



**KELTECH ENERGIES LIMITED**

**37<sup>th</sup> Annual Report & Accounts**

**2013 - 2014**



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**BOARD OF DIRECTORS**

ASHOK V. CHOWGULE - Chairman - DIN : 00018970  
VIJAY V. CHOWGULE (Upto 11-07-2013) - DIN : 00018903  
HEMRAJ C. ASHER - DIN : 00024863  
HARISH JAGTIANI - DIN : 00262572  
UMAJI V. CHOWGULE - DIN : 00018993  
MS. ARATI SARAN - DIN : 01157284  
S.L.CHOWGULE - Managing Director - DIN : 00097736

**EXECUTIVES**

V. N. PANGAL – Director (Operations)

**AUDITORS**

HARIBHAKTI & CO.  
CHARTERED ACCOUNTANTS  
MUMBAI.

**LEGAL ADVISERS**

CRAWFORD BAYLEY & CO.  
ADVOCATES, SOLICITORS & NOTARIES  
MUMBAI

**REGISTERED OFFICE**

7<sup>TH</sup> FLOOR, 'EMBASSY ICON'  
NO. 3, INFANTRY ROAD,  
BANGALORE - 560 001.

**BANKERS**

CANARA BANK

**SHARE TRANSFER AGENTS**

CANBANK COMPUTER SERVICES LTD.  
J. P. ROYALE, 1<sup>ST</sup> FLOOR, # 218, 2<sup>ND</sup> MAIN,  
SAMPIGE ROAD, MALLESHWARAM,  
BANGALORE - 560 003.

**WORKS**

VISHWASNAGAR - 574 108  
KARKALA TALUK  
UDUPI DISTRICT  
KARNATAKA STATE

PLOT S-3 & S-4  
UDYOG DEEP INDUSTRIAL AREA  
WAIDHAN - 486 886  
DISTRICT SINGRAULI, M.P.

KHASARA 381, 382 & 383  
JAMUDI GRAM - 484 224  
DISTRICT ANUPPUR, M.P.

PLOT NO. B-24/2 & B-25/1  
M.I.D.C. INDUSTRIAL AREA  
CHANDRAPUR - 442 406  
MAHARASHTRA STATE

VILLAGE GARAMSUR  
P.O. DUDHALA – 441 103  
KATOL TEHSIL, NAGPUR DISTRICT  
MAHARASHTRA STATE

SY. NO. 314/2, SAMITHI SINGARAM VILLAGE  
NEAR P.K.O.C. PROJECT OFFICE  
MANUGURU MANDAL & POST-507 117  
KHAMMAM DISTRICT  
TELANGANA

NO.363, MUSTYALA VILLAGE  
P.O. GODAVARIKHANI – 505 209  
DISTRICT KARIMNAGAR, TELANGANA

S.Y. No. 178/2,  
P.O. HARDI BAZAAR-495 446,  
HARDI MURLI ROAD, DISTRICT KORBA,  
CHATTISHGARH.

AKASHNAGAR, DEPOSIT 05 & 10,  
BACHELI (BAILADILA) - 494 553,  
DISTRICT DANTEWADA, CHATTISHGARH.

SY.NO.14/B, DONIMALAI (NARASINGAPURA),  
SANDUR TALUK, BELLARY DISTRICT,  
KARNATAKA - 583 118.

# KELTECH ENERGIES LIMITED

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## NOTICE

Notice is hereby given that the Thirtyseventh Annual General Meeting of Keltech Energies Limited will be held on Friday, the **25<sup>th</sup> July, 2014** at 2.30 PM, at Dominion Hall, Le Meridian, No.28, Sankey Road, Bangalore-560052 to transact the following business:-

### Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors there on.
2. To declare Dividend for the year ended 31<sup>st</sup> March, 2014.
3. To appoint Director Shri Ashok V. Chowgule who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of third Consecutive Annual General Meeting of the Company and to fix their remuneration and to pass the following resolution thereof.

“Resolved that, pursuant to provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s Haribhakti & Co., Chartered Accountants, (Registration No. I03523W), be and are hereby re-appointed as the Auditors of the Company, to hold the office from the conclusion of this Annual General Meeting to the conclusion of the 3<sup>rd</sup> consecutive Annual General Meeting (subject to ratification of the appointment by members at every Annual General Meeting held after this Annual General Meeting) and that the Board of Directors be and are hereby re-authorised to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors.”

### Special Business:

5. To appoint Director Shri Hemraj C. Asher, Independent Director who retires by rotation and, being eligible, offers himself for re-appointment.

To consider, and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution.

“Resolved that, pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV of the said Act, Shri Hemraj C. Asher, Director of the Company, who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Shri Hemraj C. Asher as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five consecutive years.”

6. To appoint Director Shri Harish Jagtiani, Independent Director, under the provisions of Companies Act, 2013.

To consider, and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution.

“Resolved that, pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV of the said Act, Shri Harish Jagtiani, Director of the Company, who retires by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Shri Harish Jagtiani as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five consecutive years.”

7. To appoint Director Ms. Arati Saran, Independent Director, under the provisions of Companies Act, 2013.

To consider, and if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution.

“Resolved that, pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV of the said Act, Ms. Arati Saran, Director of the Company, who retires

by rotation at the ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying her intention to propose Ms.Arati Saran as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five consecutive years.”

8. To consider, and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

“Resolved that pursuant to the provisions of Sections 196, 197, 198, 199, 200, 201, 202, 203 and Schedule V of the Companies Act, 2013 read with Rule 3 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. (Earlier: Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956) (“the Act”), and subject to the approval of the Central Government wherever necessary, consent of Company be and is hereby accorded to the appointment of Shri Santosh L.Chowgule as Managing Director of the Company with effect from 29<sup>th</sup> April, 2014 for a term of five years on the terms and conditions as are set out in the Agreement to be entered into between the Company and Shri Santosh L. Chowgule placed before this meeting with liberty to the Board of Directors (“the Board”) of the Company to vary or modify the terms and conditions of appointment including sanctioning increments, incentive or bonus as may be agreed between the Board and Shri Santosh L.Chowgule which shall be subject to the overall ceiling prescribed in Schedule V (Earlier: Schedule XIII) to the Act read with aforesaid sections of the Act and other applicable provisions, if any, of the Act or any amendment thereto or re-enactment thereof.

Resolved further that in the event of absence of or inadequacy of net profits in any financial year the remuneration aforesaid or as varied or modified as provided above shall be paid to Shri Santosh L. Chowgule as minimum remuneration subject to the ceiling specified in Schedule V to the Act, or any amendment, modification or variation thereto or any re-enactment thereof.

Resolved further that the Board be and is hereby authorized to do all acts, deeds and things as may be considered necessary, desirable or expedient for giving effect to this resolution.”

9. To approve the remuneration of the Cost Auditor for the financial year 2014-15.

To consider, and, if thought fit, to pass, with or without modifications, 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), Shri V. V. Deodhar, the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2014-15 be paid the remuneration of ₹ 60,000/-.

“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 of Directors of  
**KELTECH ENERGIES LIMITED**

**HARISH JAGTIANI**

*Director*

DIN: 00262572

Registered Office:  
7<sup>th</sup> Floor, ‘Embassy Icon’  
No. 3, Infantry Road,  
BANGALORE - 560 001.

Place : Mumbai  
Dated : 23<sup>rd</sup> May, 2014

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### ITEM NO. 5

Shri Hemraj C. Asher, is Master of Arts in Economics and a Graduate in Law. He is a renowned Solicitor in Corporate and Commercial Laws. He is a partner of M/s Craford Bayley & Co., Mumbai, (A firm of Legal Consultants). He joined the Company during 1982 as a Director.

In terms of Section 149 and other applicable provisions, if any, of the Companies Act, 2013, Shri Hemraj C. Asher, Independent Director, being eligible for re-appointment, is proposed to be appointed as an Independent Director for a term of five years. The Company has received from Shri Hemraj C. Asher, (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 Companies Rules, 2014. (ii) intimation in form DIR-8 in terms of Companies (Appointment & Qualification of Director) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. Shri Hemraj C. Asher, is not liable to retire by rotation. In the opinion of the Board of Directors, Shri Hemraj C. Asher, Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Shri Hemraj C. Asher, as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days upto the date of Annual General Meeting.

The Board considers that his continued association would be immense benefit to the Company and it is desirable to continue to avail the services of Shri Hemraj C. Asher, as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Hemraj C. Asher, as an Independent Director for the approval by the shareholders of the Company.

No Director, key managerial personnel or their relatives, except Shri Hemraj C. Asher to whom the resolution relates, is interested or concerned in the resolution. The Board recommends the resolution set forth in item No.5 for the approval of the members.

#### ITEM NO. 6

Shri Harish Jagtiani is B.E. (Mech. Engg.) and M.E. (Incl. Engg. & Mgt.) from USA and he is a consultant for marketing of software products. He is having rich experience in business. He joined the Company during 2002 as a Director.

In terms of Section 149 and other applicable provisions, if any, of the Companies Act, 2013, Shri Harish Jagtiani, Independent Director, being eligible for re-appointment, is proposed to be appointed as an Independent Director for a term of five years. The Company has received from Shri Harish Jagtiani, (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 Companies Rules, 2014. (ii) intimation in form DIR-8 in terms of Companies (Appointment & Qualification of Director) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. Shri Harish Jagtiani, is not liable to retire by rotation. In the opinion of the Board of Directors, Shri Harish Jagtiani, Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Shri Harish Jagtiani, as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days upto the date

of Annual General Meeting.

The Board considers that his continued association would be immense benefit to the Company and it is desirable to continue to avail the services of Shri Harish Jagtiani, as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Harish Jagtiani, as an Independent Director for the approval by the shareholders of the Company.

No Director, key managerial personnel or their relatives, except Shri Harish Jagtiani, to whom the resolution relates, is interested or concerned in the resolution. The Board recommends the resolution set forth in item No.6 for the approval of the members.

#### **ITEM NO. 7**

Ms. Arati Saran is a Graduate in Arts and Post Graduate Industrial and Labour Relations from Cornell University, USA and is an Entrepreneur with vast experience. She joined the Company during 2012 as a Director.

In terms of Section 149 and other applicable provisions, if any, of the Companies Act, 2013, Ms. Arati Saran, Independent Director, being eligible for re-appointment, is proposed to be appointed as an Independent Director for a term of five years. The Company has received from Ms. Arati Saran, (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 Companies Rules, 2014. (ii) intimation in form DIR-8 in terms of Companies (Appointment & Qualification of Director) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. Ms. Arati Saran, is not liable to retire by rotation. In the opinion of the Board of Directors, Ms.Arati Saran, Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the Rules made thereunder and she is independent of the Management. A copy of the draft letter for the appointment of Ms. Arati Saran, as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's Registered Office during normal business hours on working days upto the date of Annual General Meeting.

The Board considers that her continued association would be immense benefit to the Company and it is desirable to continue to avail the services of Ms. Arati Saran, as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms.Arati Saran, as an Independent Director for the approval by the shareholders of the Company.

No Director, key managerial personnel or their relatives, except Ms.Arati Saran,, to whom the resolution relates, is interested or concerned in the resolution. The Board recommends the resolution set forth in item No.7 for the approval of the members.

#### **ITEM NO. 8**

Shri Santosh L. Chowgule is a agraduate in Arts and an Industrialist by profession. He joined the Company during 1985 and served the Company in various capacities. He became a Whole-time Director during 1994 and presently holding the position of Managing Director of the Company.

The term of the office of Shri Santosh L.Chowgule, Managing Director, expired on the 28<sup>th</sup> April, 2014. The Board of Directors, (the "Board") had resolved to constitute a Remuneration Committee at their meeting held on 25<sup>th</sup> October, 2013 for the purpose of setting out terms of appointment and to fix remuneration and other perquisites payable to him, if his tenure was decided to be extended and the Remuneration Committee had made its recommendations to the Board. Having regard to the onerous responsibilities discharged by him and his performance and ability, the Board in its meeting held on 30<sup>th</sup> January, 2014 as resolved to re-appoint him as Managing Director of the Company for a period of 5 years with effect from 29<sup>th</sup> April, 2014 as per the terms set out below.

# KELTECH ENERGIES LIMITED

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## A. Period:

Appointment valid for a period of five years with effect from 29<sup>th</sup> April, 2014.

## B. Remuneration:

### (a) Salary

₹ 2,20,000/- per month.

### (b) Perquisites:

(i) Housing: The Company shall provide accommodation to the Managing Director subject to deduction of 10% of salary per month, and incur expenditure on gas, electricity and soft furnishings subject to a ceiling of 10% of the basic salary. The Company shall reimburse expenses on watchman, sweeper and gardener to the extent of ₹ 12,000/- (Rupees twelve thousand only) per month.

### (ii) Medical Reimbursement:

Reimbursement of expenses incurred for self and family subject to a ceiling of ₹ 96,000/- (Rupees ninety six thousand only) in a year.

### (iii) Leave Travel Concession:

Leave Travel Concession once in a year for self and family not exceeding ₹ 60,000/- (Rupees sixty thousand only) per annum.

### (iv) Club Fees:

The payment of fees to clubs subject to a maximum of two clubs provided that no admission fee and life membership fees will be paid.

### (v) Personal Accident Insurance:

Personal accident insurance of an amount, the annual premium shall not exceed ₹ 4,200/- (Rupees four thousand two hundred only) per annum.

### (vi) (1) Company's contribution towards Provident Fund as per Rules of the Company.

(2) Company's contribution towards Superannuation Fund as per the Rules of the Company. However, contribution together with contribution to the Provident Fund shall not exceed 27% of the salary as laid down in the Income Tax Rules, 1962.

(vii) Gratuity as per the Rules of the Company, but shall not exceed one half month's salary for each completed year of service.

(viii) Earned Leave: Entitlement to earned / privilege leave on full pay and allowances i.e 36 days, as per the Rules of the Company, and leave accumulated but not availed of shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure shall not be included in the computation of the ceiling on perquisites.

(ix) The Company shall provide a Car for use on Company's business. Use of Car for private purposes to be billed by the Company. The Company shall provide Telephone at residence and long distance personal calls to be billed and recovered by the Company and these will not be considered as perquisites.

(x) The Company shall provide Residential Office for the use of the Managing Director after the office hours.

(c) Commission: Commission to the Managing Director at such rate as may be determined by the Board of Directors at the end of the financial year and subject to the maximum amount payable under the provisions of the Companies Act.

C. In the event of loss or inadequacy of profits in any financial year, the Managing Director shall be paid remuneration by way of salary and perquisites as specified above.



- D.** The Managing Director so long as he functions as such shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.
- E.** The Company shall reimburse to the Managing Director entertainment, actual travelling and all other expenses reasonably incurred by him for the business of the Company.
- F.** The Agreement between the Company and the Managing Director may be terminated at any time by either party thereto by giving to the other party three months' notice in writing.
- G.** The remuneration herein shall be in accordance with Schedule V of the Company's Act, 2013 as amended or substituted from time to time ("the dates"). In the event of the remuneration exceeding the limits or the Managing Director does not satisfy the requirements under relevant provisions of the Act, the same shall be subject to the approval of the Central Government.
- H. Other Conditions Applicable:**
- (i) The Managing Director shall not engage directly or indirectly in any other business, occupation or employment which competes with the business of the Company provided that he may hold any other directorship of any other Company or Companies not competing with the business of the Company;
  - (ii) The Managing Director shall not divulge or disclose or use any confidential information or knowledge obtained during the course of employment as to the business or affairs of the Company;
  - (iii) The Managing Director shall not be directly or indirectly concerned or interested in any selling agency of the Company without the prior approval of the Central Government.
  - (iv) The Managing Director's employment shall forthwith determine if he becomes insolvent or makes any composition or arrangement with creditors or ceases to be a Director of the Company.
  - (v) The Company to have the right to terminate his appointment if guilty of such in attention or negligence in the conduct of the business or of any other act or omission inconsistent with the duties as Managing Director or any breach of the Agreement as in the opinion of all the other Directors for the time being of the Company shall render his retirement from the office of Managing Director desirable.

This Notice and Explanatory Statement relating to the resolution at item No. 8 should be treated as an abstract of the terms of appointment of Shri Santosh L.Chowgule and Memorandum of Interest pursuant to the provisions of Section 190 of the Companies Act, 2013.

Shri Santosh L. Chowgule, is deemed to be interested and concerned in this resolution, since it relates to his appointment, do not participate or vote on this resolution.

S/Shri Ashok V. Chowgule and Umaji V. Chowgule, Directors, being interested, do not participate or vote on this resolution.

# KELTECH ENERGIES LIMITED

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## NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on poll only instead of himself/herself/themselves and such proxy need not be a member of the Company.
2. Proxies, in order to be effective, must be duly stamped, completed and signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. The period of e-voting shall be from 19<sup>th</sup> July, 2014 to 21<sup>st</sup> July, 2014 (both days inclusive), such voting period shall be completed three days prior to the date of the general meeting;
4. Register of Members and Share Transfer Books of the Company will remain closed from 19<sup>th</sup> July, 2014 to 25<sup>th</sup> July, 2014 (both days inclusive).
5. Those Members who have so far not encashed their Dividend Warrants for the financial years 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 may immediately approach the Company with their Warrants for revalidation.
6. The notice of the thirtyseventh Annual General Meeting and instructions for e.voting, along with the attendance slip/proxy form is being sent by electronic mode to all members whose e.mail addresses are registered with the Company /Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their e.mail addresses, physical copies of the aforesaid documents are being sent. Members may also note that the notice of the thirtyseventh annual general meeting and the Annual Report for 2013-14 will be available on the Company's website [www.keltechenergies.com](http://www.keltechenergies.com)
7. MEMBERS ARE REQUESTED TO:
  - i. Notify any change in their registered address at an early date.
  - ii. Quote folio numbers in all their correspondence; and,
  - iii. Bring the copy of their Annual Report and the attendance slip at the Annual General Meeting.

By Order of the Board of Directors of  
**KELTECH ENERGIES LIMITED**

**HARISH JAGTIANI**

*Director*

DIN: 00262572

Registered Office:  
7<sup>th</sup> Floor, 'Embassy Icon'  
No. 3, Infantry Road,  
BANGALORE - 560 001.

Place : Mumbai  
Dated : 23<sup>rd</sup> May, 2014

## DIRECTORS' REPORT FOR THE YEAR 2013-14

To the Members,

Your Directors have pleasure in presenting the Thirty seventh Annual Report and the Audited Accounts for the year ended 31<sup>st</sup> March, 2014.

### I. FINANCIAL RESULTS :

(₹ in lacs)

	2013-14	2012-13
Operating Profit	1208.82	929.36
Less:		
1) Interest	144.89	128.86
2) Depreciation	172.43	137.14
Profit for the year before taxation	891.50	663.36
Less : Provision for taxation - Current Tax	186.12	197.50
- Deferred Tax	110.54	35.18
Profit after tax	594.84	430.68
Profit for the year available for appropriation		
Appropriations:		
Dividend	25.00	25.00
Tax on Dividend	4.25	4.25
Transfer to General Reserve	500.00	300.00
Balance of Profit / (Loss) brought forward	575.69	474.26
Balance of Profit / (Loss) c/o to Balance Sheet	641.28	575.69

The Directors have recommended a Dividend of ₹ 2.50 per share of ₹ 10/- each (25%) on the paid-up Equity Capital of the Company.

### 2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT/ OPERATIONS REPORTS OF COMPANY'S PERFORMANCE:

#### 2.1 OPERATIONS

##### (A) EXPLOSIVES DIVISION

The sale of Explosives for the year under review was 34,026 MT valued at ₹ 12,676 lacs as against 35,183 MT valued at ₹ 12,109 lacs of the previous year. The Sales turnover on Explosives increased by 5% in value terms and decreased by 3.29% in quantity terms. During the year, the turnover in regard to traded goods, service contracts and export of finished goods in Explosives sector was ₹ 1,329 lacs as against ₹ 2,552 lacs for the corresponding period of the previous year, significantly lower since there were no new projects during the year under review.

The sale of Detonating Fuse and related products during the year under review was valued at ₹ 733 lacs as against ₹ 678 lacs for the corresponding period of the previous year.

##### (B) PERLITE DIVISION

The sale of Perlite and Perlite based products for the year under review were 7856 MT valued at ₹ 1,267 lacs as against 5,980 MT valued at ₹ 935 lacs for the corresponding period of the previous year, registering a growth of 31% in quantity and 36% in value. The turnover of service contracts during the year under review was ₹ 514 lacs as against ₹ 678 lacs for the corresponding period of the previous year.

The export of Perlite products during the year was valued at ₹ 413 lacs as against nil for the corresponding period of the previous year.

- (C) The operations for the year 2013-14 have resulted in a net profit of ₹ 595 lacs after charging depreciation, interest and tax as against ₹ 431 lacs for the corresponding period of the previous year.

### 3. INDUSTRY REVIEW, THREATS, RISKS AND CONCERNS:

#### (A) EXPLOSIVES DIVISION

The Explosives Sector did not register any significant increase due to lack of orders. The major consumers like Coal India have finalized Contracts for three years period and there were no new opportunities. There was no significant increase in the demand in these sectors. However, in the fourth quarter, some increased demand and improved realization was experienced due to non-availability of Ammonium Nitrate from the market and due to regulatory provisions of the Ammonium Nitrate Rules 2012 which came into force from January 2014.

In regard to D Fuse and related products, the demand was consistent and the licensed capacity utilization was achieved.

During the last Quarter of the year under review, the Company commissioned the modern Emulsion Explosives manufacturing facilities at its Garamsur Plant near Nagpur in Maharashtra. The Company will cater to the requirements of Dealer Market segment from this Unit.

#### (B) PERLITE DIVISION

The domestic manufacture of Expanded Perlite and Perlite Concrete Blocks yielded a significant revenue, during the year under review. In addition, the company was able to successfully complete site insulation of tanks in LNG Regassification Terminal in China.

#### (C) INDUSTRIAL RELATIONS

The industrial relations during the year under review were cordial and there were no industrial disputes. Long term wage Settlements were concluded with the Unions cordially.

#### (D) OUTLOOK FOR 2014-15

During the current financial year 2014-15, on account of stiff competition coupled with stagnation, the Explosives Division continues to be under pressure. The Explosives Accessories Divisions are showing encouraging performance. The Company is geared up to enter new segment of business of Emulsion Explosives, which will contribute to the top line. The Company has secured orders for Perlite based Insulation products during the current year 2014-15.

Your Company will continue to make all efforts for optimizing the overall performance.

#### (E) CAUTIONARY STATEMENT

The statements, expressions, information given in this Management Discussions and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be deemed to be as "forward looking statements". Actual results might substantially or materially from those expressed or implied. Important developments that could affect the Company's operations included demand supply conditions, changes in Government, global economic scenario and such other developments different from Company's comprehension.

### 4. DIRECTORS

Shri Ashok V. Chowgule, [DIN:00018970] retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Pursuant to the provisions of Section 149 of the Companies Act, 2013, the office of independent directors are not liable to retire by rotation and they shall hold office for a term upto five consecutive years on the Board of the Company, the independent directors of the Company were appointed pursuant to the provisions of erstwhile Companies Act, 1956 and accordingly, they are liable to retire by rotation. In view of the above provisions of the Companies Act, 2013, approval of the shareholders of the Company for appointment of independent directors for a term of five consecutive years as independent directors is being obtained at the ensuing Annual General Meeting.

Shri Vijay V. Chowgule [DIN:00018903] Director on the Board of the Company since 15<sup>th</sup> January, 1988, resigned from the Board with effect from 11<sup>th</sup> July, 2013. The Board while accepting the same, recalled the valuable contribution made by Shri Vijay V. Chowgule, towards the progress of the Company since its inception as a Managing Director, Chairman and Director. The Chairman and the Board also placed on record its appreciation of the unstinted efforts put in by Shri Vijay V. Chowgule in providing valuable advice and guidance to the Board.

## 5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors state as under

“That

- I. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- II. the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2013-14 and of the profit of the Company for that period;
- III. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. the Director's had prepared the annual accounts on a going concern basis;

## 6. AUDITORS

M/s. Haribhakti & Co., Statutory Auditors of the Company, have been holding office as Auditors for a term of more than 30 years. In terms of the provisions of Section 139 of the Companies Act, 2013 M/s.Haribhakti & Co., who have given their consent for their reappointment can be appointed for a further term of three consecutive years. M/s.Haribhakti & Co., Statutory Auditors appointment shall be subject to the approval of the shareholders at the ensuing Annual General Meeting.

## 7. COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

Necessary information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed.

## 8. PARTICULARS OF EMPLOYEES

Information on Particulars of Employees pursuant to Section 217 (2-A) of the Companies Act, 1956, is annexed to this Report.

## 9. COMPLIANCE CERTIFICATE

As required under the proviso to Sub Clause (1) to Section 383A of the Companies Act, 1956, Compliance Certificate for the year ended 31<sup>st</sup> March, 2014 obtained from Practising Company Secretary is attached.

## 10. ACKNOWLEDGEMENTS

Your Directors place on record their thanks to the Canara Bank for their unstinted co-operation and timely assistance. The Directors acknowledge the support and co-operation extended by valued customers of the Company. Your Directors also place on record their appreciation for the dedicated services rendered by the employees at all levels during the year under review.

For and on Behalf of the Board

Place : Mumbai  
Dated : 23<sup>rd</sup> May, 2014

**ASHOK V. CHOWGULE**  
Chairman  
DIN: 00018970

## Annexure to Directors' Report

### DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS

#### I. CONSERVATION OF ENERGY (FORM 'A')

This is not applicable to Explosives Industry.

#### II. ABSORPTION OF RESEARCH AND DEVELOPMENT (FORM 'B')

A) Specific areas in which R&D is carried out by the Company.

- (I) Cost reduction.
- (II) Product and Technology Development for Explosives.
- (III) Technical Services to monitor use of Explosives by Customers.
- (IV) Development of value added Explosive products.
- (V) Development of improved and more efficient equipment.
- (VI) Refinements and Developments in Packaging.
- (VII) Product Development in relation to application of Explosives and Perlite.

B) Benefits derived as a result of the above R & D:

- (I) Introduction of products for difficult blasting conditions.
- (II) Setting up of production facilities with indigenous Plant Equipment for Bulk and Packaged Explosives.
- (III) Higher efficiency in use of Explosives to Customers.
- (IV) Higher efficiency in manufacturing process.
- (V) Reduction in cost of production.
- (VI) Entry into Export market.
- (VII) New applications of our Explosives.
- (VIII) Application of perlite concrete for cryogenic tanks.
- (IX) Development of Air Decking system for blasting in boreholes.
- (X) Export of Perlite Concrete Insulation Blocks.
- (XI) Overseas Contracts deploying Mobile Perlite Expanders.

C) Future Plan of Action :

- (I) Continue development work on Explosives.
- (II) Evaluate other systems for SMS.
- (III) Develop site applications using perlite.
- (IV) Explore new products for diversification.

D) Expenditure on R & D:

(I) Capital	-	Nil.
(II) Recurring	-	₹ 19.10 lacs.
(III) Total	-	₹ 19.10 lacs.
(IV) Total R & D expenditure as a % total turnover	-	0.11 %

**TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation: Strict Monitoring of emulsion explosives and making necessary improvements to meet the field requirements.
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

Emulsion products with fully indigenous equipments have been produced and supplied. These products have been well accepted by customers for use in difficult strata conditions. Safety standards have been maintained, both during manufacture and usage, based on periodic feed back.

3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished.

- |   |   |                 |
|---|---|-----------------|
| <ul style="list-style-type: none"> <li>(i) Technology imported</li> <li>(ii) Year of import</li> <li>(iii) Has the technology been fully absorbed?</li> <li>(iv) If not fully absorbed, areas where this has not taken place, reasons therefor and future plan of action</li> </ul> | } | Not applicable. |
|---|---|-----------------|

**III. FOREIGN EXCHANGE EARNING AND OUTGO**

- (I) Activities relating to exports, etc. : The Company has exported goods worth ₹ 2,456.66 lacs (C & F) during the year.
- (II) Total Foreign exchange used and earned : The Company has used foreign Exchange amounting to ₹ 299.93 lacs and earned ₹ 2,456.66 lacs during the year.

**IV. Information pursuant to Section 217 (2-A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2014.**

Sl. No.	Name & Age of the employee	Qualification	Experience (Years)	Date of commencement of Employment	Designation/ Nature of Duties	Remuneration received (₹ In lacs)	Last Employment held
I	Santosh L.Chowgule 55 Years	B.A.	30 Years	10.08.1985	Managing Director	38.61	-

For and on Behalf of the Board

Place : Mumbai  
Dated : 23<sup>rd</sup> May, 2014

**ASHOK V. CHOWGULE**  
*Chairman*  
DIN: 00018970

# KELTECH ENERGIES LIMITED

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## **SECRETARIAL COMPLIANCE CERTIFICATE**

**Under proviso to sub section (1) of Section 383A of the Companies Act, 1956 read with The Companies (Compliance Certificate) Rules, 2001**

Name of the Company : M/S. KELTECH ENERGIES LIMITED  
CIN : L30007KA1977PLC031660  
Nominal Capital : ₹ 200 Lacs.

To,

The Members of M/s. KELTECH ENERGIES LIMITED

- A) In Connection with the issue of SECRETARIAL COMPLIANCE CERTIFICATE, pursuant to Proviso to Section 383A of the Companies Act, 1956 (referred hereafter as 'the Act') in respect of M/s KELTECH ENERGIES LIMITED to state as under:
- B) M/s KELTECH ENERGIES LIMITED incorporated under the Companies Act, 1956 vide Certification of Incorporation issued by the ROC - BANGALORE, Karnataka bearing CIN - L30007KA1977PLC031660
- C) I have verified the records maintained by the company under the provisions of the Companies Act 1956 from 01-04-2013 to 31-03-2014.
- D) The Authorized Share Capital of the Company is 2,00,00,000 /- (Rupees Two Crores Only) divided into 20,00,000 (Twenty Lacs only) Equity Shares of ₹ 10/- each. The issued, subscribed and Paid-Up Capital of the Company is ₹ 99,90,000/- (Rupees Ninety Nine Lakh and Ninety Thousand Only) divided into 9,99,000 (Nine Lakh Ninety Nine Thousand only) Equity Shares of ₹ 10/- each.
- E) This certificate is issued based on the information that were made available at the time of verification of the records and clarifications furnished for queries raised by us and inspection of the documents, files, books, registers and other relevant papers made available for verification.
- F) Lastly, it is stated that the compliance of all applicable provisions of the Companies Act, 1956 is the responsibility of the company, my examination, on test basis, was limited to the procedures followed by the company for ensuring the compliance with the said provisions. I state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the company has conducted its affairs. I further state that this is neither an audit nor an expression of opinion on the financial activities /statements of the company.

I have examined the registers, records of M/s KELTECH ENERGIES LIMITED ('the Company') as required to be maintained under the Companies Act, 1956 and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for financial year ended on 31<sup>st</sup> March 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year: -

1. The Company has kept and maintained statutory registers with up-to-date entries as required under the provisions of the Act and the Rules, as shown in Annexure 'A' to this Certificate.
2. The Company has duly filed all requisite Forms, Returns and Documents with the Registrar of Companies and such other authorities as may be applicable under the said act within the time prescribed under the Act and the Rules, as shown in Annexure 'B' to this Certificate.
3. The Board of Directors have duly met Four (4) times during the financial year on various dates, viz.,

17<sup>th</sup> May 2013,  
08<sup>th</sup> July 2013,  
25<sup>th</sup> October 2013 &  
30<sup>th</sup> January 2014

In respect of these meetings, proper notices were given and the proceedings were duly recorded and signed in the Minutes Book maintained for the purpose.



4. During the financial year Seven (7) meetings of the Committee of Directors were held on the following dates, viz.,
- 18<sup>th</sup> May 2013,
  - 23<sup>rd</sup> August 2013,
  - 19<sup>th</sup> September 2013,
  - 23<sup>rd</sup> October 2013,
  - 03<sup>rd</sup> December 2013,
  - 11<sup>th</sup> January 2014, and
  - 23<sup>rd</sup> January 2014

for approval of transfers, transmission and consolidation of shares and issue of duplicate share certificates. Refer item No. 13 of this report.

5. The Register of Members and Share Transfer Books of the Company were closed from 2<sup>nd</sup> July, 2013 to 8<sup>th</sup> July, 2013, (inclusive of both days) and the Company has duly complied with the provisions of Section 154 of the Act.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March, 2013 was held on 8<sup>th</sup> July, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that Section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act relating to Directors' office or place of profit the company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has issued 10 duplicate share certificates during the financial year consisting of 500 shares of ₹ 10/- each, 2 fresh share certificates arising out of remat consisting of 135 shares of ₹ 10/- each during the year 2013-14 as per the request of shareholders and the same were approved by the committee of directors of the company.
13. The Company has:
- a. Not allotted any shares during the financial year. It has delivered all the certificates on lodgement thereof for transfer/transmission or for any other purpose in accordance with the provisions of the Act.
  - b. Declared a dividend of 25% on equity shares amounting to ₹ 25,00,000/- for the financial year ended 31<sup>st</sup> March, 2013 at the Annual General Meeting of the Company held on 8<sup>th</sup> July 2013. The dividend amount was deposited in "Keltech Energies Limited Equity Dividend 2012-2013 Account" at Canara Bank, Town Hall Branch, Bangalore 560027 on 11<sup>th</sup> July, 2013, well within 5 days from the date of declaration.
  - c. Disbursed to all shareholders by means of warrants, well within the statutory period of 30 days of its declaration and that all unclaimed/unpaid dividend has been transferred to 'Keltech Energies Limited Equity Unpaid Dividend 2012-2013 Account' on 14<sup>th</sup> August, 2013 at Canara Bank, Town Hall Branch, Bangalore 560027.
  - d. Transferred on 20<sup>th</sup> August, 2013 dividend of a sum of ₹ 1,49,329/- which have remained unclaimed for a period of seven years from date of declaration viz., 21<sup>st</sup> July, 2006 pertaining to financial year ended 31.03.2006 to the Investors Education and Protection Fund.

## KELTECH ENERGIES LIMITED

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14. The provisions of Section 217(2AA) of the Act relating to 'Directors' Responsibility Statement' have been complied with. A Copy of the Compliance Certificate dated 13<sup>th</sup> May, 2013 was attached to the Report of the Board of Directors for the financial year ended 31.03.2013 as required under proviso to Section 383A of the Act and the same was also filed with the Registrar of Companies, Karnataka, Bangalore. The Company has duly complied with the other requirements of Section 217 of the Act.
15. The Board of Directors of the Company is duly constituted and the appointments of directors, additional directors and directors to fill casual vacancies have been duly made.
16. The Company is being managed by Shri Santosh L. Chowgule, Managing Director whose appointment has been made in compliance with the provisions of the Act.
17. The Company was not required to obtain any approvals from authorities such as the Central Government, Company Law Board, Regional Director, Registrar or such other authorities during the financial year.
18. The Company has not appointed any sole selling agents during the financial year and as such the provisions of Section 294 or 294A of the Act are not applicable.
19. The Directors have disclosed their interests in other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
20. The Company has not issued any shares or other securities during the financial year.
21. The Company has not bought back any shares during the financial year.
22. The Company has no Preference Shares/Debentures.
23. There were no transactions necessitating the Company to keep in abeyance the rights to dividends pending registration of transfer of shares.
24. The Company has not accepted any deposits from the public or from any other source in terms of the provisions of Section 58A or 58AA of the Act during the financial year.
25. The amounts borrowed by the Company during the financial year are well within the borrowing limits of the Company.
26. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
27. The Company has not altered any of the provisions of its Memorandum of Association or Articles of Association during the financial year.
28. As per records available and information given, there were no prosecution proceedings initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year for offences under the Act.
29. The Company has not received any money as security from its employees during the financial year and as such the provisions of Section 417(1) of the Act are not applicable.
30. The Company has deposited both employers and employees' contributions to provident fund with prescribed authorities pursuant to Section 418 of the Act.

Name of the Company Secretary : **Swaroop S.**  
ACS : 27907, CP: 9997

Place : Bangalore  
Date : 21<sup>st</sup> May 2014

**Annexure 'A'****Registers as maintained by the Company**

<b>Sl. No.</b>	<b>Registers</b>	<b>Applicable Section</b>
1.	Register of Members	Section 150
2.	Register of Directors	Section 303
3.	Register of Director's Shareholding	Section 307
4.	Register of Contracts	Section 301
5.	Minutes of the meetings of the Board of Directors and Shareholders	Section 193 and 196
6.	Register of Application and Allotment	-
7.	Register of Share Transfer	-
8.	Register of Debenture Holders	Section 152
9.	Register of Charges	Section 143

Name of the Company Secretary : **Swaroop S.**

ACS : 27907, CP: 9997

Place : Bangalore

Date : 21<sup>st</sup> May 2014

# KELTECH ENERGIES LIMITED

## Annexure 'B'

Forms and Returns as filed by the Company with the Registrar of Companies and the Regional Director, Central Government, Company Law Board or other Authorities during the financial year ending 31<sup>st</sup> March 2013.

Sl. No.	E-Form No./ Return	Filed under Section	Purpose of Filing	Date and SRN Filing Fees paid	Whether filed within the Prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes/ No
1.	e-Form 8	132 & 135	Registration / Modification of Charges - Charge ID 80014798	26-04-2013 vide SRN B73656845 Fees: ₹ 500/-	YES	No
2.	e-Form 8	132 & 135	Registration / Modification of Charges - Charge ID 80014798	26-04-2013 vide SRN B73656662 Fees: Normal ₹ 500/- Additional: ₹ 1000/-	NO	YES
3.	e-Form 8	132 & 135	Registration / Modification of Charges - Charge ID 80014798	15-05-2013 vide SRN B75009316 Fees: Normal: ₹ 500/- Additional ₹ 1000/-	NO	YES
4.	e-Form 8	132 & 135	Registration / Modification of Charges - Charge ID 80014798	24-06-2013 vide SRN B77826048 Fees: ₹ 500/-	YES	NO
5.	e-Form 8	132 & 135	Registration / Modification of Charges - Charge ID 80014798	26-06-2013 vide SRN B78001021 Fees: ₹ 500/-	YES	NO
6.	e-Form 66	Section 383A of the Companies Act, 1956 read with The Companies (Compliance Certificate) Rules, 2001	Certificate dated 13 <sup>th</sup> May 2013 for Compliance Certificate for the financial year ended 31.03.2013	29-07-2013 vide SRN Q09768193 Fees: ₹ 500/-	YES	NO
7.	23AC - XBRL, 23ACA -XBRL	220	Balance Sheet and Statement of Profit & Loss for the year ended 31.03.2013	31-07-2013 vide SRN Q09795048 Fees: ₹ 500/-	YES	NO
8.	32	303	Appointment of Director (Arati Saran)	02-08-2013 vide SRN B80811979 Fees: ₹ 500/-	YES	NO
9.	32	303	Cessation of Director (Vijay V. Chowgule)	08-08-2013 vide SRN B81334526 Fees: ₹ 500/-	YES	NO
10.	20B	159	Annual Return upto the date of A G M vide date 08.07.2013	27-08-2013 vide SRN: Q10442275 Fees: 500/-	YES	NO
11.	8	132 & 135	Registration of Charges - Charge ID 10445757	03-09-2013 vide SRN B83423863 Fees: ₹ 500/-	YES	NO
12.	23C	233B	Appointment of Cost Auditors for the year 2013-14	22-06-2013 vide SRN S21328989 Fees: ₹ 1000/-	YES	NO
13.	FORM A-XBRL		Form for filing XBRL document in respect of compliance report and other documents with the Central Government	26-09-2013 vide SRN S22528400 Fees: ₹ NIL	YES	NO
14.	FORM I-XBRL		Form for filing XBRL document in respect of cost audit report and other documents with the Central Government	27-09-2013 vide SRN S22603286 Fees: ₹ NIL	YES	NO
15.	FORM 5 INV	Rule 3 of the Investor Education and Protection Fund	Statement of unclaimed and unpaid amounts	10-10-2013 vide SRN S23269004 Fees: ₹ NIL	YES	NO
16.	23B	224 (1B)	Appointment of Auditors	16-10-2013 vide SRN S23599392 Fees: ₹ 500/-	YES	NO
17.	18	146	Notice of situation or change of situation of registered office	27-12-2013 vide SRN B92454834 Fees: ₹ 500/-	YES	NO
18.	17	138	Satisfaction of Charges Charge ID : 80039189	19-02-2014 vide SRN B96540331 Fees: ₹ 500/-	YES	NO
19.	17	138	Satisfaction of Charges Charge ID : 80039190	20-02-2014 vide SRN B96650072 Fees: ₹ 500/-	YES	NO
20.	17	138	Satisfaction of Charges Charge ID : 80039234	20-02-2014 vide SRN B96614839 Fees: ₹ 500/-	YES	NO

Name of the Company Secretary : **Swaroop S.**

ACS : 27907, CP: 9997

Place : Bangalore

Date : 21<sup>st</sup> May 2014

**REPORT ON CORPORATE GOVERNANCE**

The Directors' Report on the compliance of the Corporate Governance is given below

**I. Corporate Governance:**

**1.1 Company's Philosophy on Corporate Governance:**

The Company has ingrained the objectives of good quality Corporate Governance, which will lead to creation of value for all its stakeholders. The Company adopts the best of the Corporate Governance practices in its spirit, whereby the highest level of transparency, accountability and equity is maintained at all levels of its operations. The Company policies are drawn keeping in mind the interest of all its stakeholders and with an ultimate objective of creation of wealth for its stakeholders.

By following good corporate governance practices, the Company ensures transparency in its policies, processes, reporting and decision making processes. The Company emphasizes on effective and efficient accounting system, internal control mechanism and planning process. The practices adopted by the Company emphasize that all the resources are utilized optimally and effectively so that the Company grows from strength to strength and creates wealth for its stakeholders.

**2. Board of Directors:**

**2.1 Composition:**

As at the end of the financial year 2014, the total Board strength comprises of the following:

Promoter Directors - Executive	1
Promoter Directors - Non Executive	2
Non Promoter Directors - Non Executive	3
<b>Total Strength</b>	<b>6</b>

Under Clause 49 I (A) (ii) of the Listing Agreement with the stock exchanges, since the Chairman of the board is a non-executive promoter director, the Company is required to have at least one-half of the Board of the company as independent directors. The Company had not complied with the above requirements till 11.7.2013 since out of total 7 Directors less than 4 Directors were non-independent Directors. However, on 11.7.2013, Shri Vijay V. Chowgule, Promoter and Non-Independent Director resigned from the Board with immediate effect and accordingly requirements of one half of the Board of the Company has independent Director is complied with from 11.7.2013.

**2.2 Meetings, attendance and proceedings etc. of the Board Meeting:**

During the year 4 Board meetings were held on 17<sup>th</sup> May, 2013, 8<sup>th</sup> July, 2013, 25<sup>th</sup> October, 2013 and 30<sup>th</sup> January, 2014. Last Annual General Meeting (AGM) was held on 8<sup>th</sup> July, 2013. The attendance of the Directors at the Board meeting and AGM is as under:

Sr. No	Name of the Director	Category	Number of Board Meetings attended	Attendance at last AGM
1	Shri Ashok V. Chowgule	Non Executive Promoter (Chairman)	4	Yes
2	Shri Vijay V. Chowgule (upto 11.7.2013)	Non Executive Promoter	1 (*)	Yes
3	Shri H.C. Asher	Non Executive Independent	4	Yes
4	Shri Harish Jagtiani	Non Executive Independent	3 (*)	Yes
5	Shri Umaji V. Chowgule	Non Executive	3 (*)	Yes
6	Ms. Arati Saran	Non Executive Independent	4	Yes
7	Shri Santosh L. Chowgule	Executive Promoter	4	Yes

(\*) Leave of Absence was taken.

## KELTECH ENERGIES LIMITED

### 2.3 Other Directorships etc:

The details of the Directorships, Chairmanships and the Committee memberships in other Companies (excluding Private Limited Companies, Foreign Companies and under Section 25 of the Companies Act, 1956) held by the Directors as on 31<sup>st</sup> March, 2014, are given below:

Sr. No	Name of the Directors	No. of other Public Company Directorships	No. of Committee Membership in other Public Company. *	
1	Shri Ashok V. Chowgule	3 - BM	2 - CM	1 - CC
2	Shri Vijay V. Chowgule	4 - BM	4 - CM	1 - CC
3	Shri H.C.Asher	4 - BM	7 - CM	1 - CC
4	Shri Harish Jagtiani	1 - BM	3 - CM	1 - CC
5	Shri Umaji V. Chowgule	1 - BM	0 - CM	0 - CC
6	Ms.Arati Saran	1 - BM	2 - CM	1 - CC
7	Shri Santosh L.Chowgule	1 - BM	3 - CM	0 - CC

BM - Board Member. CM - Committee Member. CC - Chairman of the Committee.

\* This relates to Committee referred to in clause 49 of the Listing Agreement, viz. Audit Committee, shareholder / Investor Grievance Committee and Remuneration Committee.

The Number of Directorships, Chairmanships and the Committee memberships of each Director is in compliance with the relevant provisions of the Companies Act 1956 and the Listing Agreement.

### 2.4 Compensation and Remuneration:

#### (a) Remuneration to Managing Director:

Shri Santosh L.Chowgule has been appointed as Managing Director of the Company for a period of five years with effect from 29<sup>th</sup> April, 2009. The details of the remuneration paid from 1<sup>st</sup> April, 2013 to 31<sup>st</sup> March, 2014 are as under:

Salary (Including perquisites)	₹ 32.62 lacs
Contribution to Provident Fund	₹ 2.66 lacs
Contribution to Superannuation Fund	₹ 3.33lacs
* Total	₹ 38.61 lacs
Number of shares held in the Company	Nil

\* Exclusive of contribution to gratuity and leave encashment.

#### (b) Details of sitting fees paid to each of the Non Executive Directors and number of shares held during the year.

Sr No	Name of the Directors	Sitting fees paid during the financial year	Number of shares held in the Company
1	Shri Ashok V. Chowgule	₹ 1,20,000/-	20
2	Shri Vijay V. Chowgule	₹ 10,000/-	27451
3	Shri H.C. Asher	₹ 90,000/-	-
4	Shri Harish Jagtiani	₹ 90,000/-	-
5	Shri Umaji V. Chowgule	₹ 30,000/-	-
6	Ms. Arati Saran	₹ 1,30,000/-	-

**2.5 Code of Conduct**

The Board of Directors has adopted the CODE OF CONDUCT to be observed by all the Directors and Senior Management while executing their official duties and responsibilities. All Directors and designated senior management cadre of the Company have affirmed compliance of the Code of Conduct. The declaration is signed by the Managing Director to that effect and is attached at the end of this report.

The Code of Conduct is posted on the website of the Company.

**3. Audit Committee**

The Company's Audit Committee functions under the Chairmanship of Shri Harish Jagtiani (Non Executive Independent Director), and the members are Ms. Arati Saran (Non Executive Independent Director) and Shri Santosh L.Chowgule (Executive Promoter Director) as members. All the members have the requisite financial and accounting background. Shri P. Prabhudev, Dy. General Manager (F&A), is the Secretary to the Audit Committee. During the year 4 Audit Committee Meetings were held on 17<sup>th</sup> May, 2013, 8<sup>th</sup> July, 2013, 25<sup>th</sup> October, 2013 and 30<sup>th</sup> January, 2014. The attendance details of the committee members are as under:

<b>Sr No</b>	<b>Name of the Directors</b>	<b>Number of Meetings attended</b>
1	Shri Harish Jagtiani	4
2	Ms. Arati Saran	4
3	Shri Santosh L.Chowgule	4

Shri V.N. Pangal, Director (Operations), Statutory Auditors M/s. Haribhakti & Company, Chartered Accountants, Mumbai, Internal Auditors, M/s. B.P. Rao & Company, Chartered Accountants, Bangalore and M/s. Jayakrishnan & Associates, Chartered Accountants, Nagpur, are invited to attend the meetings. The powers and terms of reference of the committee are as specified in Clause 49 of the Listing Agreement with the Stock Exchanges.

**4. Remuneration Committee:**

As required under Clause 49 of the Listing Agreement, the Board has a Remuneration Committee. The Remuneration Committee consists of (1) Shri H.C.Asher, Chairman of the Remuneration Committee and Non Executive Independent Director; (2) Shri Ashok V. Chowgule, Non-Executive Promoter and (3) Ms.Arati Saran, Non-Executive Independent Director of the Company.

The brief terms of reference of this Committee includes consideration, review and approval of remuneration of Shri Santosh L. Chowgule, Executive Promoter Director with regard to performance standards and existing industry practices.

The Remuneration Committee met 1 (one) time during the year under review on 30.1.2014. The Chairman and other members attended the Meeting and submitted its recommendation to the Board. The Board of Directors of the Company approved the reappointment and remuneration of Shri Santosh L. Chowgule, Managing Director with effect from 29.4.2014 for a period of 5 years i.e until 28.4.2019.

During the year under review, Shri Santosh L.Chowgule, Managing Director was paid remuneration of ₹ 38.61 lacs (Salary ₹ 32.62 lacs, Contribution to Provident Fund and Superannuation Fund ₹ 2.66 lacs, Contribution to Superannuation Fund ₹ 3.33 lacs) which was within the limits as per the provisions of the Companies Act, 1956 read with Schedule XIII. The above remuneration does not include Gratuity and leave encashment provision.

**5. Share Transfer Committee:**

As required under Clause 49 of the Listing Agreement, the Board has a duly constituted Share Transfer Committee comprising of (1) Shri Ashok V. Chowgule, Chairman of the Share Transfer Committee; (2) Shri Vijay V. Chowgule,

## KELTECH ENERGIES LIMITED

Non-Executive Promoter Director; (3) Shri Umaji V. Chowgule, Non-Executive Promoter Director and (4) Shri Santosh L.Chowgule, Promoter-Executive Director to review and approve transfer of shares, issue of duplicate share certificates and transmission of shares received from the heirs of deceased shareholders. Shri Vijay V. Chowgule was resigned from the Board with effect from 11.7.2013, and in view of the same Shri Umaji V. Chowgule was appointed as Member of Share Transfer Committee at Board Meeting of the Company held on 25.10.2013. The Committee shall meet regularly from time to time for the above purpose, to ensure a prompt return of securities to the shareholders.

The Share Transfer Committee met 7 (seven) times during the year under review on 18.5.2013, 23.8.2013, 19.9.2013, 23.10.2013, 3.12.2013, 11.1.2014, 23.1.2014. The attendance of the members is shown in the table below: Neither any share transfers nor any requests for demat was pending as on 31<sup>st</sup> March, 2014.

Sr. No.	Name of Directors	No. of meetings attended
1.	Shri Ashok V. Chowgule	7
2	Shri Vijay V. Chowgule (upto 11.7.2013)	0
3.	Shri Umaji V. Chowgule	0
4.	Shri Santosh L.Chowgule	7

### 6. Shareholders/Investors' Grievances Committee:

As required under Clause 49 of the Listing Agreement, the Board has a duly constituted Shareholders / Investors Grievance Committee consisting of (1) Ms.Arati Saran, Chairman of the Committee and Non- Executive Independent Director; (2) Shri Harish Jagtiani, Non-Executive Independent Director, (3) Shri H.C.Asher, Non Executive Independent Director and (4) Shri Santosh L.Chowgule, Executive Promoter Director. The Shareholders / Investors Grievance Committee was constituted to specifically look into the redressal of Investors' complaints relating to the transfer of shares, non-receipt of Annual Reports and non receipt of dividends declared by the Company etc. During the year ended 31<sup>st</sup> March, 2014, the Company had received one complaint / grievance from its Shareholders which has been duly resolved. Thus, no complaints are pending as on 31<sup>st</sup> March, 2014.

During the year, the Company has received and resolved one complaint / query from shareholders. There were no shares pending for transfer from the shareholders as at 31<sup>st</sup> March, 2014. This Committee met on four occasions during the financial year and the attendance details of the committee members are as under:

Sr. No.	Name of the Members	Number of Meetings attended
1	Shri H.C.Asher	4
2	Shri Harish Jagtiani	3
3	Ms. Arati Saran	4
4	Shri Santosh L.Chowgule	4

### 7. Secretary to Audit Committee and Compliance Officer.

The Company is not required to appoint whole time Company Secretary as required under Section 383A of the Companies Act, 1956. Thus there was no Company Secretary to act as Secretary to the Audit Committee as required by clause 49 of the Listing Agreement. Shri P.Prabhudev, Dy.General Manager (F&A) acted as Secretary to the Audit Committee in place of the Company Secretary and Shri M.Radhakrishna, Sr.Officer (Admn. & Sectt.) was appointed as Compliance Officer, his email id is radhakrishna@keltechenergies.com



**8. General Body Meetings:**

**8.1 Annual General Meeting (AGM)**

The Company convenes AGM generally within four months of the close of the financial year. The details of Annual General Meetings held in last 3 years are as follows:

Day	Date	Time	Venue	Whether Special Resolution Passed
Monday	08-07-2013	02.00 PM	Beaumont Hall, Le Meridien, No.28, Sankey Road, Bangalore-560052.	Yes. Resolution under Sec.293(1) (d) of the Companies Act, 1956 to enhance Borrowing power of the Company from ₹ 50 crores to ₹ 100 crores.
Friday	20-07-2012	03.00 PM	Beaumont Hall, Le Meridien, No.28, Sankey Road, Bangalore-560052.	No.
Friday	22-07-2011	03.00 PM	Beaumont Hall, Le Meridien, No.28, Sankey Road, Bangalore-560052.	No.

**8.2 Extra Ordinary General Meeting:**

In addition to AGM, the Company holds General Meetings of the shareholders as and when need arises. There was no such meeting held during the year.

**8.3 Postal Ballot:**

No special resolution requiring approval by postal ballot was either proposed last year or is being proposed for at the ensuing AGM

**9. Disclosures:**

- 9.1 There were no instances of non-compliance on any other matter related to the capital market, during the last three years.
- 9.2 There are no material significant related party transactions, which may have potential conflict with the interest of the Company.
- 9.3 The Company has complied with all the mandatory requirements prescribed under Clause 49 of the Listing Agreement except for composition of board till 11<sup>th</sup> July 2013 as explained in para 2.1 above. Out of the non-mandatory requirements, the Company has constituted remuneration committee to consider, review and approve the remuneration of Managing Director. However, the Company has not yet adopted the other non-mandatory requirements.
- 9.4 There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges or any Statutory Authority does not arise.
- 9.5 During the year the Company has laid procedures to inform Board members about risk assessment and minimization. These procedures will be periodically reviewed to ensure control of risk through a properly defined framework.

**10. Means of Communication:**

The quarterly, half yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are widely published in the Sanje Vani and Financial Express. These results are simultaneously posted on the website of the Company at [www.keltechenergies.com](http://www.keltechenergies.com).

## 11. General Shareholders' Information

11.1 Registered Office: Keltech Energies Ltd.  
7th Floor, 'Embassy Icon'.  
No.3, Infantry Road,  
Bangalore-560001, Karnataka.  
Phone : 080-22251451/22257900.  
Fax : 080-22253857.  
E.Mail : info@keltechenergies.com  
Website: www.keltechenergies.com

11.2 Address for Correspondence: As above.

11.3 Plant Locations:

1. Vishwasnagar-Karnataka.
2. Donimalai-Karnataka.
3. Waidhan-Madhya Pradesh.
4. Anuppur-Madhya Pradesh.
5. Chandrapur-Maharashtra.
6. Garamsur-Maharashtra.
7. Manuguru - Telangana.
8. Godavarikhani, Telangana.
9. Korba-Chattishgarh.
10. Bachel-Chattishgarh.

11.4 Share Transfer Agents:

M/s.Canbank Computer Services Ltd.,  
R & T Center, No.218, JP Royale,  
1st Floor, 2nd Main, Sampige Road,  
Malleswaram, Bangalore-560003.  
Contact Persons :S/Shri Ravi and S.Naidu.  
Ph.080-23469661/62.  
Fax.080-23469667/68.  
E.Mail : ravi@ccsl.co.in; naidu@ccsl.co.in

11.5 Annual General Meeting:

Day & Date: Friday, 25<sup>th</sup> July, 2014.

Time: 2.30 PM.

Venue: Dominion Hall, Le Meridian, No. 28, Sankey Road, Bangalore - 560 052.

11.6 Book Closure: 19<sup>th</sup> July, 2014 to 25<sup>th</sup> July, 2014 (inclusive of both days)

11.7 Listing of Shares & Other Securities:

(a) Equity Shares

At present equity share are listed at the following Stock Exchanges

Name of the Stock Exchanges

Stock Code / Symbol

(i) Bombay Stock Exchange Ltd.

506528 58888 : BSE

(ii) Bangalore Stock Exchange Ltd.

506528 : BSE

- (b) Debentures : NIL.
- (c) GDRs - NIL.
- (d) ISIN Code for the Company's equity share : INE881E01017.
- (e) Corporate Identity Number (CIN) : L30007KA1977PLC031660.

**11.8 Listing Fees:**

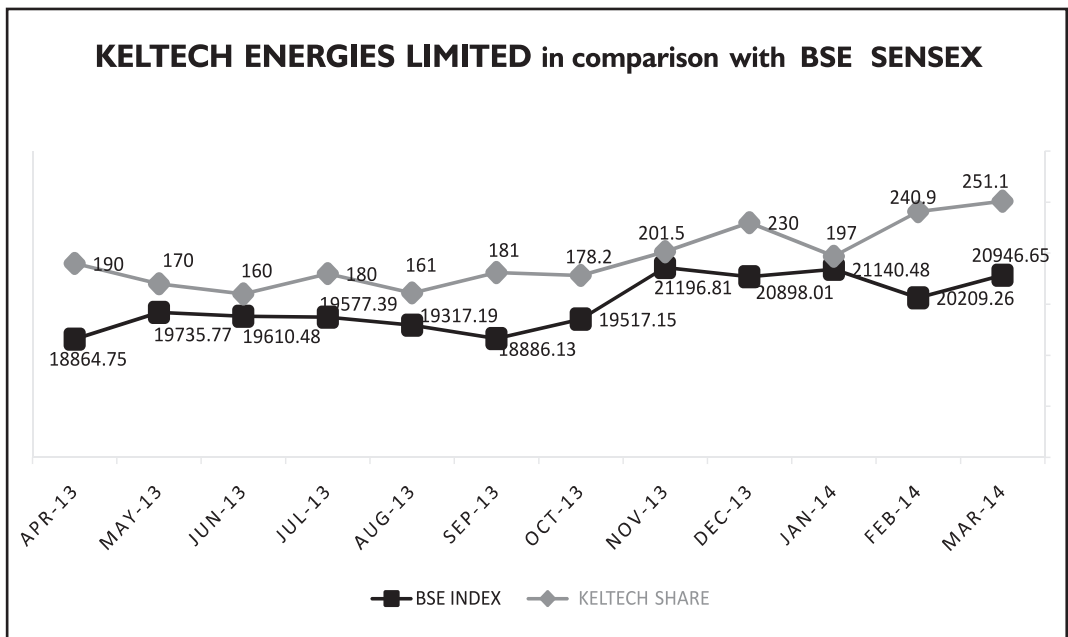
The Company has paid listing fee up to 31.3.2014 to Bombay Stock Exchange Ltd. and Bangalore Stock Exchange Ltd., where the Company's shares are listed.

**11.9 Market Price Data:**

The High / low market prices of the shares during the year at The Bangalore Stock Exchange Ltd. and Bombay Stock Exchange Ltd. were as under:

Month	The Bombay & Bangalore Stock Exchange Ltd. High / Low (₹)	
April	204.70	170.00
May	196.50	158.00
June	162.25	150.10
July	190.00	147.00
August	180.00	157.00
September	181.00	167.00
October	189.00	167.30
November	208.45	180.00
December	247.85	197.00
January	230.00	176.30
February	261.90	202.50
March	271.00	230.15

**11.10 Performance in comparison to broad based indices:**



# KELTECH ENERGIES LIMITED

## 11.11 Distribution of Shareholding:

The shareholding distribution of equity shares as on 31<sup>st</sup> March, 2014 is given below:

Shareholding of Nominal Value of		Shareholders in Number	No. of shares	% to Total
₹	₹			
Upto 5000		2746	268843	26.88
5001	10000	71	55145	5.51
10001	20000	25	37836	3.78
20001	30000	6	15316	1.53
30001	40000	4	12189	1.28
40001	50000	0	0	0.00
50001	100000	1	8391	0.84
100001	And above	5	601650	60.18
Total		2858	1000000	100.00

## 11.12 The Shareholding pattern of different categories of the shareholders as on 31<sup>st</sup> March, 2014 is furnished below:

Category	No. of shares	% Shareholding
Promoters/persons acting in concert	531022	53.102
Banks, Financial Institution, Insurance Companies etc.	1400	0.14
Private Corporate Bodies	95479	9.548
NRIs / OCBs	4066	0.407
Mutual Funds & UTI	-	-
Indian Public	368033	36.803
Total	1000000	100.00

## 11.13 Dematerialisation of Shares

The Company has issued 10,00,000 equity shares after its incorporation. As on 31.3.2014, 8,47,319 shares i.e. 84.73% 1560 Shareholders were held in dematerialised form with National Securities Depository Ltd. and Central Depository Securities Ltd. and 1,52,681 shares i.e. 15.27% 1298 shareholders were held in physical form. The Company is exploring possibilities of 100% demat of its shares.

## 11.14 Reconciliation of Share Capital Audit

The Reconciliation of Share Capital Audit report has been conducted by a qualified Practicing Company Secretary viz. Shri Swaroop S., ACS-27907, C.P.No.9997, whose office situated at 'Venkatesh Nivas', No.451, 12th Cross, West of Chord Road, II Stage, Bangalore-560086, who conducts an audit on a quarterly basis and issues the same for onward submission to Stock Exchanges as per SEBI Guidelines. Accordingly, the Company submits the same to Bangalore and Bombay Stock Exchanges within the prescribed time.

## 11.15 Share Transfer System

The Company has nominated an agency viz. M/s. Canbank Computer Services Ltd., a Subsidiary of Canara Bank, Registrars and Share Transfer Agents, whose office is situated at R & T Center, No.218, J.P.Royale, 1st Floor, 2nd Main, Sampige Road, Malleshwaram, Bangalore-560003, Karnataka, who are Category-I RTA, well equipped with sufficient infrastructures for the purpose of Share Transfers, Transmission, Consolidations, sub-divisions and rematerialisation etc.

**11.16 Financial Calendar 2014:**

First quarterly results	:	July, 2014
Second quarterly / half yearly results	:	October, 2014
Third quarterly results	:	January, 2015
Annual results for the year ending 31.3.2015	:	May, 2015
Annual General Meeting for the year ending 31.3.2015	:	July, 2015

The Company adopts financial Calendar year as 1<sup>st</sup> April to 31<sup>st</sup> March of every calendar year.

**11.17 Dividend History of last 5 years is as under:**

Financial Year	Dividend	Final Dividend Rate	Total Dividend Rate	Dividend Amount
2012-13	Declared at AGM	25%	25%	25,00,000/-
2011-12	-do-	25%	25%	25,00,000/-
2010-11	-do-	25%	25%	25,00,000/-
2009-10	-do-	25%	25%	25,00,000/-
2008-09	-do-	25%	25%	25,00,000/-

**12. Management Responsibility Statement:**

The Management confirms that the financial statements are in full conformity with requirements of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) in India. The Management accepts responsibility for the integrity and objectivity of these financial statements as well as for estimates and judgments relating to matters not concluded by the period end. The management believes that the financial statements of operation reflect fairly the form and substance of transactions and reasonably present the Company's financial condition and the results of operations. The Company has a system of internal control, which is reviewed, evaluated and updated on an ongoing basis. The Internal Auditors have conducted periodic audits to provide reasonable assurance that the Company's established policy and procedures have been followed.

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**Declaration regarding compliance by Board members and Senior Management Staff  
With the Company's Code of Conduct.**

This is to confirm that the Company has adopted a Code of Conduct for its Board of Directors and Senior Management Staff of the Company. The Code of Conduct is available on the Company's website.

We confirm that the Company has in respect of the Financial Year ended 31<sup>st</sup> March, 2014, received from the Senior Management Staff of the Company and the Members of the Board a declaration of compliance with the Code of Conduct applicable to them.

For the purpose of this declaration, Senior Management Staff means the staff one level below the Director as on 31<sup>st</sup> March, 2014.

Santosh L.Chowgule  
Managing Director

V.N.Pangal  
Director (Operations)

Place : Mumbai  
Date : 23<sup>rd</sup> May, 2014

# KELTECH ENERGIES LIMITED

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## Auditors' Certificate on Corporate Governance

To The Members of  
Keltech Energies Limited

We have examined the compliance of conditions of Corporate Governance by Keltech Energies Limited, for the year ended on March 31, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, subject to the following:

I. Till 11<sup>th</sup> July, 2013, the number of independent directors was less than one-half of the Board of the Company.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **HARIBHAKTI & CO.**  
*Chartered Accountants*  
Firm Registration No. 103523W

**CHETAN DESAI**  
Partner  
Membership No. 17000

Place : Mumbai  
Date : 23<sup>rd</sup> May, 2014

**INDEPENDENT AUDITORS' REPORT****To the Members of Keltech Energies Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of Keltech Energies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:

## KELTECH ENERGIES LIMITED

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- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **HARIBHAKTI & CO.**  
*Chartered Accountants*  
Firm Registration No. 103523W

**CHETAN DESAI**  
Partner  
Membership No. 17000

Place : Mumbai  
Date : 23<sup>rd</sup> May, 2014



**ANNEXURE TO AUDITORS' REPORT**

Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Keltech Energies Limited on the financial statements for the year ended 31<sup>st</sup> March, 2014

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have not been physically verified by the Management during the year, but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii)(b),(c) and (d) of the order are not applicable.
- (b) During the year the Company has taken loans amounting to ₹ 565 lacs from a Company listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year-end balance of loans taken from such Company was ₹ 915 lacs.
- (c) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (d) In respect of the aforesaid loans, the company is regular in repaying the principal amount as stipulated and has been regular in payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

## KELTECH ENERGIES LIMITED

- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it and there is no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date it became payable.
- (b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of dispute are as follows:

Name of the statute	Nature of dues	Amount (₹ In Lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	7.16	2005-06 to 2009-10	Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Bangalore
Income Tax Act, 1961	Income Tax	158.96	2009-10 & 2010-11	CIT -Appeals
Central Sales Tax Act, 1956	Central Sales Tax	536.06	2009-10	Appeal yet to be filed before Deputy Commissioner of Sales Tax - Appeals, Nagpur

- (x) The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.

- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds amounting to ₹ 362.61 lacs raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act.
- (xix) The Company did not have any debentures outstanding during the year.
- (xx) The Company has not raised money by public issue during the year.
- (xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the Management.

For **HARIBHAKTI & CO.**  
*Chartered Accountants*  
Firm Registration No.103523W

**CHETAN DESAI**  
Partner  
Membership No. 17000

Place : Mumbai  
Date : 23<sup>rd</sup> May, 2014

# KELTECH ENERGIES LIMITED

Balance Sheet as at 31<sup>st</sup> March, 2014

(₹ Lacs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>I Shareholders' funds</b>			
Share capital	2	99.99	99.99
Reserves and surplus	3	3,297.28	2,731.69
		<b>3,397.27</b>	<b>2,831.68</b>
<b>2 Non-current liabilities</b>			
Long-term borrowings	4	1,263.87	850.96
Deferred tax liabilities (Net)	5	311.47	200.93
Long-term provisions	6	171.82	175.37
		<b>1,747.16</b>	<b>1,227.26</b>
<b>3 Current liabilities</b>			
Short-term borrowings	7	346.59	436.44
Trade payables	8	3,148.99	2,550.94
Other current liabilities	9	1,101.90	1,017.86
Short-term provisions	10	228.87	157.04
		<b>4,826.35</b>	<b>4,162.28</b>
<b>Total</b>		<b>9,970.78</b>	<b>8,221.22</b>
<b>II. ASSETS</b>			
<b>I Non-current assets</b>			
Fixed assets			
Tangible assets	11	4,881.73	2,474.92
Intangible assets	11(a)	-	0.55
Capital work-in-progress	11(b)	21.22	920.08
Non-current investments	12	0.10	0.10
Long-term loans and advances	13	470.47	529.77
		<b>5,373.52</b>	<b>3,925.42</b>
<b>2 Current assets</b>			
Inventories	14	1,380.28	951.51
Trade receivables	15	2,514.08	2,301.13
Cash and Bank Balances	16	351.62	786.88
Short-term loans and advances	17	345.37	194.81
Other current assets	18	5.91	61.47
		<b>4,597.26</b>	<b>4,295.80</b>
<b>Total</b>		<b>9,970.78</b>	<b>8,221.22</b>
Significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our attached Report of even date

For **Haribhakti & Co.**

Chartered Accountants

FRN 103523W

For and on behalf of the Board

**ASHOK V. CHOWGULE**

Chairman

**S.L. CHOWGULE**

Managing Director

**CHETAN DESAI**

Partner

Membership No. 17000

**P.PRABHUDEV**

Dy.Gen Manager (F & A)

Place: Mumbai

Date : 23<sup>rd</sup> May, 2014

# ANNUAL REPORT 2013-2014

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2014

(₹ Lacs)

Particulars	Note No.	For the year ending 31 <sup>st</sup> March, 2014	For the year ending 31 <sup>st</sup> March, 2013
<b>I.</b> Revenue from operations (Gross)	19	16,980.98	17,040.68
Less: Excise Duty		1,527.84	1,458.15
Revenue from operations (Net)		15,453.14	15,582.53
<b>II.</b> Other income	20	25.96	27.40
<b>III. Total Revenue (I + II)</b>		<b>15,479.10</b>	<b>15,609.93</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	21	9,815.48	9,519.17
Purchases of Stock-in-Trade	22	666.52	426.10
Changes in inventories of finished goods and Stock-in-Trade	23	(110.19)	(28.05)
Employee benefits expense	24	889.57	775.14
Other Expenses	25	2,948.26	3,924.21
Finance costs	26	205.53	192.86
Depreciation and amortization expense		172.43	137.14
<b>Total expenses</b>		<b>14,587.60</b>	<b>14,946.57</b>
<b>V. Profit before tax (III-IV)</b>		<b>891.50</b>	<b>663.36</b>
<b>VI. Tax expense:</b>			
Current tax [Including prior period tax provision of ₹ 0.12 lacs (P.Y. ₹ Nil)]		186.12	197.50
Deferred tax		110.54	35.18
		<b>296.66</b>	<b>232.68</b>
<b>VII. Profit (Loss) for the year (V-VI)</b>		<b>594.84</b>	<b>430.68</b>
<b>VIII. Earnings per equity share:</b>			
(1) Basic		59.48	43.07
(2) Diluted		59.48	43.07

The accompanying notes are an integral part of the financial statements.

As per our attached Report of even date

**For Haribhakti & Co**

Chartered Accountants

FRN 103523W

**CHETAN DESAI**

Partner

Membership No.17000

Place: Mumbai

Date : 23<sup>rd</sup> May, 2014

For and on behalf of the Board

**ASHOK V. CHOWGULE**

Chairman

**S.L.CHOWGULE**

Managing Director

**P.PRABHUDEV**

Dy.Gen Manager (F & A)

# KELTECH ENERGIES LIMITED

## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2014

(₹ Lacs)

		Current Year	Previous Year
<b>A Cash Flow from Operating Activities</b>			
Net Profit/(Loss) before tax	A	891.50	663.36
Adjustment for :			
Depreciation		172.43	137.14
Loss (Profit) on Sale of Assets		(6.44)	3.55
Interest Paid		144.89	128.86
Other Borrowing Costs		60.64	64.00
Interest Received		(19.21)	(27.40)
Bad debts		6.68	2.91
	B	358.99	309.06
Operating Profit before Working Capital Changes (A+B)	C	1,250.49	972.42
Movements in working capital:			
Inventories		(428.77)	183.42
Trade Receivables		(219.62)	(206.08)
Long Term Loans & Advances		59.31	(108.37)
Short Term Loans & Advances		(150.56)	71.16
Other Current Assets		55.56	46.43
Long-term provisions		(3.55)	(13.58)
Trade payables		598.05	130.05
Other current liabilities		175.35	(43.80)
Short-term provisions		102.58	17.61
(Increase)/Decrease in net current assets	D	188.34	76.84
Direct Taxes Paid	E	(216.87)	(257.45)
<b>Net Cash from Operating Activities (C+D+E)</b>	F	<b>1,221.96</b>	<b>791.82</b>
<b>B Cash Flow from Investing Activities :</b>			
Purchase of Fixed Assets including Intangible Assets & CWIP		(1,685.12)	(1,254.02)
(Increase)/Decrease in FD (Having maturity of more than 3 months)		27.68	(26.84)
Interest Received		19.21	27.40
Proceeds from Sale of Fixed Assets		11.73	7.43
Net Cash used in Investing Activities	G	(1,626.50)	(1,246.03)

**Cash Flow Statement for the year ended 31<sup>st</sup> March, 2014 (Contd...)**

(₹ Lacs)

		<b>Current Year</b>	<b>Previous Year</b>
<b>C Cash Flow from Financing Activities</b>			
Proceeds (Repayment) of Long Term Borrowings (Net) including current maturities		319.69	557.94
Proceeds (Repayment) of Short Term Borrowings (Net)		(89.85)	284.68
Interest Paid		(142.81)	(126.52)
Other Borrowing Costs Paid		(60.64)	(64.00)
Dividend Paid (including Dividend tax)		(29.42)	(24.46)
<b>Net Cash used in Financing Activities</b>	<b>H</b>	<b>(3.03)</b>	<b>627.64</b>
<b>Net Increase in cash Equivalents (F+G+H)</b>		<b>(407.58)</b>	<b>173.42</b>
<b>Opening Cash &amp; Cash Equivalents</b>		<b>733.95</b>	<b>560.53</b>
<b>Closing Cash &amp; Cash Equivalents</b>		<b>326.37</b>	<b>733.95</b>
<b>Components of Cash and Cash Equivalents</b>			
Balance with Banks:			
On Current Accounts		184.41	196.27
On Flexi Fixed deposit account		21.40	26.83
Unpaid dividend accounts *		7.90	8.08
Bank deposits with original maturity of less than 3 months		100.00	491.20
Cheques, drafts on hand		6.30	6.35
Cash on hand		6.36	5.22
		<b>326.37</b>	<b>733.95</b>

\* The Company can utilise this balance only towards settlement of the respective unpaid dividend.

As per our attached Report of even date

For and on behalf of the Board

For **Haribhakti & Co.**

*Chartered Accountants*

FRN 103523W

**ASHOK V. CHOWGULE**

*Chairman*

**S.L. CHOWGULE**

*Managing Director*

**CHETAN DESAI**

*Partner*

Membership No. 17000

**P. PRABHUDEV**

*Dy. Gen Manager (F & A)*

Place : Mumbai

Date : 23<sup>rd</sup> May, 2014

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2014

### I Significant Accounting Policies :

#### i) Basis of Preparation:-

The Financial Statements have been prepared to comply with all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes, if any, in accounting policy discussed below, are consistent with those used in the previous year.

#### ii) Use of Estimates:-

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### iii) Revenue Recognition:-

Revenue is generally recognised on accrual basis. Revenue from Site Contracts is accounted for on the basis of reaching relevant milestones.

#### iv) Fixed Assets and Depreciation:-

- a) Fixed Assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready for use.
- b) Depreciation on Fixed Assets, except leasehold land and Furniture & Fixtures of leased premises has been provided for on straight line method as prescribed by Schedule XIV of the Companies Act, 1956. For additions and deletions made during the year, depreciation is provided on pro-rata basis.
- c) 100% depreciation is provided for on all assets each costing ₹ 5000/- or less.
- d) Value of lease hold land is amortized over the lease period.
- e) Furniture & Fixtures of leased premises are depreciated over the period of lease or Schedule XIV rates of the Companies Act, 1956, whichever are higher.
- f) Impairment of Assets:- The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is charged to profit and loss account. If at the Balance Sheet date, there is any evaluation that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

#### v) Capital Work-in-Progress:-

These are stated at cost to date relating to items or project in progress, incurred during construction / pre-operative period.

#### vi) Leases:-

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.



**Notes to financial statements for the year ended 31<sup>st</sup> March, 2014**

## vii) Investments:-

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

## viii) Inventory:-

Raw materials, Stock-in-transit, Packing materials, Stores and spares have been valued at cost, arrived on weighted average method. Traded goods and Finished goods have been valued at lower of cost and net realisable value. Cost of finished goods includes direct material, excise duty, freight & forwarding and apportionment of manufacturing overheads based on normal operating capacity, and is determined on a weighted average basis.

## ix) Borrowing Costs:-

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## x) Foreign Exchange Transactions:-

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the date of transaction. Gains and Losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss. In case of forward contracts (non speculative), the exchange difference are dealt with in the statement of profit and loss over the period of contracts.

## xi) Retirement and other Employee Benefits:-

- a) Retirement benefits in the form of Provident Fund and Superannuation Fund is a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- b) Gratuity and Leave Encashment liability is defined benefit obligations and are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- c) Actuarial gains / losses are immediately taken to Statement of Profit and Loss and are not deferred.

## xii) Income Tax :-

Tax expense comprises of current and deferred tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred Income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax assets and liabilities are determined based on the difference between the financial statements and tax bases of assets and liabilities, as measured by the enacted / substantively enacted tax rates. Deferred tax Expense / Income is the result of changes in the net deferred tax assets and liabilities.

# KELTECH ENERGIES LIMITED

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## Notes to financial statements for the year ended 31<sup>st</sup> March, 2014

Deferred tax assets are recognised only if there is a virtual certainty backed by convincing evidence of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and are appropriately adjusted to reflect the amount that is reasonably or virtually certain to be realised.

### xiii) Segment Reporting:-

- a) The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.
- b) Common allocable costs are allocated to each segment in proportion of respective segment to total revenue of the company.
- c) The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### xiv) Earning per Share:-

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### xv) Provisions:-

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### xvi) Contingent Liabilities:-

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability, but discloses its existence in the financial statements.

### xvii) Cash and Cash Equivalents:-

Cash and Cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**Notes to financial statements for the year ended 31<sup>st</sup> March, 2014**

2	Share Capital	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
		Number	(₹ Lacs)	Number	(₹ Lacs)
	(i) <u>Authorised</u>				
	Equity shares of ₹ 10 each	1,000,000	100.00	1,000,000	100.00
	Unclassified Shares of ₹ 10 each	1,000,000	100.00	1,000,000	100.00
		2,000,000	200.00	2,000,000	200.00
	(ii) <u>Issued</u>				
	Equity Shares of ₹ 10 each	1,000,000	100.00	1,000,000	100.00
	(iii) <u>Subscribed and Paid up</u>				
	Equity Shares of ₹ 10 each fully paid	999,900	99.99	999,900	99.99
	(iv) <u>Subscribed but not fully Paid up</u>				
	Equity Shares of ₹ 10 each, not fully paid up (₹ 250 received on application)	100	0.00	100	0.00
	<b>Total subscribed and paid up Share Capital</b>	1,000,000	99.99	1,000,000	99.99

(v) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 <sup>st</sup> March, 2014 (Equity Shares)		As at 31 <sup>st</sup> March, 2013 (Equity Shares)	
	Number	(₹ Lacs)	Number	(₹ Lacs)
Shares outstanding at the beginning of the year	1,000,000	99.99	1,000,000	99.99
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,000,000	99.99	1,000,000	99.99

(vi) **Details of shareholders holding more than 5% shares in the Company**

Name of Shareholder	As at 31 <sup>st</sup> March, 2014		As at 31 <sup>st</sup> March, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Chowgule & Co., Pvt Ltd	409,940	40.99	409,930	40.99
Dolphin Investment Ltd	93,601	9.36	93,601	9.36
Solar Industries India Ltd	70,658	7.07	64,930	6.49

As per records of the Company, including its register of shareholders/members, the above shareholding represents legal ownership of shares.

(vii) **Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

# KELTECH ENERGIES LIMITED

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2014

3	Reserves & Surplus	As at	As at
		31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
		(₹ Lacs)	(₹ Lacs)
(i)	<b>Capital Reserves</b>		
	Opening Balance (Refer iv)	31.20	31.20
	(+) Current Year Transfer	-	-
	(-) Written Back in Current Year	-	-
	Closing Balance	31.20	31.20
(ii)	<b>General Reserve</b>		
	Opening Balance	2,124.80	1,824.80
	(+) Current Year Transfer	500.00	300.00
	(-) Written Back in Current Year	-	-
	Closing Balance	2,624.80	2,124.80
(iii)	<b>Surplus in the statement of profit and loss</b>		
	Opening balance	575.69	474.26
	(+) Net Profit/(Net Loss) For the current year	594.84	430.68
	(+) Transfer from Reserves	-	-
	(-) Proposed Dividends	25.00	25.00
	(-) Tax on Dividends	4.25	4.25
	(-) Interim Dividends	-	-
	(-) Transfer to Reserves	500.00	300.00
	Closing Balance	641.28	575.69
	<b>Total</b>	<b>3,297.28</b>	<b>2,731.69</b>

- (iv) Opening balance of capital reserves represents the subsidy received from the Government of Karnataka- ₹ 3.69 Lacs & Government of Maharashtra - ₹ 27.51 Lacs under the Investment subsidy scheme for setting up a new industrial unit in Karnataka and Maharashtra respectively.

4	Long Term Borrowings	As at	As at
		31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
		(₹ Lacs)	(₹ Lacs)
<b>A</b>	<b>Secured Borrowings</b>		
	<b>Term loans from banks</b>		
	a. Towards purchase of Assets (Carrying interest ranging from 10.70% to 13.95% (P.Y. 9.50% to 14.75%) and repayable in 36 monthly installments from the date of the loan )	71.20	53.42
	b. Towards D-fuse project (Carrying interest ranging from 14.00% to 14.75% (P.Y. 14.50% to 15.25%) and repayable in 20 quarterly installments)	38.30	94.86
	c. Towards Emulsion project (Carrying interest of 14.20% (P.Y. 14.50%) and repayable in 36 monthly installments from the date of the loan)	132.60	191.66
	<b>Total of Secured Borrowings (A)</b>	<b>242.10</b>	<b>339.94</b>
	(All the above Loans from the banks are secured by mortgage of assets and hypothecation of vehicles) [Out of the total secured borrowings of ₹ 508.46 Lacs (P.Y. ₹ 704.01 Lacs), loans of ₹ 266.36 Lacs (P.Y. ₹ 364.07 Lacs) having current maturities, have been disclosed in Note 9]		

**Notes to financial statements for the year ended 31<sup>st</sup> March, 2014**

4	Long Term Borrowings	As at	As at
		31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
		(₹ Lacs)	(₹ Lacs)
<b>B</b>	<b>Unsecured Borrowings</b>		
	<b>a) Deferred payment liabilities</b>		
	(i) Sales tax deferment loans (Deferred sales tax loan is interest free and payable in 8 years starting from April 2010)	70.11	113.36
	(ii) Sales tax deferment loans (Deferred sales tax loan is interest free and payable in 7 years starting from April 2012)	36.66	47.66
	<b>b</b> Loans and Advances from Related Parties Chowgule & Co Pvt Ltd (Bearing 11% interest, repayable in 5 years from January 2016 to January 2020)	915.00	350.00
	<b>Total of Unsecured Borrowings (B)</b>	<b>1,021.77</b>	<b>511.02</b>
	[Out of the total unsecured borrowings of ₹ 1076.02 Lacs (P.Y. ₹ 560.78 Lacs), loans of ₹ 54.25 Lacs (P.Y. ₹ 49.76 Lacs) having current maturities, have been disclosed in Note 9]		
	<b>Total (A+B)</b>	<b>1,263.87</b>	<b>850.96</b>
5	Deferred Tax Liability	As at	As at
		31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
		(₹ Lacs)	(₹ Lacs)
	<b>(i) Deferred Tax Liability</b>		
	Opening Balance	277.50	241.81
	Difference between tax depreciation & book depreciation	108.80	35.69
		<b>386.30</b>	<b>277.50</b>
	<b>(ii) Deferred Tax Asset</b>		
	Opening Balance	76.57	76.06
	Expenses allowable u/s43B on payment basis	(1.74)	0.51
		74.83	76.57
	<b>Net Deferred Tax Liabilities (i-ii)</b>	<b>311.47</b>	<b>200.93</b>
6	Long Term Provisions	As at	As at
		31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
		(₹ Lacs)	(₹ Lacs)
	<b>(i) Provision for employee benefits</b>		
	Gratuity (Partly funded)	91.82	100.81
	Leave Encashment (unfunded)	80.00	74.56
	<b>Total</b>	<b>171.82</b>	<b>175.37</b>
7	Short Term Borrowings	As at	As at
		31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
		(₹ Lacs)	(₹ Lacs)
	<b>Secured Borrowings</b>		
	<b>Loans repayable on demand from banks</b>		
	Cash Credit facility (Secured by first charge by hypothecation of book debts (as prime security), stocks of raw materials, semifinished goods, consumable stores and by first charge on the fixed assets)	346.59	436.44
	<b>Total</b>	<b>346.59</b>	<b>436.44</b>

# KELTECH ENERGIES LIMITED

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2014

8	Trade Payables	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
		(₹ Lacs)	(₹ Lacs)
	Trade Payables (Goods)	3,041.58	2,449.27
	Trade Payables (Expenses)	107.41	101.67
	<b>Total</b>	<b>3,148.99</b>	<b>2,550.94</b>

9	Other Current Liabilities	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
		(₹ Lacs)	(₹ Lacs)
	Current maturities of long-term debt - Secured Borrowings (Note 4)	266.36	364.07
	Current maturities of long-term debt- Unsecured Borrowings (Note 4)	54.25	49.76
	Interest accrued but not due on borrowings	2.08	2.34
	Income received in advance	40.16	46.16
	Trade payables - Capital Goods	123.00	27.75
	Other liabilities- Statutory Dues	110.29	68.67
	Outstanding liabilities	497.86	451.03
	Unclaimed Dividend	7.90	8.08
	<b>Total</b>	<b>1,101.90</b>	<b>1,017.86</b>

10	Short Term Provisions	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013
		(₹ Lacs)	(₹ Lacs)
	(i) <b>Provision for employee benefits</b>		
	Gratuity (Partly- Funded)	32.45	32.17
	Leave Encashment (Un-funded)	25.55	28.46
	Provision for Bonus/Ex-gratia	23.63	23.02
	Salaries & Wages	91.92	-
		<b>173.55</b>	<b>83.65</b>
	(ii) <b>Other provisions</b>		
	Provision for taxation [Net of Advance tax of ₹ 577.43 lacs (P.Y. ₹ 744.86 lacs)]	26.07	44.14
	Proposed Dividend	25.00	25.00
	Tax on Dividend	4.25	4.25
		<b>55.32</b>	<b>73.39</b>
	<b>Total</b>	<b>228.87</b>	<b>157.04</b>

Notes to financial statements for the year ended 31<sup>st</sup> March, 2014

## II Tangible Assets

(₹ Lacs)

Particulars	C O S T			D E P R E C I A T I O N				N E T B L O C K		
	Cost as on 01.04.2013	Additions during the year	Deductions during the year	Cost as on 31.03.2014	Depreciation as on 01.04.2013	Depreciation for the year	Deductions during the year	Depreciation Upto 31.03.2014	Net Block as on 31.03.2014	Net Block as on 31.03.2013
LAND										
a) Freehold	78.81	20.34	-	99.15	-	-	-	-	99.15	78.81
b) Leasehold	7.51	-	-	7.51	0.60	0.09 *	-	0.69	6.82	6.91
Buildings	977.19	1,101.51	-	2,078.70	162.09	28.77	-	190.86	1,887.84	815.10
Plant & Equipment										
a) Laboratory Equipment	19.87	3.83	-	23.70	7.21	0.92	-	8.13	15.57	12.66
b) Other Plant & Equipments	2,375.57	1,152.17	21.08	3,506.66	970.50	105.18	21.08	1,054.60	2,452.06	1,405.07
Office Equipments	130.72	32.66	20.58	142.80	63.27	11.25	20.14	54.38	88.42	67.45
Furniture & Fixtures	60.22	209.57	-	269.79	41.40	16.00	-	57.40	212.39	18.82
Vehicles	127.43	63.90	36.97	154.36	57.33	9.67	32.12	34.88	119.48	70.10
Total	3,777.32	2,583.98	78.63	6,282.67	1,302.40	171.88	73.34	1,400.94	4,881.73	2,474.92
Previous Year	3,365.19	439.64	27.51	3,777.32	1,186.88	132.06	16.54	1,302.40	2,474.92	
* Amortization										

## II(a) Intangible Assets

Particulars	C O S T			D E P R E C I A T I O N				N E T B L O C K		
	Cost as on 01.04.2013	Additions during the year	Deductions during the year	Cost as on 31.03.2014	Depreciation as on 01.04.2013	Depreciation for the year	Deductions during the year	Depreciation Upto 31.03.2014	Net Block as on 31.03.2014	Net Block as on 31.03.2013
Technical Knowhow	8.02	-	-	8.02	8.02	- *	-	8.02	-	-
Computer Software	13.11	-	-	13.11	12.56	0.55	-	13.11	-	0.55
Total	21.13	-	-	21.13	20.58	0.55	-	21.13	-	0.55
Previous Year	20.67	0.46	-	21.13	15.50	5.08	-	20.58	0.55	

## II(b) Capital Work-in-Progress

Particulars	As at 31 <sup>st</sup> March 2014	As at 31 <sup>st</sup> March 2013
	(₹ Lacs)	(₹ Lacs)
Opening Balance	920.08	106.16
Additions during the year	1,499.23	906.91
Less:- Capitalised during the year	2,398.09	92.99
Closing Balance	21.22	920.08

Capital Work-in-progress include ₹ Nil (P.Y. 24.26 lacs) on account of borrowing costs. The borrowing costs capitalised during the year was ₹ 11.03 lacs (P.Y. 24.26 lacs) and ₹ 135.29 lacs (P.Y. 4.60) were transferred from CWIP to Tangible Assets during the year.

# KELTECH ENERGIES LIMITED

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2014

12	Non Current Investments	As at	As at
		31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
		(₹ Lacs)	(₹ Lacs)
	<b>Non Trade Investments (Valued at cost unless stated otherwise)</b>		
	Investments in Government or Trust securities		
	In NSC	0.10	0.10
	<b>Total</b>	<b>0.10</b>	<b>0.10</b>

13	Long Term Loans and Advances	As at	As at
		31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
		(₹ Lacs)	(₹ Lacs)
	<b>Long Term Loans and Advances (Unsecured, Considered good unless stated otherwise)</b>		
	(i) Capital Advances	6.00	106.29
	(ii) Security Deposits	157.86	173.65
	(iii) Other loans and advances		
	Loans to Employees	1.41	0.66
	Prepaid Expenses	6.76	7.32
	VAT Receivable	298.44	241.85
	<b>Total</b>	<b>470.47</b>	<b>529.77</b>

14	Inventories	As at	As at
		31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
		(₹ Lacs)	(₹ Lacs)
	(i) Raw Materials and components [Valued at cost , arrived on weighted average method (WAM)] [including goods in transit ₹ 119.66 lacs (P.Y. ₹ 72.53 lacs)]	1,005.83	686.69
	(ii) Finished goods [Valued at Lower of cost and net realisable value (including goods in transit ₹ 55.36 lacs (P.Y. ₹ 20.09 lacs)]	245.69	145.80
	(iii) Stock-in-trade (Valued at lower of cost and net realisable value)	39.52	29.22
	(iv) Stores and spares (Valued at cost, arrived on WAM)	89.24	89.80
	<b>Total</b>	<b>1,380.28</b>	<b>951.51</b>

15	Trade Receivables	As at	As at
		31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
		(₹ Lacs)	(₹ Lacs)
	<b>Trade receivables (Unsecured considered good) (Refer Note 30)</b>		
	Outstanding for a period less than six months	2,295.35	2,146.72
	Outstanding for a period more than six months	218.73	154.41
	<b>Total</b>	<b>2,514.08</b>	<b>2,301.13</b>



**Notes to financial statements for the year ended 31<sup>st</sup> March, 2014**

16	Cash and bank balances	As at	As at
		31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
		(₹ Lacs)	(₹ Lacs)
	<b>(A) Cash and cash equivalents</b>		
	(i) Balance with Banks:		
	On Current Accounts	184.41	196.27
	On Flexi Fixed deposit account	21.40	26.83
	Unpaid dividend accounts	7.90	8.08
	Bank deposits with original maturity of less than 3 months	100.00	491.20
	(ii) Cheques, drafts on hand	6.30	6.35
	(iii) Cash on hand	6.36	5.22
		<b>326.37</b>	<b>733.95</b>
	<b>(B) Other bank balances</b>		
	(i) Bank deposits with Original maturity of more than 3 months but less than 12 months maturity	5.11	-
	(ii) Bank deposits with more than 12 months maturity	0.14	0.09
	(iii) Margin Money kept as deposits with more than 12 months maturity (against Letter of Credit)	20.00	52.84
		<b>25.25</b>	<b>52.93</b>
	<b>Total (A + B)</b>	<b>351.62</b>	<b>786.88</b>

17	Short-term loans and advances	As at	As at
		31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
		(₹ Lacs)	(₹ Lacs)
	<b>Other Short-term loans and advances</b>		
	(Unsecured, Considered good unless stated otherwise)		
	(i) Pre-Paid Expenses	43.40	28.87
	(ii) Advances to Suppliers	127.09	59.42
	(iii) Loans & Advances to Employees	9.80	24.67
	(iv) Deposit & Balances with Excise Authorities	165.08	81.85
	<b>Total</b>	<b>345.37</b>	<b>194.81</b>

18	Other Current Assets	As at	As at
		31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
		(₹ Lacs)	(₹ Lacs)
	<b>Other Current Assets</b>		
	(Unsecured, Considered good unless stated otherwise)		
	Billable Costs	5.81	58.06
	Interest Receivable	0.10	3.41
	<b>Total</b>	<b>5.91</b>	<b>61.47</b>

# KELTECH ENERGIES LIMITED

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2014

19	Revenue From Operations	For the year ended	For the year ended
		31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
		(₹ Lacs)	(₹ Lacs)
(i)	Sale of products		
	Manufactured Goods	15,622.46	14,272.86
	Traded Goods	755.07	496.48
		<b>16,377.53</b>	<b>14,769.34</b>
(ii)	Sale of services	553.45	2,182.15
(iii)	Other operating revenues	50.00	89.19
	<b>Revenue from operations (Gross)</b>	<b>16,980.98</b>	<b>17,040.68</b>
	Less:		
(iv)	Excise duty *	1,527.84	1,458.15
	<b>Revenue from operations (Net)</b>	<b>15,453.14</b>	<b>15,582.53</b>

\* Excise duty on sales amounting to ₹ 1527.84 lacs (P.Y. ₹ 1458.15 lacs) has been reduced from sales in statement of profit & loss and excise duty on closing stock amounting to ₹ 13.21 lacs (P.Y ₹ 6.60 lacs) has been considered in "Other Expenses" in note 25 of financial statements.

(v) Details of Sale of Manufactured Goods

Industrial Explosives	13,930.02	13,115.86
Detonating Fuse	515.74	511.42
Expanded Perlite	547.01	479.30
Perlite Concrete Blocks	412.92	-
Others	216.77	166.28
	<b>15,622.46</b>	<b>14,272.86</b>

(vi) Details of Sale of Traded Goods

Nonel Shock tubes, Electric Detonators etc.,	35.53	40.34
Perlite Ore, Peat Products	719.54	456.14
	<b>755.07</b>	<b>496.48</b>

(vii) Details of Sale of Services

Site Contract Incomes - Explosives	39.50	1,504.25
Site Contract Incomes - Perlite	513.95	677.90
	<b>553.45</b>	<b>2,182.15</b>

20	Other income	For the year ended	For the year ended
		31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
		(₹ Lacs)	(₹ Lacs)
(i)	Interest Income	19.21	27.40
(ii)	Net gain/(loss) on sale of Fixed Assets	6.75	-
	<b>Total</b>	<b>25.96</b>	<b>27.40</b>

**Notes to financial statements for the year ended 31<sup>st</sup> March, 2014**

21	Raw Materials and Packing Materials Consumed	For the year ended	For the year ended
		31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
		(₹ Lacs)	(₹ Lacs)
(i)	<b>Opening Stock</b>		
	Raw Materials	562.13	810.12
	Packing Materials	124.55	116.88
		<b>686.68</b>	<b>927.00</b>
(ii)	<b>Add: Purchases</b>		
	Raw Materials	9,377.26	8,592.24
	Packing Materials	757.37	686.61
		<b>10,134.63</b>	<b>9,278.85</b>
(iii)	<b>Less: Closing Stock</b>		
	Raw Materials	857.95	562.13
	Packing Materials	147.88	124.55
		<b>1,005.83</b>	<b>686.68</b>
(iv)	<b>Consumption</b>		
	Raw Materials	9,081.44	8,840.23
	Packing Materials	734.04	678.94
		<b>9,815.48</b>	<b>9,519.17</b>

(v) **Details of Raw Materials and Packing Materials Consumed**

	For the year ended	For the year ended
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
	(₹ Lacs)	(₹ Lacs)
Ammonium Nitrate	4,961.06	4,857.60
Mono Methyle Amine	790.71	614.85
Nitric Acid	567.74	438.37
Perlite Ore	153.52	136.75
Sodium Nitrate	244.34	271.35
Guar Gum	244.37	483.73
Calcium Nitrate Melt	415.60	403.12
Packing Materials	734.04	678.94
Others	1,704.10	1,634.46
	<b>9,815.48</b>	<b>9,519.17</b>

(vi) **Details of Inventory**

	For the year ended	For the year ended
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
	(₹ Lacs)	(₹ Lacs)
Ammonium Nitrate	340.12	141.00
Mono Methyle Amine	42.44	17.96
Nitric Acid	10.32	14.60
Perlite Ore	70.87	84.48
Sodium Nitrate	27.74	24.50
Guar Gum	20.91	34.01
Calcium Nitrate Melt	13.97	14.08
Packing Materials	147.88	124.55
Others	331.58	231.50
	<b>1,005.83</b>	<b>686.68</b>

# KELTECH ENERGIES LIMITED

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2014

22	Details of Purchase of stock in trade	For the year ended	For the year ended
		31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
		(₹ Lacs)	(₹ Lacs)
	Shock Tubes	13.78	30.18
	Perlite Ore	524.60	288.15
	Peat products	128.14	107.77
	<b>Total</b>	<b>666.52</b>	<b>426.10</b>

23	Changes in inventories of finished goods and Stock-in-Trade	For the year ended	For the year ended
		31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
		(₹ Lacs)	(₹ Lacs)
	<b>(i) Manufactured Finished Goods</b>		
	Opening Stock	145.80	135.40
	Less : Closing Stock	245.69	145.80
		<b>(99.89)</b>	<b>(10.40)</b>
	<b>(ii) Traded Finished Goods</b>		
	Opening Stock	29.22	11.57
	Less : Closing Stock	39.52	29.22
		(10.30)	(17.65)
		<b>(110.19)</b>	<b>(28.05)</b>

### (iii) Details of Inventory- Finished Goods

	For the year ended	For the year ended
	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
	(₹ Lacs)	(₹ Lacs)
Industrial Explosives	170.33	96.73
Expanded Perlite	22.23	16.22
Detonating Fuse	27.67	26.54
PETN/DNA	25.45	6.31
Detonating Fuse	0.03	0.03
Shock Tubes	3.60	10.20
Perlite Ore	33.85	16.57
Peat products	2.05	2.42
	<b>285.21</b>	<b>175.02</b>

**Notes to financial statements for the year ended 31<sup>st</sup> March, 2014**

24	Employee Benefits Expense	For the year ended	For the year ended
		31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
		(₹ Lacs)	(₹ Lacs)
	(i) Salaries and incentives	729.38	591.65
	(ii) Contributions to - Provident fund, State Insurance & Superannuation scheme	74.45	68.91
	(iii) Gratuity	23.20	27.45
	(iv) Staff welfare expenses	62.54	87.13
	<b>Total</b>	<b>889.57</b>	<b>775.14</b>

25	Other Expenses	For the year ended	For the year ended
		31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
		(₹ Lacs)	(₹ Lacs)
	Stores Consumed	286.96	168.19
	Power and Fuel	239.98	309.93
	Insurance	28.93	27.78
	Rent (Net)	126.96	90.76
	Rates & Taxes	47.18	55.70
	Repairs and Maintenance		
	Building	53.71	16.83
	Plant & Machinery	77.13	94.97
	Others	39.00	59.28
	Travelling and Conveyance	494.46	472.13
	Auditors Remuneration		
	For Audit Fees	3.65	2.81
	For Audit under Income Tax Act	0.84	0.62
	For Other Services	4.21	1.35
	Communication Expenses	35.22	33.95
	Directors' Sitting Fees	5.28	2.13
	Freight and Forwarding	553.33	489.19
	Commission on Sales	150.31	127.86
	Establishment Expenses	297.00	248.93
	Claims under warranties	101.69	107.12
	Loss on sale of assets (Net)	-	3.54
	Bad-debts	6.68	2.91
	Drilling, Blasting & Excavation	28.82	1,202.02
	Legal & Professional Charges	63.14	80.52
	Handling & Transport	137.77	161.69
	Misc Expenses	166.01	164.00
	<b>Total</b>	<b>2,948.26</b>	<b>3,924.21</b>

# KELTECH ENERGIES LIMITED

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2014

26	Finance Costs	For the year ended 31 <sup>st</sup> March 2014	For the year ended 31 <sup>st</sup> March 2013
		(₹ Lacs)	(₹ Lacs)
	Interest expense (Refer Note. I I)	144.89	128.86
	Other borrowing costs	60.64	64.00
	<b>Total</b>	<b>205.53</b>	<b>192.86</b>

### 27 Contingent Liabilities:

- Disputed demand in respect of Service Tax at Vishwasnagar aggregating to ₹ 17.16 lacs (P.Y. ₹ 17.16 lacs). Amount aggregating to ₹ 10.00 lacs (P.Y. ₹ 10.00 lacs) is paid under protest against such demand, which has been included under Long Term Loans and Advances.
- Disputed demand of Income tax for the Assessment year 2010-2011 and 2011-2012 amounting to ₹ 158.96 lacs (P.Y. ₹ 49.53 lacs).
- Letter of credits and Bank guarantees issued to suppliers/customers ₹ 1764.92 lacs (P.Y. ₹ 2447.16 lacs).
- In the Central Sales Tax Assessment concluded for the year 2009-10 on 30<sup>th</sup> March, 2014, the Assessing Authority in Maharashtra has disallowed the stock transfers effected by the Company and imposed a demand of ₹ 536.06 lacs. The Company is in process of filing an appeal within the stipulated period of two months from receipt of the order. The Company does not expect any liability on this account.

28 Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) ₹ 6.00 lacs (₹ 387.84 lacs).

29 In respect of Sundry Creditors which are Micro, Small and Medium Enterprises, the Company has not availed credit facility beyond 45 days. Further, there is no outstanding payable to Micro, Small and Medium Enterprises beyond 45 days as on Balance Sheet date.

30 The Company's main clients are PSUs where in Powder Factor deduction is determined after a substantial period of time, the consequential claims and counterclaims on performance bonus/deductions affect the trade receivables on account of which the substantial part of balances outstanding as trade receivables are not confirmed by them. However, the management is confident that such receivables are stated at their realizable value and adequate provisions are made in the accounts, wherever required.

**Notes to financial statements for the year ended 31<sup>st</sup> March, 2014**

**31 Segment Reporting:-**

The primary segment reporting format is determined to be business segments as the company's risks and rate of return are affected predominantly by difference in the products and services provided. Secondary information is reported geographically.

The Company has identified its business into three reportable segments namely, Explosives, Perlite and Site Contracts.

**Business Segments**

₹ Lacs

Particulars	2013-14					2012-13				
	Business Segments				Total	Business Segments				Total
	Explo-sives	Perlite	Site Contracts			Explo-sives	Perlite	Site Contracts		
			Explo-sives Related	Perlite Related				Explo-sives Related	Perlite Related	
<b>Revenue (Excluding Excise Duty)</b>										
External Revenue	13225.90	1623.79	39.50	513.95	15403.14	12424.15	887.04	1504.25	677.90	15493.34
Less:- Inter-segment Revenue	-	-	-	-	-	-	-	-	-	-
Add:- Un-allocable Income					56.76					89.19
<b>Total Revenue</b>	<b>13225.90</b>	<b>1623.79</b>	<b>39.50</b>	<b>513.95</b>	<b>15459.90</b>	<b>12424.15</b>	<b>887.04</b>	<b>1504.25</b>	<b>677.90</b>	<b>15582.53</b>
<b>Result</b>										
<b>Segment result</b>	<b>843.41</b>	<b>78.65</b>	<b>10.68</b>	<b>145.08</b>	<b>1077.82</b>	<b>372.33</b>	<b>(49.75)</b>	<b>230.83</b>	<b>275.41</b>	<b>828.82</b>
Less:- Interest & financing charges					205.53					192.86
Add:- Interest Income					19.21					27.40
<b>Profit before Tax</b>					<b>891.50</b>					<b>663.36</b>
Less:- Provision for tax					296.66					232.68
<b>Profit after tax</b>					<b>594.84</b>					<b>430.68</b>
<b>Other information</b>										
Segment assets	8056.54	745.38	-	134.30	8936.22	5914.64	778.84	-	178.47	6871.95
Unallocated assets	-	-	-	-	1034.56	-	-	-	-	1342.45
<b>Total assets</b>	<b>8056.54</b>	<b>745.38</b>	<b>-</b>	<b>134.30</b>	<b>9970.78</b>	<b>5914.64</b>	<b>778.84</b>	<b>-</b>	<b>178.47</b>	<b>8214.40</b>
Segment liabilities	3263.89	44.51	-	3.72	3312.12	2388.42	72.26	-	164.17	2624.85
Unallocated liabilities	-	-	-	-	3232.13	-	-	-	-	2757.88
<b>Total liabilities</b>	<b>3263.89</b>	<b>44.51</b>	<b>-</b>	<b>3.72</b>	<b>6544.25</b>	<b>2388.42</b>	<b>72.26</b>	<b>-</b>	<b>164.17</b>	<b>5382.73</b>
Capital expenditure	1657.73	27.39	-	-	1685.12	1111.70	142.32	-	-	1254.02
Depreciation & amortisation	160.09	12.34	-	-	172.43	124.80	12.34	-	-	137.14

**Geographical Segment**

Particulars	India		Other Countries		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Sales Revenues	13210.87	14025.74	2192.27	1467.60	15403.14	15493.34
Segment Assets	9665.29	8021.39	305.49	193.01	9970.78	8214.40
Addition to Fixed Assets	2583.98	440.10	-	-	2583.98	440.10

# KELTECH ENERGIES LIMITED

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2014

- 32** Disclosure in respect of Operating Lease in accordance with Accounting Standards 19 on 'Leases'
- a) The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:-
- Not later than one year ₹ 22.05 lacs (P.Y. ₹ 19.63 lacs).
  - later than one year and not later than five years- ₹ 80.90 lacs (P.Y. ₹ 14.23 lacs).
  - later than five years - Nil
- b) lease payments recognised in the statement of profit and loss for the period from 1.4.2013 to 31.3.2014 is ₹ 126.96 lacs (P.Y. ₹ 90.76 lacs).
- 33** (a) Related party disclosure in accordance with Accounting Standards 18.

Name of the party	Relationship
Chowgule & Co Pvt Ltd	Major Shareholder
Angre Ports Pvt Ltd (Formerly known as Jaigad Ports & Infrastructure Pvt Ltd)	Enterprises over which major Shareholder is able to exercise significant influence
Santosh L Chowgule	Key management personnel
Santosh Chowgule HUF	Key management personnel is able to Exercise significant influence

(b)

Name of the party	Nature of transaction	Amount of transaction	Amount due from	Amount due to
		(₹ lacs)	(₹ lacs)	(₹ lacs)
Chowgule & Co. Pvt. Ltd.	Sale of Explosives	-	-	
		(17.02)		
	Sale of Perlite	0.28		
		-		
	Sale of Services	0.00	0.31	
	Site Contract Explosives	(1.05)	(0.31)	
	Sale of Crane	-	Nil	
		(6.00)	Nil	
		Loan Borrowed	565.00	
		(350.00)		(350.00)
	Interest paid	78.33	Nil	
		(18.53)		
	Rent paid	18.54	Nil	
Angre Ports Pvt Ltd	Sale of Services	39.50	0.00	
	Site Contract Explosives	(1,503.20)	-	
Santosh Chowgule HUF	Rent Paid	8.26		-
		(8.26)		-
Santosh L Chowgule	Remuneration	39.53	Nil	
		(39.61)		

Figures in brackets pertains to previous year.

- \* Further disclosure in conformity with Clause 32 of Listing Agreement; the maximum outstanding of said loan was ₹ 915 Lacs during the year.



**Notes to financial statements for the year ended 31<sup>st</sup> March, 2014**

**34** The Company has classified various employee benefits as under:-

**(A) Defined contribution plans**

- a. Provident Fund
- b. Superannuation Fund
- c. State defined contribution plans
  - Employers' Contribution to Employees' State Insurance

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner and the superannuation fund is funded to LIC of India. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year:-

Sl. No.	Particulars	Gratuity	
		Year ended 31 <sup>st</sup> Mar 14	Year ended 31 <sup>st</sup> Mar 13
		(₹ / Lacs)	
(i)	Contribution to Provident Fund	54.19	50.12
(ii)	Contribution to Employee's Superannuation Fund	19.97	18.51
(iii)	Contribution to Employee's State Insurance Scheme	0.29	0.28

**(B) Defined Benefit Plans**

- a) Gratuity
- b) Leave Encashment

Sl. No.	Particulars	Gratuity		Leave Encashment	
		Year ended 31 <sup>st</sup> Mar 14	Year ended 31 <sup>st</sup> Mar 13	Year ended 31 <sup>st</sup> Mar 14	Year ended 31 <sup>st</sup> Mar 13
		(₹ / Lacs)		(₹ / Lacs)	
Valuation in respect of Gratuity and Leave Encashment has been carried out by the independent actuaries, as at the Balance Sheet date, based on the following assumptions:					
(i)	Discount Rate ( Per annum)	9.19%	8.10%	9.19%	8.10%
(ii)	Rate of increase in Compensation levels	5%	5%	5%	5%
(iii)	Rate of Return on Plan Assets	8.15%	8.15%	-	-
(iv)	Attrition rate	1%	1%	1%	1%
(i)	Changes in present Value of Obligation				
a)	Present value of Obligation at the beginning of the period	252.20	243.46	103.02	100.48
b)	Interest Cost	19.45	19.16	7.93	8.00
c)	Past Service Cost	-	-	-	-
d)	Current Service Cost	23.93	23.09	26.59	25.95
e)	Contributions by Plan participants	-	-	-	-

# KELTECH ENERGIES LIMITED

## Notes to financial statements for the year ended 31<sup>st</sup> March, 2014

Sl. No.	Particulars	Gratuity		Leave Encashment	
		Year ended 31 <sup>st</sup> Mar 14	Year ended 31 <sup>st</sup> Mar 13	Year ended 31 <sup>st</sup> Mar 14	Year ended 31 <sup>st</sup> Mar 13
		(₹ / Lacs)		(₹ / Lacs)	
f	Curtailement Cost/(Credit)	-	-	-	-
g	Settlement Cost/(Credit)	-	-	-	-
h	Benefits Paid	(24.01)	(25.69)	(10.16)	(8.43)
i	Actuarial (Gains)/Loss	(15.15)	(7.82)	(21.83)	(22.99)
j	Present value of Obligations at the end of the period	256.41	252.20	105.55	103.02
(ii)	Changes in Fair value of Plan Assets				
a	Present value of Plan assets at the beginning of the period	119.22	109.50	-	-
b	Adjustment to opening balance	6.43	6.99	-	-
c	Expected Return on Plan Assets	10.51	9.60	-	-
d	Actuarial(Gain)/Loss	(10.51)	(9.60)	-	-
e	Employer's Contributions	30.50	28.42	10.16	8.43
f	Benefits Paid	(24.01)	(25.69)	(10.16)	(8.43)
g	Fair Value of Assets at the end of the period	132.14	119.22	-	-
(iii)	Percentage of each Category of Plan Assets to total fair value of plan Assets as at end of the period				
a	Bank Deposits (Sp. Dep. Scheme, 1975)	-	-	-	-
b	Debt Instruments	-	-	-	-
c	Administered by Life Ins. Corpn. Of India	132.14	119.22	-	-
d	Others	-	-	-	-
(iv)	Amounts recognised in the Balance Sheet				
a	Present value of Obligations at the end of the period	256.41	252.20	105.55	103.02
b	Fair Value of Assets at the end of the period	132.14	119.22	-	-
c	Liability recognised in the Balance Sheet	124.27	132.98	105.55	103.02
(v)	Expenses recognised in the Statement of Profit and Loss				
a	Current Service Cost	23.93	23.10	26.59	25.95
b	Past Service Cost	-	-	-	-
c	Interest Cost	19.46	19.16	7.93	8.00
d	Expected Return on Plan Assets	(10.51)	(9.60)	-	-
e	Curtailement Cost/(Credit)				
f	Settlement Cost/(Credit)				
g	Adjustment to Opening Balance of Present Value of Plan Assets	-	(6.98)	-	-
h	Net Actuarial(Gain)/Loss	(4.64)	1.78	(21.83)	(22.99)
i	Employees' Contribution	-	-	-	-
j	Total Expenses recognised in the Statement of Profit and Loss	28.24	27.46	12.69	10.96

**Notes to financial statements for the year ended 31<sup>st</sup> March, 2014**

Sl. No.	Particulars	Gratuity		Leave Encashment		
		Year ended 31 <sup>st</sup> Mar 14	Year ended 31 <sup>st</sup> Mar 13	Year ended 31 <sup>st</sup> Mar 14	Year ended 31 <sup>st</sup> Mar 13	
		(₹ / Lacs)		(₹ / Lacs)		
(vi)	Experience adjustment:					
	a (Gain)/Loss on obligation due to change in Assumption	(14.43)	(1.03)	(9.30)	-	
	b Experience (Gain)/Loss on obligation	(0.71)	(6.79)	(12.53)	33.39	
	c Actuarial Gain/(Loss) on plan assets	(10.51)	(9.60)	-	-	
(vii)	Details of Plan Assets and obligation for last 5 years					
		<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>
	a Present value of Obligations	256.41	252.20	243.45	193.56	142.60
	b Fair Value of Assets	132.14	119.22	109.50	63.00	52.62
	c Liability recognised in the Balance Sheet	124.27	132.98	133.95	130.56	89.98
(viii)	Contributions expected to be paid to the plan during the next financial year is ₹ 30 lacs.					

**35 Earning Per Share:-**

	<u>2013-14</u>	<u>2012-13</u>
	(₹ lacs)	(₹ lacs)
1) Profit attributable to Equity Shareholders	594.84	430.68
2) Weighted number of Equity Shares during the year.	10.00	10.00
3) Basic/Diluted EPS	<u>59.48</u>	<u>43.07</u>

**36 Earnings in Foreign Exchange:**

	<u>2013-14</u>	<u>2012-13</u>
	(₹ lacs)	(₹ lacs)
Exports on FOB basis	2,405.63	1,453.56
	<u>2,405.63</u>	<u>1,453.56</u>

**37 Details of Imported and Indigenous Raw Materials, Stores & Spares Consumed**

	<u>2013-14</u>		<u>2012-13</u>	
	Value (₹ lacs)	Percentage	Value (₹ lacs)	Percentage
Imported	177.00	1.75	154.13	1.59
Indigenous	9,925.44	98.25	9,533.23	98.41
	<u>10,102.44</u>	<u>100.00</u>	<u>9,687.36</u>	<u>100.00</u>

**38 CIF value of imports during the year**

	<u>2013-14</u>	<u>2012-13</u>
	(₹ lacs)	(₹ lacs)
Raw Materials	236.67	261.47
Capital Goods	412.01	0.00
	<u>648.68</u>	<u>261.47</u>

# KELTECH ENERGIES LIMITED

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## Notes to financial statements for the year ended 31<sup>st</sup> March, 2014

### 39 Unhedged Foreign Currency Exposure as at the Balance Sheet date

Trade Receivables :- ₹ 328.81 lacs (US \$ 547522 @ Closing rate of 1 USD = ₹ 60.05).

Trade Payables :- ₹ 49.89 lacs (UK Pounds 60412 @ Closing rate of 1 EURO = ₹ 82.58).

### 40 Expenditure in Foreign Currency (shown on cash basis)

	<u>2013-14</u>	<u>2012-13</u>
	(₹ lacs)	(₹ lacs)
For Other Matters		
i) Travelling	108.44	36.62
ii) Project Cost	191.49	65.33
	<u>299.93</u>	<u>101.95</u>

### 41 The figures for the previous year have been regrouped wherever necessary.

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As per our attached Report of even date

For and on behalf of the Board

For **Haribhakti & Co.**

*Chartered Accountants*

FRN 103523W

**ASHOK V. CHOWGULE**

*Chairman*

**S.L. CHOWGULE**

*Managing Director*

**CHETAN DESAI**

*Partner*

Membership No. 17000

**P. PRABHUDEV**

*Dy. Gen Manager (F & A)*

Place : Mumbai

Date : 23<sup>rd</sup> May, 2014

# KELTECH ENERGIES LIMITED

CIN : L30007KA1977PLC031660

'Embassy Icon', 7<sup>th</sup> Floor, No. 3, Infantry Road, Bangalore - 560 001

## PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies [Management and Administration Rules] 2014)

Name of the Member(s)			
Registered Address			
Email ID			
Folio No. / Client ID		DP ID	

I/We, being the member(s) of shares of Keltech Energies Limited , hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Thirtyseventh Annual General Meeting of the Company, to be held on 25<sup>th</sup> July, 2014 at 2.30 p.m. at, Dominion Hall, Le Meridian, No.28, Sankey Road, Bangalore-560052 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the nammer as indicated in the box below:

Resolutions	For	Against
1. Consider and adopt the Audited Balance Sheet of the Company as at March 31, 2014 and the Statement of Profit and Loss for the year ended on that date together with the reports of Directors and Auditors thereon.		
2. Declaration of Dividend		
3. Re-appointment of Shri Ashok V. Chowgule who retires by rotation		
4. Appointment of Auditors and fixing their remuneration		
5. Appointment of Shri Hemraj C. Asher as an Independent Director		
6. Appointment of Shri Harish Jagtiani as an Independent Director		
7. Appointment of Ms. Arati Saran as an Independent Director		
8. Re-appointment of Shri Santosh L. Chowgule, Managing Director		
9. Approval for fixation of remuneration to Cost Auditor		

\* Applicable for investors holding shares in electronic form.



Signed this ..... day of ..... 2014

Signature of shareholder.....

Affix  
Revenue  
Stamp

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

**Notes :**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company,
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4)\*\* This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

**KELTECH ENERGIES LIMITED**

CIN : L30007KA1977PLC031660

'Embassy Icon', 7<sup>th</sup> Floor, No. 3, Infantry Road, Bangalore - 560 001

**ATTENDANCE SLIP**

(Please complete this attendance slip and hand it over at the entrance of the Hall)

I hereby record my presence at the Thirtyseventh Annual General Meeting of the Company on Friday, the 25<sup>th</sup> July, 2014 at 2.30 PM, at Dominion Hall, Le Meridian, No. 28, Sankey Road, Bangalore - 560 052, Karnataka, India.

Folio NO. / DP ID-Client ID .....

Full Name of the Shareholder in Block Letters .....

No. of Shares held .....

Name of Proxy (if any) in Block Letters .....

Signature of the Shareholder/Proxy/Representative\*

\* Strike out whichever is not applicable







To

Canbank Computer Services Ltd.  
J.P/ Royale, 1st Floor, # 218, 2nd Main  
Sampige Road, Malleshwaram  
Bangalore - 560 003.

Dear Sirs,

**FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND**

Please fill in the information in CAPITAL LETTERS in ENGLISH only. Please Tick ✓ wherever applicable.  
For shares held in Physical form

Master  
Folio No.

**FOR OFFICE USE ONLY**

ECS  
Ref. No.

Name of First Holder

Bank Name

Branch Name

Branch Code

(9 Digits Code Number appearing on the MICR Band of the cheque by the Bank). Please attach a photo copy of a cheque of your bank duly cancelled for ensuring accuracy of the bank's name, branch name and code number

Account Type

Savings

Current

Cash Credit

A/c No. (as appearing in the cheque book)

Effective date of this mandate

I, hereby, declare that the particulars given are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness, Canbank Computer Services Ltd. / Keltech Energies Limited will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by Keltech Energies Limited.

I further undertake to inform the Company any change in my Bank / branch and account number.



\_\_\_\_\_  
(Signature of First Holder)

Date :

Note : \* On dematerialisation of your shares, the details registered with your Depository Participant will be considered for payment through ECS.

\* This for duly filled in may be returned to Canbank Computer Services Limited.





