



KELTECH ENERGIES LIMITED

42nd Annual Report and Accounts

2018 – 2019



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BOARD OF DIRECTORS

ASHOK V. CHOWGULE - Chairman
HEM RAJ C. ASHER (upto 31-03-20 19)
HARISH JAGTIANI (upto 31-03-20 19)
UMAJI V. CHOWGULE
MS. ARATI SARAN
KAIYOZE B. BILLIMORIA
ARJUN A. CHOWGULE (w.e.f. 18-05-20 18)
S.L. CHOWGULE - Managing Director

COMPANY SECRETARY

MS.SHALU TIBRA

EXECUTIVES

V.N.PANGAL – Chief Advisor

AUDITORS

KHIMJI KUNVERJI & CO.
CHARTERED ACCOUNTANTS
MUMBAI.

LEGAL ADVISORS

CRAWFORD BAYLEY & CO.
ADVOCATES, SOLICITORS & NOTARIES
MUMBAI.

REGISTERED OFFICE

EMBASSY ICON, VII FLOOR,
NO.3, INFANTRY ROAD,
BENGALURU-560001.

BANKERS

CANARA BANK
STATE BANK OF INDIA

SHARE TRANSFER AGENTS

CANBANK COMPUTER SERVICES LTD.
J.PROYALE, 1ST FLOOR, # 218, 2ND MAIN,
SAMPIGE ROAD, MALLESHWARAM,
BENGALURU-560003.

WORKS

VISHWASNAGAR 574 108
KARKALA TALUK
UDUPI DISTRICT
KARNATAKA STATE

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

SY.NO.69/1, OBULAVARIPALLI VILLAGE,
MANGAMPET-516 106, CUDAPAH DISTRICT,
ANDHRA PRADESH.

NO.1-1-20, SUB STATION ROAD, T.D.P.
CENTER, BHANDARIGUEM
MANUGURU-507 117,
DISTRICT KHAMMAM, TELANGANA.

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

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

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

SY.NO.590, BORIGUMA ROAD,
MOUZA MANGARA, DISTRICT KORAPUT,
ODISHA – 764 020.

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

P.O.HARDI BAZAAR-495446,
HARDI MURLI ROAD, TEHSEEL PALI,
DISTRICT KORBA, CHATTISHGARH.

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

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

KELTECH ENERGIES LIMITED

NOTICE

Notice is hereby given that the Fortysecond Annual General Meeting of Keltech Energies Limited will be held on Tuesday, the 23rd July, 2019 at 2.30 PM, at Dominion Hall, Le Meridien, No.28, Sankey Road, Bengaluru-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, 2019 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, 2019.
3. To appoint Director Shri Umaji V. Chowgule, who retires by rotation and, being eligible, seeks re-appointment.

“RESOLVED THAT pursuant to the provisions of section 152 and other applicable provisions of Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the re-appointment of Shri Umaji V Chowgule (DIN: 00018993) as a Director, to the extent that he is required to retire by rotation.”

Special Business:

4. To ratify the appointment of Shri Ashvin Chadha as Director of the Company.

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

“RESOLVED THAT pursuant to Sections 149, 152, 164, 165 and 184 of the Companies Act, 2013 read with Rules 8 & 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 Shri Ashvin Chadha, (DIN: 01962798) who was appointed as an Additional Director on 25th January, 2019 under Article 113 of the Articles of Association of the Company who holds office up to this date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 (“the Act”) and being eligible for appointment, and in respect of whom the Company has received a notice in writing from a member of the Company pursuant to provisions of Section 160(1) of the Act, along with a deposit of Rs. 1,00,000/- proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five consecutive years.”

5. To ratify the appointment of Shri Prashant Khatau Asher as Director of the Company.

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

“RESOLVED THAT pursuant to Sections 149, 152, 164, 165 and 184 of the Companies Act, 2013 read with Rules 8 & 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 Shri Prashant Khatau Asher, (DIN: 00274409) who was appointed as an Additional Director on 25th January, 2019 under Article 113 of the Articles of Association of the Company who holds office up to this date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 (“the Act”) and being eligible for appointment, and in respect of whom the Company has received a notice in writing from a member of the Company pursuant to provisions of Section 160(1) of the Act, along with a deposit of Rs. 1,00,000/- proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five consecutive years.”

6. Re-appointment of Ms. Arati Saran as Independent Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 164, 165 and 184 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Ms. Arati Saran, (DIN: 01157284), who was appointed as an Independent Director at the 37th Annual General Meeting of the Company and who holds office up to July 24, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed there under and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director along with a deposit of Rs. 1,00,000/-, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from July 25, 2019 upto July 24, 2024.”

7. Re-appointment Shri Santosh L. Chowgule as Managing Director of the Company.

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 199, 200, 201, 202, 203 and Schedule V of the Companies Act, 2013 read with Rule 3 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.(“the Act”), and subject to the approval of the Central Government wherever necessary, Shri Santosh L.Chowgule who was re-appointed as Managing Director of the Company for a period of five years with effect from 29th April, 2019 till 28th April, 2024,consent of the Company be and is hereby accorded to the appointment of Shri Santosh L.Chowgule (DIN : 00097736) as Managing Director of the Company for second term of five years on such terms and conditions as are set out in the Agreement to be entered into between the Company and Shri Santosh L. Chowgule placed before this meeting with a liberty to the Board of Directors (“the Board”) of the Company to vary or modify the terms and conditions of appointment including sanctioning increments, incentive or bonus as may be agreed between the Board and Shri Santosh L.Chowgule which shall be subject to the overall ceiling prescribed in Schedule V to the Act read with aforesaid sections of the Act and other applicable provisions, if any, of the Act or any amendment thereto or re-enactment thereof.

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

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

8. To approve the appointment of the Cost Auditor and to fix his remuneration for the financial year 2019-20.

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 & 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 2019-20 at its meeting held on 17th May, 2019, and the said appointment be and is hereby ratified and shall be paid a remuneration of Rs.60,000/- (Rupees Sixty Thousand only).

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, BENGALURU – 560 001, INDIA
CIN: L30007KA1977PLC031660

Place : Mumbai.

Dated : 17th May, 2019.

KELTECH ENERGIES LIMITED

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 09:00 AM of 18th July, 2019 to 05:00 PM of 22nd July, 2019 (both days inclusive); such voting period shall be completed a day 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 17th July, 2019 to 23rd July, 2019 (both days inclusive).
6. Those Members who have so far not encashed their Dividend Warrants for the financial years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 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 and its amendments, 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 dematerialize in due course.
8. The notice of the Forty Second 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 Forty Second Annual General Meeting and the Annual Report for 2018-19 will be available on the Company's website www.keltechenergies.com
9. All documents referred to in the notice will be available for inspections in the office during the normal business hours on working days upto the date of AGM.
10. Members are requested to:
 - i. submit their attendance slips at the registration counters at the venue of AGM and seek registration before entering the meeting hall;
 - ii. furnish a valid identity proof such as PAN card / passport / Aadhaar/ Driving license along with the attendance slip to enter the AGM hall;
 - iii. Notify any change in their registered address at an early date;
 - iv. Quote folio numbers in all their correspondence; and
 - v. Bring the copy of their Annual Report and the attendance slip at the Annual General Meeting.

Registered Office:

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

Place : Mumbai

Dated : 17th May, 2019.

By Order of the Board of Directors of
KELTECH ENERGIES LIMITED

SANTOSH L. CHOWGULE
MANAGING DIRECTOR
(DIN: 00097736)

Route Map to venue of the 42nd Annual General Meeting:

Venue: 'Dominion Hall', Le Meridien, No.28, Shankey Road, Bengaluru-560052

Date: Tuesday, the 23rd July, 2019 at 2.30 PM

Landmark: Opp: Golf Course

Plus Codes: XHRP+4F Bengaluru, Karnataka



KELTECH ENERGIES LIMITED

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

ITEM NO.3.

Shri Umaji V. Chowgule (DIN: 00018993) is a Non-Independent Promoter Director was appointed as a Director of the Company on 17th July, 2009 is liable to retire by rotation. Shri Umaji V. Chowgule eligible for re-appointment has consented, if appointed, to act as a Director.

Shri Umaji V.Chowgule is a Post Graduate in Psychology. He is an Industrialist by profession and has extensive managerial experience. He holds the position of Managing Director M/s.Kolhapur Oxygen & Acetylene Pvt. Ltd. He holds Directorships in various private limited companies. Having regard to the extensive experience and capability of Shri Umaji V.Chowgule, the Board of Directors desires to have his valuable advice and counsel in the Board. Your Directors commend the resolution for approval of the Shareholders.

Shri Umaji V. Chowgule, is deemed to be interested and concerned in this resolution, since it relates to his appointment, did not participate or vote on this resolution. S/Shri Ashok V.Chowgule, Santosh L.Chowgule, Arjun Chowgule, Directors of the Company are interested or concerned in this resolution, they did not participate neither in the discussion nor voted for the same.

The Board of Directors recommends the resolution set forth in Item No.3 for approval of the members.

ITEM NO.4

Shri Ashvin Chadha (DIN: 01962798) was appointed as an Additional Director of the Company on 25th January, 2019. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") and Article 113 of the Articles of Association of the Company, Shri Ashvin Chadha holds office up to this Annual General Meeting. Notice in writing under Section 160(1) of the Act, along with necessary deposit of Rs.1,00,000/- have been received from a Member proposing Shri Ashvin Chadha as a candidate for the Office of the Director of the Company. Shri Ashvin Chadha has consented, if appointed, to act as a Director.

Shri Ashvin Chadha is a Graduate in Economics from Wesleyan University, USA and a Professional in financial services to Corporates in India and abroad. He is a part of leadership team of India Equity Partner. He is an Advisor and Investment Committee Member of Securities Exchange Board of India. He has practical experience in Venture Capital Funds, Investment and Financial Services, etc. He holds Directorships in various financial companies. Having regard to the extensive experience and capability of Shri Ashvin Chadha, the Board of Directors desires to have his valuable advice and counsel in the Board. Your Directors commend the resolution for approval of the Shareholders.

No Director, key managerial personnel or their relatives, except Shri Ashvin Chadha, to whom the resolution relates, is interested or concerned in the resolution did not participate neither in the discussion nor voted for the same.

The Board of Directors recommends the resolution set forth in Item No.4 for approval of the members.

ITEM NO.5

Shri Prashant Khatau Asher (DIN: 0274409) was appointed as an Additional Director of the Company on 25th January, 2019. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") and Article 113 of the Articles of Association of the Company, Shri Prashant Khatau Asher holds office up to this Annual General Meeting. Notice in writing under Section 160(1) of the Act, along with necessary deposit of Rs.1,00,000/- have been received from a Member proposing Shri Prashant Khatau Asher as a candidate for the Office of the Director of the Company. Shri Prashant Khatau Asher has consented, if appointed, to act as a Director.

Shri Prashant Khatau Asher is a Graduate in Law. He is a Legal Professional and rendering legal services to corporates in India and abroad. He is a Partner of M/s.Crawford Bayley & Company, Mumbai. He is an Advisor and Investment Committee Member of Securities Exchange Board of India. He has a practical experience in legal services to corporates of shipping, insolvency services etc. He holds Directorships in various domestic companies. Having regard to the extensive experience and capability of Shri Prashant Khatau Asher, the Board of Directors desires to have his valuable advice and counsel in the Board. Your Directors commend the resolution for approval of the Shareholders.

No Director, key managerial personnel or their relatives, except Shri Prashant Khatau Asher, to whom the resolution relates, is interested or concerned in the resolution did not participate neither in the discussion nor voted for the same.

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

ITEM NO.6

Ms.Arati Saran (DIN : 01157284), Independent Director, was appointed as a Director of the Company with effect from 25th July, 2014, is not liable to retire by rotation, eligible for re-appointment has consented, if appointed to act as a Director.

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

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

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

No Director, key managerial personnel or their relatives, except Ms. Arati Saran, to whom the resolution relates, is interested or concerned in the resolution did not participate neither in the discussion nor voted for the same.

The Board recommends the resolution set forth in item No.6 for the approval of the members.

ITEM NO.7

Shri Santosh L.Chowgule (DIN : 00097736), Non-Independent Director, was appointed as a Managing Director of the Company for a period of five years with effect from 29th April, 2014, is not liable to retire by rotation, eligible for re-appointment has consented, if appointed to act as a Director.

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

The term of the office of Shri Santosh L.Chowgule, Managing Director, expired on the 28th April, 2019. The Board of Directors, (the "Board") considered the recommendations of Nomination and Remuneration Committee at its meeting held on 25th January, 2019 for re-appointment of Shri Santosh L.Chowgule, Managing Director for a further period of five years with effect from 25th April, 2019. Having regard to the onerous responsibilities discharged by him and his performance and ability, the Board in its meeting held on 25th January, 2019 has resolved to re-appoint him as a Managing Director of the Company for a period of five years with effect from 29th April, 2019 as per the terms set out below.

A PERIOD:

Appointment valid for a period of five years with effect from 29th April, 2019.

B REMUNERATION:

(a) Salary - Rs.5,00,000/- (Rupees five lakhs only) per month in the scale of 500000-25000-650000.

(b) **Perquisites:**

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

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

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

(iv) **Club Fees:** The payment of fees to clubs subject to a maximum of two clubs provided that no admission fee and life membership fees will be paid.

KELTECH ENERGIES LIMITED

(v) **Personal Accident Insurance:**

Personal accident insurance of an amount, the annual premium shall not exceed Rs.1,44,000/- (Rupees one lakh forty four thousand only) per annum.

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

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

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

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

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

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

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

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

D. The Managing Director so long as he functions as such shall not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.

E. The Company shall reimburse to the Managing Director entertainment, actual travelling and all other expenses reasonably incurred by him for the business of the Company.

F. The Agreement between the Company and the Managing Director may be terminated at any time by either party thereto by giving to the other party three months' notice in writing.

G. The remuneration herein shall be in accordance with Schedule V of the Company's Act, 2013 as amended or substituted from time to time ("the dates"). In the event of the remuneration exceeding the limits or the Managing Director does not satisfy the requirements under relevant provisions of the Act, the same shall be subject to the approval of the Central Government.

H. OTHER CONDITIONS APPLICABLE:

(i) The Managing Director shall not engage directly or indirectly in any other business, occupation or employment which competes with the business of the Company provided that he may hold any other directorship of any other Company or Companies not competing with the business of the Company;

(ii) The Managing Director shall not divulge or disclose or use any confidential information or knowledge obtained during the course of employment as to the business or affairs of the Company;

(iii) The Managing Director shall not be directly or indirectly concerned or interested in any selling agency of the Company without the prior approval of the Central Government.

(iv) The Managing Director's employment shall forthwith determine if he becomes insolvent or makes any composition or arrangement with creditors or ceases to be a Director of the Company.

(v) The Company to have the right to terminate his appointment if guilty of such inattention or negligence in the conduct of the business or of any other act or omission inconsistent with the duties as Managing Director or any breach of the Agreement as in the opinion of all the other Directors for the time being of the Company shall render his retirement from the office of Managing Director desirable.

This Notice and Explanatory Statement relating to the resolution at item No.7 should be treated as an abstract of the terms of appointment of Shri Santosh L. Chowgule and Memorandum of Interest pursuant to the provisions of the Companies Act, 2013.

Shri Santosh L. Chowgule, is deemed to be interested and concerned in this resolution, since it relates to his appointment, did not participate or vote on this resolution. S/Shri Ashok V. Chowgule, Umaji V Chowgule and Arjun Chowgule, Directors, being interested, did not participate or vote on this resolution.

ITEM NO.8

Pursuant to Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit & 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 17th May, 2019 to conduct audit of the cost records of the Company for the financial year 2019-20. 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 2019-20. Your Directors commend the resolution for approval of the Shareholders.

No Directors and Key Managerial Personnel of the Company and their relatives are not 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.8 for approval of the members.

Additional Information on Directors recommended for appointment or re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**I Name : Shri.Umaji V Chowgule (DIN : 00018993)**

1. Current designation with background of his appointment to the Board.

Shri. Umaji V Chowgule presently holds the position as Director on the Board of Directors of Keltech Energies Ltd.

Shri Umaji V.Chowgule is a Post Graduate and Industrialist by profession and has extensive managerial experience. He holds the position of Managing Director of M/s.Kolhapur Oxygen & Acetylene Pvt. Ltd. He holds Directorships in various private limited companies.

2. Industry experience : 24 years.
3. Educational qualification : MA (Psychology)
4. Age : 65 Years.
5. Nature of expertise in specific functional areas : Education & Management.
6. Disclosure of inter-se relationships between directors and KMP – Complied.
7. Listed companies in which the director holds directorship and committee membership
 - a. Directorship – 1.
 - b. Chairperson/Member of the Board Committees – 2.
8. Shareholding in the company – Nil.

Note: Details of Shri Umaji V Chowgule's remuneration and number of meetings attended during 2018-2019 are provided in the Corporate Governance Report.

II Name : Shri. Ashvin Chadha (DIN : 01962798)

1. Current designation with background of his appointment to the Board

Shri Ashvin Chadha presently holds the position as an Additional Director on the Board of Directors of Keltech Energies Ltd. with effect from 25.01.2019.

He holds the position as Director with M/s.Anicut Capital LLP., and also holds Directorships in M/s.A.R.Chadha & Co. India Pvt. Ltd. M/s.Atma Ram Properties Pvt. Ltd. and several other Private Ltd.Cos. He has vast experience in financial services to the corporate entities in India and abroad at the Management level which enables him to advice and counsel the Board.

2. Industry experience : 8 years
3. Educational qualification : B.A.Economics from Wesleyan University, USA.
4. Age : 38 years.
5. Nature of expertise in specific functional areas: Venture Capital Funds, Investment and financial services.
6. Disclosure of inter-se relationships between directors and KMP – Complied.
7. Listed companies in which the director holds directorship and committee membership
 - a. Directorship – Nil.
 - b. Chairperson/Member of the Board committees – Nil.
8. Shareholding in the company – Nil.

III Name : Shri.Prashant Khatau Asher (DIN : 00274409)

1. Current designation with background of his appointment to the Board
Shri Prashant Khatau Asher presently holds the position as an Additional Director on the Board of Directors of Keltech Energies Ltd. with effect from 25.01.2019.
He holds the position as Partner of M/s.Crawford Bayley & Company, a leading legal firm in Mumbai and also holds Directorships in M/s.Hinduja Ventures Ltd. M/s.Sharp India Ltd. and several other Private Ltd.Cos. He has vast experience in legal services to the corporate entities in India at the Management level which enables him to advise and counsel the Board.
2. Industry experience : 24 years
3. Educational qualification : LLB.
4. Age : 54 years.
5. Nature of expertise in specific functional areas : Legal services to corporates of shipping, insolvency services etc..
6. Disclosure of inter-se relationships between directors and KMP – Complied.
7. Listed companies in which the director holds directorship and committee membership
 - a. Directorship – 8
 - b. Chairperson/Member of the Board committees – Chairman - 3. Board Committees – 8.
8. Share holding in the company – Nil.

IV Name : Ms. Arati Saran (DIN : 01157284)

1. Current designation with background of her appointment to the Board.
Ms. Arati Saran presently holds the position as Director on the Board of Directors of Keltech Energies Ltd.
Ms. Arati Saran is an Industrialist in Mumbai and holds directorships in various Domestic Companies with effect from 21.07.1994. Presently holds the position Director in M/s.Business Combine Ltd., M/s.XLO India Ltd. etc. This varied and rich experience enables her to drive operational excellence across various facets of business.
2. Industry experience : 25 years.
3. Educational qualification : Post Graduate in Industrial and Labour Relations from Cornell University, USA
4. Age : 63 Years.
5. Nature of expertise in specific functional areas : Industrial Management and Labour Relations.
6. Disclosure of inter-se relationships between directors and KMP – Complied.
7. Listed companies in which the director holds directorship and committee membership
 - a. Directorships – 5.
 - b. Chairperson/Member of the Board committees – Chair Person - 2. Board Committee – 2.
8. Share holding in the company – Nil.

Note: Details of Ms.Arati Saran's remuneration and number of meetings attended during 2018-2019 are provided in the Corporate Governance Report.

V Name : Shri Santosh L.Chowgule (DIN : 00097736)

1. Current designation with background of his appointment to the Board.
Shri Santosh L.Chowgule presently holds the position of Managing Director on the Board of Directors of Keltech Energies Ltd.
Shri Santosh L.Chowgule is an Industrialist and holds directorships in various Private Limited Companies. This varied and rich experience enables him to drive operational excellence across various facets of business.
2. Industry experience : 25 years.
3. Educational qualification : Graduate in Arts.
4. Age : 61 Years.
5. Nature of expertise in specific functional areas : Industrial Management and other functional areas of marketing, finance and administration.
6. Disclosure of inter-se relationships between directors and KMP – Complied.
7. Listed companies in which the director holds directorship and committee membership
 - a. Directorships – 1.
 - b. Chairperson/Member of the Board committees – Chair Person - 0. Board Committee – 4.
8. Share holding in the company – Nil.

Note: Details of Shri Santosh Chowgule's remuneration and number of meetings attended during 2018-19 are provided in the Corporate Governance Report.

INSTRUCTIONS FOR E-VOTING

In compliance with regulation 44, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and section 108 and other applicable provisions of the Companies Act, 2013 read with rules, the Company is pleased to provide e-voting facility to all its members, to enable them to cast their votes electronically. The Company has engaged the services of NSDL for the purpose of providing e-voting facility to all its members.

The instructions for a-voting are as follows:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User I D, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://www.eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

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

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email I D. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client I D for CDSL account or folio number for shares held in physical form.

The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
 - b) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use OTP (One Time Password) based login for casting the votes and on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the Companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e.mail to info@swaroopsuri.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

BOARDS' REPORT

To the Members,

Your Directors have pleasure in presenting their Forty-Second Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2019. This report is being presented along with the audited financial statements for the year.

I. Financial Performance:

(₹ in Lakhs, except per share data)

	2018-19		2017-18	
Operating Profit		1509.70		1868.87
Less:				
1) Interest	183.61		255.19	
2) Depreciation	494.81	678.42	493.15	748.34
Profit for the year before taxation		831.28		1120.53
Less : Provision for taxation - Current Tax	238.09		390.00	
- Deferred Tax	(9.33)	228.76	(24.84)	365.16
Profit for the year		602.52		755.37
Other Comprehensive Income				
Re-measurements of post-employment benefit obligations (net of tax)		(36.23)		17.00
Profit for the year available for appropriation		566.29		772.37

2. Company Affairs:

(MANAGEMENT DISCUSSION AND ANALYSIS REPORT / OPERATIONS REPORTS OF COMPANY'S PERFORMANCE):

The operations for the year 2018-19 have resulted in a net profit of Rs.566.29 lakhs after charging depreciation, interest, tax and comprehensive income as against Rs.772.37 lakhs for the corresponding period of the previous year.

A. Explosives Division

The sale of Explosives for the year under review was 41,261 MT valued at Rs.16,398 lakhs as against 39,854 MT valued at Rs.15,588 lakhs of the previous year. The Sales turnover in Explosives increased by 4% in quantity terms and in value terms by 5%. During the year, the turnover in regard to traded goods, services and export of finished goods in Explosives sector was Rs.1,608 lakhs as against Rs.1,282 lakhs for the corresponding period of the previous year.

The sale of Detonating Fuse and related products during the year under review was valued at Rs.1,288 lacs as against Rs.1,225 lacs during the corresponding period of the previous year.

B. Perlite Division

The sale of Perlite and Perlite based products for the year under review was 10,990 MT valued at Rs.2,092 lakhs as against 9,490 MT valued at Rs.1,821 lakhs for the corresponding period of the previous year, which resulted in increase of 16% in quantity terms and 15% increase in value terms. The increase in sales was mainly due to manufacture of the new product viz. Filter Aid products.

The turnover of service contracts and special products during the year under review was Rs.448 lakhs as against Rs.288 lakhs for the corresponding period of the previous year.

3. Basic Earnings Per Share

The Company's Basic Earnings per share stood at INR 60.25 (Previous year- INR 75.54).

4. Risk Management Report:

The combination of policies and processes concerned to the operations of the Company are adequately adopted for the anticipated risks associated with the Company's business. The Senior Management of the Company periodically reviews the risk management framework so as to effectively address the emerging challenges in a dynamic business environment.

5. Dividend

The Directors have recommended a dividend of Rs. 2.50 per share of Rs.10/- (25%) on the paid-up equity capital of the Company.

6. Business Focus and Highlights

A. Explosives Division

There was a small increase in value and quantity of turnover in explosives sector. However, the margins were affected since selling price did not increase commensurate with input costs. The Coal sectors contracts were already finalized at aggressive prices which the Company did not accept. Despite this, the Company was able to achieve a small increase overall turnover due to good acceptance in other segments of business.

In regard to D Fuse and related products, the Company was able to sustain same turnover despite pressure in selling price.

B. Perlite Division

The sale of Perlite products including Filter Aid showed good growth during the year under review.

C. Industrial Relations

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

D. Outlook for 2019-20.

During the current financial year 2019-20, on account of continued stiff competition on price, sale of Explosives to Public Sector Units is expected to be under pressure. The Company is expected to increase its presence in the segment of packaged Explosives and Explosives accessories on account of consistent product quality and service. Volume growth is expected in Perlite Filter Aid segment as the product is being accepted by and large by all consumers.

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 differ 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.

7. Transfer to General Reserve

The Company proposes to transfer a sum of Rs. 300 lacs to General Reserve.

8. Deposits

The Company has not received any deposits during the financial year 2018-19.

9. Quality

The quality function at KEL has been at the forefront of enabling delivery and support functions in differentiation, optimization and de-risking. While we continue to comply with international standards, such as **ISO 9001-2015 & 14001-2015, OHSAS 18001**, our quality and engineering departments drove change initiatives for productivity improvements.

10. Infrastructure

The Company is in the process of improving the infrastructure at Vishwasnagar, Garamsur and other Units.

11. 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.

12. 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.

13. Particulars of Loans, Guarantees or Investments

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

14. Directors**a. Re-appointment**

Shri Umaji V. Chowgule, [DIN: 00018993] retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

Pursuant to 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. Cessation.

During the year S/Shri H.C.Asher and Harish Jagtiani, Directors of the Company have conveyed their intention to step down from the position of non-executive Independent Directors on Board, citing the provisions of Regulation 17 (1A) of the SEBI (LODR) Regulations, 2019 from the Directorship of the Company, without seeking for their reappointment to the Board with effect from **31st March, 2019**. The Board recalled the valuable contributions made by S/Shri H.C.Asher and Harish Jagtiani towards the progress of the Company throughout their tenure as Directors. The Chairman and the Board placed on record their appreciation for the unstinted efforts put in by S/Shri H.C.Asher and Harish Jagtiani in providing invaluable advice and guidance to the Company throughout their long tenure on the Board.

c. 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 25th January, 2019. 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.

d. Declaration by Independent Directors

A declaration from Independent Directors as required in sub-section (6) & (7) of Section 149 of the Companies Act, 2013 is obtained and the same are placed before the Board for noting. 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.

e. 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 from 29th April, 2014.

f. Number of meetings of the board

During the year four meetings of Board of Directors were held i.e. on 18th May, 2018, 20th July, 2018, 26th October, 2018 and on 25th January, 2019. These meetings were held as per the provision of section 173 of the Companies Act, 2013.

g. 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.

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

M/s. Khimji Kunverji & Co. LLP, Chartered Accountants, (FRN I05146W) have been appointed as Statutory Auditors of the Company for a period of five years effective from the conclusion of Fortieth Annual General Meeting till the conclusion of 45th Annual General Meeting, at the Board meeting of the Company held on 18th May, 2017.

B. Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit & 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 2018-2019.

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, Shri Swaroop Suryanarayana, C.P.No.9997, Prop: M/s Swaroop Suri and Associates, Bengaluru, Practising Company Secretaries, have been appointed for conducting the Secretarial Audit for the year ended 31st March, 2019, and their report is annexed as **Annexure 2** to this report.

Pursuant to to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Shri Swaroop Suryanarayana, C.P.No.9997, Prop: M/s Swaroop Suri and Associates, Bengaluru, Practising Company Secretaries, Bengaluru conducted the Audit and issued the Secretarial Compliance Report for the year ended 31st March, 2019, and their report is annexed as **Annexure 3** to this report.

16. Key Managerial Personnel

A. Managing Director

Pursuant to section 203 of the Companies Act, the Company has entered into an agreement with the Managing Director Shri Santhosh L Chowgule for a period of 5 years with effect from 29th April, 2019.

B. Chief Financial Officer and Company Secretary

Pursuant to section 203 of the Companies Act, the Company has appointed Chief Financial Officer and Company Secretary with effect 1st March, 2015.

17. Extract of Annual Return

The extract of annual return in Form No. MGT – 9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 is available on the Website at the Link: www.keltechenergies.com

18. Secretarial Standards

The Company has complied with all applicable Secretarial Standards.

19. Link to policies on website

The policies of Company mentioned below can be accessed in the link: <http://www.keltechenergies.com/investors.html>

- (i) Code of Conduct
- (ii) Vigil Mechanism / Whistle Blowers Policy
- (iii) Corporate Social Responsibility Policy
- (iv) Policy on related party transactions
- (v) Nomination & remuneration policy
- (vi) Policy on determining materiality & archival disclosures

20. Investor Education and Protection Fund (IEPF)

Pursuant to applicable provisions of Companies Act, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all unpaid and unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India after the completion of 7 years. Further according to the rules, the shares on which the dividend has not been paid or claimed by the shareholders for 7 consecutive years or more shall be transferred to the demat account of the IEPF authority. Accordingly, the company has transferred the unclaimed and unpaid dividends of Rs.1,17,645/-. Further corresponding shares shall be transferred as per the requirements of the IEPF Rules. The details are available on our website.

21. Significant and material orders.

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

22. 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.

23. 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:

Audit Committee	
<p>Composition of the Committee</p> <p>a) Shri Harish Jagtiani b) Ms.Arati Saran c) Shri Kaiyoze Beji Billimoria d) Shri Santosh L. Chowgule</p>	<p>Highlights of duties, responsibilities and activities</p> <p>(i) All the recommendations made by the Audit Committee during the year were accepted by the Board.</p> <p>(ii) The Company has adopted the Whistle Blower 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.</p> <p>In accordance with the listing requirements, the Company has formulated policies on Related Party Transactions and Material Subsidiaries. The policies, including the Whistle Blower Policy, are available on our website.</p>
Nomination and Remuneration Committee	
<p>Composition of the Committee</p> <p>a) Ms. Arati Saran b) Shri H.C.Asher c) Shri Harish Jagtiani d) Shri Kaiyoze Beji Billimoria.</p>	<p>Highlights of duties, responsibilities and activities</p> <p>(i) The Committee oversees and administers executive compensation, operating under a written charter adopted by the Board of Directors.</p> <p>(ii) The Committee has designed and continuously reviews the compensation programme for Managing 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.</p> <p>(iii) 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.</p> <p>The Nomination and Remuneration Committee has framed the Nomination and Remuneration policy.</p>
Stakeholders Relationship Committee	
<p>Composition of the Committee</p> <p>a) Ms. Arati Saran b) Shri H.C.Asher c) Shri Kaiyoze Beji Billimoria d) Shri Harish Jagtiani e) Shri Santosh L. Chowgule</p>	<p>Highlights of duties, responsibilities and activities</p> <p>(i) The Committee reviews and ensures redressal of investor grievances.</p> <p>(ii) The Committee noted that all the grievances of the investors have been resolved during the year.</p>
Committee of Directors (Share Transfer Committee)	
<p>Composition of the Committee</p> <p>a) Shri Ashok V. Chowgule b) Shri Umaji V. Chowgule c) Shri Santosh L. Chowgule</p>	<p>Highlights of duties, responsibilities and activities</p> <p>(i) 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.</p>

Independent Directors Committee	
Composition of the Committee a) Shri Harish Jagtiani b) Shri H.C. Asher c) Ms. Arati Saran d) Shri Kaiyoze Beji Billimoria	Highlights of duties, responsibilities and activities (i) The Committee shall review the performance of the Non-Independent Directors of the Company. (ii) The review is pursuant to provisions of Part VIII of Schedule IV.
Corporate Social Responsibility Committee	
Composition of the Committee a) Shri Harish Jagtiani b) Shri Umaji V. Chowgule c) Shri Kaiyoze Beji Billimoria d) Shri Santosh L.Chowgule	Highlights of duties, responsibilities and activities. (i) The Committee shall plan, implement, process and spend the funds allocated to corporate social responsibility activities. (ii) This process is pursuant to Section 135 of the Companies Act, 2013.

24. Risk Management Policy

The Company has 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.

25. Corporate Governance

The Corporate Governance certificate received from M/s. Khimji Kunverji & Co. LLP, Chartered Accountants, Mumbai (FRN:105146W) regarding compliance of conditions of corporate governance as stipulated in Regulation 34(3) read with Schedule V (C) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed with the report.

26. Director's 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 received from them are noted by the Board-

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.
2. 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.
3. 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.
4. 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.
5. The financial statements have been audited by M/s. Khimji Kunverji & Co. LLP, Chartered Accountants, Mumbai, the Company's Auditors.

27. Particulars of Employees

The total number of employees of the company as on March 31, 2019 was 238 as against 237 as on March 31, 2018.

28. Compliance under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has a robust mechanism in place to redress complaints reported under it. The Company has complied with provisions relating to the constitution of Internal Complaints Committee. During the year ended 31.03.2019, no cases of sexual harassment were reported in your Company. During the course of the year, several initiatives were undertaken to demonstrate the Company's zero tolerance philosophy against discrimination and sexual harassment, which included creation of comprehensive and easy to understand training and communication material which are also made easily accessible.

29. 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.

30. 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.
- XII. Application of Filter Aid products in Industries.
- XIII. Application of Perlite products in horticulture.

C. Future Plan of Action:

- I. Continue development work on Explosives.
- II. Evaluate other systems for SMS.
- III. Develop new usage of perlite including horticultural application.
- IV. Explore new products for diversification.

D. Expenditure on R & D:

- I. Capital - Nil.
- II. Recurring – Rs.31.23 lacs.
- III. Total – Rs.31.23 lacs.
- IV. Total R & D expenditure as a % total turnover – 0.14%

III. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- I. Efforts, in brief, made towards technology absorption, adaptation and innovation: Strict Monitoring of emulsion explosives and making necessary improvements to meet the field requirements.

KELTECH ENERGIES LIMITED

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.
3. 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.
4. Safety standards have been maintained, both during manufacture and usage, based on periodic feedback.
5. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished.

Technology imported:

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



Not Applicable

IV. FOREIGN EXCHANGE EARNING AND OUTGO

a. Activities relating to exports, etc	The Company has exported goods worth Rs.1644.54 lacs (C & F) during the year
b. Total Foreign exchange used and earned	The Company has used Foreign Exchange amounting to Rs.30.38 lacs and earned Rs.1348.76 lacs during the year.

31. 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 Rs.18.66 lacs towards Corporate Social Responsibility Policy and accordingly the Company has spent the same.

32. Green initiatives

Electronic copies of the annual report 2018-19 and the notice of the 42nd Annual General Meeting are sent to all members whose e-mail addresses are registered with the Company/Depository Participants. For members who have not registered their e-mail addresses, physical copies are sent in the permitted mode.

33. Acknowledgments

Your Directors place on record their thanks to the Canara Bank and State Bank of India 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: 17th May, 2019.

Ashok V Chowgule
Chairman

AOC-2

PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH THE RELATED PARTIES

(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, 2018, which were not at arm's length basis

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

The details of material contracts or arrangements or transactions at arm's length basis for the year ended March 31, 2019 are as follows:

Name(s) of the related party	Chowgule & Company Private Ltd.	Chowgule & Company Private Ltd.	Chowgule & Company Private Ltd.	Chowgule & Company Private Ltd.	Chowgule & Company Private Ltd.
Nature of relationship	Promoter	Promoter	Promoter	Promoter	Promoter
Nature of contracts/ arrangements/ transactions	Unsecured loan	Unsecured loan	Lease Agreements	Services rendered	Services availed.
Duration of the contracts/ arrangements/ transactions	5 years from 1.1.2016	5 years from 1.1.2016	6 years from 1.5.2013 (Bengaluru office) 3 years from 1.9.2017 (Chennai Office) 3 years from 1.8.2016 (Delhi Office)	Running Contract	-
Salient terms of the contracts or arrangements or transactions including the value, if any	For setting up of Emulsion Project at Garamsur Unit.	Interest paid	Rent for Bengaluru, Chennai, Delhi Office premises.	Drilling & Blasting work	-
Date(s) of approval by the Board, if any	27-01-2012	27-01-2012	17-05-2013 (Bengaluru Office) 17-10-2014 (Chennai Office) 26-08-2016 (Delhi Office)	22-01-2016	-
Amount paid	Rs.366.00 lacs	Rs.22.25 lacs	Rs.26.48 lacs	Rs.104.10 lacs	Rs.12.43 lacs

PARTICULARS OF EMPLOYEES

Disclosure of Remuneration under Section 197 of the Companies Act, 2013, and 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 2018-19 and % increase in MRE from fiscal year 2018-19 is as under:

Sl. No	Name of the Director	Remuneration per annum	Median Remuneration of Employees [MRE]	% of Increase in MRE since 2018	The number of permanent employees on the rolls of Company as on 31 March, 2019.
I	Santosh L Chowgule	Rs.29,56,800/-	3,69,624	4.92%	238

Annexure-II**FORM NO. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019**

(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, Bengaluru

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 2019 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, 2019 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, 2018; - **Not Applicable as the Company has not issued any shares during the year under review;**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not Applicable as the Company has not issued any shares/options to directors/employees during the year under review;**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not Applicable as the Company has not issued any debt securities during the year under review;**
 - 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 as the Company has not delisted/ proposed to delist any shares during the year under review;**
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable as the Company has not bought back / not proposed to buy back any shares during the year under review;**
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
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 The Explosive 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 Gratuity Act, 1972
6. Contract Labour (Abolition and Regulation) Act, 1970
7. Employee State Insurance Act, 1948
8. Employee Provident Fund and Miscellaneous Provisions Act, 1952
9. Workmen Compensation Act, 1923
10. Industrial Employment Standing Orders Act, 1946
11. Child Labour (Prohibition & 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

KELTECH ENERGIES LIMITED

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 with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2019
- iii) Listing Agreement entered into with the BSE Limited.

During the period under review, the Company has complied with provisions of the Act, Rules, applicable Regulations, Guidelines, Standards etc. mentioned above.

I further report that:

- (i) The Board of Directors of the Company is duly constituted with proper composition of Executive Director, Non-Executive Directors and Independent Directors including Women Director. 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) We further report that during the review period, no major action having a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. above have taken place.

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.

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

Swaroop S.
Proprietor
FCS:8977
CP: 9997

Place: Bengaluru
Date: 15.05.19

Annexure-A to MR-3

To,
The Members,
Keltech Energies Limited
Bengaluru.

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

Management's Responsibility

1. To maintain the Secretarial records, devise proper systems and to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records standards and procedures followed by the Company with respect to secretarial compliances.
3. 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.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. 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.
6. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For **Swaroop, Suri and Associates**

Company Secretaries

Swaroop S.

Proprietor

FCS:8977

CP: 9997

Place: Bengaluru

Date: 15.05.19

Annexure – III
SECRETARIAL COMPLIANCE REPORT
for the year ended March 31st, 2019

(Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018)

I, Swaroop Suryanarayana, Prop: Swaroop Suri and Associates, Practising Company Secretaries, having office at: 841, First Floor, 12th Main, Vinayaka Layout, Nagarbhavi 2nd Stage, Bengaluru 560072, Karnataka, India have examined:

- (a) all the documents and records made available to us and explanation provided by the Company;
- (b) the filings/ submissions made by the listed entity to the stock exchanges;
- (c) website of the listed entity;
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification; for the year ended March 31, 2019 (“Review Period”) in respect of compliance with the provisions of:
 - (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
 - (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations applicable to the Company, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

1. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
2. SEBI (Procedure for Board Meetings) Regulations, 2001
3. SEBI (Central Database of Market Participants) Regulations, 2003
4. SEBI (Ombudsman) Regulations, 2003
5. SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003
6. SEBI (Regulatory Fee on Stock Exchanges) Regulations, 2006
7. SEBI (Investor Protection and Education Fund) Regulations, 2009
8. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
9. SEBI {KYC (Know Your Client) Registration Agency} Regulations, 2011
10. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
11. SEBI (Prohibition of Insider Trading) Regulations, 2015
12. SEBI (Settlement Proceedings) Regulations, 2018
13. SEBI (Appointment of Administrator and Procedure for Refunding to the Investors) Regulations, 2018
14. SEBI (Depositories and Participants) Regulations, 2018 and circulars/ guidelines issued thereunder;

and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practising Company Secretary
1.	Regulation 13(3) of SEBI (LODR) Regulations, 2015	Late Submission of compliance on 20.11.2018	Delay in complying a newly implemented Compliance under Reg 13(3), effective from 30.09.2018.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No	Action taken by	Details of default	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practising Company Secretary, if any.
I.	BSE Limited	Delay in filing	Fines (Rs.34,220) with GST- delay of 29 days in submitting report under Reg.13(3) of SEBI (LODR), Reg.2015	Fine amount paid for the delay in compliance.

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports: Not Applicable

Place: Bengaluru
Date: 15.05.19

Name of the Practising Company Secretary: Swaroop S.
FCS No.: 8977
C P No.: 9997

Annexure-IV

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 programs	Expenditure incurred for promotion and development of educational institutions in Karnataka, Maharashtra and Goa
2.	Composition of CSR Committee	Shri Harish Jagtiani – Chairman Shri Umaji V.Chowgule – Member Shri Kaiyoze Beji Billimoria - Member Shri Santosh L. Chowgule – Member
3.	Average net profit of the Company for last three financial years	Rs. 932.78 lacs
4.	Prescribed CSR expenditure (2% of the average net profit as computed above)	Rs. 18.66 lacs
5.	Details of CSR expenditure during the financial year: (a) Total amount to be spent for the financial year: (b) Amount spent: (c) Amount unspent:	Rs. 18.66 lacs Rs. 18.80 lacs NIL
6.	Reasons for not spending the amount specified in point 4 above	Not Applicable.

The Company has undertaken the following Corporate Social Responsibility activities during the financial year 2018-19.

Sr.no	1.	2.	3.
CSR projects/Initiatives	Rural development	Promotion of education	Promotion of education
Sector in which the project is covered	Public	Government Education sectors	Private Education sectors
Locations (district/state)	1. Karkala Police Station, Udupi District, Karnataka. 2. S.P.(Rural), Nagpur, Maharashtra.	Govt.School, Garamsur, Maharashtra.	1. Educational Institution, T.N. 2. Chowgule Charitable Trust, Goa.
Amount outlay (budget) project or program wise	1.Rs.29,500/- 2.Rs.44,449.98	Rs.35,200/-	1. Rs.50,000/- 2. Rs.16,86,500/-
Amount spent on the project or program Direct expenditure	1. Rs.29,500/- 2. Rs.44,449.98	Rs.35,200/-	1. Rs.50,000/- 2. Rs.16,86,500/-
Cumulative expenditure upto the reporting period	1. Rs.29,500/- 2. Rs.44,449.98	Rs.35,200/-	1. Rs.50,000/- 2. Rs.16,86,500/-
Amount spent direct or through implementing agency	1.Direct 2.Direct	Direct	1. Direct. 2. Chowgule Charitable Trust, Goa.

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, 2019, the Board of Directors comprised of total eight Directors, out of which seven are Non-Executive Directors. Out of the Seven Non-Executive directors, four are Independent directors. The company has Non-Executive Promoter Director as Chairman of the Board, and thus, at least one half of the Board of the Company consists of Independent Directors.

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, if any, 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.

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During the year under review, the Board of Directors met 4 (four) times viz. 18th May, 2018, 20th July, 2018, 26th October, 2018 and 25th January, 2019.

The details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2018-2019 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	Chairmanships
Shri Ashok V. Chowgule	Chairman & Promoter Non-Executive Director	4	4	Yes	1	0	1
Shri H.C.Asher	Non-Executive Independent Director	4	3	No	5	10	4
Shri Harish Jagtiani	Non-Executive Independent Director	4	3	Yes	1	2	3
Shri Umaji V.Chowgule	Promoter Non-Executive Director	4	2	Yes	1	2	0
Ms.Arati Saran	Non-Executive Independent Director	4	3	Yes	5	2	2
Shri Kaiyoze Beji Billimoria	Non-Executive Independent Director	4	3	Yes	2	5	0
Shri Arjun Chowgule	Promoter Non-Executive Director	4	2	Yes	1	0	0
Shri Santosh L. Chowgule	Promoter Executive Director	4	4	Yes	1	4	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 only Audit Committee and Stakeholders' Relationship 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 2018-2019. The dates on which the meetings were held are as follows:

Date of Board Meeting	Strength of the Board	No. of Directors present
18 th May, 2018	8	4
20 th July, 2018	8	7
26 th October, 2018	8	5
25 th January, 2019	8	8

e) Disclosure of relationship between directors inter se:

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

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

Shri Arjun Chowgule, Director of the Company is a son 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.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, if any, in draft audit report.
- Review with management quarterly, half yearly and 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 performance of Statutory and internal auditor's adequacy of the internal control systems.
- Reviewing and monitoring the auditors independence, performance and effective of audit process.
- 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.
- Approval of any subsequent modification of transactions of the listed entity with related parties.

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. Ms. Shalu Tibra, Company Secretary, of the company is the Secretary to the Audit Committee. During the year 4 Audit Committee Meetings were held on 18th May, 2018, 20th July, 2018, 26th October, 2018 and 25th January, 2019. The attendance details of the committee members are as under:

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

Statutory Auditors M/s.Khimji Kunverji & Co., LLP, Chartered Accountants, Mumbai, Internal Auditors, M/s.B.P.Rao & Company, Chartered Accountants, Bengaluru and M/s. Kumar & Jayakrishnan, 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 S/Shri H.C.Asher, Harish Jagtiani, Kaiyoze B. Billimoria and Ms.Arati Saran, Non Executive Independent Directors of the Company. Ms.Arati Saran, acted as a Chair Person of the Committee and S/Shri H.C.Asher, Harish Jagtiani and Kaiyoze B. Billimoria. acted as Members of the Committee at the meeting held on 25.1.2019. 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

c) Performance evaluation criteria for independent directors.

Pursuant to the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Section 178(2) of the Companies Act, 2013 and SEBI Circular no. SEBI/HO/CMD/CIR/P/2017/004 dated 5th January, 2017 "Guidance note on Board Evaluation", for evaluation of directors of the Company, including Independent Directors, the Board of Directors of the Company has evaluated the performances of each Independent Directors. The questionnaires are prepared considering the business of the Company. The Evaluation framework for assessing the performance of Independent Directors comprises of the following key areas:

1. Attendance of Board and Committee Meetings;
2. Quality of contribution to Board deliberations;
3. Strategic perspectives or inputs regarding future growth of the Company and its performances;
4. Providing perspectives and feedback going beyond information provided by the management.

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) Shri 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 25.01.2019. 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 2018-19.
- None of the Non - Executive Directors is being paid any remuneration except sitting fees. Sitting fees to Non-executive Independent & Promoter Directors is being paid at the rate of Rs.10,000/- for each meeting of the Board, Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration 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, 2019 and shares held by them on that date are as follows:

(Amount in Rs.)

Name	Salary including perquisites	Contribution to PF & others	Commission	Sitting fees	Total	Total no. of shares held
Shri Ashok V Chowgule	-	-	-	1,20,000/-	1,20,000/-	20
Shri H.C. Asher	-	-	-	80,000/-	80,000/-	-
Shri Harish Jagtiani	-	-	-	1,10,000/-	1,10,000/-	-
Shri Umaji V.Chowgule	-	-	-	30,000/-	30,000/-	-
Ms.Arati Saran	-	-	-	1,10,000/-	1,10,000/-	-
Shri Kaiyoze Beji Billimoria	-	-	-	1,30,000/-	1,30,000/-	-
Shri Arjun Chowgule	-	-	-	20,000/-	20,000/-	-
Shri Santosh L.Chowgule	42,90,794/-	3,16,800/-	-	-	46,07,594/-	-

- 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 remuneration or fees paid, there is 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 any of the 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 Disclosure 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 Relationship 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 Relationship Committee. The Stakeholders Relationship 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, 2019, the Company has not received any query, complaint / grievance from its Shareholders. Thus, no complaints are pending as on 31st March, 2019.

No shares were pending for transfer, transmission, name deletion, consolidation, sub-division, issue of duplicates and rematerialisation of shares as at 31st March, 2019. This Committee met on four occasions during the financial year on 18.05.2018, 20.07.2018, 26.10.2018 and 25.01.2019. 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	3
3	Ms.Arati Saran	3
4	Shri Kaiyoze B. Billimoria	3
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
NIL	NIL	NIL	NIL

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 26th October, 2018. The attendance details of the committee members are as under:

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

9. COMMITTEE OF DIRECTORS (SHARE TRANSFER COMMITTEE) :

The Company has formed a Committee of Directors for the purpose of share 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 2018-19, Eight meetings were held viz.13.04.2018, 12.06.2018, 14.07.2018, 21.08.2018, 15.11.2018, 30.11.2018, 31.12.2018 and 30.03.2019. 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	8
2.	Shri Umaji V.Chowgule	1
3	Shri Santosh L. Chowgule	8

10. GENERAL BODY MEETINGS:

a) 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	20-07-2018	2.30 PM	Dominion Hall, Le Meridien, No.28, Sankey Road, Bengaluru-560052.	No.
Friday	21-07-2017	2.30 PM	Pennar, Shangri-La-Hotel, No.56-6B, Palace Road, Bengaluru-560052.	No
Wednesday	20-07-2016	2.30 PM	Pennar, Shangri-La-Hotel, No.56-6B, Palace Road, Bengaluru-560052.	No

b) Postal Ballot:

During the year 2018-19, there was no special resolution passed through postal ballot process.

None of the business is proposed to be transacted through Postal Ballot.

11. 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	18 th May, 2018	19 th May, 2018
	20 th July, 2018	22 nd July, 2018
	26 th October, 2018	27 th October, 2018
	25 th January, 2019	26 th January, 2019

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 to the Stock Exchanges during the year 2018-19.

During the year 2018-19, the Company has not made any presentations to institutional investors or analysts.

12. GENERAL SHAREHOLDER INFORMATION:

- a. **Annual General Meeting:** 23rd July, 2019 at 2.30 PM at 'Dominion Hall', Le Meridien, No.28, Shankey Road, Bengaluru-560052
- b. **Financial Year:** The financial year covers the period from 1st April, 2018 to 31st March, 2019.

Tentative Calendar for the financial year ending 31st March, 2019: -

Financial reporting for the	Tentative dates of the Board Meeting
First quarter ending 30 th June, 2019	: Second fortnight of July, 2019
Half year ending 30 th September, 2019	: Second fortnight of October, 2019
Third quarter ending 31 st December, 2019	: Second fortnight of January, 2020
Year ending 31 st March, 2019.	: Second fortnight of May, 2020

Annual General Meeting for the year ended 31st March, 2020 is likely to be held in the second fortnight of July, 2020.

- c. **Dividend Payment Date:** Credit / Dispatch between 23rd July, 2019 to 20th August, 2019.

d. Listing on Stock Exchanges:

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

e. Listing Fees:

The Company has paid the listing fees for the year 2019-20 to BSE Ltd., Mumbai where the shares are listed.

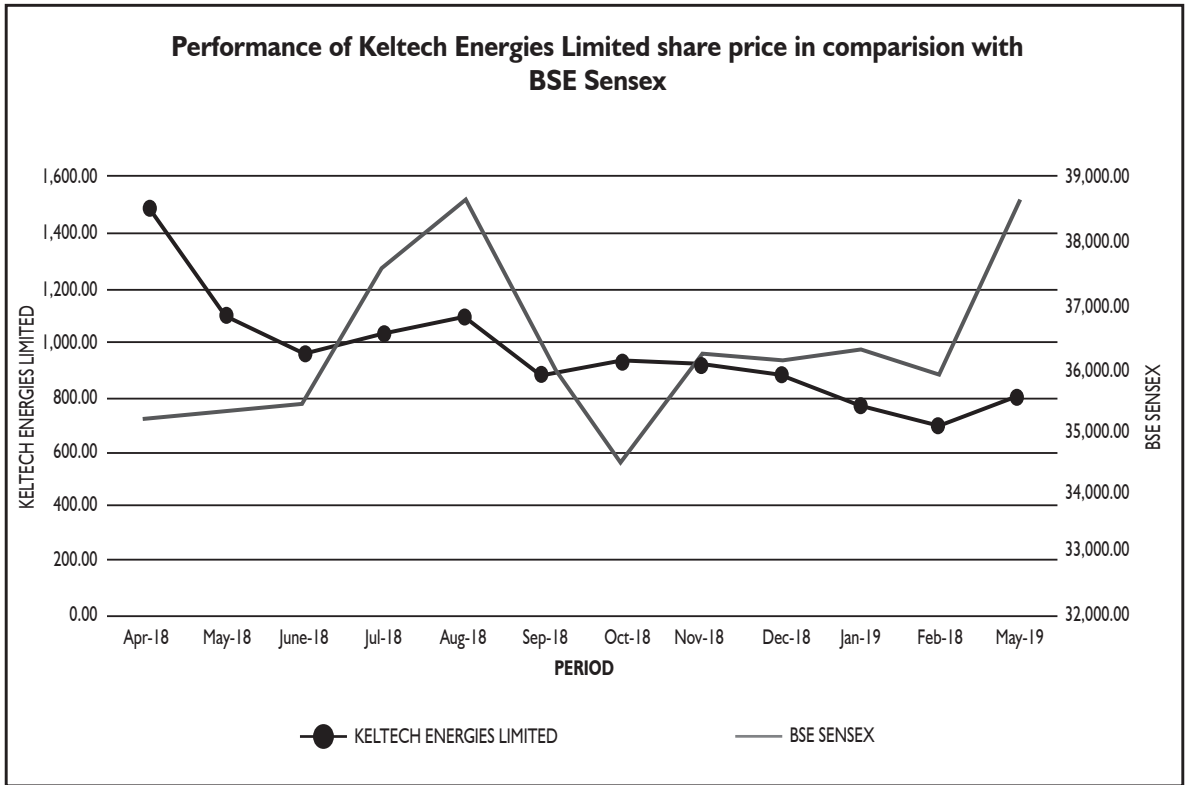
f. Stock Code:

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:

Performance of Keltech Energies Limited share price in comparison with BSE Sensex		
Month	Keltech Energies Limited	BSE Sensex
	Close	Close
April, 20 18	1,479.00	35,160.36
May, 2018	1,109.90	35,322.38
June, 2018	957.55	35,423.48
July, 2018	1,036.70	37,606.58
August, 2018	1,097.10	38,645.07
September, 2018	874.90	36,227.14
October, 2018	929.45	34,442.05
November, 2018	929.20	36,194.30
December, 2018	893.90	36,068.33
January, 2019	771.90	36,256.69
February, 2019	695.00	35,867.44
March, 2019	803.35	38,672.91



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 & T Center, No.218, J.P. Royale,
 1st Floor, 2nd Main, Sampige Road,
 Malleshwaram, Bengaluru-560003.
 Contact Persons: S/Shri Ravi and S.Naidu.
 Ph.080-23469661/62.
 Fax.080-23469667/68.
 Email: ravi@csl.co.in; naidu@csl.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.

KELTECH ENERGIES LIMITED

k. Distribution of Shareholding as on 31st March, 2019:

The shareholding distribution of equity shares as on 31st March, 2019 is furnished below:

Shares having nominal value of ₹ From To	No. of holders	% of total no of holder	No. of shares	% of total no of shares
1 – 5000	4172	96.933	293242	29.324
5001 – 10000	85	1.975	66417	6.642
10001 – 20000	28	0.651	40915	4.091
20001 – 30000	7	0.163	17042	1.704
30001 – 40000	7	0.163	25823	2.582
40001 – 50000	0	0	0	0
50001 – 100000	2	0.046	14298	1.430
100001 and above	3	0.70	542263	54.226
TOTAL	4304	100.00	1000000	100.00

l. Dematerialization of Shares and liquidity:

As on 31st March, 2019, 87.70% 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, 2019.

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.
xi. Mangampet-Andhra Pradesh.	xii. Koraput-Odisha.

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

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

13. 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 Indian Accounting Standard 24, 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's website www.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 entered into with the Stock Exchange, 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 Exchange, SEBI or other statutory Authorities, except a penalty of Rs. 34,220/- by BSE Ltd, Mumbai for delay of 29 days in submitting the report under resolution 13(3) of SEBI (LODR) Regulations, 2015.

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 2018-19, 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 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.

15. Compliance of the requirement of Corporate Governance Report:

During the year 2018-19, 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 & Disclosure Requirements) Regulations, 2015.

16. 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 & Disclosure Requirements) Regulations, 2015:

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

17. 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.

18. Disclosure of accounting treatment:

The Financial Statements comply with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the following:

Certain financial assets and liabilities that is measured at fair value (refer accounting policy regarding financial instrument)

Defined benefit plans – plan assets measured at fair value

19. 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, 2019. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

20. Compliance Certificate for Code of Conduct:

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

21. 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), Regulations, 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.

**Keltech Energies Limited,
CEO and Managing Director**

Place: Mumbai

Date: May 17, 2019

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, 2019, 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 the declaration, Senior Management Staff means the staff one level below the Director as on 31st March, 2019.

Santosh L. Chowgule
Managing Director

V.N. Pangal
Chief Advisor

Place: Mumbai

Date: May 17, 2019

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 (the 'Company'), for the year ended March 31, 2019, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Based on our examination of the relevant records and according to the information and explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations

We further 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 **KHIMJI KUNVERJI & CO. LLP**
(Formerly Khimji Kunverji & Co)
Chartered Accountants
Firm's Registration No: 105146W

Hasmukh B. Dedhia
Partner (F – 33494)

Place: Mumbai
Date: May 17, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Keltech Energies Limited Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

- 1 We have audited the accompanying standalone Ind AS financial statements of **Keltech Energies Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ('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 March 31, 2019, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

- 2 We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder; and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

- 3 Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the year under audit. We have determined that there is no key audit matter to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

- 4 The Company's Board of Directors is responsible for the preparation of the other information, comprising of the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, and such other disclosures related Information, excluding the standalone Ind AS financial statements and auditors report thereon ('Other Information'). The other information is expected to be made available to us after the date of this auditors' report. Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other Information and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance as required under SA 720 'The Auditor's responsibilities Relating to other Information'

Responsibility of Management for Standalone Ind AS Financial Statements

- 5 The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under prescribed Section 133 of the Act. 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; design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the standalone Ind AS financial

statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

6 Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements. Our audit process in accordance with the SAs is narrated in Annexure 1 to this report.

Report on Other Legal and Regulatory Requirements

7 As required by the Companies (Auditor's 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 2, a statement on the matters specified in paragraphs 3 and 4 of the Order.

8 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 including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.
- e. On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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, refer to our separate Report in Annexure 3.
- g. In terms of provisions of Section 197(16) of the Act, as per the information and explanations given, we report that the managerial remuneration paid by the Company to its Directors is in accordance with provisions of Section 197 of the Act.
- h. 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, we report as under:
 - (i) The Company has disclosed the impact of pending litigations on the financials position in its standalone Ind AS financial statements.
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For Khimji Kunverji & Co LLP
(Formerly Khimji Kunverji & Co)-FRN:
Chartered Accountants
Firm Registration No 105146W

Place : Mumbai
Date : 17.05.2019

HASMUKH B DEDHIA
Partner (F - 033494)

ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT

(referred to in para 6 titled "Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements")

As part of our audit in accordance with SAs we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, to design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Annexure 2 to the Independent Auditors' Report

[referred to in para 7 under 'Report on Other Legal and Regulatory Requirements']

- i.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As informed to us, fixed assets were physically verified by the Management at regular intervals. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its business; according to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company
- ii. The Inventories have been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable. As informed, the discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii. 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. Therefore, the requirement of clause (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the Order are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or made any investments, or provided any guarantees or securities covered under section 185 and 186 of the Act. Therefore, the requirement of clause (iv) of paragraph 3 of the Order are 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 during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a

detailed examination of the cost records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Sales-tax, Service tax, Goods and Service Tax, Cess and other material statutory dues generally have been regularly deposited during the year by the Company with the appropriate authorities. There are no undisputed statutory dues payable in respect to the above statutes, outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Goods and Service Tax and Value added tax which have not been deposited as on March 31, 2019 on account of disputes except the following dues of Income Tax, Service Tax and Sales Tax which have not been deposited as on 31st March, 2019 on account of disputes are given below:

Nature of Statue	Nature of Dues	Period to which the Amount Relates	Forum where Dispute is Pending	Amount (Rs in Lakhs)
Finance Act, 1994	Service Tax	2005-06 to 2009-10	Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Bengaluru.	7.16
Income Tax Act, 1961	Income Tax	A.Y. 2011-12	CIT-Appeals	79.43
Income Tax Act, 1961	Income Tax	A.Y. 2015-16	CIT-Appeals	66.83
Income Tax Act, 1961	Income Tax	A.Y. 2016-17	CIT-Appeals	118.14
Central Sales Act, 1956	Central Sales Tax	2009-10	Maharashtra Sales Tax Tribunal, Mumbai.	118.01

- viii. In our opinion and according to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- ix. In our opinion and according to the information and explanations given to us, Company did not raise any money by way of initial public offer (including debt instruments) and loans. Hence, clause (ix) of paragraph 3 of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, reporting under clause (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required under applicable Indian Accounting Standard (Ind AS).
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, reporting under clause (xv) of the Order is not applicable to the Company.
- xvi. In our opinion, The Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

For **Khimji Kunverji & Co LLP**
(Formerly Khimji Kunverji & Co)
Chartered Accountants
Firm Registration No 105146W

Place : Mumbai
Date : 17-05-2019

HASMUKH B DEDHIA
Partner (F - 033494)

ANNEXURE 3 TO THE INDEPENDENT AUDITORS' REPORT

[referred to in paragraph 8(f) under 'Report on Other Legal and Regulatory Requirements']

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **Keltech Energies Limited** ("the Company") as at March 31, 2019 in conjunction with our audit of the standalone Ind AS 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 internal control over financial reporting criteria established by the Company considering 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 the 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 Act.

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS 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
- (c) 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 standalone Ind AS 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 considering the nature and size of the operations, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Khimji Kunverji & Co LLP**
(Formerly Khimji Kunverji & Co)
Chartered Accountants
Firm Registration No 105146W

Place : Mumbai
Date : 17-05-2019

HASMUKH B DEDHIA
Partner (F - 033494)

Corporate Information:

Keltech Energies Ltd. is a Public Limited Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its equity shares are listed in BSE Limited, Mumbai. The address of its registered office and principal place of business are disclosed in the introduction to the annual report. The Company is principally engaged in the manufacture of industrial explosives and sale of perlite & perlite based products

The financial statements of the Company for the year ended 31st March, 2019 were authorized for issue in accordance with the resolution of the Board of Directors as on 17th May, 2019.

I. Significant Accounting Policies:

(i) Basis of preparation:

The Financial Statements are prepared in accordance with Indian Accounting Standards (“Ind AS”) as issued under the Companies (Indian Accounting Standards) Rules, 2015, the provisions of the Companies Act, 2013 (“the Act”) and guidelines issued by the Securities and Exchange Board of India (“SEBI”), as applicable.

These financial statements are the financial statements under Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that is measured at fair value (refer accounting policy regarding financial instrument)
- Defined benefit plans – plan assets measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(ii) Current/non-current classification:

The normal operating cycle of the company is 12 months. Assets and Liabilities which are expected to be realisable/payable within 12 month are to be classified as current and rest will be classified as non-current.

(iii) Government grant:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income

Government grants relating to assets are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets. However, when any conditions is prescribed by the government, then the government grant is amortized on straight line basis till the time conditions precedent to the grant are expected to be completed. Government grant is presented within other income.

(iv) Income tax:

Current Tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at their reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

(v) Revenue recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates, Goods and Service Taxes (GST) and amounts collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below.

Sale of goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Export incentives are accounted for to the extent considered recoverable by the management.

Rendering of services:

Revenue from rendering of services is recognised based on percentage of completion method when the outcome of the transactions can be estimated reliably.

Interest income:

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(vi) Property, plant and equipment:

Property, plant and equipment are stated at original cost net of tax / duty credit availed, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as replacement if the recognition criterion is satisfied.

Property, plant and equipment is eliminated from the financial statements, either on disposal or on retirement from active use. Losses and gains arising from the retirement/disposal are recognised in the statement of profit or loss in the year of occurrence.

The asset's residual value, useful lives and methods of depreciation are reviews at each financial year and adjusted prospectively, if appropriate.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and 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
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 Rs.5000/- or less each	NIL	Depending upon nature of assets	Past experience /Materiality

The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual value of tangible assets.

Depreciation on additions / deletions is provided on pro-rata basis from the date of acquisition/ up to the date of deletion.

Changes in expected useful life or the expected pattern of consumption of future economic benefits embodied in an asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

(vii) Capital work in progress:

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. These are stated at cost to date relating to items or project in progress, incurred during construction / preoperative period. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current Assets".

(viii) Borrowing cost:

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 asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(ix) Intangible assets:

Intangible assets, identifiable non-monetary asset without physical substance are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

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 software is assessed to be 3 years.

(x) Impairment of non financial assets:

As at each balance sheet date, the Company assesses whether there is an indication that an asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, if any, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined as the higher of the fair value less cost to sell and the value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

In all the CGU where Impairment indication exist, the Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

(xi) Lease:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

In case of leasehold land, being lands having indefinite life are normally classified as operating lease. However, based on the period of lease along with renewal clause or the right of acquisition at below market rate at the end of the lease term, the lease of land may be classified as finance lease.

(xii) Inventories:

- 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, finished goods and stock kept for services have been valued at lower of cost and net realisable value.
- Cost of finished goods includes direct material, 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.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(xiii) Foreign currency:

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions in foreign currencies are recorded on initial recognition in the functional currency, using the exchange rate prevailing on the date of transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

(xiv) Employee benefits:

All employee benefits payable wholly within 12 months of rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

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.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The Company also provides certain additional post employment benefits in the form of compensated absences to employees. These compensated absences are unfunded. The actuarial valuation is done as per projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the changes to the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to Statement of Profit and Loss.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

(xv) Segment reporting:

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The operating segments have been identified on the basis of nature of product/services.

The Board of directors of the Company has appointed the Managing Director as the chief operating decision maker (CODM) who is assessing the financial performance and position of the Company, and makes strategic decisions.

(xvi) Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss after tax 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 after tax 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, Contingent liabilities, Contingent Assets, and Commitments :

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

Contingent liability is disclosed in the case of:

- Present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- A present obligation arising from past event, when no reliable estimate is possible
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

(xviii) Cash and cash equivalent:

Cash and cash equivalent in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash & cash equivalent consists of cash & short term deposits, as defined above, as they are considered an integral part of the Company's cash management

(xix) Financial instruments:

(i) Financial assets:

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in case of financial asset not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial asset measured at amortised cost.

Subsequent measurement:

For purposes of subsequent measurement financial assets are classified into two board categories:

- Financial asset at fair value
- Financial asset at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit or loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income)

A financial asset that meet the following 2 conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test** : the objective of the Company's model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes)
- **Cash flow characteristics test** : The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meet the following 2 conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test** : the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets
- **Cash flow characteristics test** : The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different basis.

All other financial asset is measured at fair value through profit or loss.

Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - a) the Company has transferred substantially all the risks and rewards of the asset, or
 - b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial asset:

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial asset measured at amortised cost
- Financial asset measured at fair value through other comprehensive income

Expected credit losses are measured through a loss allowance at an amount equal to:

- 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates, if any. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

(ii) Financial liabilities:

Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Loans and borrowings – subsequent measurement:

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

2. Significant Accounting judgements, estimates & assumptions:

The preparation of Company's financial statements requires management to make judgements, estimates & assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Impairment of non-financial asset:

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into

account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

(ii) Defined Benefit plans and Compensates Absences:

The cost of defined benefit plans and other post-employment benefits and the present value of such obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(iii) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about the risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(iv) Useful life:

The estimated useful lives of items of property, plant & equipment & intangible assets for the current & the comparative periods are as follows :

Asset	Management estimate of useful life	Useful life as per Schedule II
Land – Leasehold	Over the lease term	N.A.
Buildings	30 years	30 years
Laboratory Equipments	10 years	10 years
Other Plant & Equipment	15 years	15 years
Office Equipment	5 years	5 years
Furniture & Fixtures	10 years	10 years
Furniture & Fixtures of leased premises *	6 years	10 years
Vehicles	8 years	8 years
Computer software	3 years	

* Period of lease or useful life prescribed under Schedule II of the Act, whichever is lower.

(v) Fair valuation of financial instruments:

When the fair values of financial assets & financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation technique including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

KELTECH ENERGIES LIMITED

Balance Sheet as at 31st March, 2019

(₹ Lakhs)

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
I ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3	5,498.41	5,499.18
(b) Capital work-in-progress	3	91.05	130.01
(c) Other intangible assets	4	109.17	58.33
(d) Financial assets			
i. Investments	5(a)	0.10	0.10
ii. Other financial assets	5(e)	195.29	220.11
(e) Non-current tax assets	7	30.56	-
(f) Other non-current assets	8	274.21	331.03
Total non-current assets		6,198.79	6,238.76
2 Current assets			
(a) Inventories	9	1,821.89	1,481.19
(b) Financial assets			
i. Trade receivables	5(b)	3,890.32	2,817.40
ii. Cash and cash equivalents	5(c)	365.07	226.27
iii. Bank balances other than cash & cash equivalents	5(d)	496.75	110.56
iv. Other financial assets	5(e)	21.24	16.95
(c) Other current assets	10	334.86	213.97
Total current assets		6,930.13	4,866.34
Total assets		13,128.92	11,105.10

Balance Sheet as at 31st March, 2019 (Contd.,

(₹ Lakhs)

Particulars	Notes	As at 31st March, 2019	As at 31st March, 2018
II EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	11	99.99	99.99
(b) Other equity			
Reserves and surplus	12(a)	5,756.94	5,184.56
Other reserves	12(b)	(36.54)	(0.31)
Total equity		5,820.39	5,284.24
LIABILITIES			
I Non-current liabilities			
(a) Financial Liabilities			
i. Borrowings	13(a)	352.16	855.09
(b) Provisions	14	434.64	340.34
(c) Deferred tax liabilities (Net)	6	319.37	342.68
Total non-current liabilities		1,106.17	1,538.11
2 Current liabilities			
(a) Financial liabilities			
i. Borrowings	13(b)	1,560.50	469.02
ii. Trade payables	13(d)		
Total outstanding dues of Micro Enterprises & Small Enterprises		34.82	33.39
Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises		3,324.45	2,133.38
iii. Other financial liabilities	13(c)	739.59	1,076.03
(b) Other current liabilities	15	169.51	179.02
(c) Provisions	14	373.49	370.29
(d) Current tax liabilities (Net)	16	-	21.62
Total Current Liabilities		6,202.36	4,282.75
Total liabilities		7,308.53	5,820.86
Total equity and liabilities		13,128.92	11,105.10

Summary of significant accounting policies
The Notes are integral part of Financial Statements.

I & 2

As per our attached report of even date
For and on behalf of
Khimji Kunverji & Co LLP
(Formerly Khimji Kunverji & Co)
Chartered Accountants
ICAI Firm Registration No. 105146W

For and on behalf of the Board of Directors

Ashok V. Chowgule
Chairman
DIN No.00018970

Santosh L. Chowgule
Managing Director
DIN No.00097736

Hasmukh B Dedhia
Partner (F - 033494)

P. Prabhudev
Chief Financial Officer

Ms. Shalu Tibra
Company Secretary

Place : Mumbai
Date : 17th May, 2019

Place : Mumbai
Date : 17th May, 2019

KELTECH ENERGIES LIMITED

Statement of Profit and Loss for the year ended 31st March, 2019

(₹ Lacs)

Particulars		Notes	Year ended 31 March 2019	Year ended 31 March 2018
I	Revenue from operations	17	22,628.60	20,787.03
II	Other income	18	86.79	19.44
III	Total income		22,715.39	20,806.47
IV	Expenses			
	Cost of materials consumed	19(a)	14,443.82	12,224.64
	Purchases of stock-in-trade	19(b)	790.64	801.83
	Changes in inventories of work-in-progress, stock-in-trade and finished goods	19(c)	(3.48)	(160.86)
	Excise duty		-	576.63
	Employee benefit expense	20	1,363.00	1,282.18
	Finance costs	23	268.98	308.43
	Depreciation and amortisation expense	21	494.81	493.15
	Other expenses	22	4,526.34	4,159.94
V	Total expenses		21,884.11	19,685.94
VI	Profit before exceptional items and tax		831.28	1,120.53
VII	Exceptional items		-	-
VIII	Profit before tax from continuing operations		831.28	1,120.53
IX	Income tax expense			
	- Current tax		236.00	390.00
	Tax adjustment of earlier year		2.09	-
	- Deferred tax		(9.33)	(24.84)
	Total tax expense		228.76	365.16
X	Profit for the year		602.52	755.37
XI	Other comprehensive income			
	Items that may be reclassified to profit or loss			
	Items that will not be reclassified to profit or loss			
	Remeasurements of post-employment benefit obligations		(50.20)	23.98
	Income tax relating to these items		13.97	(6.98)
			(36.23)	17.00
	Other comprehensive income for the year, net of tax		(36.23)	17.00
XII	Total comprehensive income for the year		566.29	772.37
XIII	Earnings per equity share	33	(INR)	INR
	Basic earnings per share		60.25	75.54
	Diluted earnings per share		60.25	75.54

As per our attached report of even date

For and on behalf of

Khimji Kunverji & Co LLP

(Formerly Khimji Kunverji & Co)

Chartered Accountants

ICAI Firm Registration No. 105146W

Hasmukh B Dedhia

Partner (F - 033494)

Place : Mumbai

Date : 17th May, 2019

For and on behalf of the Board of Directors

Ashok V. Chowgule

Chairman

DIN No.00018970

Santosh L. Chowgule

Managing Director

DIN No.00097736

P. Prabhudev

Chief Financial Officer

Ms. Shalu Tibra

Company Secretary

Place : Mumbai

Date : 17th May, 2019

Statement of changes in equity for the year ended March 31, 2019

A. Equity share capital

Particulars	Notes	(Rs. in Lakhs)
As at 1 April 2018		99.990
Changes in equity share capital	11	
As at 31 March 2019		99.990

B. Other equity

Particulars	Notes	Reserves and surplus			(Rs. in Lakhs)	
		General Reserve	Capital Reserve	Retained earnings	Other Reserves Remeasurement of defined benefit plans	Total other equity
Balance at 1 April 2018		4,199.80	-	984.74	(0.31)	5,184.23
Profit for the year		-	-	602.52	(36.23)	566.29
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the year		300.00	-	602.52	(36.23)	566.29
Transfer to general reserve		-	-	(300)	-	-
Transactions with owners in their capacity as owners:						
Dividends paid	27	-	-	(30.14)	-	(30.14)
Balance at 31 March 2019		4,499.80	-	1,257.12	(36.54)	5,720.38

As per our attached report of even date

For and on behalf of

Khimji Kunverji & Co LLP
(Formerly Khimji Kunverji & Co)
Chartered Accountants
ICAI Firm Registration No. 105146W

For and on behalf of the Board of Directors

Ashok V. Chowgule
Chairman
DIN No.00018970

Santosh L. Chowgule
Managing Director
DIN No.00097736

Hasmukh B Dedhia
Partner (F - 033494)

Place : Mumbai
Date : 17th May, 2019

P. Prabhudev
Chief Financial Officer

Ms. Shalu Tibra
Company Secretary

Place : Mumbai
Date : 17th May, 2019

KELTECH ENERGIES LIMITED

Cash Flow Statement for the year ended 31st March, 2019

(₹ Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Cash flow from operating activities		
Profit before income tax from		
Continuing operations	831.28	1,120.53
Discontinued operations	-	-
Profit before income tax including discontinued operations	831.28	1,120.53
Adjustments for		
Depreciation and amortisation expense	494.81	493.15
Bad debts	16.85	48.86
Reversal of provision for bad debt of earlier period	-	(7.53)
Adjustment for Other Comprehensive Income	-	23.98
Loss (Profit) on sale of assets	(0.08)	20.13
Balances Written Back	(47.57)	(1.19)
Amortisation of government grants received in earlier years	-	(0.34)
Gain on sale of investments	-	-
Changes in fair value of financial assets at fair value through profit or loss	-	-
Other borrowing cost	85.37	53.24
Unwinding of discount on security deposits	-	-
Changes in fair value of contingent consideration	-	-
Dividend and interest income classified as investing cash flows	(39.14)	(10.38)
Interest Expenses	183.61	255.19
Reversal of prior period error adjusted in opening balance sheet	-	-
Adjustment for rent	-	-
Net exchange differences	-	-
Operating profit before working capital changes	1,525.13	1,995.64
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
(Increase)/Decrease in trade receivables	(1,072.92)	381.31
(Increase) in inventories	(340.70)	(84.05)
(Increase) in trade payables	1,192.50	(629.23)
(Increase) in other financial assets : loan	-	(0.17)
(Increase) in other financial assets	(4.29)	(5.51)
(Increase)/decrease in financial assets- Loans	-	0.10
(Increase)/decrease in other financial assets	24.82	(44.64)
(Increase)/decrease in financial assets-Other non current assets	56.82	(13.28)
(Increase)/decrease in long term provisions	94.30	(6.82)
(Increase)/decrease in short term provisions	3.20	(32.45)
(Increase)/decrease in other current assets	(120.89)	(53.33)
(Increase)/decrease in non current tax assets	-	0.60
Increase in other non current liabilities	-	(0.01)
Increase in Current tax liabilities	-	-
(Increase) in other financial liabilities	(336.44)	156.18
Increase in other current liabilities	(9.51)	(4.75)
Increase in bank balance other than cash and cash equivalents	(386.19)	(210.12)
Cash generated from operations	625.81	1,449.47
Income taxes paid	308.00	368.98
Net cash inflow from operating activities	317.81	1,080.49
Cash flows from investing activities		
Payments for property, plant and equipment (including Capital work in Progress & intangible assets)	(507.55)	(436.92)
Payments for investment property	-	-

Cash Flow Statement for the year ended 31st March, 2019 (Contd.,)

(₹ Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Payments for purchase of investments	-	-
Payments for software development costs	-	-
Loans to employees & security deposit	-	-
Receipts of government grants	-	-
Increase/(Decrease) in FD (with more than 12 months maturity)	-	-
Proceeds from sale of property, plant and equipment	0.12	2.05
Repayment of loans by employees and related parties	-	-
Dividends received	-	-
Interest received	39.14	4.87
Net cash outflow from investing activities	(468.29)	(430.00)
Cash flows from financing activities		
Proceeds from issues of shares	-	-
Proceeds/(Repayment) of Long term borrowings (Net) including current maturities	(502.93)	(136.80)
Share issue costs	-	-
Proceeds/(Repayment) of short term borrowings	1,091.48	(313.38)
Other borrowing cost paid	(85.37)	(53.24)
Interest paid	(183.62)	(255.79)
Dividends paid to company's shareholders	(30.29)	(30.09)
Net cash inflow (outflow) from financing activities	289.27	(789.30)
Net increase (decrease) in cash and cash equivalents	138.80	(138.81)
Cash and cash equivalents at the beginning of the financial year	226.27	365.08
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at end of the year	365.07	226.27
Non-cash financing and investing activities		
- Acquisition of property, plant and equipment by means of finance lease		

Reconciliation of cash and cash equivalents as per the cash flow statement

Cash and cash equivalents as per above comprise of the following

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Balance with banks :		
On current account	302.84	197.45
On flexi deposit account	53.21	15.41
Bank deposits with original maturity of less than 3 months	-	-
Cheques, drafts on hand	2.55	3.15
Cash on hand	6.46	10.26
Balances as per statement of cash flows	365.07	226.27

As per our attached report of even date

For and on behalf of

Khimji Kunverji & Co LLP

(Formerly Khimji Kunverji & Co)

Chartered Accountants

ICAI Firm Registration No. 105146W

Hasmukh B Dedhia

Partner (F - 033494)

Place : Mumbai

Date : 17th May, 2019

For and on behalf of the Board of Directors

Ashok V. Chowgule

Chairman

DIN No.00018970

P. Prabhudev

Chief Financial Officer

Place : Mumbai

Date : 17th May, 2019

Santosh L. Chowgule

Managing Director

DIN No.00097736

Ms. Shalu Tibra

Company Secretary

KELTECH ENERGIES LIMITED

Notes to financial statements for the year ended March 31, 2019

Note 3: Property, plant and equipment

(₹ Lakhs)

Particulars	Freehold land	Leasehold Land	Freehold buildings	Furniture, fittings and equipment	Plant and machinery	Laboratory Equipment	Office Equipment	Vehicles	Total	Capital work-in-progress
Gross carrying amount										
Year ended 31 March 2018										
Gross carrying amount										
Opening gross carrying amount	99.15	21.90	2,384.28	183.21	3,672.07	16.47	109.75	123.92	6,610.75	130.01
Exchange differences	-	-	-	-	-	-	-	-	-	-
Additions	53.29	-	193.69	17.74	94.84	3.49	32.36	88.47	483.88	211.35
Disposals	-	-	-	-	-	-	(0.73)	-	(0.73)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	(250.31)
Closing gross carrying amount	152.44	21.90	2,577.97	200.95	3,766.91	19.96	141.38	212.39	7,093.90	91.05
Accumulated depreciation and impairment										
Opening accumulated depreciation	-	0.87	245.58	102.52	631.87	5.37	69.94	54.90	1,111.05	-
Depreciation charge during the year	-	0.29	92.54	35.43	307.86	2.03	27.25	19.73	485.13	-
Disposals	-	-	-	-	-	-	(0.69)	-	(0.69)	-
Closing accumulated depreciation and impairment	-	1.16	338.12	137.95	939.73	7.40	96.50	74.63	1,595.49	-
Net carrying amount	152.44	20.74	2,239.85	63.00	2,827.18	12.56	44.88	137.76	5,498.41	91.05

(i) Property, plant and equipment pledged as security

None of the Property, plant and equipment of the company are pledged as security. Refer to Note 35 for assets mortgaged/hypothecated as security.

(ii) Contractual obligations

Refer to Note 32 (commitments) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Capital work-in-progress

Capital work-in-progress mainly comprises construction of Mono Methylene Amine Nitrate Plant , D-Fuse & PETN Plant at Garamsur, LOT Facilities at Garamsur & Ammonium Nitrate Godown at Angre Port, Ratnagiri.

(iv) Capitalised Borrowing Cost

- The amount of borrowing cost capitalised during the year was Rs. Nil (P.Y. Rs.Nil); and
- The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation was Nil (P.Y.Nil).

Notes to financial statements for the year ended March 31, 2019

Note 4: Intangible assets

(Rs. in Lakhs)

Particulars	Computer Software	Technical Know-how	Total
As at 1 April 2018			
Gross carrying amount			
Opening Gross carrying amount as at 1 April 2018	7.01	66.10	73.11
Additions	60.53	-	60.53
Disposal	-	-	-
Closing gross carrying amount	67.54	66.10	133.64
Accumulated amortisation	2.59	12.19	14.78
Amortisation charge for the year	1.66	8.03	9.69
Closing accumulated amortisation	4.25	20.22	24.47
Closing net carrying amount	63.29	45.88	109.17

Note 5: Financial assets

5(a) Non-current investments

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Investment in government securities - At amortised cost		
Unquoted		
In National Saving Certificate (with Sales Tax Department)	0.10	0.10
Total	0.10	0.10
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	0.10	0.10
Aggregate amount of impairment in the value of investments	-	-

5(b) Trade receivables

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Trade receivables (Unsecured, considered good)		
Trade Receivables		
(a) Trade receivables considered good-Secured	-	-
(b) Trade receivables considered good-UnSecured	3,872.82	2,795.30
(c) Trade receivables which have significant increase in Credit Risk	-	-
(d) Trade receivables-credit impaired	(16.85)	(2.52)
Receivables from related parties [refer note 29 (d)]	34.35	24.62
Total	3,890.32	2,817.40
Current portion	3,890.32	2,817.40
Non-current portion	-	-

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

KELTECH ENERGIES LIMITED

Notes to financial statements for the year ended March 31, 2019

5 (c) Cash and cash equivalents

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Balances with banks		
- in current accounts	302.84	197.45
- in Flexi fixed deposit accounts	53.21	15.41
Deposits with original maturity of less than three months	-	-
Cheques, drafts on hand	2.55	3.15
Cash on hand	6.46	10.26
Total cash and cash equivalents	365.07	226.27

5 (d) Bank balances other than cash and cash equivalents

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
(i) Earmarked Balances with banks Unpaid dividend accounts	10.78	10.56
(ii) Balances with banks to the extent held as margin money Margin Money kept as deposits with original maturity of more than 12 months (against Letter of Credit)	-	-
(iii) Bank deposit with original maturity of more than 3 months but less than 12 months	485.97	100.00
Total Bank balances other than cash and cash equivalents	496.75	110.56

5 (e) Other financial assets

(Rs. in Lakhs)

Particulars	As on 31 March 2019		As on 31 March 2018	
	Current	Non- current	Current	Non- current
(ii) Others				
Bank deposits with with original maturity of more than 12 months	-	-	-	-
Interest Receivables	8.32	-	5.63	-
Advance to Employees	12.92	-	11.32	-
Security Deposits	-	195.29	-	220.11
Total other financial assets	21.24	195.29	16.95	220.11

Note 6 : Deferred tax Liability / (Assets)

(Rs. in Lakhs)

The balance comprises temporary differences attributable to:

Particulars	As on 31 March 2019	As on 31 March 2018
Accelerated Depreciation for tax purpose	472.42	470.50
Expense allowable payment basis	(148.36)	(126.90)
Allowance for doubtful debts – trade receivables	(4.69)	(0.73)
Other items giving rise to temporary difference	-	(0.19)
Net Deferred tax Liability / (Assets)	319.37	342.68

Notes to financial statements for the year ended March 31, 2019

Movement in deferred tax Liability / (Assets)

(Rs. in Lakhs)

Particulars	Opening balance	43B Items	Depreciation adjustment	Defined benefit obligation - Prior Period	Allowance for doubtful debt	Other items	Total
At 31 March 2018							
Deferred tax Liability	470.50	-	-	-	-	-	470.50
Recognised in profit or loss	-	-	1.92	-	-	-	1.92
Recognised in other comprehensive income	-	-	-	-	-	-	-
Deferred tax on basis adjustment	-	-	-	-	-	-	-
	470.50	-	1.92	-	-	-	472.42
Deferred tax Asset	127.81						127.81
Recognised in profit or loss	-	35.25	-	-	3.96	-	39.21
Recognised in other comprehensive income	-	(13.97)	-	-	-	-	(13.97)
Deferred tax on basis adjustment	-	-	-	-	-	-	-
	127.81	21.28	-	-	3.96	-	153.05
Net Deferred tax (asset)/ liability	342.68	(21.28)	1.92	-	(3.96)	-	319.37

Note 7: Non-current tax assets

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Advance payment of taxes [Net of provision for Tax of Rs.811 Lakhs (P.Y. Rs.Nil)]	30.56	0.00
Total non-current tax assets	30.56	0.00

Note 8: Other non-current assets

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Capital advances	-	6.05
Advances other than capital advances		
VAT Recoverable*	254.70	311.29
Long term Prepaid exp	19.51	13.69
Total other non-current assets	274.21	331.03

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

KELTECH ENERGIES LIMITED

Notes to financial statements for the year ended March 31, 2019

Note 9 : Inventories

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Raw materials (Valued at cost, arrived on weighted average method (WAM)) (including goods in transit of Rs. 140.17 Lakhs) (P.Y. Rs. 76.36 Lakhs)	1,229.35	894.79
Finished goods (Valued at lower of cost (arrived on WAM) or Net realisable value) (including goods in transit of Rs. 111.71 Lakhs) (P.Y. Rs. 113.65 Lakhs)	348.66	368.08
Traded goods (Valued at lower of cost (arrived on FIFO basis) or Net realisable value)	61.93	92.04
Stores and spares (Valued at cost, arrived on weighted average method (WAM))	120.61	117.95
Inventory for services	61.34	8.33
Total inventories	1,821.89	1,481.19

Notes:

(a) All Inventories are mortgaged as security against cash credit facility.

Note 10: Other current assets

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Advances other than capital advances		
Advance to suppliers	196.97	127.11
Others (specify nature)		
Prepaid expenses	77.88	72.94
Deposits and Balance with statutory/government authorities	60.01	13.92
Total other non-current assets	334.86	213.97

Note 11: Equity share capital

Authorised share capital

Authorised - Equity share capital

(Rs. in Lakhs)

Particulars	Number of shares (in lakhs)	Par value per share (Rs.)	(Rs. in Lakhs)
As at 1 April 2018	10.00	10.00	100.00
Increase during the year			
As at 31 March 2019 (A)	10.00	10.00	100.00

Authorised - Unclassified share capital

Particulars	Number of shares (in lakhs)	Par value per share (Rs.)	(Rs. in Lakhs)
As at 1 April 2018	10.00	10.00	100.00
Increase during the year			
As at 31 March 2019 (B)	10.00	10.00	100.00
Total Authorised share capital (A+B)	20.00	10.00	200.00

Notes to financial statements for the year ended March 31, 2019

Issued share capital

Particulars	Number of shares (in lakhs)	Par value per share (Rs.)	Equity share capital (par value) (Rs. in Lakhs)
As at 1 April 2018	10.000	10	100.00
Exercise of options - proceeds received			-
Rights issue			
As at 31 March 2019	10.000	10	100.000

(i) Subscribed & fully paid share capital

Particulars	Number of shares (in lakhs)	Par value per share (Rs.)	Equity share capital (par value) (Rs. in Lakhs)
As at 1 April 2018	9.999	10	99.99
Exercise of options - proceeds received			
As at 31 March 2019	9.999	10	99.99

(ii) Subscribed & but not fully paid share capital

Particulars	Number of shares (in lakhs)	Par value per share (Rs.)	Equity share capital (Rs. in Lakhs)
As at 1 April 2018	0.001	10	0.00
Equity share of Rs. 10 each, not fully paid (Rs.250 received on application)			
As at 31 March 2019	0.001	10	0.00

Total Subscribed share capital

(Rs. in Lakhs)

Particulars	Number of shares (in lakhs)	Par value per share (Rs.)	Equity share capital
As at 31 March 2019	10.000	10	99.99

Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.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.

(ii) Details of shareholders holding more than 5% shares in the company

Particulars	As on 31 March 2019		As on 31 March 2018	
	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding
Chowgule & Co. Pvt. Ltd.	4.09940	40.99%	4.09940	40.99%
Dolphin Investment Ltd.	0.93601	9.36%	0.93601	9.36%

KELTECH ENERGIES LIMITED

Notes to financial statements for the year ended March 31, 2019

Note 12 (a) Reserves and surplus

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
General Reserve	4,499.80	4,199.80
Retained earnings	1,257.14	984.76
Total reserves and surplus	5,756.94	5,184.56

(ii) General Reserve

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Opening balance	4,199.80	3,599.80
Movement	300.00	600.00
Closing balance	4,499.80	4,199.80

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

(iii) Retained earnings

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Opening balance	984.76	859.48
Net profit for the period	602.52	755.37
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligation, net of tax	-	
Transfer to General Reserve	(300)	(600.00)
Dividends	(30.14)	(30.09)
Closing balance	1,257.14	984.76

Note 12 (b) Other Reserves

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Remeasurements of post-employment benefit obligation, net of tax		
Opening Balance	(0.31)	(17.31)
During the year	(36.23)	17.00
Closing balance	(36.54)	(0.31)

Dividends

The following dividends were declared and paid by the Company during the year:

(Rs. in Lakhs)

Particulars	31-Mar-19	31-Mar-18
INR 2.5 per equity share (31 March 2018 INR 2.50)	25.00	25.00
Dividend distribution tax (DDT) on dividend to equity shareholders	5.14	5.09
	30.14	30.09

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

(Rs. in Lakhs)

Particulars	31-Mar-19	31-Mar-18
INR 2.50 per equity share (31 March 2019: INR 2.50)	25.00	25.00
Dividend distribution tax (DDT) on dividend to equity shareholders	5.14	5.14
	30.14	30.14

Notes to financial statements for the year ended March 31, 2019

Note 13: Borrowings

13(a) Non-current borrowings

		(Rs. in Lakhs)			
Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	As on 31 March 2019	As on 31 March 2018
Secured					
Term loans					
From banks					
Towards purchase of Assets	Mar-24	60 monthly installments from 1.4.2019 onwards	9.05% to 9.15%	51.33	-
Towards filter-aid project	Jun-21	60 monthly installments from 1.7.2016 onwards	8.65%	254.55	455.04
Towards expansion of slurry plant	Feb-20	60 monthly installments from 10.10.2016 onwards	9.05%	-	39.92
Towards APMDC/JUTKAL/Pump Truck	Aug-19	30 monthly installments from 15.05.2017 onwards	9.05%	-	22.03
Towards purchase of PM & cons of Office build	Jul-20	30 monthly installments from 14.03.2018 onwards	9.05%	46.28	155.10
Unsecured					
Loan from Related Party	Jan-19	Repayable in 5 years from January 2016 to January 2019	11%	-	183.00
Total non-current borrowings				352.16	855.09

13(b) Current borrowings

		(Rs. in Lakhs)		
Particulars	Coupon/ Interest rate	As on 31 March 2019	As on 31 March 2018	
Loans repayable on demand (Secured)				
a) From banks				
Cash credit facility	8.85% to 9.25%	1,560.50	469.02	
Total Current borrowings		1,560.50	469.02	

Secured borrowings and assets mortgaged/ hypothecated as security

(a) All secured borrowings are secured by mortgage of assets and hypothecation of vehicles

(b) The carrying amounts of financial and non-financial assets mortgaged/ hypothecated as security for current and non-current borrowings are disclosed in note 34.

KELTECH ENERGIES LIMITED

Notes to financial statements for the year ended March 31, 2019

13(c) Other financial liabilities

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Current		
Current maturities of long-term debt	420.71	642.86
Interest accrued	3.15	3.16
Capital creditors	19.32	23.24
Unpaid dividends	10.78	10.55
Deposits from dealers	6.60	6.60
Outstanding liabilities	279.03	389.62
Total other current financial liabilities	739.59	1,076.03

13(d) Trade payables

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Current		
Trade payables - from MSME	34.82	33.39
Trade payables - from other than MSME	3,324.45	2,133.38
Total trade payables	3,359.27	2,166.77

Disclosure under Sec. 22 of MSMED Act, 2006

(Chapter V - Delayed payment to Micro, Small and Medium Enterprises)

Micro, Small and Medium Enterprises

Information in respect of Micro, Small and Medium Enterprises Development Act, 2006; based on the information available with the company. The required disclosures are given below:

Particulars	As on 31 March 2019	As on 31 March 2018
The Principal amount (Interest - Nil) remaining unpaid to any supplier as at the end of the each accounting year	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16. of the Micro, Small and Medium Enterprises Development Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
The amount of interest due and payable for the period of delay in making payments (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year: and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act 2006	Nil	Nil

Notes to financial statements for the year ended March 31, 2019

Note 14: Provisions

(Rs. in Lakhs)

Particulars	As on 31 March 2019			As on 31 March 2018		
	Current	Non- current	Total	Current	Non- current	Total
(i) Provision for employee benefits						
Leave encashment (i)	98.65	86.71	185.36	95.45	70.69	166.14
Gratuity (ii) *	-	347.93	347.93	-	269.65	269.65
(ii) Provision for powder factor deduction	274.84	-	274.84	274.84	-	274.84
Total	373.49	434.64	808.13	370.29	340.34	710.63

* Including Rs.38.35 lakhs (P.Y. Rs. 35.99 Lakhs) towards Gratuity liability of Contract Labourers based on management estimate.

Provisions

(i) Movements in provisions

Movements in each class of provision during the financial year, are set out below:

Particulars	Powder factory deduction (Rs. in Lakhs)
As at 1 April 2018	274.84
Charged/(credited) to profit or loss	
additional provisions recognised	-
unused amounts reversed	-
unwinding of discount	-
Amounts used during the year	-
As at 31 March 2019	274.84

- The provision for powder factor deduction is due to non achievement of the required performance of the product. The provision is based on estimates made from technical evaluation and historical data associated with similar services.
- 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.

Provision for employee benefits

(i) Other Long Term Employee Benefits

Compensated Absences

The Compensated Absences cover the company's liability for earned leave.

The amount of the provision of Rs. 98.65 Lakhs (P.Y. Rs. 95.45 Lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is expected to be taken or paid within the next 12 months.

(Rs. in Lakhs)

Particulars	31 March 2019	31 March 2018
Current leave obligations expected to be settled within the next 12 months	98.65	95.45

Gratuity

(ii) Post-employment obligations

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of completed years of service. The gratuity plan is a partly funded plan and the company makes contributions to Insurer managed funds in India. The company does not fully fund the liability.

(iii) Defined Contribution plans

The company also has certain defined contribution plans. Contributions are made to provident fund, Employers Contribution to Employees' State Insurance & super annuation schemes in India for employees. The Provident Fund and the State defined Contribution plans are operated by the Regional Provident Fund Commissioner and the Superannuation Fund is funded to LIC of India. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 215.33 Lakhs (P.Y. Rs. 160.93 Lakhs).

KELTECH ENERGIES LIMITED

Notes to financial statements for the year ended March 31, 2019

Balance sheet amounts – Gratuity

(Rs. in Lakhs)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation gratuity over the year are as follows:

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April 2018	414.92	181.27	233.65
Current service cost	26.93		26.93
Net Interest expense	28.23	10.96	17.27
Past service cost	-	-	-
Total amount recognised in profit or loss	55.16	10.96	44.20
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.46	(0.46)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(8.27)	-	(8.27)
Experience (gains)/losses	58.94	-	58.94
Total amount recognised in other comprehensive income	50.67	0.46	50.21
Contributions :			-
Employer	-	41.20	(41.20)
Plan participants	-	-	-
Benefit payments	59.31	59.31	-
Adjustment to Opening Fair Value of Plan Assets		22.71	(22.71)
31 March 2019	461.44	151.87	264.15

The net liability disclosed above relates to funded and unfunded plans are as follows:

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Present value of funded obligations	369.34	340.08
Fair value of plan assets	151.87	181.27
Deficit of funded plan	217.47	158.81
Unfunded plans	92.10	74.85
Deficit of gratuity plan	309.57	233.66

Post-Employment benefits

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:	31 March 2019	31 March 2018
Discount rate	7.66%	7.33%
Attrition Rate	1%	1%

Notes to financial statements for the year ended March 31, 2019

Employee benefit obligations

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Impact on defined benefit obligation

(Rs. in Lakhs)

Particulars	31 March 2019			
	Discount rate		Salary Escalation rate	
Sensitivity level	5% increase	5% decrease	5% increase	5% decrease
Impact on defined benefit obligation	(26.35)	22.84	23.38	(26.55)

Particulars	31 March 2018			
	Discount rate		Salary Escalation rate	
Sensitivity level	5% increase	5% decrease	5% increase	5% decrease
Impact on defined benefit obligation	(19.41)	22.34	22.44	(19.82)

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Employee benefit obligations

The major categories of plans assets are as follows:

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Unquoted Investments :		
Gratuity Fund maintained by LIC of India	151.87	181.27
Total	151.87	181.27

Employee benefit obligations

Risk exposure

The defined benefit plans expose the company to actuarial risk, such as longevity risk, interest rate risk and market (investment) risk.

Specific class of employees are covered by the company for the purpose of gratuity obligations by investing in group gratuity scheme of LIC of India and for rest of the employees, though not covered by funded obligation, liability has been created based on actuarial valuation. In case of employees at one of the unit the liability is based on management's estimate amounting to Rs.38.35 lacs.

(iv) Employer Contributions

Expected contributions to post-employment benefit plans for the year ending 31 March 2019 are Rs. 30 Lakhs

The weighted average duration of the defined benefit obligation is 17.33 years (2018 – 17.16 years) for employees who are covered under group gratuity scheme of LIC of India and 14.49 years (2018 – 14.16 years) for employees who are not covered by group gratuity scheme of LIC of India.

KELTECH ENERGIES LIMITED

Notes to financial statements for the year ended March 31, 2019

Note 15: Other current liabilities

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Statutory tax payables	100.42	108.88
Income received in advance	69.09	70.14
Deferred Government Grant (Short Term)	-	-
Total other current liabilities	169.51	179.02

Government grants

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Opening balance	-	0.34
Grants during the year	-	-
Less: Released to profit or loss	-	0.34
Closing balance	-	-

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Current portion	-	-
Non-current portion	-	-

Note 16: Current tax liabilities (Net)

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Provision for Tax [Net of Advance Tax of Nil Lakhs (P.Y.795.39 Lakhs)].	-	21.62
Total non-current tax assets	0.00	21.62

Note 17 : Revenue from Operations

The company derives the following types of revenue:

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products (including excise duty)		
Manufactured goods	20,498.98	19,016.94
Traded goods	969.92	928.84
	21,468.90	19,945.78
Sale of services		
Freight	679.49	603.13
Other Services	364.41	158.19
	1,043.90	761.32
Other operating revenue	115.80	79.93
Total revenue from continuing operations	22,628.60	20,787.03

Note 18: Other income

(Rs. in Lakhs)

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income from financial assets at amortised cost		39.14	10.38
Balance written back		47.57	1.19
Government grants	17	-	0.34
Net gain on disposal of property, plant and equipment		0.08	-
Reversal of provision for doubtful debt		-	7.53
Total other income		86.79	19.44

Notes to financial statements for the year ended March 31, 2019

Note 19:

(a) Cost of materials consumed

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(i) Opening stock		
Raw material	661.96	787.74
Packing material	232.83	197.71
	894.79	985.45
(ii) Add : Purchases		
Raw material	13,151.75	10,591.99
Packing material	1,626.63	1,541.99
	14,778.38	12,133.98
(iii) Less : Closing stock		
Raw material	994.97	661.96
Packing material	234.38	232.83
	1,229.35	894.79
(iv) Consumption		
Raw material	12,818.74	10,717.77
Packing material	1,625.08	1,506.87
Total	14,443.82	12,224.64

(b) Purchase of stock in trade

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Traded Goods	790.64	801.83
Total	790.64	801.83

(c) Changes in inventories of work-in-progress, stock-in-trade and finished goods

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(i) Manufactured finished goods		
Opening stock	368.08	240.47
Less : Closing stock	348.66	368.08
	19.42	(127.61)
(ii) Traded finished goods		
Opening stock	92.04	67.12
Less : Closing stock	61.93	92.04
	30.11	(24.92)
(iii) Work in Progress - (Inventory for Services)		
Opening stock	8.33	-
Less : Closing stock	61.34	8.33
	(53.01)	(8.33)
Total	(3.48)	(160.86)

KELTECH ENERGIES LIMITED

Notes to financial statements for the year ended March 31, 2019

Note 20: Employee benefit expense

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	993.40	1,020.57
Contribution to provident fund, State Insurance & Superannuation scheme	146.03	112.75
Gratuity expenses	69.30	48.18
Staff welfare expenses	154.27	100.68
Total employee benefit expense	1,363.00	1,282.18

Note 21: Depreciation and amortisation expense

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant and equipment	485.12	483.87
Amortisation of intangible assets	9.69	9.28
Total depreciation and amortisation expense	494.81	493.15

Note 22: Other expenses

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Consumption of stores and spares	269.55	193.68
Power & fuel	288.71	241.05
Repairs and maintenance		
Plant and machinery	115.34	102.11
Buildings	21.99	160.58
Others	33.11	108.55
Rental charges (net)	90.23	80.52
Rates and taxes	29.75	32.12
Legal and professional fees	180.49	141.40
Travel and conveyance	514.84	446.84
Insurance	39.64	37.93
Communication expenses	32.41	37.09
Sales commission	167.06	181.58
Director's sitting fees	6.00	7.22
Freight & forwarding	1,677.54	1,364.68
Establishment expenses	611.91	559.67
Claims against warranties	-	-
Bad debts	-	48.86
Handling & Transport	166.71	146.71
Corporate social responsibility expenditure (refer note 23(b) below)	18.80	14.71
Payments to auditors (refer note 23(a) below)	9.50	9.50
Miscellaneous expenses	252.77	225.01
Loss on sale of assets (Net)	-	20.13
Total other expenses	4,526.34	4,159.94

Note 22(a): Details of payments to auditors

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Payment to auditors		
As auditor:		
Audit fee	5.00	5.00
Tax audit fee	1.00	1.00
In other capacities		
Limited Review	3.00	3.00
Certification fees	0.50	0.50
Total payments to auditors	9.50	9.50

Notes to financial statements for the year ended March 31, 2019

Note 22(b): Corporate social responsibility expenditure

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 Rs.18.66 Lakhs (PY - Rs.14.71 Lakhs) and actually spent by the Company during the year is Rs.18.80 Lakhs (PY- Rs. 14.71 Lakhs), the details of which is as given below:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Construction/acquisition of any asset	-	-
On purposes other than above	18.80	14.71
Total Corporate social responsibility expenditure	18.80	14.71

Note 23: Finance costs

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest and finance charges on financial liabilities measured at amortised cost	183.61	255.19
Exchange differences regarded as an adjustment to borrowing costs	-	-
Other borrowing cost	85.37	53.24
	268.98	308.43
	-	-
Finance costs expended in profit or loss	268.98	308.43

Note 24: Income tax expense

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Income tax expense		
Current tax		
Current tax on profits for the year	236.00	390.00
Adjustments for current tax of prior periods	2.09	-
Total current tax expense	238.09	390.00
Deferred tax		
deferred tax expense/(income)	(9.33)	(24.84)
(b) Total deferred tax expense/(benefit)	(9.33)	(24.84)
Income tax expense	228.76	365.16
Income tax expense is attributable to:		
Profit from continuing operations	228.76	365.16
Profit from discontinued operation	-	-

(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	31 March 2019	31 March 2018
Profit from continuing operations before income tax expense	831.28	1,120.53
	831.28	1,120.53
Tax at the Indian tax rate of 27.82% (2017-2018 – 34.608%)	231.26	387.79
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Donation	7.18	20.07
Borrowing Costs	-	0.22
Loss/(Profit) on sale of asset	0.02	6.97
Interest on late payment of tax	7.41	4.00
Other difference	(17.11)	(53.89)
Income tax expense	228.76	365.16

KELTECH ENERGIES LIMITED

Notes to financial statements for the year ended March 31, 2019

Note 25: Fair value measurements

Financial instruments by category

(Rs. in Lakhs)

Particulars	As on 31 March 2019			As on 31 March 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Government securities	-	-	0.10	-	-	0.10
Trade receivables	-	-	3,890.32	-	-	2,817.40
Loans	-	-	-	-	-	-
Cash and cash equivalents	-	-	365.07	-	-	226.27
Bank deposits with more than 12 months maturity	-	-	-	-	-	-
Other bank balances	-	-	496.75	-	-	110.56
Security deposits	-	-	195.29	-	-	220.11
Loan to employees	-	-	-	-	-	-
Loans & Advances to employees - Short term	-	-	12.92	-	-	11.32
Interest receivable	-	-	8.32	-	-	5.63
Total financial assets	-	-	4,968.78	-	-	3,391.40
Financial liabilities						
Borrowings	-	-	352.16	-	-	855.09
Cash credit facility	-	-	1,560.50	-	-	469.02
Current maturities of long term debt & interest accrued	-	-	423.86	-	-	646.02
Unpaid dividend	-	-	10.78	-	-	10.55
Trade payables	-	-	3,359.27	-	-	2,166.77
Capital creditors	-	-	19.32	-	-	23.24
Deposit from dealers	-	-	6.60	-	-	6.60
Outstanding liabilities	-	-	279.03	-	-	389.62
Total financial liabilities	-	-	6,011.51	-	-	4,566.91

Notes to financial statements for the year ended March 31, 2019

Note 26: Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk. Market risk is the risk of loss of future earnings, fair value or future cashflows that may result from a change in the price of the financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivable and payables and loans and borrowings.

If the risk exposure is significant then senior management reviews the position and takes decision regarding hedging/other risk strategies to mitigate such risk exposures.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rate. The company is not exposed to significant interest rate risk as at the respective reporting dates.

(ii) Foreign currency risk

The Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. These exposures are unhedged.

(Rs. in Lakhs)

Foreign currency exposure	31-Mar-19			31-Mar-18		
	USD	Closing Rate	INR	USD	Closing Rate	INR
Trade Receivable	5.15400	69.26	356.98	1.05950	64.92	68.78
Trade Payable	3.69046	69.40	256.11	0.78640	65.05	51.16

	Pounds	Closing Rate	INR	Pounds	Closing Rate	INR
Trade Payable	-	90.56	-	0.33984	91.31	31.03

	Euros	Closing Rate	INR	Euros	Closing Rate	INR
Trade Payable	0.04951	77.91	3.86	0.17160	80.15	13.75

Foreign currency sensitivity

5% increase or decrease in foreign exchange rates will have the following impact on profit before tax.

Trade Receivable

Currencies		2018-19		2017-18	
		5% increase	5% decrease	5% increase	5% decrease
USD		72.73	65.80	68.16	61.67
USD	Increase/(decrease) in net profit before tax	17.85	-17.85	3.44	-3.44

Trade Payable

Currencies		2018-19		2017-18	
		5% increase	5% decrease	5% increase	5% decrease
USD		72.87	65.93	68.30	61.80
USD	Increase/(decrease) in net profit before tax	(12.81)	12.81	(2.56)	2.56
Pounds		95.09	86.03	95.88	86.75
Pounds	Increase/(decrease) in net profit before tax	-	-	(1.55)	1.55
Euros		81.81	74.02	84.16	76.15
Euros	Increase/(decrease) in net profit before tax	(0.19)	0.19	-0.69	1.05

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Notes to financial statements for the year ended March 31, 2019

(iii) Credit Risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as :

- (i) Actual or expected significant adverse change in business
- (ii) Actual or expected significant change in the operating results of the counterparty
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation.
- (iv) Significant increases in credit risk on other financial instruments of the same counterparty

A default on a financial asset is when the counterparty fails to make contractual payments within 1095 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Financial assets are written off when there is no reasonable expectation of recovery. Where loans or receivables have been written off, the Company may engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The carrying amounts of financial assets represent the maximum credit risk exposure

(Rs. in Lakhs)

Exposure to credit risk	31-Mar-19	31-Mar-18
Financial risk for which loss allowance is measured using 12 months expected Credit Losses (ECL)		
Investment in government securities	0.10	0.10
Loans	-	-
Cash & cash equivalent	365.07	226.27
Other Bank balance	496.75	110.56
Bank deposits with more than 12 months maturity	-	-
Loans & Advances to employees - Short term	12.92	11.32
Financial risk for which loss allowance is measured using Lifetime expected Credit Losses (ECL)		
Trade Receivables	3,890.32	2,817.40

(iv) Roll rate method for trade receivable

Impairment loss for trade receivable is calculated using the Roll Rate method. In the roll rate method, the entire portfolio balance is segmented by various buckets e.g. Current, 1-90, 91-180, 181-270 etc. Roll rate technique is a forecast in which the flow of outstanding from one level of delinquency (lower) to another (higher) is applied to the current portfolio outstanding mix. This technique follows the flow from 'Current' through all the delinquency buckets to 'charge-off'. The losses are determined as a product of flow rates from the bucket to the final bucket. Once historical net roll rates by bucket have been calculated, their patterns over time are examined and future roll rates are estimated.

Expected credit loss is computed on a collective basis as receivables are in similar category & amount of individual trade receivables are not individually significant.

Based on management estimation and data available there is no significant increase in credit risk/credit impaired for individual trade receivables.

In computation of the expected credit loss, there is no specific provisioning / write off policy for outstanding for more than certain period.

There are no specific forward looking information estimated by the management.

Notes to financial statements for the year ended March 31, 2019

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables for corporate customers as at 31 March 2019

The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

31-Mar-19

Particulars	Not due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	361 - 450 days past due	451 - 540 days past due	541-630 days past due	631-720 days past due	721-810 days past due	811 - 900 days past due	(Rs. in Lakhs)	
												More than 900 days past due	Total
Gross carrying amount (A)	3,807.03	57.49	17.27	4.80	3.20	2.47	3.68	5.18	5.62	-	-	0.43	3,907.17
Expected loss rate (B)	-	4.53%	10.14%	20.37%	26.83%	39.54%	45.70%	65.23%	75.53%	79.81%	83.07%	87.49%	-
Expected credit losses (Loss allowance provision) (C=A*B)	-	2.60	1.75	0.98	0.86	0.98	1.68	3.38	4.24	-	-	0.38	16.85
Carrying amount of trade receivables (net of impairment)	3,807.03	54.89	15.52	3.82	2.34	1.49	2.00	1.80	1.38	-	-	0.05	3,890.32

31-Mar-18

Particulars	Not due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	361 - 450 days past due	451 - 540 days past due	541-630 days past due	631-720 days past due	721-810 days past due	811 - 900 days past due	(Rs. in Lakhs)	
												More than 900 days past due	Total
Gross carrying amount (A)	2,761.09	10.59	23.23	8.47	15.70	-	0.01	-	0.42	-	0.23	0.18	2,819.92
Expected loss rate (B)	-	0.20%	2.11%	4.86%	7.21%	12.96%	16.43%	41.66%	52.06%	56.75%	60.65%	76.80%	-
Expected credit losses (Loss allowance provision) (C=A*B)	-	0.02	0.49	0.41	1.13	-	0.00	-	0.21	-	0.14	0.12	2.52
Carrying amount of trade receivables (net of impairment)	2,761.09	10.57	22.74	8.06	14.57	-	0.01	-	0.21	-	0.09	0.06	2,817.40

The Company does not otherwise require collateral in respect of trade receivables and loans. The Company does not have trade receivable and loans for which no loss allowance is recognised because of collateral.

The following table summarizes the change in the loss allowances measured using life-time expected credit loss model:

	(Rs. in Lakhs)
As on 31.3.2018	2.52
Provided during the year	16.85
Reversal of provisions	(2.52)
As on 31.3.2019	16.85

(v) Liquidity risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

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Notes to financial statements for the year ended March 31, 2019

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(Rs. in Lakhs)

Particulars	31 March 2019	31 March 2018
Floating rate		
a) Expiring within one year (bank overdraft and other facilities)	239.50	1,030.98
b) Expiring beyond one year (bank loans)	-	-
c) No Expiry Period*	-	52.83
	239.50	1,083.81

*Management is confident that the same will be drawn within one year.

Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial assets at the reporting date based on contractual undiscounted payment

(Rs. in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
As on 31.03.2018				
Current borrowings	469.02	-	-	469.02
Unsecured Loans from Related Party	-	183.00	-	183.00
Trade payables	2,166.77	-	-	2,166.77
Other financial liabilities (including Current Maturities of Long Term Borrowings)	1,076.03	-	-	1,076.03
Term loan - from banks	-	672.09	-	672.09
As on 31.03.2019				
Current borrowings	1,560.50	-	-	1,560.50
Unsecured Loans from Related Party	-	-	-	-
Trade payables	3,359.27	-	-	3,359.27
Other financial liabilities (including Current Maturities of Long Term Borrowings)	739.59	-	-	739.59
Term loan - from banks	-	352.16	-	352.16

Maturity profile of financial assets

The table below provides details regarding the contractual maturities of financial assets at the reporting date

(Rs. in Lakhs)

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
As on 31.03.2018				
Investments	-	0.10	-	0.10
Other non current financial assets	-	220.11	-	220.11
Trade receivables	2,817.40	-	-	2,817.40
Cash and cash equivalents	226.27	-	-	226.27
Bank balances other than cash & cash equivalents	110.56	-	-	110.56
Current Loans	-	-	-	-
Other current financial assets	16.95	-	-	16.95
As on 31.03.2019				
Investments	-	0.10	-	0.10
Other non current financial assets	-	195.29	-	195.29
Trade receivables	3,890.32	-	-	3,890.32
Cash and cash equivalents	365.07	-	-	365.07
Bank balances other than cash & cash equivalents	496.75	-	-	496.75
Current Loans	-	-	-	-
Other current financial assets	21.24	-	-	21.24

Notes to financial statements for the year ended March 31, 2019

Note 27: Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial statements

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

(Rs. in Lakhs)

Particulars	31 March 2019	31 March 2018
Total debt	2,333.37	1,966.97
Total equity plus debt	8,153.76	7,251.21
Debt to equity ratio	29%	27%

(i) Loan covenants

Under the terms of the major borrowing facilities, there are no financial covenants which are required to be complied by the company

(ii) Dividends

(Rs. in Lakhs)

Particulars	31 March 2019	31 March 2018
(i) Equity shares Final dividend for the year ended 31 March 2018 of INR 2.5 (31 March 2017 – INR 2.5) per fully paid share	25.00	25.00
(ii) Proposed Dividend appeared by the Board of Directors at the end of the reporting period but pending approval at the ensuing Annual General Meeting	25.00	25.00

Note 28: Segment information

An operating segment is a component of the entity that engages in business activities from which it may earn revenue and incur expenses, including revenue & expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available. All operating segments is evaluated based on profit or loss and is measured consistently with the profit or loss in the financial statements & are reviewed regularly by the entity's Managing Director to make decisions about resources to be allocated to the segments and access their performance.

For management purposes, the Company is organised into business units based on its products and services and has 2 reportable segment as follows:-

- 1) Explosives segment which manufactures cartridge explosives, bulk emulsion explosives.
- 2) Perlite segment which manufactures cryogenic insulation, industrial filter-aid, horticulture products etc.,

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Notes to financial statements for the year ended March 31, 2019

Summary of the Segmental Information as at and for the year ended 31st March, 2019 is as follows:

Particulars	(Rs. in Lakhs)		
	Explosives	Perlite	Total
Revenue			
External Revenue	19,293.33	2,539.99	21,833.32
Less:- Inter-segment Revenue			-
Add:- Un-allocable Income			795.28
Total Revenue	19,293.33	2,539.99	22,628.60
Results			
Segment result	1,154.08	(92.95)	1,061.13
Less:- Interest & financing charges	208.26	60.73	268.99
Add: Interest Revenue			39.14
Profit before Tax			831.28
Less:- Tax Expense			228.76
Profit after tax			602.52
Other information			
Segment assets	9,222.65	2,406.73	11,629.38
Unallocated assets	-	-	1,499.54
Total assets	9,222.65	2,406.73	13,128.92
Segment liabilities	3,672.62	667.81	4,340.43
Unallocated liabilities	-	-	2,968.10
Total liabilities	3,672.62	667.81	7,308.53
Capital expenditure	370.02	70.18	440.20
Unallocated Capital Expenditure			65.25
Depreciation & amortisation	313.72	121.38	435.10
Unallocated Depreciation & amortisation			59.71

Summary of the Segmental Information as at and for the year ended 31st March, 2018 is as follows:

Particulars	(Rs. in Lakhs)		
	Explosives	Perlite	Total
Revenue (Excluding Excise duty)			
External Revenue	17,995.21	2,108.76	20,103.97
Less:- Inter-segment Revenue	-	-	-
Add:- Un-allocable Income	-	-	692.12
Total Revenue	17,995.21	2,108.76	20,796.09
Results			
Segment result	1,663.53	(244.95)	1,418.58
Less:- Interest & financing charges	209.55	98.88	308.43
Add: Interest Revenue	-	-	10.38
Profit before Tax			1,120.53
Less:- Tax Expense			365.16
Profit after tax			755.37
Other information			
Segment assets	7,611.34	2,402.42	10,013.76
Unallocated assets	-	-	1,091.34
Total assets	7,611.34	2,402.42	11,105.10
Segment liabilities	2,977.81	860.11	3,837.92
Unallocated liabilities	-	-	1,982.94
Total liabilities	2,977.81	860.11	5,820.86
Capital expenditure	471.06	17.15	488.21
Unallocated Capital Expenditure			76.35
Depreciation & amortisation	311.60	120.87	432.47
Unallocated Depreciation & amortisation			60.68

Notes to financial statements for the year ended March 31, 2019

Revenues from external customers comprises of sale of explosives & perlite related services.

Revenue from external customers (Rs. in Lakhs)

Particulars	31 March 2019	31 March 2018
Domestic	20,215.53	18,132.46
Export	1,617.79	1,384.96
Total	21,833.32	19,517.42

Customers amounting to 10% or more of entity's revenue is NIL

Break-up of non-current assets based on geographical segment is as under:- (Rs. in Lakhs)

Particulars	31 March 2019	31 March 2018
India	6,198.79	6,238.76
Outside India	-	-
Total non-current assets	6,198.79	6,238.76

Reconciliation of Revenue (Rs. in Lakhs)

Particulars	31 March 2019	31 March 2018
Total Revenue from reportable segments	22,628.60	20,796.09
Revenue for other segments	-	-
Elimination of inter segment revenue	-	-
Elimination of revenue of discontinued operations	-	-
Total Revenue as per Statement of profit & loss	22,628.60	20,796.09

Reconciliation of Profit after tax (Rs. in Lakhs)

Particulars	31 March 2019	31 March 2018
Total Profit after tax from reportable segments	602.52	755.37
Total Profit after tax from other segments	-	-
Elimination of inter segment profits	-	-
Elimination of profit of discontinued operations	-	-
Total profit after tax as per Statement of profit & loss	602.52	755.37

Reconciliation of Segment Assets (Rs. in Lakhs)

Particulars	31 March 2019	31 March 2018
Assets from reportable segments	11,629.38	10,013.76
Property, Plant & Equipment	232.12	262.28
Cash & Cash Equivalent	365.07	226.27
Bank balance other than cash & cash Equivalent	10.78	10.56
Investments	0.10	0.10
Others	891.47	592.13
Total Assets as per Balance Sheet	13,128.92	11,105.10

Reconciliation of Segment Liabilities (Rs. in Lakhs)

Particulars	31 March 2019	31 March 2018
Liabilities from reportable segments	4,340.43	3,837.92
Borrowings	133.20	540.16
Deferred tax liability	319.37	342.68
Others	2,515.53	1,100.10
Total Liabilities as per Balance Sheet	7,308.53	5,820.86

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Notes to financial statements for the year ended March 31, 2019

Note 29: Related party transactions

Information in accordance with the requirements of Indian Accounting Standard 24 on Related Party Disclosures

(a) Entity with significant influence over the Company

Name	Type	Ownership interest		
		Place of incorporation	As on 31 March 2019	As on 31 March 2018
Chowgule & Co. Pvt. Ltd.	Major shareholder	India	40.99%	40.99%

(b) Other Related Party Relationships

Name of the Party	Relationships
Santosh L Chowgule	Key management personnel
Ashok V Chowgule	Key management personnel
Umaji V Chowgule	Relative of key management personnel
Santosh Chowgule HUF	Key management personnel is able to Exercise significant influence

(c) Key management personnel compensation

(Rs. in Lakhs)

Particulars	31 March 2019	31 March 2018
Short-term employee benefits	37.85	37.82
Post-employment benefits	8.23	8.23
Long-term employee benefits	-	-
Termination benefits	-	-
Employee share-based payment	-	-
Total compensation	46.08	46.05

Notes to financial statements for the year ended March 31, 2019

(d) Transactions with related parties

(Rs. in Lakhs)

The following transactions occurred with related parties:

Name of the Party	Nature of transactions	Year ended	Amount of transaction	Amount due from	Amount due to
Major Shareholder					
Chowgule & Co. Pvt. Ltd.*	Loan Repaid	31st March 2019	366.00		-
		31st March 2018	183.00		366.00
	Interest paid	31st March 2019	22.25		
		31st March 2018	48.78		-
	Rent paid	31st March 2019	26.48		
		31st March 2018	26.31		-
	Services Rendered	31st March 2019	104.10	34.95	
		31st March 2018	25.00	25.00	
	Services Received	31st March 2019	12.43		12.43
		31st March 2018	-		-
Other Related Parties					
Santosh Chowgule HUF	Rent paid	31st March 2019	8.26		
		31st March 2018	8.26		-
Santosh L Chowgule	Travelling Expenses	31st March 2019	1.80		
		31st March 2018	2.87		
Ashok V Chowgule	Sitting Fees	31st March 2019	1.20		0.09
		31st March 2018	1.50		0.27
Umaji V Chowgule	Sitting Fees	31st March 2019	0.30		0.09
		31st March 2018	0.50		0.18
Arjun A Chowgule	Sitting Fees	31st March 2019	0.20		-
		31st March 2018	-		-

*Maximum amount outstanding during the year was Rs.366 Lakhs

(Rs. in Lakhs)

Particulars	31 March 2019	31 March 2018
Loans from Chowgule & Co (Company having significant influence over Keltech Energies Ltd.)		
Beginning of the year	366.00	549.00
Loans received	-	-
Loan repayments made	366.00	183.00
Interest charged	22.25	48.78
Interest paid	22.25	48.78
End of the year [note 13(a)]	-	366.00

Note a) : The related party relationship identified by the management & relied upon by auditors.

Note b) : There have been no write-off or write-back in case of any related party.

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Notes to financial statements for the year ended March 31, 2019

Note 30: Contingent liabilities and contingent assets

a) Contingent Liabilities

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
(a) Disputed demand in respect of Service tax at Vishwasnagar. Amount aggregating Rs. 49.42 Lakhs (P.Y. Rs.10 Lakhs) is paid under protest against such demand	56.58	17.16
b) Disputed demand of income tax for the assessment year 2011-12, 2015-16, 2016-17. Amount aggregating Rs.60.90 Lakhs (P.Y.Rs.74 Lakhs) is paid under protest against such demand	325.30	440.45
c) Non collection of C- Form	78.38	236.99
d) Disputed demand in respect of Central sales tax in Maharashtra for the year 2008-09. Amount aggregating Rs.3 Lakhs (P.Y. 3 Lakhs) is paid under protest against such demand	121.01	121.01
e) Letter of credits and bank guarantees issued to suppliers/customers	1489.76	2338.80

Management is of the view that above matters are not likely to have any impact on financial position of the company

b) Contingent Assets - NONE

Particulars	As on 31 March 2019	As on 31 March 2018
	-	-

Note : The company has process in place to identify the impacts of the ongoing litigations on the Financial Statements.

Note 31: Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Property, plant and equipment	3.10	22.42
Investment property	-	-
Intangible assets	-	-
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	3.10	22.42

Note : The company does not have any long term contract (including Derivatives) on which there would be foreseeable losses.

Note 32: Events occurring after the reporting period

Refer to note 27 for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

Note 32a. Prior period error

There are no prior period error identified during the year including previous year.

Notes to financial statements for the year ended March 31, 2019

Note 33: Earnings per share

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Basic earnings per share	INR	INR
From continuing operations attributable to the equity holders of the company	60.25	75.54
Total basic earnings per share attributable to the equity holders of the company	60.25	75.54
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders of the company	60.25	75.54
Total diluted earnings per share attributable to the equity holders of the company	60.25	75.54

(c) Reconciliations of earnings used in calculating earnings per share

(Rs. in Lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
From continuing operations	602.52	755.37
	602.52	755.37
Diluted earnings per share		
Profit from continuing operations attributable to the equity holders of the company:		
Used in calculating basic earnings per share	602.52	755.37
Add: interest savings on convertible bonds	-	-
Used in calculating diluted earnings per share	602.52	755.37
	-	-
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	602.52	755.37

(d) Weighted average number of shares used as the denominator

(Nos. in Lakhs)

Particulars	31 March 2019 Number of shares	31 March 2018 Number of shares
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	9.99900	9.99900
Adjustments for calculation of diluted earnings per share:		
Options	-	-
Convertible bonds	-	-
Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	9.99900	9.99900

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Notes to financial statements for the year ended March 31, 2019

Note 34: Assets Pledged /Mortgaged /Hypothecated as security
The carrying amounts of assets mortgaged/hypothecated as security for current and non-current borrowings are:

(Rs. in Lakhs)

Particulars	As on 31 March 2019	As on 31 March 2018
Current		
Financial assets		
First charge		
Book debts	3,890.32	2,817.40
Stock of raw material	1,229.35	894.79
Inventory for services	61.34	8.33
Stock of consumable stores	120.61	117.95
Stock of Finished goods	348.66	368.08
Stock of Traded goods	61.93	92.04
Total current assets mortgaged/hypothecated as security	5,712.21	4,298.59
Non-current		
First charge		
Freehold land	152.44	99.15
Leasehold land	20.74	21.03
Freehold buildings	2,239.85	2,138.70
Laboratory Equipments	12.56	11.10
Other Plant & Equipment	2,827.18	3,040.20
Office Equipment	44.88	39.29
Furniture & Fixtures	63.00	80.69
Vehicles	137.76	69.02
Total non-currents assets mortgaged/hypothecated as security	5,498.41	5,499.18
Total assets mortgaged/hypothecated as security	11,210.62	9,797.77

Note 35: Disclosures as per Ind AS 115

a) Reconciliation of revenue recognised from Contract liability:

(Rs. in Lakhs)

Particulars	As on 31 March 2019
Opening Contract liability	22.57
Less: Recognised as revenue during the year	22.57
Add: Addition to contract liability during the year	69.09
Closing Contract liability	69.09

b) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

(Rs. in Lakhs)

Particulars	As on 31 March 2019
Revenue as per Contract price	22.57
Less: Discounts and incentives	-
Revenue as per statement of profit and loss	22.57

Note 36: In respect of Trade Payable 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.

Note 37: Notes to accounts Pertaining to IND AS 116

Standards issued but not yet effective: The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements, being Ind AS 116 - 'Leases' effective from Accounting period beginning on and after April 1, 2019. The new standard mandates treatment different to hitherto followed by lessee companies and in some cases also by lessor companies. The Company is in process of assessing the potential impact of this Standard.

Note 38: The previous year's numbers have been re-grouped/re-classified to confirm to current years reporting.

KELTECH ENERGIES LIMITED

CIN : L30007KA1977PLC031660

'Embassy Icon' 7th Floor, No. 3, Infantry Road, Bengaluru - 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 Forty Second Annual General Meeting of the Company, to be held on 23rd July, 2019 at 2.30 PM, at Dominion Hall, Le Meridien Bengaluru, No.28, Sankey Road, Bengaluru-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, 2019 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 Umaji V. Chowgule who retires by rotation		
4.	Appointment of Shri Ashvin Chadha as a Director of the Company		
5.	Appointment of Shri Prashant Khatau Asher as a Director of the Company		
6.	Re-appointment of Ms. Arati Saran as a Director of the Company		
7.	Re-appointment of Shri Santosh L. Chowgule as a Managing Director of the Company		
8.	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.....2019 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

CIN : L30007KAI977PLC03 I 660

'Embassy Icon' 7th Floor, No. 3, Infantry Road, Bengaluru - 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 Forty Second Annual General Meeting of the Company on Tuesday, the 23rd July, 2019 at 2.30 PM, at Dominion Hall, Le Meridien Bengaluru, No.28, Sankey Road, Bengaluru-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
Bengaluru - 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



