

ANNUAL REPORT 2010-11



khaitan (India) Limited



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

S. K. KHAITAN, Chairman
SUNIL K. KHAITAN, Vice-Chairman
M. K. JALAN
Dr. V. K. RUNGTA
A. K. KEDIA
S. BAFNA, Executive Director

COMPANY SECRETARY

B. K. CHORARIA

AUDITORS

CHATURVEDI & CO.
Chartered Accountants

COST AUDITORS

PRASAD & CO.

BANKERS

INDUSTRIAL DEVELOPMENT BANK OF INDIA
BANK OF BARODA

SUGAR & AGRICULTURE DIVISIONS

Office :

7, Red Cross Place, Kolkata 700 001
Phone : (033) 2210 3331, 4012 1000
Fax : 91 33 2248 7516

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 Seventy Third Annual General Meeting of Khaitan (India) Limited will be held on Thursday the 22nd September, 2011 at Merchant Chamber of Commerce, 15-B, Hemant Basu Sarani, Kolkata - 700001 at 11.30 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date together with the Report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Dr. V. K. Rungta, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. A. K. Kedia who retires by rotation and being eligible, offers himself for re-election.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modification, the following Resolution as Special Resolution :

“RESOLVED THAT pursuant to the provisions of Schedule XIII read with Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, Mr. S. K. Khaitan be and is hereby re-appointed as Wholed- time Director designated as Chairman and consent be and is hereby given to him to hold and continue to hold an office or place of profit in the Company for a period commencing from 1st April, 2011 to 31st March, 2014 on the terms and conditions as set out in explanatory statement annexed hereto.

6. To consider and if though fit, to pass, with or without modication, the following Resolution as Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Schedule XIII read with Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, Mr. S. Bafna be and is hereby re-appointed as Whole-time Director designated as Executive Director and consent be and is hereby given to him to hold and continue to hold an office or place of profit in the Company for a period commencing from 1st April, 2011 to 31st March, 2014 on the terms and conditions as set out in explanatory statement annexed hereto.

By Order of the Board

Registered Office :
46-C, J.L. Nehru Road
Kolkata-700071
the 30th May, 2011

B.K. Choraria
Company Secretary

NOTICE (Contd.)

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. Members/ Proxies should fill in and sign the attendance slips and deposit at the entrance of Meeting Hall, before attending the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2011 to 22nd September, 2011 (both days inclusive).
4. Members, desiring any information about accounts or otherwise, are requested to write to the Company, at least 10 days in advance of the Annual General Meeting, to facilitate compilation thereof.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item NO. 5

The term of appointment of S. K. Khaitan, as Whole- time Director designated as Chairman expired on 31st March, 2011. After considering his managerial experience of 52 years, contribution to take the organisation to new heights by his dynamic leadership and in depth market acumen, has re- appointed him, subject to approval of Shareholders, as Whole- time Director designated as Chairman of the Company with effect from 1st April, 2011 for a period upto 31st March, 2014 on the following terms & conditions :-

REMUNERATION :

a) Salary :

Rs. 250000 per month in the scale of Rs. 250000-500000. The basic salary shall be enhanced every year subject to maximum as provided in the slab at the discretion of the Board, within the ceiling of 10% of the net profit of the company.

b) Commission :

Such remuneration by way of commission in addition to the salary, perquisites and allowances payable, calculated with reference to the net profit 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 198 and 309 of the Act. The specific amount payable to all Wholetime Directors 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.

c) Perquisites :

In addition to the salary, as above, Mr. Khaitan will be entitled to the following perquisites within the overall limit stated above :-



NOTICE (Contd.)

CATEGORY-I

- i. Free Furnished Accommodation or House Rent Allowance @ 60% of his salary, in lieu thereof.
- ii. City Compensatory Allowance as per Company's rules.
- iii. Expenditure incurred on gas, electricity, water and furnishing, valued as per the Income Tax Rules, 1962, subject to a ceiling of 10% of his salary.
- iv. Reimbursement of actual medical expense for self and family.
- v. Leave Travel Assistance for self and family in accordance with the rules of the Company.
- vi. Subscription of the clubs of which Mr. S. K. Khaitan is a member.

CATEGORY-II

- i. In Addition to the remuneration and perquisites stated above, Mr. S. K. Khaitan will be entitled to :
- ii. Gratuity as per rules of the Company but not exceeding half month's salary for each completed year of service, subject to a ceiling as may be prescribed by the Central Government at that time.
- 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 of perquisites.

CATEGORY-III (Not to be considered as perquisites).

- i. Provision of a car with driver for use in Company's business, alternatively car/conveyance expenses incurred on Company's business will be reimbursed at actuals.
- ii. Free telephone facility at residence.
- iii. Group Personal Accident Insurance, premium of which not to exceed Rs. 5000/- p. a.

In the event of loss and inadequacy of profit, he will be entitled to the above remuneration as minimum remuneration.

He will not be liable to retire by rotation being a Whole-time Director.

Mr. S. K. Khaitan is interested in the above resolution to the extent of remuneration and perquisites payable to him. Mr. Sunil K. Khaitan is related to Mr. S. K. Khaitan and, therefore, interested to the extent of remuneration payable to him. No other Director is interested or concerned in the aforesaid resolution.

Item No 6

The term of appointment of Mr. S. Bafna as Whole-time Director expires on 31st March, 2011. He stated that the Remuneration Committee after considering Mr. Bafna's vast managerial experience of 38 years and association with Khaitan Group for 32 years has recommended his appointment for further 3 years i. e. from 1st April, 2011 to 31st March, 2014 on the following terms and conditions. He also stated that Mr. Bafna's appointment will be beneficial for the Company.

Salary : Rs. 40000/- per month in the scale of Rs. 40000-80000/-. The basic salary shall be enhanced every year subject to maximum as provided in the slab at the discretion of the Board within the ceiling of 10% of the net profit of the Company.

NOTICE (Contd.)**Commission and Perquisites :****Commission**

Such remuneration by way of commission in addition to the salary, perquisites and allowances payable calculated with reference to the net profit 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 overall ceiling stipulated in Section 198 and 309 of the Act. The specific amount payable to Whole-time 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.

Perquisites

In addition to salary and commission, he will be entitled to the following perquisites, which shall be restricted to an amount equal to his annual salary.

CATEGORY-I

- i. Rent Free Residential Accommodation or House Rent Allowance @ 60% of his salary in lieu thereof.
- ii. City Compensatory Allowance as per Company's rules.
- iii. Expenditure incurred on gas, electricity, water and furnishing, valued as per the Income Tax Rules, 1962, subject to a ceiling of 10% of their salary.
- iv. Reimbursement of medical expenses for self and family in accordance with Rules of the Company.
- v. Leave Travel Assistance for self and family, once in two years or twice in a block of four years, incurred in accordance with the rules specified by the Company.
- vi. Fees of maximum of two clubs, which will not include admission and/ or Life Membership Fees.

CATEGORY-II

- i. The Company's contributions to provident, superannuation and other Funds shall be subject to the regulations of the Company. Such contributions will not be included in computation of the ceiling on perquisites to the extent, not taxable under the Income Tax Act, 1961.
- ii. Gratuity as per rules of the Company but not exceeding half month's salary for each completed year of service, subject to a ceiling as prescribed by the Central Government at that time.
- 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 of perquisites.



NOTICE (Contd.)

CATEGORY-III (Not to be considered as perquisites)

- i. Provision of a car with driver for use on Company's business, alternatively, car/conveyance expenses incurred on Company's business will be reimbursed at actuals.
- ii. Free telephone facility at residence, provided that charges for all personal long distance calls shall not be borne by the Company.
- iii. Group Personal Accident Insurance, premium of which not to exceed Rs. 5000/- p. a.
 - a) In the event of loss or inadequacy of profit, he will be entitled to the above remuneration as minimum remuneration.
 - b) He will be entitled to re-imbusement of all expenses, actually and properly incurred in connection with the business of the Company.
 - c) He will not be entitled to receive fees for attending any meeting of the Board or a Committee thereof, so long as he functions as Whole-time Director of the Company.
 - d) The terms and conditions of this appointment including his designation can be altered and varied from time to time by the Board as it may, in its discretion, deem fit within the provisions of Schedule XIII of the Companies Act, 1956.
 - e) The appointment can be terminated by either party by giving three months notice in writing to the other.

He will not be required to retire by rotation being a Wholetime Director.

Mr. S Bafna is concerned and interest to the extent of remuneration payable to him.

No other Director is interested or concerned in the aforesaid resolution.

DIRECTORS' REPORT

INCLUDING MANAGEMENT DISCUSSION & ANALYSIS REPORT

TO THE MEMBERS**KHAITAN (INDIA) LIMITED**

Your Directors have pleasure in presenting their Seventy Fourth Annual Report together with the Audited Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

	2010-11 Rs./Lacs	2009-10 Rs./Lacs
Sales & Operating Income were	2339.93	1771.30
Profit for the year was	(413.70)	(158.75)
From which is deducted		
- Depreciation	(140.68)	(158.86)
Leaving a Balance of	(554.38)	(317.61)
TO WHICH IS ADDED :		
- Income Tax for Earlier Years	-----	0.67
- Prior Period Expenses	(27.03)	(31.97)
- Profit Brought Forward from Previous Years	305.95	654.86
Making an available surplus of which is Carried Forward to Next Year	(275.46)	305.95

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. 578.64 lacs compared to the last year's Rs. 470.12 lacs.

Sugar Division : Although production of Sugar was higher to 48002 qlts compared to last year's 18383 qlts but price of sugar was continuously declined and had dropped by around Rs 200/- per qlt. The Sugar prices were moving to levels that unviable. It had put the liquidity of the Company under great stress. Higher cost of raw material, increase in price index etc. had resulted in loss during the year under review.



DIRECTORS' REPORT

INCLUDING MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

The crushing operations for the season 2010-11 started on 1st December, 2010 which was continued for 93 days compared to the last year's 47 days. Performance of the Sugar Division compared to last year is as under :

DETAILS	2010-2011	2009-2010
Start of Crushing Season	01.12.2010	18.11.2009
Close of Crushing Season	03.03.2011	04.01.2010
Cane Crushed (in lacs Qtls)	6.95	2.94
Recovery (%)	7.18	7.04
Sugar Production (in Qtls)	48,002	18,383

AGRICULTURE DIVISION:

Sugarcane is a agro product and is fully dependent on nature. The supply of sugarcane from captive farms to the factory was more by 27.36% compared to last year.

During the year, about 24000 trees were planted. About 325551 trees out of those planted in last 20 years were standing as on 31.3.2011. Necessary care is taken to nurture the same to fetch long term benefit.

INDUSTRIAL STRUCTURE

Sugar Division: The Sugar output during the year was estimated at 25 million tons compared to last year's production of 19 million tones against a estimated consumption of 22 million tons. The industry was expecting decontrol but meaningless controls have converted this years' opportunities into threats and create hurdles for all sugar mills. Sugar is a highly politicized. When sugar prices started moving up the Central Government had taken measures to curb the sugar prices, declared higher quota for retail free in the market and extended the stock holding limit for traders. These measures started sugar price moving downwards to such a level that became unviable for the Sugar Mills. Sugar being the cyclical industry, the production of sugar in 2011-12 will be higher due to better sugarcane crop.

Internal Control Systems : The Company has a well-defined organisational structure, authority levels, guidelines and manuals which provide adequate internal control systems at all levels to conduct business operations efficiently and to safeguard Company's assets. 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, 2011, the total permanent employees were 97 Nos.

CURRENT OUTLOOK

Marketing Division : The Company is the owner of '**Khaibara**' Brand and will earn royalty income.

DIRECTORS' REPORT

INCLUDING MANAGEMENT DISCUSSION & ANALYSIS REPORT (*Contd.*)

Sugar Division : Sugarcane is the highly remunerative crop. Plantation of sugarcane was in more areas. Due to timely rains, the condition of sugarcane crop at present is good. Due to unviable sugar prices, prevailing in the market, the sugarcane prices will be lower than the season 2010-11 which may affect adversely the sugarcane plantation next year.

Agriculture Division : Sugarcane is the basic raw material for a sugar industry. By timely rains the yield during the year 2011-12 is expected to be higher resulting higher supplies to the factory. However, it is impossible to predict the weather conditions. A significant variation in climatic condition can affect yield recovery and profitability.

Risks & Concerns : The Indian Government influences sugarcane prices. Sugar prices are now less and likely to be hurt by regulations. Lower sugar prices in comparison to sugarcane prices mount high sugarcane arrears or low cane realisations could encourage cane growers to divert to alternative crops.

As Agriculture Division is exposed to nature and as such sugarcane cultivation is monsoon dependant, significant variation in climatic conditions can effect yield and recovery.

Fixed Deposits : Fixed Deposits from the public and employees accepted by the Company stood nil as on 31st March, 2011.

Auditors' Report : The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further explanation.

Directors' Responsibility Statement :

The Board of Directors of your Company confirm:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed excepts AS-22.
2. That the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Directors had prepared the annual accounts on a going concern basis.

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

Directors : Mr. Arun Kumar Kedia and Dr. V. K. Rungta retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.



DIRECTORS' REPORT

INCLUDING MANAGEMENT DISCUSSION & ANALYSIS REPORT (*Contd.*)

Cost Auditors : In compliance to the Central Government Order, your Board has appointed M/s Prasad & Co. 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 renew the appointment for the current financial year.

Auditors : M/s Chaturvedi & Co. Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment.

Personnel : Particulars of employees as required under section 217(2A) of the Companies Act, 1956 are not required as no one is getting Rs 60,00,000/- a year or Rs 5,00,000/- per month employed for part of the year.

Other Information : The particulars prescribed by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the Annexure to the Report.

Acknowledgement : Your Directors place on record their appreciation for the continued co-operation and support extended by the Government of West Bengal, IDBI, Bank of Baroda, Cane Growers, Suppliers, Dealers, Depositors and the Shareholders.

For and on behalf of the Board

S K KHAITAN
Chairman

Kolkata
the 30th May, 2011

ANNEXURE TO DIRECTORS' REPORT

Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY

I. Power and Fuel Consumption

1. Electricity

- a) Purchase Units (in lacs)
Total Amount (Rs. in lacs)
Rate per unit (Rs.)

b) Own Generation

- i) Through Diesel Generator
Units (in lacs)
Units per litre of Diesel oil
Cost/Unit (Rs.)
- ii) Through Steam Turbine/Generator
Units (in lacs)
Units Per Litre of Fuel } Bagasse, being
Cost per Unit } by-product, is used
as fuel and hence
no separate cost to
the factory

2. Coal

3. Furnace Oil

4. Others/Internal Generation

- Quantity of Fire Wood (Metric Tonnes)
Total Value (Rs. in lacs)
Rate per Unit (Rs.)

II. Consumption per Unit of Production

- Product - Sugar (Qtls).
Electricity (Units/Qtls. of Sugar)
Furnace Oil
Coal
Others

	2010-11	2009-10
a) Purchase Units (in lacs)	4.67	4.69
Total Amount (Rs. in lacs)	34.43	31.91
Rate per unit (Rs.)	7.37	6.80
i) Through Diesel Generator Units (in lacs)	0.38	0.61
Units per litre of Diesel oil	3.80	4.06
Cost/Unit (Rs.)	10.87	8.88
ii) Through Steam Turbine/Generator Units (in lacs)	38.56	12.74
Units Per Litre of Fuel } Bagasse, being Cost per Unit } by-product, is used as fuel and hence no separate cost to the factory		
2. Coal	N.A.	N.A.
3. Furnace Oil	N.A.	N.A.
4. Others/Internal Generation Quantity of Fire Wood (Metric Tonnes)	5	214
Total Value (Rs. in lacs)	0.08	3.28
Rate per Unit (Rs.)	0.002	0.28
Product - Sugar (Qtls).	49902	20713
Electricity (Units/Qtls. of Sugar)	87.40	87.10
Furnace Oil	N.A.	N.A.
Coal	N.A.	N.A.
Others	N.A.	N.A.

B. TECHNICAL ABSORPTION

I. Research & Development (R&D):

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

II. Technology Absorption, Adaptation and Innovation:

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Expenditure in Foreign Currency

— Rs. Nil



REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

Corporate Governance is required to create a culture of transparency, disclosures, compliance ethic and conduct, accountability and fairness in its operations for maximizing long-term values of shareholders and enables the Company to fulfill its obligation to customers, employees, financiers and to the society in general. The detailed report on Corporate Governance is as per clause 49 of Listing Agreement is as under :

BOARD OF DIRECTORS

The Board of Directors comprised of 6 (Six) Members at the end of the financial year headed by an Executive Chairman of whom 2 (Two) are Wholetime Directors. Of these, 3 were non Executive Directors. There were four Independent Directors who construed 75 percent of the strength against the requirement of minimum 50 percent as per Listing Agreement. The Board of Directors met 5 times during the financial year 2010-11. 5 (Five) Board Meetings were held on 14.05.2010; 23.07.2010; 13.08.2010; 12.11.2010 and 12.02.2011.

None of the Directors is a member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49 across all the companies in which he is a Director. Necessary disclosure to this effect has been made by the Directors.

The composition of Directors, the attendance at Board Meetings during the year and the last Annual General Meeting, number of other directorships and committee memberships are given below :-

Name of Directors	Category	Attendane at Board Meeting	Attendance at Last AGM	Number of Committee member	Membership in Other Boards	Membership in Other Committees
Mr S K Khaitan	E&WTD	4 / 5	No	---	6	---
Mr. Sunil K Khaitan	VC&NED	5 / 5	Yes	---	3	---
Mr. M. K. Jalan	ID&NED	3 / 5	No	1	14	---
Mr. A.K. Kedia	ID&NED	4 / 5	No	2	9	---
Dr. V.K. Rungta	ID&NED	5 / 5	No	4	7	
Mr. S. Bafna	WTD	4 / 5	Yes	3	1	---

Category details : E&WTD - Executive & Wholetime Directors; VC&NED - Vice Chairman & Non Executive Director; ID&NED - Independent & Non Executive Director and WTD - Whole time Director

Disclosure regarding Re-appointment of Directors

As per Clause No. 49VI(A) of Listing Agreement, resume and other information of the Directors retiring by rotation are as under :-

Mr A. K. Kedia aged about 57 years is an Industrialist having vast experience of business and management. He is a Director of the Company since 1995. His other Directorships are as under :-

REPORT ON CORPORATE GOVERNANCE (Cont.)

Classic Marketing Agency Pvt. Ltd., Jai Shankar Properties Pvt. Ltd., Ashirvad Properties Pvt. Ltd., Jaypee Trading Co. Pvt. Ltd. East West International (Exim) Pvt. Ltd. Ashiyana Vinimay Pvt. Ltd., Trincas Management Pvt. Ltd., Abloom Pvt. Ltd., East West Mining Pvt. Ltd.

Dr. V. K. Rungta aged about 65 years is a Company Secretary having vast experience of business and management. He is a Director of the Company since 1987. His other Directorships are as under:-

BMG Itech Pvt. Ltd., AGL Investors Pvt. Ltd., Wonder Decor Pvt. Ltd., Triton Distributors Pvt. Ltd.; Eskay Properties Development Pvt. Ltd.; Indo American Software Pvt. Ltd.; Khaitan Electricals Ltd.

Remuneration of Directors: Independent and Non Executive Directors were paid sitting fees of Rs.5,000/- per meeting of Board of Directors or any Committee thereof. The details of remuneration to the Directors during the period under review is as under :

NAME	SALARY& PERQUISITES	MEETING FEES	TOTAL
Mr. S.K. Khaitan	41,83,525	---	41,83,525
Mr. Sunil K Khaitan	---	25,000	25,000
Mr. M. K. Jalan	---	20,000	20,000
Dr. V. K. Rungta	---	70,000	70,000
Mr. A..K. Kedia	---	40,000	40,000
Mr. S. Bafna	9,68,560	----	9,68,560

Declaration Regarding Compliance By Board Members And Senior Management Personnel With The Company's Code Of Conduct

The Company has adopted a Code of Conduct for its directors, officers and employees.

It is confirmed that the Company has in respect of the financial year ended 31st March, 2011, received from the Senior Management Team of the Company and the Members of the Board, a Declaration of Compliances with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management team means the Chief Executive Officer, the Company Secretary and employees in the Executive Vice President cadre as on 31st March, 2011.

Audit Committee : The Committee discharge such duties and functions generally described in Clause 49 of the Listing Agreement with the Stock Exchanges and such functions as specifically delegated to the committee from time to time by the Board.

5 (Five) Audit Committee Meetings were held on 14.05.2010; 23.07.2010; 13.08.2010; 12.11.2010 and 12.02.2011 during the period under review.



REPORT ON CORPORATE GOVERNANCE (Cont.)

Members	Meetings Attended
Dr. V K Rungta	5
Mr. A.K. Kedia	4
Mr. S Bafna	5

Share Transfer Committee : The Share Transfer Committee comprises of Mr. S.K. Khaitan, Mr. Sunil K. Khaitan, Dr. V.K. Rungta and Mr. S. Bafna.

The Committee met 3 (Three) times during the period under review.

Shares received for transfer were registered and despatched within 30 days of receipt, if the documents of transfer were correct and valid in all respect.

Shareholders Grievance Committee : 4 (four) Meetings of Shareholders Grievance Committee were held on 23-04-2010; 23-07-2010; 12-11-2010 and 12-02-2011.

Members	Meetings Attended
Dr. V K Rungta	4
Mr. S. Bafna	4

Remuneration Committee : During the year, one meeting of Remuneration Committee was held on 12.02.2011.

General Body Meeting : Details of last three Annual General Meetings are as follows :

YEAR	LOCATION	DATE	TIME
2009-10	Merchant Chamber of Commerce 15-B, Hemant Basu Sarani, Kol-1	27-09-2010	11.30 A.M.
2008-09	Merchant Chamber of Commerce 15-B, Hemant Basu Sarani, Kol-1	22-09-2009	11.30 A.M.
2007-08	Merchant Chamber of Commerce 15-B, Hemant Basu Sarani, Kol-1	22-09-2008	11.30 A.M.

- i) Special Resolutions were passed by show of hands.
- ii) As per Clause No. 49VI(A) of Listing Agreement, resume and other information of the Directors retiring are as under:

REPORT ON CORPORATE GOVERNANCE (Cont.)**Disclosures**

1. 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. No strictures have been imposed by any regulatory authority as there is no instance of non-compliance of any laws by the Company.

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 Financial Express and Arthik Lipi.

Management Discussion & Analysis

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

Shareholders Information

- a) Date, Time and Venue of Next Annual General Meeting : Monday the 22th September, 2011 at Merchant Chamber of Commerce At 11.30 a.m.15-B, Hemant Basu Sarani, Kolkata - 700 001
- b) Date of Book Closing : 16th to 22th September, 2011 (both days inclusive)
- c) 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)

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

Listing fees have been paid for the year 2010-11 to other Exchanges.

ISIN No. for the Company's Ordinary Shares in Demat Form is INE 731 CO1018.

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

M/s. Maheshwari Datamatics (P) Ltd., 6, Mangoe Lane, Kolkata-700001

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

Market Price												(2010-11)
NSC	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
HIGH	27.90	28.25	35.00	43.00	44.25	47.00	47.50	45.70	42.95	47.80	42.20	38.00
LOW	23.15	23.35	23.35	33.00	33.25	40.00	39.00	37.60	35.15	35.35	24.15	27.85



REPORT ON CORPORATE GOVERNANCE (Cont.)

Distribution of Shareholding as on 31st March, 2011

(a) According to Category of Holding :

Category	Shareholders		Shares	
	Nos	%	No.	%
Promoters Group	29	1.07	2451387	51.61
Banks, Financial Institutions	3	0.11	1444	0.03
Private Corporate Bodies	94	3.46	1148027	24.17
Indian Public	2579	94.82	1146213	24.13
NRI	5	0.18	1380	0.03
Others/Clearing Members				
Total	2720	100.00	4750000	100.00

(b) Pattern of Shareholdings as on 31st March, 2011 :

Shareholding Pattern	Shareholders		Shares	
	Nos.	%	Nos.	%
upto 500	2454	90.22	449129	9.46
501 to 1000	124	4.56	105507	2.22
1001 to 2000	58	2.13	84880	1.79
2001 to 3000	17	0.62	43645	0.92
3001 to 4000	8	0.30	27696	0.58
4001 to 5000	7	0.26	32315	0.68
5001 to 10000	16	0.59	122248	2.57
10001 and above	36	1.32	3884580	81.78
Grand Total	2720	100.00	4750000	100.00

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

D'mat Facilities: The Company's shares are compulsorily traded in dematerialized form and are available for trading under both Depository Systems, NSDL and CDSL. As on 31.03.2011 a total of 4082104 Equity Shares of the Company were held in demat mode.

Plant Location : Khaitan Nagar, Plassey, Dist. Nadia, West Bengal.

For and on behalf of the Board

S K Khaitan
Chairman

Kolkata
the 30th May, 2011

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 reviewed the compliance of conditions of Corporate Governance by Khaitan (India) Limited for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s), with the relevant records and documents maintained by the Company and furnished to us.

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

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

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

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

60 Bentinck Street
Kolkata-700069
the 30th May, 2011

For CHATURVEDI & CO.
Registration No. 302137E
Chartered Accountants

NILIMA JOSHI
Partner
(Membership No. 52122)



AUDITORS' REPORT

TO THE MEMBERS OF KHAITAN (INDIA) LIMITED

1. We have audited the attached Balance Sheet of KhaiTan (India) Limited as at 31st March 2011, and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. a) *The closing balances of debtors, some creditors, loans, advances, demat account and some bank balances are unconfirmed.*
b) *Provision of rental expenses of Rs. 5,96,190 has not been made.*
5. Further to our comments in the Annexure referred to above, we report that :
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - iii. In our opinion, the said Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 *except AS-22 wherein Deferred Tax Assets have not been written off and as per 4(b) above.*
 - iv. In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to 4(a) & (b) and 5 (iii) above, Note 1 (f) regarding valuation of planted trees, Deferred Tax Assets amounting to Rs.3,26,43,751/- being recognised in Balance Sheet resulting in over statement of profit and understatement of liabilities to such extent of the Notes to Accounts in Schedule N and read together with other Notes give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

AUDITORS' REPORT (Contd.)

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
- b) In the case of the Profit & Loss Account, of the Loss for the year ended on that date, and
- c) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.
- v. *Subject to 4 & 5(iv) above* in our opinion, the Company has kept proper books of account as required by law so far as appears from our examination of those books.
- vi. On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on records by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

For CHATURVEDI & CO.
Firm Registration No. 302137E
Chartered Accountants

Place : Kolkata
Date : the 30th May, 2011

NILIMA JOSHI
Partner
(Membership No. 52122)



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF KHAITAN (INDIA) LIMITED ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011

1. i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - ii) On the basis of information and explanations given to us, we find that Fixed Assets have been physically verified by the management during the year, and there is a regular programme of verification having regard to the size of the Company and the nature of its fixed assets.
 - iii) There was no substantial disposal of fixed assets during the year.
2. i) The management has conducted physical verification of inventory at reasonable intervals during the year.
 - ii) The procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
 - iii) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. i) On the basis of examination of records and according to information and explanations given to us, we report that the Company has not granted any loans, secured or unsecured, to/from companies/firms or other parties covered in the register maintained under Section 301 of the Act.
 - ii) In view thereof, the provisions of clause 3(b), (c) & (d) of paragraph 4 of the Order are not applicable to the Company.
 - iii) The Company has taken loan from a company covered in the register maintained under Section 301 of the Companies Act. The maximum amount involved during the year was **Rs.71,38,8332 (including interest) from two parties and the year end balance of loans taken is Rs. 70,55,251.**
 - iv) In our opinion, the rate of interest and other terms and conditions on which above loans have been taken are not prima facie prejudicial to the interest of the Company.
 - v) According to the information and explanations given to us, the principal and interest amount where applicable are repayable on demand.
 - vi) In respect of the said loans, the same are repayable on demand and, therefore, the question of overdue amounts does not arise.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further during the course of our audit no major weakness has been noticed in the internal control systems.
5. i) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred in Section 301 of the Act have been entered into the register required to be maintained under that Section.
 - ii) In our opinion and according to the information and explanations given to us, we report that there are transactions made in persuasion of such contracts or arrangements exceeding the value of Rupees five lacs during the year are reasonable.

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF KHAITAN (INDIA) LIMITED ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 (Contd.)

6. The Company had not accepted deposits from the public during the year. The directives issued by the Reserve Bank of India and the provisions of Section 58 A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate or complete.
9. i) Undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Excise Duty, Cess, TDS and other material statutory dues have generally been regularly deposited with the appropriate authorities *except Service Tax & TDS payment which has been delayed.*
- ii) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which were outstanding at the year end for a period of more than six months from the date they became payable.
- iii) According to the information and explanations given to us, there are no dues of Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute. According to the records of the Company and as per the information and explanations given to us, the dues outstanding of Sales Tax and Income Tax on account of any dispute are as follows :

Name of the Statute	Nature of Class	Amount Rs.	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
Income tax Act. 1961	Applicability of Rule 8D on Agriculture Income	4,80,42,913	Commissioner of Income Tax and Income Tax Tribunal

10. The Company does not have accumulated losses at the end of the financial year and it has incurred cash losses amounting to Rs.3,84,18,916 during the financial year covered by our audit. It had incurred cash losses amounting to Rs.1,58,75,206 in the immediately preceding financial year.



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF KHAITAN (INDIA) LIMITED ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2011 (*Contd.*)

11. Based on our audit procedures and as per the information and explanations given by the management, the Company has *defaulted in repayment of dues to financial institutions, in three instalments of Rs. 10 lacs each pertaining to the period January to March, 11 and has not paid total Rs. 30 lacs to them.*
12. According to the information and explanations given to us and based on the documents and records produced before us, we report that the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual fund/society. Therefore, the provisions of clause 4 (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly, the provision of clause 4 (xiv) of Paragraph 4 of the order are not applicable to the Company.
15. According to the information and explanation given to us, the Company has given guarantee for loan taken by others, from bank or financial institutions. Since such guarantees or counter guarantees given are very old and records to this effect have not been provided to us, we are unable to comment upon whether the terms and conditions are prejudicial to the interest of the Company.
16. Based on information and explanation given to us by the management, we report that the Company has not taken any term loan during the year.
17. According to the information and explanation given to us and on and overall examination of the balance sheet and the cash flow statement of the company, we report that no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of share to the parties or companies covered in the register maintained u/s 301 of the Companies Act, 1956.
19. According to the information and explanations given to us during the period covered by our audit report, we report that no debentures have been issued by the Company.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statement and as per the information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For CHATURVEDI & CO.

Firm Registration No. 302137E

Chartered Accountants

Date : the 30th May, 2011

Place : Kolkata

NILIMA JOSHI

Partner

(Membership No. 52122)

BALANCE SHEET
AS AT 31ST MARCH, 2011

	Schedule	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	47,500,000	47,500,000
Reserves & Surplus	B	543,503,467	601,645,172
		591,003,467	649,145,172
Loan Funds			
Secured Loans	C	116,556,661	140,183,339
Unsecured Loans	D	183,098,521	159,650,107
		299,655,182	299,833,446
		890,658,649	948,978,618
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	801,273,595	793,758,799
Less : Depreciation		161,951,636	147,883,453
Net Block		639,321,959	645,875,346
Investments			
Deferred Tax Aseets	F	165,532,044	165,532,044
		32,643,751	32,643,751
Current Assets, Loans & Advances			
Inventories	G	135,479,871	106,987,479
Sundry Debtors		35,360,545	59,041,208
Cash & Bank Balances		6,901,450	6,469,589
Loans & Advances		44,992,682	46,850,814
		222,734,548	219,349,090
Less : Current Liabilities & Provisions	H	169,573,653	114,421,613
Net Current Assets		53,160,895	104,927,477
		890,658,649	948,978,618

NOTES ON ACCOUNTS

Schedules form an integral part of the Accounts.
In terms of our Report of even date.

For CHATURVEDI & CO.
Registration No. 302137E
Chartered Accountants
60 Bentinck Street
Kolkata -700 069
the 30th May, 2011

Nilima Joshi
Partner
(Membership No 52122)

B. K. Choraria
Secretary

SUNIL K. KHAITAN
Vice Chairman
S. BAFNA
Executive Director

S. K. KHAITAN
Chairman
V.K. RUNGTA
Directors



PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	31.03.2011 Rs.	31.03.2010 Rs.
INCOME			
Net Sales and Operating Income	I	233,993,150	177,129,923
Other Income	J	3,244,245	5,065,421
Increase/(Decrease) in Stocks	K	25,132,219	1,161,289
		262,369,614	183,356,633
EXPENDITURE			
Raw Materials		143,811,902	68,656,724
Packing Materials		2,559,784	1,099,621
Salaries, Wages & Other Benefits	L	31,474,696	23,523,712
Cultivation, Manufacturing and Other Expenses	M	78,713,087	66,135,503
Interest		47,180,482	39,816,276
		303,739,951	199,231,836
PROFIT BEFORE DEPRECIATION AND TAX		(41,370,337)	(15,875,203)
Depreciation		14,068,184	15,886,421
PROFIT /(LOSS) AFTER DEPRICIATION & TAX		(55,438,521)	(31,761,624)
Prior Period Adjustments			
Income tax for Earlier Years		--	66,990
Prior Period Expenses		(2,703,184)	(3,197,115)
		(58,141,705)	(34,891,749)
Balance brought forward from last year		30,595,206	65,486,955
		(27,546,499)	30,595,206
APPROPRIATIONS			
Balance carried to Balance Sheet		(27,546,499)	30,595,206
		(27,546,499)	30,595,206
BASIC/DILUTED EARNINGS PER SHARE (Note 15)		(12.24)	(7.35)

NOTES ON ACCOUNTS

Schedules form an integral part of the Accounts.
In terms of our Report of even date.

For CHATURVEDI & CO.
Registration No. 302137E
Chartered Accountants
Nilima Joshi
Partner
(Membership No 52122)

B. K. Choraria
Secretary

SUNIL K. KHAITAN
Vice Chairman
S. BAFNA
Executive Director

S. K. KHAITAN
Chairman
V.K. RUNGTA
Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

A. CASH FLOW FROM OPERATING ACTIVITIES

	2010-11 Rs./lacs	2009-10 Rs./lacs
Net Profit before Tax	(581.42)	(317.62)
Adjustment for :		
Depreciation	140.68	158.86
Interest Paid	471.80	398.16
Interest Received	(2.23)	(10.06)
Provision for Bad & Doubtful Debts	-	10.18
Profit/Loss on Sale of Investments/Fixed Assets	-	(0.07)
Non Cash Expenditure	-	(0.99)
Liabilities, no longer required, written back	(0.25)	(5.53)
Operating profit before working capital charges	28.58	232.95
Adjustment for :		
Other Receivables	(76.62)	130.25
Trade Receivables	(156.73)	(97.61)
Inventories	(284.93)	(84.35)
Trade payable	(219.41)	(232.82)
Cash Generated from Operation	(709.11)	(51.57)
Income Tax paid (net of refunds)	-	(59.06)
Cash Flow before extraordinary items	(709.11)	(110.63)
Extraordinary Items :		
Prior period expenses	(27.03)	(31.97)
Net Cash from Operating Activities	(736.14)	(142.60)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	-	39.35
Interest Received	2.23	10.06
Purchase of Fixed Assets	(74.53)	(17.32)
Net Cash(Outflow) from Investing Activities	(72.30)	32.09
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	1,529.13	707.23
Repayments of Borrowings	(254.08)	(209.56)
Interest paid	(469.96)	(386.56)
Net Cash Outflow from Investing Activities	805.09	111.11
Net Cash Increase/(Decrease) in Cash and Cash Equivalent (A+B+C)	(3.35)	0.60
Cash & Cash Equivalent at beginning of the year	64.70	64.10
Cash & Cash Equivalent at end of the year	69.01	64.70

Notes : 1) Cash and Cash Equivalents represent cash and bank balances as indicated in Schedule G.
2) Figures in brackets represent outflows.

<p>60, Bentinck Street Kolkata -700 069 the 30th May, 2011</p>	<p>For CHATURVEDI & CO. Registration No. 302137E Chartered Accountants Nilima Joshi Partner (Membership No 52122)</p>	<p>B. K. Choraria Secretary</p>	<p>SUNIL K. KHAITAN Vice Chairman S. BAFNA Executive Director</p>	<p>S. K. KHAITAN Chairman V.K. RUNGTA Directors</p>
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SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE A

SHARE CAPITAL

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Authorised		
2,47,50,000 Equity Shares of Rs.10/- each	247,500,000	247,500,000
4,000 6% Income-Tax-Free Cumulative Preference Shares of Rs.100/- each	400,000	400,000
21,000 Preference Shares of Rs.100/- each	2,100,000	2,100,000
	250,000,000	250,000,000
Issued, Subscribed & Paid-up		
* 47,50,000 Equity Shares of Rs.10/- each Fully Paid-up	47,500,000	47,500,000
 * of the above		
45,45,982 Equity Shares are issued as fully paid for consideration other than cash		
1,65,982 Equity Shares are issued as fully paid bonus shares by capitalisation of General Reserve		
 SCHEDULE B		
RESERVES & SURPLUS		
Revaluation Reserve (On Revaluation of Fixed Assets)		
Balance as per last Balance Sheet	411,175,769	411,275,219
Less : Adjustment on Sale of Revalued Asset	-	99,450
	411,175,769	411,175,769
General Reserve		
Balance as per last Balance Sheet	159,874,197	159,874,197
Profit & Loss Account		
Balance as per Annexed Account	(27,546,499)	30,595,206
	543,503,467	601,645,172

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE C

SECURED LOANS

From Scheduled Banks

Cash Credit

Working Capital Term Loan

(Secured by hypothecation of Stocks, Book Debts, Standing Crops, all Moveable Properties and Mortgage of 1,603.21 acres of Company's Agriculture Land and second charge on Fixed Assets of Sugar Division and guarantee of its two Directors, Overdrafts against pledge of Fixed Deposit Receipts)

From Financial Institutions

Term Loan

(From IDBI under Corporate Loan Scheme, Secured by Mortgage of 1997 acres of Company's Agriculture Land)

From Others

Term Loans

Interest accrued and due

(Secured by charge on specified assets and guaranteed by a Director of the Company)

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
	32,146,125	31,748,327
	15,154,210	30,052,800
	41,959,318	52,468,750
	8,563,117	8,563,117
	18,733,891	17,350,345
	116,556,661	140,183,339
	179,079,378	155,880,571
	3,306,091	3,553,341
	713,052	216,195
	183,098,521	159,650,107

SCHEDULE D

UNSECURED LOANS

From Bodies Corporate

Trade Deposits (Long Term)

Interest Accrued and Due



SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE E

FIXED ASSETS

(Amount in Rs.)

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2010	Additions	Sales/ Adjustments	As at 31.03.2011	As at 01.04.2010	For the year	Adjustments for the year	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
Land (Freehold)	430,772,980			430,772,980	—			—	430,772,980	430,772,980
Building	53,214,178			53,214,178	16,812,276	930,384		17,742,660	35,471,518	36,401,902
Plant & Machinery	287,833,115	7,452,945		295,286,060	2,563,947	12,261,091		125,485,588	169,800,472	174,608,618
Computer	2,872,271	48,500		2,920,771		114,972		2,678,919	241,852	308,324
Electric Installation	793,908			793,908	545,104			580,377	213,531	248,804
Implements & Carts	8,796,584			8,796,584	8,424,965	1,920,861	72,959	8,497,924	298,660	371,619
Vehicles	2,920,767			2,920,767		185,623		2,106,484	814,283	999,906
Furniture & Fixtures	2,569,938	13,352		2,583,290	1,896,162	409,536		2,305,698	277,592	673,776
Irrigation Equipments	3,865,980			3,865,980	2,382,981	—	55,985	2,438,966	1,427,014	1,482,999
Ferry Rights	1,098			1,098				—	1,098	1,098
Laboratory Equipments	117,979			117,979	112,659	2,361	-	115,020	2,959	5,320
TOTAL	793,758,798	7,514,797	-	801,273,595	147,883,452	14,068,184	-	161,951,636	639,321,959	645,875,346
Previous Year	810,770,422	1,981,957	18,993,580	793,758,799	147,062,273	15,886,421	15,065,241	147,883,453	645,875,346	

Note : 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.

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE F

INVESTMENTS (AT COST) - LONG TERM - OTHERS

AS AT 31.03.2010 Nos	AS AT 31.03.2011 Nos	Face Value Rs.	Description	AS AT 31.03.2011 Rs.	AS AT 31.03.2010 Rs.
			1. Government Securities held in		
			Quoted		
2	2	100000	12.50% Maharashtra State Road Devlop.Corp.	230,000	230,000
3	3	100000	11.50% Maharashtra Krishna Valley Dev.Corp.	304,500	304,500
			Unquoted		
			National Defence/Savings Certificates.	7,100	7,100
			2. Equity Shares (Fully Paid) Held in :		
			Quoted :		
1720752	1720752	10	Khaitan Electricals Limited (Company under the same Management)	82,376,331	82,376,331
			Unquoted :		
24300	24300	10	Naturewealth Development Corpn.Limited	243,000	243,000
44980	44980	10	The Oriental Mercantile Company Limited	1,401,113	1,401,113
1294000	1294000	10	Khaitan Lefin Ltd. (Company under the same Management)	77,640,000	77,640,000
55500	55500	10	Khaitan Hotels P. Ltd.	3,330,000	3,330,000
				165,532,044	165,532,044
			Aggregate Value of		
			Quoted Investments	82,910,831	82,910,831
			Unquoted Investments	82,621,213	82,621,213
			Market Value of Quoted Investments	196,681,954	137,316,010

Note : National Defence/Saving Certificates are deposited with various Government Departments as Security.



SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE G

CURRENT ASSETS, LOANS AND ADVANCES

A. Current Assets

Inventories (As Certified by the Management)

Stores, Spares and Others

Finished Goods

Sugar & Molasses

Electrical Fans

Stock in Process

Sugar

Planted Trees

Standing Sugarcane Crop

Sundry Debtors (Unsecured)

Due for over six months

Considered Good

Considered Doubtful

Less : Provision for Doubtful Debts

Other Debts (Considered Good)

Cash and Bank Balances

Cash and Cheques in hand

With Scheduled Banks

In Current Accounts

In Fixed Deposits *

* Receipts pledged with Banks as Security

B. Loans & Advances (Unsecured /Considered Good)

Loans

Advances recoverable in cash/kind or for value to be received

Compensation and Other Claims

Security Deposits

Income-tax Advance/Refund Due

Balance with Central Excise

Other Advances

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
	8,933,369	7,786,913
	45,390,629	14,782,745
	-	1,740,651
	65,910,973	68,323,212
	15,244,900	14,353,958
	135,479,871	106,987,479
	8,208,211	57,455,587
	1,018,381	1,018,381
	(1,018,381)	(1,018,381)
	27,152,334	1,585,621
	35,360,545	59,041,208
	446,326	546,046
	1,807,671	1,539,711
	4,647,453	4,383,832
	6,901,450	6,469,589
	5,948,081	6,411,232
	1,881,453	1,881,453
	219,432	219,432
	29,758,853	23,226,300
	26,758	2,756,721
	7,158,105	12,355,676
	44,992,682	46,850,814
	222,734,548	219,349,090

SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE H	2010-11 Rs.	2009-10 Rs.
CURRENT LIABILITIES		
Sundry Creditors	157,313,428	105,979,289
Deposits and Advances	9,740,225	5,922,324
	167,053,653	111,901,613
PROVISIONS		
Provision for Income Tax	2,520,000	2,520,000
	169,573,653	114,421,613
SCHEDULE I		
SALES AND OPERATING INCOME		
Sales/Transfer (Net)	175,425,607	127,881,118
Less : Excise Duty on Sales	6,720,032	3,308,114
Net Sales/Transfer	168,705,575	124,573,004
Sale of Crops (Other than Sugarcane)	7,423,600	5,544,912
Royalty (TDS- Rs.6290693/- Previous Year 52,27,376/-)	57,863,975	47,012,007
	233,993,150	177,129,923
SCHEDULE J		
OTHER INCOME		
Interest (TDS. Rs.64053/- Previous Year Rs.1,13,435/-) (Refer Note No. 4 to the Notes on Accounts)	222,794	1,005,613
Profit on Sale of Investments/Fixed Assets	-	6,774
Rent (TDS Rs. 169368/- Previous Year Rs 5,13,168/-)	1,736,794	2,790,750
Liabilities no longer required written back (net)	24,768	552,523
Miscellaneous Income	1,259,889	709,761
	3,244,245	5,065,421
SCHEDULE K		
INCREASE/(DECREASE) IN STOCK		
Closing Stock		
Finished Goods	45,390,629	16,523,396
Stock-in-Process	64,863,764	67,639,548
	110,254,393	84,162,944
Less : Opening Stock		
Finished Goods	16,523,396	16,143,144
Stock-in-Process	67,639,548	66,506,520
	84,162,944	82,649,664
Increase/(Decrease) in Stocks	26,091,449	1,513,280
Less: Excise Duty on Finished Goods	(959,230)	(351,991)
	25,132,219	1,161,289



SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE L

SALARIES, WAGES & OTHER BENEFITS

	31.03.2011 Rs.	31.03.2010 Rs.
Salaries, Wages, Bonus & Allowances	18,149,047	16,248,083
Contribution to Provident and Other Funds	1,467,931	1,276,186
Directors' Remuneration	5,152,085	5,057,910
Employees' Welfare Expenses	6,705,633	941,533

31,474,696	23,523,712
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SCHEDULE M

CULTIVATION, MANUFACTURING & OTHER EXPENSES

Stores and Spare Parts Consumed	7,853,673	6,012,866
Power and Fuel	6,884,857	9,295,925
Sugarcane Seeds	8,284,575	3,555,048
Crop Protection Charges	853,408	825,435
Agricultural Operation Charges	21,047,978	14,878,531
Cane Development Expenses	16,667	18,855
Repairs to :		
Buildings	327,726	216,589
Plant & Machinery	6,749,196	3,808,452
Others	2,386,403	1,964,655
Rent	1,098,109	1,694,770
Insurance	172,115	305,590
Rates and Taxes	484,018	455,109
Legal Charges	1,081,236	1,525,342
Publicity & Sales Promotion	15,228,356	14,520,331
Directors' Fees	155,000	99,000
Commission	273,543	179,110
Brokerage on Sale of Sugar	128,466	76,571
Cash Discount	-	612
Bank Charges	204,213	570,898
Travelling Expenses	1,030,816	966,351
Auditors' Remuneration	60,500	94,580
Sales Tax	-	35,341
Provision for Bad & Doubtful Debts	-	1,018,381
Miscellaneous Expenses	4,392,232	4,017,161

78,713,087	66,135,503
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SCHEDULE N**NOTES ON ACCOUNTS****1. Significant Accounting Policies :**

- a) The Financial Statements are prepared in accordance with generally accepted accounting principles and as per the requirements of the Companies Act, 1956.
- b) The accrual basis of accounting is followed unless otherwise stated.
- c) Fixed Assets (excluding Revalued Assets) are stated at cost including cost of installation and other incidental expenses. Assets of Rs. 5,000/- and below have been fully depreciated during the year of purchase.
- d) Depreciation on Fixed Assets, acquired after 31.08.1970 has been calculated on Straight Line Method under Section 205(2)(b) of the Companies Act, 1956 while other assets have been depreciated on Written Down Value Method under Section 205(2)(a) of the said Act.
- e) Investments are stated at cost. Temporary diminution in the value of investments have not been provided for as they are long term in nature.
- f) Inventories are valued on FIFO basis as under:-
 - i) Stores, Spares & Others : At cost exclusive of CENVAT receivable
 - ii) Finished Goods : At lower of cost or market value
 - iii) Stock-in-Process :
 - Sugar and Molasses : at lower of estimated cost or realisable value
 - Planted Trees, having maturity of above 18 months, are taken at estimated realisable value
- g) The liability for Gratuity and leave encashment have been provided with Annual Contribution to the Life Insurance Corporation of India under its Group Gratuity-cum-Life Assurance Scheme/Group Leave Encashment Scheme.
- h) Sales are shown inclusive of excise duty and net of returns.
- i) Foreign Exchange Transactions :
 - i) Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Profit & Loss Account. Foreign currency monetary items at the year-end are reported at the year-end exchange rate, and the resultant exchange difference is recognised in the Profit & Loss Account.
 - ii) In respect of transactions covered by Forward Exchange Contracts, the difference between the contract rate and spot rate on the date of transaction is amortised over the life of contract.
- j) 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 Profit & Loss Account in the year of harvesting.
- k) Excise Duty under expenditure, represents payments made/to be made during the year on goods cleared/to be cleared.
- l) Borrowing Cost: Borrowing costs in relation to a qualifying asset and capitalised as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognised as an expense in the period in which they are incurred.



- m) The loss is understated by an amount of Rs. 5,96,190/- on account of rent of Red Cross Place in the Profit & Loss Account since the matter is sub judice.
- n) Impairment of losses, if any, are recognised in accordance with the accounting standard issued in this regard by the Institute of Chartered Accountants of India.
- o) Taxation : Provision for tax is made on the taxable income for the year in accordance with the applicable provisions of the Income Tax Act, 1961. Deferred tax is recognised subject to consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
- p) Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date.

Contingent Liabilities are shown by way of Notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

Contingent assets are neither recognised nor disclosed in the financial statements.

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

2. Contingent Liabilities, not provided for, in respect of :

- a) Guarantee/Sureties given by the Company for its Business Associates
- b) Counter Guarantee against Guarantees given by the bank to various authorities
- c) Estimated liabilities for Sales Tax relating to earlier years
- d) Income tax matters for earlier years (under appeals)

2010-11 Rs.	2009-10 Rs.
30,50,000	30,50,000
25,28,172	25,28,172
94,87,225	94,87,225
4,80,42,913	4,80,42,913

3. There is no impairment of assets during the year.
4. Interest Received includes on Fixed Deposits Rs. 2,22,794/-, (Previous year 79,311/-) on Investment Rs. NIL (Previous Year Rs. 59,500/-) and from Loan given Rs. NIL (Previous Year Rs. 8,66,802/-).
5. Cane Advances given to parties are considered good and recoverable by the management.
6. Due to the financial constraints and adverse condition of sugar industry, instalments to financial institution were delayed.
7. Payment of interest on Term Loan amounts to Rs.1,11,90,729/- (Previous year Rs. 1,13,44,958/-).
8. No borrowing cost have been capitalised during the year.
9. a) Advances, Debtors & Creditors balances as at the year end are subject to confirmation.
b) Sundry Debtors, considered good include Rs. 14,43,146/- which is under litigation.
c) The Company's proposal to Sugar Development Fund for concession/waiver of interest is still pending. Awaiting approval of the same, interest amounting to Rs. 13,83,546/- has been provided as per agreement. However, no balance confirmation has been received from Sugar Development Fund.
10. Un-provided gratuity liability as per actuarial valuation amounts to Rs. NIL (Previous year Rs. 69,79,202/-) and Leave Encashment amount to Rs. NIL (Previous year Rs. 2,61,796/-) in respect of the Sugar & Agriculture Divisions.

SCHEDULE N (Contd.)
11. Disclosure of employee benefits is as under:-
i Defined Contribution Plan:

Employee benefits in the form of Provident Fund, Employee State Insurance Scheme, Pension Scheme and Labour Welfare Fund are considered as defined contribution plan. The contribution to defined contribution plan, recognised as expense for the year is as under :

Defined Contribution Plan	Amount (Rs.) 2010-11	Amount (Rs.) 2009-10
Employers' Contribution to Provident Fund	14,67,931	54,799
Employers' Contribution to Employee's State Insurance Scheme	Nil	2,447

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 benefits recognised in the balance sheet represent the present value of the obligation as adjusted for unrecognised past 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 recognised in the profit and loss account for the year ended 31st March, 2011 in respect of Employees Benefit Schemes based on actuarial reports as on 31st March, 2011 is as follows:-

iii. Expenses recognised during the year :

(Amount in Rs.)

	Gratuity (Funded)		Leave Encashment (Funded)	
	2010-11	2009-10	2010-11	2009-10
1. Current Service Cost	4,17,925	3,716	2,07,725	--
2. Interest Cost	6,33,271	31,940	33,478	11,520
3. Expected Return on Plan Assets	(2,33,029)	(2,15,767)	(54,774)	(50,716)
4. Net actuarial (gain) / Loss recognised in the year	(5,01,866)	(31,940)	(1,80,462)	(11,520)
5. Expenses recognised during the year	3,16,301	81,795	3,66,891	(50,716)

d. Change in Present Value of Defined Benefit Obligation :

1. Present Value of Defined Benefit Obligation at the Beginning of the year	76,76,010	3,99,246	4,05,796	1,44,000
2. Interest Cost	6,33,271	31,940	33,478	11,520
3. Current Service Cost	4,17,925	3,716	2,07,725	-
4. Benefits Paid	-	-	-	-
5. Actuarial Gain (Losses)	(5,01,866)	31,940	1,80,462	(11,520)
6. Present Value of Obligation at the end of the year	82,25,340	6,96,808	8,27,461	1,44,000



SCHEDULE N (Contd.)

e. Change in Fair Value of Plan Assets during the year ended 31st March, 2011:

(Amount in Rs.)

	Gratuity (Funded)		Leave Encashment (Funded)	
	2010-11	2009-10	2010-11	2009-10
1. Plan Assets at the Beginning of the year	29,12,857	26,97,090	6,84,672	6,33,956
2. Expected Return on Plan Assets	2,33,029	2,15,767	54,774	50,716
3. Actual Company Contribution	-	-	-	-
4. Actual Benefits Paid	-	-	-	-
5. Actuarial Gains.(Losses)	-	-	-	-
6. Plan Assets at the end of the year	31,45,886	29,12,857	7,39,446	6,84,632

i. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2011

1. Present Value of Defined Benefit Obligation	76,76,010	6,96,808	4,05,796	1,44,000
2. Fair Value on Plan Assets	29,12,857	29,12,857	6,84,672	6,84,672
3. Funded Status (Surplus/(deficit))	(47,63,153)	22,16,049	2,78,876	5,40,672
4. Net Asset/(Liability) recognised in Balance Sheet	(47,63,153)	22,16,049	2,78,876	5,40,672

Actuarial Assumptions

1. Discount Rate (per annum)	8.25%	8%	8%	8%
2. Salary Increases	5%	3%	5%	3%
3. Retirement / Super Annuation Age	58	58	58	58

iv. Major Category of Plan Assets as a % of the Total Plan Assets as at 31st March, 2011:

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

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

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

12. 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.

SCHEDULE N (Contd.)
13. Prior Period expenses /(Income) are in respect to the following heads:

Account Head	2010-11 (Rs.)	2009-10 (Rs.)
Rent Paid	-	30,69,570
Rates & Taxes	3,414	2,808
Repair to Plant & Machinery	-	10,000
Sales Tax	-	62,237
Salary & Bonus	2,83,128	52,500
Repairs to Building	200000	-
Others	22,16,642	-
Total	27,03,184	31,97,115

14. Quantitative and other information (As Certified by the Management) pursuant to Schedule VI of the Companies Act 1956 :

PRODUCTION, PURCHASES, SALES & STOCKS	UNIT	2010-11		2009-10	
		Quantity	Rs.	Quantity	Rs.
A) Licensed Capacity		2,500 TCD		2,500 TCD	
Installed Capacity		1,600 TCD		1,600 TCD	
(Tonnes of Cane crushed per Day)					
B) Production					
Sugar	(M.T.)	4,800		1,838	
Molasses	(M.T.)	3,858		1,660	
Sugarcane	(M.T.)	20,761		21,006	
C) Opening Stock					
Sugar	(M.T.)	386	10,661,850	612	14,398,625
Molasses	(M.T.)	501	4,120,895	1	3,868
Fans	(Nos.)	1,786	1,521,010	1,786	1,521,010
P.D.Pumps	(Nos.)	144	103,090	144	103,090
Monoblock Pumps	(Nos.)	34	48,287	34	48,287
Lighting Products	(Nos.)	1,670	68,264	1,670	68,264
Stock-in-Process :					
Sugar	(M.T.)	192	5,191,290	334	4,484,643
Others			62,448,258		62,021,877
			84,162,944		82,649,664
D) Sales/Transfer*					
Sugar	(M.T.)	3,700	106,883,733	2,064	63,067,265
Sugarcane	(M.T.)	20,761	40,746,913	21,006	47,727,646
Molasses	(M.T.)	3,770	21,504,282	1,160	11,358,972
Fans	(Nos.)	1,786	1,523,805	-	-
P.D.Pumps	(Nos.)	144	103,680	-	-
Monoblock Pumps	(Nos.)	34	48,530	-	-
Lighting Products	(Nos.)	1,670	71,450	-	-
Others			4,543,214	-	5,727,235
			175,425,607		127,881,118



SCHEDULE N (Contd.)

PRODUCTION, PURCHASES, SALES & STOCKS	UNIT	2010-11		2009-10	
		Quantity	Rs.	Quantity	Rs.
F) Closing Stock					
Sugar	(M.T.)	1,487	41,712,900	386	10,661,850
Molasses	(M.T.)	589	3,677,729	501	4,120,895
Fans	(Nos.)	-	-	1,786	1,521,010
P.D.Pumps	(Nos.)	-	-	144	103,090
Monoblock Pumps	(Nos.)	-	-	34	48,287
Lighting Products	(Nos.)	-	-	1,670	68,264
Stock-in-Process					
Sugar	(M.T.)	860	2,276,549	192	5,191,290
Others *			62,587,215		62,448,258
			110,254,393		84,162,944

* Excluding the cost of planted trees representing expenses incurred as referred under Note 1(I) hereinabove.

15. Directors' and Auditors' Remuneration

	2010-11 Rs.	2009-10 Rs.
a) Directors' Remuneration :		
Remuneration *	3,420,000	3,762,000
Contribution to Provident Fund & Others	55,060	50,400
Perquisites	1,677,025	1,298,010
	5,152,085	5,110,410
b) Auditors' Remuneration :		
Statutory Auditors : **		
As Audit Fees	38,605	38,605
As Tax Audit Fees	11,030	11,030
For Certificate etc.	-	43,657
For Other Services	10,865	11,030
	60,500	104,322

* No commission is payable to directors for the year

* Gratuity & Leave Encashment paid to Director on resignation amounting to Rs. Nil (Previous Year Rs. 3,50,000/-) & Rs. NIL (Previous Year Rs. 1,60,000/-)

** [Including Service Tax of Rs.9,742/- (Previous Year Rs. 11,103/-)]

SCHEDULE N (Contd.)

16. Earnings Per Share(EPS)

	2010-11 Rs.	2009-10 Rs.
a) Net Profit after tax available for Equity Shareholders (Rs.)	-58,141,705	-34,891,749
b) Number of Equity Shares of Rs. 10/- each	4,750,000	4,750,000
c) Basic and Diluted Earnings Per Share (Rs.)	-12.24	-7.35

17. Deferred Tax

a) Net Deferred tax assets as on 31.03.2011 is Rs. 70442615/- in accordance with Accounting Standard 22 'Accounting for Taxes on Income' issued by Institute of Chartered Accountants of India. Out of above Deferred Tax Assets of Rs. 3,7798864/- for the year has not been recognised by the Company due to uncertainty on prudence basis and opening Deferred Tax Assets of Rs. 3,26,43,751/- has been kept in the Balance Sheet.

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

	31.03.2011	31.03.2010
Deferred Tax Assets		
On Brought Forward Business Loss under Income Tax	80,096,229	57,668,879
Deferred Tax Liabilities		
On difference between written down value of assets as per books and Income Tax	9,653,614	7,116,885
Net Deferred Tax (Liabilities) / Assets as at the year end	70,442,615	50,551,994
Liability/(Asset) for the year	(37,798,864)	(17,908,243)



SCHEDULE N (Contd.)

18. 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 :

Particulars	Marketing Division		Sugar Division		Agriculture Division		Unallocated Corp.		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
REVENUE										
Sales & Operating Income	596.11	470.12	1262.11	761.69	481.71	539.49	—	—	2,339.93	1,771.30
Other Income	0.00	9.22	3.37	4.17	3.93	11.50	25.14	25.77	32.44	50.66
Increase/(Decrease) in Stock	(17.41)	-	267.34	7.35	1.39	4.26	—	—	251.32	11.61
TOTAL REVENUE	578.70	479.34	1,532.82	773.21	487.03	555.25	25.14	25.77	2,623.69	1,833.57
RESULTS										
PROFIT BEFORE INTEREST, DEPRECIATION & TAXATION	404.66	318.08	(381.28)	(306.82)	63.16	254.35	(28.45)	(26.20)	58.09	239.41
Less :										
a) Depreciation	1.08	22.31	131.81	128.64	2.50	2.62	5.29	5.29	140.68	158.86
b) Interest	334.00	103.13	137.80	282.81	—	12.22	—	-	471.80	398.16
TOTAL PROFIT BEFORE TAX	69.58	192.64	(650.89)	(718.27)	60.66	239.51	(33.74)	(31.49)	(554.39)	(317.61)
Less :										
a) Provision for Taxation	—	0.00	—	—	—	—	—	—	—	--
b) Provision for Deferred Tax	—	—	—	—	—	—	—	0.00	—	--
PROFIT AFTER TAX	69.58	192.64	(650.89)	(718.27)	—	—	(33.74)	(31.49)	(554.39)	(317.61)
CAPITAL EMPLOYED										
Segment Assets	635.18	794.53	2622.86	2164.92	1222.20	1298.58	1932.46	1937.75	6,412.70	6,195.78
Segment Liabilities	2855.74	2581.94	1951.65	1353.72	133.48	206.88	—	—	4,940.87	4,142.54
TOTAL CAPITAL EMPLOYED	(2,220.56)	(1,787.41)	671.21	811.20	1,088.72	1,091.70	1,932.46	1,937.75	1,471.83	2,053.24

Sales & Operating Income of Agriculture Division includes inter segment turnover Rs. 323.16 lacs (Previous Year Rs.294.09 lacs)

19. Related Party Disclosure :

a) Names of related parties :

i) Whole-time Directors :

Mr. S.K. Khaitan, Chairman

Mr. S.Bafna, Executive Director

Relative

Mr. Sunil K. Khaitan

Vice-Chairman

Mrs. Madhu Bafna

Relationship

Son

Spouse

ii) Associates :

Khaitan Electricals Limited

Khaitan Lefin Limited

SCHEDULE N (Contd.)
b) Transactions with Related Parties :

Nature of Transaction	Key Management Personnel & Relatives (A)		Associates (B)		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Remuneration	44.27	44.44	-	-	44.27	44.44
Sitting Fees	0.25	0.29	-	-	0.25	0.29
Residential Accomodation	2.52	2.52	4.74	4.74	7.26	7.26
Purchase of Goods	-	-	-	-	-	-
Royalty Received	-	-	578.64	470.12	578.64	470.12
Sale of Fixed Assets	-	-	-	37.74	-	37.74
Interest paid	-	-	8.36	102.96	8.36	102.06
Transfer of Assets/ Liability of Branch	-	-	-	-	-	47.10
Lease Rent Paid	-	-	0.34	0.63	0.34	0.63

c) Name of related party, description of relationship and outstanding as on 31st March, 2011 :

Related Party	Relationship	Balance as on 31st March, 2011 (Rs. In lacs)
Khaitan Electricals Limited	Associates	318.37 Cr
Khaitan Lefin Limited	Associates	52.97 Cr.

d) The Significant transactions during the year with the related parties are as under:

Rs. In lacs		
a) Khaitan Electricals Limited (B)	Royalty Received	578.64
	Lease Rent Paid	0.34
	Interest Paid	98.71
b) Khaitan Lefin Limited (B)	Residential Accomodation	4.74
	Interest Paid	8.36
Madhu Bafna (B)	Residential Accomodation	2.52
c) S.K.Khaitan (A)	Remuneration	41.84
S. Bafna (A)	Remuneration	7.17
Sunil K Khaitan (A)	Sitting Fees	0.25

e) In respect of above parties, no amount has been provided as doubtful debts or advances written off or written back during the year against debits due from /to them.



SCHEDULE N (Contd.)

20. Previous year figures have been regrouped/rearranged wherever necessary.

21. Statement pursuant to Part IV of the Companies Act, 1956.

A) Registration Details :

i) Registration No.	:	8775
ii) State Code No.	:	21
iii) Balance Sheet Date	:	31.03.2011

B) Capital Raised During the year (Rs. In Thousands) : Nil

C) Position of Mobilisation and Deployment of Funds (Rs. In Thousands) :

Total Liabilities	:	890659	Total Assets	:	890659
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Sources of Funds :

Paid Up Capital	:	47500
Reserves & Surplus	:	543504
Secured Loans	:	116557
Unsecured Loans	:	183098

Application of Funds :

Fixed Assets (Net)	:	639322
Investments	:	165532
Net Current Assets	:	53161
Deferred Tax Assets	:	32644

D) Performance of Company (In Thousands) :

Turnover	:	233993	Total Expenditure	:	317808
Profit/ (Loss) Before Tax	:	(58,142)	Profit After Tax	:	(58,142)
Earning Per Share	:		Dividend Rate%	:	Nil
Basic and Diluted in Rs.	:	(12.24)			

E) Genetics Names of the principal products / services of Company :
(As per monetary terms)

i) Item Code No.	:	170199.99	ii) Item Code No.	:	N.A.
Product Description	:	Sugar	Product Description	:	Sugarcane
iii) Item Code No.	:	N.A.			
Product Description	:	Molasses			

NOTES ON ACCOUNTS

N

Schedules form an integral part of the Accounts.

In terms of our Report of even date.

Signature to Schedule 'A' to 'N'

60 Bentinck Street Kolkata -700 069 the 30th May, 2011	For CHATURVEDI & CO. Registration No. 302137E Chartered Accountants Nilima Joshi Partner (Membership No 52122)	B. K. Choraria Secretary	SUNIL K. KHAITAN Vice Chairman S. BAFNA Executive Director	S. K. KHAITAN Chairman V.K. RUNGTA Directors
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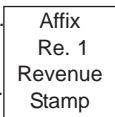
khaitan (India) Limited

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

PROXY FORM

I/We.....of.....
.....being a members(s) of **Khaitan (India) Limited** hereby appoint.....
.....
or failing him/her.....of.....
as my/our proxy to vote for me/us on my/our behalf at the Seventy Third Annual General Meeting of the Company to be held on Thursday, the 22nd September, 2011 at 11.30 a.m. at Merchant Chamber of Commerce, 15B, Hemant Basu Sarani, Kolkata 700 001 and at any adjournment thereof.

As witness my/our hand(s) this.....day of.....2010



Signed by the.....

Folio No.....No. of Shares held.....

Note : The Proxy must be deposited at the Registration Office of the Company, not less than 48 hours before the time for holding of the aforesaid meeting.

khaitan (India) Limited

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

ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall)

I hereby record my presence at the Seventy Third Annual General Meeting of the Company to be held at Merchant Chamber of Commerce, 15B, Hemant Basu Sarani, Kolkata 700 001 on Thursday, the 22nd September, 2011 at 11.30 a.m.

Name of the Shareholder.....
(in block letters)

Folio No.....No. of Shares held.....

Signature of the Shareholder/Proxy

Note : Only Shareholders of the Company or their Proxies will attend the meeting.