding to industry request, the Government of India has favorably considered deferment of the targeted norm by two years and these shall now be effective from 2020-21.



Further, new urea policy which was valid upto 31.03.2019 has been extended from 1st April, 2019 till further orders. Accordingly, the provision of NUP as applicable to production upto re-assessed capacity and beyond re-assessed capacity will continue to be applicable.

3. Expected increase in productivity and profits in measurable terms:

The company is positive about future outlook as all production limitations are likely to be addressed in next annual shut-down coupled with deferment of targeted energy norm of 5.500 GCal/MT by two years and company would be back on path of high production and productivity.

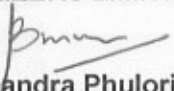
Production target for FY 2020-21 has been set at 1000375 MT of urea with an energy consumption of 5.296 Gcal/MT of urea for which a comprehensive Performance Plan is being prepared which would set the performance parameters and targets for each and every department and section.

The Members may also consider the above facts while taking decision on special resolution as set out at Item No. 5 of the notice.

Except Shri Ravi Kumar Chopra, none of the other Directors / Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the resolution.

Your Directors recommend the resolution for your approval.

By Order of the Board
For KRIBHCO FERTILIZERS LIMITED


(Bipin Chandra Phuloria)
Company Secretary
M. No. ACS 13307

Place: Noida
Dated: 12.10.2020

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