



KHAITAN CHEMICALS & FERTILIZERS LIMITED



33rd Annual Report 2014-2015

KHAITAN CHEMICALS & FERTILIZERS LIMITED



ANNUAL GENERAL MEETING: Date : 5 th August, 2015 Day : Wednesday Time : 1.00 P.M. Place : Registered Office	BOARD OF DIRECTORS: Shailesh Khaitan : Chairman & Managing Director Utsav Khaitan : Whole Time Director Jagdish Lal Jajoo : Whole Time Director (w.e.f. 15.11.2014) Dr. Prakash Goyal : Independent Director Vijay Gupta : Independent Director Balmukund Dakhera : Independent Director Veena Chadha : Independent Director
REGISTERED OFFICE: A. B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Khargone -451569 (M.P.)	KEY MANAGERIAL PERSONNEL Shailesh Khaitan : Chairman & Managing Director R.S. Vijayvargiya : President & Chief Financial Officer Kamlesh Joshi : Company Secretary
INDORE OFFICE: 3rd Floor, Apollo Arcade, 1/2, Old Palasia, Indore -452018 (M.P.)	AUDITORS: M/s. S. S. Kothari Mehta & Co. 146-149, Tribhuvan Complex, Ishwar Nagar, Mathura Road, New Delhi-110065
GURGAON OFFICE: K-9/4, Road 9, DLF City-II, Gurgaon - 122002 (Haryana)	KOLKATA OFFICE: 46-C, Rafi Ahmed Kidwai Road, 3 rd Floor, Kolkata-700 016
WORKS : Fertilizers & Chemical Division: 1). A.B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Khargone - 451569 (M.P.) 2). Village Goramachia, Kanpur Road, Jhansi - 248001 (U.P.) 3). Village Dhinva, Tehsil Nimbahera Dist. Chittorgarh - 312601 (Rajasthan) 4). A-1, UPSIDC Industrial Area, Malwan, Dist. Fatehpur - 212664 (U.P.) 5). Village Farhad (Somni), Dist. Rajnandgaon - 491443 (Chattisgarh) 6). 42/7, GIDC Industrial Estate, Dahej, Vagra Dist. Bharuch-392130 (Gujarat) Soya Division: Dosigaon Industrial Area, Ratlam - 457001 (M.P.)	SOLICITORS: M/s. Khaitan & Partners Himalaya House, 23, Kasturba Gandhi Marg, New Delhi-110001 BANKERS: ● State Bank of India ● IDBI Bank Ltd. ● Corporation Bank ● HDFC Bank Ltd., ● Axis Bank Ltd. CONTENTS: Directors' Report : 1-4 Management Discussion & Analysis Report : 5-6 Report on Corporate Governance : 7-12 Secretarial Audit Report : 13-14 Annual Report on CSR Activities : 14 Extract of Annual Return : 15-19 Auditor's Report : 20-22 Balance Sheet : 23 Statement of Profit & Loss : 24 Cash Flow Statement : 25 Notes to financial statements : 26-40 Listing of Shares: The Bombay Stock Exchange Ltd. (B.S.E.) Stock Code: 507794 ISIN No.: INE745B01028 (NSDL & CDSL)

Note: As per SEBI Circular No. MRD/DoP/Cir-05/2009 dated May 20, 2009 it will be mandatory for the transferee(s) to furnish copy of PAN card to the Company/RTAs for registration of transfer of shares in physical form of listed company. In absence of above transfers will be liable to be rejected.

KHAITAN CHEMICALS & FERTILIZERS LIMITED



NOTICE

NOTICE is hereby given that the **THIRTY THIRD ANNUAL GENERAL MEETING OF 'KHAITAN CHEMICALS & FERTILIZERS LIMITED'** will be held at the registered office of the Company at A. B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Khargone, Madhya Pradesh on Wednesday, 5th day of August, 2015 at 1:00 P.M. to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2015, including the Audited Balance Sheet as at 31st March, 2015, the statement of profit and loss for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
- To declare dividend on the equity shares of the Company for the year ended on 31st March, 2015.
- To appoint a director in place of Shri Utsav Khaitan (DIN: 03021454), who retires by rotation and being eligible offers himself for re-appointment.
- To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT M/s. S.S. Kothari Mehta & Co., Chartered Accountants (Registration No.000756N) be and is hereby appointed as an Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

- Appointment of Shri Jagdish Lal Jajoo, as a Director liable to retire by rotation and also as a Whole Time Director**
To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT, pursuant to the provisions of Section 149 of the Companies Act, 2013 and the rules made thereunder and all other applicable provisions, if any, and the Articles of Association of the Company, Shri Jagdish Lal Jajoo (DIN: 02758763) who has appointed as an Additional Director by the Board of Directors with effect from 15.11.2014 to hold office of the Director until the date of Annual General Meeting, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri Jagdish Lal Jajoo (DIN:

02758763) as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company and he is liable to retire by rotation."

- RESOLVED FURTHER THAT**, pursuant to provisions of Section 188, 196 and 197, Schedule V and other applicable provisions of the Companies Act, 2013, and rules thereunder the approval of the Company be and is hereby accorded for appointment of Shri Jagdish Lal Jajoo (DIN: 02758763) as a Whole Time Director of the Company for a period of five years, with effect from 15.11.2014 on the terms and conditions as specified in the statement pursuant to Section 102(1) of the Companies Act, 2013 annexed to this notice convening this Annual General Meeting a copy whereof initialed by the Chairman for the purposes of identification is placed before this meeting, be and the same is hereby approved, with such modifications as may be agreed by the Board of Directors of the Company and Shri Jagdish Lal Jajoo."
- To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2016.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 95000/- plus service tax as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2016 as approved by the Board of Directors of the Company, to be paid to **M/s. M.P. Turakhia & Associates, Cost Accountants**, for the conduct of the cost audit of the Company's Manufacturing units at Nimrani, Nimbahera, Jhansi, Malwan, Rajnandgaon and Dahej (**for Fertilizers**), units at Nimrani, Jhansi, Malwan and Rajnandgaon (**for Sulphuric Acid**) and Ratlam (**for Soya Products**) be and is hereby ratified and confirmed."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Registered Office:
A.B. Road, Village- Nimrani,
Dist. Khargone (M.P.)

By Order of the Board

S/d

Place : Gurgaon
Date : 16.05.2015

(KAMLESH JOSHI)
Company Secretary

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS PRIOR THE MEETING.** 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. A 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 cannot act as a proxy for any other person or shareholder. A Proxy Form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution/authority, as applicable.
- The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies and has issued a circular on April 21, 2011 stating that the service of document by a Company can be made through electronic mode.
- Member(s)/Proxies are requested to bring the attendance slip annexed herewith, duly filled in, for attending the meeting.
- Corporate Members intending to send their authorised

representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.

- The Register of Members and Share Transfer Books of the Company will remain closed from 29.07.2015 to 05.08.2015, both days inclusive for the purpose of payment of dividend, if declared at the Annual General Meeting.
- Members who hold shares in dematerialized form are requested to quote Depository Account Number (Client ID No.) for recording of attendance at the meeting.
- Members are requested to notify to the Company immediately, quoting Registered Folio No., change in their address, if any, with the pin code number.
- Non-resident members are requested to immediately notify: - (i) change in their residential status on return to India for permanent settlement; and (ii) particulars of NRE account, if not furnished earlier.
- Members who are holding shares in identical names in more than one folios, are requested to write to the Company/Ankit Consultancy Pvt. Ltd., the Registrar and share transfer agent, to consolidate their holding in one folio.



10. Shareholders who are still holding physical share certificate are advised to dematerialize their shareholding to avail benefit of dematerialization.
 11. The Company has transferred all unpaid/unclaimed equity dividends up to the financial year 2006-07 to the Investor Education & Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. (Section 125 of Companies Act, 2013).
 12. Members are advised to claim their unpaid dividend for the year 2007-08 to 2013-14 if any, the Company is having unpaid dividend of Rs. 37.22 lacs for the year 2007-08 to 2013-14. Attention of the members of the Company are drawn towards the provisions of section 124(6) which provides that all the shares in respect of which unpaid or unclaimed dividend has been transferred u/s 124(5) shall also be transferred by the Company in the name of IEPF (section 124(6) yet to be notified. Therefore in the interest of the members it is advised to take appropriate action to encash the unpaid dividend and update their bank particulars through the respective DPs.
 13. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company Secretary at least seven days before the date of the meeting so that the required information can be made available at the meeting.
 14. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
 15. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
 16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
 17. Electronic copy of the Annual Report for the FY 2014-15 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the year 2014-15 is being sent in the permitted mode.
 18. The register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting of the Company.
 19. The Register of Directors and Key Managerial Personal and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual general Meeting of the Company.
 20. Electronic copy of the Notice of the 33rd Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 33rd Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
 21. Members may also note that the Notice of the 33rd Annual General Meeting and the Annual Report for the FY 2014-15 will also be available on the Company's website www.khaitanchemfert.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: khaitanchemfert@gmail.com.
- 22. Voting through electronic means**
In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Amendment in Rule 20 of the Companies (Management and Administration) Rules, 2014 by MCA vide its notification dated March 19, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 33rd Annual General Meeting (AGM) by electronic means / remote e-voting and the business may be transacted through e-Voting Services provided by **NSDL**.
The instructions for e-voting are as under:
- A. In case a Member receives an email from **NSDL** [for members whose email IDs are registered with the Company/Depository Participants(s)]:
 - (i) Open email and open PDF file viz: "**KCFL.PDF**" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <http://www.evoting.nsdl.com>
 - (iii) click on Shareholder – Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Khaitan Chemicals & Fertilizers Ltd."
 - (viii) Now you are ready for e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csriteshguptakcfl@gmail.com with a copy marked to khaitanchemfert@gmail.com
 - B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:
 - (i) Initial password is provided in the e-voting letter attached with the notice / these will be send separately .
EVEN (E-Voting Event Number) PASSWORD/PIN USER ID
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads Section of <http://www.evoting.nsdl.com>



- III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- V. The e-voting period commences on Friday, July 31, 2015 at 10.00 A.M. and ends on Tuesday, August 4, 2015 at 5.00 P.M.). During this period shareholders' of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, July 29, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting after 5.00 P.M. on August 4, 2015. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- VI. Members holding shares in physical or in demat form as on July 29, 2015 Shall only be eligible for e-voting.
- VII. CS Ritesh Gupta, Company Secretary whole time in Practice (ICSI Membership No. 5200 CP No. 3764) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VIII. The Scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, therefore unblock the votes cast through e-voting in the presence of at least two(2) witnesses not in the employment of the company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- IX. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website at www.khaitanchemfert.com within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 :

Item No. 5

Shri Jagdish Lal Jajoo is a Chartered Accountant and he was earlier associated with the Company since beginning to 1995 as Vice President/ Executive Director/Independent Director, and thereafter remains on the Board as a Whole Time Director till 01.09.2014

The Board of Directors of the Company at its meeting held on 14th day of November, 2014 and on the recommendation of the Nomination and Remuneration Committee of the Board, has appointed Shri Jagdish Lal Jajoo, as an Additional Director and also Whole Time employment, under Section 149, 152, and 161, subject to the approval of members and shareholders of the Company in ensuing annual general meeting for a period of five years w.e.f. 15.11.2014, at the remuneration, in accordance with the norms laid down in Section 196, 197 and other applicable provisions of the Companies Act, 2013 and the rules made there under, read with Schedule V of the Companies Act, 2013.

Shri Jagdish Lal Jajoo shall be specifically looking after strategically business development and administration.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri Jagdish Lal Jajoo will hold the office up to date of the ensuing AGM. The Company has received notice with deposit of Rs. 1,00,000 in writing intending his candidature under the provision of Section 160 of the Companies Act, 2013, for the office of Whole Time Director and he shall be liable to retire by rotation.

The Company has received from Shri Jagdish Lal Jajoo (i) a consent in writing to act as director in prescribed form DIR-2 and (ii) an intimation in prescribed form DIR-8 to the effect that he is not disqualified under Section 164 (2) of the Companies Act, 2013.

The information in respect of the terms of remuneration and perquisites is given below:

Remuneration, benefits and perquisites:

- i. **Salary:** Rs. 1,00,000/- per month, Salary will be subject to the deduction of Income tax/professional tax at the applicable

rates, under the Income Tax Act, 1961.

ii. Perquisites

a) Housing:

The Company shall provide accommodation for the Whole Time Director at place other than Mumbai, being his permanent residence.

b) Medical Reimbursement:

Reimbursement of medical expenses actually incurred for self and family, subject to the ceiling of one month's salary in a year with a right to carry forward.

c) Leave and Leave Travel Concession:

Leave Travel Concession for self and family, subject to the ceiling of one month's salary.

Earned privilege leaves on full pay and allowance as per the rules of the Company subject to the condition that leave accumulated but not availed of shall not be allowed to be encashed.

d) Club Fees:

He shall be entitled to the reimbursement of fees of any two clubs in India. This will not include admission and life membership fee.

e) Personal Accident Insurance:

The Company shall pay an annual premium of a sum not exceeding Rs. 20,000/- towards personal accident insurance policy of Shri Jagdish Lal Jajoo.

f) Car & Telephone:

Free use of the Company's car for the Company's business.

Personal long distance call on telephone and use of car for private purpose shall be billed by the Company to the Whole Time Director.

g) Limits on Remuneration:

The remuneration as specified in clauses above shall be subject to the overall limits as specified under Sections 196, 197 and other applicable provisions read with Schedule V of the Companies Act, 2013.

iii. Minimum Remuneration:

In the event of the Company incurring a loss or having inadequate profits in any financial year, the remuneration, perquisites, benefits, allowances and amenities payable to Shri Jagdish Lal Jajoo shall be in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 as amended from time to time.

iv. Sitting Fees:

He shall not be paid sitting fees for attending the meetings of the Board of Directors of the Company.

Shri Jagdish Lal Jajoo is liable to retire by rotation during his tenure as Whole Time Director.

Except Shri Jagdish Lal Jajoo being an appointee, none of the Directors of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

This explanation, together with the accompanied notice is and should be treated as an abstract under Section 189 and 190 of the Companies Act, 2013 and rules made there under, in respect of the appointment of Shri Jagdish Lal Jajoo, as the Whole Time Director.

There shall be relations with Shri Jagdish Lal Jajoo and the Company as an employee and employer for all the purposes.

Shri Jagdish Lal Jajoo is holding 240 Equity shares consisting employer negligible% of the paid up capital of the Company.

The resolution for seeks approval of members as an **Special Resolution** for the appointment of Shri Jagdish Lal Jajoo as Whole Time Director of the Company from 15.11.2014 to 14.11.2019, pursuant to the provisions of Section 196 and 197 read with Schedule V other applicable provision of the Companies Act, 2013 and the rules made there under.

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Item No. 6

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall appoint an individual who is a cost accountant in practice on the recommendation of the Audit Committee, which shall also recommend remuneration for such cost auditor. The remuneration recommended by the Board of Directors and ratified by the shareholders of the Company. On the recommendation of the Audit Committee at its meeting held on May 16, 2015, the Board has considered and approved appointment of **M/s. M.P. Turakhia & Associates, Cost Accountants** for the conduct of the cost audit of the Company's Manufacturing units at Nimrani, Nimbahera, Jhansi, Malwan, Rajnandgaon and Dahej (**for Fertilizer**), units at Nimrani, Jhansi, Malwan and Rajnandgaon (**for Sulphuric**

Acid) and Ratlam (**for Soya Products**) at a remuneration of Rs.95000/- plus service tax as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2016.

The Resolution at Item No. 6 of the Notice is set out as an Ordinary Resolution for approval and ratification by the members in terms of Section 148 of the Companies Act, 2013.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

Details of Directors seeking appointment/re-appointment at the Annual General Meeting (In pursuance of Clause 49 of the Listing Agreement):

Name of Director	Shri Jagdish Lal Jajoo	Shri Utsav Khaitan
Age	71 years	24 years
Qualification	Chartered Accountant	BSc (Economics)
Date of Appointment	15 th November, 2014	20 th May, 2014
Expertise	Rich and vast experience in the field of Management and finance.	Marketing
Other Directorships (excluding Pvt. Companies) as on 31 st March, 2015	Nil	Nil
Chairman / Member of the Committees as on 31 st March, 2015	<u>Khaitan Chemicals & Fertilizers Ltd.:</u> Chairman- Corporate Social Responsibility Committee.	<u>Khaitan Chemicals & Fertilizers Ltd.:</u> Member- Corporate Social Responsibility Committee

KHAITAN CHEMICALS & FERTILIZERS LIMITED



DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the 33rd annual report of the Company and audited statement of accounts for the year ended 31st March, 2015.

FINANCIAL RESULTS

The financial performance of the Company for the year ended 31st March, 2015 is summarised below:

	(Rs. in lacs)	
Particulars	2014-15	2013-14
Sales (Gross)	33388.06	39330.73
Net Sales	33203.41	39684.35
Surplus before interest, depreciation, exceptional items and Tax	3728.09	2644.61
Less: Financial Cost	3006.60	2497.39
Cash Profit before tax	721.49	147.22
Less: Depreciation	889.11	764.44
Exceptional Items	-	-
Profit /(Loss) before taxation	(167.62)	(617.22)
Provision for current tax	-	-
Deferred tax	521.51	446.32
Income Tax of earlier year	3.47	(8.51)
Profit /(Loss) after taxation	350.42	(162.39)
Transfer to General Reserve	-	-
Proposed Dividend @ 5%	48.49	48.49
Tax on Proposed Dividend	9.87	8.24
Earning Per Share (face value of Re. 1/- each)	0.36	(0.17)

REVIEW OF OPERATIONS

FERTILIZER & CHEMICALS DIVISION:

During the year, the Company has earned Rs.350.42 Lacs of PAT (previous year: loss of Rs 162.39 Lacs) even after a decrease in total income. The performance of the Company has marginally improved, mainly on account of better management of current assets, forex exposure and due to reduction in the raw material prices and other manufacturing cost.

The year 2014-15 continued to be a challenging period with weak economic environment, depreciating currency, inconsistent and unevenly distributed monsoons leading to financial deterioration of the farmers economic condition.

The Company is continuing its efforts for optimizing its current assets, however the statutory requirement of compulsory minimum production hinders the process. The Government of India is reviewing its stipulations for minimum production requirement.

The performance of the Company did not meet expectations in sales volume, mainly due to low margins and conditions of oversupply in the market. The increased supply situation in the market was further compounded due to compulsory minimum production stipulated by the GOI. The performance of the Company in last three years was also affected by losses on Inventories with a continuing downward trend in prices of raw material.

The Company has produced 347238 MT (previous year 392448 MT) Single Super Phosphate and sold 322071 MT (previous year 372984 MT).

The Industry is awaiting a long term policy from the Government of India, to strengthen and stabilize the NBS Policy across all fertilizers to encourage balanced & rational use of fertilizers.

Raw material prices now seem to have stabilized and therefore with the expected long term policy of the Government of India along with the declared road-map for direct subsidy to farmers shall help the growth of

SSP Industry in a free but competitive environment.

The Company is determined to perform better in the current year and achieve higher capacity utilization.

SOYA DIVISION

The Soya Industry is passing through a tough patch with large activities of speculation with exemption and evasion of tax to/by Industry.

The Company has reduced its activities in this segment to large extent alongwith total control on fixed expenses.

DIVIDEND

The Board of Directors is pleased to recommend final dividend of Re. 0.05 per equity share (face value of Re. 1/- per share) for the financial year 2014-2015, previous year Re.0.05 per equity share.

PROJECTS & FINANCE

The Dahej plant has started production after getting all clearances.

The Company has availed corporate loan from IDBI Bank Limited and State Bank of India has also sanctioned corporate loan, to supplement the working capital requirements in current year.

FIXED DEPOSITS

The Company has not accepted any deposits from the public during the year under review, pursuant to the provisions of Section 73 of the Companies Act, 2013 & the Deposit Rules.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Information required under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed in Form-A and forms part of the report.

Your Directors are of the opinion that the Company has already opted for latest technology for producing Single Super Phosphate, Sulphuric Acid and Seed Processing & Oil Refinery. Hence, information specified to be given in Form-B is not applicable.

KHAITAN CHEMICALS & FERTILIZERS LIMITED



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with clause 49 of the listing agreement with Stock Exchange, the Management Discussion and Analysis Report forms part of this Report (**Annexure - B**)

FOREIGN EXCHANGE EARNING AND OUTGO

The Company has earned Rs. NIL lacs on export of goods (Previous year Rs. NIL) and incurred Rs. 9047.66 lacs (Previous year Rs. 7449.67 lacs) on import of Raw Materials, Capital Goods, Fees & Subscription and Interest on Foreign Currency Loan.

DIRECTORS

In accordance with the provisions of Section 152 (6)(c) of the Companies Act, 2013 and the Articles of Association of the Company, Shri Utsav Khaitan, Whole Time Director of the Company is due to retire at forthcoming Annual General Meeting, and being eligible, has offered himself for re-appointment. Directors recommend his reappointment.

The Board at its meeting held on 14.11.2014 has appointed Shri Jagdish Lal Jajoo, as a Whole Time Director subject to the approval of shareholders of the Company in ensuing Annual General Meeting for a period of five years w.e.f. 15.11.2014.

Shri Jagdish Lal Jajoo, Chartered Accountant, was earlier associated with this Company since beginning to 1995 as Vice President/ President & Executive Director and from 22.02.1996 to 31.10.2011, he had held the position as an Independent Director and thereafter remain on the Board as Whole Time Director till 01.09.2014.

Particulars of the directors seeking appointment/re-appointment are provided in the notes forming part of the notice for the ensuing Annual General Meeting, as required under Clause 49 of the listing agreement with the stock exchange.

The Company has received disclosures from all the directors (including Shri Jagdish Lal Jajoo) and none of the directors has been disqualified as stipulated under Section 164 of the Companies Act, 2013 and rules made thereunder.

During the year, the Board of Directors met 4 (Four) times. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report (**Annexure - C**).

KEY MANAGERIAL PERSONNEL

The following employees were designated as whole-time key managerial personnel by the Board of Directors during the year under review:

- (a) Shri Shailesh Khaitan, Chairman & Managing Director;
- (b) Shri R. S. Vijayvargiya, President & Chief Financial Officer;
- (c) Shri Kamlesh Joshi, Company Secretary.

CORPORATE GOVERNANCE

Your Company has always strived to maintain appropriate standards of good corporate governance. The report on corporate governance as stipulated under clause 49 of the listing agreement forms part of this Report. The requisite certificate from the auditors of the Company confirming compliance with the conditions of corporate governance as stipulated under the said clause is attached to this report. (**Annexure - C**).

VIGIL MECHANISM / WHISTLE BLOWER POLICY

As per the requirement of Section 177 (9) of the Companies Act, 2013, and Clause 49 of Listing Agreement, the Company has established a Vigil Mechanism called the 'Whistle Blower Policy' for Directors and Employees to report concern of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy and the details of the Whistle Blower Policy has been uploaded on the Company's website, Web-link:

<http://khaitanchemfert.com/whistle-blower-policy/>

NOMINATION & REMUNERATION POLICY

Pursuant to Section 178 of the Companies Act, 2013, the rules made thereunder and Clause 49 of Listing Agreement, the Board has constituted the Nomination & Remuneration Committee comprising Shri Balmukund Dakhera, Chairman and Dr. Prakash Goyal & Shri Vijay Gupta as its members.

The Nomination & Remuneration Committee framed a policy for selection and appointment, re-appointment, removal, appraisals of Directors and Senior Management and the same is stated in the Corporate Governance Report (**Annexure - C**).

AUDITORS & AUDIT REPORT

M/s. S. S. Kothari Mehta & Co., Chartered Accountants, New Delhi, Statutory Auditors of the Company retire at the conclusion of ensuing annual general meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from them to the effect that their re-appointment as Statutory Auditors of the Company, if made, would be within the limit prescribed u/s 139 of the Companies Act, 2013 & also received peer review certificate issued by the ICAI 'Peer Review Board', as required under Clause 49 of listing agreement.

The notes on accounts referred to and the Auditors' Report are self-explanatory and therefore do not call for any explanatory note.

COST AUDIT

The Board of Directors, in pursuance of an order under section 148 of the Companies Act, 2013, issued by the Central Government, has appointed M/s. M. P. Turakhia & Associates, Cost Accountants, Indore as Cost Auditors to conduct audit of the cost accounts maintained by the Company in respect of Fertilizer, Sulphuric Acid and Soya products for the financial year 2015-2016.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Ritesh Gupta & Co., Company Secretary in Practice, Indore, to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report is self-explanatory and therefore do not call for any explanatory note and the same is annexed herewith as (**Annexure - D**).

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Pursuant to Section 135 of Companies Act, 2013 and the relevant rules, the Board has constituted the Corporate Social Responsibility Committee comprising Shri Jagdish Lal Jajoo as the Chairman and Shri Balmukund Dakhera, Dr. Prakash Goyal, Shri Vijay Gupta and Shri Utsav Khaitan as its members. The detail CSR Policy has been uploaded on Company's Website, Web-link:

<http://khaitanchemfert.com/corporate-social-responsibility/>

During the year the Company has decided to spend the amount for CSR by contributing to Prime Minister's National Relief Fund. The details on CSR activities are annexed (**Annexure - E**).

ANNUAL EVALUATION OF BOARD

Pursuant to the provisions of section 134 (3)(p) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

KHAITAN CHEMICALS & FERTILIZERS LIMITED



EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return for the year ended on 31.03.2015 in form MGT 9 is annexed (**Annexure – F**).

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. they 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 as at 31st March, 2015 and of the profit & loss of the Company for that period;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956/2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the annual accounts on a going concern basis.
5. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.
6. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

As per the requirement of Clause 49 (VII) (C) of the Listing Agreement, the Company has formulated Related Party Transaction Policy, on materiality and treatment of related party transactions. All such transactions that were entered into during the financial year were on an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and the same has been approved by the Board. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the transactions which are of a foreseen and repetitive nature. The Policy as approved by the Board is placed on the Company's website, Weblink:

<http://khaitanchemfert.com/related-party-transaction-policy/>

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company. The details of the transactions with Related Party are provided in the accompanying financial statements.

LISTING OF SHARES

Shares of the Company are listed on The Bombay Stock Exchange Limited (BSE), Mumbai, which provides a wider access to the investors nationwide.

The Company has made all the compliances of Listing Agreement including payment of annual listing fees up to 31st March, 2016 to the BSE.

RISK MANAGEMENT

Risk Management Policy is formulated in compliance with Clause 49 of the Listing Agreement and Section 134(3)(n) of the Companies Act, 2013, which requires the Company to lay down procedure for risk assessment and risk minimization. The Board of Directors, Audit committee and the Senior Management of the Company should periodically review the policy and monitor its implementation to ensure the optimization of business performance, to promote confidence amongst stake holders in the business processes, plan and meet

strategic objectives and evaluate, tackle and resolve various risks associated with the Company. The business of the Company is exposed to various risks, arising out of internal and external factors i.e. Industry, Competition, Input, Geography, Financial, Regulatory, Other Operational, Information Technology related other risks.

Implementation of the Scheme:

The functional managers at all locations will be responsible for identifying and assessing the risks within their areas of responsibilities and actions agreed beforehand to resolve such risks. They will report for any new risk or changes in the existing risk to the President/Managing Director. The Board and the senior executives of the Company will oversee the implementation of the policy and review the same periodically; the Board will be updated on key risks faced by the Company and the mitigating actions taken to resolve them.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

"The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15:

No of complaints received: · NIL

No of complaints disposed off: Not Applicable".

PARTICULARS OF EMPLOYEES

The particulars of employees required to be furnished under Section 217(2A) of the Companies Act, 1956 ("the old Act") & corresponding Section 197 of the Companies Act, 2013 ("the new Act") and the rules thereunder read with the Companies (Particulars of Employees) Rules, 1975 as amended forms part of this report (**Annexure-A**).

Ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year:

The information required pursuant to Section 197 read with Rule 5 (1) (i) of The Companies (Appointment and Remuneration) Rules, 2014 in respect of ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year, will be made available for inspection at its registered office of the Company during the working hours for a period of twenty one days before the date of annual general meeting of the company pursuant to Section 136 of the Companies Act, 2013 and members, if any interested in obtaining the details thereof, shall make specific request to the Company Secretary and Compliance officer of the Company in this regard.

ACKNOWLEDGEMENT

The Board of Directors, wish to place on record its sincere appreciation for the support and co-operation received from all its stakeholders including customers, promoters, shareholders, bankers, suppliers, auditors, various departments/ agencies of Central/State Government and other business associates of the Company.

Your Board recognizes and appreciates the contributions made by all employees at all level that ensure sustained performance in a challenging environment.

for and on behalf of the Board

Place: Gurgaon
Date: 16.05.2015

SHAILESH KHAITAN
(CHAIRMAN & MANAGING DIRECTOR)

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Annexure - `A'

I - Form `A' for disclosure of particulars with respect to conservation of energy and forming part of Directors Report:

A) Power & Fuel Consumption:

	Current Year	Previous Year
1. Electricity:		
a) Purchased Units	11750546	11914374
Total amount (Rs. in Lacs)	897.34	869.50
Rate/Unit (Rs.)	7.64	7.30
b) Own generation:		
i. Through diesel generator Units	37633	29540
Total amount (Rs. in Lacs)	13.31	8.15
Rate/Unit (Rs.)	35.36	27.60
ii. Through steam turbine Units *	3539470	7836350
Total amount	-	-
(*Net of Self Consumption in TG)		
2. Coal:		
Quantity (In MT)	1452	1644
Total Cost (Rs. in Lacs)	106.07	112.84
Rate/Unit (MT) (Rs.)	7303.02	6861.85
3. Furnace oil:		
Quantity (K. Lts.)	10	339
Total Amount (Rs. in lacs)	5.45	175.09
Average Rate /Lt.	54.36	51.62

B. Consumption per Unit of Production:

Item	Product	Current Year	Previous Year
Electricity (KWH/MT)	S.S.P./G.S.S.P	32.65	34
	S.A./Oleum/Liquid So3	62.92	60
	Labsa	49.61	N.A.
	Soya Oil/Doc	N.A.	164
Coal (KG/MT)	Soya Oil/Doc/Power	N.A.	109
	G.S.S.P.	34.21	34

II - Statement under Section 217(2A) of the Companies Act, 1956 ("the old Act") & corresponding Section 197 of the Companies Act, 2013 ("the new Act") & forming part of Directors' Report:

Name of Employees/his Qualification/designation	Age/No. of years Experience	Date of Commencement of Employment	Remuneration (Rs. in Lacs)	Last Employment
Employed through out the year: Shri Shailesh Khaitan B.Com (Hons.)/ Chairman & Managing Director	59/35	01-09-84	41.47	Managing Director, M/s. Majestic Packaging (P) Limited, Kolkata

Remuneration includes salary, commission, leave travel assistance and expenditure incurred by the Company on other perquisites valued in accordance with the Income Tax Rules, 1962.

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Annexure-'B'

MANAGEMENT DISCUSSION & ANALYSIS REPORT

CAUTIONARY STATEMENT

Some of the statements in the report may be forward looking and are stated as required by applicable laws & regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook.

BUSINESS OVERVIEW:

The Company is mainly engaged in the manufacturing of Single Super Phosphate (Fertilizer) and Soya Edible Oil. Both the segments are related to agriculture and mostly depend on monsoon.

Segment-wise Business Review and Operational and Financial Performance:

The summarized performance of the Company in terms of production and sales for last 5 years is as under:

(Quantity in MT)

Particular	2014-15	2013-14	2012-13	2011-12	2010-11
Production:					
SSP	347238	392448	389052	522358	433393
Sulphuric Acid	71580	120280	123014	164467	140911
Oleum/Liquid So ₃	2115	1479	1193	773	2467
Seed Crushing	-	2135	4362	47829	42541
Refined Oil	-	318	3878	11164	7282
Sales:					
SSP	322071	372984	402861	538250	451067
Sulphuric Acid	41815	57750	38555	40488	48730
Soya Oil	2083	2456	4527	11836	6929
De-Oiled Cake	-	1730	4509	41964	31178

The summarized financial performance of the Company for last 5 years is as under:
(Rs. In lacs)

Particular	2014-15	2013-14	2012-13	2011-12	2010-11
Sales:					
Fertilizer	30320.89	35289.93	39893.47	48553.09	35024.27
Soya	2565.78	3462.14	5027.46	15631.21	10735.83
PBIDT:					
Fertilizer	2750.19	1836.86	2520.40	5071.90	6871.80
Soya	67.44	20.35	(212.59)	650.19	269.61
EPS(Rs) :	0.36	(0.17)	0.22	2.24	32.43
DIVIDEND:	5%	5%	5%	24%	24%
Face Value (Per share)	1	1	1	1	10

FERTILIZER & CHEMICALS DIVISION:

The Company has India's largest Single Super Phosphate (SSP) production capacity of 11,13,500 MT in the states of Madhya Pradesh, Rajasthan, Uttar Pradesh, Chhattisgarh & Gujarat alongwith Sulphuric Acid (SA) production capacity of 2,70,600 MT in the States of Madhya Pradesh, Uttar Pradesh & Chhattisgarh. Sulphuric Acid is also raw material for production of SSP.

During the year, the Company has produced 3,47,238 MT SSP and sold 3,22,071 MT SSP.

Industry Structure And Developments:

Agriculture is the third largest sector of Indian Economy, which contributes around 14% of total GDP of the Country. Fertilizer Industry, with the emerging scenario, plays vital role in the growth of Agriculture Sector. The balanced use of chemical fertilizer is important not only for increasing agricultural productivity but also for sustaining soil fertility.

The Company is producing SSP, which contains Phosphates, Sulphur, Calcium and other micro nutrients and could be said to be a 'Generic Customized Fertilizer'. It is an essential Fertilizer for crops likes Oilseeds, Pulses, Sugarcane, Fruits and Vegetables, Tea etc. and for sulphur deficient soils. Main features of SSP Fertilizer Industry are-

- Basic need for agriculture and its development.
- Third largest producers & consumer in the world.
- SSP is multi-nutrient fertilizer containing P₂O₅ as primary nutrient and Sulphur, Calcium & magnesium as secondary nutrients.
- SSP fertilizer is the lowest price fertilizer per kg, and preferred by small

& marginal farmers.

- Highly dependent on Imported Raw Material.
- Highly subsidised by Government of India.
- Substantial Import of Finished Products other than SSP.

SSP, which is a poor farmer's fertilizer (price wise), is an option to optimize the use of phosphate fertilizers. It also helps to treat sulphur deficiency in soil (40% Indian soil is sulphur deficient) as well as for further enhancement of yields at the least cost.

Government's continuous thrust to encourage SSP to substitute imports of DAP and NPK is an indicator of upward trend in the Industry's future.

Government of India has initiated a road map to move towards the system of paying subsidy directly to beneficiary viz, the farmers, which will improve targeted delivery of subsidies to the farmers and eliminate leakages by direct benefit transfer (DBT) using JAM [Jan Dhan Yojana (JDY), Aadhar Card and Mobile No.] platform.

NBS Policy (Nutrient Base Subsidy) has put the SSP Industry at par with other fertilizers, which shall ultimately ensure availability of SSP fertilizer, which is more farmer friendly, environment friendly, and an agronomically preferred fertilizer. Increased use of SSP shall also help in conserving foreign currency; to the extent it will substitute import of finished 'P' containing fertilizers.

The performance of the Company has marginally improved, mainly on account of better management of current assets, forex exposure, decrease in raw material prices and other manufacturing cost.

The year 2014-15 continued to be a challenging period with weak economic environment, depreciating currency, inconsistent and unevenly distributed monsoons leading to financial deterioration of the farmers economic condition.

Despite the slowdown in the previous years, the SSP Industry is very optimistic for the coming financial years, on account of relatively stable currency rates, modest global prices of key inputs, fewer regulatory hurdles and normal monsoon, and expect a stable financial performance in FY, 2015-16.

Future Outlook:

The Country's stress on higher agricultural productivity is expected to lead to a considerably better realization to farmers and increase the demand of fertilizers. However at the same time this may not immediately reflect in the figures due to optimization in the use of fertilizer by farmers and control on diversion of subsidized fertilizers to neighboring countries as well as other (mis)uses. The direct transfer of subsidy shall also induce the farmers for rational and balanced use of fertilizers.

Fertilizer Industry including SSP is a working capital intensive Industry. Therefore interest rates and delay in disbursement of subsidy are always matters of concern to the Company.

The Single Super Phosphate fertilizer is a generic customized fertilizer containing sulphur, calcium & other micro nutrients besides phosphate. The Nutrient Based Subsidy is a long term positive for the Fertilizer Industry, particularly SSP Industry, with free market mechanism encouraging more interaction between producers and farmers for efficient use of fertilizer for better agriculture output. The Company expects healthy growth in the demand for fertilizers, especially SSP due to the Government's focus on promotion of a more balanced nutrient consumption.

The performance of the Company is expected to be better in coming years considering its basic strengths like high integrated capacity which is already operational, multi-geographical locations and established brands. The well maintained plant and equipments ensure uninterrupted production and distribution of goods.

Opportunity, Threats, Risk & Concerns:

The Company welcomes the Government's initiative to directly transfer the subsidy to farmers which shall give the farmers unrestricted choice as well as make them understand the real worth of fertilizer used by them.

The Nutrient Base Subsidy (NBS) is a long term positive for Fertilizer Industry with free market mechanism encouraging more interaction between producers and farmers for efficient use of fertilizer for better agricultural output. We are confident that in a rational subsidy scheme, the

KHAITAN CHEMICALS & FERTILIZERS LIMITED



SSP Industry shall benefit the most due to its inherent advantages to the Indian farmers, and the Country. All these opportunities would lead to substantial increase in turnover of your Company.

The Company is in an advantageous position for tapping its already established production capacity with multi- geographical locations; wide spread marketing network and high brands for its product.

NBS policy as envisaged has attracted new entrants in the market, which in fact shall be better for the wider reach of this long neglected product and establishing the SSP Industry in its right place, However, entry of new entrants in overall bad market conditions has created excess supply in the short term.

SSP fertilisers are based on imported raw-materials which can face severe volatility in prices and foreign currency exchange rates, affecting the profitability of the Company. Agro-Climatic conditions also have large effect on the performance of the Company.

Raw material prices seem to have almost stabilized and therefore with a long term policy from the GOI and the road-map for direct subsidy to farmers shall help the growth of SSP Industry in free but competitive environment.

Delay in subsidy payments, uncertainty of monsoon, volatile international market of raw material, seasonal consumption of fertilizer (2 months/year), lack of awareness of benefits of SSP consumption amongst farmer fraternity, clubbed with logistics availability/ cost and higher requirement of working capital shall remain concerns for the Industry & of the Company.

SOYA DIVISION :

The Company is having 1400 TPD Soyabean crushing capacity along with 100 TPD Edible Oil Refinery located in Soyabean growing area i.e., Ratlam, Madhya Pradesh, which is well connected with rail/road network with nearby ports.

The Soya Industry is passing through a tough phase with widespread activities of speculation/exemption and evasion of tax to/by Industry players.

The Company has reduced its activities in this segment to large extent alongwith total control on fixed expenses.

During the year, the Company has crushed Nil MT (Previous year 2135 MT) Soyabean seed.

Industry Structure And Development:

The most popular and the largest produced oilseed in the world is Soyabean. It has got the support of wide variety of climates and soils and that is why it is considered to be the most economical crop and has a good worth.

Soya oil is extracted from the basic Soyabean through complex refining process by crushing Soyabeans, 17-18% soy oil is recovered and the rest is called soy meal or De-oiled cake.

The contribution of soy oil in world's total oil production has reached around 25%, after growing at 5.8% p.a. during the last 10-14 years, and figures around 31 million tons in absolute terms. Countries like U.S, China, Argentina and India have a strong consumer base. Consumption has also risen in other nations like European Union, Central Europe, Egypt, Morocco, Mexico, and Brazil.

Soyabean meal comprises of the remnant after the oil extraction. It has high protein content and is easily digestible and that is why it serves as an animal feed and accounts for about 65% of the world's total animal feed.

Soyabean holds a very important position in the Indian agriculture and economy. Madhya Pradesh has the lead among the Soyabean producing states in India followed by Maharashtra. The other major producers are Rajasthan and Andhra Pradesh. The major trading centers for soy in India include Indore and Ujjain in Madhya Pradesh, Nagpur in Maharashtra and Kota in Rajasthan.

The total crop size in India is about 10-12 million tonnes out of world crop of 250 million tonnes. Soya Oil is consumed in the country while sadly a protein deficient country like India is exporting its cheapest protein containing soy meal to other countries due to poor promotion of its benefits and by incentivising Exports. However, in due course of time home consumption of Soyabean meal is bound to increase.

Soyabean and Soy-Oil are actively traded in Indian commodity exchanges namely, National Commodity & Derivatives Exchange Limited (NCDEX) and Multi Commodity Exchange of India Limited (MCX). However, the trading in these exchanges are now a days in the hand of speculator instead of showing a reasonable trend due to non feasibility of 'Free Trade'

and 'Liquid Market'.

Future Outlook:

In India, crushing capacity of Soyabean is much higher than availability of raw material. In spite of higher capacity, the efficient processing capacity in good locations like ours, shall perform reasonably well with higher Soyabean crop due to increase in yield.

Eventually on expiry of incentive period accorded to new entrant's alongwith control on tax evasion, existing players like us will have a competitive edge in a level playing field. The Company has reduced its fixed expenses in view of limited activities.

Opportunity, Threats, Risk & Concerns:

The Company is enjoying ideal location of its soya processing plant i.e. at the heart of Soyabean cultivation area, which assures us a value added advantage in operations

The present yield per hectare is around 1.2 MT against world average of 2.4 MT. The yield is increasing by adopting good practices by farmers and reasonable return on Input.

The Indian consumption of soy meal/DOC is bound to increase and therefore Indian soy meal need not to compete in International market which produces and sells its surplus Soyabean, with hefty State subsidies to agriculture.

Production of Soyabean is highly dependent on the vagaries of monsoon. The delayed and uneven monsoon creates shortage of raw material thus affecting the capacity utilisation and profitability of the Industry. The large crushing capacity with insufficient raw material alongwith long shelf life and volatility of international market make Soyabean & soya oil very speculative products in Commodity Exchanges.

In view of increasing speculative behavior in the market, which is not at all aligned with either international market or with forward market. The Company has reduced its activities in this segment to large extent.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company conducts its business with integrity and high standards of ethics, and in compliance with the laws and regulations that govern its business. The Company has a well established system of internal controls in operations, supported by suitable monitoring procedures and self-assessment exercises. The financial and commercial functions at various locations are structured and reviewed timely to provide adequate support and controls for the business of the Company.

In addition to external audit, The Company has appointed M/s O.P. Bagla & Co., Chartered Accountants, as an Internal Auditor, who report significant findings to the Audit Committee of the Board. Consequently required steps are taken to improve the operations.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS:

Employees are the back-bone of good organization and to motivate them to achieve greater heights, the Company undertook various HR initiatives towards their development, enhancement and retention. The Company considers its highly motivated and well-maintained team as its most valuable asset. Amidst all the pressures and demands of the growing business, Industrial Relations continued to be reasonably cordial with our Union(s).

ENVIRONMENT AND SAFETY:

The Company has always considered safety and environment one of its key focus area and has always strived to make continues improvements in these two aspects.

At Company, environment concerns have always taken precedence; Our Factories are certified by OHSAS 18001-2007 through external auditors and have been re-certified for International standards ISO 14001 -2004 for Environment Management System and ISO 9001-2008 for Quality Management System.

To address the concerns on Environment Protection, concrete efforts were made towards natural resource conservation by way of water harvesting, Sewage Treatment Plant etc.

CONCLUSION:

The Company dwells on chalking out the best possible future plans and policies so as to avoid the pitfalls and following the best course in the long run. In both the business segments, a focus on assets utilization, earning maximization, continuous growth and relentless strengthening of the internal efficiencies will enable the Company to deliver superior value for its shareholders on a sustained basis in future.

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Annexure-'C'

REPORT ON CORPORATE GOVERNANCE

1. COMPANY PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's Philosophy on Corporate Governance envisages the attainment of high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally, including the inter-action with employees, shareholders, creditors, consumer, institutional and other term lenders and place due emphasis on regulatory compliance.

2. BOARD OF DIRECTORS:

COMPOSITION, MEETINGS AND ATTENDANCE:

The present strength of the Board of Directors is seven. Out of the seven directors, four directors are Non -Executive and Independent. Shri Shailesh Khaitan, an Executive Promoter-Director is the Chairman & Managing Director of the Company, Shri Jagdish Lal Jajoo, & Shri Utsav Khaitan, Executive-Directors are the Whole Time Directors of the Company. The composition of the Board of Directors meets the stipulated requirement.

The Board's composition and categories as on March 31, 2015, and the attendance of each director at Board meetings and the last Annual General Meeting (AGM) are as under:

Name of Directors	Category	No. of Directorship in other Cos. (excluding Pvt. Cos.)	No. of Board Committee Memberships in other Cos.	No. of Board Committee for which Chairperson	No. of Board meetings Attended	Whether Attended AGM
Shri Shailesh Khaitan	Promoter, Executive	Three	One	NIL	Four	Yes
Shri Jagdish Lal Jajoo	Executive	NIL	NIL	One	Two	Yes
Shri Utsav Khaitan	Executive	NIL	NIL	NIL	One	No
Dr. Prakash Goyal	Independent, Non-Executive	NIL	NIL	One	One	NO
Shri Vijay Gupta	Independent, Non-Executive	NIL	NIL	NIL	Four	Yes
Shri Balmukund Dakhera	Independent, Non-Executive	NIL	NIL	Two	Four	Yes
Mrs. Veena Chaddha	Independent, Non-Executive	NIL	NIL	NIL	Two	NA

In compliance with the Listing Agreement, members of the Khaitan Chemicals & Fertilizers Limited. Board do not have Directorship in more than fifteen Companies or membership of more than ten Board level Committees or Chairman of more than five such Committees.

Additional/ Whole Time Director:

At the meeting of the Board of Directors held on 14.11.2014, the Board had appointed Shri Jagdish Lal Jajoo as a Whole Time Director of the Company.

Brief Profile of Shri Jagdish Lal Jajoo:

Shri Jagdish Lal Jajoo, Chartered Accountant, was earlier associated with this Company since beginning to 1995 as Vice President/ President & Executive Director and from 22.02.1996 to 31.10.2011 he had held the position as an Independent Director and thereafter remain on the Board as Whole Time Director till 01.09.2014.

Board Independence:

The Non-executive Independent Directors fulfill the conditions of Independence specified in Section 149 of the Companies Act, 2013 and rules made thereunder and meet with the requirement of Clause 49 of the Listing Agreement.

Board Meetings:

During the financial year ended on March 31, 2015, Four Board Meetings were held on May 20, 2014, August 7, 2014, November 14, 2014 and February 14, 2015.

The Company's last Annual General Meeting (AGM) was held on August 7, 2014.

1. BOARD COMMITTEES:

A. AUDIT COMMITTEE

The present strength of the Audit Committee is three. Shri Balmukund Dakhera is the Chairman of the Audit Committee of the Company. All the members of the Audit Committee are independent and non-executive directors. The terms of reference, and the role of Audit Committee is to overview the accounting system, financial reporting, disclosures of financial reporting, internal control system and risk management system of the Company. The powers and role of the Audit Committee are set out in the Clause 49 of the listing agreement and section 177 of the Companies Act, 2013.

(a) Composition, Name of members, Chairperson, Meetings and Attendance during the year:

The Audit committee consisted of the following members as on March 31, 2015:

S. No.	Name of Members	Status	No. of Meetings Attended
1	Shri Balmukund Dakhera	Chairman	4
2	Dr. Prakash Goyal	Member	1
3	Vijay Gupta	Member	4

During the financial year ended March 31, 2015, four meetings of Audit Committee were held on May 20, 2014, August 7, 2014, November 14, 2014 and February 14, 2015.

(b) Quorum: Two independent members.

(c) Secretary to the Committee: Mr. Kamlesh Joshi, Company Secretary of the Company, also acts as the Secretary of the Committee.

KHAITAN CHEMICALS & FERTILIZERS LIMITED



B. NOMINATION & REMUNERATION COMMITTEE

The present strength of the Nomination & Remuneration Committee is three. All three are non-executive directors as members, viz., Shri Balmukund Dakhera, Dr. Prakash Goyal & Shri Vijay Gupta. Shri Balmukund Dakhera is the Chairman of the Committee. Shri Kamlesh Joshi, Company Secretary of the Company, also acts as the Secretary to the Committee.

The terms of reference of Nomination & Remuneration Committee include deciding the Company's policies on specific remuneration packages for all the directors and designing and implementation of performance appraisal systems and discretionary performance bonus payments for them and such other functions as may be delegated to it by the Board of Directors.

One meeting was held during the financial year 2014-2015 on 20.05.2014. Shri Balmukund Dakhera, Dr. Prakash Goyal, Shri Vijay Gupta and Shri R.S. Vijayvargiya, President & Secretary, were present in the meeting.

Details of remuneration paid to Executive Director for the financial year 2014-15.

(Rs. in lacs)

Name	Designation	Salary	Commission/ Sitting Fees	Perks & Allowances	Total	Tenure
Shri Shailesh Khaitan	Chairman & Managing Director	24.00	-	17.47	41.47	5 years
Shri Jagdish Lal Jajoo	Whole Time Director	9.53	-	-	9.53	5 years
Shri Utsav Khaitan	Whole Time Director	9.56	-	-	9.56	5 years

The Non-executive Directors are paid remuneration by way of sitting fees Rs.15000/- & Rs.7500/- for attending each meeting of the Board and the committees respectively. Details of sitting fees paid to Non-executive Directors in the financial year 2014-15 are given below:

S. No.	Name of Directors	Sitting Fees (in Rs.)
1	Dr. Prakash Goyal	37,500
2	Shri Vijay Gupta	1,42,500
3	Shri Balmukund Dakhera	1,12,500
4	Ms. Veena Chadha	37,500

NOMINATION & REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

Definitions:

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“**Key Managerial Personnel**” means:

- Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- Chief Financial Officer;
- Company Secretary; and
- such other officer as may be prescribed.

“**Senior Managerial Personnel**” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, including all functional heads and factory heads.

Objective:

The objective of the policy is to guide the Board, in relation to appointment, re-appointment and removal of Directors, Key Managerial Personnel and Senior Management, to evaluate the performance of the directors, remuneration payable to the Directors, Key Managerial Personnel and Senior Management, so to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage and to guide succession plan for the Board and to regularly review the plan.

Role of the Committee:

Considering the size of the Company, the role of the NRC will be the following: To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.

- To carry out evaluation of Director's performance.
- To evaluate / recommend to the Board the appointment/re-appointment and removal of Directors (based on diversity, composition etc.) and Senior Management including their remuneration while keeping in mind that any such process does not distort functional hierarchy.
- Overseeing succession planning for replacing Key Executives.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Broad Policy:

1. All the recommendation should adhere to applicable statutory provisions.
2. The Committee should give uncompromising high weightage to moral /social/financial integrity of any existing/proposed directors/employees.
3. The Committee shall decide its own way of working to interface the Organization.
4. The Committee shall communicate all its decisions / recommendations by way of minutes of 'Nomination and Remuneration Committee' which shall be considered by the Board of Directors for implementation or otherwise as consider necessary.

C. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

The Board has constituted a Stakeholder's Relationship Committee consisting of three members, chaired by Dr. Prakash Goyal, an Independent, Non-executive Director. The Committee meets at regular intervals to approve inter-alia, transfer/transmission of shares, issue of duplicate share certificate, non receipt of declared dividend etc. and to review the status of investors' grievances and redressal mechanism and recommends measures to improve the level of investor services. Details of share transfer/transmissions approved by the Committee are placed at the Board Meetings from time to time.

COMPOSITION

The constitution of the Stakeholder's Relationship committee is as under:

S. No.	Name of Directors	Chairman/Member	No. of Meeting Attendend
1	Dr. Prakash Goyal	Chairman, Independent, Non-executive	1
2	Shri Vijay Gupta	Member, Independent, Non-executive	4
3	Shri R.S. Vijayvargiya	Member, Executive	4

During the financial year ended March 31, 2015, four meetings of Stakeholder's Relationship Committee were held on May 20, 2014, August 7, 2014, November 14, 2014 and February 14, 2015.

(a) **Quorum:** Two independent Members.

(b) **Secretary to the Committee:** Mr. Kamlesh Joshi, Company Secretary of the Company, also acts as the Secretary of the Committee.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Board has constituted a Corporate Social Responsibility Committee consisting of five members, chaired by Shri Jagdish Lal Jajoo, Whole Time Director. The terms of reference of the CSR Committee broadly comprises to review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and to provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress. The detail CSR Policy has also been uploaded on Company's Website: Web-link: <http://khaitanchemfert.com/corporate-social-responsibility/>

COMPOSITION

The constitution of the Corporate Social Responsibility committee is as under:

S. No.	Name of Directors	Chairman/Member	No. of Meeting Attendend
1	Shri Jagdish Lal Jajoo	Chairman, Whole Time Director	Nil
2	Shri Utsav Khaitan	Whole time Director	1
3	Shri Vijay Gupta	Member, Independent, Non-exceutive	1
4	Shri Balmukund Dakhera	Member, Independent, Non-executive	1
5	Dr. Prakash Goyal	Member, Independent, Non-executive	Nil

During the financial year ended March 31, 2015, one meeting of Corporate Social Responsibility Committee was held on February 14, 2015.

(a) **Quorum:** Two independent Members.

(b) **Secretary to the Committee:** Mr. Kamlesh Joshi, Company Secretary of the Company, also acts as the Secretary of the Committee.

4. INDEPENDENT DIRECTORS' MEETING:

During the year under review, the Independent Directors met on February 14, 2015, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

5. RELATED PARTY TRANSACTIONS:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year, which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has uploaded the same on Company's website: Web-link: <http://khaitanchemfert.com/related-party-transaction-policy/>

6. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has framed a Whistleblower Policy. The detail Whistleblower policy has been uploaded on the Company's website: Web-link: <http://khaitanchemfert.com/whistle-blower-policy/>

KHAITAN CHEMICALS & FERTILIZERS LIMITED



7. NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Shri Kamlesh Joshi
Company Secretary
Khaitan Chemicals & Fertilizers Ltd.
L24219MP1982PLC004937
Apollo Arcade, 3rd Floor, 1/2, Old Palasia, Indore-452018.
Tel. No. 0731-2560956, 2565655., 4237926 Fax No. 0731-2562572
Email- khaitanchemfert@gmail.com

8. DETAILS OF SHAREHOLDERS COMPLAINTS RECEIVED, NOT SOLVED AND PENDING SHARE TRANSFERS:

135 Nos. of complaints received, and replied to the satisfaction of the SEBI and shareholders etc. during the year ended March 31, 2015. Outstanding complaints as on March 31, 2015 were NIL. The number of pending share transfers was NIL and pending requests for dematerialization was for CDSL & NSDL-NIL as on March 31, 2015. These have been since approved/dematerialised.

9. ANNUAL GENERAL MEETINGS:

Location, date and time of the Annual General Meetings of the Company held during preceding 3 years are given below:

AGM No.	Financial Year	Location of the Meeting	Date	Time	Whether passed any Special Resolutions
30	2011-2012	Registered office of the Company	August 3, 2012	1.00 P.M.	Yes*
31.	2012-2013	Registered office of the Company	August 6, 2013	1.00 P.M.	No
32.	2013-2014	Registered office of the Company	August 7, 2014	1.00 P.M.	Yes**

* The Company has in its AGM held on August 3, 2012 has passed the following special resolution:

- Appointment of Shri Jagdish Lal Jajoo as Whole Time Director.
- Re-appointment of Shri Shailesh Khaitan as Chairman & Managing Director.

** The Company has in its AGM held on August 7, 2014 has passed the following special resolution:

- Adoption of New Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013.
- Increase in the Overall limit of Borrowing.

10. DISCLOSURES:

- There are no materially significant transactions with its promoters, the directors or the senior management personnel, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company. The disclosure in respect of related party transactions is provided in the notes on accounts. All contracts with the related parties entered into during the year are in normal course of business and have no potential conflict with the interest of the Company at large and are carried out on arm's length basis at fair market value.
- The Board of Directors has adopted the code of conduct for directors and senior management personnel of the Company and the same has been placed on the Company's website www.khaitanchemfert.com
- During the last 3 years, no penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any other statutory authorities, on any matters related to capital markets.
- The Company has in place mechanism to inform Board Members about the Risk Management and minimization procedures and periodical reviews to ensure that risk is controlled by the executive management. A detailed note on risk management is given in the financial review section of the management discussion and analysis report elsewhere in this report.

11. MEANS OF COMMUNICATION:

- The main channel of communication to the shareholders is through Annual Report, which includes inter-alia, the Directors' Report, The Auditors' Report, Report on Corporate Governance, Audited Financial Statements and other important information. The Management Discussion and Analysis Report forms part of the Annual Report.
- The website of the Company www.khaitanchemfert.com acts as the primary source of information regarding the operations of the Company. Quarterly/yearly financial results and other media releases are being displayed on the Company's website.
- Quarterly/ Half yearly/Annual Results approved by the Board of Directors and submitted to the Stock Exchange in terms of the requirement of Clause 41 of the listing agreement and are published in the following news papers, namely, Free Press (English) and Chautha Sansar (Hindi).

12. COMPLIANCE

The certificate regarding compliance of conditions of Clause 49 of the Listing Agreement from the Auditors' of the Company is annexed hereto.

SHAREHOLDERS INFORMATION

Annual General Meeting:	
Date	: 5 th Day of August, 2015
Time	: 1.00 P.M.
Venue	: A.B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Khargone-451569 (M.P.)

Financial Calendar:

- | | | |
|---|---|--------------------------------|
| • Financial reporting for the quarter ending June 30, 2015 | : | On or before August 14, 2015 |
| • Financial reporting for the half year ending September 30, 2015 | : | On or before November 14, 2015 |
| • Financial reporting for the quarter ending December 31, 2015 | : | On or before February 14, 2016 |
| • Financial reporting for the year ending March 31, 2016 | : | On or before May 30, 2016 |

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Date of Book Closure:

29th day of July, 2015 to 5th day of August, 2015 (both days inclusive) for Annual general Meeting/payment of Dividend.

Listing on Stock Exchange:

The Shares of the Company is listed on The Bombay Stock Exchange Ltd., (BSE), Mumbai.

Stock Code: 507794

Stock Market Data:

The monthly high and low quotations and volume of shares traded on the Stock Exchange, Mumbai (BSE) is as follows:

(Price in Rs.)

Month	High	Low	Volume of Shares Traded
April, 2014	13.47	5.80	419003
May, 2014	12.60	8.54	855167
June, 2014	11.91	9.60	505710
July, 2014	11.15	9.25	334105
August, 2014	13.90	9.86	365737
September, 2014	13.74	10.02	923631
October, 2014	12.30	9.79	395643
November, 2014	10.50	8.55	141325
December, 2014	10.04	7.76	172011
January, 2015	9.10	7.61	348252
February, 2015	8.99	6.87	198143
March, 2015	9.00	7.00	90902

Shareholder services, enquiries, complaints:

It has been our endeavor to provide prompt, efficient and satisfactory services to our esteemed Shareholders. We have taken special care in answering the queries of shareholders within the shortest possible time frame. We provide shareholder services in the following time frame:

S. No.	Nature of Query	No. of days for Disposal
1	Share Transfers	15 days
2	Demat of Shares	7 days
3	Dividend Revalidation	7 days
4	Issue of New Shares on Surrender of Old Shares	2 days
5	Change of Address /Bank Mandate	2 days
6	General Queries	2 days

Distribution of shareholding as on March 31, 2015 :

No. of Equity Shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
Upto 1000	20360	93.98	4289469	4.42
1001 to 2000	610	2.82	991524	1.02
2001 to 3000	165	0.76	444259	0.46
3001 to 4000	81	0.37	300681	0.31
4001 to 5000	123	0.57	596124	0.61
5001 to 10000	141	0.65	1102481	1.14
10001 and above	185	0.85	89264662	92.04
Grand Total	21665	100.00	96989200	100.00

Categories of Shareholders as on March 31, 2015 :

Category	No. of shares Held	% of Shareholding
Promoters	72736169	74.99
Financial Institutions, Mutual Fund and Banks	6950	0.01
Private Corporate Bodies	6006096	6.19
Non-residents /OCBs	481076	0.50
Indian Public	17758909	18.31
Total	96989200	100.00

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Dematerialisation of Shares and liquidity:

Trading in Khaitan Chemicals & Fertilizers Limited shares is permitted only in dematerialised form with effect from 26th March, 2001, as per notification issued by the Securities and Exchange Board of India (SEBI).

At present, the Company's shares are fully available for trading in the depository systems of both NSDL and CDSL. As on 31st March, 2015, 9,38,27,062 equity shares of the Company, which amount to 96.74% of the equity capital exist under the electronic form. **Those shareholders, who have still not got their shares dematerialised, are advised to do so, as soon as possible, in view of many advantages that exists therein.**

The equity shares of the Company are actively traded on BSE.

International Security Identification No. (ISIN): NSDL and CDSL: INE745B01028

Plant Locations: The Company has the following manufacturing and operating divisions:

Fertilizer & Chemicals Division:

1. A. B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Khargone (M.P.)-451 569
2. Village Goramachia, Jhansi-Kanpur Road, Jhansi (U.P.)-248 001
3. Village Dhinva, Tehsil Nimbahera, Dist. Chittorgarh -312 601 (Rajasthan)
4. A-1, UPSIDC Industrial Area, Malwan, Dist. Fatehpur-212 664 (U.P.)
5. Village Farhad (Somni) Dist. Rajnandgaon-491443 (Chhattisgarh)
6. 42/7, GIDC Industrial Estate, Dahej, Vagra, Dist. Bharuch-392130 (Guj.)

Soya Division (Khaitan Agro):

Industrial Area, Dasigaon, Ratlam (M.P.) -457 001

Company Registration number with ROC/Ministry of Corporate Affairs:

CIN- L24219MP1982PLC004937

Investor Correspondence:

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any query relating to the shares of the Company please write to:

Khaitan Chemicals & Fertilizers Ltd.

Apollor Arcade, 3rd Floor, 1/2, Old Palasia, Indore-452018 (M.P.)

Tel.: 0731-4237926 Fax: 0731-2562572

Email- khaitanchemfert@gmail.com

Registrar & Share Transfer Agent:

M/s Ankit Consultancy Pvt. Ltd.

60, Electronic Complex, Pardeshipura, Indore (M.P.) 452010

Tel.: 0731-2551745-46 Fax: 0731-4065798

E-mail-ankit_4321@yahoo.com

Declaration Regarding Compliance With The Company's Code of Conduct Pursuant To Clause 49 Of The Listing Agreement.

As required by Clause 49 II (E) (2) of the Listing Agreement with the Stock Exchanges, I hereby declare that all the Directors and Senior Management of the Company have confirmed compliance with the Code of Conduct as adopted by the Company

Place : Gurgaon

SHAILESH KHAITAN

Date : 16th May, 2015

(CHAIRMAN & MANAGING DIRECTOR)

CEO and CFO Certification under Clause 49 (IX) of the Listing Agreement

The Board of Directors

Khaitan Chemicals & Fertilizers Limited

- 1) We have reviewed the financial statements and the cash flow statement of Khaitan Chemicals & Fertilizers Limited for the year ended 31st March, 2015 and that to the best of our knowledge and belief, we state that;
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
 - b) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- 2) That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- 3) That we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- 4) That we have indicated to the Auditors and the Audit Committee:
 - a) significant changes, if any, in the internal control over financial reporting during the year.
 - b) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Gurgaon

SHAILESH KHAITAN

Yours sincerely

R.S. VIJAYVARGIYA

Date : 16th May, 2015

(Chairman & Managing Director)

(President & Chief Financial Officer)

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members

Khaitan Chemicals & Fertilizers Limited

We have examined the compliance of conditions of corporate governance by Khaitan Chemicals & Fertilizers Limited, for the year ended March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said company with stock Exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, 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 and the representations made by the Directors and Management, we certify that the company has complied with conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

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

For Ritesh Gupta & Co.
Company Secretaries

Place : Indore

Ritesh Gupta .

Date : 16.05.2015

CP:3764, FCS:5200



FORM No. MR-3

SECRETARIAL AUDIT REPORT

[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]
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

To,

The Members,

Khaitan Chemicals & Fertilizers Limited,
A. B. Road, Village Nimrani, Khargone (MP) 451569

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Khaitan Chemicals & Fertilizers Limited** (hereinafter called 'The Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company (as given in Annexure-I) and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2015, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the **Khaitan Chemicals & Fertilizers Limited**, for the financial year ended on 31st March, 2015, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 - (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (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; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other laws as may be applicable specifically to the Company (as given in 'Annexure-II' to the Report).

We have also examined compliance with the applicable clauses of the

following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 1956; and
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. Provisions of the Foreign Exchange Management Act, 1999 and the rules and regulations made there under were not applicable to the Company during the period.
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

We further report that

The Board of Directors of the Company is duly constituted with proper balance 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.

Adequate notice is given to all directors to schedule the Board 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that 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.

**For Ritesh Gupta & Co.
Company Secretaries**

Place : Indore
Date : 16.05.2015

**Ritesh Gupta .
CP:3764, FCS:5200**

This report is to be read with our letter of even date which is annexed as 'Appendix-I' and forms an integral part of this report.



To,
The Members,
M/s. Khaitan Chemicals & Fertilizers Limited,
A. B. Road, Village Nimrani,
Khargone (MP) 451569

1. Maintenance of Secretarial records 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. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
3. We have followed the audit practices and processes 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 the correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have relied on the representation and reports made by the Company, its Board of Directors, and its designated Officers for systems and mechanism formed by the Company for compliances under applicable Laws, Rules and Regulations and happening of events etc. to the Company.
5. We have relied on the reports given by Statutory Auditors, Cost Auditors, Internal Auditors and other designated professionals for compliances under financial laws, tax laws and other applicable Laws and Regulations to the Company.
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 Ritesh Gupta & Co.
Company Secretaries**

Place : Indore
Date : 16.05.2015

**Ritesh Gupta .
CP:3764, FCS:5200**

“ANNEXURE-I”

List of Documents and Registers Verified:

1. Memorandum and Articles of Association of the Company.
2. Annual Report for the Financial Year ended 31st March, 2014.
3. Minutes of the Meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee along with the Attendance Register held during the Financial Year under report.

4. Minutes of the Annual General Meeting held on 7th August, 2014 under report.
5. Agenda Papers submitted to all the Directors/ Members for the Board Meetings and Committee Meetings.
6. Declaration received from all the Directors of the Company in Form MBP-1, pursuant to section 184 of the Companies Act, 2013.
7. Intimation received from directors of the company under the Prohibition of Insider Trading Code.
8. E-forms filed by the Company, from time to time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachment thereof during the financial year under review.
9. Intimations/Documents/Reports>Returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the Financial Year under Review.
10. Documents related to payments of dividend made to its shareholders during the Financial Year under Review.
11. Opinion issued by Management on applicability of provisions of Section 188 of Companies Act, 2013 related to Related Party Transactions.
12. Statutory Registers viz.
 - (i) Register of Members.
 - (ii) Register of Directors' and Key Managerial Personnel (KMP).
 - (iii) Register of Directors' shareholdings.
 - (iv) Register of Charges.
 - (v) Register of Contracts.
 - (vi) Register of Loans, Guarantees, Securities and acquisition made by the Company.
 - (vii) Register of Transfer, Transmission, Renewed and Duplicate Share Certificate.
 - (viii) Etc.

“ANNEXURE-II”

Other Major Laws Specifically applicable to the Company:

- The Factory Act, 1948
- Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
- The Environmental (Protection) Act, 1986 and other laws prescribed under Prevention and control of Pollution.
- Act Prescribed under Direct and Indirect Taxes.
- Labour welfare Act of respective States.
- Local laws as applicable to various offices and plants.
- The Competition Act, 2002.
- Fertilizers (Control) Order, 1985.
- The Solvent Extracted Oil, De oiled meal, and edible flour (control) order, 1967.
- Explosive Act, 1884.
- Boiler Act, 1923.
- Other Applicable Laws.

ANNEXURE- 'E'

Annual Report On Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.
CSR Policy is stated herein as: Web-link:
<http://khaitanchemfert.com/corporate-social-responsibility/>
2. Composition of the CSR Committee:
 1. Shri Jagdish Lal Jajoo, Chairman
 2. Dr. Prakash Goyal, Member
 3. Shri Balmukund Dakhera, Member
 4. Shri Vijay Gupta, Member
 5. Shri Utsav Khaitan, Member
3. Average net profit of the Company for last three financial years:
Average net profit : Rs 656.76 Lacs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):
The Company is required to spend Rs 13.14 Lacs towards CSR activity.
5. Details of CSR spend for the financial year 2014-2015:
 - a. Total amount spent for the financial year:
Rs. 13.25 Lacs
 - b. Amount unspent, if any: Nil
 - c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Projects or Activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise	Amount spent on projects or programs	Cumulative expenditure upto the reporting period	Amount Spent: Direct or through implementing agency
	Contribution to the Prime Minister's National Relief Fund	Relief for Riots, Floods, Drought, Medical etc.	All India	Rs.13.25 Lacs	Rs.13.25 Lacs	Rs.13.25 Lacs	Direct

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Annexure-'F'

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

FORM NO. MGT-9

I REGISTRATION & OTHER DETAILS.

1	CIN	L24219MP1982PLC004937
2	Registration Date	02.06.1982
3	Name of the Company	Khaitan Chemicals & Fertilizers Ltd.
4	Category/Sub-category of the Company	Public Company Limited By Shares
5	Address of the Registered office & contact details	A. B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Khargone-451 659 (M.P.) Tel - 07285-265448/47, Fax - 07285-265449 E-Mail- khaitanchemfert@gmail.com
6	Whether Listed Company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s Ankit Consultancy Pvt. Ltd. 60, Electronic Complex, Pardeshipura, Indore (M.P.)- 452 010 Tel – 0731-2551745/46, Fax – 0731- 4065798, E-Mail- ankit_4321@yahoo.com

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)

S.N.	Name and Description of main products/ Services	NIC Code of the Product / Service	% to total turnover of the company
1	Manufacturer of Straight Inorganic Fertilizers (Single Super Phosphate)	3011	87.33

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

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4923220	-	4923220	5.08	4923219	-	4923219	5.08	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	67812950	-	67812950	69.92	67812950	-	67812950	69.92	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	72736170	-	72736170	74.99	72736169	-	72736169	74.99	0.00
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters(A)=(A)(1)+(A)(2)	72736170	-	72736170	74.99	72736169	-	72736169	74.99	0.00

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	4660	-	4660	0.00	4660	-	4660	0.00	-
b) Banks / FI	2260	2130	4390	0.00	2260	2130	4390	0.00	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	6920	2130	9050	0.01	6920	2130	9050	0.01	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	6113568	161560	6275128	6.47	5828904	159060	5987964	6.17	-0.30
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	7824428	3086318	10910746	11.25	7890766	2948588	10839354	11.18	-0.07
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	6546835	-	6546835	6.75	6917855	-	6917855	7.13	0.38
c) Others (specify)									
NRI/OCB	450527	58310	508837	0.52	428716	52360	481076	0.50	-0.02
Clearing Members	2434	-	2434	0.00	17732	316008	17732	0.02	0.02
Sub-total (B)(2):-	20937792	3306188	24243980	25.00	21083973	3308318	24243981	25.00	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	20944712	3308318	24253030	25.01	21090893	3162138	24253031	25.01	0.00
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	93680882	3308318	96989200	100.00	93827062	3162138	96989200	100.00	0.00

KHAITAN CHEMICALS & FERTILIZERS LIMITED



B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total Shares	
1	Shradha Projects Limited	45763640	47.18	0.00	45763640	47.18	0.00	0.00
2	The Majestic Packaging Co. Pvt. Ltd.	22049310	22.73	0.00	22049310	22.73	0.00	0.00
3	Sailesh Kumar Khaitan	2771910	2.86	0.00	2771910	2.86	1.24	0.00
4	Swapna Khaitan	1329950	1.37	0.00	1329950	1.37	0.00	0.00
5	Shailesh Khaitan	800000	0.82	0.82	800000	0.82	0.00	0.82
6	Utsav Khaitan	13440	0.02	0.00	13439	0.02	0.00	0.00
7	S.K. Khaitan	7920	0.01	0.00	7920	0.01	0.00	0.00
	Total	72736170	74.99	0.82	72736170	74.99	2.06	0.00

C) Change in Promoters' Shareholding (please specify, if there is no change)

S. N.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
I	At the beginning of the year : 01/04/2014	72736570	74.99	72736570	74.99
II	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): 06/03/2015 (Transfer)	-1	-	72736569	74.99
III	At the end of the year : 31/03/2015	72736569	74.99	72736569	74.99

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. N.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Khaitan Chemicals & Fertilizers Ltd. Unclaimed Shares	2001750	2.06	1987060	2.05
2	Suresh Kanmal Jajoo	1550000	1.60	2680131	2.76
3	Suresh Kanmal Jajoo	1240075	1.28	0	0.00
4	Vijaya S	993599	1.02	1108322	1.14
5	Koushik Sekhar	715400	0.74	832587	0.86
6	Mohit Ram Gopal Agrawal	500000	0.52	0	0.00
7	Bhaskar Vanijya Private Ltd.	452410	0.47	0	0.00
8	Ajay Upadhyaya	440100	0.45	422738	0.44
9	Dynamic Commodities Pvt. Ltd.	365360	0.38	365360	0.38
10	Fortune Credit Capital Ltd	305320	0.31	0	0.00
11	Vardhaman Textile Co. Pvt. Ltd.	0	0.00	285470	0.29
12	Shailaja Finance Limited	0	0.00	253518	0.26
13	S. Shyam	0	0.00	241185	0.25
14	Alok Lodha	0	0.00	240896	0.25

KHAITAN CHEMICALS & FERTILIZERS LIMITED



E) Shareholding of Directors and Key Managerial Personnel

S. N.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Shri Shailesh Khaitan	3579830	3.69	3579830	3.69
2	Shri Jagdish Lal Jajoo	240	0.00	240	0.00
3	Dr. Prakash Goyal	800	0.00	800	0.00
4	Shri Vijay Gupta	80	0.00	80	0.00
5	Shri Utsav Khaitan	13440	0.01	13439	0.01
6	Shri Kamlesh Joshi	400	0.00	400	0.00

IV. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2065422491	62000000	-	2127422491
ii) Interest due but not paid	2406121	-	-	2406121
iii) Interest accrued but not due	2735101	-	-	2735101
Total (i+ii+iii)	2070563713	62000000	-	2132563713
Change in Indebtedness during the financial year*				
* Addition	76477738	50050000	-	126527738
*Reduction	-	-	-	-
Net Change	76477738	50050000	-	126527738
Indebtedness at the end of the financial year				
i) Principal Amount	2142136315	112050000	-	2254186315
ii) Interest due but not paid	1938588	-	-	1938588
iii) Interest accrued but not due	2966548	-	-	2966548
Total (i+ii+iii)	2147041451	112050000	-	2259091451

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole Time Directors and/or Manager

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri Shailesh Khaitan	Shri Jagdish Lal Jajoo	Shri Utsav Khaitan	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2400000/-	953333/-	953839/-	4307172
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1747346/-	-	1745/-	1749091
	© Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	4147346	953333/-	955584/-	6056263/-
	Ceiling as per the Act				

KHAITAN CHEMICALS & FERTILIZERS LIMITED



B) Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri Balmukund Dakhera	Shri Vijay Gupta	Dr. Prakash Goyal	Ms. Veena Chadha	
1	Independent Directors					
	Fee for attending board committee meetings	1,12,500/-	1,42,500/-	37,500/-	37,500/-	3,30,000/-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	1,12,500/-	1,42,500/-	37,500/-	37,500/-	3,30,000/-
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	1,12,500/-	1,42,500/-	37,500/-	37,500/-	3,30,000/-
	Total Managerial Remuneration	1,12,500/-	1,42,500/-	37,500/-	37,500/-	3,30,000/-
	Overall Ceiling as per the Act					

C) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN.	Particulars of Remuneration	Key Managerial Personnel		
		Shri R. S. Vijayvargiya (President & CFO)	Shri Kamlesh Joshi (Company Secretary)	Total
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1620000/-	293100/-	1913100/-
	(b) Value of perquisites u/s (17(2) Income-Tax Act, 1961	403481/-	348522/-	752003/-
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-	-
2	Stock option			
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	-as % of profit	-	-	-
5	others, specify...	-	-	-
	Total	2023481	641622/-	2665103/-

VI. Penalties / Punishment / Compounding of offences :

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority(RD/NCLT/COURT)	Appeal made, if any (give details)
A. Company					
Penalty	None				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None				
Punishment					
Compounding					



INDEPENDENT AUDITOR'S 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 of the 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 Regn. No. 000756N

HARISH GUPTA
Partner
Membership No. 098336

Place : Gurgaon
Date : 16th May, 2015

KHAITAN CHEMICALS & FERTILIZERS LIMITED



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, 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,

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



purchase tax, entry tax and Royalty/cess, have not been deposited by the Company on account of any disputes: -

- (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 Regn.No. 000756N

HARISH GUPTA
Partner
Membership No. 098336

Place:Gurgaon
Date: 16th May, 2015

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Balance Sheet as at 31st March, 2015

		Rs. In Lacs	
	Note No.	As at 31.03.2015	As at 31.03.2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	969.89	969.89
Reserves and surplus	4	11,643.67	11,523.91
		12,613.56	12,493.80
Non-current liabilities			
Deferred tax liabilities (Net)	5	295.78	900.06
Long-term borrowings	6	2,078.17	2,010.07
Other long term liabilities	8	116.56	88.71
Long-term provisions	9	64.41	45.12
		2,554.92	3,043.96
Current liabilities			
Short-term Borrowings	7	19,516.64	17,823.50
Trade payables	8	2,871.05	2,747.75
Other current liabilities	8	2,154.58	2,321.06
Short-term provisions	9	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	10	12,312.85	12,258.13
Intangible assets	10	54.63	68.88
Capital work-in-progress	10	44.41	422.52
Non-current investments	11	9.49	9.49
Long-term loans and advances	12	242.96	221.83
Other Non-current Assets	13	-	-
		12,664.34	12,980.85
Current assets			
Inventories	14	13,347.33	13,315.55
Trade receivables	15	5,531.11	4,682.73
Cash and Bank balances	16	1,046.03	1,003.78
Short-term loans and advances	12	952.26	1,267.87
Other current assets	13	6,313.42	5,384.59
		27,190.15	25,654.52
TOTAL		39,854.49	38,635.37
Summary of Significant accounting policies & Notes to the accounts	2		

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

Per our report of even date attached

For and on behalf of Board

for S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Regn. No 00756N

HARISH GUPTA
Partner
Membership No. 098336

Place: Gurgaon
Dated: 16.05.2015

SHAILESH KHAITAN
(Chairman & Managing Director)

R.S. VIJAYVARGIYA
(President & Chief Financial Officer)

UTSAV KHAITAN
JAGDISH LAL JAJOO
BALMUKUND DAKHERA
VIJAY GUPTA
VEENA CHADHA
(Directors)

KAMLESH JOSHI
(Company Secretary)

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Statement of Profit and Loss for the year ended 31st March, 2015

		Rs. In Lacs	
	Note No.	Year ended 31.03.2015	Year ended 31.03.2014
Income			
Revenue from operations (Gross)	17	33,388.06	39,330.73
Less: Excise Duty		462.58	520.29
Revenue from operations (Net)		32,925.48	38,810.44
Other income	18	277.93	873.91
Total Revenue		33,203.41	39,684.35
Expenses:			
Cost of Materials Consumed	19	21,663.95	26,644.39
Purchases of Stock in Trade		624.35	542.99
(Increase)/Decrease of finished goods, work in progress & Stock in trade	20	(1,205.22)	(957.50)
Employee benefits expense	21	1,211.29	1,040.27
Finance costs	22	3,006.60	2,497.39
Depreciation and amortization expense	10	889.11	764.44
Other expenses	23	7,180.95	9,769.59
Total expenses		33,371.03	40,301.57
Profit / (Loss) before tax		(167.62)	(617.22)
Tax expense:			
Current tax		-	-
Deferred tax		521.51	446.32
Earlier years' tax		3.47	(8.51)
Profit/(loss) after tax for the year		350.42	(162.39)
Earnings per equity share par value of Re. 1/- each. (Refer Note No.- 27).			
Basic/Diluted	2	0.36	(0.17)
Summary of Significant accounting policies & Notes to the accounts The accompanying notes form as integral part of financial statements			

Per our report of even date attached

For and on behalf of Board

for **S.S. Kothari Mehta & Co.**
Chartered Accountants
Firm Regn. No 00756N

HARISH GUPTA
Partner
Membership No. 098336

Place: **Gurgaon**
Dated: **16.05.2015**

SHAILESH KHAITAN
(Chairman & Managing Director)

R.S. VIJAYVARGIYA
(President & Chief Financial Officer)

UTSAV KHAITAN
JAGDISH LAL JAJOO
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VEENA CHADHA
(Directors)

KAMLESH JOSHI
(Company Secretary)

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Cash Flow Statement for the year ended 31st March, 2015

Rs. In Lacs

	Note No.	Year ended 31.03.2015	Year ended 31.03.2014
Cash flow from Operating Activities :			
Profit before Tax		(167.62)	(617.22)
Non cash adjustment to reconcile profit before tax to net cash flow :			
Depreciation / Amortization		889.11	764.44
Balances Written Back		(29.35)	(5.85)
Loss / (Profit) on sale of Fixed Assets		(0.91)	(663.53)
Foreign Exchange Loss (Net)		-	1,808.78
Provision for Non Cash Expenses / Sundry Balance Written off		23.36	(7.41)
Interest expense		3,006.60	2,497.39
Interest income		(94.28)	(184.22)
Operating profit before working capital changes Movements in Working Capital		3,626.91	3,592.38
Increase / (Decrease) in trade & Other payables		637.68	1,042.62
Decrease / (Increase) in Trade receivables		(848.39)	977.93
Decrease / (Increase) in Inventories		(31.78)	5,233.30
Decrease / (Increase) in short term loans and advances		315.61	216.30
Decrease / (Increase) in other current assets / cash and bank		(993.41)	6,890.65
Increase / (Decrease) in deferred tax		(604.28)	(446.32)
Cash generated from / (used in) operations		2,102.34	17,506.86
Less : Direct taxes paid (net of refunds)		(3.47)	-
Net cash flow from / (used in) operating activities (A)		2,105.81	17,506.86
Cash flow from Investing activities :			
Purchase of Fixed assets including intangible assets,		(805.39)	(45.35)
Capital Work in Progress		(11.35)	(2,853.25)
Intangible Assets under Development		-	(9.10)
Proceeds from sale of Fixed assets		11.08	100.00
Proceeds / (Payment) of Long term loans & advances		(21.13)	175.82
Interest received		33.29	315.02
Net cash flow from / (used in) Investing activities (B)		(793.50)	(2,316.86)
Cash flow from Financing Activities :			
Proceeds from long term borrowings		2,114.34	2,931.42
Repayments of long term borrowings		(2,554.50)	(2,273.29)
Proceeds from short term borrowings		2,201.41	(11,364.65)
Interest paid		(3,008.97)	(2,532.54)
Dividend paid on equity shares		(52.76)	(52.62)
Tax on equity dividend paid		(8.24)	(8.24)
Effect of Foreign Exchange Gain / (Loss)		-	(1,808.78)
Net cash flow from / (used in) in financing activities (C)		(1,308.72)	(15,108.70)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)		3.59	81.30
Cash and cash equivalent at the beginning of the year		165.18	83.88
Cash and cash equivalent at the end of the year		168.77	165.18
Components of cash and cash equivalent			
Cash on hand		4.32	6.97
With Bank - on current account		127.23	116.72
unpaid dividend accounts *		37.22	41.49
Total cash and cash equivalent		168.77	165.18

*The company can utilize these balances only towards settlement of the respective unpaid dividend liability.

Per our report of even date attached

For and on behalf of Board

for **S.S. Kothari Mehta & Co.**
Chartered Accountants
Firm Regn. No 00756N

HARISH GUPTA
Partner
Membership No. 098336

Place: Gurgaon
Dated: 16.05.2015

SHAILESH KHAITAN
(Chairman & Managing Director)

R.S. VIJAYVARGIYA
(President & Chief Financial Officer)

UTSAV KHAITAN
JAGDISH LAL JAJOO
BALMUKUND DAKHERA
VIJAY GUPTA
VEENA CHADHA
(Directors)

KAMLESH JOSHI
(Company Secretary)

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Summary of significant accounting policies and Notes on accounts for the year ended 31st March, 2015,

1. Corporate Information

Khaitan Chemicals & Fertilizers Ltd. (the Company) is engaged in the manufacturing of Single Super Phosphate Fertilizers (Powder & Granulated) and Sulphuric Acid and its variants, Processing of Oil Seed (mainly Soybean) and crude edible oil, selling of De-oiled Cake and Crude/Refined Oil & Generation and selling of Wind Power.

The Company is a public limited company incorporated and domiciled in India under the provisions of Companies Act, 2013. Its shares are listed on the Bombay Stock Exchange Limited, Mumbai (BSE).

2. Significant Accounting Policies

a) Basis of preparation of financial statements

The financial statements of the Company are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) to comply in all material aspects prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

The financial statements are prepared on historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use

b) Use of Estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles ('GAAP') requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reportable amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the year in which the results are known / materialized.

c) Revenue Recognition

i. **Sale** - The Company recognises sale of goods on transfer of significant risks and reward of ownership to the customers. Sales (Gross) are inclusive of excise duty, fertilizer subsidy, and net off trade discounts and sales return, wherever applicable.

ii. **Interest** - Interest income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

iii. **Subsidy** - Fertilizer Subsidy, wherever applicable, is accounted for on actual sales and is net off of any subsequent non receipt reversal.

iv. **Dividend** - Dividends are accounted for when the right to receive the dividend payment is established.

d) Government Grants and Subsidies

Grants and Capital subsidy from the Government is recognized on receipt basis with the reasonable assumption that the Company will comply with conditions attached to them and such amount is credited to capital reserves. Further, in accordance with the guidelines issued by ICAI, proportionate amount to the extent of depreciation charged, is being transferred to surplus in the statement of profit and loss in case of grant received in relation to acquisition of any assets.

e) Excise Duty

Excise duty payable on products is accounted for at the time of dispatch of goods from the factories but is accrued for stocks held at the year end.

f) Employee Benefits

i. Short term employee benefits obligations are estimated and provided for.

ii. Post employment benefits and other long term benefits:

(a) Defined contribution plans:

Company's contribution to provident fund, superannuation fund, employee state insurance and other funds are determined under the relevant schemes and/or statute and charged to revenue.

(b) Defined benefits plans:

Company's Liability towards gratuity and leave encashment is actuarially determined at each Balance Sheet date using the projected unit credit method. Actuarial gains and losses are recognized in revenue. Gratuity and Leave encashment liabilities are funded and administered through Group Gratuity Scheme with Life Insurance Corporation of India.

g) Operating Lease

Lease rental in respect of assets taken on operating lease are charged to the statement of profit and loss with reference to lease term and other considerations.

h) Borrowing Cost

Borrowing costs that are attributable to the acquisition or constructions of qualifying assets are capitalised as part of the cost of assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

i) Tangible Fixed Assets and Capital Work in Progress

Tangible Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Any trade discounts, rebates & cenvat availed, are deducted in arriving at the purchase price. Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets is derecognized. Machinery Spares /Standby equipments which are used only in connection with the fixed assets and whose use is expected to be irregular are capitalized.

Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

j) Intangible assets

Intangible Assets acquired separately are measured and initially recognized at cost.

Gains or losses arising from de-recognition of intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets is derecognized.

k) Depreciation and Amortisation

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed in Schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during a period are proportionately charged.

Intangible Assets are amortized on straight-line basis over the estimated useful economic life not exceeding 10 years. The Intangible Assets are assessed for impairment whenever there is an indication that the Intangible Assets impaired.

The leasehold land is amortised over the primary lease period excluding on perpetual lease.

Assets individually costing Rs 5000 or less are depreciated fully in the year of purchase.



Notes to financial statements for the year ended 31st March, 2015

l) Impairment of tangible and intangible assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its estimated recoverable amount and such assets are written down to their recoverable amount.

Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses, recognized for the assets, no longer exists or have decreased to the extent of previously recognized impairment losses.

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

m) Inventories

Inventories are valued at the lower of cost and estimated realisable value. However material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated / used are expected to be sold at or above cost. The cost of inventories is generally arrived at on the following basis:

Raw Material	Quarterly weighted average method for Fertilizer Division and FIFO method for Soya Division.
Packing material and Stores & Spares	Monthly weighted average method.
Finished goods and work-in-progress	Raw material cost and proportion of manufacturing overheads. Excise duty, if any, is included in the value of Finished goods Inventory.

n) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments and are stated at the lower of cost and fair value on individual investment basis. All other investments are classified as non-current/long term investments and stated at cost less provision for diminution in value, other than temporary.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to statement of profit and loss.

o) Foreign Currency Transactions

- 1) Foreign Currency Transactions are recorded by applying the exchange rate prevailing on the date of transaction.
- 2) Monetary items denominated in foreign currency are translated at the exchange rate prevailing on the last day of the accounting year. In respect of items covered by forward contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as an expense or income over the life of contract. Any profit or loss arising on settlement / cancellation of such a forward exchange contract is recognized as an income or expense for the period.
- 3) Non-Monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using exchange rate at the date of transaction.
- 4) Gain or loss arising out of translation/conversion and on settlement is taken credit for or charged to the statement of profit and loss.

p) Taxation

Income Tax

The current tax is determined as the amount of tax payable in respect of the estimated taxable income for the year in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax

Deferred tax charge or credit is recognized using prevailing enacted or substantially enacted tax rates. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/liabilities are reviewed at each Balance Sheet date based on developments during the year and available case laws, to reassess realisation/liabilities.

q) Pre project expenditure

The expenses on pre feasibility study reports, market survey reports, techno-economic feasibility reports etc. on new projects are allocated to the Fixed Assets on completion of the projects. Where the projects are proved in-fructuous, they are charged to the revenue in the year in which the decision is taken to scrap the same.

r) Earning per share

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 20—"Earning per share". Basic earning per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The Company does not have any diluted equity share, hence Basic and Dilutive earning per share is same.

s) Provisions and Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past results and it is probable that there will be an outflow of resources.

Contingent liabilities are disclosed, unless the possibility of an outflow of resource embodying the economic benefit is remote. Contingent assets are neither recognized nor disclosed in the financial statements.

t) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statements comprises cash at bank and in hand and short term investments with an original maturity of 3 months or less.

u) Cash Flow Statements

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statements'.

v) Derivatives Instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged items, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting effects of loss on the underlying hedged item, is ignored.

w) Segment Reporting

The Company is organized into two primary business segments mainly Fertilizer and Chemicals & Soya, based on nature of products.

The management and administration are centralized and considered as part of 'Fertilizer & Chemicals' segment, being major activities.

Unallocated items include general corporate income, expense, assets and liabilities items which are not allocated to any business segment.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as whole.

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Notes to financial statements for the year ended 31st March, 2015

	Rs. in Lacs	
	As at	As at
	31.03.2015	31.03.2014
3.Share capital		
Equity Share Capital		
Authorised		
22,00,00,000 shares of par value of Re. 1/- each (Previous year 22,00,00,000 shares of par value of Re.1/- each)	2,200.00	2,200.00
Issued		
9,71,24,420 shares of par value of Re.1/- each (Previous year 9,71,24,420 shares of par value of Re.1/- each)	971.24	971.24
Subscribed And Fully Paid-Up		
9,69,89,200 shares of par value of Re.1/- each (Previous year 9,69,89,200 shares of par value of Re.1/- each)	969.89	969.89

Equity Shares

- a) The Company has only one class of equity shares having a par value of Re. 1/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing annual general meeting. In the event of liquidation, the equity shareholder are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- b) The Company has not allotted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the balance sheet date.
- c) Reconciliation of the shares outstanding at the beginning and at the end of reporting period.

	As at		As at	
	31.03.2015		31.03.2014	
	No. of shares	Rs. in lacs	No. of shares	Rs. in lacs
At the beginning of the year	96989200	969.89	96989200	969.89
Issued during the year	-	-	-	-
Outstanding at the end of the year	96989200	969.89	96989200	969.89

- b) The equity shares of the Company have rights and restrictions as prescribed under law, in particular the Companies Act 1956.

- c) Details of the Shareholders holding more than 5% shares of the Company:

	As at		As at	
	31.03.2015		31.03.2014	
	No. of shares	% of shares	No. of shares	% of shares
Shradha Projects Ltd.	4,57,63,640	47.18	4,57,63,640	47.18
The Majestic Packaging Co. Pvt. Ltd.	2,20,49,310	22.73	2,20,49,310	22.73

4.Reserves and Surplus

	Rs. in Lacs	
	As at	As at
	31.03.2015	31.03.2014
Capital Reserve		
As per last Balance Sheet	1,554.09	1,556.13
Less: Transfer to Surplus Balance in the statement of Profit & Loss	2.04	2.04
	1,552.05	1,554.09
Securities Premium Account	2,152.58	2,152.58
General Reserve		
As per last Balance Sheet	2,963.54	2,963.54
Add : Transfer from Surplus	-	-
Less : Adjustas per Co's Act, 2013 Schedule II (Not of Deferred of Rs. 82.80 Lacs previous Rs Nil)	172.30	-
	2,791.24	2963.54
Surplus/(deficit) in the statement of Profit & Loss		
As per last balance sheet		
Add: Profit for the year	4,853.70	5,070.78
Add: Transfer from Capital Reserve	350.42	(162.39)
Less: Appropriations-		
Transfer to general reserve	2.04	2.04
Proposed dividend	-	-
Tax on proposed dividend	-	-
	48.49	48.49
Total Reserve and Surplus	9.87	8.24
	5,147.80	4,853.70
	11,643.67	11,523.91

Note: The Company has proposed final dividend for the year 2014-15 @ Re.0.05 per equity share of Re. 1/- each (previous year Re. 0.05 per equity share).

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Notes to financial statements for the year ended 31st March, 2015

5. Deferred Tax Liabilities (Net)

	Rs. in Lacs	
	As at 31.03.2015	As at 31.03.2014
Gross Deferred Tax Liabilities:		
a) Depreciation /Amortization	2,412.31	1,455.43
b) Others	4.22	6.81
	<u>2,416.53</u>	<u>1,462.24</u>
Gross Deferred tax assets:		
a) Unabsorbed Depreciation / Loss	171.51	520.29
b) Provisions for doubtful debts\Non-moving Items	29.28	21.70
c) Losses on Specified Business	1,893.46	-
d) Expense allowed on payment basis	26.50	20.19
	<u>2,120.75</u>	<u>562.18</u>
Net Deferred Tax Liabilities	<u>295.78</u>	<u>900.06</u>

NOTE

- i. The net (increase) / decrease during the year in the deferred tax liability (DTL) of Rs. 521.51 lacs, (Excluding DTL of Rs. 82.80 lacs which has been adjusted in opening balance of General Reserve) previous year decrease Rs. 446.32 lacs has been (debited) /credited to Statement of Profit & Loss.
- ii. Considering the past performance and business plans of future years, Company expects that the sufficient taxable income will be available against which deferred tax assets can be realised.

6. Long Term Borrowings

	Non-Current		Current Maturities	
	As at 31.03.2015	31.03.2014	As at 31.03.2015	31.03.2014
Term Loans :				
- From Banks :				
Indian Rupee Loan from Banks (Secured)	358.02	1,390.07	858.20	1440.66
Foreign Currency Loan from Banks (Secured)	599.65	-	88.85	-
- From Other Parties :				
Loans and advances from related parties (Un-Secured) :	<u>1120.50</u>	<u>620.00</u>	<u>-</u>	<u>-</u>
	<u>2,078.17</u>	<u>2,010.07</u>	<u>947.05</u>	<u>1440.66</u>
The above amount includes :				
Secured Borrowings	957.67	1390.07	947.05	1440.66
Unsecured Borrowings	1,120.50	620.00	-	-
Amount disclosed under the head "Other Current Liabilities"				
Refer Note No.8	-	-	<u>(947.05)</u>	<u>(1440.66)</u>
Net Amount	<u>2,078.17</u>	<u>2,010.07</u>	<u>-</u>	<u>-</u>

- (i) Rupee Term Loan of Rs.511.15 Lacs and Foreign Currency Term Loan of Rs.688.50 Lacs (Sanctioned Rs.2,250.00 Lacs) from State Bank of India, is primarily secured by way of first charge on entire immovable assets and moveable fixed assets of the Company, both present and future on pari- passu basis with existing charge holders and repayable in 16 installments comprising of 10 installments of Rs 150 Lacs each and 5 installments of Rs 100 Lacs each and balance in last installment ending on 15th July, 2017.
- (ii) Rupee Term Loan of Rs..200.00 Lacs (Sanctioned Rs.1,000.00 Lacs) from IDBI Bank Ltd. is primarily secured by way of first charge on entire immovable assets and moveable fixed assets of the Company, both present and future on pari- passu basis with existing charge holders and repayable in 20 equal quarterly installment of Rs.50.00 Lacs each ending on 1st January, 2016.
- (iii) Rupee Term Loan of Rs.500.00 Lacs (Sanctioned Rs.1,000.00 Lacs disbursed till 31.03.2015 Rs.500.00 Lacs) by IDBI Bank Ltd., is primarily to be secured by way of first charge on entire immovable assets and movable fixed assets of the Company both present and future on pari-passu with existing charge holder and repayable in 28 equal quarterly installment of Rs.35.71 Lacs each ending on 1st January, 2022.
All the above loans are collaterally secured through second charge by way of hypothecation on the entire current assets of the company on pari-passu basis with existing charge holder. These loans are irrevocably and unconditionally guaranteed by Chairman & Managing Director, Shri Shailesh Khaitan. Fresh loan of Rs.1,000 Lacs sanctioned in FY 2014-15 is collaterally secured by mortgage of two properties of Shradha projects Ltd., situated at Indore and pledge of 12 lacs equity shares of the Company
- (iv) Rupee Term Loan of Rs 5.07 Lacs (sanctioned Rs 18 Lacs) have been availed from HDFC Bank with tenure of 60 months ending 7th May, 2016. The Loan is secured by the hypothecation of the car.
- (v) Unsecured Loan & Advances of Rs 1120.50 Lacs has been procured from various parties including related party viz Shradha Projects Ltd & Aarti Marketing Pvt Ltd as promoter fund infusion towards Rajnandgaon Unit and proposed SBI Loan repayable after the maturity of the Loan.

There is no continuing default as on the balance sheet date in repayment of above loans and interest.

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Notes to financial statements for the year ended 31st March, 2015

7. Short Term Borrowings

	Rs. in Lacs	
	As at 31.03.2015	As at 31.03.2014
Secured		
From Banks:-		
- Cash Credits / Working Capital Demand Loans	13569.68	13610.45
- Buyer's Credit	5447.15	3731.17
Unsecured -		
- IDBI Vendor Finance	499.81	481.88
	<u>19,516.64</u>	<u>17,823.50</u>

i. Cash Credit/Working Capital demand loan & Buyer's Credit from Banks is secured by first hypothecation charge on the Company's entire stocks comprising raw materials, stocks in transit, stocks in process, finished goods, consumable stores & spares and receivable on pari-passu basis among consortium bankers. Borrowings are further secured by pledge of 8 lacs shares of the Company with face value of Re. 1/- per share held by Chairman & Managing Director Mr Shailesh Khaitan.

ii. All short term bank borrowings are personally guaranteed by Chairman & Managing Director Mr. Shailesh Khaitan.

iii. IDBI Vendor Finance loan in the nature of Discounting of Bill of Exchange drawn/accepted by the Corporates of Rs. 499.81 Lacs (sanctioned Rs.500 Lacs). Loan is secured primarily by accepted bills of exchange.

	Non-Current Liabilities		Current Liabilities	
	As at		As at	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
8. Trade Payables & Other Current Liabilities				
Trade Payables				
For Goods and Services (including acceptance)	-	-	2,871.05	2,747.75
Total	-	-	<u>2,871.05</u>	<u>2,747.75</u>
Other Current Liabilities				
Current maturities of long term debts (Refer Note No. 6)	-	-	947.05	1,440.66
Interest accrued but not due on borrowings	-	-	29.67	27.35
Interest accrued & due on borrowings	-	-	19.39	24.06
Unpaid Dividends	-	-	37.22	41.49
Other Payable:-				
Advances from customers	-	-	325.93	314.48
Payable for Capital Expenditure	-	-	163.07	51.65
Payable to Employees	-	-	135.58	120.47
Payable to Service Provider	-	-	249.76	89.92
Security Deposits	116.56	88.71	-	-
Tax deducted at source Payable	-	-	11.24	22.50
Other Statutory dues	-	-	235.67	188.48
	<u>116.56</u>	<u>88.71</u>	<u>2,154.58</u>	<u>2,321.06</u>

Note:

Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act):

- A. Trade payable includes (i) Rs.23.99 lacs (previous year Rs. 7.17 lacs) due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME) and (ii) Rs 2847.06 lacs (previous year Rs.2740.58 lacs) due to other parties.
- B. No interest is paid /payable during the year to any enterprise registered under the MSME.
- C. The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of supplies under the MSME.

	Long Term		Short Term	
	As at		As at	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
9. Provisions				
Provision for employee benefits (Refer Note No.24)				
- Provision for Gratuity	62.78	45.12	-	-
- Provision for Leave Benefits	1.63	-	-	-
	<u>64.41</u>	45.12	-	-
Provision for proposed dividend on equity shares	-	-	48.49	48.49
Provision for tax on proposed dividend	-	-	9.87	8.24
Forward Contract Payable	-	-	-	22.11
Provision for derivatives instruments	-	-	85.38	126.46
	<u>64.41</u>	<u>45.12</u>	<u>143.74</u>	<u>205.30</u>

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Notes to financial statements for the year ended 31st March, 2015

10. FIXED ASSETS

(Rs. in lacs)

DESCRIPTION OF ASSETS	-----GROSS BLOCK-----			-----DEPRECIATION / AMORTISATION-----				----NET BLOCK----		
	As at 31.03.2014	Additions	Adjustment/ Deductions	As at 31.03.2015	Upto 31.03.2014	Sale/Ad- justment	During the year	Upto 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets										
Land Freehold	559.57	-	-	559.57	-	-	-	-	559.57	559.57
Lease hold Land	417.12	75.65	-	492.77	28.35	-	5.00	33.35	459.42	388.77
Building	5,562.11	370.62	-	5,932.73	1,151.85	-	233.28	1,385.13	4,547.60	4,410.26
Plant and Equipment	16,033.82	726.48	-	16,760.30	9,473.55	-	779.38	10,252.93	6,507.37	6,560.27
Furniture & Fixtures	115.27	11.70	-	126.97	53.68	-	13.99	67.67	59.30	61.59
Vehicles	375.29	-	17.77	357.52	185.87	7.60	52.38	230.65	126.87	189.42
Office Equipments	97.83	3.57	-	101.40	47.33	-	26.57	73.90	27.50	50.50
Computers	87.88	6.83	-	94.71	50.13	-	19.36	69.49	25.22	37.75
Total	23,248.90	1,194.85	17.77	24,425.97	10,990.76	7.60	1,129.96	12,113.12	12,312.85	12,258.13
Previous Year	19,424.80	4,010.58	186.48	23,248.90	10,229.50	-	761.26	10,990.76	12,258.13	9,195.30
Intangible Assets										
Software	76.45	-	-	76.45	7.57	-	14.25	21.82	54.63	68.88
Total	76.45	-	-	76.45	7.57	-	14.25	21.82	54.63	68.88
Previous year	8.07	68.38	-	76.45	0.62	-	6.95	7.57	68.88	7.45
Capital Work in Progress										
Capital Work in Progress	422.52	11.35	389.45	44.41	-	-	-	-	44.41	422.52
Total	422.52	11.35	389.45	44.41	-	-	-	-	44.41	422.52
Previous year	1,537.06	2,857.02	3,971.56	422.52	-	-	-	-	422.52	1,537.06
Intangible Assets Under Development										
Total	-	-	-	-	-	-	-	-	-	-
Previous year	52.95	9.10	62.05	-	-	-	-	-	-	-

NOTES:

- Vehicles include one car purchased for Rs. 100.65 Lacs for which registration in the name of the Company is still pending.
- Vehicles include motor cars taken on hire purchase of Rs Nil Lacs (previous year Rs 20.70 Lacs).
- Consequent to Schedule II to the Companies Act, 2013 becoming applicable w.e.f. April 1, 2014, depreciation for the year 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 year ended on March 31st, 2015.

11. Non-Current Investments

	Rs. in Lacs	
	As at 31.03.2015	As at 31.03.2014
Non-Trade Investments (valued at cost unless stated otherwise)		
Investment in equity instrument (unquoted)		
National Board of Trade Limited (16100 Shares (Previous year 16100) of fully equity share of Rs 10/- each)	0.01	0.01
Captain Vinimay Pvt. Ltd. (94800 Shares (Previous Year 94800) fully paid equity shares of Rs 10/- each)	9.48	9.48
	9.49	9.49
Aggregate amount of unquoted investment	9.49	9.49

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Notes to financial statements for the year ended 31st March, 2015

12. Loan and Advances

	Rs. in Lacs			
	Non-Current		Current	
	As at		As at	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Loans and Advances				
(Unsecured, considered good, unless otherwise stated)				
Security Deposits	226.89	195.86	22.22	17.78
Other Loan & advances:-				
Loan/Advances to Employees	1.85	3.38	12.62	14.49
Advance to Suppliers & Contractors	-	-	482.68	629.35
Vat receivables	-	-	49.39	116.59
Prepaid Expenses	-	-	130.56	137.97
Taxes/Duties deposited under protest	13.61	19.49	8.00	8.00
Balances with Statutory/Govt. Authorities	-	-	23.33	17.70
Deposit with Original maturity for more than 12 months (Refer Note No.-16)	0.61	0.61	-	-
Loan to Body Corporates	-	-	-	147.46
Margin Deposits	-	-	15.33	14.95
Advance Tax/Tax Deducted at source(Net of provision)	-	-	126.88	116.32
Other Advances recoverable in cash or in kind	-	2.49	84.45	50.46
Less: Provision for bad & doubtful advances	-	-	3.20	3.20
	<u>242.96</u>	<u>221.83</u>	<u>952.26</u>	<u>1,267.87</u>

13. Other Current Assets

	Rs. in Lacs			
	Non-Current		Current	
	As at		As at	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Subsidy receivable (Refer Note No - 34)	142.87	142.87	5,646.80	4,574.70
Less: Subsidy payable to Bank of India on realisation	<u>142.87</u>	<u>142.87</u>	-	-
	-	-	5,646.80	4,574.70
Interest receivable	-	-	29.06	25.08
MAT credit entitlement	-	-	31.33	34.81
Other Receivable	-	-	606.23	750.00
	-	-	<u>6,313.42</u>	<u>5,384.59</u>

14. Inventories

	Rs. in Lacs	
	As at	As at
	31.03.2015	31.03.2014
Inventories (valued at lower of cost or net realisable value)		
Raw Material	2,838.87	3,321.89
Raw Material in Transit	903.64	1,542.15
Work in Progress(Oil)	6.43	6.46
Finished Goods	8,421.70	7,216.45
Stores and Spares	1,176.69	1,228.60
	<u>13,347.33</u>	<u>13,315.55</u>

15. Trade Receivables

	Rs. in Lacs			
	Non-Current		Current	
	As at		As at	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
(Outstanding for a period exceeding six months from the date they are due for payment)				
Considered good (Unsecured)	-	-	737.02	556.33
Doubtful	-	-	24.40	24.40
	-	-	761.42	580.73
Less: Provision for doubtful receivables	-	-	24.40	24.40
	-	-	737.02	556.33
Other receivables (Unsecured considered good)	-	-	4,794.09	4,126.40
	-	-	<u>5,531.11</u>	<u>4,682.73</u>

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Notes to financial statements for the year ended 31st March, 2015

16. Cash and Bank Balances

	Non-Current		Current		Rs. in Lacs
	As at		As at		
	31.03.2015	31.03.2014	31.03.2015	31.03.2014	
I) Cash and Cash Equivalents					
(a) Balances with Banks :					
(i) In Current Account	-	-	127.23		116.72
(ii) In Unpaid Dividend Account	-	-	37.22		41.49
(b) Cheques/drafts in hand	-	-	-		-
(c) Cash in Hand	-	-	4.32		6.97
	-	-	168.77		165.18
II) Other Bank Balances					
(i) Margin Money Deposits	-	-	877.26		838.60
(ii) Deposit with Original maturity for more than 12 months	0.61	0.61	-		-
	0.61	0.61	877.26		838.60
Amount disclosed under Non - Current Assets (Refer Note-12)	(0.61)	(0.61)	-		-
Total	-	-	1,046.03		1,003.78

Margin Money Deposits with a carrying amount of Rs.877.26 lacs (Previous year Rs.838.60 lacs) are subject to first charge to secure the Company's Buyers' credit & Bank Guarantees'.

17. Revenue from Operations

	Rs. in Lacs	
	Year ended 31.03.2015	Year ended 31.03.2014
Sales of products		
Finished goods	32,328.03	38,617.02
Traded goods	998.56	548.74
Other operating revenue	61.47	164.97
Revenue from operations	33,388.06	39,330.73
Less: Excise duty	462.58	520.29
Revenue from operations (net)	32,925.48	38,810.44
 Details of products sold		
Finished goods		
SSP /GSSP Fertilizers (includes Subsidy Income of Rs 10,193.76 lacs previous year Rs.11.833.42 lacs).	28,232.75	33,204.12
Sulphuric Acid	2,313.56	2,416.70
Oleum 23% and 65%	111.71	44.62
Liquid So3	43.70	52.79
Refined Oil	1,553.75	1,897.80
Soya De-Oiled Cake	-	909.76
Soya Solvent Oil	3.44	14.10
Sale of Power	69.12	77.13
	32,328.03	38,617.02
 Traded goods sold		
Soya seed	-	45.98
Soya De-Oiled Cake	998.56	502.76
	998.56	548.74
 Other Operating Revenue		
Revenue from NCDEX (Net)	5.68	87.58
Sale of By-product & Process waste	16.98	19.03
Scrap Sales	38.81	58.36
	61.47	164.97

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Notes to financial statements for the year ended 31st March, 2015

18. Other Income

	Rs. in Lacs	
	Year ended 31.03.2015	Year ended 31.03.2014
Interest Income on		
Bank Deposits	77.92	113.94
Electricity Deposits	7.00	5.78
Others	9.36	64.50
	<u>94.28</u>	<u>184.22</u>
Other non-operating income		
Miscellaneous Receipt	53.52	20.32
Profit on Sale of Fixed Assets	0.91	663.52
Foreign Exchange fluctuation (including MTM loss/profit)	99.87	-
Balances written back	29.35	5.85
	<u>183.65</u>	<u>689.69</u>
Total	<u>277.93</u>	<u>873.91</u>

19. Cost of Raw Material Consumed

	Rs. in Lacs	
	Year ended 31.03.2015	Year ended 31.03.2014
Opening Stock	3,321.87	4,850.58
Add: Purchases including related expenses upto the factory site (net of claim)	21,180.93	25,115.68
Less: Closing Stock	2,838.85	3,321.87
	<u>21,663.95</u>	<u>26,644.39</u>

Details of Inventories - Raw material

	Rs. in Lacs	
	As at 31.03.2015	As at 31.03.2014
Rock Phosphate (Indigenous)	4.63	179.17
Rock Phosphate (Imported)	2,165.11	2,483.42
Sulphur (Fert)	206.37	278.94
Sulphur (Non Fert)	198.93	177.14
Sulphuric Acid/Spent Acid	183.08	148.27
Solvent Oil/Refined Oil	4.19	14.95
Others	76.54	39.98
	<u>2,838.85</u>	<u>3,321.87</u>

Details of Raw Material Consumed

	Rs. in Lacs	
	Year ended 31.03.2015	Year ended 31.03.2014
Rock Phosphate (Indigenous)	2726.22	5,129.48
Rock Phosphate (Imported)	12462.19	15141.26
Sulphur (Fert)	960.59	1489.38
Sulphur (Non Fert)	1444.59	1373.02
Sulphuric Acid/Spent Acid	2456.64	1445.91
Refined Oil	1346.33	1,258.53
Oil Seeds	-	757.65
Others	267.39	49.16
	<u>21,663.95</u>	<u>26,644.39</u>

20. (Increase) decrease in Inventories

	Rs. in Lacs	
	Year ended 31.03.2015	Year ended 31.03.2014
Inventories at the end of the year		
Finished goods	8,421.70	7,216.45
Work in progress	6.43	6.46
	<u>8,428.13</u>	<u>7,222.91</u>
Inventories at the beginning of the year		
Finished goods	7,216.45	6,258.53
Work in progress	6.46	6.88
	<u>7,222.91</u>	<u>6,265.41</u>
	<u>(1,205.22)</u>	<u>(957.50)</u>

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Notes to financial statements for the year ended 31st March, 2015

Details of Inventories

	Rs. in Lacs	
	As at 31.03.2015	As at 31.03.2014
Finished Goods		
SSP/GSSP Fertilizers	8,305.69	7,106.85
Sulphuric acid	110.35	97.84
Soya solvent oil	-	2.01
Soya refined oil	-	-
Others	5.66	9.75
	<u>8,421.70</u>	<u>7,216.45</u>
Work in Progress		
Soya Refined Oil	6.43	6.46
	<u>6.43</u>	<u>6.46</u>

21. Employee Benefit Expenses

	Rs. in Lacs	
	Year ended 31.03.2015	Year ended 31.03.2014
Salaries, wages and bonus	1,094.03	942.11
Contribution to provident and other funds (Refer Note No.24)	91.64	75.21
Staff Welfare	25.62	22.95
	<u>1,211.29</u>	<u>1,040.27</u>

22. Finance Costs

Interest	2,517.24	2,116.91
Other Borrowing Costs	489.36	380.48
	<u>3,006.60</u>	<u>2,497.39</u>

23. Other Expenses

Consumption of stores & spare parts	878.97	1,142.41
Packing Material consumed	1,185.83	1,283.05
Power & Fuel	912.09	914.83
Communication Expenses	42.10	31.18
Rent	49.23	43.55
Insurance	32.49	34.19
Legal & Professional charges	42.48	28.22
Rates & Taxes	40.86	16.42
Repair & Maintenance:		
Plant & Machinery	77.95	113.86
Building	12.64	3.53
Others	62.94	43.83
Travelling & Conveyance	220.74	185.96
Contribution to CSR Activity	13.25	-
Charity & Donation	0.42	0.48
Payment to Auditors	13.89	17.93
Excise Duty On Variation of Finished Goods	80.36	85.85
Other Manufacturing Expenses	642.10	722.08
Freight Outward	2534.08	2995.10
Loading & Unloading	13.39	27.29
Other selling expenses	50.45	48.99
Foreign Exchange Fluctuation (including MTM loss)	-	1,808.78
Bank Charges	10.50	7.13
Miscellaneous Expenses	264.19	214.93
	<u>7,180.95</u>	<u>9,769.59</u>

Payment to Auditor (including service tax)

As auditor :		
Audit Fees	5.06	4.96
Limited Review fees	1.57	1.57
Certification fees	5.03	7.99
Reimbursement of Expenses	2.23	3.41
	<u>13.89</u>	<u>17.93</u>

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Notes to financial statements for the year ended 31st March, 2015

24. Disclosure as per Accounting Standard - 15 on 'Employee Benefits'

(i) Defined Benefit Plan

Rs. in Lacs

S.No.	Particulars	Gratuity (Funded)		Leave Encashment (Funded)	
		2014-15	2013-14	2014-15	2013-14
I)	Change in Defined Benefit Obligation				
	Opening defined benefit obligation	206.39	201.94	48.02	55.37
	Interest Cost	16.51	18.17	3.84	4.98
	Current Service Cost	17.05	15.88	5.39	4.10
	Benefits paid (if any)	(24.35)	(32.11)	-	(5.68)
	Actuarial (gain)/Loss on obligation	4.03	2.51	(0.52)	(10.75)
	Closing defined benefit obligation	219.63	206.39	56.73	48.02
II)	Change in Fair Value of Plan Asset				
	Opening fair value of plan assets	161.28	175.22	50.51	47.20
	Expected return on plan assets	13.88	14.06	4.54	3.31
	Contributions	3.02	4.11	0.04	-
	Benefits paid (if any)	(24.35)	(32.11)	-	-
	Adjustment because of LIC Fund Received late Last year	3.04	-	-	-
	Actuarial (gain)/loss on Plan assets	-	-	-	-
	Closing fair value of plan assets	156.87	161.28	55.09	50.51
III)	Actual Return on Plan Assets				
	Expected return on plan assets	13.89	14.06	4.54	3.31
	Actuarial (gain)/loss on Plan assets	-	-	-	-
	Actual Return on Plan Assets	13.89	14.06	4.54	3.31
IV)	Amount recognised in the Balance Sheet				
	Closing defined benefit obligation	219.63	206.39	56.73	48.02
	Closing fair value of plan assets	156.86	161.27	55.10	50.51
	Net(Asset)/Liability recognised in the Balance Sheet	62.77	45.12	1.63	(2.49)
V)	Expenses recognised in the Profit and Loss Account				
	Interest Cost	16.51	18.17	3.84	4.98
	Current Service Cost	17.05	15.88	5.42	4.10
	Expected return on plan assets	(13.89)	(14.06)	(4.55)	(3.31)
	Actuarial (gain)/Loss	4.04	2.51	(0.52)	(10.75)
	Expenses recognised in Personnel Cost	23.71	22.50	4.19	(4.98)
VI)	Balance Sheet Reconciliation				
	Opening net Liability	45.12	26.72	(2.49)	8.17
	Expenses (as above)	23.71	22.50	4.19	(4.98)
	Employer's contribution	3.02	4.11	0.07	0.07
	Adjustment because of LIC Fund Received late Last year	3.04	-	-	-
	Amount recognised in the Balance Sheet	62.77	45.12	1.63	(2.49)
VII)	Actuarial Assumption used for the year				
	Discount Rate	8.00%	9.00%	8.00%	9.00%
	Rate of Return on Plan Assets	8.75%	8.75%	9.00%	6.75%
	Expected Salary Growth Rate	5.00%	5.00%	5.00%	5.00%
	Attrition Rate	2.00%	2.00%	2.00%	2.00%

Other Assumptions:

- a) Future salary increases considered in actuarial valuation take in to account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market
 - b) Expected Return on Plan assets is based on market expectations, at the beginning of the year, for returns over the entire life of the related Obligations.
 - c) Gratuity is payable to all employees at the rate of 15 days salary for each completed years of service. In respect of employees covered by the Payment of Gratuity Act, 1965, the same is subject to a maximum of Rs.10 lacs.
- ii) Defined Contribution Plans -charge to the Profit and Loss Account based on contribution.

Rs. in Lacs

S. No.	Particulars	2014-15	2013-14
i	Superannuation	5.16	5.11
ii	Provident Fund	41.40	35.13
		46.56	40.24

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Notes to financial statements for the year ended 31st March, 2015

25. Disclosure as per Accounting Standard - 18 on 'Related Party Disclosures'

Relationship:

- (a) **Related Party where control exists :**
Shradha Project Limited
- (b) **Key Management Person and their Relatives :**
- | | |
|-------------------------------|--|
| (i) Shri Shailesh Khaitan | Chairman & Managing Director |
| (ii) Smt Swapna Khaitan | Wife of Chairman & Managing Director |
| (iii) Shri J.L. Jajoo | Whole Time Director |
| (iv) Shri Utsav Khaitan | Whole Time Director
(Son of Chairman & Managing Director) |
| (v) Shri R.S. Vijayvargiya | President & Chief Financial Officer |
| (vi) Shri Kamlesh Joshi | Company Secretary |
| (vii) Ms. Monica Vijayvargiya | Daughter of President & Chief Financial Officer |
- (c) **Related party which is under significant influence of KMP and / or their Relatives:**
- | |
|--|
| (i) The Majestic Packaging Company Private Limited |
| (ii) Tribhuvan Properties Limited |
| (iii) Aarti Marketing Private Limited |

During the year following transactions were entered into with Related Parties:

Name of Related Party	Nature of Transaction	31.03.2015	31.03.2014
Shradha Projects Ltd.	Loan Taken	501.50	240.00
	Loan Repaid	100.00	60.00
	Rent paid	17.93	23.82
	Interest paid	46.66	15.45
	Dividend Paid	22.88	22.88
	Interest outstanding	5.27	4.51
	Balance Outstanding	681.50	280.00
Shri Shailesh Khaitan	Remuneration	41.47	47.97
	Dividend Paid	1.79	1.79
	Balance outstanding	3.51	1.49
Smt. Swapana Khaitan	Dividend Paid	0.66	0.66
Shri Utsav Khaitan	Salary	9.56	0.74
	Balance outstanding	1.30	0.17
Shri J.L. Jajoo	Remuneration & Fees	9.53	12.00
	Balance outstanding	0.93	0.88
Shri R.S. Vijayvargiya	Salary	20.23	20.54
	Balance outstanding	0.04	0.17
Shri Kamlesh Joshi	Salary	6.42	3.38
Ms Monica Vijayvargiya	Salary	5.65	4.65
The Majestic Packaging Company Private Limited	Dividend Paid	11.02	11.02
Tribhuvan Properties Limited	Rent Paid	30.90	33.71
	Loan Taken	-	840.00
	Loan Paid	300.00	540.00
	Interest Paid	34.03	11.78
	Interest outstanding	6.21	3.99
Aarti Marketing Pvt Ltd	Balance outstanding	-	300.00
	Loan Taken	439.00	130.00
	Loan Re-paid	40.00	100.00
	Interest Paid	4.09	2.38
	Interest outstanding	0.52	1.33
	Balance outstanding	439.00	40.00

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Notes to financial statements for the year ended 31st March, 2015

26. Segment Information for the year ended 31st March, 2015 as required by Accounting Standard-17 Segment Reporting

- (a) The Company is organized into three primary business segments mainly :
- i. Fertilizers and Chemicals
 - ii. Soya
 - iii. Others
- (b) Segments have been identified and reported taking in to account the nature of products and services, the differing risk and returns, and the internal reporting system

Particulars	2014-2015				2013-2014			
	Fertilizers and Chemicals	Soya	Others	Total	Fertilizers and Chemicals	Soya	Others	Total
Revenue (net)								
External Sales/ Revenue	30,557.16	2,577.14	69.11	33,203.41	35,471.20	3,472.49	740.66	39,684.35
Results								
Segment Results	2,750.19	67.44	31.86	2,849.49	1,173.33	20.35	693.62	1,887.30
Unallocated Corporate Expenses (Net)				-				-
Operating Profits				2,849.49				1,887.30
Interest Expenses (Net)				3,017.11				2,504.52
Profit before Exceptional Items and Taxation				(167.62)				(617.22)
Exceptional items				-				-
Tax Expenses				518.04				454.83
Profit After Tax				350.42				(162.39)
Other Information								
Segment assets	36,338.17	3,027.19	342.14	39,707.50	34,418.39	3,633.54	364.38	38,416.31
Unallocated corporate assets				146.99				216.53
Total Assets				39,854.49				38,632.84
Segment liabilities	27,020.32	76.87	-	27,097.19	25,878.18	77.71	-	25,955.89
Unallocated corporate liabilities				143.74				183.20
Total Liabilities				27,240.93				26,139.09
Capital Expenditure	1,194.85	-	-	1,194.85	4,067.73	0.50	-	4,068.23
Unallocated Corporate Capital Expenditure				-				10.71
Total Capital Expenditure				1,194.85				4,078.94
Depreciation / Amortisation	559.71	247.47	22.24	892.42	487.09	212.35	32.51	731.95
Unallocated Corporate Depreciation				59.69				32.49
Total Depreciation / Amortisation				899.11				764.44
Non cash Expenditure other than Depreciation/ Amortisation	(28.99)	(1.27)	(0.35)	(30.61)	(668.06)	(1.31)		(669.37)
Unallocated Corporate Non Cash Expenses other than Depreciation / Amortisation				-				-
Total non cash expenditure other than Depreciation / Amortisation				(30.61)				(669.37)

KHAITAN CHEMICALS & FERTILIZERS LIMITED



Notes to financial statements for the year ended 31st March, 2015

27. Disclosure as per Accounting Standard - 20 on 'Earnings Per Share'

Particulars	Rs. in Lacs	
	Year ended 31.03.2015	Year ended 31.03.2014
Net Profit (Loss) after tax	350.42	(162.39)
Weighted average number of equity shares outstanding (Nos.)	96,989,200	96,989,200
Earning per share (Basic/Diluted)	0.36	(0.17)
Face value per share	1	1

28. Derivative instruments and unhedged foreign currency exposure

a) Particulars of unhedged foreign currency exposure as at the reporting date

Particulars	31.03.2015		31.03.2014	
	Amount in Foreign Currency	Amount in Rs. Lacs.	Amount in Foreign Currency	Amount in Rs. Lacs.
Amount payable on account of Import of goods and services USD/INR	368,347.98	230.55	-	-

(b) Derivatives outstanding as at the balance sheet date

Particulars	31.03.2015		31.03.2014	
	Amount in Foreign Currency	Amount in Rs. Lacs.	Amount in Foreign Currency	Amount in Rs. Lacs.
Forward Exchange Contracts outstanding USD/INR (Purchase)	9,434,454.28	5,905.10	6,216,261.99	3735.96
Gross Currency Interest Rate Swap (CCIRS) National amount 200 Lacs (Previous year Rs.400 Lacs)	418,497.59	261.34	836,995.18	503.03

29. Contingent Liabilities not provided for :

S.No.	Particulars	Rs. in Lacs	
		Year ended 31.03.2015	Year ended 31.03.2014
a	Sales Tax Demand (under appeal)	0.48	0.48
b	Purchase Tax (under appeal)	63.38	63.38
c	Royalty on Rock Phosphate claimed by RSMM	158.38	158.36
d	Entry Tax	28.38	28.38
e	Sales Trade Tax	1.00	1.00
f	Excise Duty	34.64	17.79
g	Income-Tax	1.52	139.09
l	Vat Tax (09-10)	-	18.72
	Estimated amount of Capital Commitments (net of advances) not provided for	20.95	26.27

- 31 The Company is in the process of obtaining confirmations and reconciliation with its debtors, creditors and other dues receivables. The confirmations to the extent received have been reconciled and adjustments, if any, have been made. The others are pending for confirmations, reconciliations and adjustments, if any. However, the management does not expect any significant variations in the existing status.
- 32 In opinion of the Board and to the best of their knowledge and belief, value on realisation of loans, advances and current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.
- 33 Other Current Assets include claims filed under Rajasthan Investment Promotion Scheme (RIPS), 2003 of Rs.6.27 Lacs (Previous year: Rs.6.27 Lacs) pertaining to 2006-07 and 2007-08, which were refused by the appropriate authorities in view of introduction of Rajasthan Value Added Tax w.e.f. 1st April, 2006. But the Company has considered the amount as recoverable and filed an appeal with the Tax Board, Ajmer (Rajasthan).

KHAITAN CHEMICALS & FERTILIZERS LIMITED



- 34 The Company has not provided for Moping up of subsidy on raw materials of fertilizer as on 31.03.2011 in terms of Office Memorandum No. 23011/1/2010-MPR dated 11-07-2011 issued by the Ministry of Chemicals & Fertilizers, Govt. of India, being reconsidered vide their letter No 23011/1/2010-MPR(Pt) dated 22.08.2012 and decided not to effect recovery till a policy in this regard is formulated. This has strengthened the management's view for not providing the above liability.
- 35 **Capital Work in progress includes machinery, building under construction and the following pre-operative expenses pending allocation/capitalisation:**

	Rs. in Lacs	
Particulars	31.03.2015	31.03.2014
Opening Balance	-	219.23
Addition during the year		
Borrowing Cost - Interest	-	118.38
Rent	-	2.85
Rates & Taxes	-	17.20
Security service	-	6.83
Power charges	-	37.88
Salary & Wages	-	8.63
Travelling exp	-	3.98
Insurance	-	2.68
Professional Charges	-	2.49
Depreciation & Amortisation	-	3.76
Others	-	9.73
Total	-	433.64
Less : Allocated to Fixed Assets	-	433.64

36. (a) Imported and Indigenous raw material, Components, Stores & Spares parts consumed

		2014-2015		2013-2014	
S.No.	Particulars	% of total Consumption	Value Rs. in Lacs.	% of total Consumption	Value Rs. in Lacs.
i.	Raw Materials				
	Imported	57.53%	12462.19	56.83%	15141.26
	Indigenous	42.47%	9201.76	43.17%	11503.13
	Total	100.00%	21663.95	100.00%	26644.39
ii.	Components, Stores & Spares Parts				
	Imported	-	-	-	-
	Indigenous	100.00%	2064.80	100.00%	2425.46
	Total	100.00%	2064.80	100.00%	2425.46

36. (b) Value of Imports calculated on CIF basis

	Rs. in Lacs	
S.No. Particulars	2014-15	2013-14
i. Raw Materials	8969.55	7371.68

36. (c) Expenditure in Foreign Currency:

	Rs. in Lacs	
S.No. Particulars	2014-15	2013-14
i. Interest on Foreign currency loan	78.11	77.99

37. Previous year figures have been re-arranged and/or regrouped wherever considered necessary

38. The financial statements are presented Rs. in lacs except EPS and the share data.

Per our report of even date attached

For and on behalf of Board

for S.S. Kothari Mehta & Co.
Chartered Accountants
Firm Regn. No 00756N

HARISH GUPTA
Partner
Membership No. 098336

Place: Gurgaon
Dated: 16.05.2015

SHAILESH KHAITAN
(Chairman & Managing Director)

R.S. VIJAYVARGIYA
(President & Chief Financial Officer)

UTSAV KHAITAN
JAGDISH LAL JAJOO
BALMUKUND DAKHERA
VIJAY GUPTA
VEENA CHADHA
(Directors)

KAMLESH JOSHI
(Company Secretary)

KHAITAN CHEMICALS & FERTILIZERS LIMITED



KHAITAN CHEMICALS & FERTILIZERS LIMITED

CIN: L24219MP1982PLC004937

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

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting

ATTENDANCE SLIP

DP Id*	
Client Id*	

Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 33rd ANNUAL GENERAL MEETING of the Company held on Wednesday, August 5, 2015 at 1:00 P.M. at the Registered Office of the Company at A.B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Khargone-451569 (M.P.).

*Applicable for investors holding shares in electronic form.

Signature of Shareholder / proxy

KHAITAN CHEMICALS & FERTILIZERS LIMITED

CIN: L24219MP1982PLC004937

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

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 :		e-mail id : Folio No./ *Client Id: DP Id*	
---	--	---	--

I/We, being the member(s) of shares of Khaitan Chemicals & Fertilizers Limited, hereby appoint:

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

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd ANNUAL GENERAL MEETING of the Company held on Wednesday, August 5, 2015 at 1:00 P.M. at the Registered Office of the Company at A.B. Road, Village Nimrani, Tehsil Kasrawad, Dist. Khargone-451569 (M.P.) and at any adjournment thereof in respect of such resolutions as are indicated below:

*Applicable for investors holding shares in electronic form.

Resolutions
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors.
2. Declaration of Dividend on Equity Shares.
3. To appoint a director in place of Shri Utsav Khaitan (DIN : 03021454), who retires by rotation and being eligible offers himself for re-appointment.
4. Appointment of Auditors and fixing their remuneration.
5. Appointment of Shri Jagdish Lal Jajoo, as a director liable to retire by rotation and also as a Whole Time Director.

Signed this day of, 2015.

Folio No./DP Id/Client Id No. : Signature of Shareholder :

Signature of Proxy holder :

Affix 1/-
Rupee
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 33rd Annual General Meeting.

BOOK-POST

To,





K-9/4, House No. 4, Road No.9, DLF City Phase-II, Gurgaon -122002 (Haryana) Tel.: 0124 – 4845777
 E-mail: khaitanchemicals@khaitanchemfert.com Website: www.khaitanchemfert.com

FORM A

Format of covering letter of annual audit report to be filed with the stock exchanges

1.	Name of the Company	Khaitan Chemicals & Fertilizers Limited
2.	Annual Financial Statements for the year ended	31st March, 2015
3.	Type of Audit Observation	Unmodified (unqualified)
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	• Chairman & Managing Director	
	• President & Chief Financial Officer	
	• Company Secretary	
	• Audit Committee Chairman	
	• Auditor of the Company	

H.O.: 301-308 Apollo Arcade, 1/2, Old Palasia, Indore-452 018 (M.P.)
 Tel.:0731-2565655 /63, 3290600 Fax:0731-2562572 Email:khaitan@sancharnet.in

Regd. Office: A.B. Road, Village Nimrani, Distt. Khargone-451 659 (M.P.)
 Tel.: 07285-265448 /52 Fax: 07285-265449

Plant I : A.B. Road, Village Nimrani, Distt. Khargone-451 659 (M.P.) Tel.: 07285-265448 Fax: 07285-265449
Plant II : Village Garamachia, Jhansi-Kanpur Road, Jhansi-248 001 (U.P.) Tel.: 0510-2321160, 2320202 Fax: 0510-2320096
Plant III : Village Dhinva, Nimbahera, Chittorgarh (Rajasthan) Tel.: 01477-223222, 232278, 205183 Fax: 01477-232277
Plant IV : Plot No.A-1, U.P.S.I.D.C. Industrial Area, Malwan, Distt. Fatehpur-212664 (U.P.) Tel.: 0518-248672
Plant V : Village Deosigaon, Industrial Area, Ratlam-457 001 (M.P.) Tel.: 07412-260930-31 Fax: 07412-261055