



KELTECH ENERGIES LIMITED

39th Annual Report and Accounts

2015 – 2016



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BOARD OF DIRECTORS

ASHOK V. CHOWGULE - Chairman - DIN : 00018970
HEMRAJ C. ASHER - DIN : 00024863
HARISH JAGTIANI - DIN : 00262572
UMAJI V. CHOWGULE - DIN : 00018993
MS. ARATI SARAN - DIN : 01157284
KAIYOZE B. BILLIMORIA - DIN : 21204
S.L. CHOWGULE - Managing Director - DIN : 00097736

EXECUTIVES

V. N. PANGAL – Director (Operations)

AUDITORS

HARIBHAKTI and CO. LLP.
CHARTERED ACCOUNTANTS
MUMBAI

LEGAL ADVISERS

CRAWFORD BAYLEY and CO.
ADVOCATES, SOLICITORS and NOTARIES
MUMBAI

REGISTERED OFFICE

'EMBASSY ICON', VII FLOOR,
NO. 3, INFANTRY ROAD,
BANGALORE - 560 001.

BANKERS

CANARA BANK

SHARE TRANSFER AGENTS

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

WORKS

VISHWASNAGAR 574 108
KARKALA TALUK
UDUPI DISTRICT
KARNATAKA STATE

PLOT S-3, S-4, S-5, S-7 and S-8
UDYOG DEEP INDUSTRIAL AREA
WAIDHAN - 486 886
DISTRICT SINGRAULI, M.P.

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

PLOT NO. B-24/2 and 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

NO. 314/2, SAMITHI SINGARAM VILLAGE
NEAR PK.O.C. PROJECT OFFICE
MANUGURU MANDAL AND POST-507 117
KHAMMAM DISTRICT, TELANGANA

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

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

S.Y. NO. 178/2, P.O. HARDI BAZAAR-495446,
HARDI MURLI ROAD,
DISTRICT KORBA, CHATTISHGARH

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

NOTICE

Notice is hereby given that the Thirty-ninth Annual General Meeting of Keltech Energies Limited will be held on Wednesday, the 20th July, 2016 at 2.30 PM, at Pennar, Shangri-La-Hotel, No. 56-6B, Palace 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 31st March, 2016 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 31st March, 2016.
3. To appoint Director Shri Ashok V. Chowgule, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To ratify the Auditors appointment to hold office from the conclusion of Thirty-ninth Annual General Meeting until the conclusion of Fortieth Annual General Meeting of the Company and to fix their remuneration and to pass the following resolution thereof.

“RESOLVED THAT, pursuant to Sections 139, 141 of the Companies Act, 2013 read with “Companies (Audit and Auditors’) Rules, 2014”, and pursuant to the recommendations of the Audit Committee and Board of Directors of the Company, M/s Haribhakti and Co. LLP, Chartered Accountants, (Registration No.103523W), appointed in the 37th Annual General Meeting for a consecutive period of 3 years (i.e.: upto 40th Annual General Meeting of the company) whose appointment be and is hereby ratified and shall hold office as Statutory Auditors’ until the conclusion of Fortieth Annual General Meeting of the Company and that the Board of Directors be and are hereby authorized to fix such remuneration as may be recommended by the Audit Committee in consultation with the Auditors’.”

Special Business:

5. To approve the appointment of the Cost Auditor and to fix his remuneration for the financial year 2016-17.

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

“RESOLVED THAT pursuant to Section 148 and 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 Vikas Vinayak Deodhar, Practising Cost Accountant, Membership No.3813, appointed by the Board of Directors of the Company as Cost Auditor to conduct the audit of the cost records for the financial year 2016-17 at their meeting held on 20th May, 2016, and the said appointment be and is hereby ratified and shall be paid a remuneration of Rs.60,000/- (Rupees Sixty Thousand only).

RESOLVED FURTHER THAT Shri Santosh L. Chowgule, Managing Director and Ms.Shalu Tibra, Company Secretary of the Company be and are hereby authorized severally, 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

SANTOSH L. CHOWGULE
MANAGING DIRECTOR
(DIN: 00097736)

Registered Office:

‘EMBASSY ICON’, VII FLOOR, No. 3,
INFANTRY ROAD, BANGALORE – 560 001, INDIA
CIN: L30007KA1977PLC031660

Place : Mumbai.

Dated : 20th May, 2016.

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself/themselves and the proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. Member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder. Proxies in order to be effective must be deposited at the registered office of the company, duly completed and signed not less than 48 (forty eight) hours before the annual general meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed and forms part of this notice.
3. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has also extended e-voting facility, for its Members to enable them to cast their votes electronically on the proposed resolutions in this notice.
4. The period of e-voting shall be from 17th July, 2016 to 19th July, 2016 (both days inclusive); such voting period shall be completed three days prior to the date of the general meeting. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting is given along with attendance/proxy form:
5. Register of Members and Share Transfer Books of the Company will remain closed from 14th July, 2016 to 20th July, 2016 (both days inclusive).
6. Those Members who have so far not encashed their Dividend Warrants for the financial years 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 may immediately approach the Company with their Warrants for revalidation.
7. Members are requested to note that pursuant to Regulation 39 (4) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with the Stock Exchange, the Company is required to transfer all the unclaimed shares into one folio in the name of "Unclaimed Suspense Account" and these shares are to be dematerialized and kept with Depository Participants. In compliance of the said Clause, the Company will take necessary steps with the shareholders and will initiate action to transfer the unclaimed shares into one folio in the name of "Unclaimed Suspense Account" and dematerialized in due course.
8. The notice of the Thirty-ninth 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 Thirty-ninth Annual General Meeting and the Annual Report for 2015-16 will be available on the Company's website www.keltechenergies.com
9. 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

SANTOSH L.CHOWGULE
MANAGING DIRECTOR
(DIN: 00097736)

Registered Office:

'EMBASSY ICON', VII FLOOR, No. 3,
INFANTRY ROAD, BANGALORE – 560 001, INDIA
CIN: L30007KA1977PLC031660

Place : Mumbai.

Dated : 20th May, 2016

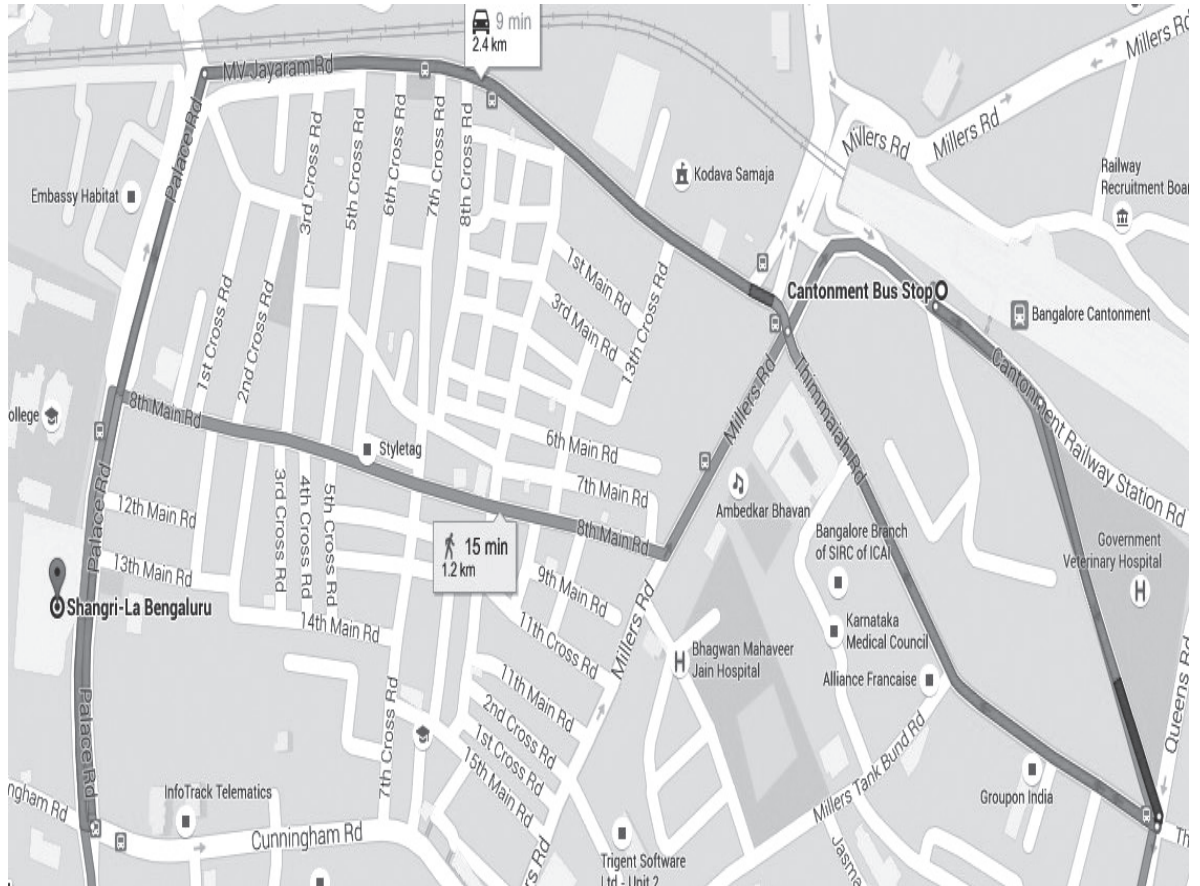
KELTECH ENERGIES LIMITED

Route Map to venue of the 39th Annual General Meeting:

Venue: 'Pennar', Shangri-La-Hotel, No. 56-6B, Palace Road, Bangalore-560052

Date: Wednesday, the 20th July, 2016 at 2.30 PM

Landmark: (Near Mount Carmel College)



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO.5**

Pursuant to Sections 148 and other applicable provision 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 Vikas Vinayak Deodhar, Practising Cost Accountant, Membership No. 3813, the Cost Auditor, appointed by the Board of Directors of the Company at their meeting held on 20th May, 2016 to conduct audit of the cost records of the Company for the financial year 2016-17. The Board of Directors have recommended the remuneration of Rs.60,000/- (Rupees sixty thousand only) payable to the said Cost Auditor for conducting cost audit of the Company for the financial year 2016-17. Your Directors commend the resolution for approval of the Shareholders.

No Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, are deemed to be interested and concerned in this resolution.

The Board of Directors recommends the resolution set forth in Item No. 5 for approval of the members.

BOARDS' REPORT

To the Members,

Your Directors have pleasure in presenting their Thirty Ninth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016. This report is being presented along with the audited financial statements for the year

1. Financial Performance:

(₹ in lacs, except per share data)

	2015-16	2014-15
Operating Profit	1185.09	1122.13
Less:		
1) Interest	190.52	214.48
2) Depreciation	386.40	379.04
Profit for the year before taxation	608.17	528.61
Less : Provision for taxation - Current Tax	227.83	183.79
- Deferred Tax	(7.64)	(43.51)
Adjustment on account of transitional provision	-	46.40
Profit after tax	387.98	341.93
Profit for the year available for appropriation	387.98	341.93
Appropriations:		
Dividend	25.00	25.00
Tax on Dividend	5.09	5.09
Transfer to General Reserve	300.00	325.00
Balance of Profit / (Loss) brought forward	531.51	641.28
Balance of Profit / (Loss) c/o to Balance Sheet	589.40	531.51

2. Company Affairs:**(MANAGEMENT DISCUSSION AND ANALYSIS REPORT / OPERATIONS REPORTS OF COMPANY'S PERFORMANCE)****A. Explosives Division**

The sale of Explosives for the year under review was 38,770 MT valued at ₹15,473 lakhs as against 43,484 MT valued at ₹17,250 lakhs of the previous year. The Sales turnover in Explosives decreased by 11% in Quantity Terms and 10% in value. This decrease was mainly due to non-acceptance of orders in Coal Sector due to stiff competition and aggressive pricing. During the year, the turnover in regard to traded goods and export of finished goods in Explosives sector was ₹991 lakhs as against ₹1,471 lakhs for the corresponding period of the previous year. the decrease in sales was due to sluggish demand in explosives market.

The sale of Detonating Fuse and related products during the year under review was valued at ₹1129 lacs as against ₹760 lacs during the corresponding period of the previous year. The increase was mainly due to higher sales of PETN products.

B. Perlite Division

The sale of Perlite and Perlite based products for the year under review were 6,789 MT valued at ₹1,286 lakhs as against 9,253 MT valued at ₹1,510 lakhs for the corresponding period of the previous year, resulted in reduction of 27% in quantity and 15% in value. The decrease in sales was due lesser Site Expansion Projects and adverse market competition.

The turnover of services contracts and special products during the year under review was ₹940 lakhs as against ₹187 lakhs for the corresponding period of the previous year. The export of Perlite products during the year was valued at ₹535 lacs as against ₹90 lacs for the corresponding period of the previous year.

The operations for the year 2015-16 have resulted in a net profit of ₹388 lakhs after charging depreciation, interest and tax as against ₹342 lakhs for the corresponding period of the previous year.

3. Dividend

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

4. Business Focus and Highlights**(A) EXPLOSIVES DIVISION**

The Explosives Sector witnessed growth during the year under review. The Coal sectors had already finalized orders at aggressive prices which the Company did not accept. However, the Company's products are well accepted in other segments of business.

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

(B) PERLITE DIVISION

The domestic market sale of Expanded Perlite products was satisfactory during the year under review. A new product line is being added in Perlite products with Japanese technology and commercial production is expected during the year 2016-17.

(C) INDUSTRIAL RELATIONS

The industrial relations during the year under review were cordial and there were no industrial disputes.

(D) OUTLOOK FOR 2016-17,

During the current financial year 2016-17, on account of stiff competition coupled, the Explosives Division is expected to be under pressure. The Explosives Accessories Divisions are showing encouraging performance. The Company will consolidate its growth in the new segment of business of Emulsion Explosives. Steps are taken for addition of balancing equipment in explosives and additional plants for increase in capacity which is expected to materialize in 2016-17. The Company expects growth in perlite products.

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.

5. RESERVES

A sum of ₹589.40 lacs, which is surplus in the statement of Profit and Loss, the Board proposes to carry forward to reserves.

6. DEPOSITS

The Company has not received any deposits during the financial year 2015-16.

7. QUALITY

The Products of the Company are of high quality and have obtained required certifications and this shall be driving force for better sales.

8. INFRASTRUCTURE

The Company is in the process of expansion at Viswasnagar, Garamsur and other Units.

9. RELATED PARTY TRANSACTIONS

The Company has entered in to related party transactions which are in arms-length basis as mentioned in Annexure I to this report.

10. Board Committees

The Company has following Committees of the Board:

- a) Audit Committee;
- b) Stakeholders Relationship Committee;
- c) Committee of Directors (Share Transfer Committee);
- d) Independent Directors Committee;
- e) Corporate Social Responsibility Committee; and
- f) Nomination and Remuneration Committee

The composition of each of the above Committees, their respective role and responsibility is as detailed in the Report of Corporate Governance.

11. Particulars of Loans, Guarantees or Investments

The Company has not given any loans, guarantees and has not made any investments in other entities.

12. Directors

a. Re-appointment

Shri Ashok V. Chowgule, [DIN 00018970] retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Pursuant to the 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 from the date they were appointed as Independent Directors by the Members in the General Meeting.

b. Board Evaluation

The Board has reviewed and evaluated the performance of all individual directors and the independent directors have reviewed and evaluated the performances of Chairman, Managing Director and non-independent Directors during the year at their meeting held on 22nd January, 2016. They found that none of the board members have contravened any of the statutory provisions of Companies Act, 2013 and its relevant rules, regulations, guidelines etc. applicable to them in exercise of their duties and responsibilities.

c. Declaration by Independent Directors

A declaration from Independent Director as required in sub-section (6) and (7) of Section 149 of the Companies Act, 2013 is obtained. An independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment for next five years

d. Policy on Director's appointment and remuneration

As per Section 178 of the Companies Act, 2013, the Company was required to constitute a Nomination and Remuneration Committee for the purpose of identifying qualified persons for appointment of Directors and Senior/ Key Managerial Personnel in future and to fix their remuneration and other allowances. Currently the Company has an agreement with the Managing Director of the Company for a period of 5 years with effect 29th April, 2014.

e. Number of meetings of the board

During the year four meetings of Board of Directors were held i.e. on 21st May, 2015, 24th July, 2015, 30th October, 2015 and on 22nd January, 2016. These meetings were held as per the provision of section 173 of the Companies Act, 2013.

f. Vigil mechanism/whistle blower policy

The Company has established a Whistle Blower Policy for Directors and employees to report their genuine concern. The details of the same have been explained in the Corporate Governance Report and the same was inserted in the website of the Company.

13. Auditors'**A. Statutory Auditors' and Auditors' Report**

M/s. Haribhakti and Co. LLP, Statutory Auditors' (FRN 103523W) of the Company, have been holding office as Auditors' for a term of more than 30 years. The said auditors' were appointed at the 37th Annual General Meeting of the Company held on 25th July, 2014 for a period of three consecutive years till the conclusion of the 40th Annual General Meeting.

B. Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors') Rules, 2014 Shri Vikas Vinayak Deodhar, Practising Cost Accountant, Membership No.3813, the Cost Auditor, appointed by the Company to conduct audit of the cost records of the Company for the financial year 2015-16.

C. Secretarial Auditors'

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s Swaroop, Ravishankar and Associates, Practising Company Secretaries, have been appointed for conducting the Secretarial Audit for the year ended 31st March 2016, and their report is annexed as Annexure 4.

14. Key Managerial Personnel**A. Managing Director**

Pursuant to section 203 of the Companies Act, 2013 the Company has entered into an agreement with the Managing Director of the Company for a period of 5 years with effect 29th April, 2014.

B. Chief Financial Officer and Company Secretary

Pursuant to section 203 of the Companies Act, 2013 the Company has appointed Chief Financial Officer and Company Secretary with effect 1st March, 2016.

15. Extract of Annual Return

The extract of annual return in Form No. MGT – 9 is annexed as Annexure 6 to this report.

16. Significant and material orders

The Company has sufficient orders on hand for Explosives and Perlite products for sustaining current level of operations

17. Internal Financial Control

The Company has effective systems and procedures of internal financial control for ensuring orderly and efficient conduct of its business, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. These systems are periodically reviewed by the Audit Committee of the Board of Directors. The Audit Committee and the Board have ensured that the said system is adequate considering the nature of business and size of transactions.

18. Committees of the Board

A detailed note on the Board and its Committees is provided under the Corporate Governance Report in this Annual Report. The composition of the Committees and compliances, as per the applicable provisions of the Act and Rules, are as follows:

Name of the Committee	Composition of the Committee	Highlights of duties, responsibilities and activities
1. Audit Committee	a) Shri Harish Jagtiani b) Ms.Arati Saran c) Shri Kaiyoze Beji Billimoria d) Shri Santosh L. Chowgule	<ul style="list-style-type: none"> • All the recommendations made by the Audit Committee during the year were accepted by the Board. • The Company has adopted the Whistleblower mechanism for Directors and all employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's Code of Business Conduct and Ethics. The Whistleblower Policy is appended as Annexure-4 to the Board's Report. • In accordance with the listing requirements, the Company has formulated policies on Related Party Transactions and Material Subsidiaries. The policies, including the Whistleblower Policy, are available on our website.
2. Nomination and Remuneration Committee	a) Ms. Arati Saran b) Shri H.C.Asher c) Shri Harish Jagtiani d) Shri Kaiyoze Beji Billimoria e) Shri Santosh L. Chowgule	<ul style="list-style-type: none"> • The Committee oversees and administers executive compensation, operating under a written charter adopted by the Board of Directors • The Committee has designed and continuously reviews the compensation programme for MD and senior executives to align both short-term and long-term compensation with business objectives and to link compensation with the achievement of measurable performance goals. • The Committee structures compensation to ensure that it is competitive in the global markets in which the Company operates in order to attract and retain the best talent. In the future, the Committee plans to use a combination of stock options, restricted stock units and performance-based stocks to align senior employee compensation with shareholder value. • The Nomination and Remuneration Committee has framed the Nomination and Remuneration policy. A copy of the policy is appended as Annexure - 3 to the Board's Report.

Name of the Committee	Composition of the Committee	Highlights of duties, responsibilities and activities
3. Corporate Social Responsibility	a) Shri Harish Jagtiani b) Shri Umaji V. Chowgule c) Shri Kaiyoze Beji Billimoria d) Shri Santosh L. Chowgule	<ul style="list-style-type: none"> • The Board has laid out the Company's policy on Corporate Social Responsibility (CSR), and the CSR activities of the Company are carried out as per the instructions of the committee. • During the year, the Company allocated 2% of its average net profits for the three immediately preceding financial years on CSR activities to various beneficiaries. • Financial data pertaining to the Company's CSR activities to various beneficiaries for fiscal year 2015-16 is as appended under the prescribed format in Annexure - 7 to the Board's Report. • The contents of the CSR policy are available on our website
4. Stakeholders Relationship Committee	a) Ms. Arati Saran b) Shri H.C. Asher c) Shri Kaiyoze Beji Billimoria d) Shri Harish Jagtiani e) Shri Santosh L. Chowgule	<ul style="list-style-type: none"> • The Committee reviews and ensures redressal of investor grievances. • The Committee noted that all the grievances of the investors have been resolved during the year.
5. Committee of Directors (Share Transfer Committee)	a) Shri Ashok V. Chowgule b) Shri Umaji V. Chowgule c) Shri Santosh L. Chowgule	<ul style="list-style-type: none"> • The Committee shall overview the process of share transfers, transmissions etc. during the period and shall note the same as to delay or approvals in time.
6. Independent Directors Committee	a) Shri Harish Jagtiani b) Shri H.C. Asher c) Ms. Arati Saran d) Shri Kaiyoze Beji Billimoria	<ul style="list-style-type: none"> • The Committee shall review the performance of the non-independent directors of the Company. • The review is pursuant to provisions of Part VIII of Schedule IV.

19. Risk Management Policy

The Company has formed a Risk Management Committee and implemented a risk management policy for the Company including identification therein of elements of risk, if any, and the same has been inserted in the website of the Company.

20. Corporate Governance

The Corporate Governance certificate received from M/s. Haribhakti and Company LLP, Chartered Accountants, Mumbai (FRN 103523W) regarding compliance of conditions of corporate governance as stipulated in Clause 49 of the Listing agreement is annexed with the report.

21. Directors' Responsibility Statement

Your Company's Directors make the following statement in terms of sub-section (5) of Section 134 of the Companies Act, 2013, which is to the best of their knowledge and belief and according to the information and explanations obtained by them -

1. The financial statements have been prepared in conformity with the applicable Accounting Standards and requirements of the Companies Act, 2013, ("the Act") to the extent applicable to the Company; on the historical cost convention; as a going concern and on the accrual basis. There are no material departures in the adoption of the applicable Accounting Standards.

- II. The Board of Directors have selected such accounting policies and applied them consistently and made judgments 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 and of the profit of the Company for that period.
- III. The Board of Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities. The Board of Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- IV. The Board of Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- V. The financial statements have been audited by M/s. Haribhakti and Company LLP, Chartered Accountants, Mumbai, the Company's Auditors'

22. Particulars of Employees

The total number of employees of the company as on March 31, 2016 was 236 as against 222 as on March 31, 2015

23. Particulars of loans , guarantees or investments under section 186

During the year the company has not sanctioned any loans, given securities and made any investments as prescribed under section 186 of the Companies Act, 2013.

24. Conservation of energy, research and development, technology absorption, foreign exchange and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

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 - ₹ 26.03 lacs.
- III. Total - ₹ 26.03 lacs.
- IV. Total R & D expenditure as a % total turnover - 0.13%

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 equipment 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 feedback.

- 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.

- (a) Technology imported :
- (b) Year of import:
- (c) Has the technology been fully absorbed?
- (d) If not fully absorbed, areas where this has not taken place, reasons there for and future plan of action

} Not Applicable

III. FOREIGN EXCHANGE EARNING and OUTGO

a. Activities relating to exports, etc	The Company has exported goods worth ₹1562.82 lacs (C and F) during the year
b. Total Foreign exchange used and earned	The Company has used Foreign Exchange amounting to ₹ 167.37 lacs and earned ₹ 1562.82 lacs during the year.

25. Corporate Social Responsibility (CSR)

The disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 the Company was required to spend a sum of 13.89 lacs towards Corporate Responsibility Policy and accordingly the Company has spent the same.

26. Acknowledgments

Your Directors place on record their thanks to the Canara Bank for their unstinted co-operation and timely assistance. Your Directors would like to make a special mention of the support extended by the various Departments of Government of India, the State Government agencies, the Tax Authorities including the Customs and Excise Departments, Department of Industrial Policy and promotion, Ministry of Corporate Affairs, Securities and Exchange Board of India and others and look forward to their continued support in all future endeavours. 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 of Directors

Place : Mumbai

Date : 20th May, 2016

Ashok V Chowgule

Chairman

PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH THE RELATED PARTIES (AOC-2)

{Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014}

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with the related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered during the year ended March 31, 2016, which were not at arm's length basis

Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2016 are as follows:

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Chowgule Brothers Private Ltd.	Group concern	Service Contract	Running contract	Clearance of import/export of Company's products at Mangalore Port trust.	17-10-2014	₹ 0.39 lacs
Chowgule Construction Chemicals Private Ltd.	Group concern	Sales Contract	Running contract	Sale of Expanded Perlite	17-10-2014	₹ 8.31 lacs
Chowgule and Company Private Ltd.	Promoter	Unsecured loan	5 years from 1.1.2016	For setting up of Emulsion Project at Garamsur Unit.	27.01.2012	₹ 183.00 lacs
Chowgule and Company Private Ltd.	Promoter	Unsecured loan	5 years from 1.1.2016	Interest paid	-	₹ 89.26 lacs
Chowgule and Company Private Ltd.	Promoter	Lease Agreements	5 years from 1.5.2013 (Blore office) 3 years from 1.9.2014 (Chennai Office)	Rent for Bangalore and Chennai Office premises.	17-05-2013 (Blore Office) 17-10-2014 (Chennai Office)	₹ 20.77 lacs
Chowgule and Company Private Ltd.	Promoter		One time payment	Participation fee for Defence Expo.	22.01.2016	₹ 5.67 lacs
Chowgule Charitable Trust,	Group concern	Contribution for CSR activity.	Per annum	Contribution for CSR activity under the provisions of Companies Act, 2013.	22-01-2016.	₹ 13.22 lacs
Chowgule Charitable Trust,	Group concern	Donation	Per annum	Donation	22-01-2016.	₹ 16.60 lacs

Annexure - 2**PARTICULARS OF EMPLOYEES**

Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Remuneration and perquisites provided to our employees including that of the Management are at par with the Industry Standards. The nomination and remuneration committee constantly review the compensation of employees including that of Management to align both the short term and long term business objectives of the Company and to link compensation with the achievement of measurable performance goals.

The Remuneration paid on comparison with Median Remuneration of Employees (MRE) during fiscal year 2016 and % increase in MRE from fiscal year 2015 is as under:

Sl. No.	Name of the Director	Remuneration per annum	Median Remuneration of Employees (MRE)	% of Increase in MRE since 2015	The number of permanent employees on the rolls of Company as on 31 March, 2016
I	Santosh L Chowgule	26,40,000	336,890	5.55%	236

Annexure - 3**NOMINATION and REMUNERATION POLICY**

Our policy on the appointment and remuneration of Directors and Key Managerial Personnel provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company. The Nomination and Remuneration policy is provided herewith pursuant to Section 178(4) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015. The policy is available on Company's website www.keltechenergies.com

Annexure-4**WHISTLE BLOWER POLICY / VIGIL MECHANISM**

As part of our Corporate Governance practices, the Company has adopted the Whistleblower policy that covers our directors and employees. The policy is available on Company's website www.keltechenergies.com

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

{Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and remuneration of Managerial Personnel) Rules, 2014}

To,
The Members,
Keltech Energies Limited,
Bangalore
CIN: L30007KA1977PLC031660

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s Keltech Energies Limited, (herein after referred to as "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of:

1. The Companies Act, 2013, (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and By-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosures Requirements) Regulations, 2009; - **Not Applicable during the year**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not Applicable during the year**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable during the year**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board Of India (Delisting of Equity Shares) Regulations, 2009; - **Not Applicable during the year;**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable during the year**
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
6. Employees Provident Fund and Miscellaneous Provisions Act, 1952
7. Employees State Insurance Act, 1948

8. Environment Protection Act, 1986 and other applicable environmental laws
9. Indian Contract Act, 1872
10. Income Tax Act, 1961 and other related laws
11. Indian Stamp Act, 1999
12. Payment of Bonus Act, 1965
13. Payment of Gratuity Act, 1972 and such other applicable labour laws.

Further, the sectoral laws applicable to the company were as under:

1. The Explosives Act, 1884 and its Rules, 2008,
2. The Ammonium Nitrate Rules, 2012.
3. The Karnataka Shops and Commercial Establishments Act, 1961
4. Minimum Wages Act, 1948
5. Payment of Wages Act, 1963
6. Payment of Gratuity Act, 1972
7. Contract Labour (Abolition and Regulation) Act, 1970
8. Payment of Bonus Act, 1965
9. Workmen Compensation Act, 1923
10. Industrial Employment Standing Orders Act, 1946
11. Child Labour (Prohibition and Regulation) Act, 1986
12. The Factories Act, 1948
13. The Indian Fatal Accidents Act, 1985
14. The Industrial Disputes Act, 1947
15. Trade Union Act, 1926
16. The Karnataka Industrial Areas Development Act, 1966.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws, Rules and Regulations to the Company. I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India to the extent applicable as on the date of my audit
- ii) The Listing Agreement, Notifications and circulars issued by the BSE Limited;

I further report that:

- (i) The Board of Directors of the Company is duly constituted with proper composition of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all Directors to schedule the Board and other Committee meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- (iv) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (v) During the audit period the company has no major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013, having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.
- (vi) During the audit period, there were no instances of:

- a) Public/Rights/Preferential issue of shares/debentures/sweat equity.
- b) Redemption/buyback of securities.
- c) Merger/amalgamation/reconstruction etc.
- d) Foreign technical collaborations.

For **Swaroop, Ravishankar and Associates**
Company Secretaries

Place: Bangalore
Date: 18.05.16

Swaroop S
Partner
ACS:27907
CP: 9997

Annexure A to MR-3

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

To,
The Members,
Keltech Energies Limited
Bangalore.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Swaroop, Ravishankar and Associates**
Company Secretaries

Place: Bangalore
Date: 18.05.16

Swaroop S
Partner
ACS:27907
CP: 9997

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2015

{Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies} (Management and Administration) Rules, 2014.)

REGISTRATION and OTHER DETAILS:

- i) CIN – L30007KA1977PLC031660
- ii) Registration Date – 30.08.1977
- iii) Name of the Company – **Keltech Energies Limited**
- iv) Category / Sub-Category of the Company – Public Limited Company
- v) Address of the registered office and contact details – ‘EMBASSY ICON’, VII Floor, No.3, Infantry Road, Bangalore 560 001.
Tel No: 080 – 22251451, Website: www.keltechenergies.com
Email: radhakrishna@keltechenergies.com
- vi) Whether listed company: Yes Listed on BSE Limited, Mumbai
- vii) Name, Address and Contact details of Registrar and Transfer Agent: Canbank Computer Services Limited – (Subsidiary of Canarabank) #218, 1st Floor, JP Royale, 2nd Main, Sampige Road, Malleshwaram, Bangalore – 560 003.
Tel No: 080 – 23469661/62/64/65
Website:www.ccsl.co.in, Email: ravi@ccsl.co.in / naidu@ccsl.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Industrial Explosives	360200.09	89
2	Perlite	253010.10	11
	Total		100

III. PARTICULARS OF HOLDING, SUBSIDIARY and ASSOCIATE COMPANIES - NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

The details of Shareholding is furnished in the Corporate Governance report.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	743.87	1021.77	0	1765.64
i) Principal Amount	742.97	1021.77	0	1764.74
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0.90	0	0	0.90
Total (i+ii+iii)	743.87	1021.77	0	1765.64

(₹ Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Change in Indebtedness during the financial year				
• Addition	618.35	0	0	618.35
• Reduction	208.55	234.18	0	442.73
Net Change	409.80	234.18		175.62
Indebtedness at the end of the financial year	653.85	787.59	0	1441.44
i) Principal Amount	651.72	787.59	0	1439.31
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	2.13	0	0	2.13
Total (i+ii+iii)	653.85	787.59	0	1441.44

VI. REMUNERATION OF DIRECTORS and KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager Shri Santosh L. Chowgule, MD.				Total Amount
		
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					45.79 lacs
2.	Stock Option					0
3.	Sweat Equity					0
4.	Commission - as % of profit - others, specify...					0
5.	Others, please specify					0
	Total (A)					45.79 lacs
	Ceiling as per the Act					Within the limit

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		
3.	Independent Directors	HC.Asher	Harish Jagtiani	Arati Saran	K.B. Billimoria	₹ lacs
	• Fee for attending board committee meetings	0.90	1.60	1.20	0.60	4.30
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	0.90	1.60	1.20	0.60	4.30

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
4.	Other Non-Executive Directors	Ashok V. Chowgule	Umaji V. Chowgule			₹ lacs
	• Fee for attending board committee meetings	1.70	0.70	-	-	2.40
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	1.70	0.70	-	-	2.40
	Total (B) = (1 + 2)	2.60	2.30	1.20	0.60	6.70
	Total Managerial Remuneration	2.60	2.30	1.20	0.60	52.49
	Overall Ceiling as per the Act					Within the limit

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties or punishments levied on the company during the year. Also, there was no necessity for the company to compound any offence.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 20.05.2016

Ashok V Chowgule
Chairman

Annexure-7

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

{Pursuant to Section 135 of the Companies Act, 2013, and Companies
(Corporate Social Responsibility Policy) Rules 2014}

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR Policy and projects or programmes	Expenditure incurred for promotion and development of educational institutions in Karnataka and Goa
2.	Composition of CSR Committee	Shri Harish Jagtiani-Non Executive Independent Director. Shri Umaji V. Chowgule-Non Executive Promoter Director Shri Santosh L. Chowgule – Executive Promoter Director.
3.	Average net profit of the Company for last three financial years	₹694.49 lacs
4.	Prescribed CSR expenditure (2% of the average net profit as computed above)	₹13.89 lacs
5.	Details of CSR expenditure during the financial year: Total amount to be spent for the financial year: Amount spent: ₹ Amount unspent: NIL	₹13.89 lacs NIL

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Regulation 34(3) read with Schedule V (C) of Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015

1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company is committed to benchmarking itself with the best in all areas including Corporate Governance. The Company's philosophy of Corporate Governance is aimed at strengthening the confidence among shareholders, customers, employees and ensuring a long – term relationship of trust by maintaining transparency and disclosures. The Company believes in maintaining highest standards of quality and ethical conduct, in all the activities of the Company.

2. BOARD OF DIRECTORS:

a) Composition:

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on 31st March, 2016, the Board of Directors comprised of total Seven Directors, out of which Six are Non-Executive Directors. Out of the Six Non-Executive directors four are Independent Directors. The company has Non-Executive Promoter Director as Chairman of the Board, and thus, atleast one half of the Board of the company consists of Independent Directors.

Shri Ashok V. Chowgule, (DIN : 00018970) was appointed as a Promoter Non-Executive Director on the Board with effect from 20th July, 2000 at the 23rd Annual General Meeting of the Company held on 20th July, 2000, who shall be liable to retire by rotation.

Shri Umaji V. Chowgule, (DIN : 00018993) was appointed as a Promoter Non-Executive Director on the Board with effect from 17th July, 2009 at the 32nd Annual General Meeting of the Company held on 17th July, 2009, who shall be liable to retire by rotation.

Shri Santosh L. Chowgule (DIN: 00097736) was appointed as Managing Director (Promoter Executive Director) for a period of five consecutive years with effect from 25th July, 2014 at the 37th Annual General Meeting of the Company held on that date, who shall not be liable to retire by rotation.

Shri H.C. Asher (DIN: 00024863) Shri Harish Jagtiani, (DIN: 00262572) and Ms.Arati Saran (DIN: 01157284), Non-Executive Independent Directors who were appointed for a period of five consecutive years with effect from 25th July, 2014 at the at the 37th Annual General Meeting of the Company held on that date, who shall not be liable to retire by rotation.

Shri Kaiyoze Beji Billimoria (DIN : 00021204) was appointed on the Board as an Additional Non-Executive Independent Director of the Company for a period of five consecutive years with effect from 24th July, 2015 pursuant to the provisions of Section 161 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, and in accordance with the provisions of the Articles of Association of the Company was regularized as a Director of the Company in its 38th Annual General Meeting of the Company held on 24th July, 2015, who shall not be liable to retire by rotation.

None of the Independent Directors has any other material pecuniary relationship or transaction with the Company, its Promoters, its Directors and its senior management, which would affect their independence.

Further, none of the Directors on the Board is a member of more than 10 Committees and Chairman in more than 5 Committees, across all companies in which they are director.

b) Board Procedure:

The agenda is prepared in consultation with the Chairman of the Board and the Chairman of the other Committees. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents, are circulated well in advance of the meeting.

Matters discussed at Board meeting generally relates to Company's performance, quarterly /half yearly results of the Company, review of the reports of the Internal Auditors, Audit Committee and compliances with their recommendations, suggestions, non-compliance of any regulatory, statutory or listing requirements etc.

c) Attendance at the Board Meetings and the last Annual General Meeting:

The Board Meeting dates are decided well in advance and communicated to Directors to enable them to plan for their schedule in order to attend the meetings.

During the year under review, the Board of Directors met 4 (four) times viz. 21st May, 2015, 24th July, 2015, 30th October, 2015, and 22nd January, 2016.

The details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2015-2016 and at the last Annual General Meeting, their directorships in other companies and membership / chairmanship in Committees are as follows:

Name of Director	Category	No. of Board Meetings held	Attendance particulars		No. of other Directorship	Committee Positions (including Company)	
			Board Meeting	Last AGM		Memberships	Chairman
Shri Ashok V. Chowgule	Chairman and Promoter Non-Executive Director	4	4	Yes	1	0	1
Shri H.C. Asher	Non-Executive Independent Director	4	3	No	4	10	5
Shri Harish Jagtiani	Non-Executive Independent Director	4	4	Yes	0	2	4
Shri Umaji V. Chowgule	Promoter Non-Executive Director	4	4	Yes	0	2	0
Ms. Arati Saran	Non-Executive Independent Director	4	3	Yes	4	2	2
Shri Kaiyoze Beji Billimoria	Non-Executive Independent Director	4	2	Yes	1	5	0
Shri Santosh L. Chowgule	Promoter Executive Director	4	4	Yes	0	6	0

1. The directorship held by Directors as mentioned above do not include Directorships of Foreign Companies, Section 8 Companies and Private Companies.
2. Membership/Chairmanship of Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Independent Directors Committee of all Public Limited Companies has been considered.

d) Number and date of Board Meetings held:

Four Board Meetings were held during the year 2015-2016. The dates on which the meetings were held are as follows:

Date of Board Meeting	Strength of the Board	No. of Directors present
21 st May, 2015	7	5
24 th July, 2015	7	6
30 th October, 2015	7	6
22 nd January, 2016	7	7

e) Disclosure of relationship between directors inter se:

None of the directors of the Company are related with each other except S/Shri Ashok V. Chowgule, Umaji V. Chowgule and Santosh L. Chowgule.

Shri Umaji V. Chowgule, Director of the Company is a own brother of Shri Ashok V. Chowgule, Chairman of the Company.

Shri Santosh L. Chowgule, Managing Director is a brother of Shri Ashok V. Chowgule, Chairman of the Company.

f) Number of shares and convertible instruments held by non-executive directors:

Shri Ashok V. Chowgule, Chairman of the company holds 20 equity shares of Rs. 10/- each in his individual capacity. Further none of the other executive and non-executive directors are holding any shares or convertible instruments in the Company.

g) Familiarization Programme for Independent Directors

The Company has conducted the Familiarisation programme for Independent Directors during the year. The Programme aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarise them with the functioning, operations and business of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarisation Programme along with the details of the programmes imparted to the Independent Directors has been disclosed on the website of the Company at www.info@keltechenergies.com

3. AUDIT COMMITTEE:

a) Brief description of terms of reference:

The terms of reference of this Committee are wide. Besides having access to all the required information from within the Company, the Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company. The brief description of terms of reference is as follows:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing with management, the annual financial statements before submission to the Board for approval with particular reference to:

Matters required to be included in the Directors' Responsibility Statement are included in the Directors' Report in terms of Section 134 (5) of the Companies Act, 2013.

- Changes, if any, in accounting policies and practices and reasons for the same. Major accounting entries involving estimates based on the exercise of judgment by the management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of related party transactions.
- Qualifications in draft audit report.
- Review with management quarterly/half yearly/yearly financial statements before submission to the Board for approval.
- Recommending the appointment/re-appointment/removal of statutory auditors, fixation of audit fees and also approval of payments for any other services.
- Reviewing with management, Statutory and internal auditor's adequacy of the internal control systems.
- Discussing with internal and statutory auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them.
- Reviewing the Company's financial and risk management policies.
- Compliance with the Stock Exchanges and legal requirements concerning financial statements.

Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.

b) Composition:

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), Shri Kaiyoze B. Billimoria (Non Executive Independent Director and Shri Santosh L. Chowgule (Executive Promoter Director). All the members have the requisite financial and accounting background. M/s. Shalu Tibra, Company Secretary, of the company is the Secretary to the Audit Committee. During the year 4 Audit Committee Meetings

were held on 13th May, 2015, 20th July, 2015, 30th October, 2015 and 22nd January, 2016. The attendance details of the committee members are as under:

Sr No	Name of the Directors	Number of Meetings attended
1	Shri Harish Jagtiani	4
2	Ms.Arati Saran	4
3	Shri Kaiyoze B. Billimoria	1
3	Shri Santosh L. Chowgule	4

Shri V.N.Pangal, Director (Operations), Statutory Auditors M/s.Haribhakti and Company LLP, Chartered Accountants, Mumbai, Internal Auditors, M/s.B.P.Rao and Company, Chartered Accountants, Bangalore and M/s. Kumar and Jaykrishnan, Chartered Accountant, Nagpur, were invited to attend the meetings.

4. **NOMINATION and REMUNERATION COMMITTEE:**

a) **Brief description of terms of reference:**

The broad terms of reference of the Nomination and Remuneration Committee are to recommend the Company's policy on remuneration packages for the Managing Director / Executive Directors, reviewing the structures, design and implementation of remuneration policy in respect of key management personnel.

b) **Composition:**

The Company has constituted a Nomination and Remuneration Committee which consists of Shri H.C. Asher, Harish Jagtiani, Kaiyoze B. Billimoria, Ms. Arati Saran, Non Executive Independent Directors of the Company and Santosh L. Chowgule, Executive Promoter Director. Shri Harish Jagtiani, acted as a Chairman of the Committee and S/Shri H.C. Asher, Kaiyoze B. Billimoria, Ms. Arati Saran, and Santosh L. Chowgule acted as Members of the Committee at their meeting held on 22.1.2016. The attendance details of the committee members are as under:

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

c) **Performance evaluation criteria for independent directors.**

The Board and Nomination and Remuneration/Compensation Committee carry the performance evaluation of the Directors. Accordingly, on the basis of the report of the performance evaluation of Directors including Independent Directors, the Company decides whether to extend or continue the term of appointment of the Independent Directors. The criteria of performance evaluation of Directors includes the effectiveness in decision making, effectively facilitates the Board Meeting, demonstrating knowledge etc.

5. **Independent Directors Committee**

The Company has formed an Independent Directors Committee, consisting of (1) Shri Harish Jagtiani, Non Executive Independent Director, Chairman of the Independent Directors Committee; (2) Shri H.C.Asher, Non-Executive Independent Director, (3) Ms.Arati Saran, Non-Executive Independent Director and (4) Kaiyoze Beji Billimoria, Non-Executive Independent Director of the Company are the members of the Independent Directors Committee.

The brief terms of reference of this Committee includes review the performance and participation of individual non-independent directors and promoter non-executive directors and accordingly reviewed the same at their meeting held on 22.01.2016. The attendance details of the committee members are as under:

Sr No	Name of the Directors	Number of Meetings attended
1	Shri H.C.Asher	1
2	Shri Harish Jagtiani	1
3	Ms.Arati Saran	1
4	Shri Kaiyoze Beji Billimoria	1

6. REMUNERATION OF DIRECTORS:

- The Non-Executive Directors had no pecuniary relationship or transactions with the Company during the year 2015-16.
- None of the Non - Executive Directors is being paid any remuneration except sitting fees. Sitting fees to Non-executive Independent and Promoter Directors is being paid at the rate of Rs. 10,000/- for each meeting of the Board, Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee, Independent Directors Committee, Committee of Directors Committee (Share Transfer Committee), Corporate Social Responsibility Committee, attended by them.
- Details of remuneration/sitting fees paid to Directors during the year ended 31st March, 2016 and shares held by them on that date are as follows:

(Amount in Rs.)

Name	Salary	Perquisites or Allowances	Contribution to PF and others	Commission	Sitting fees	Total	Total no. of shares held
Shri Ashok V. Chowgule	-	-	-	-	1,70,000	1,70,000	20
Shri H.C. Asher	-	-	-	-	90,000	90,000	-
Shri Harish Jagtiani	-	-	-	-	1,60,000	1,60,000	-
Shri Umaji V. Chowgule	-	-	-	-	70,000	70,000	-
Ms. Arati Saran	-	-	-	-	1,20,000	1,20,000	-
Shri Kaiyoze Beji Billimoria	-	-	-	-	60,000	60,000	-
Shri Santosh L. Chowgule	38,65,895	-	7,12,800	-	-	45,78,695*	-

* Exclusive of Contribution to gratuity and leave encashment.

- The above details of remuneration or fees paid are all elements of remuneration package of individual directors summarized under major groups.
- Apart from the above mentioned of remuneration or fees paid there are no other fixed component and performance linked incentives based on the performance criteria;
- There are no separate service contracts with any of the directors. The tenure of office of the Managing Director is for five years from his respective date of appointment, and can be terminated by either party by giving 90 days notice in writing. There is no separate provision for payment of severance fees.
- There are no stock options offered to the any Directors of the Company.

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

a) Composition:

As required under regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Board has a duly constituted Stakeholders Relationship Committee consisting of (1) Ms. Arati Saran, Non-Executive Independent Director, Chairperson of the Stakeholders Responsibility Committee; (2) Shri Harish Jagtiani, Non-Executive Independent Director, (3) Shri H.C. Asher, Non Executive Independent Director (4) Shri Kaiyoze B. Billimoria, Non-Executive Independent Director and (5) Shri Santosh L. Chowgule, Executive Promoter Director are the members of the Stakeholders Responsibility Committee. The Stakeholders Responsibility 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 31st March, 2016, the Company has not received any query, complaint / grievance from its Shareholders. Thus, no complaints are pending as on 31st March, 2016.

No shares were pending for transfer, transmission, name deletion, consolidation, sub-division, issue of duplicates and rematerialisation of shares as at 31st March, 2016. This Committee met on four occasions during the financial

year on 21.05.2015, 20.07.2015, 30.10.2015 and 22.01.2016. 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	3
2	Shri Harish Jagtiani	4
3	Ms. Arati Saran	3
4	Shri Kaiyoze B. Billimoria	1
5	Shri Santosh L. Chowgule	4

Status of investors' complaints/services requests:

At the beginning of the year	Received during the year	Resolved during the year	Pending
-	-	-	-

Ms. Shalu Tibra, Company Secretary of the company acted as the Secretary to the Committee and she is also the Compliance Officer of the company.

8. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

As per Section 135 of the Companies Act, 2013, the Company was required to incur an expenditure of 2% of the average net profits of the Company made during the three immediate preceding financial years for social activities specified under the said provision and also to constitute a Committee for ensuring the said activities to be undertaken by the Company in a systematic manner. Accordingly, the Board has formed a Committee consisting of Shri Harish Jagtiani, Non-Executive Independent Director, acted as Chairman of the Committee and S/Shri Umaji V. Chowgule, Non-Executive Promoter Director, Santosh L. Chowgule, Executive Promoter Director and Shri Kaiyoze B. Billimoria Non-Executive Independent Director of the Company acted as members of the Committee at their meeting held 30th October, 2015. The attendance details of the committee members are as under:

Sr No	Name of the Directors	Number of Meetings attended
1	Shri Harish Jagtiani	1
2	Shri Umaji Chowgule	1
3	Shri Kaiyoze B. Billimoria	0
4	Shri Santosh L. Chowgule	1

9. RISK MANAGEMENT POLICY:

The Company has a well-defined Risk Management framework in place and Risk Management Committee, which ensures that the management controls risks through means of a properly defined framework. In addition, the Board has formulated and adopted a risk management policy. The Board assesses the risk and the procedures being followed by the Company and steps taken by it to mitigate these risks. The Board of Directors have formed a Risk Management Committee which consists of Shri Harish Jagtiani, Non-Executive Independent Director as Chairman, Shri H.C. Asher, Non-Executive Independent Director and Shri Santosh L. Chowgule, Executive Promoter Director as Members of the Risk Management Committee. The said committee reviewed and discussed the issues of risks at their meeting held on 22nd January, 2016. The attendance details of the committee members are as under:

Sr No	Name of the Directors	Number of Meetings attended
1.	Shri Harish Jagtiani	1
2	Shri H.C. Asher	1
5	Shri Santosh L. Chowgule	1

10. SHARE TRANSFER COMMITTEE:

The Company has formed a committee for shares transfer, transmission, consolidation, name deletion etc.. The Committee consists of Shri Ashok V. Chowgule, Non-Executive Promoter Director as Chairman, S/Shri Umaji V. Chowgule and Santosh L. Chowgule, Non-Executive Promoter Director and Executive Promoter Director respectively as members of the Committee. The committee processed the share transfers, transmission, name deletion, issue of duplicate certificates etc. During the year 2015-16 twelve meetings were

KELTECH ENERGIES LIMITED

held viz. 01-04-2015, 24-04-2015, 09-05-2015, 03-06-2015, 17-07-2015, 16-09-2015, 26-10-2015, 23-11-2015, 16-12-2015, 13-01-2016, 25-01-2016 and 31-03-2016. The attendance details of the committee members are as under:

Sr No	Name of the Directors	Number of Meetings attended
1	Shri Ashok V. Chowgule	12
2.	Shri Umaji V. Chowgule	1
3	Shri Santosh L. Chowgule	12

11. GENERAL BODY MEETINGS:

- Location and time, where last three Annual General Meetings (AGM) held:**

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
Friday	24-07-2015	2.30 PM	Beaumont Hall, Le Meridien, No.28, Sankey Road, Bangalore-560052.	No.
Friday	25-07-2014	2.30 PM	Dominion Hall, Le Meridien, No.28, Sankey Road, Bangalore-560052.	No.
Monday	08-07-2013	03.00 PM	Beaumont Hall, Le Meridien, No.28, Sankey Road, Bangalore-560052.	No.

- Postal Ballot:**

During the year 2015-16, there were no special resolution passed through postal ballot process. None of the business is proposed to be transacted through Postal Ballot.

12. MEANS OF COMMUNICATION:

The Company has published quarterly / half yearly/Annual results as per details mentioned below:.

News Papers	Date of Board meeting	Date of Publishing
Financial Express and Sanje Vani	21 st May, 2015	22 nd May, 2015
	24 th July, 2015	26 th July, 2015
	30 th October, 2015	31 st October, 2015
	22 nd January, 2016	23 rd January, 2016/25 th January, 2016

Website: The Company's website (www.keltechenergies.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form.

New releases, presentations, among others : No Corporate Announcements made in to the Stock Exchanges during the year 2015-16.

During the year 2015-16, the Company has not made any presentations to institutional investors or analysts.

13. GENERAL SHAREHOLDER INFORMATION:

- Annual General Meeting:** 20th July, 2016 at 2.30 P M at Pennar, Shangri-La Hotel, No.56-6B, Palace Road, Bangalore-560052.
- Financial Year:** The financial year covers the period from 1st April to 31st March.
Tentative Calendar for the financial year ending 31st March, 2017: -

Financial reporting for the	Tentative date of the Board Meeting
First quarter ending 30 th June, 2016	: Second fortnight of July, 2016
Half year ending 30 th September, 2016	: Second fortnight of October, 2016
Third quarter ending 31 st December, 2016.	: Second fortnight of January, 2017.
Year ending 31 st March, 2017.	: Second fortnight of May, 2017.

Annual General Meeting for the year ended 31st March, 2017 is likely to be held in the second fortnight of July, 2017.

c. Dividend Payment Date: Credit / Dispatch between 21st July, 2016 to 19th August, 2016.

d. Listing on Stock Exchanges:

a) BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

e. Listing Fees:

The Company has paid the listing fees for the year 2016 - 17 to BSE Limited, Mumbai, where the shares are listed.

f. Stock Code:

BSE : 506528

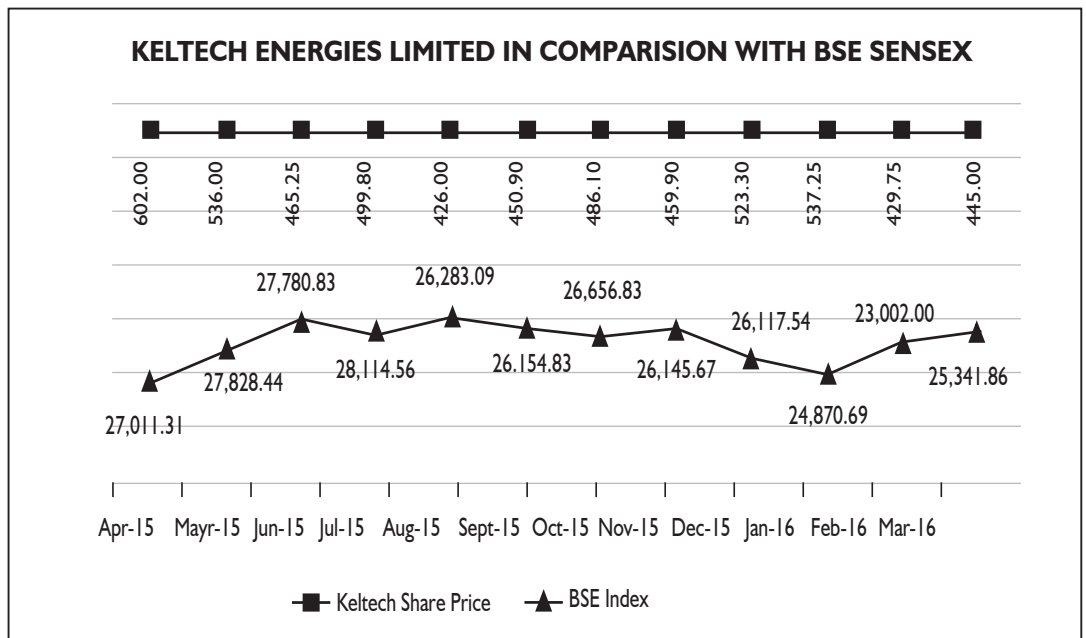
ISIN : INE881EO1017

g. Stock Market Price Data:

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

Month	The Bombay Stock Exchange Ltd. High / Low (₹.)	
April, 2015	685.00	551.00
May, 2015	666.00	509.00
June, 2015	556.00	451.00
July, 2015	750.00	470.00
August, 2015	546.80	363.00
September, 2015	523.00	395.50
October, 2015	514.90	440.00
November, 2015	490.50	411.20
December, 2015	549.00	400.00
January, 2016	756.00	440.75
February, 2016	550.00	396.00
March, 2016	453.00	400.00

Performance in comparison to broad based indices:



h. Whether the securities are suspended from trading on Stock exchanges: No.

i. Registrar and Share Transfer Agents:

M/s.Canbank Computer Services Ltd.,
R and T Center, No.218, JP Royale,
1st Floor, 2nd Main, Sampige Road,
Malleshwaram, 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

j. Share Transfer System:

All shares sent or transferred in physical form are registered by the Registrar and Share Transfer Agent (RTA) within 15 days of the lodgment, if documents, are found in order, except delay in some cases. Shares under objection are returned within two weeks. All requests for dematerialization of shares processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 21 days.

k. Distribution of Shareholding as on 31st March, 2016:

The shareholding distribution of equity shares as on 31st March, 2016 is given below:

Shareholding of Nominal Value of		Shareholders in Number	No. of shares	% to Total
Rs.	Rs.			
Upto 5000		3040	275610	27.56
5001	10000	75	58136	5.81
10001	20000	25	37915	3.79
20001	30000	7	18688	1.87
30001	40000	8	28130	2.81
40001	50000	3	14118	1.41
50001	100000	3	25240	2.52
100001	and above	3	542163	54.23
Total		3164	1000000	100.00

l. Dematerialization of Shares and liquidity:

As on 31st March, 2016, 85.81% of the total shares of the Company were in dematerialized form.

m. Convertible Instrument:

Your Company has not issued any ADRs, GDRs, warrants or any convertible instruments during the financial year ended 31st March, 2016.

n. Plant Locations:

- i. Vishwasnagar-Karnataka.
- ii. Donimalai-Karnataka.
- iii. Waidhan-Madhya Pradesh.
- iv. Anuppur-Madhya Pradesh.
- v. Chandrapur-Maharashtra.
- vi. Garamsur-Maharashtra.
- vii. Manuguru – Telangana.
- viii. Godavarikhani, Telangana.
- ix. Korba-Chattishgarh.
- x. Bachel-Chattishgarh.

o. Regd. Office/ Corporate Office and Address for Investors' Correspondence:

Keltech Energies Ltd.
Embassy Icon, 7th Floor,
No.3, Infantry Road,
Bangalore-560001
Karnataka.
Phone : 080-22251451/22257900
Fax : 080-22253857.
e.mail. www.info@keltechenergies.com

12. OTHER DISCLOSURES:

a. Related party transactions and Disclosures:

Related party transactions are defined as transactions of the Company of material nature had with promoters, directors or with their relatives etc.

The transactions with the related parties, as per the requirements of the Accounting Standard 18, are disclosed in Notes on Accounts, forming part of the Annual Report.

None of the transactions with any of the related parties were in conflict with the interest of the Company.

Details of all material transactions with related parties are disclosed quarterly along with the compliance report on corporate Governance.

As required under Regulation 23 of the Listing Regulations , 2015, the company has formulated a policy on Materiality and dealing with the Related Party Transactions which have been uploaded on the company website www.info@keltechenergies.com

b. Compliance by the Company:

The Company has complied with all the requirements of listing agreement and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (effective from 1st December, 2015) entered into with the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities.

c. Whistle-Blower Policy/Vigil Mechanism and affirmation that no personnel have been denied access to the Audit Committee:

The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. We affirm that during the financial year 2015-16, no employee was denied access to the Audit Committee.

d. Details of Compliance with mandatory requirements and adoption of non-mandatory requirements;

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement and Regulation 27 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (w.e.f. 1st December, 2015). The Details of these compliances along with the non-mandatory requirements adopted by the Company have been given in the relevant section of this report.

e. Policy for determining "material" subsidiaries – As the company does not have any subsidiaries, the policy for determining the "material" subsidiaries has not been made.

f. Commodity price risks and commodity hedging activities: The Company does not deal in commodity price risks and commodity hedging activities.

13. Compliance of the requirement of Corporate Governance Report:

During the year 2015-16, the Company has complied with the requirements of Corporate Governance Report of sub paras (2) to (10) of the Point C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

14. Discretionary Requirements as specified in Part E of Schedule II:

The Company has adopted following non-mandatory requirements of Regulation 27 and Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- (a) Audit Qualification - The Company is in the regime of unqualified financial statements.
- (b) Separate posts of Chairman and CEO – The Company has separate Chairman and Managing Director or Chief Executive Officer.
- (c) Reporting of Internal Auditor – The Internal Auditor directly reports to the Audit Committee.

15. Disclosure of the Compliance with Corporate Governance

The Company has complied with all the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

16. Disclosure of accounting treatment:

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

18. Disclosure with respect to demat suspense account/unclaimed suspense account

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus/right issues as at 31st March, 2016. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

19. Compliance Certificate for Code of Conduct:

The declaration by the Managing Director and CEO affirming compliance of Board and Senior Management Personnel to the Code is also annexed herewith and forming part of Annual Report.

20. Compliance Certificate by Auditors: The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Regulation 27 of SEBI (Listing Obligation and Disclosure Requirements), 2015 which is annexed herewith and forming part of Annual Report.

To,

The Members of
Keltech Energies Limited,

I, Santosh L Chowgule, Managing Director and Chief Executive Officer of the Company, declare that all Board Members and Senior Management of the company have affirmed compliance with the Code of Conduct of the company.

For Keltech Energies Limited.

CEO and Managing Director.

Place: Mumbai

Date: 20th May, 2016

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 31st March, 2016, 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 31st March, 2016.

Santosh L. Chowgule
Managing Director

V.N. Pangal
Chief Advisor

Place : Mumbai
Dated : 20th May, 2016

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, 2013 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 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 AND LLP.
Chartered Accountants
Firm Registration No. I03523W

CHETAN DESAI
Partner
Membership No. I7000

Place: Mumbai
Date: 20th May, 2016

INDEPENDENT AUDITOR'S 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, 2016, the Statement of Profit and Loss, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2016, its profit and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure I", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- (2) As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 on Contingent Liabilities;
 - (ii) The Company has not entered into any derivative contracts. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **HARIBHAKTI AND CO. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W

CHETAN DESAI
Partner
Membership No. 17000

Place : Mumbai
Date : 20th May, 2016

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Keltech Energies Limited on the financial statements for the year ended 31st March, 2016]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
- (ii) The inventory (excluding stocks lying with the 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. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us, the Company has not given any loans, or made investments or given Guarantees and securities. Accordingly, Paragraph 3(iv) of the order is not applicable to the Company.
- (v) 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 provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any 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 and Service Tax Appellate Tribunal (CESTAT), Bangalore.
Income Tax Act, 1961	Income Tax	218.81	2009-10 to 2012-13	CIT-Appeals
Central Sales Act, 1956	Central Sales Tax	118.01	2009-10	Maharashtra Sales Tax Tribunal, Mumbai.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s), bank(s), government(s) or dues to debenture holder(s).
- (ix) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of the term loans during the year for the purposes for which they were raised.
- (x) 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 by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For HARIBHAKTI AND CO. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W

CHETAN DESAI
Partner
Membership No. 17000

Place : Mumbai
Date : 20th May, 2016

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Keltech Energies Limited on the financial statements for the year ended March 31, 2016]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Keltech Energies Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the essential components of internal control stated in the Guidance Note issued by the ICAI.

For HARIBHAKTI AND CO. LLP
Chartered Accountants
ICAI Firm Registration No. I03523W

CHETAN DESAI
Partner
Membership No. 17000

Place : Mumbai
Date : 20th May, 2016

KELTECH ENERGIES LIMITED

Balance Sheet as at 31st March, 2016

(₹ Lacs)

Particulars	Note No.	As at 31 st March, 2016	As at 31 st March, 2015
I. EQUITY and LIABILITIES			
I Shareholders' funds			
Share capital	2	99.99	99.99
Reserves and surplus	3	3,870.40	3,512.51
		3,970.39	3,612.50
2 Non-current liabilities			
Long-term borrowings	4	998.52	821.86
Deferred tax liabilities (Net)	5	260.32	267.96
Long-term provisions	6	300.88	255.66
		1,559.72	1,345.48
3 Current liabilities			
Short-term borrowings	7	719.29	503.99
Trade payables	8	2,286.32	2,978.20
Other current liabilities	9	1,087.82	1,176.36
Short-term provisions	10	179.29	143.72
		4,272.72	4,802.27
Total		9,802.83	9,760.25
II. ASSETS			
I Non-current assets			
Fixed assets			
Tangible assets	11	4,291.00	4,499.73
Intangible assets	11(a)	1.95	1.70
Capital work-in-progress	11(b)	590.54	43.28
Non-current investments	12	0.10	0.10
Long-term loans and advances	13	823.82	482.43
		5,707.41	5,027.24
2 Current assets			
Inventories	14	1,188.89	1,319.75
Trade receivables	15	2,245.53	2,766.20
Cash and Bank Balances	16	350.39	374.72
Short-term loans and advances	17	305.75	270.45
Other current assets	18	4.86	1.89
		4,095.42	4,733.01
Total		9,802.83	9,760.25
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 AND CO. LLP**
Chartered Accountants
ICAI 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
Chief Financial Officer

Ms.SHALU TIBRA
Company Secretary

Place : Mumbai
Date : 20th May, 2016

Statement of Profit and Loss for the year ended 31st March, 2016

(₹ Lacs)

Particulars	Note No.	For the year ending 31 st March, 2016	For the year ending 31 st March, 2015
I. Revenue from operations (Gross)	19	19,855.62	21,246.23
Less: Excise Duty		1,912.27	2,049.64
Revenue from operations (Net)		17,943.35	19,196.59
II. Other income	20	25.62	14.54
III. Total Revenue (I + II)		17,968.97	19,211.13
IV. Expenses:			
Cost of materials consumed	21	11,765.17	13,136.66
Purchases of Stock-in-Trade	22	737.79	701.43
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	50.75	(70.30)
Employee benefits expense	24	1,193.17	1,135.93
Other Expenses	25	2,968.26	3,121.48
Finance costs	26	259.26	278.28
Depreciation and amortization expense		386.40	379.04
Total expenses		17,360.80	18,682.52
V. Profit before tax (III-IV)		608.17	528.61
VI. Tax expense:			
Current tax [Including prior period tax provision of ₹ 2.83 lacs (P.Y. ₹ (0.21) lacs)]		227.83	183.79
Adjustment on account of transitional provision of the Companies Act, 2013		-	46.40
Deferred tax		(7.64)	(43.51)
		220.19	186.68
VII. Profit (Loss) for the year (V-VI)		387.98	341.93
VIII. Earnings per equity share:			
(1) Basic		38.80	34.19
(2) Diluted		38.80	34.19

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

As per our attached Report of even date
For **HARIBHAKTI AND CO. LLP**
Chartered Accountants
ICAI FRN 103523W

CHETAN DESAI
Partner
Membership No. 17000

Place : Mumbai
Date : 20th May, 2016

For and on behalf of the Board

ASHOK V. CHOWGULE
Chairman

P. PRABHUDEV
Chief Financial Officer

S.L. CHOWGULE
Managing Director

Ms.SHALU TIBRA
Company Secretary

KELTECH ENERGIES LIMITED

Cash Flow Statement for the year ended 31st March, 2016

(₹ Lacs)

		Current Year	Previous Year
A Cash Flow from Operating Activities			
Net Profit/(Loss) before tax	A	608.17	528.61
Adjustment for :			
Depreciation		386.40	379.04
Loss (Profit) on Sale of Assets		(0.55)	(0.32)
Interest		190.52	214.48
Other Borrowing Costs		68.74	63.80
Interest Received		(9.80)	(14.22)
Bad debts		10.25	1.03
	B	645.56	643.81
Operating Profit before Working Capital Changes (A+B)	C	1,253.73	1,172.42
Movements in working capital:			
Inventories		130.86	60.53
Trade Receivables		510.43	(253.15)
Long Term Loans and Advances		(341.39)	(11.96)
Short Term Loans and Advances		(35.30)	74.92
Other Current Assets		(3.20)	4.51
Long-term provisions		45.22	83.84
Trade payables		(691.89)	(165.79)
Other current liabilities		(72.88)	42.62
Short-term provisions		60.43	(79.89)
(Increase)/Decrease in net current assets	D	(397.72)	(244.37)
Direct Taxes Paid	E	(252.69)	(189.89)
Net Cash from Operating Activities (C+D+E)	F	603.33	738.16
B Cash Flow from Investing Activities :			
Purchase of Fixed Assets including Intangible Assets and CWIP		(742.60)	(258.70)
(Increase)/Decrease in FD (Having maturity of more than 3 months)		25.36	(0.29)
Interest Received		10.04	13.73
Proceeds from Sale of Fixed Assets		0.59	0.39
Net Cash used in Investing Activities	G	(706.61)	(244.87)

Cash Flow Statement for the year ended 31st March, 2016 (Contd...)

(₹ Lacs)

		Current Year	Previous Year
C Cash Flow from Financing Activities			
Proceeds (Repayment) of Long Term Borrowings (Net) including current maturities		175.62	(320.78)
Proceeds (Repayment) of Short Term Borrowings (Net)		215.30	157.40
Interest Paid		(189.27)	(215.67)
Other Borrowing Costs Paid		(68.73)	(63.80)
Dividend Paid (including Dividend tax)		(28.59)	(27.63)
Net Cash used in Financing Activities	H	104.32	(470.48)
Net Increase in cash Equivalents (F+G+H)		1.04	22.81
Opening Cash and Cash Equivalents		349.18	326.37
Closing Cash and Cash Equivalents		350.22	349.18
Components of Cash and Cash Equivalents			
Balance with Banks:			
On Current Accounts		201.58	199.40
On Flexi Fixed deposit account		23.03	20.60
Unpaid dividend accounts *		11.02	9.52
Bank deposits with original maturity of less than 3 months		100.00	100.00
Cheques, drafts on hand		8.80	5.85
Cash on hand		5.79	13.81
		350.22	349.18

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

As per our attached Report of even date

For **HARIBHAKTI AND CO. LLP**

Chartered Accountants

ICAI 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

Chief Financial Officer

Ms.SHALU TIBRA

Company Secretary

Place : Mumbai

Date : 20th May, 2016

Notes to financial statements for the year ended 31 March 2016

I Significant Accounting Policies :

i) Basis of Preparation:-

The financial statements have been prepared to comply in all material respects with Accounting Standards notified under section 133 of the Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014. 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.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criterion set out in the Schedule III to the Act.

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) Tangible Assets:-

- a) Tangible 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 is provided on the "straight line method" based on the estimated useful life of assets which are equal to those suggested in Part C of schedule II of the Act except for assets stated below, for which depreciation is calculated on following basis based on management estimate:

Assets	Estimated Useful Life	Useful life as per the limits prescribed in Schedule II of the Act	Basis and justification of selection of Useful Life
Lease hold Land	30 years to 99 Years	N.A.	Amortized over the lease period
Furniture and Fixtures of leased premises	6 Years	10 Years	period of lease or useful life prescribed under Schedule II of the Act, whichever are lower.
All assets costing ₹.5000/- or less each	1 Year	N.A.	Past experience /Materiality

- c) The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual value of tangible assets.
- d) Depreciation on additions / deletions is provided on pro-rata basis from the date of acquisition/ up to the date of deletion.

v) Intangible Assets

Intangible assets comprising of "Computer Software" are recorded at acquisition cost and are amortized over the estimated useful life on straight line basis. Estimated useful life of Intangible Assets is as mentioned below:

Assets	Estimated Useful Life
Computer Software	3 years

Notes to financial statements for the year ended 31 March 2016

vi) 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 Statement of Profit and Loss. 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.

vii) Capital Work-in-Progress:-

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

viii) 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.

ix) 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.

x) Inventory:-

Raw materials, Work-in-Progress, 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 and forwarding and apportion of manufacturing overheads based on normal operating capacity, and is determined on a weighted average basis. Cost of traded goods includes Cost of Purchase and other direct costs incurred and is determined on a first in first out basis.

xi) 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.

xii) 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.

xiii) Retirement and other Employee Benefits:-

- a) Retirement benefits in the form of Provident Fund, Employee State Insurance 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 Compensated Absences 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.

Notes to financial statements for the year ended 31 March 2016

xiv) 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.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

xv) 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) Assets and liabilities in relation to segments are categorized based on items that are individually identifiable in that segment. Certain assets and liabilities, which form component of total assets and liabilities, are not identifiable to specific segments as the underlying resources are used interchangeably. Assets and Liabilities, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated Assets/Liabilities"
- d) 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.

xvi) 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.

xvii) 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.

xviii) 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.

xix) 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 March 2016

2	Share Capital	As at 31 st March, 2016		As at 31 st March, 2015	
		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
	Total subscribed and paid up Share Capital	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 March 2016 (Equity Shares)		As at 31 March 2015 (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 March 2016		As at 31 March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Chowgule and Co., Pvt Ltd	409,940	40.99	409,940.00	40.99
Dolphin Investment Ltd	93,601	9.36	93,601.00	9.36

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 March 2016

3	Reserves and Surplus	As at	As at
		31 March 2016	31 st March, 2015
		(₹ Lacs)	(₹ Lacs)
(i)	Capital Reserves (Refer iv)	31.20	31.20
(ii)	General Reserve		
	Opening Balance	2,949.80	2,624.80
	(+) Current Year Transfer	300.00	325.00
	Closing Balance	3,249.80	2,949.80
(iii)	Surplus in the statement of profit and loss		
	Opening balance	531.51	641.28
	(-) Depreciation on Tangible Assets for earlier years (Refer Note 27)	-	(96.61)
	(+) Net Profit/(Net Loss) For the current year	387.98	341.93
	(-) Proposed Dividends	25.00	25.00
	(-) Tax on Dividends	5.09	5.09
	(-) Transfer to Reserves	300.00	325.00
	Closing Balance	589.40	531.51
	Total	3,870.40	3,512.51

(iv) Capital Reserves represents subsidy received in earlier years from the Government of Karnataka- ₹ 3.69 Lacs and 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 st March, 2016	31 st March, 2015
		(₹ Lacs)	(₹ Lacs)
A	Secured Borrowings		
	Term loans from banks		
a.	Towards purchase of Assets (Carrying interest ranging from 9.95% p.a. to 10.15% p.a. (P.Y.10.70% p.a. to 13.95% p.a.) and repayable in 60 monthly installments from the date of the loan)	39.75	34.27
b.	Towards Filter-Aid project (Carrying interest of 13.40% p.a. (P.Y.Nil) and repayable in 20 quarterly installments from April 2016 onwards)	385.89	-
c.	Towards Expansion of Slurry Plant (Carrying interest of 14.30% p.a. (P.Y.Nil) and repayable in 60 monthly installments from October 2016 onwards)	5.26	-
	Total of Secured Borrowings (A)	430.90	34.27
	(All the above Loans from the banks are secured by mortgage of assets and hypothecation of vehicles) [Out of the total secured borrowings of ₹ 651.72 Lacs (P.Y. ₹ 241.92 Lacs), loans of ₹ 220.82 Lacs (P.Y. ₹ 207.65 Lacs) having current maturities, have been disclosed in Note 9]]		

Notes to financial statements for the year ended 31 March 2016

4	Long Term Borrowings	As at	As at
		31 March 2016	31 st March, 2015
		(₹ Lacs)	(₹ Lacs)
B	Unsecured Borrowings		
	a) Deferred payment liabilities		
	(i) Sales tax deferment loans (Deferred sales tax loan is interest free and payable in 8 years starting from April 2010)	3.97	29.94
	(ii) Sales tax deferment loans (Deferred sales tax loan is interest free and payable in 7 years starting from April 2012)	14.65	25.65
	b Loans and Advances from Related Parties		
	Chowgule and Co Pvt Ltd (Bearing 11% interest, repayable in 5 years from January 2016 to January 2020)	549.00	732.00
	Total of Unsecured Borrowings (B)	567.62	787.59
	[Out of the total unsecured borrowings of ₹ 787.59 Lacs (P.Y. ₹ 1021.77 Lacs), loans of ₹ 219.97 Lacs (P.Y. ₹ 234.18 Lacs) having current maturities, have been disclosed in Note 9]		
	Total (A+B)	998.52	821.86
5	Deferred Tax Liability	As at 31 st March, 2016	As at 31 st March, 2015
		(₹ Lacs)	(₹ Lacs)
	(i) Deferred Tax Liability		
	Difference between tax depreciation and book depreciation	391.14	375.40
		391.14	375.40
	(ii) Deferred Tax Asset		
	Expenses allowable u/s43B on payment basis	129.21	106.87
	Lease Equalization	0.87	0.57
	Borrowing Cost	0.74	-
		130.82	107.44
	Net Deferred Tax Liabilities (i-ii)	260.32	267.96
6	Long Term Provisions	As at 31 st March, 2016	As at 31 st March, 2015
		(₹ Lacs)	(₹ Lacs)
	(i) Provision for employee benefits		
	Gratuity (Partly funded)	202.57	145.54
	Leave Encashment (unfunded)	98.31	110.12
	Total	300.88	255.66
7	Short Term Borrowings	As at 31 st March, 2016	As at 31 st March, 2015
		(₹ Lacs)	(₹ Lacs)
	Secured Borrowings		
	Loans repayable on demand from banks		
	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)	719.29	503.99
	Total	719.29	503.99

KELTECH ENERGIES LIMITED

Notes to financial statements for the year ended 31 March 2016

8	Trade Payables	As at 31 st March, 2016	As at 31 st March, 2015
		(₹ Lacs)	(₹ Lacs)
	Trade Payables (Goods)	2,153.53	2,828.72
	Trade Payables (Services)	132.79	149.48
	Total	2,286.32	2,978.20

9	Other Current Liabilities	As at 31 st March, 2016	As at 31 st March, 2015
		(₹ Lacs)	(₹ Lacs)
	Current maturities of long-term debt - Secured Borrowings (Note 4)	220.82	207.65
	Current maturities of long-term debt- Unsecured Borrowings (Note 4)	219.97	234.18
	Interest accrued but not due on borrowings	2.13	0.90
	Income received in advance	68.42	57.68
	Deposits from dealers	6.60	6.60
	Trade payables - Capital Goods	10.83	28.18
	Other liabilities- Statutory Dues	87.46	102.02
	Outstanding liabilities	460.57	529.63
	Unclaimed Dividend	11.02	9.52
	Total	1,087.82	1,176.36

10	Short Term Provisions	As at 31 st March, 2016	As at 31 st March, 2015
		(₹ Lacs)	(₹ Lacs)
	(i) Provision for employee benefits		
	Gratuity (Partly- Funded)	40.20	36.18
	Leave Encashment (Un-funded)	49.72	31.40
	Provision for Bonus/Ex-gratia	59.28	25.40
		149.20	92.98
	(ii) Other provisions		
	Provision for taxation [Net of Advance tax of ₹ Nil (P.Y. ₹ 546.85 lacs)]	-	20.65
	Proposed Dividend	25.00	25.00
	Tax on Dividend	5.09	5.09
		30.09	50.74
	Total	179.29	143.72

Notes to financial statements for the year ended 31st March, 2016

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 01.04.2015	Additions during the year	Deductions during the year	Cost as on 31.03.2016	Depreciation as on 01.04.2015	**Depreciation adjusted against retained earnings	Depreciation for the year	Deductions during the year	Depreciation Upto 31.03.2016	Net Block as on 31.03.2016	Net Block as on 31.03.2015
LAND											
a) Freehold	99.15	-	-	99.15	-	-	-	-	-	99.15	99.15
b) Leasehold	22.88	-	-	22.88	0.79	-	0.29 *	-	1.08	21.80	22.09
Buildings	2,114.99	27.07	-	2,142.06	327.52	-	79.32	-	406.84	1,735.22	1,787.47
PLANT and EQUIPMENT											
a) Laboratory Equipment	23.80	6.56	0.40	29.96	13.61	-	3.09	0.40	16.30	13.66	10.19
b) Other Plant and Equipment	3,569.86	78.63	-	3,648.49	1,314.51	-	216.72	-	1,531.23	2,117.26	2,255.35
Office Equipment	164.95	24.76	3.23	186.48	108.47	-	28.89	3.16	134.20	52.28	56.48
Furniture and Fixtures	266.08	1.10	0.10	267.08	94.29	-	35.94	0.10	130.13	136.95	171.79
Vehicles	154.36	38.73	5.25	187.84	57.15	-	21.26	5.25	73.16	114.68	97.21
Total	6,416.07	176.85	8.98	6,583.94	1,916.34	-	385.51	8.91	2,292.94	4,291.00	4,499.73
Previous Year	6,282.67	140.11	6.71	6,416.07	1,400.94	143.00	379.03	6.63	1,916.34	4,499.73	-
* Amortization											

** Represents depreciation adjusted against the retained earnings in accordance with the transitional provisions of the Schedule II of " the Act".

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 01.04.2016	Additions during the year	Deductions during the year	Cost as on 31.03.2016	Depreciation as on 01.04.2015	Depreciation adjusted against retained earnings	Depr- ciation for the year	Deductions during the year	Depreciation Upto 31.03.2016	Net Block as on 31.03.2016	Net Block as on 31.03.2015
Computer Software	14.82	1.14	-	15.96	13.12	-	0.89	-	14.01	1.95	1.70
Total	14.82	1.14	-	15.96	13.12	-	0.89	-	14.01	1.95	1.70
Previous Year	13.11	1.71	-	14.82	13.11	-	0.01	-	13.12	1.70	-

II(b) Capital Work-in-Progress

Particulars	As at 31 March 2016	As at 31 March 2015
	(₹ Lacs)	(₹ Lacs)
Opening Balance	43.28	21.22
Additions during the year	635.25	22.06
Less:- Capitalised during the year	87.99	-
Closing Balance	590.54	43.28

The borrowing costs capitalised during the year was ₹.34.34 lacs (P.Y:Nil)

KELTECH ENERGIES LIMITED

Notes to financial statements for the year ended 31 March 2016

12	Non Current Investments	As at	As at
		31 st March, 2016	31 st March, 2015
		(₹ Lacs)	(₹ Lacs)
	Non Trade Investments (Valued at cost unless stated otherwise)		
	Investments in Government or Trust securities		
	In NSC	0.10	0.10
	Total	0.10	0.10

13	Long Term Loans and Advances	As at	As at
		31 st March, 2016	31 st March, 2015
		(₹ Lacs)	(₹ Lacs)
	Long Term Loans and Advances (Unsecured, Considered good unless stated otherwise)		
	(i) Capital Advances	248.06	3.14
	(ii) Security Deposits	216.34	192.14
	(iii) Advance tax (Net of Provisions of ₹ 595 lacs (P.Y.Nil))	4.22	-
	Other loans and advances		
	Loans to Employees	0.14	1.01
	Prepaid Expenses	14.80	10.56
	VAT Receivable*	340.25	275.58
	Total	823.82	482.43

* Out of this ₹ 36.13 lacs (P.Y. ₹ 36.13 lacs) has been adjusted by the tax authorities against CST demands, which has been disputed by the Company.

14	Inventories	As at	As at
		31 st March, 2016	31 st March, 2015
		(₹ Lacs)	(₹ Lacs)
	(i) Raw Materials and components [Valued at cost, arrived on weighted average method (WAM)] [including goods in transit ₹ 111.07 lacs (P.Y. ₹ 165.06 lacs)]	742.08	852.69
	(ii) Work-in-Progress [Valued at cost, arrived on WAM]	27.16	120.57
	(iii) Finished goods [Valued at Lower of cost (arrived on WAM) and net realisable value (including goods in transit ₹ 48.03 lacs (P.Y. ₹ 32.09 lacs))]	173.94	180.90
	(iv) Stock-in-trade [Valued at lower of cost (arrived on FIFO basis) and net realisable value]	103.66	54.04
	(v) Stores and spares (Valued at cost, arrived on WAM)	142.05	111.55
	Total	1,188.89	1,319.75

15	Trade Receivables	As at	As at
		31 st March, 2016	31 st March, 2015
		(₹ Lacs)	(₹ Lacs)
	Trade receivables (Unsecured considered good) (Refer Note 30)		
	Outstanding for a period more than six months	46.95	220.68
	Others	2,198.58	2,545.52
	Total	2,245.53	2,766.20

Notes to financial statements for the year ended 31 March 2016

16	Cash and bank balances	As at	As at
		31 st March, 2016	31 st March, 2015
		(₹ Lacs)	(₹ Lacs)
	(A) Cash and cash equivalents		
	(i) Balance with Banks:		
	On Current Accounts	201.58	199.40
	On Flexi Fixed deposit account	23.03	20.60
	Unpaid dividend accounts	11.02	9.52
	Bank deposits with original maturity of less than 3 months	100.00	100.00
	(ii) Cheques, drafts on hand	8.80	5.85
	(iii) Cash on hand	5.79	13.81
		350.22	349.18
	(B) Other bank balances		
	(i) Bank deposits with Original maturity of more than 3 months but less than 12 months maturity	-	5.40
	(ii) Bank deposits with more than 12 months maturity	0.17	0.14
	(iii) Margin Money kept as deposits with more than 12 months maturity (against Letter of Credit)	-	20.00
		0.17	25.54
	Total (A + B)	350.39	374.72

17	Short-term loans and advances	As at	As at
		31 st March, 2016	31 st March, 2015
		(₹ Lacs)	(₹ Lacs)
	Other Short-term loans and advances (Unsecured, Considered good unless stated otherwise)		
	(i) Pre-Paid Expenses	38.37	35.61
	(ii) Advances to Suppliers	147.89	128.83
	(iii) Loans and Advances to Employees	14.17	34.37
	(iv) Deposit and Balances with Govt Authorities	105.32	71.64
	Total	305.75	270.45

18	Other Current Assets	As at	As at
		31 st March, 2016	31 st March, 2015
		(₹ Lacs)	(₹ Lacs)
	Other Current Assets (Unsecured, Considered good unless stated otherwise)		
	Billable Costs	4.50	1.29
	Interest Receivable	0.36	0.60
	Total	4.86	1.89

KELTECH ENERGIES LIMITED

Notes to financial statements for the year ended 31 March 2016

19	Revenue From Operations	For the year ended	For the year ended
		31 st March 2016	31 st March 2015
		(₹ Lacs)	(₹ Lacs)
(i)	Sale of products		
	Manufactured Goods	18,434.14	20,165.60
	Traded Goods	802.62	854.02
		19,236.76	21,019.62
(ii)	Sale of services	583.23	186.95
(iii)	Other operating revenues	35.63	39.66
	Revenue from operations (Gross)	19,855.62	21,246.23
	Less:		
(iv)	Excise duty *	1,912.27	2,049.64
	Revenue from operations (Net)	17,943.35	19,196.59

* Excise duty on sales amounting to ₹ 1912.27 lacs (P.Y. ₹ 2049.64 lacs) has been reduced from sales in Statement of Profit and Loss and excise duty on closing stock amounting to ₹ 9.48 lacs (P.Y ₹ 7.20 lacs) has been considered in "Other Expenses" in note 25 of financial statements.

(v) Details of Sale of Manufactured Goods

Industrial Explosives	16,425.17	18,622.91
Detonating Fuse	580.26	587.98
Expanded Perlite	522.52	693.58
Perlite Concrete Blocks	357.29	89.62
Others	548.90	171.51
	18,434.14	20,165.60

(vi) Details of Sale of Traded Goods

Nonel Shock tubes, Electric Detonators etc.,	39.63	33.40
Perlite Ore, Peat Products	762.99	820.62
	802.62	854.02

(vii) Details of Sale of Services

Site Contract Incomes - Perlite	583.23	186.95
	583.23	186.95

20	Other income	For the year ended	For the year ended
		31 st March 2016	31 st March 2015
		(₹ Lacs)	(₹ Lacs)
(i)	Interest Income	9.80	14.22
(ii)	Net gain/(loss) on sale of Fixed Assets	0.53	0.32
(iii)	Balance Written back	15.29	
	Total	25.62	14.54

Notes to financial statements for the year ended 31 March 2016

21	Raw Materials and Packing Materials Consumed	For the year ended	For the year ended
		31 st March 2016	31 st March 2015
		(₹ Lacs)	(₹ Lacs)
(i)	Opening Stock		
	Raw Materials	698.16	857.95
	Packing Materials	154.54	147.88
		852.70	1,005.83
(ii)	Add: Purchases		
	Raw Materials	10,589.59	11,896.76
	Packing Materials	1,064.96	1,086.77
		11,654.55	12,983.53
(iii)	Less: Closing Stock		
	Raw Materials	586.89	698.16
	Packing Materials	155.19	154.54
		742.08	852.70
(iv)	Consumption		
	Raw Materials	10,700.86	12,056.55
	Packing Materials	1,064.31	1,080.11
		11,765.17	13,136.66

(v)	Details of Raw Materials and Packing Materials Consumed	For the year ended	For the year ended
		31 st March 2016	31 st March 2015
		(₹ Lacs)	(₹ Lacs)
	Ammonium Nitrate	6,134.35	7,026.51
	Mono Methyle Amine	937.12	1,015.06
	Nitric Acid	851.09	695.13
	Perlite Ore	166.89	227.52
	Sodium Nitrate	361.54	369.98
	Guar Gum	182.81	226.23
	Calcium Nitrate Melt	385.50	588.89
	Packing Materials	1,064.31	1,080.12
	Others	1,681.56	1,907.22
		11,765.17	13,136.66

(vi)	Details of Inventory	For the year ended	For the year ended
		31 st March 2016	31 st March 2015
		(₹ Lacs)	(₹ Lacs)
	Ammonium Nitrate	136.12	179.84
	Mono Methyle Amine	27.45	28.58
	Nitric Acid	16.42	19.04
	Perlite Ore	61.67	69.93
	Sodium Nitrate	25.08	19.39
	Guar Gum	15.58	17.46
	Calcium Nitrate Melt	11.65	15.03
	Packing Materials	155.19	154.54
	Others	292.92	348.89
		742.08	852.70

KELTECH ENERGIES LIMITED

Notes to financial statements for the year ended 31 March 2016

22	Details of Purchase of traded Goods	For the year ended 31 st March 2016	For the year ended 31 st March 2015
		(₹ Lacs)	(₹ Lacs)
	Shock Tubes	22.43	18.38
	Perlite Ore	225.31	529.50
	Peat products	158.46	153.55
	Radiolite	331.59	-
	Total	737.79	701.43

23	Changes in inventories of finished goods and Stock-in-Trade	For the year ended 31 st March 2016	For the year ended 31 st March 2015
		(₹ Lacs)	(₹ Lacs)
(i)	Manufactured Finished Goods		
	Opening Stock	180.90	245.69
	Less : Closing Stock	173.94	180.90
		6.96	64.79
(ii)	Traded Finished Goods		
	Opening Stock	54.04	39.52
	Less : Closing Stock	103.66	54.04
		(49.62)	(14.52)
(iii)	Work-in-Progress		
	Opening Stock	120.57	-
	Less : Closing Stock	27.16	120.57
		93.41	(120.57)
		50.75	(70.30)

(iii)	Details of Inventory- Finished Goods	For the year ended 31 st March 2016	For the year ended 31 st March 2015
		(₹ Lacs)	(₹ Lacs)
	Industrial Explosives	138.80	138.67
	Expanded Perlite	15.95	19.43
	Detonating Fuse	9.67	15.74
	PETN/DNA	9.52	7.07
	Detonating Fuse	0.03	0.03
	Shock Tubes	5.01	5.29
	Perlite Ore	24.19	46.88
	Peat products	1.24	1.83
	Radiolite	73.19	-
		277.60	234.94

(iv)	Details of Work-in-Progress	For the year ended 31 st March 2016	For the year ended 31 st March 2015
		(₹ Lacs)	(₹ Lacs)
	Perlite Concrete Blocks	27.16	120.57
		27.16	120.57

Notes to financial statements for the year ended 31 March 2016

24	Employee Benefits Expense	For the year ended	For the year ended
		31 st March 2016	31 st March 2015
		(₹ Lacs)	(₹ Lacs)
	(i) Salaries and incentives	893.53	829.33
	(ii) Contributions to - Provident fund, State Insurance and Superannuation scheme	99.61	99.30
	(iii) Gratuity [including prior period expenses of ₹.47.44 lacs (P.Y.Nil)]	97.63	88.78
	(iv) Staff welfare expenses	102.40	118.52
	Total	1,193.17	1,135.93

25	Other Expenses	For the year ended	For the year ended
		31 st March 2016	31 st March 2015
		(₹ Lacs)	(₹ Lacs)
	Stores Consumed	179.58	257.40
	Power and Fuel	250.31	334.11
	Insurance	30.97	38.17
	Rent (Net)	105.31	102.62
	Rates and Taxes	40.76	36.54
	Repairs and Maintenance		
	Building	35.93	37.84
	Plant and Machinery	96.04	108.11
	Others	44.88	60.12
	Travelling and Conveyance	489.88	495.18
	Auditors Remuneration		
	For Audit Fees	5.46	3.71
	For Audit under Income Tax Act	1.44	1.42
	For Other Services	4.29	3.38
	Communication Expenses	41.38	44.20
	Directors' Sitting Fees	7.64	6.18
	Freight and Forwarding	394.45	610.19
	Commission on Sales	157.08	194.08
	Establishment Expenses	447.82	319.05
	Claims under warranties	49.18	80.59
	Bad-debts	10.25	1.03
	Legal and Professional Charges	111.72	87.02
	Handling and Transport	240.09	134.58
	Corporate Social Responsibility Expenditure	13.89	15.42
	Misc Expenses	209.90	150.54
	Total	2,968.26	3,121.48

Notes to financial statements for the year ended 31 March 2016

26	Finance Costs	For the year ended 31 st March 2016	For the year ended 31 st March 2015
		(₹ Lacs)	(₹ Lacs)
	Interest expense (Refer Note. 11)	190.52	214.48
	Other borrowing costs	68.74	63.80
	Total	259.26	278.28

27 Contingent Liabilities:

- a) Disputed demand in respect of Service tax at Vishwasnagar aggregating to ₹17.16 lacs (P.Y. ₹17.16 lacs). Amounts aggregating ₹ 10.00 lacs (P.Y. ₹ 10.00 lacs) is paid under protest against such demand.
- b) Disputed demand of Income tax for the Assessment year 2010-2011, 2011-2012, 2012-2013 and 2013-2014 amounting to ₹ 268.81 lacs (P.Y. ₹189.15 lacs). Amounts aggregating ₹ 50 lacs (P.Y. ₹45 lacs) is paid under protest against such demand.
- c) Disputed demand in respect of Central Sales tax in Maharashtra for the year 2009-10 aggregating ₹ 121.01 lacs (P.Y. ₹ 121.01 lacs). Amounts aggregating ₹ 3 lacs (P.Y. ₹ 3 lacs) is paid under protest against such demand.
- d) Letter of credits and Bank guarantees issued to suppliers/customers ₹ 2406.83 lacs (P.Y. ₹ 2637.92 lacs).
Management is of the view that above matters are not likely to have any impact on financial position of the Company.

28 Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) ₹ 491.88 lacs (P.Y. ₹ 2.95 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 such 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 March 2016

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	2015-16				2014-15			
	Business Segments			Total	Business Segments			Total
	Explosives	Perlite	Site Contract-Perlite Related		Explosives	Perlite	Site Contract-Perlite Related	
Revenue (Excluding Excise duty)								
External Revenue	15755.45	1569.04	583.23	17907.72	17436.54	1533.45	186.95	19156.94
Less:- Inter-segment Revenue	0	0	0	0.00	0	0	0	0.00
Add:- Un-allocable Income				51.45				39.98
Total Revenue	15755.45	1569.04	583.23	17959.17	17436.54	1533.45	186.95	19196.92
Result								
Segment result	907.45	(119.51)	69.69	857.63	827.89	(121.87)	86.65	792.67
Less:- Interest and financing charges				259.26				278.28
Add:- Interest Income				9.80				14.22
Profit before Tax				608.17				528.61
Less:- Provision for tax				220.19				186.68
Profit after tax				387.98				341.93
Other information								
Segment assets	6854.25	1801.99	62.11	8718.35	7617.19	1043.40	103.31	8763.90
Unallocated assets	0	0	0	1084.48	0	0	0	996.35
Total assets	6854.25	1801.99	62.11	9802.83	7617.19	1043.4	0	9760.25
Segment liabilities	2227.80	137.55	6.84	2372.19	2857.43	212.64	0.60	3070.67
Unallocated liabilities	0	0	0	3460.25	0	0	0	3077.08
Total liabilities	2227.80	137.55	6.84	5832.44	2857.43	212.64	0	6147.75
Capital expenditure	177.63	547.62	0.00	725.25	157.87	6.01	0.00	163.88
Depreciation and amortisation	354.71	31.69	0.00	386.40	348.62	30.42	0.00	379.04

Geographical Segment

Particulars	India		Other Countries		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Sales Revenues	16376.44	17360.99	1531.28	1795.95	17907.72	19156.94
Segment Assets	9683.08	9616.92	119.75	143.33	9802.83	9760.25
Addition to Fixed Assets	177.99	141.82	0.00	0.00	177.99	141.82

Notes to financial statements for the year ended 31 March 2016

32 Disclosure in respect of Operating Lease in accordance with AS 19 on 'Leases'

- a) The Company has taken on lease various Office Premises, Residential Premises and Godowns for the periods ranging from 3 years to 6 years.
- b) The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:-
 - i) Not later than one year ₹ 22.58 lacs (P.Y. ₹ 20.52 lacs).
 - ii) later than one year and not later than five years- ₹ 47.44 lacs (P.Y. ₹ 69.43 lacs).
 - iii) later than five years - Nil
- c) lease payments recognised in the Statement of Profit and Loss for the period from 1.4.2015 to 31.3.2016 is ₹ 105.31 lacs (P.Y. ₹ 102.62 lacs).

33 (a) Related party disclosure in accordance with Accounting Standards 18.

Name of the party	Relationship
Chowgule and Co Pvt Ltd	Major Shareholder
Chowgule Brothers Pvt Ltd	Enterprises over which major Shareholder is able to exercise significant infuence
Chowgule Construction Chemicals Pvt Ltd	Enterprises over which major Shareholder is able to exercise significant infuence
Santosh L Chowgule	Key management personnel
Ashok V Chowgule	Key management personnel
Chowgule Charitable Trust	Key management personnel is able to Exercise significant infuence
Santosh Chowgule HUF	Key management personnel is able to Exercise significant infuence

33 (b)

Name of the party	Nature of transaction	Amount of transaction	Amount due from	Amount due to
		(₹ lacs)	(₹ lacs)	(₹ lacs)
Chowgule and Co. Pvt. Ltd.	Loan Repaid	183.00	-	732.00
		-	-	(915.00)
	Interest paid	89.26	-	Nil
		(100.65)	-	Nil
	Rent paid	20.77	-	Nil
		(20.38)	-	Nil
	Advertisement	5.67		Nil
		-		Nil
Chowgule Brothers Pvt Ltd	Services Received	0.39	-	Nil
		(1.31)	-	Nil
Chowgule Construction Chemicals Pvt Ltd	Sale of Perlite	8.31	4.79	-
		(25.94)	(6.70)	-
Chowgule Charitable Trust	Donation	29.82		Nil
		(14.24)		
Santosh Chowgule	Rent paid	8.26		Nil
HUF		(8.26)		Nil
Santosh L Chowgule	Remuneration	45.79	Nil	
		(45.40)	Nil	

Figures in brackets pertains to previous year.

* Further disclosure in conformity with Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the maximum outstanding of said loan was ₹ 915 Lacs during the year.

Notes to financial statements for the year ended 31 March 2016

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
- Employees' 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	Year ended 31st Mar 16	Year ended 31st Mar 15
		(₹/ Lacs)	
(i)	Contribution to Provident Fund	75.12	75.53
(ii)	Contribution to Employee's Superannuation Fund	24.07	23.28
(iii)	Contribution to Employee's State Insurance Scheme	0.42	0.49

(B) Defined Benefit Plans

- a) Gratuity
- b) Compensated Absences

Sl. No.	Particulars	Gratuity		Leave Encashment	
		Year ended 31st Mar 16	Year ended 31st Mar 15	Year ended 31st Mar 16	Year ended 31st Mar 15
		(₹/ Lacs)		(₹/ Lacs)	
Valuation in respect of Gratuity and Compensated Absences has been carried out by the independent actuaries, as at the Balance Sheet date, based on the following assumptions:					
(a)	Discount Rate (Per annum)	7.46%	7.77%	7.46%	7.77%
(b)	Rate of increase in Compensation levels	5%	5%	5%	5%
(c)	Rate of Return on Plan Assets	8.15%	8.15%	-	-
(d)	Attrition rate	1%	1%	1%	1%
(i)	Changes in present Value of Obligation				
a)	Present value of Obligation at the beginning of the period	347.25	256.42	141.52	105.55
b)	Interest Cost	25.91	22.84	10.46	9.27
c)	Past Service Cost	47.44	-	-	-
d)	Current Service Cost	19.44	32.32	24.56	38.23
e)	Contributions by Plan participants				
f)	Curtailment Cost/(Credit)				
g)	Settlement Cost/(Credit)				
h)	Benefits Paid	(27.59)	(15.70)	(13.91)	(9.36)
i)	Actuarial (Gains)/Loss	10.89	51.38	(14.60)	(2.15)
j)	Present value of Obligations at the end of the period	423.36	347.25	148.03	141.52

KELTECH ENERGIES LIMITED

Notes to financial statements for the year ended 31 March 2016

Sl. No.	Particulars	Gratuity		Leave Encashment	
		Year ended 31st Mar 16	Year ended 31st Mar 15	Year ended 31st Mar 16	Year ended 31st Mar 15
		(₹ / Lacs)		(₹/ Lacs)	
(ii)	Changes in Fair value of Plan Assets				
	a Present value of Plan assets at the beginning of the period	165.53	132.14	-	-
	b Adjustment to opening balance	0.00	18.15	-	-
	c Expected Return on Plan Assets	13.86	12.86	-	-
	d Actuarial(Gain)/Loss	(7.80)	(12.87)	-	-
	e Employer's Contributions	36.58	30.94	13.91	9.36
	f Benefits Paid	(27.59)	(15.70)	(13.91)	(9.36)
	g Fair Value of Assets at the end of the period	180.58	165.52	-	-
(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	180.58	165.52	-	-
	d Others	-	-	-	-
(iv)	Amounts recognised in the Balance Sheet				
	a Present value of Obligations at the end of the period	423.36	347.25	148.03	141.52
	b Fair Value of Assets at the end of the period	180.58	165.52	-	-
	c Liability recognised in the Balance Sheet	242.78	181.73	148.03	141.52
(v)	Expenses recognised in the Statement of Profit and Loss				
	a Current Service Cost	19.44	32.32	24.56	38.23
	b Past Service Cost	47.44	-	-	-
	c Interest Cost	25.91	22.84	10.46	9.27
	d Expected Return on Plan Assets	(13.86)	(12.87)	-	-
	e Curtailment Cost/(Credit)				
	f Settlement Cost/(Credit)				
	g Adjustment to Opening Balance of Present Value of Plan Assets	-	-	-	-
	h Net Actuarial(Gain)/Loss	18.69	64.25	(14.60)	(2.15)
	i Employees' Contribution	-	-	-	-
	j Total Expenses recognised in the Profit and Loss Account	97.62	106.54	20.42	45.34

Notes to financial statements for the year ended 31 March 2016

Sl. No.	Particulars	Gratuity		Leave Encashment		
		Year ended 31st Mar 16	Year ended 31st Mar 15	Year ended 31st Mar 16	Year ended 31st Mar 15	
		(₹/ Lacs)		(₹/ Lacs)		
(vi)	Details of Plan Assets ,Obiligation and Experience adjustments for last 5 years					
		2015-16	2014-15	2013-14	2012-13	2011-12
a	Present value of Obligations	423.36	347.25	256.41	252.20	243.45
b	Fair Value of Assets	180.58	165.52	132.14	119.22	109.50
c	Liability recognised in the Balance Sheet	242.78	181.73	124.27	132.98	133.95
d	(Gain)/Loss on obligation due to change in Assumption	5.93	23.12	(14.43)	(1.03)	(1.90)
e	Experience (Gain)/Loss on obligation	4.96	28.26	(0.71)	(6.79)	14.31
f	Acturial Gain/(Loss) on plan assets	(7.80)	(12.87)	(10.51)	(9.60)	(8.07)
(vii)	Contributions expected to be paid to the plan during the next financial year is ₹ 32 lacs.					

35 Earning Per Share:-

	<u>2015-16</u>	<u>2014-15</u>
	(₹ lacs)	(₹ lacs)
1) Profit attritutable to Equity Shareholders	387.98	341.93
2) Weighted number of Equity Shares during the year.	10.00	10.00
3) Basic/Diluted EPS	<u>38.80</u>	<u>34.19</u>

36 Earnings in Foreign Exchange:

	<u>2015-16</u>	<u>2014-15</u>
	(₹ lacs)	(₹ lacs)
Exports on FOB basis	1,523.00	1,568.29
	<u>1,523.00</u>	<u>1,568.29</u>

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

	2015-16		2014-15	
	Value (₹ lacs)	Percentage	Value (₹ lacs)	Percentage
Imported	288.05	2.41	268.67	2.01
Indigenous	11,656.70	97.59	13,125.39	97.99
	<u>11,944.75</u>	<u>100.00</u>	<u>13,394.06</u>	<u>100.00</u>

38 CIF value of imports during the year

	<u>2015-16</u>	<u>2014-15</u>
	(₹ lacs)	(₹ lacs)
Raw Materials	633.43	363.00
Capital Goods	180.84	0.00
	<u>814.27</u>	<u>363.00</u>

Notes to financial statements for the year ended 31 March 2016**39 Unhedged Foreign Currency Exposure as at the Balance Sheet date**

Trade Receivables :- ₹ 119.75 lacs (US \$ 187773 @ Closing rate of 1 USD = ₹ 65.88).

Trade Payables :- ₹ 32.67 lacs (US \$ 48984 @ Closing rate of 1 USD = ₹ 66.70).

40 Expenditure in Foreign Currency (shown on cash basis)

	2015-16	2014-15
	(₹ lacs)	(₹ lacs)
i) Travelling	30.02	40.93
ii) Project Cost	100.51	15.61
iii) Technical Knowhow fee	31.85	0.00
iv) Others	4.99	5.03
	<u>167.37</u>	<u>61.57</u>

41 CSR Expenditure

- I. As per the Section 135 of the Companies Act, 2013 every year the Company is required to spend at least 2% of its Average Net Profit made during the immediately 3 preceding financial years on the Corporate Social Responsibility (CSR) activities. Gross amount required to be spent by the Company during the year is ₹13.89 lacs (PY.₹15.42 lacs) and amount actually spent during the year is also ₹13.89 lacs (PY.₹15.42 lacs), the details of which is as given below:

Particulars	2015-16			2014-15		
	In Cash ₹ lacs	Yet to be paid in cash ₹ lacs	Total ₹ lacs	In Cash ₹ lacs	Yet to be paid in cash ₹ lacs	Total ₹ lacs
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than above	13.89	-	13.89	15.42	-	15.42

42 The figures for the previous year have been regrouped/reclassified wherever necessary.

As per our attached Report of even date

For **HARIBHAKTI AND CO. LLP**

Chartered Accountants

ICAI FRN 103523W

CHETAN DESAI

Partner

Membership No. 17000

For and on behalf of the Board

ASHOK V. CHOWGULE

Chairman

P. PRABHUDEV

Chief Financial Officer

S.L. CHOWGULE

Managing Director

Ms. SHALU TIBRA

Company Secretary

Place : Mumbai

Date : 20th May, 2016

KELTECH ENERGIES LIMITED

CNI : L30007KAI977PLC03 I 660

'Embassy Icon' 7th 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 Keltech Energies Limited, hereby appoint:

- 1) _____ of _____ having e-mail ID _____ or failing him/her
- 2) _____ of _____ having e-mail ID _____ or failing him/her
- 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 Thirty Ninth Annual General Meeting of the Company, to be held on 20th July, 2016 at 2.30 p.m. at, Pennar, Shangri-La-Hotel, No. 56-6B, Palace Road, Bangalore-560052. and at any adjournment thereof in respect of such resolutions as are indicated below:

** I/We appoint my / our above Proxy to vote in the manner as indicated in the box below:

	Resolutions	For	Against
1.	Consider and adopt the Audited Balance Sheet of the Company as at March 31, 2016 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.	Ratification of Auditors's appointment for the current financial year		
5.	Ratification of Cost Auditors appointment and to fix his remuneration for the current financial year		

* Applicable for investors holding share in electronic form.

Signed this.....day of.....2016

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 Register 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 members 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 '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/she 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

CNI : L30007KAI977PLC03 I 660

'Embassy Icon' 7th 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 Thirty ninth Annual General Meeting of the Company on Wednesday, the 20th July, 2016 at 2.30 Pm, at Pennar, Shangri-La-Hotel, No. 56-6B, Palace Road, Bangalore-560052. 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.
218, 1st Floor, J. P. Royale, 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 a wherever applicable.
For share held Physical form

Master
Folio No.

FOR OFFICE USE ONLY	
Master	<input type="text"/>
Folio No.	<input type="text"/>

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 Shareholder(s))

Date :

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

* This form duly filled in and signed may be returned to Canbank Computer Service Limited



