



khaitan (India) Limited



Annual Report 2014-15



khaitan (India) Limited

khaitan (India) Limited



NOTICE

TO THE SHAREHOLDERS

NOTICE is hereby given that the Seventy Eighth Annual General Meeting of Khaitan (India) Limited will be held on Wednesday, 30th September, 2015 at Bharatiya Bhasha Parishad, 36-A Shakespeare Sarani, 4th Floor, Kolkata-700017 at 2:00 p.m. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2015, the statement of Profit & Loss for the year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Sunil Krishna Khaitan who retire by rotation and being eligible offer himself for re-election.
3. To appoint a Director in place of Mr. Surendra Bafna, who retires by rotation and being eligible, offers himself for re-election.
4. To appoint M/s O. P. Sharma & Associates. Chartered Accountants as statutory auditors who shall hold office from the conclusion of this Annual General Meeting and till the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to section 149 and other applicable provisions, if any of the Companies Act 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) with Schedule IV of the Companies Act 2013, Mrs. Sulekha Dutta (Din No 07114240) be and is hereby appointed as a Director of the Company whose candidature has been proposed by a member together with requisite deposit under Section 160 of the Companies Act, 2013".
6. To consider and if thought fit, to pass, with or without modification, the following Resolution as Special Resolution:
"RESOLVED THAT the Board of Directos be and is hereby authorized to sale Company's properties other than sugar mill to pay off the liabilities of the Company"

Registered Office:
46-C, J L Nehru Road
Kolkata-700071
The 29th May, 2015

By Order of the Board
Sulekha Dutta
Director-cum-Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF/ITSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument of Proxy should be deposited at the Registered Office of the Company, not later than 48 hours before commencement of the Meeting.
2. Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Members/Proxies should fill in and sign the attendance slips and deposit at the entrance of Meeting Hall, before attending the Meeting.
5. Only bonafide members of the Company whose names appear on the Register of Members/Proxy Holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its rights to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 23/09/2015 to 30/09/2015 (both days inclusive).
7. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination Form SH 13 prescribed by the Government can be obtained from the Share Transfer Registrar M/s Maheshwari Datamatics Pvt Ltd 6 Mangoe Lane, Kolkata-700001.
8. The Registers under the Companies Act, 2013 is available for inspection at the Office of the Company at 7 Red Cross Place, Kolkata-700001 during business hours between 11.00 a.m. to 1.00 p.m. except on holidays.
9. Members are requested to bring their copy of the Annual Report to the Meeting.
10. Pursuant to Section 101 and Section 136 of the Companies Act 2013 read with relevant Companies (Management and Administration Rules), 2014 companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company are requested to submit their valid e-mail address to M/s Maheshwari Datamatics Pvt. Ltd. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant(s) directly. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
11. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at office of the Company at 7 Red Cross Place, Kolkata-700001 during the business hours between 11.00 a.m. to 1.00 p.m. except on holidays, upto and including the date of the Annual General Meeting of the Company.

NOTES (Cont.)

12. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
13. Members, desiring any information about the proposed resolutions are requested to write to the company, at least 10 days in advance of the Annual General Meeting to facilitate compilation thereof.
14. The two Directors liable to retire in the ensuing AGM are Mr. Sunil Krishna Khaitan (DIN 00127698) and Mr. Surendra Bana.
15. Voting through Electronic means (E-Voting)
 - I. In terms of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rule, 2014, and pursuant to Clause 35 B of the listing Agreement, the Company has engaged the services of CDSL to provide the facility of electronic voting ('e-voting') in respect of the Resolutions proposed at this AGM. The Company is pleased to offer E-voting facility which will enable members to cast their votes electronically on the resolutions mentioned in the notice and the business may be transacted through E-voting services. The Board of Directors of the Company has appointed Mr. Navin Kothari of M/s N. K. & Associates, Company Secretaries as the Scrutinizer for this purpose.
 - II. The instructions for shareholders voting electronically are as under :-
 - i) The voting period begins on Wednesday the 23/09/2015 at 9 A.M. and ends on Friday, the 25/09/2015 at 6 PM During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday the 23/09/2015 may cast their vote electronically. The E voting module shall be disabled by CDSL for voting thereafter.
 - ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
 - III. Click on .Shareholders.tab.
 - IV. Now, select the Company Name "KHAITAN (INDIA) LIMITED" from the drop down menu and click on .SUBMIT.
 - V. Now enter your User ID
 - a. For CDSL : 16 digits beneficiary ID
 - b. For NSDL : 8 character DP ID followed by 8 digits Client ID
 - c. Members holding shares in Physical form should enter Folio Number registered with the Company, excluding the special characters.
 - VI. Next enter the Image Verification as displayed and Click on Login.
 - VII. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - VIII. If you are a first time user follow the steps given below.

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Dept. (Applicable for both demat shareholders as well as physical Shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to enter in capital letters the PAN field of 10 character as First 2 Characters of the First Holder Name followed by 8 characters consisting of Folio Number prefix by '0' (or 8 characters from right of BO-ID). No special characters or space will be taken from the name and folio number and name shall be excluded of titles like Mr/Mrs/Smt/Miss/Ms/M/s etc. Example : (1) Mr. V. N. Swami and Folio Number is S/0245, the PAN will be VN000S0245 (2) M/s. 4-square Company Ltd. and Folio Number is C-0052 the PAN will be 4S000C0052
DOB	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format
Dividend Bank Details	Enter the Bank Account Number as recorded in your demat account with the depository details or in the company records for your folio. Please enter the DOB or Bank Account Number in order to login. If both the details are not recorded with the depository or company then please enter the member ID/folio No. in the Dividend Bank Details.

- IX. After entering these details appropriately, click on "SUBMIT" tab.
- X. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will not reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- XI. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XII. Click on the EVSN for the relevant "KHAITAN (INDIA) LIMITED" on which you choose to vote.
- XIII. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the resolution.



NOTES (Cont.)

- XIV. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolutions details.
- XV. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- XVI. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XVII. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- XVIII. If demat account holder has forgotten the same password then either the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XIX. Note for Institutional Shareholders:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- XX. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write and email to helpdesk.evoting@cdslindia.com.
- III. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company of the Company as on the cut-off date of 23.09.2015.
- IV. The shareholders shall have one vote per equity share held by them as on the cut off date 23.09.2015. The facility of e-voting would be provided once for every folio/client ID, irrespective of number of joint holders.
- V. The Company has appointed Mr. Navin Kothari of M/s N. K. & Associates, Company Secretary, as the scrutinizer for conducting the e-voting process in the fair and transparent manner.
- VI. The Scrutiniser shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes 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.
- VII. The Results declared alongwith the Scrutiniser's Report shall be placed on the Company's website www.khaitanindia.com and on the website of CDSL immediately after the declaration of result by the Chairperson of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.
- VIII. The scrutiniser's decision on the validity of e-voting will be final.

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

Item No. 4

Mrs. Sulekha Dutta was appointed as an Additional Director whose term of appointment will be ended at the ensuing Annual General Meeting. Mrs. Sulekha Dutta is a qualified Company Secretary and her appointment will be beneficial to the company. As per Section 149 L 161 of the Companies Act 2013 woman Director's appointment is mandatory. The company received Notice from one of the Shareholders alongwith requisite fees proposing her candidature for Directorship of the Company.

Item No. 5

For last 5-6 years the country's sugar industry is facing much hard days. The Fair & Remunerative Price (FRP) of sugarcane is much higher in comparison to prevailing marketing prices which had caused accumulation of huge liability. To pay off such liability, your directors are seeking permission of the shareholders to sale the other properties/assets of the company except Sugar Mill.

None of the Directors key managerial persons and their relatives is financially or otherwise concerned or interested in the resolutions.

ANNEXURE A

Details of Directors seeking appointment/re-appointment at the Annual General Meeting scheduled to be held on September 30th 2015

NAME OF DIRECTORS	SUNIL KRISHNA KHAITAN	SURENDRA BAFNA	SULEKHA DUTTA
Date of Birth	14/12/1960	01/07/1949	21/08/1974
Date of Appointment	20/03/1990	17/09/1993	13/03/2015
Relationship with Directors	None	None	None
Expertise in specific Functional area			
Qualification	B. COM, MBA	B.COM, DCWA	B. COM, C.S.
Board Membership of Other companies as On March 31, 2015	1. Khaitan Electricals Ltd. 2. Khaitan Lefin Ltd 3. Khaitan Hotels Pvt. Ltd. 4. Khaitan Lamps Ltd 5. EEPC India	1. Khaitan Lefin Ltd	1. Riga Sugar Ltd
Chairman/Member Of the Committee Of the Board of Directors as on March 31, 2015	<u>Members</u> Stackholders Relationship Committee	<u>Members</u> Stackholders Relationship Committee	
Chairman/ Member Of the Committee Of Directors of Other Companies in Which he is a Director as on March 31, 2015	NIL	NIL	NIL
Number of Shares Held in the Company As on March 31, 2015	118029	100	NIL



DIRECTORS' REPORT
INCLUDING MANAGEMENT DISCUSSION & ANALYSIS REPORT

TO THE MEMBERS
KHAITAN (INDIA) LIMITED

Your Directors present their Seventy eighth Annual Report together with the Audited Accounts for the year ended 31st March, 2015.
Rs./Lacs

FINANCIAL RESULTS	2014-2015	2013-2014
Sales & Operating Income were	2664.98	2971.77
Profit/Loss for the year was	(371.60)	(41.47)
From which is deducted/added		
• Depreciation	(177.47)	(140.89)
• Income Tax relating to earlier year	(9.65)	-
Leaving a Balance of	(558.72)	(184.02)
To which is added :		
-Profit/Loss Brought Forward from previous year	(851.45)	(667.43)
Making an available Surplus/Deficit of	(1410.17)	(851.45)
Which is Carried Forward to Next Year		

DIVIDEND

In view of loss, Directors do not recommend any dividend for the year.

MANAGEMENT DISCUSSION & ANALYSIS REPORT
OPERATIONS

Performance of all the Divisions are as under:-

Marketing Division: The Company has earned royalty of Rs. 407.28 lacs compared to the last year's Rs. 467.15 lacs.

Sugar Division: The crushing of sugarcane was lower to 5.92 lacs quintals compared to last year's 7.11 lacs quintals. The production of sugar was almost in confirmation with the recovery of last year. Due to rise in sugarcane prices and lower prevailing market prices of sugar and increase in cost of other inputs, it has resulted in loss during the year under review.

The Crushing Operations for the season 2014-15 started on 12th December, 2014 which was continued for 71 days compared to the last year's 79 days. Performance of the Sugar Division compared to last year is as under:-

DETAILS	2014-15	2013-14
Start of Crushing Season	12-12-2014	04-12-2013
Close of Crushing Season	20-02-2015	21-02-2014
Cane Crushed (in lacs Qtls)	5.93	7.11
Recovery (%)	8.35	8.34
Sugar Production (in Qtls)	49504	59242

Agriculture Division:

Agriculture products are fully dependent to nature. As reported last year due to less rain, the yield of sugarcane was less and supply of sugarcane from captive farms was less compared to last year.

Keeping in view the long term benefit, the company every year plants trees. This year about 20,000 trees were planted and about 3,19,000 trees are standing as on 31.03.2015 planted by the Company in last 24 years.

INDUSTRIAL STRUCTURE

There is no respite to the sugar industry from huge losses. The county's ailing sugar industry is still to see better days. The industry is passing through a deep financial crisis, caused by continuously falling ex-mill prices and increasing cost of production, due to high cane prices. The ex-mill sugar prices at present are almost lower than cost of production by about Rs. 8000/- to Rs. 9000/- per ton for moderate capacity sugar mill and in case of lower capacity sugar mills it is lower by Rs. 10,000/- to Rs. 11,000/- per ton. This has real shrunk the mills' paying capacity for purchase of cane. Due to the mills incapacity to make timely payment to the farmers, there is a mounting pile of unsettled dues to the farmers, resulting cane arrears running into thousand crores. The situation of country's sugar industry is very bleak. The estimate production of sugar is about 290 lac tons and the estimated consumption is about 235 lacs tons. It will have a huge carry forward stock will to much and as such year 2015-16 will also be bad for sugar industry.

Internal Control Systems: The Company has adequate system of internal control of safeguard company's assets. All the transactions are properly authorised, recorded and reported to the management. The Company also has adequate budgetary control system and actual performance is monitored by the management consistently.

Human Resources: The Company believes that its employees are a vital resource in the current business environment. The Company is enjoying good and congenial industrial relations at all the Divisions of the Company. As on 31st March, 2015 the total permanent employees were 78 Nos.

WHISTLE BLOWER POLICY:

To ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adopting high standards of professionalism, honesty, integrity, the company has adopted a vigil mechanism policy. This policy is explained in corporate Governance and also posted on company's website.

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company has been addressing various risks impacting the company and the policy of the Company on Risk Management has been established. The Risk Management policy has been uploaded on the website of the Company.

DIRECTORS' REPORT

INCLUDING MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

DIRECTORS AND COMMITTEES

At the 77th Annual General Meeting of the Company held on 29th September 2014, the company had appointed the existing independent directors Mr. M. K. Jalan (DIN 00598710), Mr. A. K. Kedia (DIN 00502760) and Dr. V. K. Rungta (DIN 00087032) as independent directors under the companies Act, 2013 and clause 49 of the listing agreement.

At the Board meeting held on 13th March 2015, the Board had appointed Mrs. Sulekha Dutta (DIN 07114240) as an Additional Director in the category of Executive Director.

In accordance with the provision of the Companies Act 2013 Mr. Sunil K. Khaitan (DIN 00127698) and Mr. S. Bafna (DIN 00127681) retires by rotation and being eligible offer themselves for reappointment.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the listing agreement the Board has carried out annual performance evaluation of its own performance, the directors individually as well as evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders Relationship Committees. The method of evaluation has carried out and explained in Corporate Governance Report.

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGEMRIAL PESONNEL (KMP) / EMPLOYEES

The informationa required pursuant to Section 197 read with Rules of the Companies (Appointment & Remuneration of Managerial Personnel) Reules 2014 in respect of employees of the Company and Directors is furnished here under.

REMUNERATION POLICY

The Board has on the recommendations of Nomination & Remuneration Committee framed a policy of selection/appointment of Directors, Senior Management, personnel and their remunerations. The remuneration policy is stated in Corporate Governance Report.

Sl. No	Name	Designation	Remuneration Paid Ey. 2014-15	Remuneration Paid Ey. 2013-14	Increase in Remuneration from previous year	Rab/Times permotion of Emplpyoee Remuneration
1.	Surendra Bafna	Executive Director	7.06 lacs	7.33 lacs (includ LTA 1.02 lac	0.93 lac	8 Times
2.	Sulekha Dutta	CS Director (KMP)	0.06 lacs	-	Comparison is not possible as she joined on 13.3.2015	

MEETINGS

During the year five Board meetings and one independent directors' meeting were held. The provisions of the Companies Act, 2013 and of listing agreement were adhered to while considering the time gap between two meetings.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and accessing to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013.

1. That in the preparation of the Annual Accounts, the applicable accounting Standards had been followed except AS-22.
2. That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for the period.
3. That the Directors have taken proper and sufficient care for preventing and detecting fraud and other irregularities.
4. That the annual financial statements have been prepared on a going concern basis.
5. That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
6. They have revised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

RELATED PARTY TRANSALTIIONS

There were no contracts or arrangements entered into by the company in accordance with the provisions of Section 188 of the Companies Act, 2013. However, there were no material related party transactions in terms of clause 49 of the listing agreement. All material related party transactions that were entered into during the financial year were on an arm length basis and were in the ordinary course of business. There are no materally 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 Risk and Audit Committee as also the Board for approval.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. Name of the Directors has any pecuniary relationship or transactions vis-à-vis the company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the company and its future oerations.

DEPOSITS

The Company had not accepted / renewed any Deposit during the year under review and there was no outstanding deposits.

AUDITORS

STATUTORY AUDITORS

M/s Chaturvedi & Co. (Reg. No. 302137E), Chartered Accountants, have been appointed as Statutory Auditors of the company at the last Annual General Meeting for the year 2014-15 till conclusion of next Annual General Meeting. M/s Chaturvedi & Co. had resigned as Statutory Auditors on 13.02.2015. The Board of Directors had accepted its resignation and appointed M/s O. P. Sharma & Associates, Chartered Accountants, Sharma Market, 5th, 9, Old China Bazar Street, Kolkata – 700001 (Reg. No. 302137E) in the meeting held on 13.03.2015 to fill the casual vacancy caused by the resignation of M/s Chaturvedi & Co. As per Section 139(8) of the Companies Act 2013 M/s O P Sharma &



DIRECTORS' REPORT
INCLUDING MANAGEMENT DISCUSSION & ANALYSIS AT REPORT (Contd.)

Associates appointment was approved by the Shareholder in the Extra Ordinary General Meeting held on 27th May 2015.

M/s O. P. Sharma & Associates, Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for the re-appointment.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014 the company had appointed M/s N K & Associates (CP No 3725) Company Secretaries to undertake the Secretarial Audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure 1'.

INTERNAL AUDITORS

M/s S. Mandal & Co., (FR No. 314188E) Chartered Accountants performs the duties of internal auditors of the company and their report was reviewed by the Audit Committee.

COST AUDITORS

Your Board has appointed M/s AB & Co. (Reg. No. 00256) qualified Cost Accountants to carry out Cost Audit of the Cost Accounts maintained by the Company in respect of Sugar Division. This appointment has to be made at the beginning of each financial year. As such an application has already been forwarded to the Central Government to approve the appointment for the current financial year.

CHANGE IN DIRECTORS AND KEY MANAGERIALS PERSONNEL

During the year Mrs. Sulekha Dutta joined as Company Secretary and Director of the Company with effective from 13.3.2015

CORPORATE GOVERNANCE REPORT

As per Clause 49 of the Listing Agreement annexed to the said report a separate report on Corporate Governance as a part of the Annual Report and the Auditors' Certificate on compliance is annexed to the said report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGOING

The information on conservations of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 is annexed herewith as 'Annexure 2.'

EXTRACT OF ANNUAL RETURN

The details for forming part of the extract of Annual Return in Form MGT 9 is annexed as Annexure '3'.

PARTICULARS OF EMPLOYEES

The information required pursuant to section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnels) Rules 2014 in respect of employees of the Company is as follows:-

The company has one Executive Director who has been paid Rs. 7.06 Lacs p.a.. His remuneration was increased by 14.76% compared to last year.

Due to financial constraints no increase was made in salary/wages except increase in VDA as per Agreement with the unions. Rs 1.80 lacs was paid as sitting fees to the Directors.

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personal) Rule 2014 are (a) Employed through out the year – NIL (b) Employed part of the year – NIL.

The remuneration paid to all key managerial Personnel was in accordance with remuneration policy adopted by the company.

IMPAIRMENT OF ASSETS

Due to financial constraints and to reduce the liability of the Company to some extent your directors have to undertaken impairment of company's land through sale/long term lease of the company's agricultural land.

FINANCIAL VIABILITY OF COMPANY

The production of sugar in the country is much higher than the county's consumption and huge carry over stock of sugar. The prevailing market prices do not seem to increase. However, the company is exploring various avenues for revival of the Company.

The Sugar Industry of the Country is passing through a very bad phase for last few years. The sugar industry is not in a position even to cover cost of production. There is a wide gap between cost of production and the market prices of sugar. This has seriously affected the liquidity position of the sugar industry. Due to the said reason the Company could not pay the various dues in time e.g. Service Tax, Gratuity, wages to the workers, premium for LIC Group Gratuity Fund etc. and other dues.

The company taking steps to get the balance confirmation from Debtors/Creditors loan deposits capital advances against land, land rent etc. Your directors are taking action to get confirmation from Bank.

Deferred Tax Assets represent brought forward balance for earlier years which shall be written off in due course.

Erroneously the Form No MGT 14 with Registrar of Companies in respect of resolution passed for approval of quarterly result for June 15 was not filed. We are in process of filing the same.

We are in process of filing Form No. DIR-12, MGT 14 and MR-1 for appointment of CFO.

The company had already paid the required licence fees to the Environmental Authorities for renewal of licence. The company is taking all necessary steps to fulfill the requirement of Environment (Protection) Act 1986. The water (Prevention and Control of Pollution) Act 1974 and the Air (Prevention and Control of Pollution) Act, 1981.

ACKNOWLEDGEMENTS

The company has been well supported from all quarters and therefore your directors wish to place on record their sincere appreciation for the support and co-operation from Employees, suppliers Government of West Bengal, cane growers, depositors and the shareholders.

For and on behalf of the Board

Sunil K. Khaitan, *Chairman*
(DIN 00127698)

MR-3**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,

Khaitan (India) Ltd
46C, J. L. Nehru Road, Kolkata - 700071

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Khaitan (India) Ltd (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (,SEBI Act):-
3. (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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (vi) OTHER APPLICABLE ACTS,
- Factories Act, 1948
 - The Payment of Wages Act, 1936, and rules made thereunder,
 - The Minimum Wages Act, 1948, and rules made thereunder
 - The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
 - The Payment of Gratuity Act, 1972
 - The Employees Compensation Act, 1923
 - The Environment (Protection) Act, 1986
 - The Water (Prevention and Control of Pollution) Act, 1974
 - The Air (Prevention and Control of Pollution) Act, 1981
 - Boiler Act, 1923
 - Industrial Disputes Act 1947
 - The Payment of Bonus Act. 1965
 - The industrial Employment (Standing Orders) Act, 1946

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India 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. The Company has not filed the resolution in Form MGT-14 with the Registrar of Companies in respect of resolution passed for approval of quarterly result for June, 2015 as required under the provisions of the Section 179(3) (g) of the Companies Act, 2013.
2. The Company has not filed DIR-12, MGT-14 and MR-1 with the Registrar of Companies for appointment of CFO.
3. The Company has made delay in submission of Annual Return as required under Factories Act, 1948.
4. The Company has made delay in payment of wages to its workers under The payment of Wages Act, 1936, and rules made there under.
5. No records are shown under Payment of Gratuity Act, 1972. Further the Company is not paying any premium to LIC for Gratuity Fund.
6. The Company could not produce any document relating to The Environment (Protection) Act, 1986, The Water (prevention and Control of Pollution) Act, 1974 and The Air (prevention and Control of Pollution) Act, 1981.

I further report that,

During the year the company has filed some forms after the due date. Where these forms are filed with late fees before expiry of period specified under Section 403 of the Companies Act, 2013, this should be reported as compliance by reference of payment of additional fees. Further the Company has made delay in payment of Listing Fees as per requirement of Clause 38 of the Listing Agreement. However the same has been paid with interest.

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 are sent as per the provisions of the Act, 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.

I 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.

Place: Kolkata

Date: 29.05.2015

Note: This report is to be read with my letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

For N.K & Associates, *Company Secretaries*
Navin Kothari, *Proprietor*, FCS No. 5935, C P No.: 3725



Annexure "A"

TO,
THE MEMBERS
KHAIT AN (INDIA) LIMITED
46C, 1. L. NEHRU ROAD
KOLKATA -700071

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as are appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.

For N.K & Associates
Company Secretaries
Navin Kothari
Proprietor
FCS No. 5935
C P No.: 3725

Place: Kolkata
Date: 25.05.2015

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2015
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and administration) Rule, 214
I. REGISTRATION AND OTHER DETAILS :

(i)	CIN	L10000WB1936PLC008775
(ii)	Registration Date	7 th day of October, 1936
(iii)	Name of Company	KHAITAN (INDIA) LIMITED
(iv)	Category/sub-Category of the Company	
(v)	Address of the Registered office and contact details	46C, J.L.Nehru Road, Kolkata – 700 071 Phone : 22888391,4050,5000 Fax : 91 3322883961, E-mail : kilsugar@vsnl .net
	Whether listed company Yes/No	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Maheshwari Datamatics(P) Ltd. 6, Mangoe Lane, Kolkata – 700 001 Phone Nos : 033-2243 029/5809 Fax : 033-22484787, E-mail : mdpl@cal.vsnl.net.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl.No.	Name and Description of main products / service	NIC Code of the Products/service	% to total turnover of the company
1	Royalty	97740	14.89
2	Sugar	10721	85.11

III. PARTICULARS OF HOLDING , SUBSIDIARY AND ASSOCIATE COMPANIES:-

Sl.No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable section
1	-	-	-	-	-
2	-	-	-	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year (As on 01-April-2014)				No of Shares held at the end of the year (As on 31-March-2015)				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	774126	0	774126	16.2974	774126	0	774126	16.2974	0.0000
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	1687306	0	1687306	35.5222	2085754	1750	2087504	43.9475	23.7182
e) Banks/FI									
f) Any other									
Sub-total (A)(1)	2461432	0	2461432	51.8196	2859880	1750	2861630	60.2449	16.2587
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub-total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	
(A)=(A)(1)+(A)(2)									
Total shareholding of Promoter	2461432	0	2461432	51.8196	2859880	1750	2861630	60.2449	16.2587



FORM NO. MGT – 9 (Contd.)

Category of Shareholders	No of Shares held at the beginning of the year (As on 01-April-2014)				No of Shares held at the end of the year (As on 31-March-2015)				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/FI	0	1234	1234	0.0260	0	1234	1234	0.0260	0.0000
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FII's									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1):-	0	1234	1234	0.0260	0	1234	1234	0.0260	0.0000
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1251783	17800	1269583	26.7281	716005	16050	732055	15.4117	-42.3389
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	327712	411828	739540	15.5693	435557	405678	841235	17.7102	13.7511
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	265318	10400	275718	5.8046	271019	10400	281419	5.9246	2.0677
c) Others (Specify)									
Non Resident Indians	2293	200	2493	0.0525	23777	200	23977	0.5048	861.773
Qualified Foreign Investor									0
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	0	0	0	0.0000	8450	0	8450	0.1779	
Trusts									100.000
Foreign Bodies-D R									0
Sub-total(B)(2):-	1847106	440228	2287334	48.1545	1454808	432328	1887136	39.7292	-17.4963
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1847106	441462	2288568	48.1805	1454808	433562	1888370	39.7552	-17.4868
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	4308538	441462	4750000	100.0000	4314688	435312	4750000	100.0000	0.0000

FORM NO. MGT – 9 (Contd.)
ii) Shareholding of Promoters-

SI No	Shareholder's Name	Shareholding at the beginning of the year (As on 01/04/2014)			Shareholding at the end of the year (As on 31/03/2015)			% change in share holding during the Year	PAN
		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	KHAITAN LEFIN LIMITED	1131561	23.8223	0.0000	1131561	23.8223	0.0000	0.0000	AABCK1371L
2	KHAITAN HOTELS PVT. LTD.	555745	11.6999	0.0000	555745	11.6999	0.0000	0.0000	AABCK5493M
3	THE ORIENTAL MERCANTILE COMPANY LIMITED	0	0.0000	0.0000	398448	8.3884	0.0000	100.0000	AAACT9623P
4	SUNIL KRISHNA KHAITAN	151479	3.1890	0.0000	151479	3.1890	0.0000	0.0000	AGCPK9741L
5	SUNAY KRISHNA KHAITAN	140600	2.9600	0.0000	140600	2.9600	0.0000	0.0000	BTMPK5794F
6	ISHANI KHAITAN	126197	2.6568	0.0000	126197	2.6568	0.0000	0.0000	AMIPK2994F
7	VAGEESHA KHAITAN	113000	2.3789	0.0000	113000	2.3789	0.0000	0.0000	AJFPK2055H
8	SUNIL KRISHNA KHAITAN	97500	2.0526	0.0000	97500	2.0526	0.0000	0.0000	AAFHS5971K
9	VIDITA KHAITAN	62100	1.3074	0.0000	62100	1.3074	0.0000	0.0000	AFZPK3387A
10	SHREEKRISHNA KHAITAN	52500	1.1053	0.0000	52500	1.1053	0.0000	0.0000	AABHD7121E
11	SARITA DABRIWAL	20000	0.4211	0.0000	20000	0.4211	0.0000	0.0000	AGTPD2962K
12	SHREEKRISHNA KHAITAN	10750	0.2263	0.0000	10750	0.2263	0.0000	0.0000	AABHC0170L
13	THE ORIENTAL MERCANTILE CO LTD	0	0.0000	0.0000	1750	0.0368	0.0000	100.0000	AAACT9623P
	Total	2461432	51.8196	0.0000	2861630	60.2448	0.0000	16.2587	

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

SI No.	Name	Shareholding at the beginning (01/04/14)/end of the year (31/03/2015)		Cumulative Shareholding during the year (01/04/14 to 31/03/2015)		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	THE ORIENTAL MERCANTILE COMPANY LIMITED 4/1/2014 3/31/2015	398448 398448	8.3884 8.3884	398448	8.3884	AAACT9623P
2	KHAITAN LEFIN LIMITED 4/1/2014 3/31/2015	1131561 1131561	23.8223 23.8223	1131561	23.8223	AABCK1371L
3	KHAITAN HOTELS PVT. LTD. 4/1/2014 3/31/2015	555745 555745	11.6999 11.6999	555745	11.6999	AABCK5493M
4	SHREEKRISHNA KHAITAN 4/1/2014 3/31/2015	10750 10750	0.2263 0.2263	10750	0.2263	AABHC0170L
5	SHREEKRISHNA KHAITAN 4/1/2014 3/31/2015	52500 52500	1.1053 1.1053	52500	1.1053	AABHD7121E
6	SUNIL KRISHNA KHAITAN 4/1/2014 3/31/2015	97500 97500	2.0526 2.0526	97500	2.0526	AAFHS5971K
7	VIDITA KHAITAN 4/1/2014 3/31/2015	62100 62100	1.3074 1.3074	62100	1.3074	AFZPK3387A
8	SUNIL KRISHNA KHAITAN 4/1/2014 3/31/2015	151479 151479	3.1890 3.1890	151479	3.1890	AGCPK9741L
9	SARITA DABRIWAL 4/1/2014 3/31/2015	20000 20000	0.4211 0.4211	20000	0.4211	AGTPD2962K



FORM NO. MGT – 9 (Contd.)

Sl No.	Name	Shareholding at the beginning (01/04/14)/end of the year (31/03/2015)		Cumulative Shareholding during the year (01/04/14 to 31/03/2015)		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
10	VAGEESHA KHAITAN 4/1/2014 3/31/2015	113000 113000	2.3789 2.3789	113000	2.3789	AJFPK2055H
11	ISHANI KHAITAN 4/1/2014 3/31/2015	126197 126197	2.6568 2.6568	126197	2.6568	AMIPK2994F
12	SUNAY KRISHNA KHAITAN 4/1/2014 3/31/2015	140600 140600	2.9600 2.9600	140600	2.9600	BTMPK5794F
13	THE ORIENTAL MERCANTILE CO LTD 4/1/2014 31/03/2015 - Transfer 3/31/2015	0 1750	0.0000 0.0368	1750 1750	0.0368 0.0368	AAACT9623P

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

Sl No.	Name	Shareholding at the beginning (01/04/14)/end of the year (31/03/2015)		Cumulative Shareholding during the year (01/04/14 to 31/03/2015)		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	NATUREWEALTH DEVELOPMENT CORPORATION LIMITED 4/1/2014 3/31/2015	54000 54000	1.1368 1.1368	54000	1.1368	AAACN8651M
2	DELTA INTERNATIONAL LTD. 4/1/2014 3/31/2015	190000 190000	4.0000 4.0000	190000	4.0000	AABCD1223C
3	MANDPAM COMMERCIAL LIMITED 4/1/2014 3/31/2015	42550 42550	0.8958 0.8958	42550	0.8958	AACCM0741K
4	PURVANCHAL LEASING LIMITED 4/1/2014 3/31/2015	82130 82130	1.7291 1.7291	82130	1.7291	AACCP9719J
5	ANNUDEEP CREDIT CONSULTANTS PRIVATE LIMITED * 4/1/2014 30/06/2014 - Transfer 30/09/2014 - Transfer 31/12/2014 - Transfer 31/03/2015 - Transfer	0 70624	0.0000 1.4868	6584 72373 32670 70624	0.1386 1.5236 0.6878 1.4868	AADCA7389Q
6	PINCERS POLYPLAST PVT. LTD. # 4/1/2014 02/01/2015 - Transfer 3/31/2015	102013 0	2.1476 0.0000	0	0.0000	AADCK6243K
7	RESPECT VYAPAAR PRIVATE LIMITED # 4/1/2014 04/07/2014 - Transfer 3/31/2015	70000 0	1.4737 0.0000	0	0.0000	AADCR2249G
8	ANDREW GRACIAS * 4/1/2014 30/09/2014 - Transfer 3/31/2015	33266 43266	0.7003 0.9109	0 43266 43266	0.0000 0.9109 0.9109	AADPG7521P
9	SUNDRM CONSULTANTS PRIVATE LIMITED # 4/1/2014 30/09/2014 - Transfer 3/31/2015	70023 23	1.4742 0.0005	23 23	0.0005 0.0005	AAECS1225L

FORM NO. MGT – 9 (Contd.)

SI No.	Name	Shareholding at the beginning (01/04/14)/end of the year (31/03/2015)		Cumulative Shareholding during the year (01/04/14 to 31/03/2015)		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
10	NAGESHWAR ADVISORY SERVICES LLP 4/1/2014 3/31/2015	42000 42000	0.8842 0.8842	42000	0.8842	AAIFN1156A
11	BAIKUNTHNATH ADVISORS LLP * 4/1/2014 3/31/2015	42000 42000	0.8842 0.8842	42000	0.8842	AAMFB3309B
12	SHYAM VATIKA ADVISORS LLP * 4/1/2014 3/31/2015	41000 41000	0.8632 0.8632	41000	0.8632	ABUFS8499Q
13	SEETHA KUMARI 4/1/2014 3/31/2015	54919 54919	1.1562 1.1562	54919	1.1562	APFPS2411B
* Not in the list of Top 10 shareholders as on 01/04/2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2015.						
# Ceased to be in the list of Top 10 shareholders as on 31/03/2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2014.						

v) Shareholding of Directors and Key Managerial Personnel

SI No.	Name	Shareholding at the beginning (01/04/14)/end of the year (31/03/2015)		Cumulative Shareholding during the year (01/04/14 to 31/03/2015)		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	SUNIL KRISHNA KHAITAN 4/1/2014 3/31/2015	151479 151479	3.1890 3.1890	151479	3.1890	AGCPKK9741L
2	ARUN KUMAR KEDIA 4/1/2014 3/31/2015	100 100	0.0021 0.0021	100	0.0021	AFZPK3041B
3	DR VINOD KUMAR RUNGTA 4/1/2014 3/31/2015	100 100	0.0021 0.0021	100	0.0021	ADHPR4548N
4	SURENDRA BAFNA 4/1/2014 3/31/2015	100 100	0.0021 0.0021	100	0.0021	ACWPB9149F

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	59971532	340446365	-	400417897
ii) Interest due but not paid	1648081	31764165	-	33412246
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	61619613	372210530	-	433830143
Change in Indebtedness during the financial year				
* Addition	10446421	17508008	-	27954429
* Reduction	-	-	-	-
Net Change	10446421	17508008	-	27954429
Indebtedness at the end of the financial year				
i) Principal Amount	72066034	349483492	-	421549526
ii) Interest due but not paid	2023854	40235046	-	42258900
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	74089888	389718538	-	463808426



FORM NO. MGT – 9 (Contd.)

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl No	Particulars of Remuneration	Name of Whole time Director : Mr Surendra Bafna	Total Amount
1	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act 1961 b) Value of perquisites u/s 17(2) Income Tax Act 1961 c) Profits in lieu of salary under Section 17(3) Income Tax Act 1961	705128.00 126,720.00	705128.00 - 126,720.00
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	Others (Please specify) Total A	831848.00	831848.00
	Ceiling as per the Act	42,00,000	42,00,000

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. Remuneration to Other Directors

Sl No	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Sunil K Khaitan	Dr. V K Rungta	Mr. M K Jalan	Mr A K Kedia	
1	Independent Directors * Fees for attending Board, Committee Meetings	15,000.00	75,000.00	35,000.00	55,000.00	180,000.00
	Total (1)	15,000.00	75,000.00	35,000.00	55,000.00	180,000.00
2	Other Non-Executive Directors * Fees for attending Board, Committee Meetings	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	15,000.00	75,000.00	35,000.00	55,000.00	180,000.00
	Total Managerial Remuneration	NIL The Company has not paid any remuneration to the non executive and independent directors)				
	Overall Ceiling as per the Act					42,00,000

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

Sl No	Particulars of Remuneration	Mrs Sulekha Dutta (Joined on 13.03.2015)	Total Amount
1	Gross Salary a) Salary as per provisions contained in section 17(1) of the Income-tax Act 1961 b) Value of perquisites u/s 17(2) of Income Tax Act 1961 c) Profits in lieu of salary under Section 17(3) of Income Tax Act 1961	6,129.00	6,129.00 - -
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
5	Others (Please specify) Total A	6129.00	6,129.00
	Ceiling as per the Act	42,00,000	42,00,000

FORM NO. MGT – 9 (Contd.)

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority RD/NCLT Court	Appeals made if any (give details)
A Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL



ANNEXURE TO DIRECTORS REPORT

Information pursuant to Section 134 of the Companies Act 2013 read with Companies (Accounts) Rules, 2014

	For the year ending 31/03 t2015	For the year ending 31/03 t2014
A CONSERVATION ENERGY		
POWER & FUEL CONSUMPTION		
1. Electricity		
a) Purchased Units (in lacs)	4.95	5.15
Total amount Rs. (in lacs)	51.07	49.88
Effective Rate/ Lunit l unit (Rs)	10.72	9.68
b) Own Generation		
i) Through Diesel Generator Units (in lacs)	034	0.26
Unit per litre of Diesel Oil	400	4.09
Cost/Unit (Rs.)	13.64	14.54
ii) Through Steam Turbi nelGenerator Units (in lacs)	27.23	32.82
Unit per litre of fuel oil / Gas cost / Unit	Bagages being by produce in used as fuel and hence no separate cost to the factory	
2. Coal		
Quantity Tonnes	Not Applicable	Not Applicable
Total Cost		
Avarage Rate		
4. Others / Internal Generation		
Quantity of Fire Wood (MT)	NIL	12
Total Value (Rs./Lacs)	NIL	0.30
Rate Unit (Rs.)	NIL	0.009
Consumption per Unit of Production		
Product - Sugar (Qtls).	48860	58781
Electricity (Units/Qtls. of Sugar)	66.57	65.03
Furnace Oil	Not Applicable	Not Applicable
Coal	Not Applicable	Not Applicable
Others	Not Applicable	Not Applicable

B. TECHNICAL ABSORPTION

I. Research & Development (R&D) :

- a) Specific areas which R & D carried out by the Company:
Development of better varieties of sugarcane and higher productivity per unit of land and in the Plant side for improving quality of sugar.
- b) Benefits derived as a result of the above R & D
Improvement in cane yield and in quantity of sugar.
- c) Future Plan of Action:
Development of cane in Company's Reserved Area and Captive Farms
- d) Expenditure on R & D : N I L

II. Technology Absorption, Adaptation and Innovation :

The Company is trying to adopt the latest technology for improving productivity/ quality and reducing the consumption of raw materials and energy. No technology has been imported.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

FOB Value of Exports	—	Rs. Nil
Expenditure in Foreign Currency	—	Rs. Nil

REPORT ON CORPORATE GOVERNANCE

The company believes that Corporate Governance is a set of process customs policies, sales, regulation and laws for ensuing transparency, professionalism and accountability in its dealing with its customers, employees, shareholders and with every individual who comes in contact with the company. The detailed report on corporate governance as per Clause 49 of the Listing Agreement is as under:

Board of Directors

The company has six Directors of which 4 (75%) are non-executive directors, one whole time Director and one woman Director who was appointed as Additional Director in the category of executive director on 13.03.2015. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered with the Stock Exchanges.

During the year under review five Board Meetings were held on 30th May 2014, 13th August 2014, 12th November 2014, 13th Feb 2015 and 13th March, 2015. The maximum time gap between any two consecutive meetings did not exceed four months. The composition of Board, attendance at the last Annual General Meeting, number of other Directorships and committee memberships are given below:-

Name of Directors	DIN	Category	Attendance at Board Meeting	Attendance at Last AGM	Number of Committee member	Membership in Other Boards	Membership in Other Committee
Mr. Sunil K Khaitan	00127698	C&NED	4 / 5	No	1	3	---
Mr. M.K. Jalan	00598710	ID&NED	3 / 5	No	2	15	---
Mr. A.K. Kedia	00502760	ID&NED	5 / 5	No	2	10	---
Dr. V.K. Rungta	00087032	ID&NED	5 / 5	Yes	4	8	---
Mr. S. Bafna	00127681	WTD	3 / 5	Yes	2	1	---
Mrs. Sulekha Dutta	07114240	ED	NIL	No	---	1	---

Category details : C&NED – Chairman & Non Executive Director; ID&NED – Independent & Non Executive Director and WTD – Wholetime Director, ED – Executive Director (Appointed at the Boad Meeting on 13th March, 2015)

Non of the present Directors are relatives of each other as defined in Section 2(77) of the Companies Act 2013 and Rule 4 of the Companies (Specification of Definitions details) Rules, 2014

During the year information as mentioned in Annexure X to clause 49 of the Listing Agreement has been placed before the Board for its consideration.

The company has formulated a policy to familiaries the independent directors with the company, their roles, rights, responsibilities in the company nature of the industry which has been disclosed in the website of the company.

Code of conduct for Board members and Senior Management

The Board of Directors has laid down the code of conduct for all the Board Members and members of senior management of the Company. Additionally all the Independent Directors of the Company shall be bound by duties of independent directors as set out in the companies Act, 2013 read with schedules and rules thereunder.

All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct which is available on website of the company.

Board Committees

The Company had four committees i.e. Risk and Audit Committee, Nomination and Remuneration Committee, Share Transfer Committee, Shareholders Grievance Committee. Later on the Share Transfer Committee & Shareholders Grievance Committees have been merged and the name of the Committee was changed to Stackholders Relationship Committee. Details on role and composition of these committees including the number of meetings held during the financial year and the related attendance are mentioned below.

Risk and Audit Committee

The committee discharge such duties and functions generally described in cluse 49 of the Listing Agreement with the stock Exchanges. The major task performed by the audit committee may be grouped as under:-

Statutory Audit Internal Audit Reporting & Other aspects.

1. Oversight of the Company's financial reporting process and the disclosure of the financial information to ensure that the financial statement is correct, sufficient and credible and ensuing timely submission to statutory auditors.
2. Reviewing the management discussion & analysis of financial and operational performance.
3. Reviewing with the Management, the quarterly financial statements and annual financial statements and auditor's report thereon before submission to the board for approval.
4. Review the adequacy and effectiveness of the company's system and internal control.
5. Evaluation of internal financial controls and risk management systems.
6. Tore view the functioning of the Whistle Blower mechanism.

Audit & other duties

1. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit-discussion to ascertain any area of concern.
2. Discussion with internal auditors of any significant findings and follow up there on.
3. Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and Internal Auditors considering their independence and effectiveness and their replacement and removal.



REPORT ON CORPORATE GOVERNANCE (Cont.)

- To recommend to the Board the remuneration of the Statutory Auditors and Internal Auditors.
- To grant approval for related party transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transaction subject to the approval of the Board.

During the year under review the committee comprised of three independent directors all of whom are financially literate and have relevant finance and/or audit exposure. The Chairman of the Risk and Audit Committee also attended the last Annual General Meeting of the Company. During the period under review, Five Audit Committee meetings were held on May 20, 2014, August 13, 2014, November 12, 2014, February 13, 2015 and March 13, 2015. The composition of the audit Committee and attendance at its meetings is as follows:-

Members	Designation	Category	No. of Committee meeting during 2014-15
Dr. V K Rungta	Chairman	Independent, Non Executive Director	5
Mr. A.K. Kedia	Member	Independent, Non Executive Director	5
Mr. M K Jalan	Member	Independent, Non Executive Director	3

Nomination & Remuneration Committee:

The Remuneration Committee was renamed as Nomination and Remuneration Committee at a Board meeting held on 13.03.2015.

The terms of reference of the committee are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are paid as per the Agreement with the Unions. Remuneration is paid to a whole time director at present.

During the year under review, a meeting of the Nomination and Remuneration Committee was held on March 13, 2015. The composition of nomination and Remuneration Committee and attendance at its meetings as follows:

Members	Designation	Category	No. of Committee meeting during 2014-15
Dr. V K Rungta	Chairman	Independent, Non Executive Director	1
Mr. A.K. Kedia	Member	Independent, Non Executive Director	1
Mr. M K Jalan	Member	Independent, Non Executive Director	1

Remuneration of Non-Executive Directors :

Independent and Non- Executive Directors were paid sitting fees of Rs. 5000/- per meeting of Board of Directors or any Committee thereof

Remuneration of Executive Directors :

- Mr. Surendra Bafna. Salary & perquisites Rs. 7.06 lacs per annum.
- Mrs. Sulekha Dutta- Company Secretary Rs. 0.06 lacs (Appointed on 13.3.2015)

The details of remuneration of the Directors during the period under review are as under :

(Rs. in Lacs)

Name of Directors	Category	Salary & Perquisites	Sitting Fees	Total	Period of Appointment Notice Period
Mr. Suni K Khaitan	C & NED	-	15	0.15	-
Mr. M K Jalan	ID & NED	-	35	0.35	-
Dr. V K Rungta	ID & NED	-	75	0.75	-
Mr. A K Kedia	ID & NED	-	55	0.55	-
Mr. S Bafna	WTD	7.06	-	7.06	1.4.14 to 31.3.17 (3 months)

Stackholders Relationship Committee

The name of the Shareholders Grievance Committee was changed to Stackholders Relationship Committee in the Board meeting held on 13.03.2015. Share Transfer Committee has also merged with this committee.

The Committee performs following functions:

- Transfer/Transmission of shares
- Issue of Duplicate Share Certificates
- Review of share dematerialisation and rematerialisation
- Monitoring the expeditious Redressal of Investor Grievances.
- Monitoring the performance of company's Registrar & Transfer Agent.
- All other matters related to the shares.

During 2014-15 the committee was chaired by Dr. V K Rungta. At present the committee comprises of two Non-Executive Directors and one Executive director. During the year committee met 4 times i.e. 30.05.2014, 13.08.2014, 12.11.2014 and 31.01.2015. The composition of the Committee and attendance at its meeting is as follows:

REPORT ON CORPORATE GOVERNANCE (Cont.)

Members	Designation	Category	Meeting Attended
Dr. V K Rungta	Chairman	Independent, Non Executive Director	4
Mr. A.K. Kedia	Member	Wholetime Director	4

Shri S Bafna, the Executive director was the Compliance Officer during the year under review. He performed the functions of monitoring the complaints received vis-à-vis share transfer and other related processes and reported them to the Board. He also carried out his responsibility as liaison officer with the investors and regulatory authorities, such as SEBI, Stock Exchanges, Registrar of Companies in respect of implementing laws, rules and regulations and directives of such authorities concerning investor service and complaints.

Independent Directors' Meeting

During the year under review, the Independent Directors met on March 20, 2015, inter alia to discuss:

1. Review the performance of non-independent directors and the Board as a whole;
2. Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
3. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Formation of Policy for selection and appointment of Directors including Independent Director KMP/
Senior Management Personnel

The Nomination and Remuneration Committee discussed and thereafter decided upon the policy for selection and appointment of directors and their remuneration. The highlights of the policy are as follows:

- (i) Person of eminence, standing and knowledge with sufficient achievements in business, professions and/or public service. Their financial and business literacy/skill.
- (ii) Relative Industry experience
- (iii) To build team and carry the team members along for achieving the goals/objectives and corporate mission.

Remuneration

To ensure that the level and components of remunerations are reasonable and sufficient to attract, retain and motivate Directors / KMP and other employees of the quality to run the company successfully.

To ensure that relationship of remuneration to the performance is clear and meets appropriate performance benchmark. Improved performance should be rewarded.

Remuneration packages should strike a balance between fixed and incentive pay, wherever applicable.

To ensure that the remuneration structure is simple and cost to the company (CTC) is not shown inflated and effective take home pay is not low.

Related Party Transaction

All transactions entered into with related parties as defined in Clause 49 of the listing Agreement during the financial year under review were in the ordinary course of business 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 Standard (AS18) has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been reported on the company's website.

Prevention of Insider Trading

The company has adopted a code of conduct for prevention of Insider Trading with a view to regulate trading securities by the Directors and designated employees of the company.

Disclosures

1. The company has always ensured fair code of conduct and maintained transparency. There are no transactions of the Company of material nature with promoters, directors, subsidiaries or relatives etc. which would have potential complaints with the interest of the Company at large.
2. In accordance with requirement of Companies Act as well as listing agreement, a vigil mechanism has been adopted by the board of directors and accordingly a Whistle Blower Policy has been formulated with a view to provide a mechanism for employees of the company to approach Internal Auditor or Chairman of the Audit Committee of the Company to report any grievance. The same has been uploaded on company's website.
3. The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years. No strictures have been imposed by them on the Company. The quarterly results for 1st quarter was mailed to NSE as usual, but not signed with a letter, for that NSE had imposed a penalty.
4. The Board has obtained certificate/disclose from key management personnel confirming they do not have any material financial and commercial interest in transaction with the Company at large.

Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statement.



REPORT ON CORPORATE GOVERNANCE (Cont.)

General Body Meeting

Details of last three Annual General Meetings are as follows:

YEAR	LOCATION	DATE	TIME
2013-14	Bharatiya Bhasha Parishad 36-A, Shakespeare Sarani, Kol-17	29-09-2014	11.30 A.M.
2012-13	Merchant Chamber of Commerce 15-B, Hemant Basu Sarani, Kol-1	25.09.2013	11.30 A.M.
2011-12	Merchant Chamber of Commerce 15-B, Hemant Basu Sarani, Kol-1	26-09-2012	11.30 A.M.

CEO/CFO Certification

As required under Clause 49 IX of the listing agreement with the stock exchanges Mr. S. Bafna, Executive Director as well as CFO certify to the Board that:

- a) The financial statements and the Cash Flow Statement for the year have been reviewed and to the best of his knowledge and belief:
 - i) These statement do not contain any untrue statement of material fact, have not omitted any material fact and do not contain any statement that is misleading
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards applicable laws and regulations.
- b) To the best of his knowledge and belief no transactions entered into by the company during the year are fraudulent, illegal or violate the Company's code of conduct.
- c) He accepts responsibility for establishing and maintaining internal controls for financial reporting and that he has evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.
- d) He has indicated to the auditors and the Audit Committee.
 - i) Significant changes in the internal control over financial reporting during the year
 - ii) Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) There have been no instances of significant fraud either by the management or an employee having a significant role in the Company's internal control system of financial reporting.

Means of communications

The quarterly/ half yearly/ annual un-audited/ audited financial results of the company are posted to the stock exchanges immediately after they are approved by the Board of Directors and are published in the Business Standard and Duranta Varta.

Management discussion & Analysis

The Management Discussion and Analysis Report (MD & AR) is part of this report.

Notes on Directors Reappointment

Relevant details from part of the explanatory statement, attached with the notice of the Annual General Meeting.

Shareholder's Information

- a) Date, time and Venue of Next Annual General Meeting : 30th September, 2015 at Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, 4th Floor, Kolkata-700017 at 2 pm
- b) Date of Book Closing : 23rd to 30th September, 2015 (both days inclusive)
- c) Dividend payment date for the FY 2014-15 : Dividend has not been recommended
- d) Information regarding Stock Exchanges where the shares of the Company are listed : The National Stock Exchange of India Limited Exchange Plaza, Bandra East, Mumbai-400051 Bombay Stock Exchange Ltd. 25 P J Towers, Dalal Street, Mumbai-400001 (under permitted securities category)
- e) Financial Calendar:

Financial Year	Ending March 31
Results for the quarter ending	
June 30, 2014	August 13, 2014
September 30, 2014	November 12, 2014
December 31, 2014	February 13, 2015
March 31, 2015	May 29, 2015

Postal Ballot

No resolution requiring postal ballot has been placed for Shareholders approval at the ensuing Annual General Meeting

REPORT ON CORPORATE GOVERNANCE (Cont.)
f) Payment of Listing Fees:

The Company had applied for de-listing with the Calcutta Stock Exchange Ltd. which is pending. No payment of Listing Fees is paid to them.

Listing fees have been paid for the year 2014-2015 to N S E.

ISIN No. for the Company's Ordinary Shares in Demat Form is INE 731 C 01018.

MARKET PRICE												(2014-15)	
NSC	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
HIGH	20.60	23.50	23.95	22.00	18.60	17.90	16.84	12.65	12.13	12.53	10.11	9.50	
LOW	20.50	19.60	19.10	15.15	15.75	13.35	11.20	11.15	9.49	9.97	8.59	6.50	

h) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2015
i) According to Category of Holding:

Category	Shareholders		Shares	
	No.	%	No.	%
Promoters Group	12	0.44	2326832	48.99
Banks, Financial Institution	2	0.07	1234	0.02
Private Corporate Bodies	78	2.85	1268377	26.70
Indian Public	2638	96.46	1147652	24.16
NRI	1	0.04	5600	0.12
Others /Clearing Members	4	0.14	305	0.01
Total	2735	100.00	4750000	100.00

(b) Pattern of Shareholdings as on 31st March, 2013:

Share Holding Pattern			Shareholders		Shares	
			Nos.	%	Nos.	%
upto 500			2484	90.82	434861	9.16
501	To	1000	119	4.35	101510	2.14
1001	To	2000	52	1.90	76448	1.61
2001	To	3000	16	0.58	40898	0.86
3001	To	4000	5	0.19	17739	0.37
4001	To	5000	7	0.26	31842	0.67
5001	To	10000	15	0.55	114694	2.41
10001	and	above	37	1.35	3932008	82.78
Grand Total			2735	100.00	4750000	100.00

i) Registrar and Share Transfer Agent (for physical as well as for D'mat Segment)

M/s. Maheshwari Datamatics (P) Ltd.,

6, Mangoe Lane, Kolkata-700001

Phone: 033-2243 5029/5809; 2248 2248

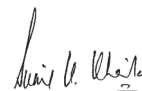
Fax: 033-22484787; email: mdpl@cal.vsnl.net.in

j) Share Transfer System : Share Transfers are registered and returned within 30 days of lodgement thereof, if the documents are clear in all respects.

Transfers of shares are done through depositories with no involvement of the Company. Regarding transfer of shares in physical form, the transfer documents can be lodged with M/s Maheshwari Datamatics (P) Ltd., 6 Mangoe Lane, Kolkata-700001

k) Dematerialization of Shares: The Company's shares are compulsorily traded in dematerialized form and are available for trading under both Depository Systems, NSDL and CDSL. As on 31.03.2015 a total of 4314688 Equity Shares of the Company were held in demat mode.
l) Outstanding GDR's/ADR's/Warrants or any convertible instruments, conversion data and impact on equity – NIL
m) Plant Location : Khaitan Nagar, Plassey, Dist. Nadia, West Bengal

For and on behalf of the Board



Sunil K. Khaitan, *Chairman*
(DIN 00127698)

Kolkata
The 29th May, 2015



AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT

TO THE MEMBERS OF
KHAITAN (INDIA) LIMITED

We have reviewed the compliance of conditions of Corporate Governance by Khaitan (India) Limited for the year ended 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s), with the relevant records and documents maintained by the Company and furnished to us.

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

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

No investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges have been complied with in all materials respect by the Company.

9 Old China Bazar St
5th fl., Room No 80
Kolkata-700001
The 29th May, 2015

For O P Sharma and Associates
Chartered Accountants
Registration No 500128 N
Om Prakash Sharma
Proprietor
Membership No070762

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Khaitan (India) Limited
Kolkata

Report on the Financial Statements:

1. We have audited the accompanying financial statements of Khaitan (India) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

2. 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 principle 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 judgements and estimates that are reasonable and prudent and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for insuring 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.

Auditors' Responsibility:

3. 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 there under.

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.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. 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 operating over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by 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.

5. Basis of Qualified Opinion:

- a. *Attention is provided to Note no. 14 regarding deferred tax asset which have not been written off amounting to Rs.32643751/- being recognized in the Balance Sheet. If the Deferred tax asset had been written off during the year, there would be a loss of Rs.8,85,15,565/- as against the loss of Rs.5,58,71,814/- shown in these financial statements. Deferred tax asset balance in the Balance sheet would amount to 'NIL' as against Rs.3,26,43,751/- as disclosed in these financial statements.*
- b. *Closing balances of Debtors, Creditors, loans, deposits, advances, old liabilities relating to gratuity, land rent & panchayat tax and some bank balances are unconfirmed and fixed deposit receipts and National Saving certificates are not available with the company, in respect of which we are unable to express our opinion.*

Qualified Opinion:

6. In our opinion and to the best of our information and according to the explanations given to us, *except for the matter referred to in paragraph 5 above*, the 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:
- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
 - in the case of the Statement of Profit and Loss, of the Loss, for the year ended on that date; and
 - in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter:

7. Without qualifying our opinion, we draw attention to the following matters:

Attention is drawn to Note No. 2(f) regarding valuation of planted trees on estimated realizable value being technical in nature, we are unable to express our opinion.

Report on Other Legal and Regulatory Requirements:

8. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
9. As required by section 143(3) of the Act, we report that:
- except for the matter referred to in paragraph 5 above*, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;



INDEPENDENT AUDITOR'S REPORT

- b) in our opinion, *except for the matter referred to in paragraph 5 above*, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) *except for the matter referred to in paragraph 5 above*, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, *except for the matter referred to in paragraph 5 above*, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014.
- e) on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act .
- f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014 ,in our opinion and to the best of our information and according to the explanations given to us :

The company has disclosed the impact of pending litigations on its financial position in its financial statements 31 refer note 2 (M) to the financial statements .

9 Old China Bazar St
5th fl., Room No 80
Kolkata-700001
The 29th May, 2015

For O P Sharma and Associates
Chartered Accountants
Registration No 500128 N
Om Prakash Sharma
Proprietor
Membership No070762

ANNEXURE TO THE INDEPENDENT AUDITORS REPORT REFERRED TO IN PARAGRAPH 8 WITH THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” SECTION OF OUR REPORT OF EVEN DATE

1.
 - i. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - ii. The Fixed Assets have been physically verified in a phased manner by the management and reconciliation of the quantities with the Fixed Assets Register has been made. The differences, if any, have been adjusted and no serious discrepancies between the Fixed Assets Register and physical inventory have been noticed.
2.
 - i. The management has conducted physical verification of inventory at reasonable intervals during the year.
 - ii. In our opinion the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
 - iii. On the basis of our examination of the records of Inventory, we are of the opinion that company is maintaining proper records of inventory. The discrepancies noticed on physical verification and the books stock wherever ascertained were not significant and have been properly dealt with in the books of accounts.
3. The Company has not granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly the requirements of clauses (iii) (a) to (b) of the paragraph 3 of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit no major weakness has been noticed in the internal control system.
5. The Company has not accepted deposits from the public during the year. The directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act and the rules framed there under are not applicable
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records. Under section 148 (1) of the Companies Act, 2013 and are of the opinion prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate or complete.
7.
 - i. According to the information and explanations given to us and on the basis of our examination of the books and account, the company has generally been regular but with delays in depositing the Undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, Cess, Value Added Tax, T.D.S. and other statutory dues, if any, with the appropriate authorities. No undisputed statutory dues were outstanding, as at 31st March 2015 for a period of more than six months from the date they became payable except Panchayat tax amounting to Rs.15,448/- and Service tax amounting to Rs.44,61,000/- .
 - ii. According to the information and explanations given to us and the records of the company examined by us, the dues of Income Tax, Sales Tax, Service Tax, Excise Duty, Value added Tax and Cess as at 31st March 2015 which have not been deposited on account of dispute and the forum where the disputes are pending are as follows :

Name of the Statute	Nature of Class	Amount	Period to which is relating	Forum where dispute is pending
Maharashtra Sales Tax Act	Tax & Penalty on higher turnover on reassessment Income Tax	94,87,225		Joint Commissioner & Sales Tax (Appellate) Mumbai.
Income Tax Act, 1961	- Do -	39,80,580	2008 – 09	Appeal filed by Company against Assessment order before CIT(A)
	- Do -	0	2007 – 08	Department filed appeal before ITAT
	- Do -	7372674	2006 – 07	Department filed appeal before ITAT
	- Do -	53,21,692	2005 – 06	Company filed appeal before ITAT
	- Do -	1362312	2004 – 05	Department filed appeal before ITAT
		48,83,986	2003 – 04	Appeal filled before CIT(A)

8. The Company does not have accumulated losses more than fifty percent of its net worth at the end of the financial year but it has incurred cash losses during the financial year covered by our audit. It had incurred cash losses in the immediately preceding financial year also.
9. According to the information and explanations given to us by the management the company has not defaulted in repayment of dues to financial institutions/Banks .Refer note no 5 in Notes on Financial Statements .
10. According to the informations and explanations given to us, the company has given guarantee for loan taken by others, from bank or financial institutions. Since such guarantees or counter guarantees given are very old and records to this effect has not been provided to us we are unable to comment upon whether the terms and conditions are prejudicial to the interest of the company.
11. Based on information and explanations given to us and the records of the company examined by us, in our opinion the term loan has been applied for the purpose for which it was obtained .
12. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

9 Old China Bazar St
5th fl., Room No 80
Kolkata-700001
The 29th May, 2015

For O P Sharma and Associates
Chartered Accountants
Registration No 500128 N
Om Prakash Sharma
Proprietor
Membership No070762



BALANCE SHEET As at 31ST MARCH, 2015

Particulars	Notes No.	2014-15 Rs.	2013-14 Rs.
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	47500000	47,500,000
Reserves & Surplus	4	419116184	484,366,412
Non Current Liabilities			
Long Term Borrowings	5	144894312	133,670,458
Long Term Liabilities	6	1760000	1,276,000
Long Term Provisions	7	11732280	6,428,962
Current Liabilities			
Short Term Borrowings	8	32185446	302,732,548
Trade Payables	9	46358271	55,908,683
Other Current Liabilities	10	30745349	31,133,385
Short Term Provisions	11	4634587	3,978,201
TOTAL		1028596431	1,066,994,649
II. ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	12	594339414	619,383,775
Non Current Investments	13	165032043	165,032,043
Deferred Tax Assets (Net)	14	32643751	32,643,751
Long Term Loans and Advances	15	49911372	47,412,094
Other Non Current Assets	16	29002695	28,874,063
Current Assets			
Inventories	17	13671784	153,816,720
Trade Receivables	18	6878857	6,499,000
Cash & Cash Equivalents	19	4507131	3,399,465
Short Term Loans and Advances	20	8766527	9,491,951
Other Current Assets	21	542857	441,793
TOTAL		1028596431	1,066,994,649
Notes to Accounts & Significant Accounting Policies	2		
The accompanying notes are an integral part of the financial statements.			

Statement of PROFIT and LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Notes No.	2014-15 Rs.	2013-14 Rs.
REVENUE			
Revenue from Operation	22	266497571	297,177,692
Other Income	23	7782481	4,176,429
Total Revenue		274280052	301,354,121
Costs and Expenses			
Cost of Materials consumed	24	170048551	190,676,189
Change in inventories of finished goods	25	17,282,260	(8,894,373)
Work in progress			
Other Manufacturing Expenses	26	40351239	45,662,213
Employees Benefits Expenses	27	29421502	28,334,125
Finance costs	28	48446257	42,744,438
Depreciation & Amortisation Expenses	11	17746791	14,089,004
Other Expenses	29	5890381	7,145,034
Total Expenses		329186981	319,756,631
Profit/(Loss) Before Tax		(54906929)	(18,402,509)
INCOME TAX PAID FOR AN EARLER YEAR		964885	
Profit/(Loss) for the Year		(55,871,814)	(18,402,509)
Basic and Diluted Earning Per Share of Rs.10/- each (In Rupees)	33	(11.76)	(3.87)
Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements.			

For OP SHARMA & ASSOCIATES
Chartered Accountants
Registration No 500128 N

9, Old China Bazar st. 5th flr
Room No. 80, Kolkata-700001
Date : the 29th May 2015

C.A. Om Prakash Sharma, Proprietor
(Membership No 070762)

Sulekha Dutta
Director & Co. Secy.
(DIN 07114240)

S Bafna
Executive Director
(DIN 127781)

Sunil K Khaitan
Chairman
(DIN 00127698)

Cash Flow Statement for the year ended 31 March, 2015

Particulars	For the year ended 31, March, 2015		For the year ended 31, March, 2014	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit/ (Loss) before extraordinary items and tax		(55,871,814)		(18,402,507)
<u>Adjustment for :</u>				
Sundry Loans and Advances written off	-		39,853	
Provision for employees benefit Leave encashment	121,489		(233,828)	
Provision for Group Gratuity Scheme	521,239		(465,456)	
Liabilities/ Provision no longer required written back	(464,047)		(882,829)	
Depreciation and amortisation	17,746,791		14,089,004	
Finance cost	48,446,257		42,744,438	
Interest income received	(418,192)		(468,450)	
Rental Income received	(2,330,565)		(1,683,767)	
Prior period items debited to Profit & Loss A/c				
Profit on sale of Fixed Assets	(3,244,390)	60,378,491	(45,000)	53,093,966
Operating Profit or Loss before Working Capital Changes		4,506,677		34,691,458
<u>Changes in Working Capital</u>				
Decrease/(Increase) in operating assets	14,574,950		(25,672,589)	
Decrease/ (Decrease) in operating liabilities	(25,999,538)	(11,424,588)	6,695,821	(18,976,768)
Net cash flow from / (used in) operating activities (A)		(6,917,911)		15,714,690
B. Cash flow from investing activities				
Proceeds from sale of fixed assets	3,244,390		45,000	
Interest & Dividend received	1,335,515		468,450	
Rental income received	1,683,767		1,683,767	
Purchase of Fixed Assets	(1,800,150)	4,463,522	(7,808,707)	(5,611,490)
Net cash flow from / (used in) investing activities (B)		4,463,522		(5,611,490)
C. Cash flow from financing activities				
Loan Taken	35,765,600		65,064,644	
Non Cash Expenditure on a/c of decrease in revalued reserve				
Loan Repaid	9,938,448		(39,415,283)	
Finance cost	48,446,257	(22,619,105)	(42,744,438)	(17,095,077)
Net cash flow from / (used in) financing activities (C)		(22,619,105)		(17,095,077)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(25,073,494)		(6,991,877)
Cash and cash equivalents in the beginning of the year		3,399,465		10,391,344
Cash and cash equivalents at the end of the year*		4,507,132		3,399,465
Cash and cash equivalents at the end of the year *				
* Comprises:				
Cash on Hand	337,616		360,201	
In Current Accounts	987,460		707,932	
In Deposit Accounts	3,164,601		2,312,437	
In Earmarked Accounts	17,455	4,507,132	18,895	3,399,465

For OP SHARMA & ASSOCIATES

 Chartered Accountants
 Registration No 500128 N

 9, Old China Bazar st. 5th flr
 Room No. 80, Kolkata-700001
 Date : the 29th May 2015

 C.A. Om Prakash Sharma, *Proprietor*
 (Membership No 070762)

 Sulekha Dutta
Director & Co. Secy.
 (DIN 07114240)

 S Bafna
Executive Director
 (DIN 127781)

 Sunil K Khaitan
Chairman
 (DIN 00127698)



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2015

1. Corporate Information :

The Company is the owner of "Khaitan" Brand and getting royalty from its users. The Company is manufacturer of Sugar and also cultivates sugarcane in its captive farms for utilizing the same for manufacturing sugar in its factory.

2. Significant Accounting Policies:

a) Basis of Accounting

The Financial Statements are prepared under the historical cost convention, except stated otherwise, on an accrual basis and in accordance with generally accepted Accounting principles in India, the applicable mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

The financial statements have been prepared and presented as per the requirement of Schedule III as mentioned under Companies Act, 2013.

b) Use of Estimates

The preparation of financial statements require judgements, estimate/ estimates and assumptions to be made that affect the reported amount of assets and liabilities including contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the period in which the results are known / materialized.

c) Fixed Assets

Tangible Fixed Assets

- i. Fixed Assets, other than those which have been revalued, are stated at their original cost which includes expenditure incurred in the acquisition and construction/installation and other related expenses.
- ii. Revalued assets are stated at the values determined on valuation

Intangible Fixed Assets

Intangible Assets are at cost on initial recognition, after which the same are stated at cost less accumulated amortization and accumulated impairment loss, if any .

d) Depreciation & Amortization

- i) Depreciation on tangible fixed assets provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Companies Act. 2013.
- ii) Depreciation for assets purchased / sold during the year is proportionately charged
- iii) On amount added on revolution, depreciation is provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Companies Act.

e) Investments

- i. 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. All other investments are classified as Long term Investments.
- ii. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.
- iii Long term investments are stated at cost. Provision for diminution is made if the decline in value, in the opinion of the management, is other than temporary.

f) Inventories

Inventories are valued as follows :-

Stores, Spares & Others are valued at cost. Finished Goods are valued at lower of cost or market value. Stock in process of sugar and molasses are valued at lower of estimated cost or realizable value and planted trees having maturity of 18 months are valued at estimated realizable value.

g) Employee Benefits

- i. Employee benefits of short term nature are recognized as expense as and when it accrues. Employee benefit of long term nature are recognized as expense based on actuarial valuation using projected unit credit method.
- ii Post employment benefits in the nature of defined contribution plans are recognized as expense as and when it accrues and that in the nature of defined benefit plans are recognized as expenses based on actuarial valuation using projected unit credit method. Actuarial gains or losses are recognized immediately in the statement of Profit and Loss Account.
- h) Foreign Currency Transactions
 - i. Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction, year end balance of foreign currency transactions is translated at the year end rates.
 - ii. All exchange differences are recognized as income or expenses in the period in which they arise
- i) Recognition of Revenue and Expenses

All revenue and expenses are accounted for on accrual basis except as otherwise stated. Gross Sales are inclusive of excise duty and net of returns, claims and discount etc. Dividend income is recognized when right to receive is established.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2015**j) Taxation**

Provision for current Income Tax is made in accordance with the Income Tax Act, 1961. The deferred tax charge or credit is recognized using substantively enacted tax rates subject to consideration of prudence in timing differences between book and tax profits. Deferred tax Assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred assets can be realized.

k) Impairment

An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. An impairment loss is recognized as an expense in the statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

l) Borrowing Costs

General and specific borrowing costs attributable to the acquisition, construction or installation of qualifying capital assets till the date of commencement of commercial use of the assets are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred

m) Provisions and Contingent Liabilities

A provision is recognized if, as a result of past event, the company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as Contingent Liabilities. A disclosure for contingent liability is also made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of out flow of resources is remote, no provision or disclosure is made.

Earning Per Share

Basic earnings per share is calculated by dividing the net profit or Loss for the period attributable to equity shareholders.

l) Employees Benefit

Contribution of Employer's Share to Employee's Provident Fund are worked on accrual basis and charged to Profit & Loss Account. The Company also provides for gratuity and leave encashment based on actuarial valuation made by an independent actuary as per AS-15.

m) Land on Leases

The company has leased out its land at Ramnagar admeasuring 4.0580 Acres for 99 years for Rs .6553228/ and received lease rent in advance full payment and adjusted Rs.21143 during the year.

n) Provisions

Provisions are recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date.

o) Excise Duty, under expenditure, represents payments made/to be made during the year on goods cleared/to be cleared.

Payment of services where service tax is charged and credit for the same is taken as accounted net of service tax.

p) The expenses incurred on sugarcane and on trees are accumulated under the caption "Standing Sugarcane" and "Planted Trees" (excluding planted trees having maturity of over 18 months) respectively and charged to statement of Profit & Loss in the year of harvesting.



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2015

Particulars	31.03.2015	31.03.2014
3. SHARE CAPITAL		
Authorised		
24750000 Equity Shares of Rs.10/- each .	247500000	247500000
4000, 6% (tax free) Cumulative Preference Shares of Rs.100/- each	400000	400000
21000 Preference Shares of Rs.100/- each	2100000	2100000
	250000000	250000000
Issued, Subscribed & Paid up		
47,50,000 Equity Shares of Rs.10/- each fully paid up	47500000	47500000
	47500000	47500000

- (a) There has been no change /movements in number of Shares outstanding at the beginning and at the end of the Reporting period .
- (b) The company has only one class of issued shares i.e. Equity Share having par value of Rs. 10/- per share . Each holder of Equity Shares is entitled to one vote per share and equal right for dividend . In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after payment of preferential amounts , in proportion to their share holding.

Details of shares held by each shareholder holding more than 5% of share capital	As at 31.12.2015		As at 31.03.2014	
	Number of Shares Held	Percentage (%)	Number of Shares Held	Percentage (%)
Particulars				
Khaitan Lefin Limited	1131561	23.82%	1131561	23.82%
Khaitan Hotels Pvt. Ltd.	555745	11.70%	555745	11.70%
The Oriental Mercantile Company Limited	398448	8.39%	398448	8.39%

Particulars	As at 31.03.2015		As at 31.03.2014	
4. RESERVES & SURPLUS				
REVALUATION RESERVE :-				
As per last Balance sheet	409638024	409477583	409638024	409638024
Less adjustment in respect of disposal of Fixed Assets	160441		-	
GENERAL RESERVE :-				
As per last Balance sheet	159874197	150656224	159874197	159874197
Less Adjustment due to transitional provision of Schedule 2 of Companies Act ,2013	9217973		-	
STATEMENT OF PROFIT & LOSS				
As per last Balance sheet	(85145809)	(141017623)	(66743300)	(85145809)
Add - Loss for the Year	(55871814)		(18402509)	
Net deficit in the statement of Profit & Loss				
Total Reserve and Surplus		419116184		484366412

Particulars	As at 2014-15	As at 2013-14
5. LONG TERM BORROWINGS		
A. Secured Loans		
From a Bank		
- Term loan from IDBI Bank	9200000	-
B. From Others		
- from Sugar Development Fund	33994312	31970458
C. Unsecured		
Advances from others (Not bearing Interest)	101700000	101700000
Total	144894312	133670458

Details of Security

- 1) Term Loan from IDBI Bank under the " Scheme for extending financial assistance to Sugar undertaking 2014" is secured by hypothecation of stocks, book debts, standing crops ,stores & spares and all other current assets and mortgage of agricultural land measuring about 2067.21 Acres and entire fixed assets of sugar division of the company, present & future and personal guarantee of a Director.
- 2) Loan from Sugar Development Fund is secured by charge on specified assets and guaranteed by a Director of the Company .

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2015
Terms of Repayment of Secured Term Loans

- 1) Term loan from IDBI Bank is repayable in 36 monthly instalments starting from September, 2016. The rate of interest is BASE BANK RATE (BBR)+350 Bps (current BBR is 10.25% p.a). Any delay will attract penal interest @ 2% p.a. and also liquidated damages in case of default.
- 2) Loan from Sugar Development Fund for Rs. 287.55 lacs was sanctioned on 31-03-1992 to be disbursed in 3 instalments upto 31-03-1995. However, only one instalment of Rs. 132.19 lakhs was disbursed. Initially rate of interest was 9% p.a. and penal interest was 2.5% above normal rate of interest. The interest rate was later revised to 4.5% and again to 7.5%. There was a moratorium of 3 years. Repayment of Principal was to be made in 4 equal annual instalment after expiry of moratorium period and interest on loan was payable annually. At present amount due on principal account is Rs. 8563117 (Previous year Rs. 8563117) and Rs.25431195 (previous year Rs.23407341 towards interest. The Company has sent a proposal to Sugar Development Fund for concession/waiver of interest which is pending. Interest on loan of Rs.2023854 for the year (previous year Rs.1648081) has been provided as per agreement.

The Company has defaulted in repayment of loan and interest in respect of the following

The loan from Sugar Development fund of Rs. 132.19 lacs was repayable in 4 annual instalments by 1999. There is a continuous default now. Principal amount of Rs. 46,56,883 has been paid and balance amount due is Rs. 8563117 as on 31-03-2015 and interest due is Rs.25431195 as on 31.03.2015.

6 OTHER LONG TERM LIABILITIES	As at 31.03.2015	As at 31.03.2014
- Trade / Security Deposits Received	1760000	1276000
Total	1760000	1276000
7. LONG TERM PROVISIONS		
- Employee Benefits *		
Provision for Gratuity	5300201	4778962
Deferred Lease Rent	6432079	-
- Provision for Income Tax	-	1650000
*Since the Actuary has not classified the provision for gratuity amount as current and non current, the entire amount has been taken as long term.		
Total	11732280	6428962
8. SHORT TERM BORROWINGS		
Secured		
- Cash Credit Account with IDBI BANK and BANK OF BARODA	30895576	29649155
Nature of Security:		
Secured by Hypothecation of stocks, book debts, standing crops, stores & spares and all other current assets and mortgage of agricultural land measuring about 2067.21 Acres and entire fixed assets of sugar division of the company, present & future and personal guarantee of a Director Other Loan against pledge of FDR from State bank of India	2941332	2572863
Unsecured	-	-
- Loans and advances from Related Parties	285662038	268610530
- Inter Corporate deposit	2356500	1900000
Total	321855446	302732548
9. TRADE PAYABLES		
- Other than Acceptances	46358271	55908683
Total	46358271	55908683

There are no Micro, Small, Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

Particulars	As at 2014-15	As at 2013-14
10. OTHER CURRENT LIABILITIES		
Other Payables-		
- Trade / Security Deposits received	6366534	7074885
- Statutory remittance	9819056	7792145
- Dues of employees	2774331	2517418
- Contractually reimbursable expenses	4741690	4149018
- Liability for expenses	7043739	7749858
- Capital Advance against sale of land	-	1850061
Total	30745349	3113338
11. SHORT TERM PROVISIONS		
- EMPLOYEE BENEFITS		
- Provision for Bonus	920195	929473
- Provision for Gratuity	3714392	304872
Total	4634587	3978201

12. FIXED ASSETS-TANGIBLE FOR MARCH, 2015



Description	Gross Block-Cost/Book Value				Depreciation / Amortisation				Net Block			
	Total as at 31.03.2014	addition/ Adjustment during the Year	Deduction/ Adjustment during the year on account of chagne in Company's Act 2013	Impairment/ (Reversal) during the Year	Total as at 31.03.2015	Total as at 31.03.2014	Provided during the Year	Deduction/ Adjustment during the year on account of chagne in Company's Act 2013	Transfer to General Reserve	Total as at 31.03.2015	2014-15	2013-14
Land												
(a) Freehold	429824617	0	160550	0	429664067	0	0	0	0	0	429664067	429824617
Leasehold	0	0	0	0	0	0	0	0	0	0	0	0
Buildings :-	0	0	0	0	0	0	0	0	0	0	0	0
(a) Factory	19128756	0	0	0	19128756	13552642	0	0	5274772	18827414	301342	5576114
(b) Others	34085422	0	0	0	34085422	6856555	1277329	0	711195	8845079	25240343	27228867
Railway Sidings	0	0	0	0	0	0	0	0	0	0	0	0
Plant & Machinery	330881504	1771350	970	0	332652757	17557587	16011028	0	3023049	194609954	135042803	155305627
Vehicles	3825314	0	0	0	3825314	7	87034	0	81915	3603320	221994	390943
Office Equipments	2192300	28800	0	0	2221100	3434371	228301	0	37727	2061954	159146	396374
Furniture & Fixtures	3168517	0	0	0	3168517	795926	143099	0	89315	2740796	427721	660135
Ferry Right	1098	0	0	0	1098	2508382	0	0	0	0	1098	1098
Assets in course of erection						0		0			280900	
Total	823107528	1800150	160647	0	824747031	203723753	17746791	0	9217973	230688517	594339414	619383775
Previous Year	815374394	7608707	75573	-	823107528	189710326	14089004	75577	-	203723753	619383775	

1. Gross Block includes Rs.51,30,21,623/- being the amount added on revaluation by an Approved Valuer of some of the Fixed Assets of the Company as on 31.03.1994.
2. Effective from 1st April 2014 the company has charged depreciation based on the remaining useful life of assets as per the requirement of schedule of the Companies Act 2013. Due to the above depreciation charged for the year ended 31st March 2015 is higher by Rs. 3859627/-
3. Depreciation / adjustment includes Rs. 9217976/- adjusted with retained earning and transferred to General Reserve related to assets whose remaining useful life was nil as on 1.4.2014 based on transitional provision of schedule II of the Companies Act, 2013.

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Number	Face Value Per Unit	Particulars	As at 31.03.2015	As at 31.03.2014
		13. Non-Current Investments		
		Other Investments - Long Term		
		Valued at Cost unless otherwise stated		
		Equity Shares in Other Companies		
		Quoted		
1720752 (1,720,752)	10	Khaitan Electricals Ltd (Company under the same Management)	82376331	82376331
		Unquoted		
24300 (24,300)	10	Naturewealth Development Corpn Ltd	243000	243000
44980 (44,980)	10	The Oriental Mercantile Co Ltd	1401113	1401113
1294000 (1,294,000)	10	Khaitan Lefin Limited (Company under the same Management)	77640000	77640000
55500 (55,500)	10	Khaitan Hotels Pvt Ltd	3330000	3330000
		Quoted		
3 (3)	100000	11.5% Maharashtra Krishna Vally Dev. Corpn.	34499	34499
		Unquoted		
		National Defence / Saving Certificates	7100	7100
		Total Investments	165032043	165032043
		Aggregate Value of		
		Quoted Investments	82410830	82410830
		Unquoted Investments	82621213	82621213
		Market Value of Quoted Investments	49678194	86037600

Notes :

(1) National Defence / Saving Certificates are deposited with various Governemnt Departments as Security being very old, for which no documents are available with the company.

14. DEFERRED TAX

a) Net Deferred tax assets as on 31.03.2015 is Rs 45500973/-(Previous year Rs.8,71,23,847/-) in accordance with Accounting Standard 221 'Accounting for taxes on Income' issued by ICAI. Out of above Deferred tax assets of Rs. 12857222/-(Previous Year Rs. 5,44,80,096/- for the year has not been recognised by the Company due to uncertainty on prudence basis and opening Deferred Tax Assets of Rs.3,26,43,751/- has been kept in Balance Sheet.

b) The break-up of net deferred tax asset is under :

	31.03.2015	31.03.2014
Deferred Tax Asset / (Liability)		
- DTA on account of brought forward losses	64711294	99831182
- DTL on account of Fixed Assets	19210321	(12707335)
- Deferred Tax Assets (Net)	45500973	87123847
Asset /(Liability) for the year	12857222	54480096

	31.03.2015	31.03.2014
NON CURRENT ASSETS		
15. LONG TERM LOANS AND ADVANCES		
(Unsecured considered good)		
- Security Deposits	219432	219432
- Planned Asset (Leave Encashment)	379284	500773
- Security Deposit against Rent & Others	600000	-
Advance Income tax & FBT	48712656	46691889
Total	49911372	47412094



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	31.03.2015	31.03.2014
16. OTHER NON CURRENT ASSETS (Unsecured considered good unless otherwise stated)		
-* Long Term Trade Receivables (Net)	24339454	24399379
- In Deposit Accounts/ Margin money	3724461	3535905
- Interest on Land Compensasion	938779	938779
Total	29002694	28874063

* Long term trade receivable includes Rs.14,43,147/- which is under litigation and is considered good. Futher in our opinion balance amount of Rs. 22896307 / is doubtful of recovery but the same has not been provided for.

Particulars	31.03.2015	31.03.2014
CURRENT ASSETS		
17. INVENTORIES (as certified by the Management) (At lower of cost /estimated cost or market value/realisable value)		
- Stores, Spares, Process Chemicals & Fuels	8,823,584	8,819,643
- Planted Trees	67,126,840	65,378,643
- Process Stock (Afforestation scheme)	2,216,958	1,767,948
- Process Stock of Standing Sugarcane	20,539,572	20,502,272
- Loose Tools	208,422	261,348
- Process stock (Sugar)	5,880,603	6,348,717
- Finished Goods	32,175,806	50,738,149
Total	136,971,785	153,816,720
18. TRADE RECEIVABLES		
-Trade receivable outstanding for a period exceeding 6 months		
Unsecured considered good	5,845,444	5,839,600
Doubtful debts	1,018,381	1,018,381
Less - Provision for doubt ful Debts	(1,018,381)	(1,018,381)
-Other Trade receivable		
Unsecured considered good	1,033,413	659,400
Total	6,878,857	6,499,000
19. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
- Cash in hand and as Imprest Cash	337,616	360,201
- Balance with Banks		
In Current Accounts	987,460	707,932
In Deposit Accounts/ Margin money	316,4601	2,312,437
In earmarked accounts (gratuity & superannuation scheme)	17,455	18,895
Total	4,507,132	3,399,465
20. SHORT TERM LOANS AND ADVANCES (Unsecured considerd Good)		
- Loans and Advances to related parties (Free of Interest)	5,994,395	5,948,081
- Prepaid expenses	172,616	229,885
- Advances to Employees	410,964	299,743
- Cane Advances	371,669	787,687
- Advance against expenses	320,163	164,541
- Balance with Govt Authorities		
Cenvat credit	152,640	410,536
Sales Tax Deposit/ Advance	1,344,079	1,258,862
Others (PF,ESI, etc.)	-	392,616
Total	8766526	9,491,951
21. OTHER CURRENT ASSETS		
- Others	101,364	300
- Interest Receivable	441,492	441493
Total	542,856	441,793

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	31.03.2015	31.03.2014
22 REVENUE FROM OPERATIONS		
- Sales of Products	232,647,119	258,477,446
- Sales of Services	40,727,791	47,269,497
Total	273,374,910	305,746,943
Less : Excise Duty	6,877,339	8,569,251
Net Sales	266,497,571	297,177,692
DETAILS OF REVENUE FROM OPERATIONS		
Sales of products comprises		
Manufactured goods		
Sugar	156,386,715	160,126,773
Sugar cane	42,393,628	48,357,877
Molasses & others	33,866,776	49,992,796
Sale of Services	40,727,791	47,269,497
Total	273,374,910	305,746,943
23 OTHER INCOME		
Interest Income	13,35,515	468,450
Other Non-operating Income	3,181,427	3,662,979
Profit on sale of Assets	3,244,390	45,000
Lease Rent Agricultur	21,149	-
Total	7,782,480	4,176,429
DETAILS OF other non operating income		
Dividend Income		
Liability no longer required written back	464,047	882,829
Adjustment relating to earlier years	49,379	-
Implement & Trailer hire charges realised	227,737	216,670
Grazing Grass & Sundrys	-	-
Rent Receipt	2,330,656	1,683,767
Miscellaneous Income	109,607	879,713
Total other non operating Income	3,181,427	3,662,979
24. COST OF MATERIAL CONSUMED		
Raw & Process Materials Consumed	149,530,624	171,322,491
Power & Fuel	10,446,464	8,333,674
Stores, Spares, Chemicals & Packing Materials Consumed	10,071,462	11,020,024
Total	170,048,551	190,676,189
25. CHANGES IN INVENTORIES OF FINISHED GOODS		
WORK IN PROGRESS AND STOCK IN TRADE		
Stock at Close - Process Standing sugar cane	67,126,840	65,378,643
Stock at Close - Process	5,880,603	6,348,717
Stock at Close - Finished	32,175,806	50,738,149
Total	105,183,249	122,465,509
Stock at Commencement - Process	71,727,360	66,764,290
Stock at Commencement - Finished	50,738,149	46,806,847
Total	122,465,509	113,571,137
Increase/(Decrease) in Stock	(17,282,260)	8,894,373
26. OTHER MANUFACTURING EXPENSES		
Processing Charges	27,199,804	32,781,969
Repairs - Plant & Machinery	12,549,995	12,650,575
Repairs - Buildings	292,731	280,979
Excise Duty *	308,709	(51,310)
Total	40,351,239	45,662,213
* Excise Duty Shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty and closing stock of finished goods		



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	31.03.2015	31.03.2014
27. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus, Gratuity & Allowances	24,667,017	24,602,398
Contribution to Provident & Superannuation Fund	3,899,661	2,708,039
Staff Welfare Expenses	854,824	1,023,689
Total	29,421,502	28,334,125
28. FINANCE COST		
Interest Expenses on Term Loans	2,635,541	2,830,118
Interest Expenses on Overdrafts & Other Borrowings	44,180,663	39,605,217
Interest -Others	1,630,053	309,103
Total	48,446,257	42,744,438
29. OTHER EXPENSES		
Rent	505,800	492,000
Rates & Taxes	767,613	808,394
Insurance	146,891	151,363
Advertisement, Publicity & Sales Promotion	121,033	32,072
Travelling & Other Incidental Expenses	797,958	889,508
Office Maintenance	239,748	217,195
Vehicle Running & Maintenance	591,285	989,379
Printing & Stationery	296,185	319,150
Communication Expenses	248,296	369,576
Membership Subscription	19,000	5,000
Auditors Remuneration - As Auditors (Notes 30 & 30A)	105,080	77,716
Legal, Professional & Consultancy Charges	865,500	1,163,960
Directors' Sitting Fees	180,000	140,000
Filing Fees	22,385	51,731
Sundry Balance written off	-	39,853
Miscellaneous Expenses	318,138	179,654
Bank Charges	80,993	45,687
Commission And Brokerage	450,317	1,172,796
Adjustments Related to Earlier Years	134,160	
Total	5,890,382	7,145,034
30. Auditors Remuneration - As Auditors		
- As Auditors	45,040	39,326
- For Tax Audit	11,260	11,236
-For Certification	-	27,154
Total	56,300	27,716
30A Auditors Remuneration - As Other Auditors		
- Payment to Secretarial Audit	16,890	-
- Payment to Internal Audit	16,890	-
- Payment to Cost Auditors	15,000	15,000
Total	48780	15000
31. Contingent Liabilities, not provided for, in respect of:		
i) Guarantee/Sureties given by the Company for its Business Associates	3,250,000	3,250,000
ii) Counter Guarantee against Guarantees given by the bank to various authorities	2,728,172	2,728,172
iii) Estimated liabilities for Sales Tax relating to earlier years	9,487,225	9,487,225
iv) Income tax matters for earlier years (under appeals)	22,921,244	32,570,557

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars		Total		
		For this year ended 2014-15	For this year ended 2013-14	
32. Earning Per Share (EPS)				
I	Net Profit as per Profit/(Loss) and Loss Account available for Equity Shareholders	Rs.	(55,871,814)	(18,402,509)
II	Weighted average number of equity shares for Earnings Per Share Computation			
A.	For Basic Earnings Per Share of Rs 10 each	Nos	4,750,000	4,750,000
B	For Diluted Earnings Per Share of Rs 10 each:			
	No. of Shares for Basic EPS as per IIA	Nos	4,750,000	4,750,000
	Add: Weighted Average outstanding option/ Shares related to FCCB	Nos	-	-
	No. of Shares for Diluted Earnings Per Share of Rs 10 each	Nos	4,750,000	4,750,000
III Earnings Per Share (Weighted Average)				
	Basic	Rs.	(11.76)	(3.87)
	Diluted	Rs.	(11.76)	(3.87)

33. Segment Reporting
(A) Primary Segment Information

As required under Accounting Standard 17 on Segment Reporting by the Institute of Chartered Accountants of India, the informations on revenue, profit, assets and liabilities relating to business segments of the Company are given below:

Particulars	Unallocated Corp		Marketing Division		Sugar Division		Agriculture Division		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
REVENUE										
Sales & Operating Income	-	-	407.28	472.69	1,714.69	1,883.56	543.01	615.52	2,664.98	2,971.78
Other Income	23.25	16.78	9.17	0.60	9.79	21.52	35.61	2.87	77.82	41.76
Increase/(Decrease) in Stock	-	-	-	-	(190.30)	71.31	17.48	17.64	(172.82)	88.94
TOTAL REVENUE	23.25	16.78	416.45	473.29	1,534.17	1,976.39	596.10	636.03	2,569.98	3,102.48
RESULTS										
PROFIT BEFORE INTEREST DEPRECIATION & TAXATION	12.19	5.97	407.49	459.91	(4212.79)	(184.02)	115.97	102.45	112.86	384.31
Less :										
a) Depreciation	(9.85)	(5.29)	(2.92)	(1.02)	(163.00)	(131.73)	(1.69)	(2.85)	(177.47)	(140.89)
b) Interest	(63.73)	-	(338.17)	(372.81)	(82.56)	(54.64)	-	-	(484.46)	(427.44)
TOTAL PROFIT BEFORE TAX	(61.39)	0.68	66.39	86.08	(668.35)	(370.39)	114.28	99.60	549.07	(184.03)
Less :										
a) Provision for Taxation	-	-	-	-	-	-	-	-	-	-
b) Provision for Deferred Tax	-	-	-	-	-	-	-	-	-	-
PROFIT AFTER TAX	(61.39)	0.68	66.39	86.08	(668.35)	370.39	114.28	99.60	(549.07)	(184.03)
CAPITAL EMPLOYED										
SEGMENT ASSETS	1,899.25	1,911.59	806.07	784.68	2,145.14	2,545.68	5,109.06	5,101.56	9,959.52	10,343.51
SEGMENT LIABILITIES	-	-	003.41	-3,498.18	2,182.08	1,932.48	4,039.22	4,017.01	9,224.71	9,447.66
TOTAL CAPITAL EMPLOYED	1,899.25	1,911.59	(2,197.34)	(2,713.50)	(36.94)	613.20	1,069.84	1,084.55	734.81	895.85

(B) Secondary Segment Information

The Company operates exclusively in the Indian Market and as such there are no reportable geographical segments.

(C) Other Discloser

The Company's operation predominantly relate to Sugar and Other products relating to sugar manufacturing .

Accordingly these business segments comprise the primary basis of segmental information set out in the financial statements.

The accounting policies adopted for segment reporting are in line with the accounting policy of the Company .



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

34. TRANSACTION WITH RELATED PARTIES

A) Name of the related party and description of relationship :

Related Party	Relationship
Khaitan Electricals Limited	Associates
The Oriental Mercantile Company Ltd.	Associates
Khaitan Lefin Limited	Associates
Mr. S.Bafna	Executive Director
Seth chiranjilal Khaitan Trust	Associates

B) Nature of Transaction	Key Management Personnel & Relatives (A)		Associates (B)		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Remuneration	7.06	7.33	-	-	7.06	7.33
Sitting Fees	0.15	0.20	-	-	0.15	0.20
Residential Accomodation	3.00	2.88	1.80	4.82	4.80	7.70
Purchase	-	-	17.71	0.07	17.71	0.07
Royalty Received	-	-	407.28	472.69	407.28	472.69
Interest Paid	-	-	363.01	345.40	363.01	345.40
Loan Taken	-	-	295.30	813.55	295.30	813.55
Loan Paid	-	-	897.48	575.33	897.48	575.33

C) Outstanding as on 31st March, 2015

Related Party	Nature of Due	Balance as on 31st March, 2015 (Rs.in lacs)	Balance as on 31st March, 2014 (Rs.in lacs)
Khaitan Electricals Limited	Sundry Creditors	-	0.28
Khaitan Electricals Limited	Loan Payable	1232.03	1289.72
The Oriental Mercantile Co. Ltd.	Loan Payable	1532.28	1202.88
Seth Chiranjilal Khaitan Trust	Rent Payable	1.80	1.80
Khaitan Lefin Ltd.	Rent Payable	-	2.58
Khaitan Lefin Ltd.	Loan Payable	92.30	99.89

35. Disclosure of employee benefits is as under:-

ii. Defined Benefit Plan:

Post employment and other long-term employee benefits in the form of gratuity and leave encashment are considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefit recognised in the Balance Sheet represent the present value of the obligation as adjusted for unrecognised service cost, and as reduced by the fair value of plan assets.

Any assets resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The amount recognized in the profit and loss account for the year ended 31st March, 2015 in respect of Employees Benefit Schemes best on actuarial reports as on 31st March 2015 as follows:-

iii. Expenses recognized during the year:

(Amount in Rs.)

	Gratuity (Funded)		Leave Encashment (Funded)	
	2014-15	2013-14	2014-15	2013-14
1. Current Service Cost	374,031	365,473	28,739	33,461
2. Interest Cost	722,236	764,127	30,480	51,525
3. Expected Return on Plan Assets	(259,671)	(259,671)	(67,156)	(67,156)
4. Net actuarial (gain) / Loss recognized in the year	(147,357)	(1,335,385)	129,426	(251,658)
5. Expenses recognized during the year	689,239	(465,456)	121,489	(233,828)

iv. d) Change in Present Value of Defined Benefit

	Gratuity (Funded)		Leave Encashment (Funded)	
	2014-15	2013-14	2014-15	2013-14
1. Present Value of Defined Benefit Obligation at the Beginning of the year	8,024,848	8,490,304	338,672	572,500
2. Interest Cost	722,236	764,127	30,480	51,525
3. Current Service Cost	374,031	365,473	28,739	33,461
4. Benefits Paid	-	-	-	-
5. Actuarial Gain (Losses)	(407,028)	(1,595,056)	62,270	(318,814)
6. Present Value of Obligation at the end of the year	8,546,087	8,024,848	460,161	338,672

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

v. e) Change in Fair Value of Plan Assets during

	Gratuity (Funded)		Leave Encashment (Funded)	
	2014-15	2013-14	2014-15	2013-14
1. Plan Assets at the Beginning of the year	3,245,886	3,245,886	839,446	839,446
2. Expected Return on Plan Assets	259,671	259,671	67,156	67,156
3. Actual Company Contribution				
4. Actual Benefits Paid				
5. Actuarial Gains.(Losses)	(259,671)	(259,671)	(67,156)	(67,156)
6. Plan Assets at the end of the year	3,245,886	3,245,886	839,446	839,446

vi. Net Asset / (Liability) recognized in the Balance

	Gratuity (Funded)		Leave Encashment (Funded)	
	2014-15	2013-14	2014-15	2013-14
1. Present Value of Defined Benefit Obligation	8,546,087	8,024,848	8,024,848	338,672
2. Fair Value on Plan Assets	3,245,886	3,245,886	3,245,886	839,446
3. Funded Status (Surplus/(deficit))	(5,300,201)	(477,962)	(477,962)	500,774
4. Net Asset/(Liability) recognized in Balance Sheet	(5,300,201)	(4,778,962)	(4,778,962)	500,774

vii. Actuarial Assumptions

	Gratuity (Funded)		Leave Encashment (Funded)	
	2014-15	2013-14	2014-15	2013-14
1. Discount Rate (per annum)	7.85%	9.00%	7.85%	9.00%
2. Salary Increases	5%	5%	5%	5%
3. Retirement / Super-Annuation Age	58	58	58	58

viii) Major Category of Plan Assets as a % of the Total Plan Assets as at 31st March, 2015:

1. Administered by Life Insurance Corporation of India	100%	100%
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ix. Basis of estimates of rate of escalation in salary.

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

- x. The Expenses have been recognized in "Contribution to Provident & Other Funds" in "Salaries/Wages and Bonus" Schedule.'
36. The Company is not paying to LIC for gratuity fund. However the Company is also not regular in making payment of Gratuity due to its employees who have been retired from the company.
37. There is no impairment of assets during the year.
38. No Borrowing cost have been capitalised during the year.
39. Advances, Debtors and creditors balances are subject to confirmation.
40. Previous year figures have been regrouped/ rearranged/reclassified wherever necessary

9, Old China Bazar st. 5th flr Room No. 80, Kolkata-700001 Date : the 29th May 2015	For OP SHARMA & ASSOCIATES <i>Chartered Accountants</i> Registration No 500128 N C.A. Om Prakash Sharma, <i>Proprietor</i> (Membership No 070762)	Sulekha Dutta <i>Director & Co. Secy.</i> (DIN 07114240)	S Bafna <i>Executive Director</i> (DIN 127781)	Sunil K Khaitan <i>Chairman</i> (DIN 00127698)
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Dear Shareholder,

Date. May, 29, 2015

Sub:- Registration of email address

In terms of Rule 18(3) of the Companies (Management and Administration) Rules, 2014, we request the shareholders of Khaitan India Ltd. who have till date not registered their e-mail id(s) with the Company to register their e-mail id(s) in order to receive the Notices of future Annual General Meeting and Annual Report of the Company in electronic form. This will also facilitate sending any other communication to shareholders, in electronic form.

We, therefore, request you to fill up the registration form below and send it to Company's Share Registrar & Transfer Agent at M/s. Maheshwari Datamatics (P) Ltd., 6, Mangoe Lane, Kolkata-700001 for registration your email address. Shareholders who hold shares in Demat form are requested approach concerned Depository Participant for updating/modifying the e-mail id(s) as the case may be.

For KHAITAN INDIA LTD.
Mrs. Sulekha Dutta
Company Secretary

EMAIL REGISTRATION FORM

To*:

The Company (for Members holding shares in physical mode)/
The Depository Participants (for members holding shares in Demat mode)

Sub: Registration of email address (Khaitan India Ltd.)

I/We would like to receive Notices, Annual Reports and other communication/documents from the company in electronic mode. We request

you register my/ our email address for receiving communication/documents electronically as per the following details:

Name of the Shareholder (s)	
Folio No./DP ID/ Client ID	
Email Address	
Mobile No.	

Date :

Place:

Signature of the Shareholder(s)**

* Please tick as applicable.

** Please ensure that the form is signed by the registered shareholder himself, alongwith joint shareholders, if any.

khaitan (India) Limited

(CIN No. L10000WB1936PLC008775)

Registration Office : 'Everest', 46-C, J. L. Nehru Road, Kolkata 700 071

PROXY FORM

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

I/We being the member(s) holding..... shares of Khaitan (India) Limited, hereby appoint:

- 1) Name..... Address.....
e-mail id..... Signature.....or failing him
- 2) Name..... Address.....
e-mail id..... Signature.....or failing him
- 3) Name..... Address.....
e-mail id..... Signature.....or failing him

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 78th ANNUAL GENERAL MEETING of the Company, to be held on Wednesday at 30th September, 2015 at 2:00 p.m. at Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, Kolkata-700017.

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions	Optional	
	For	Against
1. To receive, consider and adopt Audited Statement of Profit and Loss of the Company for the period 01.04.2014 to 31.03.2015 and the audited Balance Sheet as at 31.03.2015 together with Directors' Report and Auditors' Report	<input type="checkbox"/>	<input type="checkbox"/>
2. To Re-appoint of Sri Sunil Krishna Khaitan, who retires by rotation	<input type="checkbox"/>	<input type="checkbox"/>
3. To Re-appoint of Mr. S Bafna who retires by rotation	<input type="checkbox"/>	<input type="checkbox"/>
4. To Re-appoint of Auditors and fix their remuneration	<input type="checkbox"/>	<input type="checkbox"/>
5. To appoint Mrs Sulekha Dutta as Director	<input type="checkbox"/>	<input type="checkbox"/>
6. To authorise Board of Directors to sale company's properties other than sugar mill	<input type="checkbox"/>	<input type="checkbox"/>

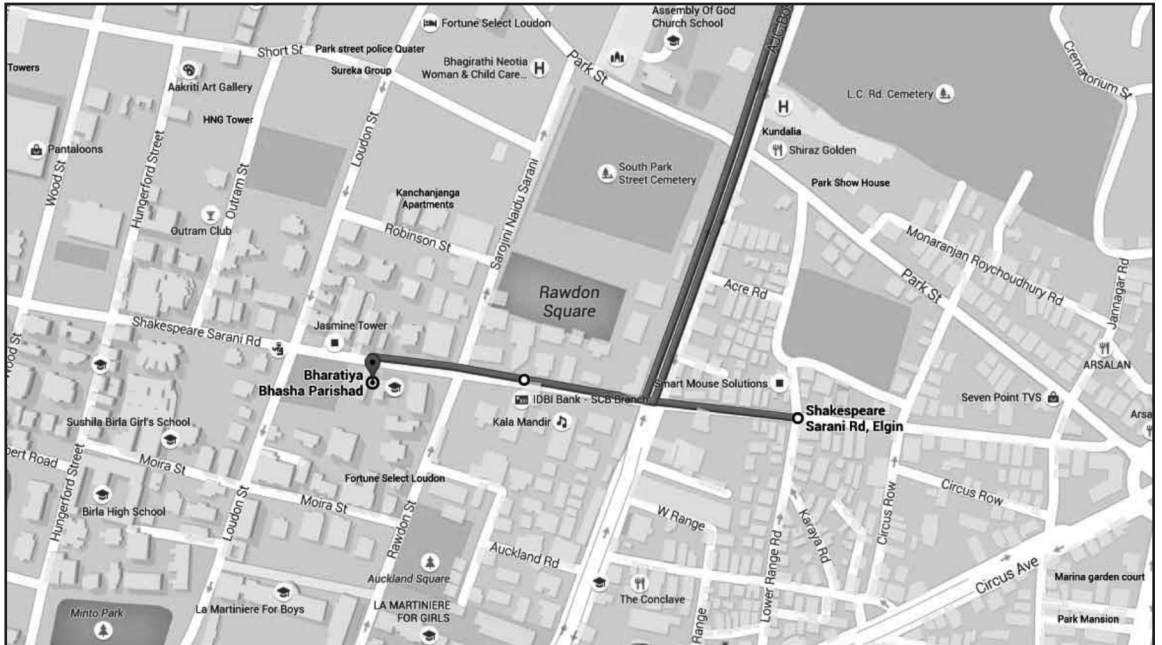
Signed this.....day of.....2015
Signature of the Shareholder

Affix
Re.1/-
Revenue
Stamp

.....
Signature of the First Proxy holder Signature of the 2nd Proxy holder Signature of the 3rd Proxy holder

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. A proxy need not be a member of the Company
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder
4. ** This is only optional. Please put a "x" in the appropriate column against the resolutions indicated in the Box. If you leave the "For" or "Against" Column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner he/she thinks appropriate
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes
6. In the case of joint holders, the signature of any one of the holder will be sufficient, but names of all the joint holders should be stated



Bharatiya Bhasha Parishad, 36A, Shakespear Sarani, Kolkara-700016



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

DP Id*	
Client Id*	

Folio No.	
No. of Shares	

NAME OF THE MEMBER/MEMBERS (In Block Letters)

NAME AND ADDRESS OF THE PROXY

I hereby record my presence at the 78th ANNUAL GENERAL MEETING of the Company to be held at 2:00 P.m. on Wednesday, September 30th, 2015 at Bharatiya Bhasha Parishad, 36-A, Shakespear Sarani, Kolkata-700017.

Signature of the Shareholder / proxy

*Applicable for investors holding shares in electronic form