



khaitan (India) Limited
7, Red Cross Place, Kolkata -700 001
CIN No. L10000WB1936PLC008775

Phone : (033) 22103331
Fax : (033) 2248 7516
E-mail : kilsugar@vsnl.net
Website : www.khaitansugar.com

REF: KIL: SEC: 2016-17

October, 13, 2017

The National Stock Exchange of India Ltd.
BSE Ltd. (Bombay Stock Exchange)

Dear Sir,

Ref: BSE Security Code 590068, NSE Symbol: KHAITANLTD

Sub: - Submission of Annual Report for the Year 2016-2017

Please find enclosed Annual Report of the Company for the year 2016-17.

This is for your information and records.

Thanking You
Yours faithfully
For **KHAITAN (INDIA) LIMITED**


Company Secretary

Listing Department
National Stock Exchange of
India Limited
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra Kurla Complex
Bandra East
MUMBAI - 400 051

Dept. of Corporate Services
BSE Ltd. (Bombay Stock Exchange)
Floor 25, P.J.Towers, Dalal St.
MUMBAI - 400 001

ANNUAL
REPORT
2016-17



khaitan (India) Limited

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khaitan (India) Limited

Regd. Office : 46C, J. L. Nehru Road, Kolkata 700 071
Phone : (033) 2288 8391, 4050 5000, Fax : 91 33 2288 3961

BOARD OF DIRECTORS

SUNAY K. KHAITAN

A. K. KEDIA

ANIL KUMAR JAIN

Mrs SULEKHA DUTTA, Director-cum-Company Secretary

AUDITORS

O P SHARMA & ASSOCIATES

Chartered Accountants

COST AUDITORS

A. B. & CO.

BANKERS

IDBI BANK LTD.

BANK OF BARODA

SUGAR & AGRICULTURE DIVISIONS

Office :

46C, J. L. Nehru Road, Kolkata 700 071

Phone : (033) 2288 8391, 4050 5000,

Fax : 91 33 2288 3961

Sugar Mill :

Khaitan Nagar 741 157

Plassey (Nadia), West Bengal

Phone : (03474) 262345/6/7, Fax : 03474-262348

Agriculture Division :

Ramnagar 742 163

(Murshidabad), West Bengal

Phone : (03482) 244244



NOTICE

TO THE SHAREHOLDERS

NOTICE is hereby given that the Eightieth Annual General Meeting of KHAITAN (INDIA) LIMITED will be held on Tuesday 26th September, 2017 at Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, 4th Floor, Kolkata 700 017 at 2.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2017, and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Sulekha Dutta (DIN: 07114240), who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. V K Tulsyan & Co. LLP, Chartered Accountants, Kolkata (FRN 326740E/E300015) be and is hereby appointed as Statutory Auditor of the Company in place of M/s. O.P. Sharma & Associates, Chartered Accountants, Kolkata (Registration No.: 500128N), retiring auditor, to hold office from the conclusion of this Annual General Meeting until the conclusion of the 85th Annual General Meeting of the Company, subject to ratification by the Members at every Annual General Meeting till the 85th Annual General Meeting, at such remuneration plus Goods & Service Tax as applicable and reimbursement of out of pocket expenses in connection with the audit as the Board of Directors may fix in this behalf."

SPECIAL BUSINESS

4. **Appointment of Mr. Sunay Krishna Khaitan (DIN 07585070) as Director**
To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Sunay Krishna Khaitan (DIN 07585070), who was appointed as an Additional Director by the Board of Directors of the Company and who holds office as such up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing his candidature for office of Director, be and is hereby appointed as a Director of the Company."
5. **Appointment and Remuneration of Mr. Sunay Krishna Khaitan (DIN 07585070) as an Executive Director**
To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT subject to the provisions of sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, [the Act] read with Schedule V of the Act and Rules made thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the members be and is hereby accorded to the appointment of Mr. Sunay Krishna Khaitan (DIN 07585070) as a Whole Time Director of the Company, to be designated as Executive Director for a period of three years with effect from October 1, 2017 and payment of salary and perquisites [herein after referred to as "remuneration"] upon terms and conditions as detailed in the explanatory statement attached hereto and as set out in the draft agreement proposed to be executed between the Company and the appointee, with an authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or agreement in such a manner as may be agreed to between the Board of Directors and the appointee."
"RESOLVED FURTHER THAT the remuneration payable to Mr. Sunay Krishna Khaitan (DIN 07585070), in each financial year during the currency of his tenure of appointment shall be as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors based on his performance evaluation, which shall not exceed the overall ceiling of the total managerial remuneration of 5% of the net profits as provided under the provisions of section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time."
"RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, wherein in any financial year during the currency of his tenure, the Company has no profits or the profits are inadequate, the Whole Time Director will be paid Minimum Remuneration within the ceiling limit prescribed under section II of part II of Schedule V of the Companies Act, 2013 or any modification or re-enactment thereof."
6. **Appointment of Mr. Srawan Kumar Jajodia (DIN 00075546) as an Independent Director**
To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provision of Sections 149, 152, 160, 161, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and other rules made there under, Schedule IV and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Srawan Kumar Jajodia (DIN 00075546) in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a period of five consecutive years, for a term ending at the conclusion of Annual General Meeting to be held during the financial year 2022."
"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
7. **Ratification of Cost Auditors' Remuneration**
To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:
"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), enactment(s) or re-enactment(s) thereof, for the time being in force), the Cost Auditors M/s AB & Company, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2018, be paid remuneration of Rs. 15,000/- plus applicable Goods & Service Tax."
"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Registered Office
46C, J. L. Nehru Road,
Kolkata- 700 071
The 18th, August 2017

By Order of the Board of Directors
For Khaitan (INDIA) Limited
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/Proxyholders, 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.
The notice of the Annual General Meeting is being sent to the members, whose names appear in the register of members / depositories as at closing hours of business on Friday 25th August, 2017
6. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday 19th September, 2017 to Tuesday 26th September, 2017 (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 23, R N Mukherjee Road, 5th Floor, Kolkata - 700 001.
8. The Registers under the Companies Act, 2013 is available for inspection at the Office of the Company at 46C, J.L.Road Kolkata-700071 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 request with 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 shall open for inspection at office of the Company at 46C, J.L. Nehru Road, Kolkata-700071 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.
12. Members, desiring any information about the proposed resolution are requested to write to the company, at least 10 days in advance of the Annual General Meeting to facilitate compilation thereof.
13. The Director liable to retire in the ensuing AGM Mrs. Sulekha Dutta (DIN 07114240). Mrs. Sulekha Dutta aged 43 years (D.O.B. 21.08.1974) is a qualified Company Secretary. She is also Director in M/s Riga Sugars Ltd.. Her appointment will be beneficial to the company.
14. 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. Amit Choraria, proprietor M/s Amit Choraria & Associates, Chartered Accountants, Membership No. 066838 as the Scrutinizer for this purpose.
 - II. The instructions for shareholders voting electronically are as under :-
 - i) The voting period begins on Saturday 23rd September, 2017 and ends on Monday 25th September, 2017 at 5.00 P.M. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19.09.2017 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.



NOTES (Cont.)

- 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.
- 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 you 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.
- XXI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 19.09.2017.
- XXII. The shareholders shall have one vote per equity share held by them as on the cut-off date 19.09.2017. The facility of e-voting would be provided once for every folio/client ID, irrespective of number of joint holders.
- XXIII. The Company has appointed Mr. Amit Choraria, proprietor M/s Amit Choraria & Co., Chartered Accountants, Membership No. 066838 as the Scrutinizer for this purpose for conducting the e-voting process in the fair and transparent manner.
- XXIV. The Scrutinizer 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 favor or against, if any, forthwith to the Chairman of the Company.
- XXV. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.khaitansugar.com and on the website of CDSL immediately after the declaration of result by the Chairperson of the Company and communicated to the National Stock Exchange of India Limited and BSE Limited.
- XXVI. The scrutinizer's decision on the validity of e-voting will be final.

Annexure to the Notice

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:

Item Nos. 4 and 5

The Nomination and Remuneration Committee and Board of Directors at their meeting dated 18.08.2017 has approved to appoint Mr. Sunay Krishna Khaitan as Executive Director with effect from 01.10.2017, subject to approval of shareholders, on such terms and conditions and remuneration as set out here under:

A. Term and Termination

- a. Subject as hereinafter provided, the Agreement shall remain in force up to 30th September, 2020 i.e. for a period of 3 years from the Date of appointment unless terminated earlier.
- b. This appointment can be terminated by either party by giving three months notice in writing to other.

B. Duties & Powers

- a. The Executive Director shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and/or subsidiaries, including performing duties as assigned to the Executive Director from time to time by serving on the boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a company.
- b. The Executive Director undertakes to employ the best of his skill and ability and to make his utmost endeavors to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

C. Remuneration

Remuneration proposed: Remuneration as approved by the Remuneration Committee and the Board of Directors, subject to the approval of Share Holders (for the period from 1st October, 2017 to 30th September, 2020)

I. **Salary** : Rs.2,00,000/-per month

II. **Commission** :

Such remuneration by way of commission in addition to the salary, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular year, as may be determined by the Board of Directors of the Company at the end of each financial year subject to the overall ceiling stipulated in Sections 196, 197, 203 and Schedule V and other applicable provisions of the Companies Act, 2013 read with applicable Rules (hereinafter referred to as the Act), as amended up to date. The specific amount payable to Executive Director will be based on certain performance criteria to be laid down by the Board and will be payable annually after the Annual Accounts have been approved by the Board of Directors.

III. Perquisites:

In addition to the salary, he will be entitled to the following Perquisites which shall be restricted to an amount equal to their individual salary.

NOTES (Cont.)

CATEGORY I

- i) Rent-free residential accommodation, failing which House Rent Allowance @ 60% of the salary.
- ii) The expenditure allowance incurred by the Company on Gas, Electricity, domestic help, Water and Furnishings shall be valued as per Income Tax Rules, 1962 and shall not exceed 10% of the salary.
- iii) City Compensatory Allowance @ 10% of the Salary
- iv) The reimbursement of medical expenses actually incurred for self and family, in accordance with the Rules of the Company
- v) Leave Travel Assistance for self and family once in a year, incurred in accordance with the Rules of the Company.
- vi) Fee of Club subject to a maximum of two Clubs. This will not include the Admission and/or Life Membership Fee.

CATEGORY II

- i. The Company's contribution to Provident, Superannuation and other funds as per the rules. Such contribution will not be included in computation of the ceiling on perquisites to the extent, not taxable under the Income Tax Act, 1961.
- ii. Gratuity at the rate of half month's salary for every completed year of service as per rules of the Company, subject to the limits prescribed by the Central Government, which will not be included in the computation of ceiling on perquisites.
- iii. Earned Leave as per Rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites.

CATEGORY III (Not to be considered as Perquisites)

Provision of car with driver for use on Company's business, alternatively car/conveyance expenses incurred on Company's business will be reimbursed at actuals.

Free telephone facility at residence, provided that charges for all personal long distance calls shall not be borne by the Company.

Group Personal Accident Insurance, premium of which not to exceed Rs.10,000/- p.a.

He will not be entitled to receive any fee for attending any meeting of the Board or a Committee thereof.

The remuneration, designation, terms and conditions of his appointment can be altered and varied from time to time by the Board as it may, in his discretion, deem fit within the provisions of Sections 196, 197, 203 and Schedule V and other applicable provisions of the Companies Act, 2013 read with applicable Rules.

In the event of absence or inadequacy of profits of the Company in any financial year during the period of the Executive Director's appointment, the Company shall pay to the Executive Director remuneration by way of salary, benefits, perquisites and allowances, performance linked bonus/commission, as specified above, subject to provisions of the Act and Schedule V of the Act.

- D. Information relevant to the appointment of Mr. Sunay K. Khaitan as the Executive Director as required under Section II of Part II of Schedule V of the Companies Act, 2013:

I. GENERAL INFORMATION

1. Nature of Industry - (1) Manufacture and Trading of Sugar and Agricultural output and (2) Trading of electric fans, Lighting Products, Appliances, Wires and Cables & Pumps etc.
 2. Date of Commencement - The Company's business commenced commercial production since 1936
 3. In case of new Companies expected date of commencement and activities -Not Applicable
- as per project financial institutions appearing in the prospects

4. Financial Performance based on given indicators

Rs. in lakhs

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2017
Turnover (Sales)	2664.98	912.22	1574.09
Net Profit/(Loss) before Tax	(549.07)	(755.82)	271.48
Net Profit/(Loss) after Tax as per Statement of Profit and Loss	(558.72)	(755.83)	271.48
Amount of dividend	NIL	NIL	NIL
Rate of dividend declared (%)	NIL	NIL	NIL

5. Export performance and net foreign Exchange Collaborations.

Rs. in lakhs

Particulars	Year ended 31st March, 2015	Year ended 31st March, 2016	Year ended 31st March, 2017
Foreign Exchange earnings	0.00	0.00	0.00
Outgo	0.00	0.00	0.00

6. Foreign Investment or collaborations, if any - NIL

II. INFORMATION ABOUT THE APPOINTEE:

1. Background details – Mr. Sunay K. Khaitan is a graduate (BSC in Economics and Finance) from Purdue University, Indiana, USA and Green belt in Lean 6 Sigma. Mr. Sunay K. Khaitan was appointed as additional director of Khaitan (India) Ltd in August, 2016. He is responsible for the strategic decision of starting the Marketing Division during the last year for trading of fans, appliances and other electronic items using the Brand "Khaitan". Mr. Sunay K. Khaitan is not a member of any Committee of the company.

The other Directorship of Sri Sunay K. Khaitan are as follows:

Name of the Company SKK FANS AND APPLIANCES PRIVATE LIMITED	Board position held Director	Committee Membership --
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2. Past remuneration from the Company (including contribution to PF, Superannuation fund, gratuity fund & Commission) for last 3 years:

Financial year	Remuneration (Rs. in lakh)
2016-2017	NIL
2015-2016	NIL
2014-2015	NIL

3. Recognition and awards: Nil

4. Job profile and his suitability: Mr. Sunay K. Khaitan, Executive Director is going to be vested with substantial powers of management under the



NOTES (Cont.)

superintendence, control and direction of the Board of Directors. He will also be involved in policy planning, vision and strategy and long term development activities of the Company.

5. Remuneration proposed: As mentioned above.
6. Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person:
The remuneration proposed is commensurate with respect to the industry, size of the Company & profile of the person.
7. Pecuniary Relationship directly or indirectly with the Company or relationship with managerial presence if any:
Besides the remuneration Sri Sunay K. Khaitan does not have any pecuniary relationship with the Company. He is also one of the Promoters of the Company. The Board recommends the Resolution at Item No. 4 and 5 of the Notice for approval by the members of the Company. None of the Directors, Key Managerial Personnel or their relatives, except Mr. Sunay K. Khaitan, Executive Director of the Company are concerned or interested, in the resolution.

Item Nos. 6

The Board (upon recommendations of Nomination and Remuneration committee) at their meeting held on 12.06.2017 appointed Mr. Srawan Kumar Jajodia as an Additional Director to hold office upto the date of ensuing Annual General Meeting.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with requisite deposit proposing the candidature of Mr. Srawan Kumar Jajodia for the office of director. Accordingly, it is proposed to appoint Mr. Srawan Kumar Jajodia, as Independent Director in terms of the provisions of the Companies Act, 2013 for five consecutive years, for a term ending at the conclusion of Annual General Meeting to be held during the financial year 2022.

Mr. Srawan Kumar Jajodia has good experience in Management and is also Director in several other companies. The Board considers that his association would be of immense benefit to the Company.

Copy of the draft letter of appointment of the Independent Director setting out the terms and conditions of appointment would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, except Saturday upto the Annual General Meeting.

Mr. Srawan Kumar Jajodia does not hold any shares in the Company either in his individual capacity or beneficially for others and is not related to any Director of the Company.

The Board recommend the Resolution at Item No. 5 of the accompanying Notice for approval by the Members of the Company. Except for Mr. Srawan Kumar Jajodia, none of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the resolution.

Item No. 7

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s AB & Company, Cost Accountants, Kolkata, as the Cost Auditor of the company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018 at a remuneration of Rs. 15,000/- (inclusive of reimbursement of out of pocket expenses) plus applicable Goods & Service Tax.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, consent of the Members is being sought for passing the resolution as set out in item no. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2018.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolution. The resolution as set out in item no. 6 of this Notice is accordingly commended for your approval.

ANNEXURE A

Details of Directors seeking appointment/re-appointment at the Annual General Meeting scheduled to be held on September 26, 2017

NAME OF THE DIRECTORS	SULEKHA DUTTA	SUNAY KRISHNA KHAITAN	SRAWAN KUMAR JAJODIA
Date of Birth	21/08/1974	09/12/1991	09/10/1964
Date of Appointment	13/03/2015	12/11/2016	12/06/2017
Relationship with Directors	NONE	NONE	NONE
Qualification	B.com, CS	Bsc. (Economics & Finance) Purdue University, Indiana, USA, Green belt in lean Six Sigma	Qualification by experience
Board Membership of Other Companies as on March 31, 2017	M/s Riga Sugar Ltd. Limited	SKK Fans & Appliances Private	List Enclosed --
Chairman/Member of the Committee of the Board of Directors as on March 31, 2017	NIL	--	
Chairman / Member of the Committee Of Directors of Other Companies in which he/she is A Director as on March 31, 2017	NIL	--	--
No. of Shares Held in the Company As on March 31, 2017	NIL	140600	

LIST OF DIRECTORSHIP OF MR. SRAWAN KUMAR JAJODIA AS ON 31.03.2017

1. Assam Oil and Gas Limited
2. Amisha Engineering Private Limited
3. Warden Packaging and Containers Pvt. Ltd.
4. Warden Pack Pvt. Ltd.
5. Warden Oil & Gas Private Limited
6. Manori Estates Private Limited
7. Warden Infra Projects Private Limited
8. Warden International (Agencies) Pvt. Ltd.
9. Rajan Enterprises Private Limited
10. Warden Impex Private Limited
11. Warden Ports Infrastructure & Logistics Pvt. Ltd.
12. Winter Investment Company Private Limited
13. Konkan Investment Company Private Limited
14. Pragati Holdings Pvt. Ltd.
15. Grandiose Holdings co, Pvt. Ltd.
16. Candour Holdings & Trading Pvt. Ltd.
17. Rainbow Holding and Trading Pvt. Ltd.
18. Earnest Holdings & Trading Private Limited

DIRECTORS' REPORT
INCLUDING MANAGEMENT DISCUSSION & ANALYSIS REPORT

TO THE MEMBERS
KHAITAN (INDIA) LIMITED

Your Directors present their Eightieth Annual Report together with the Audited Accounts for the year ended 31st March, 2017.
Rs./Lacs

FINANCIAL RESULTS	2016-2017	2015-2016
Sales & Operating Income were Profit/(Loss) for the year was From which is deducted/added	1574.09 485.49	912.21 (579.57)
• Depreciation	(214.01)	(176.05)
• Income Tax relating to earlier year		(0.01)
Leaving a Balance of To which is added :	271.48	(755.83)
- Profit/Loss Brought Forward from previous year	(2166.01)	(1410.17)
Making an available Surplus/Deficit of Which is Carried For ward to Next Year	(1894.53)	(1410.17)

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. 209.69 lacs compared to the last year's Rs. 309.94 lacs. During the end of the year 2016-17 your company has also started trading in fans, appliances and other electrical items, the turnover of this business is Rs. 700.16 lacs.

Sugar Division: The crushing of sugarcane was only 0.67 lacs quintals compared to last year's 0.75 lacs quintals. The Sugar Mill could start only at fag end of the sugar season and could operate only for 19 days with very low recovery. The reason for the same was the adverse financial health of the Company as the overhauling work could not be taken up. Further due to flood that erupts during May, 2016 had extensively damaged standing Sugarcane crop.

The Crushing Operations for the season 2016-17 started on 19th December, 2016 which continued for 19 days compared to the last year's 15 days. Performance of the Sugar Division compared to last year is as under:-

DETAILS	2016-17	2015-16
Start of Crushing Season	19.12.2016	16.03.2016
Close of Crushing Season	06.01.2017	30.03.2016
Cane Crushed (in lacs Qtls)	0.67	0.75
Recovery (%)	7.18	6.63
Sugar Production (in Qtls)	4709	4980

Agriculture Division:

It is fact that all agriculture products are wholly dependent on nature. There was heavy rain which had damaged the standing Sugarcane Crop extensively

INDUSTRIAL STRUCTURE

As stated last year that the Sugar Industry passed from a very pathetic situation for last 4-5 years. It was sustaining losses consecutively in last 4-5 years which has jeopardized the financial health of the industry. One of the main factors behind the severe losses were very low ex-mill prices. The mills were unable to recover even the cost of production which causes huge losses. Further due to heavy stock of sugar with mills for last 6 years in a row the situation was worsen which increased the outstanding of cane growers. This adverse acute financial position did not permit the overhauling of mills even in spite of best efforts of the management. Due to certain measures taken by Central Government the ex-Mills prices were marginally improved but still it was below the cost of production. This had huge adverse impact on the financial health of the Sugar industry.

Internal Control Systems: The Company has adequate system of internal control to 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, 2017 the total permanent employees were 29 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 AND COMMITTEES

In accordance with the provisions of the Companies Act, 2013 Mrs. Sulekha Dutta (DIN -07114240) retire by rotation and being eligible offer herself for reappointment.



DIRECTORS' REPORT

INCLUDING MANAGEMENT DISCUSSION & ANALYSIS REPORT

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2016 the Board has carried out annual performance evaluation of its own performance, the directors individually as well as evaluates the working of its Audit, Nomination & Remuneration and Shareholders Relationship Committee. The method of evaluation has carried out been explained in Corporate Governance Report.

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

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

Sl. No	Name	Designation	Remuneration Paid Fy. 2016-17	Remuneration Paid Ey. 2015-16	Increase in Remuneration from previous year	Rab/Times permtion of Emplyooee Remuneration
1.	Surendra Bafna (resigned w.e.f 30.11.2016	Executive Director	3.83 lacs	8.70 lacs (Including (LTA 1.26 Lac)	----	Comparison not possible
2.	Sulekha Dutta	CS/ Director (KMP)	1.42 lacs	1.42 lacs	----	1.3 Times

REMUNERATION POLICY

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

MEETINGS

During the year, four (4) Board meetings and one independent directors' meeting were held. The provisions of the Companies Act, 2013 and of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2016 were adhered to while considering the time gap between two meetings.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- in the preparation of the annual Financial Statements for the year ended 31st March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for the same period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down proper internal financial controls (IFC) in the company that are adequate and were operating effectively.
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

RELATED PARTY TRANSACTIONS

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 SEBI (Listing Obligations and Disclosure Requirements) Regulation 2016. 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 materially significant related party transactions made by the company with promoters, Directors, Key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transaction are placed before the Audit Committee and also the Board for approval.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any pecuniary relationship or transactions vis-à-vis the company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS 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 operations.

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 O. P. Sharma & Associates, Chartered Accountants, (FRN 500128N), the Statutory Auditor of the company were appointed to conduct the audit of the company till conclusion of the forthcoming Annual General Meeting.

The Board vide its resolution dated 18th August 2017 has recommended the appointment of M/s V K Tulsyan & Co. LLP, Chartered Accountants, Kolkata (FRN 326740E / E300015), subject to approval of shareholders at the Annual General Meeting.

To comply with provisions of Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2016, it is proposed to appoint M/s VK Tulsyan & Co. LLP, Chartered Accountants, Kolkata (FRN 326740E/E300015), as Statutory Auditors for a period of 5 continuous years, from April 01, 2017 to March 31, 2022. The tenure of their office will commence from the conclusion of the 80th Annual General Meeting till the conclusion of the 85th Annual General Meeting of the Company, however, their appointment in 80th Annual General Meeting shall be as per the process laid down under the Companies Act, 2013 and rules made there under and subsequent ratification at every Annual General Meeting.

If appointed in 80th Annual General Meeting, M/s V K Tulsyan & Co. LLP, Chartered Accountants, Kolkata (FRN 326740E/E300015), shall be responsible for Audit during the five financial years 2017–18, 2018–19, 2019–20, 2020–21 and 2021–22 as Statutory Auditors of the Company.

As per Regulation 33 of Listing Regulations, Limited Review Report has to be issued by Statutory Auditors and hence Statutory Auditors to

DIRECTORS' REPORT
INCLUDING MANAGEMENT DISCUSSION & ANALYSIS REPORT

be appointed in 80th Annual General Meeting for the financial year 2017–2018 is authorised to do the Limited Review for the quarterly or half yearly or such period as may be prescribed from time to time.

M/s V K Tulsyan & Co. LLP, Chartered Accountants, Kolkata (FRN 326740E/E300015), has confirmed their willingness and eligibility under the provision of the Companies Act, 2013 to be as statutory auditors of the Company, which is subject to shareholders' approval.

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 Ms. Puja Agarwal (CP No. 14637), Company Secretary in Practice, to undertake the Secretarial Audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure 1'. The observations of Secretarial Auditor are self explanatory.

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 A B & 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

In accordance with the provisions of the Companies Act, 2013 Mrs. Sulekha Dutta (DIN -07114240) retires by rotation and being eligible offer herself for reappointment.

During the year the following directors were appointed:

Mr. Anil Kumar Jain was appointed as an Additional Independent Director of the company w.e.f 06.06.2016.

Mr. Sunay Krishna Khaitan, was appointed as an Additional Director of the company w.e.f 12.11.2016.

Mr. Srawan Kumar Jajodia was appointed as an Additional Independent Director of the company w.e.f 12.06.2017.

Mr. Shiv Kumar Bajaj who was appointed as an Additional Director w.e.f 12.11.2016 resigned w.e.f 30.03.2017.

During the year Mr. Sunil K Khaitan resigned from the Board w.e.f 12.08.2016, Dr.V K Rungta resigned from the Board w.e.f 12.08.2016, and Mr S Bafna resigned from the Board w.e.f 30.11.2016. The Board noted its appreciation for his guidance during his tenure as Director.

CORPORATE GOVERNANCE REPORT

As per SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 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 Personals) Rule 2014 in request of employees of the Company is as follows:-

The company has one Executive Director who has been paid Rs. 3.83 lacs and to Company Secretary Rs. 1.42 lacs.

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 throughout 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

Although the Ex-Mill prices have been increased but still it did not cover even cost of production. Due to unsatisfactory condition of sugar industry for last 4-5 years specially 2015-16 which has jeopardized the financial position of the company and effected the operation of sugar mill. However the company is exploring various avenues for revival of the company.

Due to measurable financial condition the company could not pay the various dues, i.e. service tax, gratuity wags to the workers premium for LIC Group Gratuity Scheme etc and other dues.

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

The company is taking steps to get the balance confirmation from debtors /creditors, loans deposits etc.

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

Kolkata
The 18th August, 2017


Sunay K. Khaitan
(DIN 07585070)


Anil Kumar Jain
(DIN 07524177)



MR-3

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

[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, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

- (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, 1996 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'):-
 - a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
 - c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - d) SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the Audit Period);
 - e) SEBI (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.;
 - g) SEBI (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - h) SEBI (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the Audit Period);
- (vi) OTHER APPLICABLE ACTS.
 - The environment (Protection) Act, 1986
 - The Water (Prevention and Control of Pollution) Act, 1974
 - The Air (Prevention and Control of Pollution) Act, 1981
 - The Industrial Employment (Standing Orders) Act, 1946

The Listing Agreements and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (LODR) 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:

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.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above, save and except the following observations:

1. There has been some instances where the Forms were filed with some delay, thereby paying the additional fees. We have been informed by the Management that they are in the process of filing of some forms that are not filed till date.
2. CEO and CFO of the Company, Mr. S Bafna resigned on 30.11.2016 and we were told by the Management that they are in the process of filling up the position of CEO and CFO.

I further report that,

The board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda 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 the Company has defaulted in the payment of statutory dues, within the prescribed time.

I further report that the Company has not paid listing Fees as required by SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (LODR).

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.

Puja Agarwal
Company Secretary in Practice
ACS No.:36736
C P No.:14637

Date: 18th August, 2017

Place: Kolkata

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.

ANNEXURE 'A'

To,
THE MEMBERS
KHAITAN (INDIA) LIMITED
46C, J.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.
4. Where ever required, I have obtained the Management representation about the compliance of laws, ,rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Puja Agarwal
Company Secretary in Practice
ACS No.:36736
C P No.:14637

Date: 18th August, 2017
Place: Kolkata


FORM NO MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017

[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	7th 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	46-C J L Nehru Road, Kolkata-700071
(vi)	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 23, R. N. Mukherjee Road, 5th Floor, Kolkata-700001 Phone Nos 033-2243 5029/5809, 2248-2248 Fax 033-22484787 Email mpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main products/service	NIC Code of the Products/Service	% of total turnover of the Company
1	Royalty	97740	13.14
2	Sugar	10721	86.86

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 end of the year (As on 31-March-2016)				No of Shares held at the end of the year (As on 31-March, 2017)				% 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.	2085754	1750	2087504	43.9475	2085754	1750	2087504	43.9475	0.0000
e) Banks/FI									
f) Any other									
Sub-total (A)(1)	2859880	1750	2861630	60.2449	2859880	1750	2861630	60.2449	0.0000
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub- Total (A) (2)									
Total Shareholding Promoter	2859880	1750	2861630	60.2449	2859880	1750	2861630	60.2449	0.0000

FORM NO MGT-9 (Contd.)

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2017

Category of Shareholders	No of Shares held at the end of the year (As on 31-March-2016)				No of Shares held at the beginning of the year (As on 01-April, 2017)				% 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	0.00
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1):-	0	1234	1234	0.0260	0	1234	1234	0.0260	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	645496	16050	661546	13.9273	445919	16050	461969	9.7257	-30.1683
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	475280	405078	880358	18.5339	487625	405077	892702	18.7937	1.4022
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	282992	10400	293392	6.1767	485818	10400	496218	10.4467	69.1314
c) Others (Specify)									
Non Resident Indians	22278	200	22478	0.4732	2778	200	2978	0.0627	-86.7515
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	29362	0	29362	0.6181	33269	0	33269	0.7004	13.3063
Trusts									
Foreign Bodies-D R									
Sub-total(B)(2):-	1455408	431728	1887136	39.7292	1455409	431727	1887136	39.7292	0.0000
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1455408	432962	1888370	39.7552	1455409	432961	1888370	39.7552	0.0000
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	4315288	434712	4750000	100.0000	4315289	434711	4750000	100.0000	0.0000



FORM NO. MGT – 9

ii) Shareholding of promoters :

SI No	Shareholder's Name	Shareholding at the beginning of the year (As on 01/04/2016)			Shareholding at the end of the year (As on 31/03/2017)			% 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	0.00	0.00	AABCK1371L
2	KHAITAN HOTELS PVT. LTD.	555745	11.6999	0.0000	555745	11.6999	0.00	0.00	AABCK5493M
3	THE ORIENTAL MERCANTILE COMPANY LIMITED	400198	8.4252	0.0000	4001988	8.4252	0.00	0.00	AAACT9623P
4	SUNIL KRISHNA KHAITAN	151479	3.1890	0.0000	151479	3.1890	0.00	0.00	AGCPK9741L
5	SUNAY KRISHNA KHAITAN	140600	2.9600	0.0000	140600	2.9600	0.00	0.00	BTMPK5794F
6	ISHANI KHAITAN	126197	2.6568	0.0000	126197	2.6568	0.00	0.00	AMIPK2994F
7	VAGEESHA KHAITAN	113000	2.3789	0.0000	113000	2.3789	0.00	0.00	AJFPK2055H
8	SHREE KRISHNASUNIL KRISHNA KHAITAN HUF	97500	2.0526	0.0000	97500	2.0526	0.00	0.00	AAFHS5971K
9	VIDITA KHAITAN	62100	1.3074	0.0000	62100	1.3074	0.00	0.00	AFZPK3387A
10	DURGADUTT CHIRANJILAL HUF	52500	1.1053	0.0000	52500	1.1053	0.00	0.00	AABHD7121E
11	SARITA DABRIWAL	20000	0.4211	0.0000	20000	0.4211	0.00	0.00	AGTPD2962K
12	CHIRANJILAL SHREE KRISHNA KHAITAN HUF	10750	0.2263	0.0000	10750	0.2263	0.00	0.00	AABHC0170L
	TOTAL	2861630	60.2448	0.0000	2861630	60.2448	0.00	0.00	

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

SI No.	Name	Shareholding at the beginning (01/04/16)end of the year (31/03/2017)		Cumulative Shareholding during the year (01/04/16 to 31/03/2017)		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	THE ORIENTAL MERCANTILE CO LTD 01.04.16 31.03.17	400198 400198	8.4252 8.4252	400198 400198	8.4252 8.4252	AAACT9623P
2	KHAITAN LEFIN LIMITED 01.04.16 31.03.17	1131561 1131561	23.8223 23.8223	1131561 1131561	23.8223 23.8223	AABCK1371L
3	KHAITAN HOTELS PVT. LTD. 01.04.16 31.03.17	555745 555745	11.6999 11.6999	555745 555745	11.6999 11.6999	AABCK5493M
4	CHIRANJILAL SHREE KRISHNA KHAITAN HUF 01.04.16 31.03.17	10750 10750	0.2263 0.2263	10750 10750	0.2263 0.2263	AABHC0170L
5	DURGADUTT CHIRANJILAL HUF 01.04.16 31.03.17	52500 52500	1.1053 1.1053	52500 52500	1.1053 1.1053	AABHD7121E
6	SHREE KRISHNA SUNIL KRISHNA KHAITAN HUF 01.04.16 31.03.17	97500 97500	2.0526 2.0526	97500 97500	2.0526 2.0526	AAFHS5971K
7	VIDITA KHAITAN 01.04.16 31.03.17	62100 62100	1.3074 1.3074	62100 62100	1.3074 1.3074	AFZPK3387A

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

Sl No.	Name	Shareholding at the beginning (01/04/16)/end of the year (31/03/2017)		Cumulative Shareholding during the year (01/04/16 to 31/03/2017)		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
8	SUNIL KRISHNA KHAITAN 01.04.16 31.03.17	151479 151479	3.1890 3.1890	151479 151479	3.1890 3.1890	AGCPK9741L
9	SARITA DABRIWAL 01.04.16 31.03.17	20000 20000	0.4211 0.4211	20000 20000	0.4211 0.4211	AGTPD2962K
10	VAGEESHA KHAITAN 01.04.16 31.03.17	113000 113000	2.3789 2.3789	113000 113000	2.3789 2.3789	AJFPK2055H
11	ISHANI KHAITAN 01.04.16 31.03.167	126197 126197	2.6568 2.6568	126197 126197	2.6568 2.6568	AMIPK2994F
12	SUNAY KRISHNA KHAITAN 01.04.16 31.03.17	140600 140600	2.9600 2.9600	140600 140600	2.9600 2.9600	BTMPK5794F

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

Sl No.	Name	Shareholding at the beginning (01/04/16)/end of the year (31/03/2017)		Cumulative Shareholding during the year (01/04/16 to 31/03/2017)		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	NATUREWEALTH DEVELOPMENT CORPORATION LIMITED 01.04.16 31.03.17	54000 54000	1.1368 1.1368	54000 54000	1.1368 1.1368	AAACN8651M
2	DELTA INTERNATIONAL LTD 01.04.16 31.03.17	189250 0	3.9842 0	189250 0	3.9842 0	AABCD1223C
3	MANDPAM COMMERCIAL LTD 01.04.16 31.03.17	42550 42550	0.8958 0.8958	42550 42550	0.8958 0.8958	AACCM0741K
4	PURVANACHAL LEASING LTD 01.04.16 31.03.17	82130 82130	1.7291 1.7291	82130 82130	1.7291 1.7291	AACCP9719J
5	DHEERAJ KUMAR LOHIA * 01.04.16 24.02.17 – TRANSFER 03.03.17 – TRANSFER 31.03.17	5218 43482 2559 51259	0.1099 0.9154 0.0539 1.0791	5218 48700 51259 51259	0.1099 1.0253 1.0791 1.0791	AHCPK2417L
6	ANDREW GRACIAS 01.04.16 31.03.17	43266 43266	0.9109 0.9109	43266 43266	0.9109 0.9109	AADPG7521P
7	NAGESHWAR ADVISORY SERVICES LLP 01.04.16 31.03.17	42000 42000	0.8842 0.8842	42000 42000	0.8842 0.8842	AAIFN1156A
8	BAIKUNTHNATH ADVISORS LLP 01.04.16 31.03.17	42000 42000	0.8842 0.8842	42000 42000	0.8842 0.8842	AAMFB3309B
9	SHYAM VATIKA ADVISORS LLP 01.04.16 31.03.17	41000 41000	0.8632 0.8632	41000 41000	0.8632 0.8632	ABUFS8499Q



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Shareholding Pattern of top ten Shareholders

10	SEETHA KUMARI 01.04.16 31.03.17	55429 55429	1.1669 1.1669	54429 54429	1.1669 1.1669	APFPS2411B
11	ARVINDKUMAR SANCHETI* 01.04.16 31.03.17	31347 31347	0.6599 0.6599	31347 31347	0.6599 0.6599	AQHPS3070R
12	Shri Parasram Holdings Pvt. Ltd. 01.04.16 31.03.17	3140 25310	0.0661 0.5328	3140 25310	0.0661 0.53281	AAACS4487J

* Not in the list of Top 10 Shareholders as on 01.04.2016. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31.03.2017

Ceased to be in the list of Top 10 shareholders as on 31.03.2017. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2016

v) Shareholding of Directors and Key Managerial Personnel

Sl No.	Name	Shareholding at the beginning (01/04/16)/end of the year (31/03/2017)		Cumulative Shareholding during the year (01/04/16 to 31/03/2017)		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	SUNIL KRISHNA KHAITAN 01.04.2016 31.03.2017 (resigned w.e.f 12.08.2016)	151479 0	3.1890 0	151479 0	3.1890 0	AGCPKK9741L
2	ARUN KUMAR KEDIA 01.04.2016 31.03.2017	100 100	0.0021 0.0021	100 100	0.0021 0.0021	AFZPK3041B
3	DR VINOD KUMAR RUNGTA 01.04.2016 31.03.2017 (Resigned on 12.08.2016)	100 0	0.0021 0	100 0	0.0021 0	ADHPR4548N
4	SURENDRA BAFNA 01.04.2016 31.03.2017 (Resigned on 30.11.2016))	100 0	0.0021 0	100 0	0.0021 0	ACWBP9149F
5	SUNAY KRISHNA KHAITAN 01.04.2016 31.03.2017 (Appointed as Director w.e.f 12.11.2016)	0 140600	0 2.9600	0 140600	0 2.9600	BTMPK5794F

VI) 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	786,415,36	346,527,471	-	425,169,007
ii) Interest due but not paid	2,06,425	353,89,424	-	355,95,849
iii) Interest accrued but not due	-	-	-	-
Total (1+2+3)	78,847,961	381,916,895		460,764,856
Change in Indebtedness during the financial year				
* Addition	-	(933,28,105)	-	(129,973,133)
* Reduction	(366,45,028)	(933,28,105)	-	(129,973,133)
* Net Change	(366,45,028)			
Indebtedness at the end of the financial year				
i) Principal Amount	418,14,507	288,588,790	-	313,282,887
ii) Interest due but not paid	388,426	-	-	175,08,836
iii) Interest accrued but not due	-			
Total (1+2+3)	42,202,933	288,588,790		330,791,723

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VI) Remuneration of Directors and Key Managerial Personnel

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

Sl No	Particulars of Remuneration	Name of Company Secretary Ms Sulekha Dutta	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	84000 58000	308000 -	392,000 58,000
2.	Stock Option			
3.	Sweat Equity			
4.	Commission			
5.	Others (Please specify) Total A	142000	75,471 3,83,471	75,471 525,471
	Ceiling as per the Act	3000000	3000000	6000000

VI) Remuneration to Managing Director, Whole Time Directors and/or Manager

B. Remuneration to Other Directors

Sl	Particulars of Remuneration	Name of Directors					Total. Amt.
		Mr. Sunil K Khaitan	Dr. V K Rungta	Mr A K Kedia	Mr. Anil Kumar Jain	Mr. Sunay K. Khaitan	
1.	Independent Directors Fees for attending Board, Committee Meetings Total (1)						
2.	Other Non-Executive Directors Fees for attending Board, Committee Meetings Total (2)						
	Total (B)=(1+2)						
	Total Managerial Remuneration	NIL The Company has not paid any remuneration to the non executive and independent directors)					
	Overall Ceiling as per the Act						

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 Directors					
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

A. CONSERVATION OF ENERGY	For the year ending 31/03 t2017	For the year ending 31/03 t2016
POWER & FUEL CONSUMPTION		
1. Electricity	3.62	3.83
a) Purchased Units (in lacs)	43.16	41.6
Total amount Rs. (in lacs)	11.92	10.86
Effective Rate Per unit (Rs)		
b) Own Generation		
i) Through Diesel Generator Units (in lacs)	0.06	0.09
Unit per litre of Diesel Oil	4.00	4.00
Cost/Unit (Rs.)	14.00	12.65
ii) Through Steam Turbine/ Generator Units (in lacs)	3.14	4.21
2. Coal		
Quantity Tonnes	Not	Not
Total Cost	Applicable	Applicable
Average Rate		
3. Furnace Oil		
Quantity (Kilo Litre)	Not	Not
Total Cost	Applicable	Applicable
Average Rate		
4. Others / Internal Generation		
Quantity of Paddy husk (MT)	89.72	5.00
Total Value (Rs./Lacs)	9.95	0.22
Rate Unit (Rs.)	0.11	0.05
Consumption per Unit of Production		
Product - Sugar (Qtls).	5809	4874
Electricity (Units/Qtls. of Sugar)	117.33	166.87
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 or improving quality of sugar.

b) benefits derived as a result of the above R&D

Improvement in cane yields 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 : NIL

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

NIL

Expenditure in foreign currency

NIL

REPORT ON CORPORATE GOVERNANCE

The company believes that Corporate Governance is a set of process customs polices, sales, regulation and laws for ensuring 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 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is as under:

Board of Directors

The company has four Directors of which 3 (75%) are non-executive directors, one whole time Director and one woman Director. The composition of the Board is in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 entered with the Stock Exchanges.

During the year under review four Board Meetings were held on 30th May, 2016 (Adjourned to 06th June 2016), 12th August 2016, 12th November 2016 and 14th February, 2017. The maximum time gap between any two consecutive meetings did not exceed 120 days. 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 Directorships in other Public Limited Companies	Committee Memberships/ (Chairmanship) in other Public Limited Companies excluding Khaitan (India) Ltd.	Membership in Other Committee
Mr. Sunil K Khaitan	00127698	C&NED	2 / 4	No	3	1	---
Mr. A.K. Kedia	00502760	ID&NED	4 / 4	No	2	--	---
Dr. V.K. Rungta	00087032	ID&NED	2 / 4	Yes	3	4(2)	---
Mr. S. Bafna	00127681	WTD	3 / 4	Yes	2	1	---
Mrs. Sulekha Dutta	07114240	ED	4 / 4	Yes	2	1	---
Mr Sunay Krishna Khaitan	07585070	ID&NED	2/4	No	0	0	0
Mr Anil Kumar Jain	07524177	ID&NED	4/4	No	2	0	0
Mr Shiv Kumar Bajaj	02000612	ID&NED	2/4	No	2	3(1)	0

Mr. Sunil K. Khaitan resigned from the Board w.e.f. 12.08.2016.

Dr. V.K. Rungta resigned from the Board w.e.f. 12.08.2016

Mr. S. Bafna resigned from the Board w.e.f 30.11.2016

Mr. Shiv Kumar Bajaj was appointed as an Independent Non Executive Director w.e.f 12.11.2016. Shri Bajaj resigned as Director of the company w.e.f 30.03.2017.

Mr. Sunay Krishna Khaitan was appointed as an Independent Non Executive Director w.e.f 12.11.2016

Mr. Anil Kumar Jain was appointed as Independent Non Executive Director w.e.f. 06.06.2016

Category details : C&NED – Chairman & Non Executive Director; ID&NED – Independent & Non Executive Director and WTD – Whole Time Director, ED – Executive Director

None of the present Directors are Relatives of each other as defined in Section 2 (77) of 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 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 has been placed before the Board for its consideration.

The company has formulated a policy to familiarise 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 schedule 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 Three Committees i.e. Risk and Audit Committee, Nomination & Remuneration Committee and Stockholders 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 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 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.



REPORT ON CORPORATE GOVERNANCE (Cont.)

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. To review 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.
4. To recommend to the Board the remuneration of the Statutory Auditors and internal auditors.
5. 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 two independent directors all of whom are financially literate and have relevant finance and/or audit exposure. During the period under review, Four Audit Committee meetings were held on June 30th May, 2016 (Adjourned to 06th June 2016), August 12, 2016, November 12, 2016 and February 14, 2017. The composition of the audit Committee and attendance at its meetings is as follows:-

Members	Designation	Category	No. of Committee meeting during 2016-17
Mr. V.K. Rungta	Member	Independent, Non Executive Director	2
Mr. A.K. Kedia	Member	Independent, Non Executive Director	4
Mr. Anil Kumar Jain	Member	Independent, Non Executive Director	2
Mr. Shiv Kumar Bajaj	Chairman	Independent, Non Executive Director	2
Mr. S. Bafna	Member	Independent, Non Executive Director	2

Mr. V.K. Rungta ceased to be member of the committee w.e.f 12.08.2016.

Mr. Shiv Kumar Bajaj was appointed as member of the committee w.e.f 12.11.2016, ceased to be member of the committee w.e.f 30.03.2017.

Mr. Anil Kumar Jain was appointed as member of the committee w.e.f 06.06.2016

Mr. S. Bafna resigned from the Board w.e.f 30.11.2016.

Nomination & Remuneration Committee

The terms of reference of the committee are as follows:

1. 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;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. 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.

Remuneration of Executive Directors:

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. Sunil K Khaitan	C&NED		--	--	Resigned w.e.f 12.08.2016
Mr. A.K. Kedia	ID&NED		--	--	
Dr. V.K. Rungta	ID&NED		--	--	Resigned w.e.f 12.08.2016
Mr. S. Bafna	WTD	3.83	--	3.83	Resigned w.e.f 30.11.2016
Mrs. Sulekha Dutta	ED	1.42	--	1.42	
Mr. Shiv Kumar Bajaj	ID&NED		--	--	Resigned w.e.f 30.03.2017
Mr. Anil Kumar Jain	ID&NED		--	--	Appointed w.e.f 06.06.2016
Mr. Sunay Krishna Khaitan	ID&NED		--	--	Appointed w.e.f 12.11.2016

Shareholders Relationship 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 2016-17 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. June 06, 2016, August 12, 2016, November 12, 2016 and February 14, 2017. The composition of the Committee and attendance at its meeting is as follows:

REPORT ON CORPORATE GOVERNANCE (Cont.)

Name of the Director	Designation	Category	Meetings Attended
Dr. V K Rungta	Chairman	Independent, Non Executive Director	2
Mr A K Kedia	Member	Independent, Non Executive Director	4
Mr. S Bafna	Member	Whole Time Director	2
Mr. Anil Kumar Jain	Member	Independent, Non Executive Director	2
Mr. ShivKumar Bajaj	Member	Independent, Non Executive Director	2

Mr. V.K. Rungta ceased to be member of the committee w.e.f 12.08.2016.

Mr. S. Bafna ceased to be member of the committee w.e.f 30.11.2016.

Mr. Shiv Kumar Bajaj was appointed as member of the committee w.e.f 12.11.2016, ceased to be member of the committee w.e.f 30.03.2017.

Ms. Sulekha Dutta Director and Company Secretary was the Compliance Officer during the year under review. She performed the functions of monitoring the complaints received vis-à-vis share transfer and other related processes and reported them to the Board. She also carried out her 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 February 14, 2017, 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 is 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, where ever 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 SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 during the financial year under reviewed 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 (AS-18) 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.
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 provision 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.

General Body Meeting

Details of last three Annual General Meetings are as follows:

YEAR	LOCATION	DATE	TIME
2015-16	Bharatiya Bhasha Parishad 36-A, Shakespeare Sarani, Kol-17	28-09-2016	11.00 A.M.
2014-15	Bharatiya Bhasha Parishad 36-A, Shakespeare Sarani, Kol-17	30-09-2015	2.00 P.M.
2013-14	Bharatiya Bhasha Parishad 36-A, Shakespeare Sarani, Kol-17	29-09-2014	11.30 A.M.



REPORT ON CORPORATE GOVERNANCE (Cont.)

CEO/CFO Certification

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the stock exchanges Mrs. Sulekha Dutta, Executive Director 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 statements 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 The Financial Express and Sukhabar.

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	:	26th September, 2017 at 2.00 p.m. Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, 4th Floor Kolkata – 700017
b) Date of Book Closing	:	19th to 26th September, 2017 (both days inclusive)
c) Dividend payment date for the FY 2016-17	:	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) 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 not been paid for the year 2016-2017 to N S E.
ISIN No. for the Company's Ordinary Shares in Demat Form is INE 731 C 01018.

f) Financial Calendar:

Financial Year	Financial Year	Ending March 31
Results for the quarter ending		
June 30, 2016		August 12, 2016
September 30, 2016		November 12, 2016
December 31, 2016		February 14, 2017
March 31, 2017		12th June, 2017

MARKET PRICE (2016-17)											(Rs.)	
NSC	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
HIGH	11.35	11.30	11.30	10.75	10.80	10.50	10.20	12.20	13.35	11.20	12.70	13.65
LOW	10.30	9.85	11.25	10.05	10.30	10.30	9.80	10.15	10.95	10.35	10.00	13.00

REPORT ON CORPORATE GOVERNANCE (Cont.)

h) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017

i) According to Category of Holding:

Category	Shareholders		Shares	
	No.	%	No.	%
Promoters Group	13	0.38	2861630	60.24
Banks, Financial Institution	2	0.06	1234	0.03
Private Corporate Bodies	77	2.50	461969	15.41
Indian Public	2974	96.56	1173750	23.64
Others /Clearing Members	20	0.50	36247	0.68
Total	3086	100.00	4750000	100.00

(b) Pattern of Shareholdings as on 31st March, 2017:

Share Holding Pattern			Shareholders		Shares	
			Nos.	%	Nos.	%
upto		500	2743	88.89	456104	9.60
501	To	1000	154	4.99	131631	2.77
1001	To	2000	80	2.59	120910	2.55
2001	To	3000	22	0.71	51918	1.10
3001	To	4000	8	0.26	29080	0.61
4001	To	5000	14	0.45	65187	1.37
5001	To	10000	17	0.55	131604	2.77
10001	and	above	48	1.56	3763596	79.23
Grand Total			3086	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., 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700001
Phone: 033-2243 5029/5809; 2248 2248, Fax: 033-22484787; email: mdpldc@yahoo.com

j) **Share Transfer System** : Share Transfers are registered and returned within 30 days of lodgment 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., 23, R.N. Mukherjee Road, 5th Floor, 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 31.03.2017 a total of 4315288 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

Kolkata
The 18th August, 2017


Sunay K. Khaitan,
Director


Anil K. Jain,
Director

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

To, The Members of KHAITAN (INDIA) LTD.

We have examined the compliance of conditions of corporate governance by Khaitan (India) Limited, for the year ended on 31st March, 2017, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

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.

Kolkata
The 12th June, 2017

For O P Sharma and Associates
Chartered Accountants
Firm Registration No 500128 N
CA Om Prakash Sharma
Proprietor
Membership No. 070762



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, 2017, 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 judgments 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 provision 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 judgment, 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.5595687/- as against the profit of Rs.27148064/- 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.
6. **Qualified Opinion:**

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:

 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
 - b) in the case of the Statement of Profit and Loss, of the profit , for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
7. **Emphasis of Matter:**

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, and Notes on financial statements 5 Long Term Borrowings No 2 regarding written back of SUGAR DEVELOPMENT FUND, we are unable to express our opinion.
8. **Report on Other Legal and Regulatory Requirements:**

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:**
 - a) 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;
 - 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;

INDEPENDENT AUDITOR'S REPORT (Cont.)

- 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 afore said 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, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act.
- f) With respect to the 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 :
- g) There is no amount required to be transferred to the Investor Education and Protection Fund by the Company
- h) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November 2016 of the Ministry of Finance during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note No. 2.39 to the financial statements.
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

For O P Sharma and Associates
Chartered Accountants
Registration No 500128 N
CA Om Prakash Sharma
Proprietor
Membership No. 070762

B-3, 8th Floor, Saltee Spacio
1, Mall Road,
Kolkata-700080
The 12th June, 2017

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 is under process , and as such the differences, are not ascertained as on that date.
	iii.	According to the information and explanation given to us and on the basis of our examination of the records of the Company ,the Lands admeasuring more or less 8053.54 Acres are held by the Company originally in the name of M/s Ramnugger Cane & Sugar Company Limited as per the Order of Government of West Bengal Land and Revenue Department Land Reform Branch vide order No. 4572-L Ref .dated Calcutta 12th March 1964 and thereafter the name of the company was changed to M/S Khaitan Agro complex Limited as per the certificate of Incorporation issued by the Registrar of the Companies on 1st October 1991 . Further M/S Khaitan (India) Limited was amalgamated with M/s Khaitan Agro Cpmplex Limited with effect from 1st January 1994 as per the order of Honorable Calcutta High Court dated 17th October 1994 and as per the order of the Court the name of the company was retained as Khaitan (India) Limited . The Registrar of Companies, West Bengal issued a fresh certificate of Incorporation on 14th November 1994 and change the name of the Company from Khaitan Agro Complex Limited to M/S Khaitan (India) Limited . Subsequently the Government of West Bengal in its Calcutta Gazette published on 17th April 1995 , vide its notification No.186-CI/C dated 24th March ,1995 , issued by the Commerce & Industries Department, GROUP "C" , made the amendments and substitute the words and brackets from Khaitan Agro Complex Limited (Sugar Division) to Khaitan (India) Limited.
2.		As explained to us ,the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed .
3.		The Company has not granted loans, secured or unsecured to companies ,firms , Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the of the Companies Act, 2013.
4.		In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of grant of loans ,making investments and providing guarantees and securities, as applicable .
5.		The Company has not accepted deposits from the public. 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.		The maintenance of cost records has been specified by the Central Government under section148(1) of the Companies Act 2013. We have broadly reviewed the books of records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules,2014as amended prescribed Central Government under subsection of Section 148 of the Companies Act, 2013 and are of the opinion that , prima facie, the prescribed accounts and cost records have been made and maintained. We have however , not, 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 generally has not been regular and thus there are 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 ,TDS and other statutory dues ,if any, with the appropriate authorities :- According to the records, the following statutory dues were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable:



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 (Cont.)

Name of the statute	Nature of dues	Period to which pertain	Amount (Rs. In Lacs)	Due date	Paid on
Provident Fund and Pension Fund ETC	PF of employers & Employees contributions	2016-17 From April to September 2016	1485578/	15th of succeeding month	=
Income Tax Act, 1961	Tax deducted at sources	2016-17 From April to September 2016	6949938/	7th of the succeeding month	=
The Central/State Sales Tax Act	Value Added Tax	2016-17 From April to September 2016	1162985/	20th of succeeding month	=
Service Tax		2016-17 From April to September 2016	3602324/	6th of the succeeding month	=
Panchayat Tax		2016-17	53603/	Within 31st March	=
Professional Tax		2016-17 From April to September 2016	22276/	21st of succeeding month	=

- 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 2017 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	94,87,225		Joint Commissioner & Sales Tax (Appellate) Mumbai.

8		According to the information and explanations given to us by the management the company is in no default in repayment of dues to Financial institutions/Banks .
9.		The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and money raised by way of term loans have been applied by the Company during the year for the purposes for which they have raised.
10.		To the best of our knowledge and belief and according to the information and explanations given to us. no fraud by the company or no fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
11.		In our opinion and according to the information and explanations given to us , the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act ,2013.
12.		The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 order is not applicable.
13.		In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act 2013, where applicable ,for all transactions with the related parties and the details of the related party transactions have been disclosed in the financial statements etc.as required by the applicable standard .
14.		During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
15.		In our opinion and according to the information and explanations given to us ,during the year the Company has not entered into any non –cash transactions with its directors or person connected with him and hence provisions of section 192 of the Companies Act ,2013 are not applicable.
16.		The Company is not required to be registered under section 45-I of the Reserve Bank of India ,1934.

B-3, 8th Floor, Saltee Spacio
1, Mall Road,
Kolkata-700080
The 12th June, 2017

For O P Sharma and Associates
Chartered Accountants
Registration No 500128 N
CA Om Prakash Sharma
Proprietor
Membership No. 070762

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 (Cont.)**ANNEXURE - B TO THE AUDITORS REPORT****Report on the Internal Financial Controls under Clause (i) of section 143 of the Companies Act, 2013 ("the Act ")**

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

Management Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safe guarding of its assets, the prevention and deduction of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information as required under the companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by ICAI and deemed to be prescribed under section 143(10) of the Company's Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their reporting effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risks of internal misstatement of the financial statements, whether due to the fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:-

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

B-3, 8th Floor, Saltee Spacio
1, Mall Road,
Kolkata-700080
The 12th June, 2017

For O P Sharma and Associates
Chartered Accountants
Registration No 500128 N
CA Om Prakash Sharma
Proprietor
Membership No. 070762


BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Notes No.	2016-17 Rs.	2015-16 Rs.
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	47500000	47,500,000
Reserves & Surplus	4	370629293	343,481,230
Non Current Liabilities			
Long Term Borrowings	5	106036000	147,153,380
Long Term Liabilities	6	11058719	12,541,148
Current Liabilities			
Short Term Borrowings	7	224755723	313,611,476
Trade Payables	8	107445995	33,653,100
Other Current Liabilities	9	78254147	43,460,779
Short Term Provisions	10	1678251	6,091,577
TOTAL		947358128	947,492,690
II. ASSETS			
Non Current Assets			
Property, Plant & Equipments	11	562041390	581,898,429
Non Current Investments	12	133152043	133,152,043
Deferred Tax Assets (Net)	13	32643751	32,643,751
Long Term Loans and Advances	14	47888769	45,279,726
Other Non Current Assets	15	28374652	28,640,885
Current Assets			
Inventories	16	110279658	106,175,197
Trade Receivables	17	18738417	5,955,996
Cash & Bank Balances	18	3324348	3,906,532
Short Term Loans and Advances	19	10242953	9,327,704
Other Current Assets	20	672147	512,427
TOTAL		947358128	947,492,690
Notes to Accounts & Significant Accounting Policies	2		
The accompanying notes are an integral part of the financial statements.			

For O P Sharma and Associates
Chartered Accountants
Registration No 500128 N

B-3, 8th Floor, Saltee Spacio
1, Mall Road,
Kolkata-700080
The 12th June, 2017

Sunay K. Khaitan
Director
(DIN 07585070)

Anil Kumar Jain
Director
(DIN 07524177)

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

CA Om Prakash Sharma
Proprietor
Membership No. 070762

Statement of PROFIT and LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Notes No.	31-03-2017 Rs.	31-03-2016 Rs.
REVENUE			
Revenue from Operation	21	157409303	91,221,836
Other Income	22	40400201	6,638,155
Total Revenue		197809504	97,859,991
EXPENSES			
Cost of Materials consumed	23	25798711	38,699,182
Purchase of Trading Goods		70319255	-
Change in inventories of finished goods Work in progress	24	(9223807)	18,162,038
Other Manufacturing Expenses	25	16580222	23,346,928
Employees Benefits Expenses	26	20322682	24,058,816
Finance costs	27	17671048	46,032,361
Depreciation & Amortisation Expenses	11	21401561	17,605,010
Other Expenses	28	7791768	5,538,085
Total Expenses		170661440	173,442,420
Profit/(Loss) Before Tax		27148064	(75,582,429)
INCOME TAX PAID FOR AN EARLIER YEAR		-	(1000)
Profit/(Loss) for the Year		27148064	(75,583,429)
Basic and Diluted Earning Per Share of Rs.10/- each (In Rupees)	31	5.72	(15.91)
Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements.			

For O P Sharma and Associates
Chartered Accountants
Registration No 500128 N

B-3, 8th Floor, Saltee Spacio
1, Mall Road,
Kolkata-700080
The 12th June, 2017

CA Om Prakash Sharma
Proprietor
Membership No. 070762

Sunay K. Khaitan
Director
(DIN 07585070)

Anil Kumar Jain
Director
(DIN 07524177)

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	For the year ended 31, March, 2017		For the year ended 31, March, 2016	
	Rs.	Rs.	Rs.	Rs.
Net Profit/ (Loss) before tax & Extraordinary Items .		25,946,738		(75,583,429)
Adjustment for:				
Sundry loans and Advances written off	-	-	875,244	
Provision for Group Gratuity Scheme	(812,968)		(578,130)	
Liabilities / provision no longer required written back	(36,859,877)		(589,240)	
Implement and TailorHire Charges realised	(54,935)		(62,315)	
Income from Lease Rent	-		(80,002)	
Depreciation and amortisation	22,556,766		17,605,010	
Finance costs	17,671,048		46,032,361	
Interest income Received	(1,069,064)		(1,377,250)	
Rental Income Received	(2,255,454)		(2,006,218)	
Prior period Items debited to Profit & Loss AC			21,524	
Profit/ (Loss) on sale of Investment	-		(1,340,400)	
Profit / (Loss) on sale of Fixed Assets.	-		(1,139,953)	
		(824,484)		57,360,631
Operating Profit before Working Capital Changes	(824,484)	25,122,254		(18,222,798)
Changes in Working Capital				
Increase / (Decrease) in Current Assets.	11,238,710		30,313,453	
Increase / (Decrease) in Operating Liabilities	5,453,948	16,692,658	(6,209,004)	24,104,449
Net Cash generated from / (Used in) Operating Activities (A)		41,814,912		5,881,651
B. Cash Flow From Investing Activities				
Proceeds from sale of Fixed Assets	-		2,602,479	
Proceeds from sale of Investments	-		33,220,400	
Purchase of fixed Assets	(1,544,522)		(6,678,075)	
Interest & Dividend Received	1,069,064		1,377,250	
Rental Income Received	2,255,454		2,006,218	
Implement and TailorHire Charges realised	54,935		62,315	
Income from Lease Rent	-		80,002	
		1,834,931		32,670,589
Net Cash generated from / (Used in) Investing Activities (B)		1,834,931		32,670,589
C. Cash Flow From Financing Activities:				
Loan taken	-		2,259,068	
Increase in Long Term Receivables & Deposit Money.	-		361,809	
Long Term Advances Repaid / (Given)	(26,560,979)		2,871,646	
Finance Cost	(17,671,048)		(46,032,361)	
Deferred Rent	-	(44,232,027)	1,386,998	(39,152,840)
Net Cash generated from / (Used in) Financing Activities (C)		(44,232,027)		(39,152,840)
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)		(582,184)		(600,600)
Cash and Cash Equivalents in the beginning of the year.		3,906,532		4,507,132
Cash and Cash Equivalents at the end of the year		3,324,348		3,906,532

Notes: (i) Figures in Brackets represent Outflows.

(ii) The Cash Flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

	As at 31.03.2017	As at 31.03.2016
(iii) Cash and Cash Equivalents include	335,571	551,371
Cash on Hand	173,792	47,330
In Current Accounts	2,814,985	3,290,376
In Deposit Accounts	-	17,455
In Earmarked Accounts	3,324,348	3,906,532

For O P Sharma and Associates

Chartered Accountants

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B-3, 8th Floor, Saltee Spacio
1, Mall Road,
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Anil Kumar Jain
Director
(DIN 07524177)

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



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2017

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. The Company has also commenced trading activities of Electrical Goods

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 judgments, 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 revaluation, 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 to 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 is 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

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 out flow 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 outflow of resources is remote, no provision or disclosure is made.

n) Earning Per Share

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

o) 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.

p) Land on Lease

The company has leased out its land at Ramnagar Acres for 99 years and have received lease rent in advance full payment and rent adjusted during the year `80002/- P.y. (` 80002/-)

q) Provisions

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

- r) 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.

- s) 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 Statements for the year ended 31st March 2017

Particulars	31.03.2017	31.03.2016
3. SHARE CAPITAL		
Authorised		
24,750,000 Equity Shares of Rs.10/- each .	247,500,000	247,500,000
4000, 6% (tax free) Cumulative Preference Shares of Rs.100/- each	400,000	400,000
21000 Preference Shares of Rs.100/- each	2,100,000	2,100,000
	250,000,000	250,000,000
Issued, Subscribed & Paid up		
4,750,000 Equity Shares of Rs.10/- each fully paid up	47,500,000	47,500,000
	47,500,000	47,500,000

- (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 31.12.2017		As at 31.12.2016	
	Number of Shares Held	Percentage (%)	Number of Shares Held	Percentage (%)
Particulars				
Khaitan Lefin Limited	1,131,561	23.82%	1,131,561	23.82%
Khaitan Hotels Pvt. Ltd.	555,745	11.70%	555,745	11.70%
The Oriental Mercantile Company Limited	400,198	8.43%	400,198	8.43%

Particulars	As at 31.03.2017	As at 31.03.2016
4. RESERVES & SURPLUS		
REVALUATION RESERVE :-		
As per last Balance sheet	409,426,058	409,470,583
Less adjustment in respect of disposal of Fixed Assets	-	51,525
	409,426,058	409,426,058
GENERAL RESERVE :-		
As per last Balance sheet	150,656,224	150,656,224
Total	150,656,224	150,654,226
STATEMENT OF PROFIT & LOSS		
As per last Balance sheet	(216,601,052)	(141,017,623)
Add - Profit (loss) for the year	27,148,064	(75,583,429)
Net deficit in the statement of Profit & Loss	(189,452,988)	(216,601,052)
Total Reserve and Surplus	370,629,293	343,481,230

5. LONG TERM BORROWINGS		
A. Secured Loans		
From a Bank		
- Term loan from IDBI Bank	4,336,000	9,293,544
	4,336,000	9,293,544
B. From Others		
- from Sugar Development Fund	-	36,159,836
C. Unsecured		
Advances from others (Not bearing Interest)	101,700,000	101,700,000
Total	106,036,000	147,153,380

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 Acrs and entire fixed assets of sugar division of the company, present & future and personal guarantee of then a Director.
- 2) Loan from Sugar Development Fund is secured by charge on specified assets and guaranteed by then a Director of the Company .

Notes on Financial Statements for the year ended 31st March 2017
Terms of Repayment of Secured Term Loans

- 1) 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) 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.27596719/- (previous year Rs.25431195/- 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.2165524/- for the year (previous Year Rs.2023854/-) has been provided as per agreement.

The company has written back a sum of Rs.36159836.00 due to Sugar Development Fund towards Principle amount of Rs.8563117.00 and interest of Rs.27596719.00 shown as long term borrowing, as this is no longer payable as per the information and records available from the website of Department of Food and Public Distribution, Ministry of Consumer Affairs, Food and Public Distribution, Government of India.

Amount in Rs.

Particulars	As at 31.03.2017	As at 31.03.2016
6 LONG TERM PROVISIONS		
- Employee Benefits *		
Provision for Gratuity	3,319,644	4,722,071
Deferred Lease Rent	7,739,075	7,819,077
*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	11,058,719	12,541,148
7. SHORT TERM BORROWINGS		
Secured		
- Cash Credit Account with IDBI BANK and BANK OF BARODA	30,388,427	29,911,627
Nature of Security:		
Term Loan from IDBI Bank	3,991,039	
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	3,487,467	3,482,954
Unsecured	186,888,790	277,860,395
- Loans and advances from Related Parties	-	2,356,500
- Inter Corporate deposit	-	-
Total	224,755,723	313,611,476
8. TRADE PAYABLES		
- Other than Acceptances	107,445,995	33,653,100
Total	107,445,995	33,653,100

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.

Amount in Rs.

Particulars	As at 2016-17	As at 2015-16
09. OTHER CURRENT LIABILITIES		
Other Payables-		
- Trade / Security Deposits received	27,333,256	12,439,865
- Statutory remittance	22,134,914	12,856,595
- Dues of employees	3,105,310	4,682,012
- Contractually reimbursible expenses	1,641,802	5,047,768
- Liability for expenses	24,038,865	8,434,539
Total	78,254,147	43,460,779
10. SHORT TERM PROVISIONS		
- EMPLOYEE BENEFITS		
- Provision for Bonus	865,283	893,819
- Provision for Gratuity	812,968	5,197,758
Total	1,678,251	6,091,577



Notes on Financial Statements for the year ended 31st March 2017

11. Property, Plant & Equipments

Description	Gross Block-Cost/Book Value					Depreciation / Amortisation					Net Block		
	Total as at 31.03.2016	addition/ Adjustment during the Year	Deduction/ Adjustment during the year	Impairment/ (Reversal) during the Year	Total as at 31.03.2017	Total as at 01.04.2016	Provided during the Year	Deduction/ Adjustment during the year	Transfer to General Reserve	Total as at 31.03.2017	Up to 2016-17	Up to 2015-16	
Land													
(a) Freehold	429,612,492	0	0	0	429,612,492	0	0	0	0	0	429,612,492	429,612,492	
Leasehold	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings :-													
(a) Factory	19,128,735	0	0	0	19,128,735	18,827,414	0	0	0	18,827,414	301,321	301,321	
(b) Others	34,085,422	0	0	0	34,085,422	10,096,784	943,377	0	0	11,040,161	23,045,261	23,988,638	
Railway Sidings	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant & Machinery	336,534,872	1,807,429	0	0	338,342,301	209,340,941	19,749,608	476,062	0	229,566,614	108,775,683	127,193,931	
Vehicles	3,832,549	0	0	0	3,832,549	3,659,292	22,046	9,593	0	3,690,931	141,618	173,257	
Office Equipments	2,221,095	18,000	0	0	2,239,095	2,179,321	458	(16,094)	0	2,163,685	75,410	41,474	
Furniture & Fixtures	3,188,913	0	0	0	3,188,913	2,883,895	193,966	22,545	0	3,100,406	88,507	305,018	
Ferry Right	1,098	0	0	0	1,098	0	0	0	0	0	1,098	1,098	
Total	828,605,176	1,825,429	0	0	830,430,605	246,987,647	20,909,456	492,105	0	268,389,211	562,041,390	581,617,529	
Assets in course of erection	280,900	(280,900)	0	0	0	0	0	0	0	0	0	280,900	
Grand Total	828,605,176	1,544,529	0	0	830,430,605	246,987,647	20,909,456	492,105	0	268,389,211	562,041,390	581,898,429	
Previous Year	825,027,931	6,678,075	2,819,930		828,886,076	230,688,517	17,605,010	(1,305,880)		246,987,647	581,898,429		

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) Land retained by the Company as per State Government Order No 4572-1 ref dated 12 March, 1964

Notes on Financial Statements for the year ended 31st March 2017

Number	Face Value Per Unit	Particulars	As at 31.03.2017	As at 31.03.2016
		12. Non-Current Investments		
		Other Investments - Long Term		
		Valued at Cost unless otherwise stated		
		Equity Shares in Other Companies		
		Quoted		
1,720,752 (1,720,752)	10	Khaitan Electricals Ltd	82,376,331	82,376,331
		Unquoted		
		(Company under the same Management)		
19,300 (24,300)	10	1) Naturewealth Development Corpn Ltd	193,000	193,000
44,980 (44,980)	10	2) The Oriental Mercantile Co Ltd	1,401,113	1,401,113
819,000 (1,294,000)	10	3) Khaitan Lefin Limited	49,140,000	49,140,000
- (55,500)	10	4) Khaitan Hotels Pvt Ltd		
		Quoted		
	100000	11.5% Maharashtra Krishna Vally Dev. Corpn.	34,499	34,499
3 (3)		Unquoted		
		National Defence / Saving Certificates	7,100	7,100
		Total Investments	133,152,043	133,152,043
		Aggregate Value of		
		Quoted Investments	82,410,830	82,410,830
		Unquoted Investments	50,741,213	50,741,213
		Market Value of Quoted Investments	55,700,826	71,187,594
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.				

NON CURRENT ASSETS
13. DEFERRED TAX

a) Net Deferred tax assets as on 31.03.2017 is Rs 131,955,746/- (Previous year Rs. 45,500,973/-) in accordance with Accounting Standard 22 'Accounting for taxes on Income' issued by ICAI. Out of above Deferred tax assets of Rs. 99,311,995/- (Previous Year Rs. 12,857,222/- for the year has not been recognised by the Company due to uncertainty on prudence basis and opening Deferred Tax Assets of Rs.32,643,751/- has been kept in Balance Sheet.

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

Particulars	31.03.2017	31.03.2016
DEFERRED TAX ASSET / (LIABILITY)		
- DTA on account of brought forward losses	113,475,510	139,688,806
- DTA on account of Fixed Assets	11,055,826	7,733,060
- Deferred Tax Assets (Net)	124,531,336	131,955,746
Asset/(Liability) for the year	91,887,585	99,311,99

Particulars	31.03.2017	31.03.2016
14. LONG TERM LOANS AND ADVANCES		
(Unsecured considered good)		
- Security Deposits	264,432	264,432
- Planned Asset (Leave Encashment)	649,071	379284
- Security Deposit against Rent & Others	362,861	-
Advance Income tax & FBT	46,612,405	44,636,010
Total	47,888,769	45,279,726



Notes on Financial Statements for the year ended 31st March 2017

Amount in Rs.

	31.03.2017	31.03.2016
15. OTHER NON CURRENT ASSETS (Unsecured considered good unless otherwise stated)		
-* Long Term Trade Receivables (Net)	23,157,162	23,656,803
- In Deposit Accounts/ Margin money	4,278,711	4,045,303
- Interest on Land Compensasion	938,779	938,779
Total	28,374,652	28,640,885

*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. 21714015/- is doubtful of recovery but the same has not been provided for .

Amount in Rs.

	31.03.2017	31.03.2016
CURRENT ASSETS		
16. INVENTORIES (as certified by the Management) (At lower of cost /estimated cost or market value/realisable value)		
- Stores, Spares, Process Chemicals & Fuels	8,047,539	10,192,967
- Planted Trees	85,357,000	68,285,675
- Process Stock (Afforestation scheme)	2,626,953	2,486,018
- Process Stock of Standing Sugarcane	5,287,819	7,274,279
- Loose Tools	95,923	143,808
- Process stock (Sugar)	125,240	3,245,000
- Finished Goods	8,739,184	14,547,450
Total	110,279,658	106,175,197

Amount in Rs.

	31.03.2017	31.03.2016
17. TRADE RECEIVABLES		
-Trade receivable outstanding for a period exceeding 6 months Unsecured considered good	6,533,343	5,955,996
-Other Trade receivable Unsecured considered good	12,205,074	-
Total	18,738,417	5,955,996

Amount in Rs.

Particulars	31.03.2017	31.03.2016
18. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
- Cash in hand and as Imprest Cash	335,571	551,371
- Balance with Banks		
In Current Accounts	173,792	47,330
In Deposit Accounts/ Margin money	2,814,985	3,290,376
In earmarked accounts (gratuity & superannuation scheme)	-	17,455
Total	3,324,348	3,906,532

Amount in Rs.

	31.03.2017	31.03.2016
19. SHORT TERM LOANS AND ADVANCES (Unsecured considered Good)		
- Loans and Advances to parties (Free of Interest)	5,994,396	5,994,396
- Prepaid expenses	257,653	201,218
- Advances to Employees	244,401	633,392
- Cane Advances	271,258	295,850
- Advance against expenses	2,048,748	673,544
- Balance with Govt Authorities		
Cenvat credit	147,635	155,018
Sales Tax Deposit/ Advance	1,278,862	1,374,286
Total	10,242,953	9,327,704

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in Rs.

	31.03.2017	31.03.2016
20. OTHER CURRENT ASSETS		
- Others	230,654	70,935
- Interest Receivable	441,493	441,492
Total	672,147	512,427
21 REVENUE FROM OPERATIONS		
- Sales of Products	138,664,521	62,536,578
- Income from Royalty	20,968,868	30,993,839
Total	159,633,389	93,530,417
Less Excise Duty	2,224,086	2,308,581
Total	157,409,303	91,221,836
Particulars	31.03.2017	31.03.2016
Total	93,530,417	273,374,910
DETAILS OF REVENUE FROM OPERATIONS		
Sales of products comprises		
Manufactured goods		
Sugar	23,134,200	19,551,045
Sugar cane	13,006,910	12,814,524
Molasses	8,127,989	16,437,434
Brown Sugar	6,446,043	4,364,580
Other Crop Sale	17,933,636	9,368,995
Sales of Trading Materials	70,015,743	-
Sale of Services (Income from Royalty)	20,968,868	30,993,839
Total	159,633,389	93,530,417
22 OTHER INCOME		
Interest Income	1,069,064	1,377,250
Dividend Income	-	-
Other Non-operating Income	39,251,135	4,040,950
Profit on sale of Assets	-	1,139,953
Adjustment to the carrying value of Investment (Written Back)	-	-
Net gain/loss on foreign currency transaction and transaction (Other than considered as finance cost)	-	-
Lease Rent Agri	80,002	80,002
Total	40,400,201	6,638,155
DETAILS OF OTHER NON OPERATING INCOME		
Liability no longer required written back	36,859,877	589,420
Implement & Trailer hire charges realised	54,935	62,315
Rent Receipt	2,255,454	2,006,218
Profit on Sale of Investment	-	1,340,400
Miscellaneous Income	80,868	42,597
Total other non operating Income	39,251,134	4,040,950
23. COST OF MATERIAL CONSUMED		
Raw & Process Materials Consumed	19,131,953	29,353,276
Power & Fuel	5,824,898	5,794,712
Stores, Spares, Chemicals & Packing Materials Consumed	841,860	3,551,194
Total	25,798,711	38,699,182
24. CHANGES IN INVENTORIES OF FINISHED GOODS WORK IN PROGRESS AND STOCK IN TRADE		
Stock at Close - Process Standing sugar cane	85,357,000	68,285,675
Stock at Close - Process	125,240	3,245,000
Stock at Close - Finished	506,149	14,547,450
Stock at Close- Trading goods	8,233,035	-
Total	94,221,424	86,078,125



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Amount in Rs.

Stock at Commencement - Process	71,530,675	73,007,443
Stock at Commencement - Finished	14,547,450	32,175,806
Total	86,078,125	105,183,249
Increase/(Decrease) in Stock (Before Excise)	8,143,299	(19,105,124)
Excise Duty*	(1,080,508)	(943,086)
Increase/(Decrease) in Stock	9,223,807	(18,162,038)
25. OTHER MANUFACTURING EXPENSES		
Processing Charges	10,095,590	15,008,210
Repairs - Plant & Machinery	6,259,764	8,163,245
Repairs - Buildings	224,868	175,473
Total	16,580,222	23,346,928
Particulars	31.03.2017	31.03.2016
26. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus, Gratuity & Allowances	17,330,823	19,326,461
Contribution to Provident & Superannuation Fund	2,060,535	4,113,467
Staff Welfare Expenses	931,324	618,888
Total	20,322,682	24,058,816
27. FINANCE COST		
Interest Expenses on Term Loans	997,479	2,835,691
Interest Expenses on Overdrafts & Other Borrowings	4,814,628	12,538,749
Other Charges	162,212	-
Interest on Others	11,696,729	30,657,921
TOTAL	17,671,048	46,032,361
28. OTHER EXPENSES		
Rent	577,763	506,400
Rates & Taxes	3,835,921	738,383
Insurance	118,263	102,201
Advertisement, Publicity & Sales Promotion	33,718	14,726
Travelling & Other Incidental Expenses	481,740	624,701
Office Maintenance	185,978	200,087
Vehicle Running & Maintenance	404,762	594,788
Printing & Stationery	271,303	170,937
Communication Expenses	163,836	166,245
Membership Subscription	13,800	19,000
Auditors Remuneration - As Auditors (Notes 30 & 30A)	164,175	105,993
Legal, Professional & Consultancy Charges	450,447	787,573
Freight & Forwarding (Including Ocean Freight)	21,800	-
Directors' Sitting Fees	383,471	140,000
Filing Fees	-	260,459
Miscellaneous Expenses	71,279	147,278
Bad Debt Written off	-	875,244
Bank Charges	112,182	63,546
Commission And Brokerage	149,656	-
Adjustments related to earlier years	351,674	20,524
Total	7,791,768	5,538,085
29. Auditors Remuneration - As Auditors		
- As Auditors	50,000	40,000
- For Tax Audit	25,000	-
-For Certification	32,500	17,033
Total	107,500	57,033
29A Auditors Remuneration - As Other Auditors		
- Payment to Secretarial Audit	17,250	17,175
- Payment to Internal Audit	24,425	16,785
- Payment to Cost Auditors	15,000	15,000
Total	56,675	48,960
30. 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)	NIL	31,600,270

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	Total	
	For the year ended 2016-17	For the year ended 2015-16
31. Earning Per Share (EPS)		
I. Net Profit as per Profit/(Loss) and Loss Account available for Equity Shareholders	27,148,064	(75,583,429)
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	5.72	(15.91)
Diluted	5.72	(15.91)

32. Segment Reporting

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:

Amount in Rs. Lacs

Particulars	Corporate		Marketing Division		Sugar Division		Agriculture Division		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
REVENUE										
Sales & Operating Income	-		909.85	309.94	354.84	380.44	309.41	221.84	1,574.09	912.22
Other Income	-	33.42	28.54	-	373.50	19.79	1.97	13.17	404.00	66.38
Increase/(Decrease) in Stock	-		(82.33)		160.81	(193.21)	(170.71)	11.59	(92.24)	(181.62)
TOTAL REVENUE	-	33.42	856.05	309.94	889.14	207.02	140.66	246.60	1,885.86	796.98
RESULTS										
PROFIT BEFORE INTEREST DEPRECIATION & TAXATION	(13.27)	20.42	273.87	288.93	(95.87)	(320.56)	283.46	(108.24)	448.19	(119.45)
Less :	9.43		-		202.61		1.98		214.02	-
a) Depreciation	(9.43)	(9.85)	-	(2.67)	(202.61)	(161.97)	(1.98)	(1.57)	(214.02)	(176.06)
b) Interest	-	(72.51)	116.97)	(305.71)	(59.74)	(82.11)	-		(176.71)	(460.33)
TOTAL PROFIT BEFORE TAX	(13.27)	(61.94)	156.90	(19.45)	(155.61)	(564.64)	283.46	(109.81)	271.48	(755.84)
Less :										
a) Provision for Taxation									-	-
b) Provision for Deferred Tax									-	-
PROFIT AFTER TAX	(13.27)	(61.94)	156.90	(19.45)	(155.61)	(564.64)	283.46	(109.81)	271.48	(755.84)
CAPITAL EMPLOYED										
SEGMENT ASSETS	1,888.31	1,897.74	980.62	745.39	1,474.57	1,851.08	5,130.08	4,980.72	9,473.58	9,474.93
SEGMENT LIABILITIES	6.37	562.27	3,753.64	2,925.00	1,280.11	1,829.30	252.17	248.54	5,292.29	5,565.11
TOTAL CAPITAL EMPLOYED	1,881.94	1,335.47	(2,773.02)	(2,179.61)	194.46	21.78	4,877.92	4,732.18	4,181.29	3,909.81



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

33. TRANSACTION WITH RELATED PARTIES

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

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

B) Nature of Transaction	Key Management Personnel & Relatives (A)		Associates (B)		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Remuneration	3.08	8.87			3.08	8.87
Sitting Fees	-	0.15			-	0.15
Residential Accomodation	2.50	3.00			2.50	3.00
Royalty Received			209.69	309.94	209.69	309.94
Interest Paid			175.09	378.22	175.09	378.22
Loan Taken			51.60	551.69	51.60	551.69
Loan Paid			11.01	618.00	11.01	1618.00

C) Outstanding as on 31st March, 2017

Related Party	Nature of Due	Balance as on 31st March, 2017 (Rs.in lacs)	Balance as on 31st March, 2016 (Rs.in lacs)
Khaitan Electricals Limited*	Loan Payable	-	1023.86
The Oriental Mercantile Co. Ltd.**	Loan Payable	1,877.23	1746.65
Seth Chiranjilal Khaitan Trust	Rent Payable	-	0.90
Khaitan Lefin Ltd.	Rent Payable	-	8.9

Notes :

* Notes on Related party Transaction- As per the opinion taken by the company from M/s SBAC & Associates , M/s Khaitan Electricals Limited is not a related party under the provision of AS-18 as per the ICAI. In view of the same transactions affected during the year has not been given.

** That the company has not charge the interest amounting to ` 2,64,59,390/- during the year on the loan amount due to M/s The Oriental Mercantile Co. Ltd. (OMCL) to the profit and loss account as per the letter dated 11/04/2016 received from OMCL and agreed by the company.

34. 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, 2016 in respect of Employees Benefit Schemes best on actuarial reports as on 31st March 2017 as follows:-

ii. Expenses recognized during the year:

(Amount in Rs.)

	Gratuity (Funded)		Leave Encashment (Funded)	
	2016-17	2015-16	2016-17	2015-16
1. Current Service Cost	314,663	342,785	23,147	17,813
2. Interest Cost	604,768	670,868	21,516	36,123
3. Expected Return on Plan Assets	(259,671)	(259,671)	(67,156)	(67,156)
4. Net actuarial (gain) / Loss recognized in the year	(2,062,187)	(1,205,112)	(190,375)	(163,461)
5. Expenses recognized during the year	(1,402,427)	(451,130)	(212,868)	(176,681)

iii. Change in Present Value of Defined Benefit

	Gratuity (Funded)		Leave Encashment (Funded)	
	2016-17	2015-16	2016-17	2015-16
1. Present Value of Defined Benefit Obligation at the Beginning of the year	7,967,957	8,546,087	283,480	460,161
2. Interest Cost	604,768	670,868	21,516	36,123
3. Current Service Cost	314,663	342,785	23,147	17,813
4. Actuarial Gain (Losses)	(1,402,427)	(1,464,783)	(93,105)	(230,617)
5. Present Value of Obligation at the end of the year	6,565,530	7,967,957	190,375	283,480

iv). Change in Fair Value of Plan Assets during the year ended 31st March, 2017:

	Gratuity (Funded)		Leave Encashment (Funded)	
	2016-17	2015-16	2016-17	2015-16
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. Actuarial Gains (Losses)	(259,671)	(259,671)	(67,156)	(67,156)
4. Plan Assets at the end of the year	3,245,886	3,245,886	839,446	839,446

v). Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2017

	Gratuity (Funded)		Leave Encashment (Funded)	
	2016-17	2015-16	2016-17	2015-16
1. Present Value of Defined Benefit Obligation	6,565,530	7,967,957	190,375	283,480
2. Fair Value on Plan Assets	3,245,886	3,245,886	839,446	839,446
3. Funded Status (Surplus/(deficit))	(3,319,644)	(4,722,071)	649,071	555,966
4. Net Asset/(Liability) recognized in Balance Sheet	(3,319,644)	(4,722,071)	649,071	555,966

vi). Actuarial Assumptions

	Gratuity (Funded)		Leave Encashment (Funded)	
	2016-17	2015-16	2016-17	2015-16
1. Discount Rate (per annum)	7.59%	7.59%	7.59%	7.59%
2. Salary Increases	5%	5%	5%	5%
3. Retirement / Super-Annuation Age	58	58	58	58

vii). Major Category of Plan Assets as a % of the Total Plan Assets as at 31st March, 2017:

Particulars	2016-17	2015-16
1. Administered by Life Insurance Corporation of India	100%	100%

viii). 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.

ix). The Expenses have been recognized in "Contribution to Provident & Other Funds" in "Salaries/Wages and Bonus" Schedule.'

35. The company is not paying any premium to LIC for Gratuity Fund. Further the Company has paid gratuity to the employee who have retired during the year

36. There is no impairment of assets during the year.

37. No Borrowing cost have been capitalised during the year.

38. Advances, Debtors and creditors balances are subject to confirmation.

39. Previous year figures have been regrouped/ rearranged/reclassified wherever necessary

B-3, 8th Floor, Saltee Spacio
1, Mall Road,
Kolkata-700080
The 12th June, 2017

For OP SHARMA & ASSOCIATES
Chartered Accountants
Registration No 500128 N
C.A. Om Prakash Sharma, *Proprietor*
(Membership No 070762)

Sunay K. Khaitan
Director
(DIN 0758507)

Anil Kumar Jain
Director
(DIN 07524177)

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



Dear Shareholder,

Date. 18th, August 2017

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., 23, R. N. Mukherjee Road, 5th Floor, 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
Director & 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 80th ANNUAL GENERAL MEETING of the Company, to be held on Tuesday at 26th September, 2017 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 Financial Statement of the Company for the financial year ended 31.03.2017 and the report of the Board of Directors & Auditors' there on		
2. To appoint a Director in place of Mrs Sulekha Dutta who retires by rotation and being eligible offers herself for re-appointment		
3. To appoint Auditors and fix their remuneration		
4. To appoint Mr. Sunay Krishna Khaitan as a Director		
5. To consider appointment & remuneration of Mr. Sunay Krishna Khaitan as an Executive Director		
6. To consider appointment of Mr. Srawan Kumar Jajodia (DIN 00075546) as an Independent Director		
7. To consider Ratification of Cost Auditors' Remuneration		

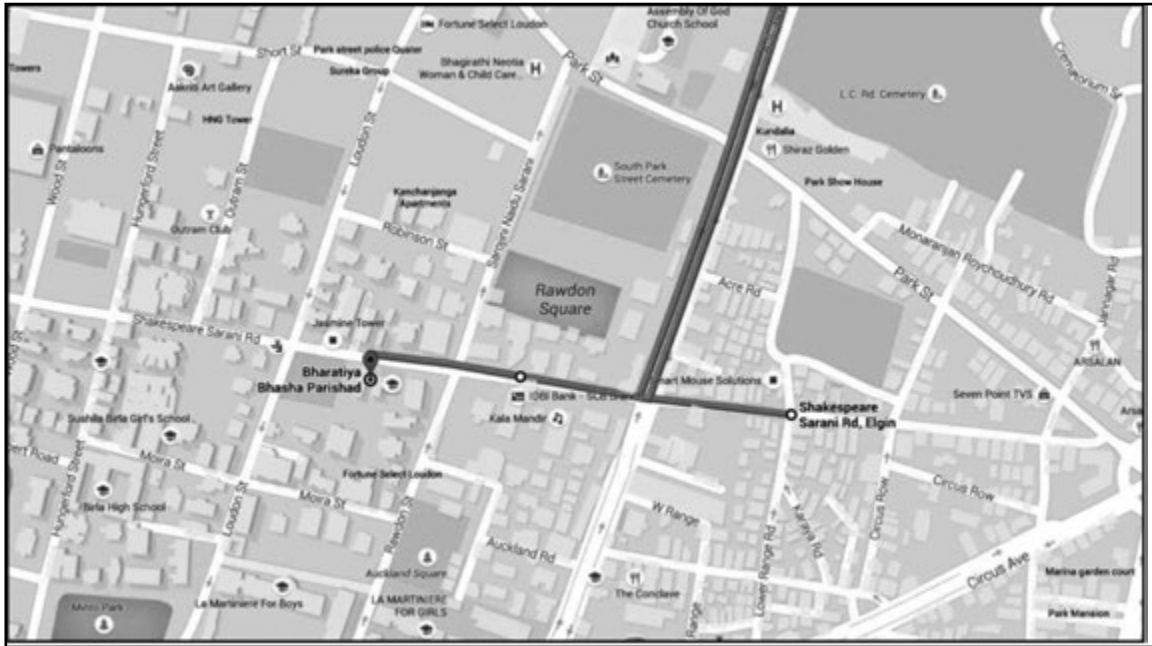
Signed this.....day of.....2017
Signature of the Shareholder

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



Bhartiya Bhasha Parishad, 36A, Shekespear Sarani, Kolkata-700016



PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHAREHOLDERS MAY OBTAIN ADDITINOAL 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 80th ANNUAL GENERAL MEETING of the Company to be held at 2:00 P.m. on Tuesday, September 26th, 2017 at Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, Kolkata-700017.

 Signature of the Shareholder / proxy

*Applicable for investors holding shares in electronic form

BOOK POST



If undelivered please return to

khaitan (India) Limited

"Everest" 46C, J. L. Nehru Road, Kolkata - 700 071 (India)