



KELTECH ENERGIES LIMITED

**40th Annual Report and Accounts
2016 – 2017**



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BOARD OF DIRECTORS

ASHOK V. CHOWGULE - Chairman- DIN: 00018970
HEMRAJ C.ASHER - DIN: 00024863
HARISH JAGTIANI - DIN: 00262572
UMAJI V. CHOWGULE - DIN: 00018993
MS.ARATI SARAN - DIN: 01157284
KAIYOZE B. BILLIMORIA - DIN: 00021204
S.L. CHOWGULE - Managing Director - DIN: 00097736

EXECUTIVES

V.N. PANGAL – Chief Advisor

BANKERS

CANARA BANK

SHARE TRANSFER AGENTS

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

AUDITORS

HARIBHAKTI & CO.
CHARTERED ACCOUNTANTS
MUMBAI.

WORKS

VISHWASNAGAR 574 108
KARKALA TALUK
UDUPI DISTRICT
KARNATAKA STATE

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

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

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

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

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

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

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

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

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

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

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

NOTICE

Notice is hereby given that the Fortieth Annual General Meeting of Keltech Energies Limited will be held on Friday, the 21st July, 2017 at 2.30 PM, at Pennar, Shangri-La Hotel, No.56-6B, Palace Road, Bangalore-560052, to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2017 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, 2017.
3. To appoint Director Shri Umaji V. Chowgule, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the sixth consecutive Annual General Meeting of the Company and to fix their remuneration and to pass the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s.Khimji Kunverji & Co, Chartered Accountants, (FRN 105146W), ‘Sunshine Tower’, Senapati Bapat Marg, Elphinstone Road, Mumbai-400013, be and is hereby appointed as Auditors of the Company in place of the retiring auditors M/s.Haribhakti & Co. LLP, Chartered Accountants (FRN 103523W), 701, Leela Business Park, Andheri-Kurla Road, Andheri (East), Mumbai-400059, to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the Fortyfifth AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

5. To approve the appointment of the Cost Auditor and to fix his remuneration for the financial year 2017-18.

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 2017-18 at its meeting held on 18th May, 2017, and the said appointment be and is hereby ratified and shall be paid a remuneration of Rs.60,000/- (Rupees Sixty Thousand only).

RESOLVED FURTHER THAT Shri Santosh L.Chowgule, Managing Director and Ms.Shalu Tibra, Company Secretary of the Company be and are hereby authorized severally, to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office:

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

By Order of the Board of Directors of
KELTECH ENERGIES LIMITED

SANTOSH L.CHOWGULE
MANAGING DIRECTOR
(DIN: 00097736)

Place: Mumbai.

Dated: 18th May, 2017.

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 18th July, 2017 to 20th July, 2017 (both days inclusive); such voting period shall be completed three days prior to the date of the general meeting. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting is given along with attendance/proxy form:
5. Register of Members and Share Transfer Books of the Company will remain closed from 15th July, 2017 to 21st July, 2017 (both days inclusive).
6. Those Members who have so far not encashed their Dividend Warrants for the financial years 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 may immediately approach the Company with their Warrants for revalidation.
7. Members are requested to note that pursuant to Regulation 39 (4) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 with the Stock Exchange, the Company is required to transfer all the unclaimed shares into one folio in the name of "Unclaimed Suspense Account" and these shares are to be dematerialized and kept with Depository Participants. In compliance of the said Clause, the Company will take necessary steps with the shareholders and will initiate action to transfer the unclaimed shares into one folio in the name of "Unclaimed Suspense Account" and dematerialized in due course.
8. The notice of the Fortieth 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 Fortieth Annual General Meeting and the Annual Report for 2016-17 will be available on the Company's website www.keltechenergies.com
9. Members are requested to:
 - i. Notify any change in their registered address at an early date.
 - ii. Quote folio numbers in all their correspondence; and,
 - iii. Bring the copy of their Annual Report and the attendance slip at the Annual General Meeting.

Registered Office:

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

Place: Mumbai

Dated: 18th May, 2017.

By Order of the Board of Directors of

KELTECH ENERGIES LIMITED

SANTOSH L. CHOWGULE

MANAGING DIRECTOR
(DIN: 00097736)

Route Map to venue of the 40th Annual General Meeting:

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

Date: Friday, the 21st July, 2017 at 2.30 PM

Land Mark: Near Mount Carmel College)



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 4**

As per the provisions of Section 139 of the Companies Act 2013 ("Act") read with Companies (Audit & Auditors) Rules, 2014 it is mandatory to rotate auditors on completion of two consecutive terms of five years each. The said Rules also provide for transition period that can be served by the existing audit firm depending on the number of consecutive years for which such audit firm has been auditors in such company.

M/s.Haribhakti & Co. LLP, Chartered Accountants, Mumbai, (FRN 103523W) have been the Auditors of the Company for more than 10 consecutive years before the above mentioned Act and Rules were notified. In view of the above and considering the maximum transitional term of three years applicable to their appointment, the said Auditors were appointed as the Auditors of the Company at the Thirtyseventh Annual General Meeting (AGM) of the Company held on July 25, 2014 for a term of three years to hold office till the conclusion of this AGM. Accordingly, M/s.Haribhakti & Co. LLP, will be retiring as the Auditors of the Company at the conclusion of this Annual General Meeting ('AGM').

The Board of Directors, based on the recommendation of the Audit Committee, at its meeting held on May 18, 2017, proposed the appointment of M/s.Khimji Kunverji & Co, Chartered Accountants, (FRN 105146W), 'Sunshine Tower', Senapati Bapat Marg, Elphinstone Road, Mumbai-400013 as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this AGM till the conclusion of the Fortyfifth AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM, if so required under the Act). M/s.Khimji Kunverji & Co. have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act. The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members. The Board commends the resolution for approval of the members.

None of the Directors of the Company and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the aforesaid Ordinary Resolution.

ITEM NO. 5

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 18th May, 2017 to conduct audit of the cost records of the Company for the financial year 2017-18. 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 2017-18. Your Directors commend the resolution for approval of the Shareholders.

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

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

Boards' Report

To the Member's,

Your Directors have pleasure in presenting their Fortieth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017. This report is being presented along with the audited financial statements for the year

1. Financial Performance:

(₹ in lacs, except per share data)

	2016-17		2015-16
Operating Profit	1569.31		1362.86
Less:	236.41	190.58	
1) Interest	440.97	677.38	386.40
2) Depreciation			576.98
Profit for the year before taxation	891.93		785.88
Less : Provision for taxation - Current Tax	201.79	227.83	
- Deferred Tax	106.28	308.07	51.11
Profit for the year	583.86		278.94
Other Comprehensive Income			506.94
Re-measurements of post-employment benefit obligations (net of tax)	(5.24)		(12.07)
Profit for the year available for appropriation	578.62		494.87

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

The operations for the year 2016-17 have resulted in a net profit of Rs.578.62 lakhs after charging depreciation, interest, tax and comprehensive income as against Rs.494.87 lakhs for the corresponding period of the previous year.

A. Explosives Division

The sale of Explosives for the year under review was 40,825 MT valued at Rs.16,731 lakhs as against 38,770 MT valued at Rs.15,473 lakhs of the previous year. The Sales turnover in Explosives increased by 5% in quantity terms. During the year, the turnover in regard to traded goods and export of finished goods in Explosives sector was Rs.1,391 lakhs as against Rs.991 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.1,136 lacs as against Rs.1,129 lacs during the corresponding period of the previous year. The increase was mainly due to higher sales of Detonating Fuse products.

B. Perlite Division

The sale of Perlite and Perlite based products for the year under review were 6,519 MT valued at Rs.1,434 lakhs as against 6,789 MT valued at Rs.1,286 lakhs for the corresponding period of the previous year, resulted in reduction of 4% in quantity terms and 12% increase in value terms.

The turnover of services contracts and special products during the year under review was Rs.489 lakhs as against Rs.940 lakhs for the corresponding period of the previous year.

3. Dividend

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

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

The Explosives Sector witnessed growth during the year under review. The Coal sectors had already finalized orders at aggressive prices which the Company did not accept. However, the Company's products are well accepted in other segments of business and the non-coal segment of business contributed to increased turn-over.

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

(B) PERLITE DIVISION

The domestic market sale of Expanded Perlite products was satisfactory during the year under review. A Plant for manufacture of a new product viz. Filter Aid in collaboration with a Japanese Company Product was commissioned at Vishwasnagar Unit and the commercial production commenced during the fourth quarter of the current year.

(C) INDUSTRIAL RELATIONS

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

(D) OUTLOOK FOR 2017-18.

During the current financial year 2017-18, on account of stiff competition coupled, the Explosives Division is expected to be under pressure and expects growth in Perlite based business. The Explosives Accessories Divisions are showing encouraging performance. The Company will consolidate its growth in the new segment of business of Emulsion Explosives.

Steps are taken for addition of balancing equipment in Explosives and additional plants for increase in capacity which is expected to materialize in 2017-18.

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 different from those expressed or implied. Important developments that could affect the Company's operations included demand supply conditions, changes in Government, global economic scenario and such other developments different from Company's comprehension.

5. General Reserve:

The Company proposes to transfer a sum of Rs. 350 lacs to General Reserve.

6. Deposits

The Company has not received any deposits during the financial year 2016-17.

7. Quality

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

8. Infrastructure

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

9. Related Party Transactions

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

10. Board Committees

The Company has following Committees of the Board:

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

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

11. Particulars of Loans, Guarantees or Investments

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

12. Directors

a. Re-appointment

Shri 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. 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 23rd January, 2017. They found that none of the board members have contravened any of the statutory provisions of Companies Act, 2013 and its relevant rules, regulations, guidelines etc. applicable to them in exercise of their duties and responsibilities.

c. Declaration by Independent Directors

A declaration from Independent 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.

d. Policy on Director's appointment and remuneration

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

e. Number of meetings of the board

During the year five meetings of Board of Directors were held i.e. on 20th May, 2016, 20th July, 2016, 26th August, 2016, 26th November, 2016 and on 23rd January, 2017. These meetings were held as per the provision of section 173 of the Companies Act, 2013.

f. Vigil Mechanism/Whistle Blower Policy

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

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

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

M/s. Khimji Kunverji & Co, Chartered Accountants, (FRN 105146W) 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 Fortyfifth 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 2016-17.

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 S., C.PNo. 9997, Partner, M/s Swaroop, Ravishankar and Associates, Practising Company Secretaries, have been appointed for conducting the Secretarial Audit for the year ended 31st March 2017, and their report is annexed as Annexure 5 to this report.

14. 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 of the Company for a period of 5 years with effect 29th April, 2014.

B. Chief Financial Officer and Company Secretary

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

15. Extract of Annual Return

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

16. Significant and material orders.

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

17. Internal Financial Control

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

18. Committees of the Board

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

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

Name of the Committee	Composition of the Committee	Highlights of duties, responsibilities and activities
3. Corporate Social Responsibility	a) Shri Harish Jagtiani b) Shri Umaji V. Chowgule c) Shri Kaiyoze Beji Billimoria d) Shri Santosh L. Chowgule	<ul style="list-style-type: none"> The Board has laid out the Company's policy on Corporate Social Responsibility (CSR) and the CSR activities of the Company are carried out as per the instructions of the committee. During the year, the Company has allocated 2% of its average net profits for the three immediately preceding financial years on CSR activities to various beneficiaries. Financial data pertaining to the Company's CSR activities to various beneficiaries for 2016-17 is as appended under the prescribed format in <i>Annexure- 7</i> to the Board's Report. The contents of the CSR policy are available on our website
4. Stakeholders Relationship Committee	a) Ms. Arati Saran b) Shri H.C.Asher c) Shri Kaiyoze Beji Billimoria d) Shri Harish Jagtiani e) Shri Santosh L. Chowgule	<ul style="list-style-type: none"> The Committee reviews and ensures redressal of investor grievances. The Committee noted that all the grievances of the investors have been resolved during the year.
5. Committee of Directors (Share Transfer Committee)	a) Shri Ashok V. Chowgule b) Shri Umaji V. Chowgule c) Shri Santosh L. Chowgule	<ul style="list-style-type: none"> The Committee shall overview the process of share transfers, transmissions etc. during the period and shall note the same as to delay or approvals in time.
6. Independent Directors Committee	a) Shri Harish Jagtiani b) Shri H.C.Asher c) Ms.Arati Saran d) Shri Kaiyoze Beji Billimoria	<ul style="list-style-type: none"> The Committee shall review the performance of the Non-Independent Directors of the Company. The review is pursuant to provisions of Part VIII of Schedule IV.

19. Risk Management Policy

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

20. Corporate Governance

The Corporate Governance certificate received from M/s. Haribhakti & Company LLP, Chartered Accountants, Mumbai (FRN I 03523W) 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.

21. 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.

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

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

22. Particulars of Employees

The total number of employees of the company as on March 31, 2017 was 223 as against 236 as on March 31, 2016.

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

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

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

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

I. CONSERVATION OF ENERGY (FORM 'A')

This is not applicable to Explosives Industry.

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

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

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

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

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

C. Future Plan of Action:

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

D. Expenditure on R & D:

- I. Capital - Nil.
- II. Recurring – Rs.24.07 lacs.
- III. Total – Rs.24.07 lacs.
- IV. Total R & D expenditure as a % total turnover – 0.11%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

Emulsion products with fully indigenous equipment have been produced and supplied. These products have been well accepted by customers for use in difficult strata conditions.

Safety standards have been maintained, both during manufacture and usage, based on periodic feedback.

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

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

} Not Applicable

III. FOREIGN EXCHANGE EARNING AND OUTGO

a. Activities relating to exports, etc	The Company has exported goods worth Rs.1592 lacs (C & F) during the year
b. Total Foreign exchange used and earned	The Company has used Foreign Exchange amounting to Rs.63.78 lacs and earned Rs.1592 lacs during the year.

25. Corporate Social Responsibility (CSR)

The disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company was required to spend a sum of Rs.13.56 lacs towards Corporate Social Responsibility Policy and accordingly the Company has spent the same.

26. Acknowledgments

Your Directors place on record their thanks to the Canara Bank for their unstinted co-operation and timely assistance. Your Directors would like to make a special mention of the support extended by the various Departments of Government of India, the State Government agencies, the Tax Authorities including the Customs and Excise Departments, Department of Industrial Policy and promotion, Ministry of Corporate Affairs, Securities and Exchange Board of India and others and look forward to their continued support in all future endeavours. The Directors acknowledge the support and co-operation extended by valued customers of the Company. Your Directors also place on record their appreciation for the dedicated services rendered by the employees at all levels during the year under review.

For and on behalf of the Board of Directors

Place : Mumbai

Date : 18th May, 2017

Ashok V Chowgule
Chairman

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

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

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

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

There were no contracts or arrangements or transactions entered during the year ended March 31, 2017, which were not at arm's length basis

Details of material contracts or arrangements 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, 2017 are as follows:

Name(s) of the related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Chowgule Brothers Private Ltd.	Group concern	Service Contract	Running contract	Electricity charges paid to Kolkata Office	17-10-2014	₹ 0.17 lacs
Chowgule & Company Private Ltd.	Promoter	Unsecured loan	5 years from 1.1.2016	For setting up of Emulsion Project at Garamsur Unit.	27-01-2012	₹ 183.00 lacs
Chowgule & Company Private Ltd.	Promoter	Unsecured loan	5 years from 1.1.2016	Interest paid	27-01-2012	₹ 68.91 lacs
Chowgule & Company Private Ltd.	Promoter	Lease Agreements	5 years from 1.5.2013 (Blore office) 3 years from 1.9.2014 (Chennai Office) 3 years from 1.8.2016 (Delhi Office)	Rent for Bangalore, Chennai, Delhi Office premises.	17-05-2013 (Blore Office) 17-10-2014 (Chennai Office) 26-08-2016 (Delhi Office)	₹ 24.70 lacs
Chowgule & Company Private Ltd.	Promoter	Sales Contract	Running Contract	Sale of Expanded Perlite.	22-01-2016.	₹ 2.35 lacs
Chowgule Charitable Trust,	Group concern	Contribution for CSR activity.	Per annum	Contribution for CSR activity under the provisions of Companies Act, 2013.	22-01-2016.	₹ 11.03 lacs
Chowgule Charitable Trust.	Group concern	Donation	Per annum	Donation	22-01-2016.	₹ 33.80 lacs

Annexure - 2**PARTICULARS OF EMPLOYEES**

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

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

The Remuneration paid on comparison with Median Remuneration of Employees [MRE] during fiscal year 2017 and % increase in MRE from fiscal year 2016 is as under;

Sl. No.	Name of the Director	Remuneration per annum	Median Remuneration of Employees [MRE]	% of Increase in MRE since 2016	The number of permanent employees on the rolls of Company as on 31 March, 2017
I	Santosh L Chowgule	29,57,800.00	3,52,800.80	4.57	223

Annexure - 3**NOMINATION AND REMUNERATION POLICY**

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

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

As part of our Corporate Governance practice, the Company has adopted the Whistle Blower policy that covers our directors and employees. The Policy is also available on the Company's website.

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

{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,
CIN: **L30007KA1977PLC031660**
Bangalore

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 2017 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 2017 according to the provisions of:

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

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

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

1. The Explosives Act, 1884 and its Rules, 2008,
2. The Ammonium Nitrate Rules, 2012.
3. The Karnataka Shops and Commercial Establishments act, 1961
4. Minimum Wages Act, 1948
5. Payment of Gratuity Act, 1972
6. Contract Labour (Abolition and Regulation) Act, 1970
7. Employees State Insurance Act, 1948
8. Employees 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 Company for compliances under other applicable Acts, Laws, Rules and Regulations to the Company. I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India to the extent applicable as on the date of my audit

- ii) The SEBI (LODR) Regulations 2015, Notifications and Circulars issued by the BSE Limited;

I further report that:

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

(vi) During the audit period, there were no instances of:

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

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

Place : Bangalore,

Date: 15-05-2017.

Swaroop S.
Partner
ACS:27907
CP: 9997

Annexure-A to MR-3.

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

To,
The Members,
Keltech Energies Limited
Bangalore.

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

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

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

Place : Bangalore,

Date: 15-05-2017.

Swaroop S.
Partner
ACS:27907
CP: 9997

FORM NO. MGT 9**EXTRACT OF ANNUAL RETURN**

As on financial year ended 31.03.2017

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

REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Industrial Explosives	360200.09	91
2	Perlite	253010.10	9
	Total		100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NIL**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

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

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	635.85	-	-	635.85
• Reduction	206.87	219.98	-	426.85
Net Change	842.72	219.98	-	1062.70
Indebtedness at the end of the financial year				
i) Principal Amount	1080.70	567.62	-	1648.32
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.76	-	-	3.76
Total (i+ii+iii)	1084.46	567.62	-	1652.08

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WT/ Manager Shri Santosh L. Chowgule, MD.	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	45.97 lacs	45.97 lacs
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - as % of profit - others, specify...	0	0
5.	Others, please specify	0	0
	Total (A)		45.97 lacss
	Ceiling as per the Act		Within the limit

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Rs.in lacs
	1. Independent Directors	H.C.Asher	Harish Jagtiani	Arati Saran	K.B.Billimoria	
	• Fee for attending board committee meetings	1.20	1.30	1.30	1.60	5.40
	• Commission	0	0	0	0	0
	• Others, please specify	0	0	0	0	0
	Total (1)	1.20	1.30	1.30	1.60	5.40
	2. Other Non-Executive Directors	Ashok V.Chowgule	Umaji V.Chowgule			
	• Fee for attending board committee meetings	1.60	0.60	0	0	2.20
	• Commission	0	0	0	0	0
	• Others, please specify	0	0	0	0	0
	Total (2)	1.60	0.60	0	0	2.20
	Total (B) = (1 + 2)	2.80	1.90	1.30	1.60	7.60
	Total Managerial Remuneration					53.57
	Overall Ceiling as per the Act					Within the limit

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Place: Mumbai

Date: 18-05-2017.

Ashok V Chowgule

Chairman

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-Non Executive Independent Director. Shri Umaji V.Chowgule-Non Executive Promoter Director Shri Santosh L. Chowgule – Executive Promoter Director.
3.	Average net profit of the Company for last three financial years	₹ 676.09 lacs
4.	Prescribed CSR expenditure (2% of the average net profit as computed above)	₹ 13.52 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:	₹ 13.52 lacs ₹ 13.56 lacs NIL

REPORT ON CORPORATE GOVERNANCE

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

I. 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, 2017, the Board of Directors comprised of total Seven Directors, out of which Six are Non-Executive Directors. Out of the Six Non-Executive directors four are Independent directors. The Company has Non-Executive Promoter Director as Chairman of the Board, and thus, atleast one half of the Board of the company consists of Independent Directors.

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.

During the year under review, the Board of Directors met 5 (five) times viz. 20th May, 2016, 20th July, 2016, 26th August, 2016, 26th November, 2016 and 23rd January, 2017.

KELTECH ENERGIES LIMITED

The details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2016-2017 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 Directorships	Committee Positions (including Company)	
			Board Meeting	Last AGM		Memberships	Chairman
Shri Ashok V. Chowgule	Chairman & Promoter Non-Executive Director	5	5	Yes	1	0	0
Shri H.C.Asher	Non-Executive Independent Director	5	5	Yes	4	5	1
Shri Harish Jagtiani	Non-Executive Independent Director	5	4	Yes	0	1	1
Shri Umaji V.Chowgule	Promoter Non-Executive Director	5	4	Yes	0	0	0
Ms.Arati Saran	Non-Executive Independent Director	5	4	Yes	4	1	1
Shri Kaiyoze Beji Billimoria	Non-Executive Independent Director	5	5	Yes	1	2	0
Shri Santosh L. Chowgule	Promoter Executive Director	5	5	Yes	0	2	0

- The directorship held by Directors as mentioned above do not include Directorships of Foreign Companies, Section 8 Companies and Private Companies.
- 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:

Five Board Meetings were held during the year 2016-2017. The dates on which the meetings were held are as follows:

Date of Board Meeting	Strength of the Board	No. of Directors present
20 th May, 2016	7	7
20 th July, 2016	7	7
26 th August, 2016	7	6
26 th November, 2016	7	6
23 rd January, 2017	7	6

e) Disclosure of relationship between directors inter se:

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

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

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

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

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

g) Familiarization Programme for Independent Directors

The Company has conducted the Familiarisation programme for Independent Directors during the year. The Programme aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarise them with the functioning, operations and business of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the Familiarisation Programme along with the details of the programmes imparted to the Independent Directors has been disclosed on the website of the Company at www.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 Auditors adequacy of the internal control systems.
- Reviewing and monitoring the Auditor's Independence, performance, and effectiveness 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 modifications 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 20th May, 2016, 26th August, 2016, 26th November, 2016 and 23rd January, 2017. 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
3	Shri Santosh L.Chowgule	4

Statutory Auditors M/s.Haribhakti & Company LLP, Chartered Accountants, Mumbai, Internal Auditors, M/s.B.P.Rao & Company, Chartered Accountants, Bangalore 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 Shri H.C.Asher, Harish Jagtiani, Kaiyoze B. Billimoria, Ms.Arati Saran, Non Executive Independent Directors of the Company and Santosh L. Chowgule, Executive Promoter Director. Shri Harish Jagtiani, acted as a Chairman of the Committee and S/Shri H.C.Asher, Kaiyoze B. Billimoria, Ms.Arati Saran, and Shri Santosh L. Chowgule acted as Members of the Committee at their meeting held on 23.1.2017. The attendance details of the committee members are as under:

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

C) Performance evaluation criteria for Independent Directors.

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 are 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 feed back 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) 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 23.01.2017. 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 2016-17.
- 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, Risk Management Committee, Independent Directors Committee, Committee of Directors Committee (Share Transfer Committee), Corporate Social Responsibility Committee, attended by them.
- Details of remuneration/sitting fees paid to Directors during the year ended 31st March, 2017 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	-	-	-	1,60,000	1,60,000	20
Shri H.C. Asher	-	-	-	1,20,000	1,20,000	-
Shri Harish Jagtiani	-	-	-	1,30,000	1,30,000	-
Shri Umaji V.Chowgule	-	-	-	60,000	60,000	-
Ms.Arati Saran	-	-	-	1,30,000	1,30,000	-
Shri Kaiyoze Beji Billimoria	-	-	-	1,60,000	1,60,000	-
Shri Santosh L.Chowgule	38,83,991	7,12,800	-	-	45,96,791*	

- *Exclusive of Contribution to gratuity and leave encashment.
 - The above details of remuneration or fees paid are all elements of remuneration package of individual directors summarized under major groups.
 - Apart from the above mentioned of remuneration or fees paid, there 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 the any Directors of the Company.

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**a) Composition:**

As required under regulation 20 of Securities and Exchange Board of India (Listing Obligations and 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 Responsibility Committee; (2) Shri Harish Jagtiani, Non-Executive Independent Director, (3) Shri H.C.Asher, Non Executive Independent Director (4) Shri Kaiyoze B. Billimoria, Non-Executive Independent Director and (5) Shri Santosh L.Chowgule, Executive Promoter Director are the members of the Stakeholders Responsibility Committee. The Stakeholders Responsibility Committee was constituted to specifically look into the redressal of Investors' complaints relating to the transfer of shares, non-receipt of Annual Reports and non receipt of dividends declared by the Company etc. During the year ended 31st March, 2017, the Company has not received any query, complaint / grievance from its Shareholders. Thus, no complaints are pending as on 31st March, 2017.

No shares were pending for transfer, transmission, name deletion, consolidation, sub-division, issue of duplicates and rematerialisation of shares as at 31st March, 2017. This Committee met on four occasions during the financial year on 20.05.2016, 20.07.2016, 26.11.2016 and 23.01.2017. The attendance details of the committee members are as under:

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

M/s. 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 November, 2016. The attendance details of the committee members are as under:

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

9. RISK MANAGEMENT POLICY:

The Company has a well-defined risk management framework in place and Risk Management Committee, which ensures that the management controls risks through means of a properly defined framework. In addition, the Board has formulated and adopted a risk management policy. The Board assesses the risk and the procedures being followed by the Company and steps taken by it to mitigate these risks. The Board of Directors have formed a Risk Management Committee which consists of Shri Harish Jagtiani, Non-Executive Independent Director as Chairman, Shri H.C.Asher, Non-Executive Independent Director and Shri Santosh L.Chowgule, Executive Promoter Director as Members of the Risk Management Committee. The said committee reviewed and discussed the issues of risks at their meeting held on 23rd January, 2017. The attendance details of the committee members are as under:

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

10. SHARE TRANSFER COMMITTEE:

The Company has formed a committee for shares transfer, transmission, consolidation, name deletion etc. The Committee consists of Shri Ashok V. Chowgule, Non-Executive Promoter Director as Chairman, S/Shri Umaji V.Chowgule and Santosh L.Chowgule, Non-Executive Promoter Director and Executive Promoter Director respectively as members of the Committee. The Committee processed the share transfers, transmission, name deletion, issue of duplicate certificates etc. During the year 2016-17, ten meetings were held viz. 15-04-2016, 04-05-2016, 10-06-2016, 13-07-2016, 11-08-2016, 21-09-2016, 14-10-2016, 16-11-2016, 23-01-2017 and 22-02-2017. 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	10
2.	Shri Umaji V. Chowgule	1
3	Shri Santosh L. Chowgule	10

11. 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
Wednesday	20-07-2016	2.30 PM	Pennar, Shangri-La-Hotel, No.56-6B, Palace Road, Bangalore-560052.	No
Friday	24-07-2015	2.30 PM	Beaumont Hall, Le Meridien, No.28, Sankey Road, Bangalore-560052.	No.
Friday	25-07-2014	2.30 PM	Dominion Hall, Le Meridien, No.28, Sankey Road, Bangalore-560052.	No.

b) Postal Ballot:

During the year 2016-17, there were no special resolution passed through postal ballot process. None of the business is proposed to be transacted through Postal Ballot.

12. MEANS OF COMMUNICATION:

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

News Papers	Date of Board meeting	Date of Publishing
Financial Express and Sanje Vani	20 th May, 2016	21 st May, 2016
	26 th August, 2016	27 th August, 2016
	26 th November, 2016	27 th November, 2016
	23 rd January, 2017	24 th January, 2017

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 2016-17.

During the year 2016-17, the Company has not made any presentations to institutional investors or analysts.

13. GENERAL SHAREHOLDER INFORMATION:

a. Annual General Meeting: 21st July, 2017 at 2.30 P M at Pennar, Shangri-La Hotel, No.56-6B, Palace Road, Bangalore-560052.

b. Financial Year: The financial year covers the period from 1st April to 31st March.

Tentative Calendar for the financial year ending 31st March, 2018: -

Financial reporting for the	Tentative dates of the Board Meeting
First quarter ending 30 th June, 2017	: Second fortnight of July, 2017
Half year ending 30 th September, 2017	: Second fortnight of October, 2017
Third quarter ending 31 st December, 2017.	: Second fortnight of January, 2018.
Year ending 31 st March, 2018.	: Second fortnight of May, 2018.

Annual General Meeting for the year ended 31st March, 2018 is likely to be held in the second fortnight of July, 2018.

c. Dividend Payment Date: Credit / Despatch between 21st July, 2017 to 19th August, 2017.

d. Listing on Stock Exchanges:

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

e. Listing Fees:

The Company has paid the listing fees for the year 2017- 18 to BSE Ltd., Mumbai where the shares are listed.

f. Stock Code:

BSE: 506528

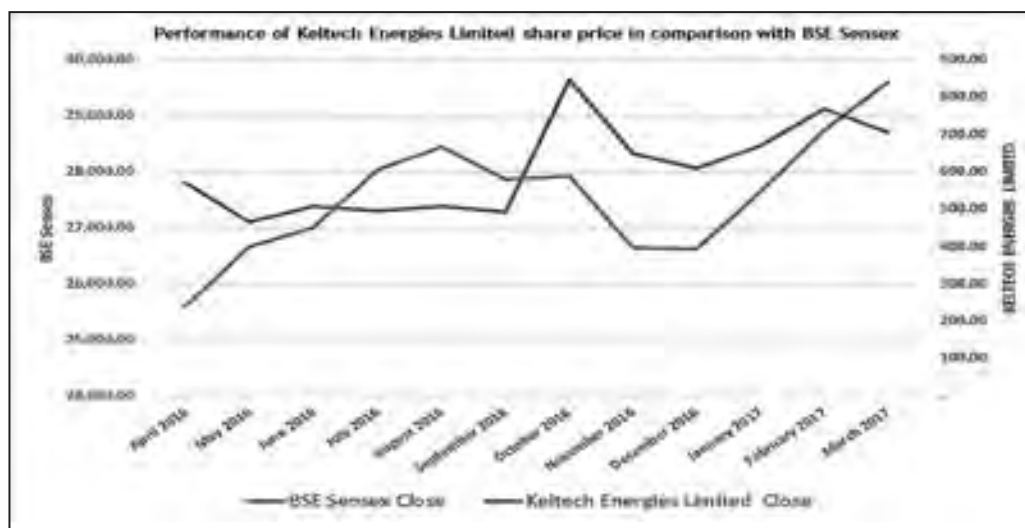
ISIN: INE881E01017

g. Stock Market Price Data:

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

Month	Keltech Energies Limited			BSE Sensex		
	High	Low	Close	High	Low	Close
April 2016	660.00	435.00	570.00	26,100.54	24,523.20	25,606.62
May 2016	600.00	450.00	465.00	26,837.20	25,057.93	26,667.96
June 2016	519.00	460.00	508.75	27,105.41	25,911.33	26,999.72
July 2016	532.00	479.95	495.00	28,240.20	27,034.14	28,051.86
August 2016	535.00	465.00	507.45	28,532.25	27,627.97	28,452.17
September 2016	514.75	475.00	493.00	29,077.28	27,716.78	27,865.96
October 2016	865.00	482.00	847.05	28,477.65	27,488.30	27,930.21
November 2016	865.00	585.80	649.55	28,029.80	25,717.93	26,652.81
December 2016	669.00	570.00	609.35	26,803.76	25,753.74	26,626.46
January 2017	750.00	586.00	670.80	27,980.39	26,447.06	27,655.96
February 2017	810.00	581.00	769.95	29,065.31	27,590.10	28,743.32
March 2017	787.00	674.00	705.90	29,824.62	28,716.21	29,620.50

Performance in comparison to broad based indices:

**h. Whether the securities are suspended from trading on Stock exchanges: No.****i. Registrar and Share Transfer Agents:**

M/s.Canbank Computer Services Ltd.,

R & T Center, No.218, JP Royale,

1st Floor, 2nd Main, Sampige Road,

Malleshwaram, Bangalore-560003.

Contact Persons : S/Shri Ravi and S.Naidu.

Ph.080-23469661/62.Fax.080-23469667/68. E.Mail : ravi@ccsl.co.in; naidu@ccsl.co.in

j. Share Transfer System:

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

k. Distribution of Shareholding as on 31st March, 2017:

The shareholding distribution of equity shares as on 31st March, 2017 is given below:

Shares having Nominal Value of		Number of holders	% of Total No. of holders	No. of shares	% to Total No. of shares
From	To				
I	5000	3305	96.38	285174	28.52
5001	10000	73	2.13	56901	5.69
10001	20000	31	0.90	47358	4.74
20001	30000	5	0.15	13607	1.36
30001	40000	8	0.23	28441	2.84
40001	50000	2	0.06	9118	0.91
50001	100000	2	0.06	17138	1.71
100001	And above	3	0.09	542263	54.23
Total		3429	100.00	10,00,000	100.00

l. Dematerialization of Shares and liquidity:

As on 31st March, 2017, 86.15% 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, 2017.

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-Orissa.

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

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

14. 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 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 Exchanges, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities.

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

The Company has established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. We affirm that during the financial year 2016-17, 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 2016-17, 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 Accounts 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 - plans 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, 2017. 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.

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

Place: Mumbai

Date: 18th May, 2017.

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 2017, 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 2017.

Santosh L. Chowgule
Managing Director

V.N. Pangal
Chief Advisor

Place: Mumbai

Dated: 18th May 2017

AUDITOR'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF 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 on 31st March, 2017 as stipulated in the Regulations 17 to 27 and Clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the year ended on March 31st 2017.

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 **HARIBHAKTI & CO. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W/W100049

Atul Gala

Membership No.048650

Place: Mumbai

Date: 18th May, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Keltech Energies Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Keltech Energies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Ind AS Financial Statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the (state of affairs) financial position, profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, and relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March, 2017, its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure I", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act and relevant rules issued there under;
- e. On the basis of written representations received from the Directors as on March 31, 2017, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31 on Contingent Liabilities to the Ind AS financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - (iv) The company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of account maintained by the Company.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Atul Gala

Partner

Membership No.048650

Place: Mumbai

Date: May 18, 2017

ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Keltech Energies Limited on the financial statements for the year ended 31st March, 2017]

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

Name of the statute	Nature of dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	7.16	2005-06 to 2009-10	Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Bangalore.
Income Tax Act, 1961	Income Tax	378.56	2008-09 to 2013-14	CIT-Appeals, Mumbai.
Central Sales Act, 1956	Central Sales Tax	118.01	2009-10	Maharashtra Sales Tax Tribunal, Mumbai.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a bank and governments. Further, the Company does not have any dues payable to Financial Institutions or Debenture Holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of the term loans during the year for the purposes for which they were raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

Atul Gala

Partner

Membership No: 048650

Place: Mumbai

Date: May 18, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Keltech Energies Limited on the financial statements for the year ended March 31, 2017]

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

We have audited the internal financial controls over financial reporting of Keltech Energies Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. I03523W/ WI00048

Atul Gala

Partner

Membership No.048650

Place: Mumbai

Date: May 18, 2017

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 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 and perlite based products

The financial statements of the Company for the year ended 31st March, 2017 were authorized for issue in accordance with the resolution of the Board of Directors as on 18th May, 2017.

I. Significant Accounting Policies

(i) Basis of preparation

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 upto the year ended 31st March 2016 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements under Ind AS. Refer Note 36 for an explanation of how the transition from the previous GAAP to Ind AS has affected the financial position, financial performance and cash flows of the Company.

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

(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 months 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 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

inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes 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.

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 from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. 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, 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 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 ₹.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.

(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 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.

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

(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 in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee 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 and Finished goods have been valued at lower of cost and net realisable value.

- Cost of finished goods includes direct material, excise duty, freight and forwarding and apportion of manufacturing overheads based on normal operating capacity, and is determined on a weighted average basis.
- Cost of traded goods includes Cost of Purchase and other direct costs incurred and is determined on a first in first out basis.

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 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. Remeasurements are not reclassified to profit or loss in subsequent periods.

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 for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted

earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(xvii) Provisions

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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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.

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 on 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 and cash equivalent consists of cash and 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 broad 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 two 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 two 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 Effective Interest Rate (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 Effective Interest Rate (EIR). The Effective Interest Rate (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 and assumptions

The preparation of Company's financial statements requires management to make judgements, estimates and 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

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 and equipment and intangible assets for the current and the comparative periods are as follows :

Asset	Management estimate of useful life	Useful life as per Schedule 3
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 and 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 Discounted Cash Flow (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 2017

Particulars		Notes	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
I	ASSETS				
	1 Non-current assets				
	(a) Property, plant and equipment	3	5,511.46	4,290.81	4,499.54
	(b) Capital work-in-progress	3	63.88	580.07	43.28
	(c) Other intangible assets	4	62.94	1.95	1.70
	(d) Financial assets				
	i. Investments	5(a)	0.10	0.10	0.10
	ii. Loans	5(c)	0.10	0.14	1.01
	iii. Other financial assets	5(f)	189.49	216.51	192.28
	(e) Non-current tax assets	7	0.60	4.22	-
	(f) Other non-current assets	8	318.35	603.11	289.28
	Total non-current assets		6,146.92	5,696.91	5,027.19
	2 Current assets				
	(a) Inventories	9	1,397.14	1,193.38	1,321.06
	(b) Financial assets				
	i. Trade receivables	5(b)	3,247.57	2,230.89	2,647.38
	ii. Cash and cash equivalents	5(d)	365.08	339.21	336.72
	iii. Bank balances other than cash and cash equivalents	5(e)	11.00	11.02	34.92
	iv. Loans	5(c)	11.15	14.17	34.37
	v. Other financial assets	5(f)	0.12	0.36	0.60
	(c) Other current assets	10	146.72	291.64	236.10
	Total current assets		5,178.78	4,080.67	4,611.15
	Total assets		11,325.70	9,777.58	9,638.34

Keltech Energies Limited
Balance Sheet as at 31st March 2017(continued).

II EQUITY AND LIABILITIES				
I Equity				
(a) Equity share capital	11	99.99	99.99	99.99
(b) Other equity				
Reserves and surplus	12(a)	4,459.26	3,905.52	3,428.67
Other reserves	12(b)	(17.31)	(12.08)	-
Total equity		4,541.94	3,993.43	3,528.66
LIABILITIES				
I Non-current liabilities				
(a) Financial Liabilities				
i. Borrowings	13(a)	1,124.87	983.50	821.86
(b) Provision	14	347.16	341.08	339.28
(c) Deferred tax liabilities	6	360.53	256.83	211.69
(d) Other non-current liabilities	15	0.01	0.34	2.93
Total non-current liabilities		1,832.57	1,581.75	1,375.76
2 Current liabilities				
(a) Financial liabilities				
i. Borrowings	13(b)	782.40	719.29	501.05
ii. Trade payables - other than MSME	13(d)	2,794.81	2,279.23	2,978.00
iii. Trade payables - MSME	13(e)	-	-	-
iv. Other financial liabilities	13(c)	787.47	694.94	738.73
(b) Provisions	14	402.74	350.47	333.20
(c) Current tax liabilities	16	-	-	20.65
(d) Other current liabilities	17	183.77	158.47	162.29
Total current liabilities		4,951.19	4,202.40	4,733.93
Total liabilities		6,783.76	5,784.15	6,109.68
Total equity and liabilities		11,325.70	9,777.58	9,638.34

Summary of significant accounting policies
The notes are an integral part of the Financial Statements
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Atul Gala
Partner, Membership No. 048650
Mumbai, May 18, 2017

2

Chairman
Ashok V. Chowgule
DIN No. 00018970

Chief Financial Officer
P. Prabhudev

Managing Director
Santosh L. Chowgule
DIN No. 00097736

Company Secretary
Ms. Shalu Tibra
Mumbai, May 18, 2017

KELTECH ENERGIES LIMITED

Statement of profit and loss for the period ended 31st March, 2017.

(₹ Lacs)

	Particulars	Notes	Year ended 31 March 2017	Year ended 31 March 2016
I	Revenue from operations	18	21,311.67	19,855.62
II	Other income	19	22.83	132.39
III	Total income		21,334.50	19,988.01
IV	Expenses			
	Cost of materials consumed	20(a)	12,496.00	11,765.17
	Purchases of stock-in-trade	20(b)	605.37	737.79
	Changes in inventories of work-in-progress, stock-in-trade and finished goods	20(c)	(2.84)	50.73
	Excise duty		2,046.34	1,914.64
	Employee benefit expense	21	1,259.99	1,127.69
	Finance costs	24	309.39	254.71
	Depreciation and amortisation expense	22	440.97	386.40
	Other expenses	23	3,287.35	2,965.00
V	Total expenses (V)		20,442.57	19,202.13
VI	Profit before exceptional items and tax		891.93	785.88
VII	Exceptional items*		-	-
VIII	Profit before tax from continuing operations		891.93	785.88
IX	Income tax expense	25		
	- Current tax		201.79	227.83
	- Deferred tax		106.28	51.11
	Total tax expense		308.07	278.94
X	Profit from continuing operations		583.86	506.94
XI	Discontinued operations			
	Profit from discontinued operation before tax			
	Tax expense of discontinued operations			
	Profit from discontinued operation		-	-
XIV	Profit for the year		583.86	506.94
XV	Other comprehensive income			
	Items that may be reclassified to profit or loss			
	<i>Items that will not be reclassified to profit or loss</i>			
	Remeasurements of post-employment benefit obligations	21	(7.82)	(18.04)
	<i>Income tax relating to these items</i>	25	2.58	5.97
	Other comprehensive income for the year, net of tax		(5.24)	(12.07)
XVI	Total comprehensive income for the year		578.62	494.87
XVII	Earnings per equity share for profit from continuing operation:	34	INR	INR
	Basic earnings per share		58.39	50.69
	Diluted earnings per share		58.39	50.69
XVIII	Earnings per equity share for profit from discontinued operation:	34		
	Basic earnings per share		-	-
	Diluted earnings per share		-	-
XIX	Earnings per equity share for profit from continuing and discontinued operation:	34		
	Basic earnings per share		58.39	50.69
	Diluted earnings per share		58.39	50.69

Summary of significant accounting policies 2
The notes are an integral part of the Financial Statements
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Chairman
Ashok V. Chowgule
DIN No. 00018970

Managing Director
Santosh L. Chowgule
DIN No. 00097736

Atul Gala
Partner, Membership No. 048650
Mumbai, May 18, 2017

Chief Financial Officer
P. Prabhudev

Company Secretary
Ms. Shalu Tibra
Mumbai, May 18, 2017

Statement of changes in equity for the period ended 31st March 2017

Particulars	Notes	(₹ Lacs)	Reserves and surplus			Other Reserves	Total other equity
			General Reserve	Capital Reserve	Retained earnings	Remeasurement of defined benefit plans	
As at 1 April 2015	11	99.990					
Changes in equity share capital							
As at 31 March 2016		99.990					
Changes in equity share capital	11	-					
As at 31 March 2017		99.990					
B. Other equity							
Particulars	Notes						
Balance at 1 April 2015			2,949.80	0.00	478.87		3,428.68
Profit for the year					506.94		506.94
Other comprehensive income						(12.07)	(12.07)
Total comprehensive income for the year							
Transfer to general reserve			-	-	506.94	(12.07)	494.87
Transactions with owners in their capacity as owners:							
Dividends paid	28		300.00		(300.00)		-
					(30.09)		(30.09)
Balance at 31 March 2016			300.00	-	(330.09)	-	(30.09)
			3,249.80	0.00	655.73	(12.07)	3,893.46
Balance at 1 April 2016			3,249.80	0.00	655.73	(12.07)	3,893.46
Profit for the year				-	583.86		583.86
Other comprehensive income				-		(5.24)	(5.24)
Total comprehensive income for the year				-	583.86	(5.24)	578.62
Transfer to general reserve			350.00		(350.00)		-
Transactions with owners in their capacity as owners:							
Dividends paid	30		350.00	-	(30.09)		(30.09)
				-	(380.09)	-	(30.09)
Balance at 31 March 2017			3,599.80	0.00	859.46	(17.31)	4,441.95

KELTECH ENERGIES LIMITED

Statement of cash flows for the period ended 31st March, 2017

(₹ Lacs)

Particulars	Notes	Year ended 31 March 2017	Year ended 31 March 2016
Cash flow from operating activities			
Profit before income tax from Continuing operations		891.93	785.88
Discontinued operations		-	-
Profit before income tax including discontinued operations		891.93	785.88
Adjustments for			
Depreciation and amortisation expense		440.97	386.40
Bad debts		5.29	10.25
Reversal of provision for bad debt of earlier period		(4.59)	(104.18)
Adjustment for Other Comprehensive Income		(7.82)	(18.04)
Loss (Profit) on sale of assets		14.51	(0.53)
Balances Written Back		(8.86)	(15.29)
Amortisation of government grants received in earlier years		(2.59)	(2.59)
Gain on sale of investments		-	-
Changes in fair value of financial assets at fair value through profit or loss		-	-
Other borrowing cost		72.98	64.14
Unwinding of discount on security deposits		-	-
Changes in fair value of contingent consideration		-	-
Dividend and interest income classified as investing cash flows		(6.79)	(9.80)
Interest Expenses		236.41	190.57
Reversal of prior period error adjusted in opening balance sheet		-	-
Adjustment for rent		-	-
Net exchange differences		-	-
Operating profit before working capital changes		1,631.44	1,286.80
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:			
(Increase)/Decrease in trade receivables		(1,017.39)	509.73
(Increase) in inventories		(203.76)	127.67
Increase in trade payables		524.44	(683.49)
(Increase) in other financial assets : loan		3.02	20.20
(Increase) in other financial assets		-	-
(Increase)/decrease in financial assets- Loans		0.04	0.88
(Increase)/decrease in other financial assets		27.02	(24.24)
(Increase)/decrease in financial assets-Other non current assets		284.76	(313.83)
(Increase)/decrease in long term provisions		6.08	1.80
(Increase)/decrease in short term provisions		52.27	17.28
(Increase)/decrease in other current assets		144.93	(55.54)
(Increase)/decrease in non current tax assets		0.01	20.64
Increase in other non current liabilities		(0.34)	(2.59)
Increase in Current tax liabilities		-	(20.65)
(Increase) in other financial liabilities		94.69	(27.67)
Increase in other current liabilities		(41.20)	(2.28)
Cash generated from operations		1,506.02	854.71
Income taxes paid		198.18	252.69
Net cash inflow from operating activities		1,307.84	602.01

Statement of cash flows for the period ended 31st March, 2017 (Contd..)
(₹ Lacs)

Cash flows from investing activities			
Payments for property, plant and equipment (including Capital work in Progress & intangible assets)		(1,229.67)	(732.12)
Payments for investment property		-	-
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)		-	25.40
Proceeds from sale of property, plant and equipment		4.94	0.59
Repayment of loans by employees and related parties		-	-
Dividends received		-	-
Interest received		7.03	9.80
Net cash outflow from investing activities		(1,217.70)	(696.33)
Cash flows from financing activities			
Proceeds from issues of shares		-	-
Proceeds/(Repayment) of Long term borrowings (Net) including current maturities		210.45	160.60
Share issue costs		-	-
Proceeds/(Repayment) of short term borrowings		63.12	218.26
Other borrowing cost paid		(72.98)	(64.14)
Interest paid		(234.78)	(189.34)
Dividends paid to company's shareholders		(30.09)	(28.59)
Net cash inflow (outflow) from financing activities		(64.27)	96.80
Net increase (decrease) in cash and cash equivalents		25.87	2.48
Cash and cash equivalents at the beginning of the financial year		339.21	336.72
Effects of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at end of the year		365.08	339.20
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 2017	Year ended 31 March 2016	
Balance with banks :			
On current account	210.14	204.19	
On flexi deposit account	46.38	23.03	
Bank deposits with original maturity of less than 3 months	100.00	100.00	
Cheques, drafts on hand	-	-	
Cash on hand	8.56	11.99	
Balances per statement of cash flows	365.08	339.21	

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 103523W/W100048

Atul Gala
Partner, Membership No. 048650
Mumbai, May 18, 2017

Chairman
Ashok V. Chowgule
DIN No. 00018970

Chief Financial Officer
P. Prabhudev

Managing Director
Santosh L. Chowgule
DIN No. 00097736

Company Secretary
Ms. Shalu Tibra
Mumbai, May 18, 2017

Notes to Financial Statements for the period ended March 31, 2017

Note 3: Property, plant and equipment

(₹ Lacs)

Particulars	Freehold land	Leasehold Land	Freehold buildings	Furniture, fittings and equipment	Plant and machinery	Laboratory Equipment	Office Equipment	Vehicles	Total	Capital work-in-progress
As at 1 April 2015										
Gross carrying amount										
Deemed cost as at 1 April 2015	99.15	21.90	1,787.47	171.79	2,255.35	10.19	56.48	97.21	4,499.54	43.28
Closing gross carrying amount	99.15	21.90	1,787.47	171.79	2,255.35	10.19	56.48	97.21	4,499.54	43.28
Accumulated depreciation										
Opening accumulated depreciation	-	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation	-	-	-	-	-	-	-	-	-	-
Net carrying amount	99.15	21.90	1,787.47	171.79	2,255.35	10.19	56.48	97.21	4,499.54	43.28
Year ended 31 March 2016										
Gross carrying amount										
Opening gross carrying amount	99.15	21.90	1,787.47	171.79	2,255.35	10.19	56.48	97.21	4,449.54	43.28
Exchange differences	-	-	-	-	-	-	-	-	-	-
Additions	-	-	27.07	1.10	78.63	6.56	24.76	38.73	176.85	624.78
Disposals	-	-	-	(0.10)	-	(0.40)	(3.23)	(5.25)	(8.98)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	(87.99)
Closing gross carrying amount	99.15	21.90	1,814.54	172.79	2,333.98	16.35	78.01	130.69	4,667.41	580.07
Accumulated depreciation										
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-
Depreciation charge during the year	-	0.29	79.32	35.94	216.72	3.09	28.89	21.26	385.51	-
Disposals	-	-	-	(0.10)	-	(0.40)	(3.16)	(5.25)	(8.91)	-
Closing accumulated depreciation	-	0.29	79.32	15.84	216.72	2.69	25.73	16.01	376.60	-
Net carrying amount	99.15	21.61	1,735.22	136.95	2,117.26	13.66	52.28	114.68	4,290.81	580.07
Year ended 31 March 2017										
Gross carrying amount										
Opening gross carrying amount	99.15	21.90	1,814.54	172.79	2,333.98	16.35	78.01	130.69	4,667.41	580.07
Exchange differences	-	-	-	-	-	-	-	-	-	-
Additions	-	-	487.05	4.41	1,155.20	1.06	28.34	-	1,676.06	1,076.12
Disposals	-	-	(8.06)	(3.94)	(169.12)	(1.11)	(11.12)	-	(193.35)	-
Capitalised during the year	-	-	-	-	-	-	-	-	-	(1,592.30)
Closing gross carrying amount	99.15	21.90	2,293.53	173.26	3,320.06	16.30	95.23	130.69	6,150.12	63.88
Accumulated depreciation and impairment										
Opening accumulated depreciation	-	0.29	79.32	35.84	216.72	2.69	25.73	16.01	376.60	-
Depreciation charge during the year	-	0.29	82.49	34.74	263.75	1.96	28.94	23.69	435.86	-
Disposals	-	-	(5.56)	(3.92)	(152.73)	(1.11)	(10.48)	-	(173.80)	-
Closing accumulated depreciation and impairment	-	0.58	156.25	66.66	327.74	3.54	44.19	39.70	638.66	-
Net carrying amount	99.15	21.32	2,137.28	106.60	2,992.32	12.76	51.04	90.99	5,511.46	63.88

(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 at Garamsur, Silo Plant at Rayagada, Odisha & Andhra Pradesh State Minerals Development Corporation Ltd, Andhra Pradesh.

(iv) Capitalised Borrowing Costs

- The amount of borrowing costs capitalised during the year was Rs.58.61 lacs (P.Y. 23.87 lacs); and
- The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 12.49%

Notes to Financial Statements for the period ended March 31, 2017

Note 4: Intangible assets

(₹ Lacs)

Particulars	Computer Software	Technical Know-how	Total
As at 1 April 2015			
Gross carrying amount			
Deemed cost as at 1 April 2015	1.70	-	1.70
Closing gross carrying amount	1.70	-	1.70
Accumulated amortisation			
Opening accumulated amortisation	-	-	-
Closing accumulated amortisation	-	-	-
Closing net carrying amount	1.70	-	1.70
Year ended 31 March 2016			
Gross carrying amount			
Opening gross carrying amount	1.70	-	1.70
Additions	1.14	-	1.14
Closing gross carrying amount	2.84	-	2.84
Accumulated amortisation			
Amortisation charge for the year	0.89	-	0.89
Closing accumulated amortisation	0.89	-	0.89
Closing net carrying amount	1.95	-	1.95
Year ended 31 March 2017			
Gross carrying amount			
Opening gross carrying amount	2.84	-	2.84
Additions	-	66.10	66.10
Disposals	(0.50)	-	(0.50)
Closing gross carrying amount	2.34	66.10	68.44
Accumulated amortisation and impairment			
Opening accumulated amortisation	0.89	-	0.89
Amortisation charge for the year	0.95	4.16	5.11
Deductions during the year	(0.50)	-	(0.50)
Closing accumulated amortisation and impairment	1.34	4.16	5.50
Closing net carrying amount	1.00	61.94	62.94

Note 5: Financial assets

5(a) Non-current investments

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Investment in government securities - At amortised cost			
Unquoted			
In National Saving Certificate	0.10	0.10	0.10
Total	0.10	0.10	0.10
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	0.10	0.10	0.10
Aggregate amount of impairment in the value of investments	-	-	-

Notes to Financial Statements for the period ended March 31, 2017

5(b) Trade receivables

(₹ Lacs)			
Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Trade receivables (Unsecured, considered good)			
Trade Receivables	3,257.62	2,245.53	2,766.20
Total	3,257.62	2,245.53	2,766.20
Less: Allowance for doubtful debts	(10.05)	(14.64)	(118.82)
Total receivables	3,247.57	2,230.89	2,647.38
Current portion	3,247.57	2,230.89	2,647.38
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. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

5 (c) Loans

(₹ Lacs)						
Particulars	As on 31 March 2017		As on 31 March 2016		As on 1 April 2015	
	Current	Non- current	Current	Non- current	Current	Non- current
Unsecured, considered good Loans and Advances to employees	11.15	0.10	14.17	0.14	34.37	1.01
Total loans	11.15	0.10	14.17	0.14	34.37	1.01

5 (d) Cash and cash equivalents

(₹ Lacs)			
Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Balances with banks			
- in current accounts	210.14	204.19	202.31
- in Flexi fixed deposit accounts	46.38	23.03	20.60
Deposits with original maturity of less than three months	100.00	100.00	100.00
Cheques, drafts on hand	-	-	-
Cash on hand	8.56	11.99	13.81
Total cash and cash equivalents	365.08	339.21	336.72

Notes to Financial Statements for the period ended March 31, 2017

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

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
(i) Earmarked Balances with banks Unpaid dividend accounts	11.00	11.02	9.52
(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)	-	-	20.00
	-	-	5.40
(iii) Bank deposit with original maturity of more than 3 months but less than 12 months			
Total Bank balances other than cash and cash equivalents	11.00	11.02	34.92

5 (f) Other financial assets

(₹ Lacs)

Particulars	As on 31 March 2017		As on 31 March 2016		As on 1 April 2015	
	Current	Non- current	Current	Non- current	Current	Non-current
(i) Others						
Bank deposits with with original maturity of more than 12 months	-	0.17	-	0.17	-	0.14
Interest Receivables	0.12	-	0.36	-	0.60	-
Security Deposits	-	189.32	-	216.34	-	192.14
Total other financial assets	0.12	189.49	0.36	216.51	0.60	192.28

Note 6 : Deferred tax Liability / (Assets)

The balance comprises temporary differences attributable to:

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Accelerated Depreciation for tax purpose	507.70	391.14	375.40
Expense allowable payment basis	(144.46)	(129.78)	(107.44)
Allowance for doubtful debts – trade receivables	(3.32)	(4.84)	(39.29)
Other items giving rise to temporary difference	0.61	0.31	(9.70)
Relating to prior period error	-	-	(7.29)
Net Deferred tax Liability / (Assets)	360.53	256.83	211.68

Notes to Financial Statements for the period ended March 31, 2017

Movement in deferred tax Liability / (Assets)

(₹ Lacs)

Particulars	Opening balance	43B Items	Depreciation adjustment	Defined benefit obligation - Prior Period	Allowance for doubtful debt	Other items	Total
At 1 April 2015							
Deferred tax Liability	-	-	375.40	-	-	-	375.40
Deferred tax asset	-	107.44	-	15.69	39.29	1.29	163.71
Net Deferred tax (asset)/liability	-	107.44	375.40	(15.69)	(39.29)	(1.29)	211.69
At 31 March 2016							
Deferred tax Liability	375.40	-	-	-	-	-	375.40
Recognised in profit or loss	-	-	15.74	-	-	-	15.74
Recognised in other comprehensive income	-	-	-	-	-	-	-
Deferred tax on basis adjustment	-	-	-	-	-	-	-
	375.40	-	15.74	-	-	-	391.14
Deferred tax Asset	163.71	-	-	-	-	-	163.71
Recognised in profit or loss	-	22.34	-	-	3.47	1.04	26.85
Recognised in other comprehensive income	-	-	-	-	-	-	-
Deferred tax on basis adjustment	-	-	-	(15.69)	(39.29)	(1.29)	(56.27)
	163.71	22.34	-	(15.69)	(35.82)	(0.25)	134.29
Net Deferred tax (asset)/liability	211.69	(22.34)	15.74	15.69	35.82	0.25	256.83
Movement in net deferred tax liability during the FY 2015-16	211.69	85.10	(359.66)	31.38	75.11	1.54	45.14
At 31 March 2017							
Deferred tax Liability	391.14	-	-	-	-	-	391.14
Recognised in profit or loss	-	-	116.56	-	-	-	116.56
Recognised in other comprehensive income	-	-	-	-	-	-	-
Deferred tax on basis adjustment	-	-	-	-	-	-	-
	391.14	-	116.56	-	-	-	507.70
Deferred tax Asset	134.29	-	-	-	-	-	134.29
Recognised in profit or loss	-	14.68	-	-	3.32	(1.66)	16.34
Recognised in other comprehensive income	-	-	-	-	-	-	-
Deferred tax on basis adjustment	-	-	-	-	(3.47)	-	(3.47)
	134.29	14.68	-	-	(0.15)	(1.66)	147.16
Net Deferred tax (asset)/liability	256.85	(14.68)	116.56	-	0.15	1.66	360.53
Movement in net deferred tax liability during the FY 2016-17	45.16	7.66	100.82	(15.69)	(35.67)	1.41	103.70

Notes to Financial Statements for the period ended March 31, 2017

Note 7: Non-current tax assets

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Advance payment of taxes [Net of provision for Tax of Rs.611.60 Lacs (2016 - Rs. 599.21 Lacs) (2015 - NIL)]	0.60	4.22	0.00
Total non-current tax assets	0.60	4.22	0.00

Note 8: Other non-current assets

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Capital advances	7.22	248.06	3.14
Advances other than capital advances			
VAT Recoverable*	295.59	340.25	275.58
Long term Prepaid exp	15.54	14.80	10.56
Total other non-current assets	318.35	603.11	289.28

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

Note 9 : Inventories

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Raw materials (Valued at cost, arrived on weighted average method (WAM)) (including goods in transit 31.03.2017 Rs. 130.82 lacs, 31.03.2016 Rs. 111.07 lacs & 1.4.2015 Rs. 165.06 lacs)	985.45	742.08	852.69
Work-in-progress (Valued at cost, arrived on weighted average method (WAM))	-	27.16	120.57
Finished goods (Valued at lower of cost (arrived on WAM) or Net realisable value) (including goods in transit 31.03.2017 Rs. 63.42 lacs, 31.03.2016 Rs. 48.03 lacs & 1.4.2015 Rs. 32.09 lacs)	240.47	173.94	180.92
Traded goods (Valued at lower of cost (arrived on FIFO basis) or Net realisable value)	67.12	103.66	54.04
Stores and spares (Valued at cost, arrived on weighted average method (WAM))	104.10	142.05	111.55
Inventory for services	-	4.49	1.29
Total inventories	1,397.14	1,193.38	1,321.06

Notes:

- (a) Cost of Inventories (COGS) recognised as an expense during the year was ₹13,098.53 lacs (PY - ₹12,533.69 lacs)
 (b) All Inventories are mortgaged as security against cash credit facility.

Notes to Financial Statements for the period ended March 31, 2017

Note 10: Other current assets

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Advances other than capital advances			
Advance to suppliers	36.58	147.89	128.83
Others (specify nature)			
Prepaid expenses	49.23	38.43	35.63
Deposits and Balance with statutory/government authorities	60.91	105.32	71.64
Total other non-current assets	146.72	291.64	236.10

Note 11: Equity share capital

Authorised - Equity share capital

Particulars	Number of shares	Par value per share (Rs.)	(₹ Lacs)
As at 1 April 2015	10,00,000	10.00	100.00
Increase during the year			
As at 31 March 2016	10,00,000	10.00	100.00
Increase during the year			
As at 31 March 2017	10,00,000	10.00	100.00

Authorised - Unclassified share capital

Particulars	Number of shares	Par value per share (Rs.)	(₹ Lacs)
As at 1 April 2015	10,00,000	10.00	100.00
Increase during the year			
As at 31 March 2016	10,00,000	10.00	100.00
Increase during the year			
As at 31 March 2017	10,00,000	10.00	100.00

Issued share capital

Particulars	Number of shares	Par value per share (Rs.)	Equity share capital (par value) (₹ Lacs)
As at 1 April 2015	10,00,000	10.00	100.00
Exercise of options - proceeds received			
As at 31 March 2016	10,00,000	10.00	100.00
Exercise of options - proceeds received			
Rights issue			0.00
As at 31 March 2017	10,00,000	10.00	100.00

(i) Subscribed & fully paid share capital

Particulars	Number of shares	Par value per share (Rs.)	Equity share capital (par value) (₹ Lacs)
As at 1 April 2015	9,99,900	10.00	99.99
Exercise of options - proceeds received			
As at 31 March 2016	9,99,900	10.00	99.99
Exercise of options - proceeds received			
Rights issue			0.00
As at 31 March 2017	9,99,900	10.00	99.99

Notes to Financial Statements for the period ended March 31, 2017

(ii) Subscribed & but not fully paid share capital

Particulars	Number of shares	Par value per share (Rs.)	Equity share capital (₹ Lacs)
As at 1 April 2015 Equity share of Rs. 10 each, not fully paid (Rs.250 received on application)	0.00100	10.00	0.00
As at 31 March 2016	0.00100	10.00	0.00
As at 31 March 2017	0.00100	10.00	0.00

Total Subscribed share capital

Particulars	Number of shares	Par value per share (Rs.)	Equity share capital (₹ Lacs)
As at 1 April 2015	10,00,000	10.00	99.99
As at 31 March 2016	10,00,000	10.00	99.99
As at 31 March 2017	10,00,000	10.00	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.

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

Name of Holders	As on 31 March 2017		As on 31 March 2016		As on 1 April 2015	
	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding
Chowgule & Co. Pvt. Ltd.	409940	40.99%	409940	40.99%	409940	40.99%
Dolphin Investment Ltd.	93601	9.36%	93601	9.36%	93601	9.36%

Notes to Financial Statements for the period ended March 31, 2017

Note 12 (a) Reserves and surplus

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
General Reserve	3,599.80	3,249.80	2,949.80
Retained earnings	859.46	655.72	478.87
Total reserves and surplus	4,459.26	3,905.52	3,428.67

(i) Capital Reserve

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Opening balance	-	-	31.20
Current year movement	-	-	-
Less : Transfer to Deferred government grant	-	-	31.20
Closing balance	-	-	-

Capital Reserves represented subsidy received in earlier years from the Government of Karnataka- Rs. 3.69 Lacs and Government of Maharashtra- Rs. 27.51 Lacs under the Investment subsidy scheme for setting up a new industrial unit in Karnataka and Maharashtra respectively. Under Ind AS these are transferred & accounted for as deferred government grant.

(ii) General Reserve

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Opening balance	3,249.80	2,949.80	2,949.80
Movement	350.00	300.00	-
Closing balance	3,599.80	3,249.80	2,949.80

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

(iii) Retained earnings

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Opening balance	655.72	478.87	478.87
Net profit for the period	583.86	506.94	-
Items of other comprehensive income recognised directly in retained earnings			
Remeasurements of post-employment benefit obligation, net of tax			
Transfer to General Reserve	(350.00)	(300.00)	-
Dividends	(30.09)	(30.09)	-
Closing balance	859.46	655.72	478.87

Note 12 (b) Other Reserves

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Remeasurements of post-employment benefit obligation, net of tax			
Opening Balance	(12.07)	-	-
During the year	(5.24)	(12.08)	
Closing balance	(17.31)	(12.08)	-

Notes to Financial Statements for the period ended March 31, 2017**Dividends:**

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

Particulars	31 March 2017	31 March 2016
INR 2.5 per equity share (31 March 2016: INR 2.5)	25.00	25.00
Dividend distribution tax (DDT) on dividend to equity shareholders	5.09	5.09
	30.09	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.

Particulars	31 March 2017	31 March 2016
INR 2.50 per equity share (31 March 2016: INR 2.50)	25.00	25.00
Dividend distribution tax (DDT) on dividend to equity shareholders	5.09	5.09
	30.09	30.09

Notes to Financial Statements for the period ended March 31, 2017
Note 13: Borrowings
13(a) Non-current borrowings

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	As on 31 March 2017	As on 31 March 2016	(₹ Lacs) As on 1 April 2015
Secured						
Term loans						
Towards purchase of Assets	Mar-19	60 monthly installments from the date of the loan	9.80% to 10%	18.27	39.75	34.27
Towards filter-aid project	Dec-20	60 monthly installments from 1.7.2016 onwards	12.05%	631.04	375.42	-
Towards expansion of slurry plant	Sep-21	60 monthly installments from 10.10.2016 onwards	12.05%	79.68	0.72	-
Towards APMDC/UTKAL/Pump Truck	Oct-19	30 monthly installments from 15.05.2017 onwards	12.05%	25.38	-	-
Unsecured						
Loan from Related Party	Jan-20	Repayable in 5 years from January 2016 to January 2020	11%	366.00	549.00	732.00
Deferred payment liabilities						
Sales tax deferment loans	Apr-17	8 annual installments	Interest free	-	3.96	29.94
Sales tax deferment loans	Apr-18	7 annual installments	Interest free	4.50	14.65	25.65
Total non-current borrowings				1,124.87	983.50	821.86

13(b) Current borrowings

Particulars	Coupon/ Interest rate	As on 31 March 2017	As on 31 March 2016	(₹ Lacs) As on 1 April 2015
Loans repayable on demand (Secured)				
a) From banks	11.65%	782.40	719.29	501.05
Cash credit facility				
Total Current borrowings		782.40	719.29	501.05

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 35**.

Notes to Financial Statements for the period ended March 31, 2017

13(c) Other financial liabilities

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Current			
Current maturities of long-term debt	509.88	440.79	441.83
Interest accrued	3.76	2.13	0.90
Capital creditors	7.03	10.83	28.18
Unpaid dividends	11.00	11.02	9.52
Deposits from dealers	6.60	6.62	1.60
Outstanding liabilities	249.20	223.55	256.71
Total other current financial liabilities	787.47	694.94	738.74

13(d) Trade payables - from other than MSME

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Current			
Trade payables	2,794.81	2,279.23	2,978.00
Total trade payables - from other than MSME	2,794.81	2,279.23	2,978.00

13(e) Trade payables - from MSME

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Current			
Trade payables	-	-	-
Total trade payables - from MSME	-	-	-

Notes to Financial Statements for the period ended March 31, 2017
Note 14: Provisions

Particulars	As on 31 March 2017			As on 31 March 2016			As on 1 April 2015		
	Current	Non-current	Total	Current	Non-current	Total	Current	Non-current	Total
(i) Provision for employee benefits									
Leave encashment (i)	92.91	77.77	170.68	49.72	98.31	148.03	31.40	110.12	141.52
Gratuity (ii) *	-	269.39	269.39	-	242.77	242.77	-	229.15	229.15
(ii) Provision for powder factor deduction	309.83	-	309.83	300.75	-	300.75	301.80	-	301.80
Total	402.74	347.16	749.90	350.47	341.08	691.54	333.20	339.28	672.47

* Including Rs.29.83 lacs 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 factor deduction
As at 1 April 2016	300.76
Charged/(credited) to profit or loss	
additional provisions recognised	35.00
unused amounts reversed	
unwinding of discount	
Amounts used during the year	25.92
As at 31 March 2017	309.84

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 expects to incur the related expenditure over the next year.

Notes to Financial Statements for the period ended March 31, 2017

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 INR 92.91 lacs (31 March 2016 – INR 49.72 lacs | April 2015 – INR 31.40 lacs) 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.

(₹ Lacs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Current leave obligations expected to be settled within the next 12 months	92.91	40.72	31.40

(ii) Post-employment obligations**Gratuity**

The company provides for gratuity for employees as per the Payment of Grtuity 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 recognised 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 and 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. 109.14 lacs (31 March 2016 Rs. 99.61 lacs, 1 April, 2015 Rs. 99.30 lacs).

Notes to Financial Statements for the period ended March 31, 2017

Balance sheet amounts – Gratuity

(₹ Lacs)

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 2015 *	394.69	165.53	229.16
Current service cost	19.44	-	19.44
Interest expense/(income)	25.91	13.21	12.70
	-	-	-
Total amount recognised in profit or loss/retained earnings	45.35	13.21	32.14
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(7.15)	(7.15)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	5.93	-	5.93
Experience (gains)/losses	4.96	-	4.96
Total amount recognised in other comprehensive income	10.90	(7.15)	18.04
Contributions :			
Employer	-	33.49	(33.49)
Plan participants	-	-	-
Benefit payments	27.58	24.50	3.09
31 March 2016	423.36	180.59	242.77

* prior period gratuity provision included as part of restatement of opening balance sheet

Particulars	Present value of obligation	Fair value of plan assets	Net amount
1 April 2016	423.36	180.59	242.77
Current service cost	25.62	-	25.62
Interest expense/(income)	28.32	12.18	16.14
Past service cost	-	-	-
Total amount recognised in profit or loss	53.95	12.18	41.76
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	6.79	-6.79
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	15.93	-	15.93
Experience (gains)/losses	(1.32)	-	(1.32)
Total amount recognised in other comprehensive income	14.61	6.79	7.82
Contributions :			
Employer	-	43.57	(43.57)
Plan participants	-	-	-
Benefit payments	87.35	78.13	9.22
31 March 2017	404.56	165.00	239.56

Notes to Financial Statements for the period ended March 31, 2017

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

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Present value of funded obligations	337.69	362.08	290.24
Fair value of plan assets	165.00	180.59	165.53
Deficit of funded plan	172.69	181.49	124.71
Unfunded plans	66.87	61.28	57.01
Deficit of gratuity plan	239.56	242.77	181.72

Post-Employment benefits

Significant estimates: actuarial assumptions and sensitivity			
The significant actuarial assumptions were as follows:	31 March 2017	31 March 2016	1 April 2015
Discount rate	6.69%	7.46%	7.77%
Attrition Rate	1%	1%	1%

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

Particulars	31 March 2016			
Assumptions	Discount rate		Salary Escalation rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(1,833,515)	2,087,980	2,100,029	(1,873,873)

Particulars	31 March 2017			
Assumptions	Discount rate		Salary Escalation rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(2,037,028)	2,345,961	2,342,516	2,06,8,523

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:

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Unquoted Investments :			
Gratuity Fund maintained by LIC of India	165.00	180.59	165.53
Total	165.00	180.59	165.53

Notes to Financial Statements for the period ended March 31, 2017

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.

Employer Contributions

Expected contributions to post-employment benefit plans for the year ending 31 March 2018 are INR 32 lacs

The weighted average duration of the defined benefit obligation is 14.36 years (2016 – 14.24 years, 2015 - 13.72 years) for employees who are covered under group gratuity scheme of LIC of India and 13.35 years (2016 – 13.39 years, 2015 - 14.02 years) for employees who are not covered by group gratuity scheme of LIC of India

Note 15: Other Non-Current liabilities

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Deferred Government Grant	0.01	0.34	2.93
Total other current liabilities	0.01	0.34	2.93

Note 16: Current tax liabilities

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 201
Provision for Tax [Net of Advance Tax of Rs.NIL (2016 - Rs. NIL) (2015 - Rs.546.50 Lacs)]	-	-	20.65
Total non-current tax assets	0.00	0.00	20.65

Note 17: Other current liabilities

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Statutory tax payables	98.11	87.46	102.02
Income received in advance	85.32	68.42	57.68
Deferred Government Grant (Short Term)	0.34	2.59	2.59
Total other current liabilities	183.77	158.47	162.29

Government grants

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Opening balance	2.93	5.52	5.52
Grants during the year			
Less: Released to profit or loss	2.59	2.59	-
Closing balance	0.35	2.93	5.52

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Current portion	0.34	2.59	2.59
Non-current portion	0.01	0.34	2.93

Notes to Financial Statements for the period ended March 31, 2017

Note 18: Revenue from Operations

The Company derives the following types of revenue:

(₹ Lacs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of products (including excise duty)		
Manufactured goods	19,938.97	18,434.14
Traded goods	837.34	802.62
	20,776.31	19,236.76
Sale of services	405.94	583.23
Other operating revenue	129.42	35.63
Total revenue from continuing operations	21,311.67	19,855.62

Note 19: Other income

(₹ Lacs)

Particulars	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest income from financial assets at amortised cost		6.79	9.80
Balance written back		8.86	15.29
Government grants	17	2.59	2.59
Net gain on disposal of property, plant and equipment		-	0.53
Reversal of provision for doubtful debt		4.59	104.18
Total other income		22.83	132.39

Note 20:

(a) Cost of materials consumed

(₹ Lacs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(i) Opening stock		
Raw material	586.89	698.16
Packing material	155.19	154.54
	742.08	852.70
(ii) Add : Purchases		
Raw material	11,446.45	10,589.59
Packing material	1,292.91	1,064.96
	12,739.36	11,654.55
(iii) Less : Closing stock		
Raw material	787.74	586.89
Packing material	197.71	155.19
	985.45	742.08
(iv) Consumption		
Raw material	11,245.61	10,700.86
Packing material	1,250.39	1,064.31
Total	12,496.00	11,765.17

Notes to Financial Statements for the period ended March 31, 2017

(b) Purchase of stock in trade

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Traded Goods	605.37	737.79
Total	605.37	737.79

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

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(i) Manufactured finished goods		
Opening stock	173.94	180.90
Less : Closing stock	240.47	173.94
	(66.53)	6.96
(ii) Traded finished goods		
Opening stock	103.66	54.04
Less : Closing stock	67.12	103.66
	36.54	(49.62)
(iii) Work in Progress		
Opening stock	27.16	120.57
Less : Closing stock	-	27.16
	27.16	93.41
Total	(2.84)	50.73

Note 21: Employee benefit expense

(₹ Lacs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Salaries, wages and bonus	953.54	893.53
Contribution to provident fund, State Insurance & Superannuation scheme	109.14	99.61
Gratuity expenses	71.59	32.15
Staff welfare expenses	125.72	102.40
Total employee benefit expense	1,259.99	1,127.69

Note 22: Depreciation and amortisation expense

(₹Lacs)

Particulars	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
Depreciation of property, plant and equipment	3	435.86	385.51
Amortisation of intangible assets	4	5.11	0.89
Total depreciation and amortisation expense		440.97	386.40

Notes to Financial Statements for the period ended March 31, 2017

Note 23: Other expenses

(₹ Lacs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Consumption of stores and spares	186.60	179.58
Power & fuel	319.83	250.31
Repairs and maintenance		
Plant and machinery	135.57	96.04
Buildings	65.47	35.93
Others	41.80	44.88
Rental charges (net)	127.50	104.42
Rates and taxes	48.31	40.76
Legal and professional fees	126.40	111.72
Travel and conveyance	485.12	489.88
Insurance	36.49	30.97
Communication expenses	36.58	41.38
Sales commission	180.63	157.08
Director's sitting fees	8.70	7.64
Freight & forwarding	537.07	394.45
Establishment expenses	395.83	447.82
Claims against warranties	79.61	49.18
Bad debts	5.29	10.25
Handling & Transport	181.25	240.09
Corporate social responsibility expenditure (refer note 23(b) below)	13.56	13.89
Payments to auditors (refer note 23(a) below)	19.84	11.19
Miscellaneous expenses	241.39	207.54
Loss on sale of assets (Net)	14.51	-
Total other expenses	3,287.35	2,965.00

Note 23(a): Details of payment to auditors

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Payment to auditors		
As auditor:		
Audit fee	5.46	5.46
Tax audit fee	1.44	1.44
In other capacities		
Limited Review	3.45	3.45
Certification fees	0.86	0.84
Others	8.63	-
Total payments to auditors	19.84	11.19

Note 23(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.13.52 Lacs (PY - Rs.13.89 Lacs) and actually spent by the Company during the year is Rs.13.56 Lacs (PY- Rs. 13.89 lacs), the details of which is as given below:

Notes to Financial Statements for the period ended March 31, 2017

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Construction/acquisition of any asset	-	-
On purposes other than above	13.56	13.89
Total Corporate social responsibility expenditure	13.56	13.89

Note 24: Finance costs

(₹ Lacs)

Particulars	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest and finance charges on financial liabilities measured at amortised cost		295.02	214.44
Exchange differences regarded as an adjustment to borrowing costs		-	-
Other borrowing cost		72.98	64.14
		368.00	278.58
Less: Amount capitalised (see note below)		58.61	23.87
Finance costs expensed in profit or loss		309.39	254.71

Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year, in this case 12.49% (PY - 12.53%).

Note 25: Income tax expense

(₹ Lacs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a) Income tax expense		
<i>Current tax</i>		
Current tax on profits for the year	202.00	227.83
Adjustments for current tax of prior periods	(0.21)	-
Total current tax expense	201.79	227.83
<i>Deferred tax</i>		
deferred tax expense/(income)	106.28	51.11
Total deferred tax expense/(benefit)	106.28	51.11
Income tax expense	308.07	278.94
Income tax expense is attributable to:		
Profit from continuing operations	308.07	278.94
Profit from discontinued operation	-	-

Notes to Financial Statements for the period ended March 31, 2017

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

Particulars	31 March 2017	31 March 2016
Profit from continuing operations before income tax expense	891.93	785.88
Profit from discontinuing operation before income tax expense		-
	891.93	785.88
Tax at the Indian tax rate of 33.063% (2015-2016 – 33.063%)	294.90	259.84
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Donation	9.78	10.30
Borrowing Costs	0.40	0.74
Loss/(Profit) on sale of asset	4.80	(0.18)
Interest on late payment of tax	3.90	5.24
Other difference	(5.71)	3.00
Income tax expense	308.07	278.94

Note 26: Fair value measurements

Financial instruments by category

(₹ Lacs)

Particulars	As on 31 March 2017			As on 31 March 2016			As on 1 April 2015		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
Investments									
- Government securities	-	-	0.10	-	-	0.10	-	-	0.10
Trade receivables	-	-	3,247.57	-	-	2,230.89	-	-	2,647.38
Loans	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	365.08	-	-	339.21	-	-	336.72
Bank deposits with more than 12 months maturity	-	-	0.17	-	-	0.17	-	-	0.14
Other bank balances	-	-	11.00	-	-	11.02	-	-	34.92
Security deposits	-	-	189.32	-	-	216.34	-	-	192.14
Loan to employees	-	-	0.10	-	-	0.14	-	-	1.01
Loans & Advances to employees - Short term	-	-	11.15	-	-	14.17	-	-	34.37
Interest receivable	-	-	0.12	-	-	0.36	-	-	0.60
Total financial assets	-	-	3,824.62	-	-	2,812.40	-	-	3,247.38
Financial liabilities									
Borrowings	-	-	1,124.87	-	-	983.50	-	-	821.86
Cash credit facility	-	-	782.40	-	-	719.29	-	-	501.05
Current maturities of long term debt & interest accrued	-	-	513.64	-	-	442.92	-	-	442.73
Unpaid dividend	-	-	11.00	-	-	11.02	-	-	9.52
Trade payables	-	-	2,794.81	-	-	2,279.23	-	-	2,978.00
Capital creditors	-	-	7.03	-	-	10.83	-	-	28.18
Deposit from dealers	-	-	6.60	-	-	6.62	-	-	1.60
Outstanding liabilities	-	-	249.20	-	-	223.55	-	-	256.71
Total financial liabilities	-	-	5,489.55	-	-	4,676.96	-	-	5,039.65

Notes to Financial Statements for the period ended March 31, 2017

Note 27: 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 than 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.

Foreign currency exposure	31-Mar-17			31-Mar-16		
	USD	Closing Rate	INR	USD	Closing Rate	INR
Trade Receivable	3.56160	64.75	230.60	1.81773	65.88	119.75
Trade Payable	0.21500	64.90	13.95	0.48984	66.70	32.67

	Pounds	Closing Rate	INR	Pounds	Closing Rate	INR
Trade Payable	0.31680	80.84	25.61	-	-	-

Foreign currency sensitivity

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

Trade Receivable

Currencies		2016-17		2015-16	
		5% increase	5% decrease	5% increase	5% decrease
USD	Increase/(decrease) in net profit before tax	11.53	(11.53)	5.99	(5.99)

Trade Payable

Currencies		2016-17		2015-16	
		5% increase	5% decrease	5% increase	5% decrease
USD	Increase/(decrease) in net profit before tax	(0.70)	0.70	(1.63)	1.63
Pounds	Increase/(decrease) in net profit before tax	(1.28)	1.28	-	-

(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 forwarding-looking information such as:

Notes to Financial Statements for the period ended March 31, 2017**Notes to Financial Statements for the period ended March 31, 2017**

- (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

Exposure to credit risk	31-Mar 17	31-Mar 16
Financial risk for which loss allowance is measured using 12 months expected Credit Losses (ECL)		
Investment in government securities	0.10	0.10
Loans	0.10	0.14
Cash & cash equivalent	365.08	339.21
Other Bank balance	11.00	11.02
Bank deposits with more than 12 months maturity	0.17	0.17
Laons & Advances to employees - Short term	11.15	14.17
Financial risk for which loss allowance is measured using Lifetime expected Credit Losses (ECL)		
Trade Receivables	3,257.62	2,245.53

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 and 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.

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 2017

Notes to Financial Statements for the period ended March 31, 2017

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

31-Mar-17

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	More than 900 days past due	Total
Gross carrying amount (A)	1,962.56	1,182.86	91.85	15.03	1.28	1.55	0.90	0.31	0.38	-	-	0.91	3,257.62
Expected loss rate (B)	-	0.00	0.04	0.11	0.17	0.22	0.24	0.47	0.51	-	-	0.79	-
Expected credit losses (Loss allowance provision) (C=A*B)	-	3.09	3.43	1.71	0.21	0.34	0.21	0.15	0.19	-	-	0.72	10.05
Carrying amount of trade receivables (net of impairment)	1,962.56	1,179.77	88.41	13.32	1.06	1.21	0.68	0.17	0.19	-	-	0.19	3,247.57

31-Mar-16

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	More than 900 days past due	Total
Gross carrying amount (A)	1,454.44	710.36	38.98	10.78	17.55	5.04	1.49	0.08	1.26	1.06	3.90	0.59	2,245.53
Expected loss rate (B)	-	0.00	0.05	0.15	0.23	0.29	0.31	0.36	0.37	0.38	0.44	0.96	-
Expected credit losses (Loss allowance provision) (C=A*B)	-	2.00	1.82	1.65	4.02	1.48	0.46	0.03	0.47	0.41	1.73	0.56	14.64
Carrying amount of trade receivables (net of impairment)	1,454.44	708.36	37.16	9.13	13.53	3.56	1.03	0.05	0.79	0.66	2.16	0.03	2,230.89

1-Apr-15

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	More than 900 days past due	Total
Gross carrying amount (A)	1,756.38	716.75	90.09	6.96	3.09	3.13	54.04	44.08	66.55	21.87	1.07	2.18	2,766.20
Expected loss rate (B)	-	0.0043	0.0740	0.2715	0.4114	0.5141	0.5289	0.5397	0.5536	0.5698	0.6693	0.9564	118.84
Expected credit losses (Loss allowance provision) (C=A*B)	-	3.08	6.67	1.89	1.27	1.61	28.58	23.79	36.85	12.29	0.72	2.09	118.84
Carrying amount of trade receivables (net of impairment)	1,756.38	713.67	83.42	5.07	1.82	1.52	25.46	20.29	29.71	9.58	0.35	0.09	2,647.38

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:

As on 1.4.2015	118.82
Provided during the year	14.64
Reversal of provisions	(118.82)
As on 31.3.2016	14.64
Provided during the year	10.05
Reversal of provisions	(14.64)
As on 31.3.2017	10.05

(iv) 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.

Notes to Financial Statements for the period ended March 31, 2017
(i) Financing arrangements

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

Particulars	31 March 2017	31 March 2016	1 April 2015
Floating rate			
a) Expiring within one year (bank overdraft and other facilities)	717.60	480.71	348.95
b) Expiring beyond one year (bank loans)	-	-	-
c) No Expiry Period*	158.01	681.65	-
	875.61	1,162.36	348.95

*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 liabilities at the reporting date based on contractual undiscounted payments

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
As on 31.03.2016				
Current borrowings	719.29	-	-	719.29
Sales tax deferment loans - Garamsur	-	3.96	-	3.96
Sales tax deferment loans - Chandrapur	-	14.65	-	14.65
Chowgule and Co Pvt Ltd	68.91	634.96	-	703.87
Trade payables	2,279.23	-	-	2,279.23
Other financial liabilities	694.94	-	-	694.94
Term Loan - from Banks	70.75	653.12	-	723.88
As on 31.03.2017				
Current borrowings	782.40	-	-	782.40
Sales tax deferment loans - Garamsur	-	-	-	-
Sales tax deferment loans - Chandrapur	-	4.50	-	4.50
Chowgule and Co Pvt Ltd	48.78	403.18	-	451.96
Trade payables	2,794.81	-	-	2,794.81
Other financial liabilities	787.47	-	-	787.47
Term Loan-From Banks	111.93	886.04	-	997.97

Notes to Financial Statements for the period ended March 31, 2017

Maturity profile of financial assets

(₹ Lacs)

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

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
As on 31.03.2016				
Non current Loans	-	0.14	-	0.14
Other non current financial assets	-	216.51	-	216.51
Trade receivables	2,230.89	-	-	2,230.89
Current Loans	14.17	-	-	14.17
Other current financial assets	0.36	-	-	0.36
As on 31.03.2017				
Non current Loans	-	0.10	-	0.10
Other non current financial assets	-	189.49	-	189.49
Trade receivables	3,247.57	-	-	3,247.57
Current Loans	11.15	-	-	11.15
Other current financial assets	0.12	-	-	0.12

Note 28: 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.

(₹ Lacs)

Particulars	31 March 2017	31 March 2016	1 April 2015
Net debt	2,417.14	2,143.58	1,764.74
Total equity plus debt	6,959.08	6,137.01	5,293.40
Net debt to equity ratio	35%	35%	33%

(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

(₹ Lacs)

Particulars	31-Mar-17	31-Mar-16
(i) Equity shares		
Final dividend for the year ended 31 March 2016 of INR 2.5 (31 March 2015 – 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

Notes to Financial Statements for the period ended March 31, 2017

Note 29: 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 and 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 and 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:-

Explosives segment which manufactures cartridge explosives, bulk emulsion explosives.

Perlite segment which manufactures cryogenic insulation, industrial filter-aid, horticulture products etc.,

Summary of the Segmental Information as at and for the year ended 31st March, 2017 is as follows:

(₹ Lacs)

Particulars	Explosives	Perlite	Total
Revenue (Excluding Excise duty)			
External Revenue	19258.75	1923.50	21182.25
Less:- Inter-segment Revenue			0.00
Add:- Un-allocable Income			145.46
Total Revenue	19258.75	1923.50	21327.71
Results			
Segment result	1200.35	(5.81)	1194.54
Less:- Interest and financing charges	249.77	59.62	309.39
Add: Interest Revenue			6.78
Profit before Tax			891.93
Less:- Tax Expense			308.07
Profit after tax			583.86
Other information			
Segment assets	7942.47	2266.44	10208.91
Unallocated assets	0	0	1116.79
Total assets	7942.47	2266.44	11325.70
Segment liabilities	3860.23	919.10	4779.33
Unallocated liabilities	0	0	2004.43
Total liabilities	3860.23	919.10	6783.76
Capital expenditure	311.21	909.42	1220.63
Unallocated Capital Expenditure			5.35
Depreciation and amortisation	292.89	79.44	372.33
Unallocated Depreciation and amortisation			68.64

Notes to Financial Statements for the period ended March 31, 2017

Summary of the Segmental Information as at and for the year ended 31st March, 2016 is as follows:

Particulars	Explosives	Perlite	Total
Revenue (Excluding Excise duty)			
External Revenue	17,700.72	2,226.03	19,926.75
Less:- Inter-segment Revenue	-	-	-
Add:- Un-allocable Income	-	-	51.45
Total Revenue	17,700.72	2,226.03	19,978.20
Results			
Segment result	907.45	123.34	1,030.79
Less:- Interest and financing charges	-	-	254.71
Add: Interest Revenue	-	-	9.80
Profit before Tax			785.88
Less:- Tax Expense			278.94
Profit after tax			506.94
Other information			
Segment assets	6,706.93	1,853.75	8,560.68
Unallocated assets	-	-	1,216.90
Total assets	6,706.93	1,853.75	9,777.58
Segment liabilities	3,015.36	694.81	3,710.17
Unallocated liabilities	-	-	2,073.98
Total liabilities	3,015.36	694.81	5,784.15
Capital expenditure	98.30	567.38	665.68
Unallocated Capital Expenditure			49.10
Depreciation and amortisation	286.60	31.69	318.29
Unallocated Depreciation and amortisation			68.11

Summary of the Segmental Information as at and for the year ended 1st April, 2015 is as follows:

Particulars	Explosives	Perlite	Unallocated	Total
Segment Assets	7,214.58	1,146.70	1,277.06	9,638.34
Segment Liabilities	4,074.39	213.24	1,822.05	6,109.68

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

Revenue from external customers

Particulars	31-Mar-17	31-Mar-16
Domestic	17,490.51	16,376.44
Export	1,659.42	1,531.28
Total	19,149.93	17,907.72

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

The total of non-current assets other than financial instruments, investments accounted for using equity method and deferred tax assets, broken down by location of the assets, is shown below:

Particulars	31 March 2017	31 March 2016	1 April 2015
India	6,146.92	5,696.91	5,027.24
Outside India	-	-	-
Total non-current assets	6,146.92	5,696.91	5,027.24

Notes to Financial Statements for the period ended March 31, 2017

Reconciliation of Revenue

Particulars	31 March 2017	31 March 2016
Total Revenue from reportable segments	21,327.71	19,978.20
Revenue for other segments	-	-
Elimination of inter segment revenue	-	-
Elimination of revenue of discontinued operations	-	-
Total Revenue as per Statement of profit & loss	21,327.71	19,978.20

Reconciliation of Profit after tax

Particulars	31 March 2017	31 March 2016
Total Profit after tax from reportable segments	583.86	506.94
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	583.86	506.94

Reconciliation of Segment Assets

Particulars	31 March 2017	31 March 2016	1 April 2015
Assets from reportable segments	10,208.91	8,560.68	8,361.28
Property, Plant & Equipment	200.77	264.18	283.63
Cash & Cash Equivalent	365.08	339.21	336.71
Bank balance other than cash & cash Equivalent	0.11	11.02	34.92
Investments	0.10	0.10	0.10
Others	550.73	602.39	621.70
Total Assets as per Balance Sheet	11,325.70	9,777.58	9,638.34

Reconciliation of Segment Liabilities

Particulars	31 March 2017	31 March 2016	1 April 2015
Liabilities from reportable segments	4,779.33	3,710.17	4,287.63
Borrowings	842.12	719.29	501.04
Deferred tax liability	360.53	256.83	211.69
Others	801.78	1,097.86	1,109.32
Total Liabilities as per Balance Sheet	6,783.76	5,784.15	6,109.68

Notes to Financial Statements for the period ended March 31, 2017**Note 30: 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 2017	As on 31 March 2016	As on 1 April 2015
Chowgule & Co. Pvt. Ltd.	Major shareholder	India	40.99%	40.99%	40.99%

(b) Other Related Party Relationships

Name of the Party	Relationships
Chowgule Brothers Pvt Ltd	Enterprises over which major Shareholder is able to exercise significant influence
Santosh L Chowgule	Key management personnel
Ashok V Chowgule	Key management personnel
Chowgule Charitable Trust	Key management personnel is able to Exercise significant influence
Santosh Chowgule HUF	Key management personnel is able to Exercise significant influence

(c) Key management personnel compensation

Particulars	(₹ Lacs)	
	31 March 2017	31 March 2016
Short-term employee benefits	37.74	37.56
Post-employment benefits	8.23	8.23
Long-term employee benefits	-	-
Termination benefits	-	-
Employee share-based payment	-	-
Total compensation	45.97	45.79

Notes to Financial Statements for the period ended March 31, 2017

(d) Transactions with related parties

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 2017	183.00		549.00
		31st March 2016	183.00		732.00
		1st April 2015	-		915.00
	Interest paid	31st March 2017	68.91		
		31st March 2016	89.26		-
		1st April 2015	100.65		-
	Rent paid	31st March 2017	24.69		
		31st March 2016	20.77		-
		1st April 2015	20.38		-
	Advertisement	31st March 2017	-		
		31st March 2016	5.67		-
		1st April 2015	-		-
	Sale of Perlite	31st March 2017	2.35		
		31st March 2016	-		
		1st April 2015	-		
Other Related Parties					
Chowgule Brothers Pvt Ltd	Services Received	31st March 2017	0.17		
		31st March 2016	0.39		-
		1st April 2015	1.31		-
Chowgule Charitable Trust	Donation	31st March 2017	44.83		
		31st March 2016	29.82		-
		1st April 2015	14.24		-
Santosh Chowgule HUF	Rent paid	31st March 2017	8.26		
		31st March 2016	8.26		-
		1st April 2015	8.26		-

*Maximum amount outstanding during the year was Rs.732 Lacs

KELTECH ENERGIES LIMITED

Notes to Financial Statements for the period ended March 31, 2017

Particulars	31 March 2017	31 March 2016
Loans from Chowgule & Co (Company having significant influence over Keltech Energies Ltd.)		
Beginning of the year	732.00	915.00
Loans received	-	-
Loan repayments made	183.00	183.00
Interest charged	68.91	89.26
Interest paid	68.91	89.26
End of the year (note 13(a))	549.00	732.00

Note 31: Contingent liabilities and contingent assets

a) Contingent Liabilities

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
(a) Disputed demand in respect of Service tax at vishwasnagar. Amount aggregating Rs. 10 lacs (31st March 2016 : Rs.10 lacs, 1st April 2015 : Rs. 10 lacs) is paid under protest against such demand	17.16	17.16	17.16
b) Disputed demand of income tax for the assessment year 2009-10, 2011-12, 2012-13 & 2013-14. Amount aggregating Rs.57 lacs (31st March 2016 : Rs.50 lacs, 1st April, 2015 : Rs. 45 lacs) is paid under protest against such demand	435.57	268.81	189.15
c) Non collection of C- Form	148.05	-	-
d) Disputed demand in respect of Central sales tax in Maharashtra for the year 2008-09. Amount aggregating Rs.3 lacs (31st March 2016 : Rs.3 lacs, 1st April, 2015 : Rs. 3 lacs) is paid under protest against such demand	121.01	121.01	121.01
e) Letter of credits and bank guarantees issued to suppliers/customers	2477.89	2406.83	2637.92

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 2017	As on 31 March 2016	As on 1 April 2015
-	-	-	-

(All amounts in INR lakhs, unless otherwise stated)

Notes to Financial Statements for the period ended March 31, 2017

Note 32: Commitments

(a) Capital commitments

(₹Lacs)

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

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Property, plant and equipment	20.00	491.88	2.59
Investment property	-	-	-
Intangible assets	-	-	-
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	20.00	491.88	2.95

(b) Non-cancellable operating leases

The company has taken on lease various office premises, residential premises and godowns for the periods ranging from 3 to 6 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

(₹ Lacs)

Particulars	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year	22.77	22.58	20.52
Later than one year but not later than five years	1.90	47.44	69.43
Later than five years	Nil	Nil	Nil

Rental expense relating to operating leases

(₹ Lacs)

Particulars	31 March 2017	31 March 2016
Minimum lease payments	127.49	105.31
Total rental expense relating to operating leases	127.49	105.31

Note 33: Events occurring after the reporting period

Refer to note 28 for the final dividend recommended by the Directors which is subject to the approval of shareholders in the ensuing annual general meeting.

Note 33a. Prior period error

There are no prior period error identified during the year including corresponding year except provision for employee benefit (gratuity) which was reported in FY 2015-16 in previous GAAP as prior period item. The same has been restated in latest available financial statements as per Ind AS i.e. Opening Balance and impact has been given in retained earnings.

Notes to Financial Statements for the period ended March 31, 2017
Note 34: Earnings per share

(₹ Lacs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a) Basic earnings per share	INR	INR
From continuing operations attributable to the equity holders of the company	58.39	50.69
From discontinued operation	-	-
Total basic earnings per share attributable to the equity holders of the company	58.39	50.69
(b) Diluted earnings per share		
From continuing operations attributable to the equity holders of the company	58.39	50.69
From discontinued operation	-	-
Total diluted earnings per share attributable to the equity holders of the company	58.39	50.69

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

(₹ Lacs)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
<i>Basic earnings per share</i>		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:		
From continuing operations	583.86	506.94
From discontinued operation	-	-
	583.86	506.94
<i>Diluted earnings per share</i>		
Profit from continuing operations attributable to the equity holders of the company:		
Used in calculating basic earnings per share	583.86	506.94
Add: interest savings on convertible bonds	-	-
Used in calculating diluted earnings per share	583.86	506.94
Profit from discontinued operation	-	-
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	583.86	506.94

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

(₹ Lacs)

Particulars	31 March 2017 Number of shares	31 March 2016 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

Notes to Financial Statements for the period ended March 31, 2017**Note 35: Assets Pledged /Mortgaged /Hypothecated as security**

The carrying amounts of assets mortgaged/hypothecated as security for current and non-current borrowings are:

(₹Lacs)

Particulars	Notes	As on 31 March 2017	As on 31 March 2016	As on 1 April 2015
Current				
Financial assets				
First charge				
Book debts		3,257.62	2,245.53	2,766.20
Stock of raw material		985.45	742.08	852.69
Stock of work in progress		-	27.16	120.57
Stock of consumable stores		104.10	142.05	111.55
Stock of Finished goods		240.47	173.94	180.92
Stock of Traded goods		67.12	103.66	54.04
Total current assets mortgaged/hypothecated as security		4,654.76	3,434.42	4,085.97
Non-current				
First charge				
Freehold land		99.15	99.15	99.15
Leasehold land		21.32	21.61	21.90
Freehold buildings		2,137.28	1,735.22	1,787.47
Laboratory Equipments		12.76	13.66	10.19
Other Plant & Equipment		2,992.32	2,117.26	2,255.35
Office Equipment		51.04	52.28	56.48
Furniture & Fixtures		106.60	136.95	171.79
Vehicles		90.99	114.68	97.21
Total non-currents assets mortgaged/hypothecated as security		5,511.46	4,290.81	4,499.54
Total assets mortgaged/hypothecated as security		10,166.22	7,725.23	8,585.51

Note 36A: First-time adoption of Ind AS**Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet at 1 April 2015 (the company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other relevant provisions of the Act (Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes:

A. Exemptions and Exceptions availed**1. Ind AS Optional exemptions****1.1 Deemed cost**

Ind AS 101 permits a first-time adopter to select to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 *Intangible Assets* and investment property covered by Ind AS 40 *Investment Properties*. Accordingly, the company has elected to measure all of its property, plant and equipment, intangible assets at their previous GAAP carrying value.

Notes to Financial Statements for the period ended March 31, 2017

2. Ind AS Mandatory Exceptions

2.1 Estimates An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP except for the Impairment of financial assets based on expected credit loss model where application of the Indian GAAP did not require estimation.

2.2 Classification and measurement of financial assets

The Company has classified financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

2.3 Government loans

A first-time adopter shall apply the requirements in Ind AS 109, Financial Instruments, and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to Ind AS and shall not recognise the corresponding benefit of the government loan at a below-market rate of interest as a government grant. Consequently, if a first-time adopter did not, under its previous GAAP, recognise and measure a government loan at a below-market rate of interest on a basis consistent with Ind AS requirements, it shall use its previous GAAP carrying amount of the loan at the date of transition to Ind ASs as the carrying amount of the loan in the opening Ind AS Balance Sheet. An entity shall apply Ind AS 109 to the measurement of such loans after the date of transition to Ind AS.

The Company has continued with the previous GAAP carrying amount of the interest free government loan on the date of transition.

Notes to Financial Statements for the period ended March 31, 2017

Note 36B: Reconciliations between previous GAAP and Ind AS

Reconciliation of equity as at date of transition (1 April 2015)

(₹ Lacs)

Particulars	Notes to first-time adoption	Previous GAAP *	Adjustments		Ind AS
			Reclassification	Accounting adjustments	
I ASSETS					
I Non-current assets					
(a) Property, plant and equipment	I	4,499.73	-	(0.19)	4,499.54
(b) Capital work-in-progress		43.28	-	-	43.28
(c) Investment property		-	-	-	-
(d) Goodwill		-	-	-	-
(e) Other Intangible assets		1.70	-	-	1.70
(f) Intangible assets under development		-	-	-	-
(g) Biological Assets other than bearer plants		-	-	-	-
(h) Financial Assets					-
(i) Investments		0.10	-	-	0.10
(ii) Trade receivable		-	-	-	-
(iii) Loans		1.01	-	-	1.01
(iv) Others (to be specified)		192.28	-	-	192.28
(i) Deferred tax assets (net)		-	-	-	-
(j) Other non-current assets		289.28	-	-	289.28
		5,027.38	-	(0.19)	5,027.19
2 Current Assets					
(a) Inventories	3	1,319.78	1.28	-	1,321.06
(b) Financial Assets			-		-
i) Investments		-	-	-	-
ii) Trade receivables	4	2,766.20	-	(118.82)	2,647.38
iii) Cash and cash equivalents		336.72	-	-	336.72
iv) Bank balances other than (iii) above		34.92	-	-	34.92
v) Loans		34.37	-	-	34.37
vi) Others	3	1.88	(1.29)	-	0.59
(c) Current Tax Assets (Net)		-	-	-	-
(d) Other current assets	I	236.08	-	0.03	236.10
		4,729.95	(0.01)	(118.80)	4,611.15
Total Assets		9,757.33	(0.01)	(118.99)	9,638.34

	Particulars	Notes to first-time adoption	Previous GAAP *	Adjustments		Ind AS
				Reclas-sifica-tion	Account ing adjustments	
II	EQUITY AND LIABILITIES					
	I Equity					
	(a) Share capital		(99.99)	-	-	(99.99)
	(b) Other equity		(3,512.51)	-	(83.84)	(3,428.67)
			(3,612.50)	-	(83.84)	(3,528.66)
	LIABILITIES					
	I Non-Current Liabilities					
	(a) Financial liabilities					
	i) Borrowings		(821.86)	-	-	(821.86)
	ii) Trade payables		-	-	-	-
	iii) Other financial liabilities		-	-	-	-
	(b) Provisions	5&10	(255.66)	(36.18)	(47.44)	(339.28)
	(c) Deferred tax liabilities (Net)	6	(267.96)	-	56.27	(211.69)
	(d) Other non-current liabilities	7	-	-	(2.93)	(2.93)
			(1,345.48)	(36.18)	5.90	(1,375.76)
	2 Current liabilities					
	(a) Financial liabilities					
	i) Borrowings		(501.05)	-	-	(501.05)
	ii) Trade payables		(2,978.00)	-	-	(2,978.00)
	iii) Other financial liabilities	5&8	(715.06)	(25.40)	1.73	(738.73)
	(b) Other current liabilities	7	(159.69)	-	(2.59)	(162.28)
	(c) Provisions	5 & 9	(424.87)	61.58	30.09	(333.20)
	(d) Current tax liabilities(Net)		(20.65)	-	-	(20.65)
			(4,799.33)	36.18	29.23	(4,733.92)
	Total Equity and Liabilities		(9,757.33)	-	118.97	(9,638.34)

Notes to Financial Statements for the period ended March 31, 2017

Note 36C: Reconciliations between previous GAAP and Ind AS

Reconciliation of total comprehensive income for the year ended 31 March 2016

(₹ Lacs)

	Particulars	Notes to first-time adoption	IGAAP for the year ended 31st March 2016	Reclasifica-tion	Ind AS Impact	Ind AS for the year ended 31st March 2016
I.	Revenue from operations (Gross)		19,855.62	-	-	19,855.62
II.	Other income	4	25.62	-	106.77	132.39
III.	Total Revenue (I + II)		19,881.23	-	106.77	19,988.01
IV.	Expenses:					
	Cost of materials consumed		11,765.17	-	-	11,765.17
	Purchases of Stock-in-Trade		737.79	-	-	737.79
	Excise duty		1,914.64	-	-	1,914.64
	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		50.73	-	-	50.73
	Employee benefits expense	10 & 11	1,193.18	(18.04)	(47.44)	1,127.69
	Other Expenses	8	2,965.90	-	(0.89)	2,965.00
	Finance costs	2	259.26	-	(4.54)	254.71
	Depreciation and amortization expense		386.40	-	-	386.40
	Total expenses		19,273.07	(18.04)	(52.88)	19,202.13
V.	Profit/(loss) before exceptional items and tax (I- IV) (III-IV)		608.17	18.04	159.65	785.88
VI.	Exceptional Items		-	-	-	-
VII.	Profit/(loss) before tax (V-VI)		608.17	18.04	159.65	785.88
VIII.	Tax expense:					
	Current tax [Including prior period tax provision of ₹ 2.83 lacs (P.Y. (0.21) lacs)]		227.83	-	-	227.83
	Adjustment of Depreciation on account of transitional provision of the Companies Act, 2013		-	-	-	-
	Deferred tax		(7.64)	5.97	52.78	51.11
	Total		220.19	5.97	52.78	278.94
IX.	Profit/(Loss) for the period from Continuing operations (VII-VIII)		387.98	12.08	106.86	506.94
X.	Profit/(loss) from discontinued operations		-	-	-	-
XI.	Tax expense of discontinued operations		-	-	-	-
XII.	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-	-	-

Notes to Financial Statements for the period ended March 31, 2017

XIII.	Profit/(loss) for the period (IX+XII)		387.98	12.08	106.86	506.94
XIV.	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit or loss					
	Remeasurement of Defined Benefit scheme	11		(18.04)	-	(18.04)
	(ii) Income tax relating to items that will not be reclassified to profit or loss			5.97	-	5.97
	Total		-	(12.08)	-	(12.07)
	B (i) Items that will be reclassified to profit or loss					
	(ii) Income tax relating to items that will be reclassified to profit or loss					
	Total		-	-	-	-
	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		387.98	-	106.86	494.87
XV.						

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities		603.33	(1.32)	602.01
Net cash flow from investing activities		(706.61)	10.28	(696.33)
Net cash flow from financing activities		104.32	(7.52)	96.80
Net increase/(decrease) in cash and cash equivalents		1.04	1.44	2.48
Cash and cash equivalents as at 1 April 2015		349.18	(12.46)	336.72
Effects of exchange rate changes on cash and cash equivalents		-	-	-
Cash and cash equivalents as at 31 March 2016		350.22	(11.01)	339.21

Notes to Financial Statements for the period ended March 31, 2017

Note 37: 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 38: 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.

Note 39: Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016: (₹ Lacs)

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing Cash in hand as on 08/11/2016	7.82	1.35	9.17
(+) Permiteed Receipts	-	-	-
(-) Permiteed Payments - Purchase of Diesel / Staff Expenses / Units maintenance	3.79	23.33	27.11
(-) Deposited in bank accounts	4.03	-	4.03
(+) Withdrawal from Bank Accounts (08/11/2016 to 30/12/2016)	-	28.96	28.96
Closing cash in hand as on 30/12/2016	-	6.98	6.98

Notes to Financial Statements for the period ended March 31, 2017
Reconciliation of equity as at date of transition (31 March 2016)

Particulars	Notes to first-time adoption	Previous GAAP *	Adjustments		Ind AS
			Reclassifi- cation	Accounting adjustments	
I ASSETS					
I Non-current assets					
(a) Property, plant and equipment	1	4,291.00	-	(0.19)	4,290.81
(b) Capital work-in-progress	2	590.54	-	(10.47)	580.07
(c) Investment property		-	-	-	-
(d) Goodwill		-	-	-	-
(e) Other Intangible assets		1.95	-	-	1.95
(f) Intangible assets under development		-	-	-	-
(g) Biological Assets other than bearer plants		-	-	-	-
(h) Financial Assets		-	-	-	-
i) Investments		0.10	-	-	0.10
ii) Trade receivables		-	-	-	-
iii) Loans		0.14	-	-	0.14
iv) Others (to be specified)		216.51	-	-	216.51
(i) Deferred tax assets (net)_		-	-	-	-
(j) Other non-current assets		603.11	-	-	603.11
(k) Non-current tax assets		4.22	-	-	4.22
		5,707.58	-	(10.67)	5,696.91
2 Current Assets					
(a) Inventories	3	1,188.88	5.79	(1.29)	1,193.38
(b) Financial Assets					-
i) Investments		-	-	-	-
ii) Trade receivables	4	2,245.53	-	(14.64)	2,230.89
iii) Cash and cash equivalents		339.21	-	-	339.21
iv) Bank balances other than (iii) above		11.02	-	-	11.02
v) Loans		14.17	-	-	14.17
vi) Others	3	4.86	(5.79)	1.29	0.36
(c) Current Tax Assets (Net)		-	-	-	-
(d) Other current assets	1	291.58	-	0.06	291.64
		4,095.25	-	(14.58)	4,080.67
Total Assets		9,802.83	-	(25.25)	9,777.58

Notes to Financial Statements for the period ended March 31, 2017

				Adjustments		Ind AS
				Reclas-sifica-tion	Account ing adjustments	
	Particulars	Notes to first-time adop-tion	Previous GAAP *			
II	EQUITY AND LIABILITIES					
	I Equity					
	(a) Share capital		(99.99)	-	-	(99.99)
	(b) Other equity					
	Reserves and Surplus		(3,870.40)	-	(35.12)	(3,905.52)
	Other Reserves		-	-	12.08	12.08
			(3,970.39)	-	(23.04)	(3,993.43)
	LIABILITIES					
	I Non-Current Liabilities					
	(a) Financial liabilities					
	i) Borrowings	2	(998.52)	-	15.02	(983.50)
	ii) Trade payables		-	-	-	-
	iii) Other financial liabilities		-	-	-	-
	(b) Provisions	5	(300.88)	(40.20)	-	(341.08)
	(c) Deferred tax liabilities (Net)	6	(260.32)	-	3.49	(256.83)
	(d) Other non-current liabilities	7	-	2.59	(2.93)	(0.35)
			(1,559.72)	(37.61)	15.57	(1,581.75)
	2 Current liabilities					
	(a) Financial liabilities					
	i) Borrowings		(719.29)	-	-	(719.29)
	ii) Trade payable		(2,279.23)	-	-	(2,279.23)
	iii) Other financial liabilities	5 & 8	(638.28)	(59.29)	2.63	(624.94)
	(b) Other current liabilities	7	(155.38)	(2.59)	-	(158.46)
	(c) Provisions	5 & 9	(480.05)	99.49	30.09	(350.47)
	(d) Current tax liabilities(Net)		-	-	-	-
			(4,272.72)	37.61	32.72	(4,202.40)
	Total Equity and Liabilities		(9,802.83)	-	25.25	(9,777.58)

Notes to Financial Statements for the period ended March 31, 2017

Notes to first time adoption

Note 1

Lease of S5 plot in Waidhan, Singrauli District is considered as operating lease as significant risks and rewards of ownership is not transferred to the lessee. According the amount capitalised in the books under the head of fixed assets amounting to Rs. 0.19 lacs is reclassified as prepaid rent under the head Other current assets and amortised over the lease term of 30 years with the resultant adjustment taken to Retained earnings of Rs.0.14 lacs with respect to rent amortisation till the date of transition. The profit for the year and prepaid rent is reduced by 0.01 as a result of rent amortisation for 31st March, 2016

Note 2

"Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were capitalised as part of Capital Work in progress or charged to profit or loss as and when incurred. Accordingly, borrowings as at 31 March 2016 have been reduced by INR 15.02 with a corresponding adjustment to capital work in progress and finance cost. The profit for the year ended 31 March 2016 increased by INR 4.54 as a result of the this adjustment."

Note 3

Under the previous GAAP, billable cost were presented as part of other current assets. Under Ind AS, inventory for service provider are required to be separately presented in the financial statements. There is no impact on the total equity or profit as a result of this adjustment.

Note 4

Under Ind AS, impairment allowance has been determined based on ECL model. Due to this model, the company impaired its trade receivable by Rs.118.82 lacs as on the date of transition which is recognised in retained earnings. The impairment of Rs. 14.64 lacs for the year ended 31st March, 2016 is recognised in profit or loss.

Note 5

Under the previous GAAP, gratuity were presented as short term and long term provisions. Under Ind AS, gratuity are required to be presented as long term provisions in the financial statements. Amount of Rs. 36.18 lacks is re-classified from short term provision to long term provisions as on 1st April 2015 and of Rs. 4.02 lacs for 31st March 2016. Liability towards bonus/ex-gratia is re-classified from short term provisions to other current financial liabilities. Amount of Rs. 25.40 lacs is reclassified from short term provisions to other financial current liabilities as on April, 01, 2015 and Rs. 33.89 lacs as on 31st March, 2016. There is no impact on the total equity or profit as a result of this adjustment.

Note 6

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity or profit or loss. The net impact on deferred tax liabilities is of INR (3.49) [31 March 2015: INR (56.27)]

Note 7

Under IGAAP, the grant received was presented under Capital Reserve. Ind AS requires grant to be presented as deferred income in the balance sheet and to be recognised in profit and loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. The grant relating to setting up of industrial unit is recognised as deferred income in the balance sheet and is recognised over the tenure of the sales tax deferral loan since the grant will become refundable if the company defaults in repayment of the sales tax deferral loan. The adjustment relating to grant upto the date of transition of Rs. 25.68 lacs is recognised in retained earnings and the balance grant is recognised as non current and current liability.

Notes to Financial Statements for the period ended March 31, 2017**Note 8**

Lease equalisation reserve recognised under Indian GAAP is transferred to retained earnings on the date of transition amounting to 1.73 and adjusted lease expenses in 31 March, 2016 amounting to Rs. 0.90 lacs as the escalation in lease rental is in line with general inflation and therefore the lease rentals need not be straight lined under Ind AS. This has resulted in increase in retained earnings of Rs. 1.73 lacs as on the date of transition and profit of Rs. 0.90 lacs for 31 March 2016.

Note 9

Under the previous GAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of INR 30.09 lacs as at 31 March 2016 (1 April 2015 – INR 30.09 lacs) included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 10

"As per Ind AS 8, an entity shall correct material prior period errors retrospectively in the first set of financial statements approved for issue after their discovery by:

- (a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- (b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

Under Indian GAAP, prior period error relating to gratuity were recognised in the statement of profit or loss for the year ended 31 March 2016 of Rs.47.44 lacs under employee benefit expenses. This is adjusted in the opening balance sheet as it related to earlier years resulting in reduction in retained earnings and increase in long term provision relating to gratuity of Rs. 47.44 lacs on the date of transition. The profit for the year ended 31 March 2016 is also increased by an equivalent amount less respective tax effect."

Note 11

Both under Indian GAAP and Ind AS, the company recognised costs related to its post employment defined benefit plan on actuarial basis. Under Indian GAAP, the entire cost, including actuarial gain and loss, are charged to profit or loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effects of asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on the plan assets excluding the amount included in net interest on the net defined benefit liability) are recognised in balance sheet through other comprehensive income. Thus, employee benefits expense is reduced by Rs. 18.04 lacs and is recognised in other comprehensive income during the year ended 31 March 2016.

The notes are an integral part of the Financial Statements

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048

Atul Gala

Partner, Membership No. 048650

Chairman
Ashok V. Chowgule
DIN No. 00018970

Managing Director
Santosh L. Chowgule
DIN No. 00097736

Mumbai, May 18, 2017

Chief Financial Officer
P. Prabhudev

Company Secretary
Ms. Shalu Tibra
Mumbai, May 18, 2017

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

KELTECH ENERGIES LIMITED

CNI : L30007KAI977PLC031660

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

PROXY FORM

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

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

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

1) _____ of _____ having e-mail ID _____ or failing him/her

2) _____ of _____ having e-mail ID _____ or failing him/her

3) _____ of _____ having e-mail ID _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Fortieth Annual General Meeting of the Company, to be held on 21st July, 2017 at 2.30 p.m. at, Pennar, Shangri-La-Hotel, No. 56-6B, Palace Road, Bangalore-560052. and at any adjournment thereof in respect of such resolutions as are indicated below:

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

	Resolutions	For	Against
1.	Consider and adopt the Audited Balance Sheet of the Company as at March 31, 2017 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 Statutory Auditors for the current financial year		
5.	Ratification of Cost Auditors appointment and to fix his remuneration for the current financial year		

* Applicable for investors holding share in electronic form.

Signed this.....day of.....2017

Signature of shareholder.....

Affix
Revenue
Stamp

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes:

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

KELTECH ENERGIES LIMITED

CNI : L30007KAI977PLC031660

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

ATTENDANCE SLIP

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

I hereby record my presence at the Fortieth Annual General Meeting of the Company on Friday, the 21st July, 2017 at 2.30 Pm, at Pennar, Shangri-La-Hotel, No. 56-6B, Palace Road, Bangalore-560052. Karnataka, India

Folio No. / DP ID-Client ID

Full Name of the Shareholder in Block Letters

No. of Shares held

Name of Proxy (if any) in Block Letters

Signature of the Shareholder/Proxy/Representative*

*Strike out whichever is not applicable



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

Dear Sirs,

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND

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

Master
Folio No.

FOR OFFICE USE ONLY

Master
Folio No.

Name of First Holder

Bank Name

Branch Name

Branch Code

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

Account Type

Savings

Current

Cash Credit

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

Effective date of this mandate

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

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

(Signature of 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

