

# 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, 3<sup>rd</sup> Floor, 1/2, Old Palasia, Indore-452018.  
Tel. No. 0731-2560956, 2565655., 4237926 Fax No. 0731-2562572  
Email- [khaitanchemfert@gmail.com](mailto: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](http://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](http://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 <sup>th</sup> 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:**

29<sup>th</sup> day of July, 2015 to 5<sup>th</sup> 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
<b>Grand Total</b>	<b>21665</b>	<b>100.00</b>	<b>96989200</b>	<b>100.00</b>

**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
<b>Total</b>	<b>96989200</b>	<b>100.00</b>

# 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 26<sup>th</sup> 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 31<sup>st</sup> 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.

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

Tel.: 0731-4237926 Fax: 0731-2562572

Email- [khaitanchemfert@gmail.com](mailto: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](mailto: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 : 16<sup>th</sup> 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 31<sup>st</sup> 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 : 16<sup>th</sup> 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