

KHAITAN CHEMICALS & FERTILIZERS LTD.

CIN No.: L24219MP1982PLC004937

Regd. Office: A. B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Kargone-451569 (M.P.)

Audited Financial Results for the year ended on 31.03.2015

(Rs. in Lacs)

PARTICULARS	QUARTER ENDED ON			YEAR ENDED	
	31.03.2015	31.12.2014	31.03.2014	31.03.2015	31.03.2014
	Unaudited			Audited	
1. Income from Operations					
a) Net sales / Income from operations	9,075.66	8,734.86	9,665.87	32,925.48	38,810.43
b) Other operating Income	-	-	-	-	-
Total income from operations (net)	9,075.66	8,734.86	9,665.87	32,925.48	38,810.43
2. Total Expenditure:					
a) Consumption of Raw Materials	5,668.35	6,918.79	6,585.14	21,663.95	26,644.40
b) Purchase of Traded goods	624.35	-	542.99	624.35	542.99
c) (Increase)/Decrease in stock in trade & work in progress	(183.59)	(1,684.94)	(664.99)	(1,205.22)	(957.50)
d) Staff Cost	299.23	325.72	254.99	1,211.29	1,040.27
e) Depreciation	227.82	220.00	189.42	889.11	764.44
f) Outward Transportation	525.03	756.86	592.75	2,436.55	2,881.06
g) Others:					
i. Foreign Exchange Fluctuations loss/(gain)	-	-	(37.52)	-	1,808.78
ii. Others	1,047.25	1,425.09	1,342.66	4,733.88	5,072.61
Total	8,208.44	7,961.52	8,805.44	30,353.91	37,797.05
3. Profit/(Loss) from operations before other income, finance costs & exceptional items(1-2)	867.22	773.34	860.43	2,571.57	1,013.38
4. Other Income	157.14	212.63	721.58	277.93	873.92
5. Interest & Other Financial Exp.	722.48	763.96	578.73	3,017.12	2,504.52
6. Profit/(Loss) from ordinary activities after Interest & finance exp but before Exceptional Items (3+4-5)	301.88	222.01	1,003.28	(167.62)	(617.22)
7. Exceptional Items	-	-	-	-	-
8. Profit/(Loss) from Ordinary Activities before tax (6-7)	301.88	222.01	1,003.28	(167.62)	(617.22)
9. Tax Expense: Income Tax/Deferred tax	48.96	70.52	67.35	(518.04)	(454.83)
10. Profit/(Loss) from Ordinary Activities after tax (8-9)	252.92	151.49	935.93	350.42	(162.39)
11. Extraordinary Items(net of tax expenses)	-	-	-	-	-
12. Profit/(Loss) for the period(10-11)	252.92	151.49	935.93	350.42	(162.39)
13. Paid-up Equity Share Capital (face value @ Rs.1/- per share)	969.89	969.89	969.89	969.89	969.89
14. Reserves excluding revaluation reserves					
15. i) Earning Per Share(before extraordinary items) -Basic/diluted (in Rs.)	0.26	0.16	0.96	0.36	(0.17)
ii) Earning Per Share(after extraordinary items) -Basic/diluted (in Rs.)	0.26	0.16	0.96	0.36	(0.17)
A. Particulars Of Shareholding					
i) Public shareholding					
- No. of Shares	242,53,031	242,53,030	242,53,030	242,53,031	242,53,030
- Percentage of Shareholding	25.01	25.01	25.01	25.01	25.01
ii) Promoters and Promoter group Shareholding					
a) Pledged/ Encumbered					
Number of Shares	20,00,000	20,00,000	8,00,000	20,00,000	8,00,000
Percentage of Shares (as a% of the Total Shareholding of Promoter and Promoter group)	2.75	2.75	1.10	2.75	1.10
Percentage of Shares (as a% of the Total share capital of the Company)	2.06	2.06	0.82	2.06	0.82
b) Non-encumbered					
Number of Shares	707,36,169	707,36,170	719,36,170	707,36,169	719,36,170
Percentage of Shares (as a% of the Total Shareholding of Promoter and Promoter group)	97.25	97.25	98.90	97.25	98.90
Percentage of Shares (as a% of the Total share capital of the Company)	72.93	72.93	74.17	72.93	74.17
B. Investor Complaints:					
Pending at the beginning of the quarter	NIL				
Received during the quarter	32				
Disposed of the during the quarter	32				
Remaining unresolved of the end of the quarter	NIL				
SEGMENT WISE REVENUE RESULTS AND CAPITAL EMPLOYED					
1. Segment Revenue [Net sale/income from each segment]:					
a) Fertilizer & Chemicals	8,082.30	8,186.12	8,369.66	30,557.16	35,471.20
b) Soya	1,145.39	566.39	1,345.31	2,577.14	3,472.49
c) Others	5.11	2.75	672.48	69.11	740.66
Net Sales/Income from operations	9,232.80	8,755.26	10,387.45	33,203.41	39,684.35
2. Segment Results [Profit/(Loss) before tax and interest from each segment]:					
a) Fertilizer & Chemicals	922.18	943.44	702.38	2,750.19	1,173.33
b) Soya	110.30	45.34	219.19	67.44	20.35
c) Others	(8.13)	(2.81)	660.44	31.86	693.62
Total	1,024.35	985.97	1,582.01	2,849.49	1,887.30
Less: i) Interest & Other Financial Exp.	722.47	763.96	578.73	3,017.11	2,504.52
ii) Exceptional items	-	-	-	-	-
Total Profit before Tax	301.88	222.01	1,003.28	(167.62)	(617.22)
3. Capital Employed [Segment assets less segment liabilities] :					
a) Fertilizer & Chemicals	32,044.79	31,104.22	30,581.23	32,044.79	30,581.23
b) Soya	2,989.75	3,139.99	3,580.29	2,989.75	3,580.29
c) Others	293.96	325.16	324.75	293.96	324.75
Total Capital Employed in Segments	35,328.50	34,569.37	34,486.27	35,328.50	34,486.27
Add: Unallocable Corporate Assets less Corporate Liabilities	142.11	178.86	205.83	142.11	205.83
Total Capital Employed in Company	35,470.61	34,748.23	34,692.10	35,470.61	34,692.10

Rs. in Lacs

Notes:

- The figures for the corresponding period have been restated wherever necessary to make comparable.
- The above Result were reviewed by the Audit Committee and taken on record by the Board of Directors in its meeting held on 16.05.2015.
- The financial results for the year ended March 31, 2015 have been audited by the statutory auditors of the Company. The audit report does not contain any qualifications. The audit report will be filed with the Stock Exchange and will also be available on the Company's website-www.khaitanchemfert.com.
- Audited Accounts effect has been adjusted in the last quarter results, which has been adjusted in audited figure for the year 2014-2015.
- Consequent to Schedule II to the Companies Act, 2013 becoming applicable w.e.f. April 1, 2014, depreciation for the period ended on 31.03.2015 has been provided on the basis of the useful lives as prescribed in Schedule II. An amount of Rs. 172.30 lacs (net of deferred tax of Rs. 82.80 lacs) has been recognized in the opening balance of retained earning/ general reserves for the assets where remaining useful life as per Schedule II was Nil. There is no material impact on the depreciation charge for the period ended on March 31, 2015.
- The Board of Directors of the Company has recommended a dividend @ Re.0.05 per share (5%) for the year 2014-15 which shall be payable to all the Members whose name would appear in the register of members on the last date of book closure.

For KHAITAN CHEMICALS & FERTILIZERS LTD.

Place: Gurgaon
Date: 16.05.2015

(SHAILESH KHAITAN)
Chairman & Managing Director

	As at	
	31.03.2015	31.03.2014
	Audited	
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	969.89	969.89
Reserves and surplus	11,643.67	11,523.91
	12,613.56	12,493.80
Non-current liabilities		
Deferred tax liabilities (Net)	295.78	900.06
Long-term borrowings	2,078.17	2,010.07
Other long term liabilities	116.56	88.71
Long-term provisions	64.41	45.12
	2,554.92	3,043.96
Current liabilities		
Short-term Borrowings	19,516.64	17,823.50
Trade payables	2,871.05	2,747.75
Other current liabilities	2,154.58	2,321.06
Short-term provisions	143.74	205.30
	24,686.01	23,097.61
TOTAL	39,854.49	38,635.37
ASSETS		
Non-current assets		
Fixed assets:		
Tangible assets	12,312.85	12,258.13
Intangible assets	54.63	68.88
Capital work-in-progress	44.41	422.52
Non-current investments	9.49	9.49
Long-term loans and advances	242.96	221.83
Other Non-current Assets	-	-
	12,664.34	12,980.85
Current assets		
Inventories	13,347.33	13,315.55
Trade receivables	5,531.11	4,682.73
Cash and Bank balances	1,046.03	1,003.78
Short-term loans and advances	952.26	1,267.87
Other current assets	6,313.42	5,384.59
	27,190.15	25,654.52
TOTAL	39,854.49	38,635.37

INDEPENDENT AUDITORS' REPORT

To,

The Members

Khaitan Chemicals & Fertilizers Limited
New Delhi.

1. We have audited the accompanying financial statements of **Khaitan Chemicals & Fertilizers Limited** ("the Company") which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the period then ended, and the Notes to Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over



financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

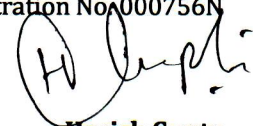
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its profit and its cash flows for the period ended on that date.

5. Report on Other Legal and Regulatory Requirements

- (a) As required by the Companies (Auditors' Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub section 11 of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (b) As required under provisions of section 143(3) of the Act, we report that:
- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
 - iv. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Act read with Rule 7 Company (Accounts) Rules, 2014.
 - v. On the basis of written representations received from the directors, as on 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.

For **S. S. Kothari Mehta & Co.**
Chartered Accountants
Firm Registration No. 000756N




Harish Gupta

Partner:
Membership No: 098336

Place: Gurgaon
Date: 16-05-2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(As referred to in paragraph 5(a) of our report to the members of **Khaitan Chemicals & Fertilizers Limited** on the accounts as at and for the period ended 31st March, 2015)

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (ii) (a) The inventory of the Company has been physically verified by the management during the year (*except for stock of Rock Phosphate, Sulphur and Single Super phosphate for which stock is taken on estimation basis and for the stock in transit and stock lying with outside parties*). In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of accounts.
- (iii) As per the information given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("The Act"). Accordingly, clauses 3 (iii) (a) and (b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. Further, on the basis 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 nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) As per the information and explanations provided to us, the Company has not accepted any deposits and therefore provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and rules there under are not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained in pursuance to sub section (1) of section 148 of the Act in respect of single super phosphate fertilizers, sulphuric acid and refined vegetable oil manufactured by the Company and are of the opinion that, prima facie, the prescribed records and accounts have been made



and maintained. However, we have not carried out a detailed examination of such records to verify its authenticity and accuracy.

- (vii) (a) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) 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, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues were outstanding, as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no material dues of wealth tax, custom duty, and service tax which have not been deposited with appropriate authorities on account of dispute. However, according to the information and explanations given to us the following dues of income tax, sales tax, excise duty, value added taxes, purchase tax, entry tax and Royalty/cess, have not been deposited by the Company on account of any disputes: -

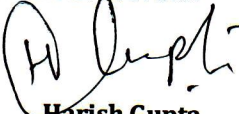
S. No.	Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
1.	M.P. Commercial Tax Act, 1974	Sales Tax/Trade Tax	0.48 Lacs	2001-02	Tribunal Commercial Tax, Bhopal
2.	UP Trade Tax 1948	Sales Tax/Trade Tax	3.28 Lacs (Principal) 15.94 Lacs (Interest)-	Before 1996	Joint Commissioner of Trade Tax, Lucknow
3.	M.P. Commercial Tax Act, 1974	Entry tax	0.11 Lacs	1991-92	Tribunal Commercial Tax, Bhopal
4.	Mines and Minerals (Development and Regulation) Act, 1957	Royalty on rock phosphate	118.77 Lacs	2004-05	High Court, Rajasthan
5.	Purchase Tax Act	Purchase Tax	63.38 Lacs	2004-05	High Court of Madhya Pradesh, Jabalpur
6.	Central Excise Act	Penalty	17.78 Lacs	2007-08	Custom Excise and Service Tax Appellate Tribunal
7.	UP Trade Tax 1948	Sales Tax	1.00 Lacs.	2006-07	The Deputy Commission Commercial Tax- Jhansi
8.	M.P. Entry Tax Act 1976	Entry Tax	28.27 Lacs	2007-08	MP Commercial Tax Appellate Board, Bhopal
9.	Central Excise Act	Excise Duty & Penalty	16.85 Lacs	2007-09	Commissioner (Appeal)-I, Bhopal



- (d) According to the information and explanations given to us, the amounts which were required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses as at 31st March, 2015 and it has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
- (ix) Based on our audit procedure and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institution or bank during the year.
- (x) As per the information given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the term loans taken by the Company have been applied for the purpose for which they were obtained.
- (xii) Based upon the audit procedures performed and information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March, 2015.

For S. S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration No. 000756N




Harish Gupta

Partner:
Membership No: 098336

Place: Gurgaon
Date: 16-05-2015