



khaitan (India) Limited

Annual Report 2015-16

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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

SUNIL K. KHAITAN, Chairman
Dr. V. K. RUNGTA
A. K. KEDIA
ANIL KUMAR JAIN
S. BAFNA, Executive Director & CFO
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 :

7, Red Cross Place, Kolkata 700 001
Phone : (033) 2210 3331/32/33/34
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 Ninth Annual General Meeting of Khaitan (India) Limited will be held on Wednesday, the 28th September, 2016 at Bharatiya Bhasha Parishad, 36-A Shakespeare Sarani, 4th Floor, Kolkata-700017 at 11.00 a.m. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2016, the statement of Profit & Loss for the year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Sunil Krishna Khaitan who retires by rotation and being eligible offer himself for re-election.
3. To appoint a Director in place of Mrs. Sulekha Dutta, who retires by rotation and being eligible, offers herself for re-election.
4. To appoint M/s O. P. Sharma & Co. Chartered Accountants as statutory auditors and who shall hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to section 149 and other applicable provisions, if any of the Companies Act 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) with Schedule IV of the Companies Act 2013, Mr Anil Kumar Jain (DIN No 07524177) be and is hereby appointed as an Director of the Company whose candidature has been proposed by a member together with requisite deposit under Section 160 of the Companies Act, 2013"
6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the consent of the Company be and is hereby accorded for the appointment of AB & Co., Cost Auditors to conduct the Audit of the Cost Records of the Company for the financial year ending 31st March, 2017 with a remuneration of Rs.15000/- (Rupees Fifteen Thousand Only) per annum plus service Tax as applicable".
"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".

Registered Office:
46-C, J L Nehru Road
Kolkata-700071
The 6th June, 2016

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

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF/ITSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument of Proxy should be deposited at the Registered Office of the Company, not later than 48 hours before commencement of the Meeting.
2. Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Members/Proxies should fill in and sign the attendance slips and deposit at the entrance of Meeting Hall, before attending the Meeting.
5. Only bonafide members of the Company whose names appear on the Register of Members/Proxy Holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its rights to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 22.09.2016 to 28.09.2016 (both days inclusive).
7. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination Form SH 13 prescribed by the Government can be obtained from the share Transfer Registrar M/s Maheshwari Datamatics Pvt Ltd 6 Mangoe Lane, Kolkata-700001.
8. The Registers under the Companies Act, 2013 is available for inspection at the Office of the Company at 7 Red Cross Place Kolkata-700001 during business hours between 11.00 a.m. to 1.00 p.m. except on holidays.
9. Members are requested to bring their copy of the Annual Report to the Meeting.
10. Pursuant to Section 101 and Section 136 of the Companies Act 2013 read with relevant Companies (Management and Administration Rules), 2014 companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company are requested to submit their 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 7 Red Cross Place, Kolkata-700001 during the business hours between 11.00 a.m. to 1.00 p.m. except on holidays, upto and including the date of the Annual General Meeting of the Company.

NOTES (Cont.)

12. 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 two Directors liable to retire in the ensuing AGM are Mr. Sunil Krishna Khaitan (DIN 00127698) and Mrs. Sulekha Dutta (DIN 07114240).

Mr. Sunil Krishna Khaitan, aged 56 years is Commerce Graduate and MBA is Director in other Companies e.g. Khaitan Electricals Ltd., Khaitan Lefin Limited, Khaitan Hotels Pvt. Ltd., Khaitan Lamps Ltd. and EEPC India Ltd. His appointment will be beneficial to the Company. Mr. Sunil Krishna Khaitan holds 151479 Equity Shares of the Company.

Mrs. Sulekha Dutta aged 42 (DOB 21.08.1974) years is a qualified Company Secretary, is Director in M/s Riga Sugar 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. Navin Kothari of M/s N. K. & Associates, Company Secretaries as the Scrutinizer for this purpose.

II. The instructions for shareholders voting electronically are as under :-

i) The voting period begins on Sunday the 25.09.2016 at 9 A.M. and ends on Tuesday, the 27.09.2016 at 5 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 Wednesday the 21.09.2016 may cast their vote electronically. The E voting module shall be disabled by CDSL for voting thereafter.

ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.

III. Click on .Shareholders.tab.

IV. Now, select the Company Name "KHAITAN (INDIA) LIMITED" from the drop down menu and click on .SUBMIT.

V. Now enter your User ID

a. For CDSL : 16 digits beneficiary ID

b. For NSDL : 8 character DP ID followed by 8 digits Client ID

c. Members holding shares in Physical form should enter Folio Number registered with the Company, excluding the special characters.

VI. Next enter the Image Verification as displayed and Click on Login.

VII. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

VIII. If you are a first time user, follow the steps given below:-

For Members holding shares in Demat Form and Physical Form

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

IX. After entering these details appropriately, click on "SUBMIT" tab.

X. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will not reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

XI. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

XII. Click on the EVSN for the relevant "KHAITAN (INDIA) LIMITED" on which you choose to vote.

XIII. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the resolution.



NOTES (Cont.)

- XIV. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolutions details.
- XV. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm 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 dmat 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 of 21.09.2016.
- XXII. The shareholders shall have one vote per equity share held by them as on the cut Off date 21.09.2016. 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. Navin Kothari of M/s N. K. & Associates, Company Secretary, as the scrutinizer for conducting the e-voting process in the fair and transparent manner.
- XXIV. The Scrutiniser shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- XXV. The Results declared along with the Scrutiniser'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 scrutiniser's decision on the validity of e-voting will be final.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("The Act")

Item No 5

Mr. Anil Kumar Jain was appointed as an Additional Director whose term of appointment will be ended at the ensuing Annual General Meeting and his appointment will be beneficial to the Company. The Company received Notice from one of the Shareholders alongwith requisite fees proposing his candidature for Directorship of the Company.

Item No.6

The Board in their meeting held on 6th June, 2016, on the recommendation of the Audit Committee, has approved the re-appointment of M/s. A B & Co. as Cost Auditor to conduct the audit of cost records of the Company for the financial year ending March, 31 2017 at a remuneration of Rs.15000/- (Rupees Fifteen thousand only) per annum.

In accordance with 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 Shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item no. 5 and 6 of the Notice.

ANNEXURE A

Details of Directors seeking appointment/re-appointment at the Annual General Meeting scheduled to be held on September 28th 2016

NAME OF THE DIRECTORS	SUNIL KRISHNA KHAITAN	SULEKHA DUTTA	ANIL KUMAR JAIN
Date of Birth	14/12/1960	21/08/1974	22/10/1962
Date of Appointment	20/03/1990	13/03/2015	06/06/2016
Relationship with Directors	NONE	NONE	NONE
Qualification	B. COM, MBA	B.COM. C.S.	B. COM., PGDEM
Board Membership of Other Companies as on March 31, 2016	1. Khaitan Electricals Ltd. 2. Khaitan Lefin Ltd 3. Khaitan Hotels Pvt. Ltd. 4. Khaitan Lamps Ltd 5. EEPC India	1 Riga Sugar Ltd	1 Khaitan Lefin Ltd. 2 Khaitan Hotels (P) Ltd 3 Naturewealth Development Corpn. Ltd.
Chairman/Member of the Committee Of the Board of Directors as on March 31, 2016	<u>Member</u> Stackholders Relationship Committee	NIL	NIL
Chairman / Member of the Committee Of Directors of Other Companies in which he/she is A Director as on March 31, 2016	NIL	NIL	NIL
No. of Shares Held in the Company As on March 31, 2016	151,479	NIL	NIL



DIRECTORS' REPORT INCLUDING MANAGEMENT DISCUSSION & ANALYSIS REPORT

TO THE MEMBERS KHAITAN (INDIA) LIMITED

Your Directors present their Seventy ninth Annual Report together with the Audited Accounts for the year ended 31st March, 2016.
Rs./Lacs

FINANCIAL RESULTS	2015-2016	2014-2015
Sales & Operating Income were	912.21	2664.98
Profit/Loss for the year was	(579.57)	(371.60)
From which is deducted/added		
• Depreciation	(176.05)	(177.47)
• Income Tax relating to earlier year	(0.01)	(9.65)
Leaving a Balance of	(755.83)	(558.72)
To which is added :		
-Profit/Loss Brought Forward from previous year	(1410.17)	(851.45)
Making an available Surplus/Deficit of	(2166.00)	(1410.17)
Which is Carried Forward to Next Year		

DIVIDEND

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

MANAGEMENT DISCUSSION & ANALYSIS REPORT OPERATIONS

Performance of all the Divisions are as under:-

Marketing Division: The Company has earned royalty of Rs. 309.94 lacs compared to the last year's Rs. 407.28 lacs.

Sugar Division: The crushing of sugarcane was only 0.75 lacs quintals compared to last year's 5.92 lacs quintals. The Sugar Mill could start only at fake end of the sugar season and could operate only for 15 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, 2015 had extensively damaged standing Sugarcane crop.

The Crushing Operations for the season 2015-16 started on 16th March, 2016 which was continued for 15 days compared to the last year's 71 days. Performance of the Sugar Division compared to last year is as under:-

DETAILS	2015-16	2014-15
Start of Crushing Season	16.03.2016	12-12-2014
Close of Crushing Season	30.03.2016	20-02-2015
Cane Crushed (in lacs Qtls)	0.75	5.93
Recovery (%)	6.63	8.35
Sugar Production (in Qtls)	4874	49504

Agriculture Division:

It is fact that all agriculture products are wholly dependent on nature. There was heavy rain and the total area was under flood which had damaged the standing Sugarcane Crop extensively. Further due to late running of Sugar Mill, the Sugarcane dried up and supply of Sugarcane from captive farms were less compared to last year.

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 sever 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, 2016 the total permanent employees were 40 Nos.

WHISTLE BLOWER POLICY:

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

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

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

DIRECTORS' REPORT**INCLUDING MANAGEMENT DISCUSSION & ANALYSIS REPORT****DIRECTORS AND COMMITTEES**

In accordance with the provisions of the Companies Act, 2013 Mr. Sunil K. Khaitan (DIN 00127698) and Mrs. Sulekha Dutta (DIN 07114240) retire by rotation and being eligible offer themselves for reappointment.

BOARD EVALUATION

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

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (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 :-

REMUNERATION POLICY

Sl. No	Name	Designation	Remuneration Paid Fy. 2015-16	Remuneration Paid Ey. 2014-15	Increase in Remuneration from previous year	Rab/Times peremption of Employee Remuneration
1.	Surendra Bafna	Executive Director	8.87 lacs (includ LTA 1.26 lac)	7.06 lacs	----	8 Times
2.	Sulekha Dutta	CS/ Director (KMP)	1.42 lacs	0.06 lacs	----	1.3 Times

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 listing agreement were adhered to while considering the time gap between two meetings.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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 clause 49 of the listing agreement. All material related party transactions that were entered into during the financial year were on an arm length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with promoters, Directors, Key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee as 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 retire at the ensuing Annual General Meeting and are eligible for re-appointment.

SECRETARIAL AUDITORS

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

INTERNAL AUDITORS

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



DIRECTORS' REPORT

INCLUDING MANAGEMENT DISCUSSION & ANALYSIS REPORT

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 within 6 months from beginning of financial year. As such an application has already been forwarded to the Central Government to approve the appointment for the current financial year.

CHANGE IN DIRECTORS AND KEY MANAGERIALS PERSONNEL

During the year Mr. M. K. Jalan resigned from Directorship of the Company. The Board noted its appreciation for his guidance during his tenure as Director.

CORPORATE GOVERNANCE REPORT

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

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGOING

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

EXTRACT OF ANNUAL RETURN

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

PARTICULARS OF EMPLOYEES

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

The company has one Executive Director who has been paid Rs. 8.87 lacs and to Company Secretary Rs. 1.42 lacs.

Due to financial constraints no increase was made in salary/wages except increase in VDA as per Agreement with the unions. Rs. 1.40 lac was paid as sitting fees to the Directors.

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnels) 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 agriculture land through sale/long term lease.

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 2014-15 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 miserable financial condition the company could not pay the various dues, i.e. service tax, excise duty, gratuity wages to the workers 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.

The Company in taking all necessary steps to fulfill the requirement of Environment (Protection) Act, 1986, the Water (Prevention) & control of pollution) Act, 1974 & the Air (Prevention & Control of Pollution) Act, 1981.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

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

Kolkata
The 6th June, 2016

MR-3**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2016**

[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, 2016 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, 2016 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.

I further report that,

During the year the company has filed some forms after the due date. Where these forms are filed with late fees before expiry of period specified under Section 403 of the Companies Act, 2013, this should be reported as compliance by reference of payment of additional fees. Further the Company has not paid listing Fees as per requirement of Clause 38 of the Listing Agreement.

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent as per the provisions of the Act, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Kolkata
Date: 28-05-2016

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

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, 1. L. NEHRU ROAD
KOLKATA -700071

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

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

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

Place: Kolkata
Date: 28th May 2016

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2016

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

I. REGISTRATION AND OTHER DETAILS :

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl.No.	Name and Description of main products / service	NIC Code of the Products/service	% to total turnover of the company
1	Royalty	97740	13.98
2	Sugar	10721	66.02

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

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

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

Category of Shareholders	No of Shares held at the beginning of the year (As on 01-April-2015)				No of Shares held at the end of the year (As on 31-March-2016)				% 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)	0	0	0	0.0000	0	0	0	0.0000	
(A)=(A)(1)+(A)(2)									
Total shareholding of Promoter	2859880	1750	2861630	60.2449	2859880	1750	2861630	60.2449	16.2587



FORM NO. MGT – 9 (Contd.)

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2016

Category of Shareholders	No of Shares held at the beginning of the year (As on 01-April-2015)				No of Shares held at the end of the year (As on 31-March-2016)				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks/FI	0	1234	1234	0.0260	0	1234	1234	0.0260	0.0000
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1):-	0	1234	1234	0.0260	0	1234	1234	0.0260	0.0000
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	716005	160050	732055	15.4117	645496	16050	661546	13.9273	-9.6317
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	435557	405678	841235	17.7102	475280	405078	880358	18.5339	4.6507
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	271019	10400	281419	5.9246	282992	10400	293392	6.1767	4.2545
c) Others (Specify)									
Non Resident Indians	23777	200	23977	0.05048	22278	200	22478	0.4732	6.25180
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	8450	0	8450	0.1779	29362	0	29362	0.6181	247.4793
Trusts									
Foreign Bodies-D R									
Sub-total(B)(2):-	1454808	432328	1887136	39.7298	1455408	431728	1887136	39.7292	0.0000
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1454808	432328	1887136	39.7298	1455408	431728	1887136	39.7292	0.0000
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	4314688	435312	4750000	100.0001	4315288	434712	4750000	100.0000	0.0000

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

SI No	Shareholder's Name	Shareholding at the beginning of the year (As on 01/04/2015)			Shareholding at the end of the year (As on 31/03/2016)			% 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.	5557451	1.6999	0.0000	555745	11.6999	0.00	0.00	AABCK5493M
3	THE ORIENTAL MERCANTILE COMPANY LIMITED	398448	8.3884	0.0000	400198	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	SUNIL KRISHNA KHAITAN (HUF)	97500	2.0526	0.0000	97500	2.0526	0.0000	0.00	AAFHS5971K
9	VIDITA KHAITAN	62100	1.3074	0.0000	62100	1.3074	0.0000	0.00	AFZPK3387A
10	SHREEKRISHNA KHAITAN (HUF)	52500	1.1053	0.0000	52500	1.1053	0.0000	0.00	AABHD7121E
11	SARITA DABRIWAL	20000	0.4211	0.0000	20000	0.4211	0.0000	0.00	AGTPD2962K
12	SHREEKRISHNA KHAITAN (HUF)	10750	0.2263	0.0000	10750	0.2263	0.0000	0.00	AABHC0170L
13	THE ORIENTAL MERCANTILE CO LTD	1750	0.0368	0.0000	1750	0.0368	0.0000	0.00	AAACT9623P
	Total	2861630	60.2448	0.0000	2861630	60.2448	0.0000	-100.00	

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

SI No.	Name	Shareholding at the beginning (01/04/14)/end of the year (31/03/2015)		Cumulative Shareholding during the year (01/04/15 to 31/03/2016)		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	THE ORIENTAL MERCANTILE COMPANY LIMITED 1/4/2015 25/12/2015 31.03.2016	398448 1750 400198	8.3884 0.0368 8.4252	400198 400198	8.4252 8.4252	AAACT9623P
2	KHAITAN LEFIN LIMITED 1/4/2015 31/3/2016	1131561 1131561	23.8223 23.8223	1131561	23.8223	AABCK1371L
3	KHAITAN HOTELS PVT. LTD. 1/4/2015 31/3/2016	555745 555745	11.6999	555745	11.6999	AABCK5493M
4	SHREEKRISHNA KHAITAN (HUF) 1/4/2015 31/3/2016	10750 10750	11.6999 0.2263 0.2263	10750	0.2263	AABHC0170L
5	SHREEKRISHNA KHAITAN (HUF) 1/4/2015 31/3/2016	52500 52500	1.1053 1.1053	52500	1.1053	AABHD7121E
6	SUNIL KRISHNA KHAITAN (HUF) 1/4/2015 31/3/2016	97500 97500	2.0526 2.0526	97500	2.0526	AAFHS5971K
7	VIDITA KHAITAN 1/4/2015 31/3/2016	62100 62100	1.3074 1.3074	62100	1.3074	AFZPK3387A
8	SUNIL KRISHNA KHAITAN 1/4/2015 31/3/2016	151479 151479	3.1890 3.1890	151479	3.1890	AGCPK9741L
9	SARITA DABRIWAL 31/3/2015- Transfer 31/3/2016	20000 20000	0.4211 0.4211	20000	0.4211	AGTPD2962K



FORM NO. MGT – 9 (Contd.)

Sl No.	Name	Shareholding at the beginning (01/04/15)/end of the year (31/03/2016)		Cumulative Shareholding during the year (01/04/15 to 31/03/2016)		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
10	VAGEESHA KHAITAN 1/4/2015 31/3/2016	113000 113000	2.3789 2.3789	113000	2.3789	AJFPK2055H
11	ISHANI KHAITAN 1/4/2015 31/3/2016	126197 126197	2.6568 2.6568	126197	2.6568	AMIPK2994F
12	SUNAY KRISHNA KHAITAN 1/4/2015 31/3/2016	140600 140600	2.9600 2.9600	140600	2.9600	BTMPK5794F
13	THE ORIENTAL MERCANTILE CO LTD 31/03/2015 - Transfer 31/03/2016	1750 -1750	0.0368 0.0368	0.00 0.00	0.00 0.00	AAACT9623P

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

Sl No.	Name	Shareholding at the beginning (01/04/15)/end of the year (31/03/2016)		Cumulative Shareholding during the year (01/04/15 to 31/03/2016)		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	NATUREWEALTH DEVELOPMENT CORPORATION LIMITED 1/4/2015 31/3/2016	54000 54000	1.1368 1.1368	54000	1.1368	AAACN8651M
2.	THE ORIENTAL MERCANTILE CO LTD 1/4/2015 25.12.2015 -Transfer 31/3/2016	398448 1750 400198	8.3884 0.0368 8.4252	400198	8.4252	AAACT9623P
3	DELTA INTERNATIONAL LTD. 1/4/2015 31/3/2016	190000 -750	4.0000 0.0158	189250	3.9842	AABCD1223C
4	MANDPAM COMMERCIAL LIMITED 1/4/2015 31/3/2016	42550 42550	0.8958 0.8958	42550	0.8958	AACCM0741K
5	PURVANCHAL LEASING LIMITED 1/4/2015 31/3/2016	82130 82130	1.7291 1.7291	82130	1.7291	AACCP9719J
6	ANNUDEEP CREDIT CONSULTANTS PRIVATE LIMITED# 1/4/2015 1.5.2015- Transfer 28.8.2016 - Transfer 30/9/2015 - Transfer 31/3/2016	70624 -28172 -10000 -2000 30457	1.4868 0.5931 0.2105 0.0421 0.6411	42452 32452 30452 30452	0.8937 0.6832 0.6411 0.6411	AADCA7389Q
7	ANDREW GRACIAS 1/4/2015 31/3/2016	43266 43266	0.9109 0.9109	43266	0.9109	AADPG7521P
8	NAGESHWAR ADVISORY SERVICES LLP 1/4/2015 31/3/2016	42000 42000	0.8842 0.8842	42000	0.8842	AAIFN1156A

FORM NO. MGT – 9 (Contd.)

SI No.	Name	Shareholding at the beginning (01/04/15)/end of the year (31/03/2016)		Cumulative Shareholding during the year (01/04/15 to 31/03/2016)		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
9	BAIKUNTHNATH ADVISORS LLP * 1/4/2015 31/3/2016	42000 42000	0.8842 0.8842	42000	0.8842	AAMFB3309B
10	SHYAM VATIKA ADVISORS LLP * 1/4/2015 31/3/2016	41000 41000	0.8632 0.8632	41000	0.8632	ABUFS8499Q
11	SEETHA KUMARI 1/4/2015 1/5/2015 - Transfer 31/3/2016	54919 510 55429	1.1562 0.0107 1.1669	54429 54429	1.1669 1.1669	APFPS2411B
12	ARVIND KUMAR SANCHETI* 1/4/2015 31/3/2016	31347 31347	0.6599 0.6599	31347	0.6599	AQHPS3070R
* Not in the list of Top 10 shareholders as on 01/04/2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2016.						
# Ceased to be in the list of Top 10 shareholders as on 31/03/2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2015.						

v) Shareholding of Directors and Key Managerial Personnel

SI No.	Name	Shareholding at the beginning (01/04/15)/end of the year (31/03/2016)		Cumulative Shareholding during the year (01/04/15 to 31/03/2016)		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	SUNIL KRISHNA KHAITAN 1/4/2015 31/3/2016	151479 151479	3.1890 3.1890	151479	3.1890	AGCPKK9741L
2	ARUN KUMAR KEDIA 1/4/2015 31/3/2016	100 100	0.0021 0.0021	100	0.0021	AFZPK3041B
3	DR VINOD KUMAR RUNGTA 1/4/2015 31/3/2016	100 100	0.0021 0.0021	100	0.0021	ADHPR4548N
4	SURENDRA BAFNA 1/4/2015 31/3/2016	100 100	0.0021 0.0021	100	0.0021	ACWPB9149F

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

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	75,007,366	349,483,492	-	424,490,858
ii) Interest due but not paid	2,023,854	40,235,046	-	42,258,900
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	77,031,220	389,718,538	-	466,749,758
Change in Indebtedness during the financial year				
* Addition	2,259,068	63,228,634	-	65,487,702
* Reduction	983,949	71,030,277	-	72,014,226
* Net Change	1,275,119	(-)7,801,643	-	(-)6,526,524
Indebtedness at the end of the financial year				
i) Principal Amount	78,641,536	346,527,471	-	425,169,007
ii) Interest due but not paid	206,425	35,389,424	-	35,595,849
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	78,847,961	381,916,895	-	460,764,856



FORM NO. MGT – 9 (Contd.)

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

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	636000 251000	720000 309000
2.	Stock Option			
3.	Sweat Equity			
4.	Commission			
5.	Others (Please specify) Total A	142000	887000	1029000
	Ceiling as per the Act	3000000	3000000	6000000

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

B. Remuneration to Other Directors

(Amount in Rs.)

Sl	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Sunil K Khaitan	Dr. V K Rungta	Mr A K Kedia	
1.	Independent Directors Fees for attending Board, Committee Meetings	20000	60000	60000	140000
	Total (1)	20000	60000	60000	140000
2.	Other Non-Executive Directors Fees for attending Board, Committee Meetings				
	Total (2)				
	Total (B)=(1+2)	20000	60000	60000	140000
	Total Managerial Remuneration	NIL The Company has not paid any remuneration to the non executive and independent directors)			
	Overall Ceiling as per the Act				30,00,000

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

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

FORM NO. MGT – 9 (Contd.)

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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



ANNEXURE TO DIRECTORS REPORT

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

A. CONSERVATION OF ENERGY	For the year ending 31/03 t2016	For the year ending 31/03 t2015
POWER & FUEL CONSUMPTION		
1. Electricity		
a) Purchased Units (in lacs)	3.83	4.95
Total amount Rs. (in lacs)	41.60	51.07
Effective Rate Per unit (Rs)	10.86	10.72
b) Own Generation		
i) Through Diesel Generator Units (in lacs)	0.09	034
Unit per litre of Diesel Oil	4.00	400
Cost/Unit (Rs.)	12.65	13.64
ii) Through Steam Turbine/ Generator Units (in lacs)	4.21	27.23
Unit per litre of fuel oil / Gas cost / Unit	Bagages being by produce in used as fuel and hence no separate cost to the factory	
2. Coal	Not Applicable	Not Applicable
Quantity Tonnes		
Total Cost		
Average Rate		
3. Furnace Oil	Not Applicable	Not Applicable
Quantity (Kilo Litre)		
Total Cost		
Average Rate		
4. Others / Internal Generation		
Quantity of Fire Wood (MT)	5.00	NIL
Total Value (Rs./Lacs)	0.22	NIL
Rate Unit (Rs.)	0.05	NIL
Consumption per Unit of Production		
Product - Sugar (Qtls).	4874	48860
Electricity (Units/Qtls. of Sugar)	166.87	66.57
Furnace Oil	Not Applicable	Not Applicable
Coal	Not Applicable	Not Applicable
Others	Not Applicable	Not Applicable

B. TECHNICAL ABSORPTION

I. Research & Development (R&D) :

- Specific areas which R & D carried out by the Company: NIL
- Benefits derived as a result of the above R & D NIL
- Future Plan of Action:
 - Development of cane in Company's Reserved Area and Captive Farms
- 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 policies, sales, regulation and laws for ensuing transparency, professionalism and accountability in its dealing with its customers, employees, shareholders and with every individual who comes in contact with the company. The detailed report on corporate governance as per Clause 49 of the listing Agreement is as under:

Board of Directors

The company has five 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 Clause 49 of the Listing Agreement entered with the Stock Exchanges.

During the year under review four Board Meetings were held on 29th May 2015, 12th August 2015, 14th November 2015 and 12th Feb 2016. The maximum time gap between any two consecutive meetings did not exceed four months. The composition of Board, attendance at the last Annual General Meeting, number of other Directorships and committee memberships are given below:-

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

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

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

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

The company has formulated a policy to 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 schedules and rules thereunder.

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

Board Committees

The Company had four committees i.e. Risk and Audit Committee, Nomination and Remuneration Committee to Stackholders Relationship Committee. Details on role and composition of these committees including the number of meetings held during the financial year and the related attendance are mentioned below.

Risk and Audit Committee

The committee discharge such duties and functions generally described in cluse 49 of the Listing Agreement with the stock Exchanges. The major task performed by the Risk & Audit Committee may be grouped as under:-
Statutory Audit Internal Audit Reporting & Other aspects.

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

Audit & other duties

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



REPORT ON CORPORATE GOVERNANCE (Cont.)

During the year under review the committee comprised of two independent directors & one wholtime Director. All of whom are financially literate and have relevant finance and/or audit exposure. The Chairman of the Risk and Audit Committee also attended the last Annual General Meeting of the Company. During the period under review, Four Audit Committee meetings were held on May 29, 2015, August 12, 2015, November 14, 2015, February 12, 2016. The composition of the audit Committee and attendance at its meetings is as follows:-

Members	Designation	Category	No. of Committee meeting during 2015-16
Dr. V K Rungta	Chairman	Independent, Non Executive Director	4
Mr. A.K. Kedia	Member	Independent, Non Executive Director	4
Mr. S. Bafna	Member	Wholtime Director	2

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 Non-Executive Directors :

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

Remuneration of Executive Directors :

(a) Mr. Surendra Bafna. Salary & perquisites Rs. 8.87 lacs per annum.

(b) Mrs. Sulekha Dutta- Director, Company Secretary Rs. 1.42 lacs per annum.

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

(Rs. in Lacs)

Name of Directors	Category	Salary & Perquisites	Sitting Fees	Total	Period of Appointment Notice Period
Mr. Suni K Khaitan	C & NED	-	0.20	0.20	-
Mr. A K Kedia	ID & NED	-	0.60	0.60	-
Dr. V K Rungta	ID & NED	-	0.60	0.60	-
Mr. S Bafna	WTD	8.87	-	8.87	1.4.14 to 31.3.17 (3 months)
Ms. Sulekha Dutta	ED	1.42	-	1.42	

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 2015-16 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. May 29, 2015, August 13, 2015, November 14, 2015 and February 12, 2016. The composition of the Committee and attendance at its meeting is as follows:

Members	Designation	Category	No. of Committee meeting during 2015-16
Dr. V K Rungta	Chairman	Independent, Non Executive Director	4
Mr. A.K. Kedia	Member	Independent, Non Executive Director	4
Mr. S. Bafna	Member	Whole Time Director	3

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 March 23, 2016, 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.

REPORT ON CORPORATE GOVERNANCE (Cont.)**Formation of Policy for selection and appointment of Directors including Independent Director KMP/****Senior Management Personnel**

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

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

Remuneration

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

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

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

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

Related Party Transaction

All transactions entered into with related parties as defined in Clause 49 of the listing Agreement during the financial year under review were in the ordinary course of business and do not attract the provisions of section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standard (AS18) has been made in the notes to the Financial Statements.

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

Prevention of Insider Trading

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

Disclosures

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

Compliance with Accounting Standards

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

General Body Meeting

Details of last three Annual General Meetings are as follows:

YEAR	LOCATION	DATE	TIME
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.
2012-13	Merchant Chamber of Commerce 15-B, Hemant Basu Sarani, Kol-1	25.09.2013	11.30 A.M.

CEO/CFO Certification

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

- a) The financial statements and the Cash Flow Statement for the year have been reviewed and to the best of his knowledge and belief:
 - i) These 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.



REPORT ON CORPORATE GOVERNANCE (Cont.)

- ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards applicable laws and regulations.
- b) To the best of his knowledge and belief no transactions entered into by the company during the year are fraudulent, illegal or violate the Company's code of conduct.
- c) He accepts responsibility for establishing and maintaining internal controls for financial reporting and that he has evaluated the effectiveness of internal control systems of the company pertaining to financial reporting.
- d) He has indicated to the auditors and the Audit Committee.
 - i) Significant changes in the internal control over financial reporting during the year
 - ii) Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - iii) There have been no instances of significant fraud either by the management or an employee having a significant role in the Company's internal control system of financial reporting.

Means of communications

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

Management discussion & Analysis

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

Notes on Directors Reappointment

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

Shareholder's Information

- a) Date, time and Venue of Next Annual General Meeting : 28th September, 2016 at Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, 4th Floor, Kolkata-700017 at 11.00 am
- b) Date of Book Closing : 22nd to 28th September, 2016 (both days inclusive)
- c) Dividend payment date for the FY 2015-16 : 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 2015-2016 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	Ending March 31
Results for the quarter ending	
June 30, 2015	August 13, 2015
September 30, 2015	November 14, 2015
December 31, 2015	February 12, 2015
March 31, 2016	June 6, 2016

MARKET PRICE (2015-16)												(Rs.)
NSC	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
HIGH	8.15	8.25	7.85	9.30	9.70	9.70	10.40	10.40	10.40	12.70	12.05	12.05
LOW	6.20	7.35	7.45	7.65	9.25	9.25	10.00	10.00	10.00	10.50	12.00	12.00

h) DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2016

i) According to Category of Holding:

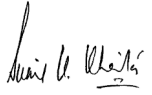
Category	Shareholders		Shares	
	No.	%	No.	%
Promoters Group	12	0.38	2861630	60.24
Banks, Financial Institution	2	0.06	1234	0.03
Private Corporate Bodies	80	2.50	661546	15.41
Indian Public	3087	96.56	1173750	23.64
Others /Clearing Members	16	0.50	51840	0.68
Total	3197	100.00	4750000	100.00

REPORT ON CORPORATE GOVERNANCE (Cont.)**(b) Pattern of Shareholdings as on 31st March, 2016:**

Share Holding Pattern			Shareholders		Shares	
			Nos.	%	Nos.	%
upto		500	2772	89.42	457328	9.16
501	To	1000	148	4.77	126520	2.14
1001	To	2000	80	2.58	119451	1.61
2001	To	3000	18	0.58	44453	0.86
3001	To	4000	9	0.29	31038	0.37
4001	To	5000	14	0.45	65103	0.67
5001	To	10000	19	0.62	131983	2.41
10001	and	above	40	1.29	3774124	82.78
Grand Total			3100	100.00	4750000	100.00

- i) Registrar and Share Transfer Agent (for physical as well as for D'mat Segment)
M/s. Maheshwari Datamatics (P) Ltd.,
6, Mangoe Lane, Kolkata-700001
Phone: 033-2243 5029/5809; 2248 2248
Fax: 033-22484787; email: mdpl@cal.vsnl.net.in
- j) Share Transfer System : Share Transfers are registered and returned within 30 days of 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., 6 Mangoe Lane, Kolkata-700001
- k) Dematerialization of Shares: The Company's shares are compulsorily traded in dematerialized form and are available for trading under both Depository Systems, NSDL and CDSL. As on 31.03.2016 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 6th June, 2016

Sunil K. Khaitan, *Chairman*
(DIN 00127698)
AUDITORS CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENTTO THE MEMBERS OF
KHAITAN (INDIA) LIMITED

We have reviewed the compliance of conditions of Corporate Governance by Khaitan (India) Limited for the year ended 31st March, 2016 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s), with the relevant records and documents maintained by the Company and furnished to us.

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

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

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

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

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

B-3, 8th Floor, Saltee Spacio
1, Mall Road,
Kolkata-700080
The 6th June, 2016



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, 2016, 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 ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements, that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Basis of Qualified Opinion:

5.
 - 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.10,82,27,180/- as against the loss of Rs.7,55,83,429/- shown in these financial statements. Deferred tax asset balance in the Balance sheet would amount to 'NIL' as against Rs.3,26,43,751/- as disclosed in these financial statements*
 - b. *Closing balances of Debtors, Creditors, loans, deposits, advances, old liabilities relating to gratuity, land rent & panchayat tax and some bank balances are unconfirmed and fixed deposit receipts and National Saving certificates are not available with the company, in respect of which we are unable to express our opinion.*

Qualified Opinion:

6. In our opinion and to the best of our information and according to the explanations given to us, except for the matter referred to in paragraph 5 above, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
 - b) in the case of the Statement of Profit and Loss, of the Loss, 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.

Emphasis of Matter:

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

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

Report on Other Legal and Regulatory Requirements:

8. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

INDEPENDENT AUDITOR'S REPORT (Cont.)

9. As required by section 143(3) of the Act, we report that:
- except for the matter referred to in paragraph 5 above, we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 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;
 - 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;
 - in our opinion, except for the matter referred to in paragraph 5 above, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules 2014.
 - on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act.
 - With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) rules 2014, in our opinion and to the best of our information and according to the explanations given to us :
The company has disclosed the impact of pending litigations on its financial position in its financial statements 31 refer note 2 (M) to the financial statements .

B-3, 8th Floor, Saltee Spacio
1, Mall Road,
Kolkata-700080
The 6th June, 2016

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

- The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - 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.
 - 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 The 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 Cmplx 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.
- As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed.
- 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.
- In our opinion & according to the information & explanations given to us, the company has complied with the provisions of section 185 & 186 of the Act, in respect of grant of loans making investments and providing guarentees and securities as applicable.
- 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.
- The maintenance of cost records has been specified by the Central Government under section 148(I) of the Companies Act, 2013 we have broadly reviewed the books of records maintained by Company pursuant to the Companies (Cost Records & Audit) Rules, 2014 as amended prescribed by Central Government under sub section one of section 148 of the Companies Act, 2013 & are of the opinion that primaface the prescribed accounts and cost records have been made and maintained. We have however not made detailed examinations of the records with a view to determine wether they are accurate or complete.
- 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 been irregular and there are delays in depositing the Undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Excise Duty, Cess, Value Added Tax, TDS and other statutory dues, if any, with the appropriate authorities.



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.)

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:

Name the Statute	Nature of Dues	Period to which pertian	Amount (Rs. in Lacs)	Due Date	Paid on
Provident Fund and Pension Fund ETC	PF of employers& Employees contributions	2015-16 From April to September2015	80213/-	15th of succeeding month	=
Income Tax Act, 1961	Tax deducted at sources	2015-16 From April to September2015	3411731/-	7th of the succeeding month	=
The Central/State Sales Tax Act	Value Added Tax	2015-16 From April to September2015	653298/-	20th of succeeding month	=
Service Tax		2015-16 From April to September2015	3411786/-	6th of the succeeding month	=
Panchayat Tax		2015-16	65,461/-	Within 31st March	=
Professional Tax		2015-16 From April to September2015	18905/-	21 st 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 , as at 31st March 2016 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.
Income Tax Act, 1961	Income Tax	3,16,00,270	2013-14	Appeal filed by Company against Assessment order before CIT(A)-4

- According to the information and explanations given to us by the management, the company has not defaulted in repayment of dues to financial institutions/Banks .Refer note no5 in Notes on Financial Statements . The Company has not issued any debentures.
- 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.
- To the best of our knowledge and belief and according to the information and explanations given to us . no fraud by the company or by its officers or employees has been noticed or reported during the course of our audit.
- 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.
- The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 order is not applicable .
- 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 .
- 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.
- 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.
- The Company is not required to be registered under section 45-I of the Reserve Bank of India ,1934.

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 6th June, 2016

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 2016 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 Companies 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 judgement, 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 authorisations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised 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 2016 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 6th June, 2016

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, 2016

Particulars	Notes No.	2015-16 Rs.	2014-15 Rs.
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	47,500,000	47,500,000
Reserves & Surplus	4	343,481,230	419,116,184
Non Current Liabilities			
Long Term Borrowings	5	147,153,380	144,894,312
Long Term Liabilities	6	-	1,760,000
Long Term Provisions	7	12,541,148	11,732,280
Current Liabilities			
Short Term Borrowings	8	313,611,476	321,855,446
Trade Payables	9	33,653,100	46,358,273
Other Current Liabilities	10	43,460,779	30,745,349
Short Term Provisions	11	6,091,577	4,634,587
TOTAL		947,492,690	1,028,596,431
II. ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	12	581,898,429	594,339,414
Non Current Investments	13	133,152,043	165,032,043
Deferred Tax Assets (Net)	14	32,643,751	32,643,751
Long Term Loans and Advances	15	45,279,726	49,911,372
Other Non Current Assets	16	28,640,885	29,002,695
Current Assets			
Inventories	17	106,175,197	136,971,784
Trade Receivables	18	5,955,996	6,878,857
Cash & Cash Equivalents	19	3,906,532	4,507,131
Short Term Loans and Advances	20	9,327,704	8,766,527
Other Current Assets	21	512,427	542,857
TOTAL		947,492,690	1,028,596,431
Notes to Accounts & Significant Accounting Policies		2	
The accompanying notes are an integral part of the financial statements.			

Statement of PROFIT and LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Notes No.	2015-16 Rs.	2014-15 Rs.
REVENUE			
Revenue from Operation	22	91,221,836	266,497,571
Other Income	23	6,638,155	7,782,481
Total Revenue		97,859,991	274,280,052
Cost of Materials consumed	24	38,699,182	170,048,551
Change in inventories of finished goods	25	18,162,038	17,590,969
Work in progress			
Other Manufacturing Expenses	26	23,346,928	40,042,530
Employees Benefits Expenses	27	24,058,816	29,421,502
Finance costs	28	46,032,361	48,446,257
Depreciation & Amortisation Expenses	11	17,605,010	17,746,791
Other Expenses	29	5,538,085	5,890,381
Total Expenses		173,442,420	329,186,981
Profit/(Loss) Before Tax		(75,582,429)	(54,906,929)
INCOME TAX PAID FOR AN EARLIER YEAR		(1000)	964,885
Profit/(Loss) for the Year		(75,583,429)	(55,871,814)
Basic and Diluted Earning Per Share of Rs.10/- each (In Rupees)	33	(15.91)	(11.76)
Significant Accounting Policies			
The accompanying notes are an integral part of the financial statements.			

For OP SHARMA & ASSOCIATES

Chartered Accountants

Registration No 500128 N

B-3, 8th Floor, Saltee Spacio
1, Mall Road,
Kolkata-700080
The 6th June, 2016

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

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

S Bafna
Executive Director
(DIN 00127781)

Sunil K Khaitan
Chairman
(DIN 00127698)

Cash Flow Statement for the year ended 31 March, 2016

Particulars	For the year ended 31, March, 2016		For the year ended 31, March, 2015	
	Rs.	Rs.	Rs.	Rs.
A. Cash flow from operating activities				
Net Profit/ (Loss) before extraordinary items and tax		(75,583,429)		(55,871,814)
<u>Adjustment for:</u>				
Sundry Loans and Advances written off	875,244		-	
Provision for employees benefit Leave encashment	-		121,489	
Provision for Group Gratuity Scheme	(578,130)		521,239	
Liabilities/ Provision no longer required written back	(589,240)		(464,047)	
Implement and Trailor Hire Charges realised	(62,315)		-	
Miscellaneous Income	-		-	
Income from Leas Rent	(80,002)		-	
Depreciation and amortisation	17,605,010		17,746,791	
Finance cost	46,032,361		48,446,257	
Interest income received	(1,377,250)		(1,335,515)	
Rental Income received	(2,006,218)		(2,330,565)	
Prior period items debited to Profit & Loss A/c	21,524		-	
Tax Paid	-		(1,650,000)	
Profit on sale of Investment	(1,340,400)		-	
Profit on sale of Fixed Assets	(1,139,953)	57,360,631	3,244,360	57,811,259
Operating Profit or Loss before Working Capital Changes		(18,222,798)		1,939,445
<u>Changes in Working Capital</u>				
Increase/ (Decrease) in Current Assets	30,313,453	-	17,089,436	
Increase/ (Decrease) in operating liabilities	(6,209,004)	24,104,449	10,183,394	27,272,830
Net cash flow from / (used in) operating activities (A)		5,881,651		29,212,275
B. Cash flow from investing activities				
Proceeds from sale of fixed assets	2,602,479		3,244,596	
Proceeds from sale of Investment	33,220,400		-	
Purchase of Fixed Assets	(6,678,075)		(2,081,050)	
Interest & Dividend received	1,377,250		1,335,515	
Rental income received	2,006,218		2,330,565	
Implement and Trailor Hire Charges realised	62,315		-	
Income from Leas Rent	80,002	32,670,589	-	4,829,626
Net cash flow from / (used in) investing activities (B)		32,670,589		4,829,626
C. Cash flow from financing activities				
Loan Taken	2,259,068		11,223,854	
Increase in Long Term Receivables & Deposit Money	361,809		(128,632)	
Long Term Advances Repaid/ (given)	2,871,646		(2,015,278)	
Finance cost	(46,032,361)		(48,446,257)	
Deferred Rent	1,386,998	(39,152,840)	6,432,079	(32,934,234)
Net cash flow from / (used in) financing activities (C)		(39,152,840)		(32,934,234)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(600,600)		(1,107,667)
Cash and cash equivalents in the beginning of the year		4,507,132		3,399,465
Cash and cash equivalents at the end of the year*		3,906,532		4,507,132
Cash and cash equivalents at the end of the year *				
* Comprises:				
Cash on Hand	551,371		337,616	
In Current Accounts	47,330		987,460	
In Deposit Accounts	3,290,376		3,164,601	
In Earmarked Accounts	17,455	3,906,532	17,455	4,507,132

For OP SHARMA & ASSOCIATES

Chartered Accountants

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The 6th June, 2016

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

S Bafna
Executive Director
(DIN 00127781)

Sunil K Khaitan
Chairman
(DIN 00127698)



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2015

1. Corporate Information :

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

2. Significant Accounting Policies:

a) Basis of Accounting

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

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

b) Use of Estimates

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

c) Fixed Assets

Tangible Fixed Assets

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

Intangible Fixed Assets

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

d) Depreciation & Amortization

- i) Depreciation on tangible fixed assets provided on straight line method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Companies Act. 2013.
- ii) Depreciation for assets purchased / sold during the year is proportionately charged
- iii) On amount added on 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 are recognized as expense based on actuarial valuation using projected unit credit method.
- ii. Post employment benefits in the nature of defined contribution plans are recognized as expense as and when it accrues and that in the nature of defined benefit plans are recognized as expenses based on actuarial valuation using projected unit credit method. Actuarial gains or losses are recognized immediately in the statement of Profit and Loss Account.

h) Foreign Currency Transactions

- i. Transactions in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction, year end balance of foreign currency transactions is translated at the year end rates.
- ii. All exchange differences are recognized as income or expenses in the period in which they arise

i) Recognition of Revenue and Expenses

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

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

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

k) Impairment

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

l) Borrowing Costs

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

m) Provisions and Contingent Liabilities

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

Earning Per Share

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

n) 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.

o) Land on Leases

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

p) Provisions

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

q) 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.

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



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2016

Amount in Rs.

Particulars	31.03.2016	31.03.2015
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 31.12.2016		As at 31.03.2015	
Particulars	Number of Shares Held	Percentage (%)	Number of Shares Held	Percentage (%)
Khaitan Lefin Limited	1,131,561	23.82%	1,131,561	23.82%
Khaitan Hotels Pvt. Ltd.	511,190	10.76%	555,742	11.70%
The Oriental Mercantile Company Limited	398,448	8.39%	398,448	8.39%

Amount in Rs.

Particulars	As at 31.03.2016		As at 31.03.2015	
4. RESERVES & SURPLUS				
REVALUATION RESERVE :-				
As per last Balance sheet	409,470,583		409638024	
Less adjustment in respect of disposal of Fixed Assets	51,525	409,426,058	160,441	409,477,583
GENERAL RESERVE :-				
As per last Balance sheet	150,654,226		159,874,197	
Less Adjustment due to transitional provision of Schedule 2 of Companies Act ,2013	-	150,656,224	9,217,973	150,656,224
STATEMENT OF PROFIT & LOSS				
As per last Balance sheet	(141,017,623)		(85,145,809)	
Add - Loss for the Year	(75,583,429)		(55,871,814)	
Net deficit in the statement of Profit & Loss		(216,601,052)		(141,017,623)
Total Reserve and Surplus		343,481,230		419,116,184

Amount in Rs.

Particulars	As at 2015-16	As at 2014-15
5. LONG TERM BORROWINGS		
A. Secured Loans		
From a Bank		
- Term loan from IDBI Bank	9,293,544	9,200,000
B. From Others		
- from Sugar Development Fund	36,159,836	33,994,312
C. Unsecured		
Advances from others (Not bearing Interest)	101,700,000	101,700,000
Total	147,153,380	144,894,312

Details of Security

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

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2016
Terms of Repayment of Secured Term Loans

- 1) Term loan from IDBI Bank is repayable in 36 monthly instalments starting from September, 2016. The rate of interest is BASE BANK RATE (BBR)+350 Bps (current BBR is 10.25% p.a). Any delay will attract penal interest @ 2% p.a. and also liquidated damages in case of default.
- 2) Loan from Sugar Development Fund for Rs. 287.55 lacs was sanctioned on 31-03-1992 to be disbursed in 3 instalments upto 31-03-1995. However, only one instalment of Rs. 132.20 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 instalments after expiry of moratorium period and interest on loan was payable annually. At present amount due on principal account is Rs. 8,563,117 (Previous year Rs. 8,563,117) and Rs.27,596,719 (previous year Rs.25,431,195 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.2,165,524 for the year (previous Year Rs.2,023,854) has been provided as per agreement.

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

The loan from Sugar Development fund of Rs. 132.20 lacs was repayable in 4 annual instalments by 1999. There is a continuous default now. Principal amount of Rs. 4,656,883/- has been paid and balance amount due is Rs. 8,563,117/- as on 31-03-2016/- and interest due is Rs.27,596,719/- as on 31.03.2016.

	Amount in Rs.	
	As at 31.03.2016	As at 31.03.2015
6 OTHER LONG TERM LIABILITIES		
- Trade / Security Deposits Received	-	1,760,000
Total	-	1,760,000
7. LONG TERM PROVISIONS		
- Employee Benefits *		
Provision for Gratuity	4,722,071	5,300,201
Deferred Lease Rent	7,819,077	6,432,079
- Provision for Income Tax	-	-
*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	12,541,148	11,732,280
8. SHORT TERM BORROWINGS		
Secured		
- Cash Credit Account with IDBI BANK and BANK OF BARODA	29,911,627	30,895,576
Nature of Security:		
Secured by Hypothecation of stocks, book debts, standing crops, stores & spares and all other current assets and mortgage of agricultural land measuring about 2067.21 Acres and entire fixed assets of sugar division of the company, present & future and personal guarantee of a Director		
Other Loan against pledge of FDR from State bank of India	3,482,954	2,941,332
Unsecured		
- Loans and advances from Related Parties	277,860,395	285,662,038
- Inter Corporate deposit	2,356,500	2,356,500
Total	313,611,476	321,855,446
9. TRADE PAYABLES		
- Other than Acceptances	33,653,100	46,358,273
Total	33,653,100	46,358,273

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 2015-16	As at 2014-15
10. OTHER CURRENT LIABILITIES		
Other Payables-		
- Trade / Security Deposits received	12,439,865	6,366,534
- Statutory remittance	12,856,595	9,819,056
- Dues of employees	4,682,012	2,774,331
- Contractually reimbursable expenses	5,047,768	4,741,690
- Liability for expenses	8,434,539	7,043,738
Total	43,460,779	30,745,349
11. SHORT TERM PROVISIONS		
- EMPLOYEE BENEFITS		
- Provision for Bonus	893,819	920,195
- Provision for Gratuity	5,197,758	3,714,392
Total	6,091,577	4,634,587



12. FIXED ASSETS-TANGIBLE FOR MARCH, 2016

Amount in Rs.

Description	Gross Block-Cost/Book Value					Depreciation / Amortisation				Net Block		
	Total as at 01.04.2015	addition/ Adjustment during the Year	Deduction/ Adjustment during the year on account of change in Company's Act 2013	Impairment/ (Reversal) during the Year	Total as at 31.03.2016	Total as at 01.04.2015	Provided during the Year	Deduction/ Adjustment during the year	Transfer to General Reserve	Total as at 31.03.2016	2015-16	2014-15
Land												
(a) Freehold	429,664,067	0	51,575	0	429,612,492	0	0	0	0	0	429,612,492	429,664,067
Leasehold	0	0	0	0	0	0	0	0	0	0	0	0
Buildings :-												
(a) Factory	19,128,756	0	21	0	19,128,735	18,827,414	0	0	0	18,827,414	301,321	301,342
(b) Others	34,085,422	0	0	0	34,085,422	8,845,079	1,251,705	0	0	10,096,784	23,988,638	25,240,343
Railway Sidings	0	0	0	0	0	0	0	0	0	0	0	0
Plant & Machinery	332,652,757	6,650,500	2,768,385	0	336,534,872	194,609,954	16,036,867	(1,305,880)	0	209,340,941	127,193,931	138,042,803
Vehicles	3,825,314	7,240	5	0	3,832,549	3,603,320	55,972	0	0	3,659,292	173,257	221,994
Office Equipments	2,221,100	0	5	0	2,221,095	2,061,954	117,367	0	0	2,179,321	41,774	159,146
Furniture & Fixtures	3,168,517	20,335	(61)	0	3,188,913	2,740,796	143,099	0	0	2,883,895	305,018	427,721
Ferry Right	1,098	0	0	0	1,098	0	0	0	0	0	1,098	1,098
Assets in course of erection	280,900	0	0	0	280,900	0	0	0	0	0	280,900	0
This Year Total	825,027,931	6,678,075	2,819,930	0	828,886,076	230,688,517	17,605,010	(1,305,880)	0	246,987,647	581,898,429	0
Previous Year	823,107,528	2,081,050	160,647	0	825,027,931	203,723,753	17,746,791	0	9,217,973	230,688,517	594,339,414	594,339,414
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. Depreciation / adjustment includes Rs. 9,217,973/- adjusted with retained earning and transferred to General Reserv related to assets whose remaining useful life was nil as on 1.4.2015 based on transitional provision of schedule II of the Companies Act, 2013.												
3. Land retained by the Company as per State Government Order No. 4572-1 ref dated 12 March, 1964												

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. Depreciation / adjustment includes Rs. 9,217,973/- adjusted with retained earning and transferred to General Reserve related to assets whose remaining useful life was nil as on 1.4.2015 based on transitional provision of schedule II of the Companies Act, 2013.

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

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31.03.2016

Amount in Rs.

Number	Face Value Per Unit	Particulars	As at 31.03.2016	As at 31.03.2015
		13. NON-CURRENT INVESTMENTS		
		Other Investments - Long Term		
		Valued at Cost unless otherwise stated		
		Equity Shares in Other Companies		
1,720,752 (1,720,752)	10	Quoted Khaitan Electricals Ltd (Company under the same Management)	82,376,331	82,376,331
19,300 (24,300)	10	Unquoted Naturewealth Development Corpn Ltd	193,000	243,000
44,980 (44,980)	10	The Oriental Mercantile Co Ltd	1,401,113	1,401,113
819,000 (1,294,000)	10	Khaitan Lefin Limited (Company under the same Management)	49,140,000	77,640,000
- (55,500)	10	Khaitan Hotels Pvt Ltd	-	3,330,000
3 (3)	100000	Quoted 11.5% Maharashtra Krishna Vally Dev. Corpn.	34,499	34,499
		Unquoted National Defence / Saving Certificates	7,100	7,100
		Total Investments	133,152,043	165,032,043
		Aggregate Value of Quoted Investments	82,410,830	82,410,830
		Unquoted Investments	50,741,213	82,621,213
		Market Value of Quoted Investments	71,187,594	49,678,194

Notes :

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

14. DEFERRED TAX

a) Net Deferred tax assets as on 31.03.2016 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 :

Amount in Rs.

	31.03.2016	31.03.2015
DEFERRED TAX ASSET / (LIABILITY)		
- DTA on account of brought forward losses	139,688,806	64,711,294
- DTL on account of Fixed Assets	7,733,060	19,210,321
- Deferred Tax Assets (Net)	131,955,746	45,500,973
Asset /(Liability) for the year	99,311,995	12,857,222

Amount in Rs.

	31.03.2016	31.03.2015
NON CURRENT ASSETS		
15. LONG TERM LOANS AND ADVANCES		
(Unsecured considered good)		
- Security Deposits	264,432	219,432
- Planned Asset (Leave Encashment)	379284	379,284
- Security Deposit against Rent & Others	-	600,000
Advance Income tax & FBT	44,636,010	48,712,656
Total	45,279,726	49,911,372



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Amount in Rs.

Particulars	31.03.2016	31.03.2015
16. OTHER NON CURRENT ASSETS (Unsecured considered good unless otherwise stated)		
-* Long Term Trade Receivables (Net)	23,656,803	24,339,455
- In Deposit Accounts/ Margin money	4,045,303	3,724,461
- Interest on Land Compensations	938,779	938,779
Total	28,640,885	29,002,695

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

Particulars	31.03.2016	31.03.2015
CURRENT ASSETS		
17. INVENTORIES (as certified by the Management) (At lower of cost /estimated cost or market value/realisable value)		
- Stores, Spares, Process Chemicals & Fuels	10,192,967	8,823,584
- Planted Trees	68,285,675	67,126,840
- Process Stock (Afforestation scheme)	2,486,018	2,216,958
- Process Stock of Standing Sugarcane	7,274,279	20,539,572
- Loose Tools	143,808	208,422
- Process stock (Sugar)	3,245,000	5,880,602
- Finished Goods	14,547,450	32,175,806
Total	106,175,197	136,971,784
18. TRADE RECEIVABLES		
-Trade receivable outstanding for a period exceeding 6 months		
Unsecured considered good	5,955,996	5,845,444
Doubtful debts	-	1,018,381
Less - Provision for doubtful Debts	-	(1,018,381)
-Other Trade receivable		
Unsecured considered good	-	1,033,413
Total	5,955,996	6,878,857
19. CASH AND BANK BALANCES		
Cash and Cash Equivalents		
- Cash in hand and as Imprest Cash	551,371	337,616
- Balance with Banks		
In Current Accounts	47,330	987,460
In Deposit Accounts/ Margin money	3,290,376	316,4601
In earmarked accounts (gratuity & superannuation scheme)	17,455	17,455
Total	3,906,532	4,507,132
20. SHORT TERM LOANS AND ADVANCES (Unsecured considered Good)		
- Loans and Advances to parties (Free of Interest)	5,994,396	5,994,395
- Prepaid expenses	201,218	172,616
- Advances to Employees	633,392	410,964
- Cane Advances	295,850	371,669
- Advance against expenses	673,544	320,164
- Balance with Govt Authorities		
Cenvat credit	155,018	152,640
Sales Tax Deposit/ Advance	1,374,286	1,344,079
Others (PF,ESI, etc.)	-	-
Total	9,327,704	8,766,527
21. OTHER CURRENT ASSETS		
- Others	70,935	101,364
- Interest Receivable	441,492	441,493
Total	512,427	542,857

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Amount in Rs.

Particulars	31.03.2016	31.03.2015
22 REVENUE FROM OPERATIONS		
- Sales of Products	62,536,578	232,647,119
- Sales of Services	30,993,839	40,727,791
Total	93,530,417	273,374,910
Less : Excise Duty	2,308,581	6,877,339
Net Sales	91,221,836	266,497,571
DETAILS OF REVENUE FROM OPERATIONS		
Sales of products comprises		
Manufactured goods		
Sugar	23,915,625	156,386,715
Sugar cane	12,814,524	42,393,628
Molasses	16,437,434	21,959,736
Others Corp Sale	9,368,995	11,907,040
Sale of Services	30,993,839	40,727,791
Total	93,530,417	273,374,910
23 OTHER INCOME		
Interest Income	1,377,250	13,35,515
Other Non-operating Income	4,040,950	3,181,427
Profit on sale of Assets	1,139,953	3,244,390
Lease Rent Agriculture	80,002	21,149
Total	6,638,155	7,782,481
DETAILS OF OTHER NON OPERATING INCOME		
Liability no longer required written back	589,420	464,047
Adjustment relating to earlier years	-	49,379
Implement & Trallier hire charges realised	62,315	227,737
Rent Receipt	2,006,218	2,330,656
Profit on Sale of Investment	1,340,400	-
Miscellaneous Income	42,597	109,608
Total other non operating Income	4,040,950	3,181,427
24. COST OF MATERIAL CONSUMED		
Raw & Process Materials Consumed	29,353,276	149,530,624
Power & Fuel	5,794,712	10,446,464
Stores, Spares, Chemicals & Packing Materials Consumed	3,551,194	10,071,463
Total	38,699,182	170,048,551
25. CHANGES IN INVENTORIES OF FINISHED GOODS		
WORK IN PROGRESS AND STOCK IN TRADE		
Stock at Close - Process Standing sugar cane	68,285,675	67,126,840
Stock at Close - Process	3,245,000	5,880,603
Stock at Close - Finished	14,547,450	32,175,806
Total	86,078,125	105,183,249
Stock at Commencement - Process	73,007,443	71,727,360
Stock at Commencement - Finished	32,175,806	50,738,149
Total	105,183,249	122,465,509
Increase/(Decrease) in Stock (Before Excise)	(19,105,124)	(17,282,260)
Excise Duty*	(943,086)	308,709
Increase/(Decrease) in Stock	(18,162,038)	(17,590,969)
26. OTHER MANUFACTURING EXPENSES		
Processing Charges	15,008,210	27,199,804
Repairs - Plant & Machinery	8,163,245	12,549,995
Repairs - Buildings	175,473	292,731
Total	23,346,928	40,042,530
* Excise Duty represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods		



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Amount in Rs.

Particulars	31.03.2016	31.03.2015
27. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus, Gratuity & Allowances	19,326,461	24,667,017
Contribution to Provident & Superannuation Fund	4,113,467	3,899,661
Staff Welfare Expenses	618,888	854,824
Total	24,058,816	29,421,502
28. FINANCE COST		
Interest Expenses on Term Loans	2,835,691	2,635,541
Interest Expenses on Overdrafts & Other Borrowings	43,109,518	44,180,663
Interest -Others	87,152	1,630,053
Total	46,032,361	48,446,257
29. OTHER EXPENSES		
Rent	506,400	505,800
Rates & Taxes	738,383	767,613
Insurance	102,201	146,891
Advertisement, Publicity & Sales Promotion	14,726	121,033
Travelling & Other Incidental Expenses	624,701	797,958
Office Maintenance	200,087	239,748
Vehicle Running & Maintenance	594,788	591,285
Printing & Stationery	170,937	296,185
Communication Expenses	166,245	248,296
Membership Subscription	19,000	19,000
Auditors Remuneration - As Auditors (Notes 30 & 30A)	105,993	105,080
Legal, Professional & Consultancy Charges	787,573	865,500
Directors' Sitting Fees	140,000	180,000
Filing Fees	260,459	22,385
Miscellaneous Expenses	147,278	318,138
Provision for Doubtful Debts	875,244	-
Bank Charges	63,546	80,993
Commission And Brokerage	-	450,316
Adjustments Related to Earlier Years	20,524	134,160
Total	5,538,085	5,890,381
30. AUDITORS REMUNERATION - AS AUDITORS		
- As Auditors	40,000	45,040
- For Tax Audit	-	11,260
-For Certification	17,033	-
Total	57,033	56,300
30A. AUDITORS REMUNERATION - AS OTHER AUDITORS		
- Payment to Secretarial Audit	17,175	15,000
- Payment to Internal Audit	16,785	18,780
- Payment to Cost Auditors	15,000	15,000
Total	48,960	48,780
31. CONTINGENT LIABILITIES, NOT PROVIDED FOR, IN RESPECT OF:		
i) Guarantee/Sureties given by the Company for its Business Associates	3,250,000	3,250,000
ii) Counter Guarantee against Guarantees given by the bank to various authorities	2,728,172	2,728,172
iii) Estimated liabilities for Sales Tax relating to earlier years	9,487,225	9,487,225
iv) Income tax matters for earlier years (under appeals)	31,600,270	22,921,244

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars		Total	
		For this year ended 2015-16	For this year ended 2014-15
32. EARNING PER SHARE (EPS)			
I Net Profit as per Profit/(Loss) and Loss Account available for Equity Shareholders	Rs.	(75,583,429)	(55,871,814)
II Weighted average number of equity shares for Earnings Per Share Computation			
A. For Basic Earnings Per Share of Rs 10 each	Nos	4,750,000	4,750,000
B For Diluted Earnings Per Share of Rs 10 each:			
No. of Shares for Basic EPS as per IIA	Nos	4,750,000	4,750,000
Add: Weighted Average outstanding option/ Shares related to FCCB	Nos	-	-
No. of Shares for Diluted Earnings Per Share of Rs 10 each	Nos	4,750,000	4,750,000
III Earnings Per Share (Weighted Average)			
Basic	Rs.	(15.91)	(11.76)
Diluted	Rs.	(15.91)	(11.76)

33. SEGMENT REPORTING
(A) Primary Segment Information

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

Rs. in Lacs

Particulars	Unallocated Corp		Marketing Division		Sugar Division		Agriculture Division		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
REVENUE										
Sales & Operating Income	-	-	309.94	407.28	380.44	1,714.69	221.84	543.01	912.22	2,664.98
Other Income	33.42	23.25	-	9.17	19.79	9.79	13.17	35.61	66.38	77.82
Increase/(Decrease) in Stock	-	-	-	-	(193.21)	(190.30)	11.59	17.48	(181.62)	(172.82)
TOTAL REVENUE	33.42	23.25	309.94	416.45	207.03	1,534.17	246.60	596.10	796.98	2,569.98
RESULTS										
PROFIT BEFORE INTEREST DEPRECIATION & TAXATION	20.42	12.19	283.93	407.49	(320.56)	(4212.79)	(108.24)	115.97	(119.45)	112.86
Less :										
a) Depreciation	(9.85)	(9.85)	(2.67)	(2.92)	(161.97)	(163.00)	(1.57)	(1.69)	(176.05)	(177.47)
b) Interest	(72.51)	(63.73)	(305.71)	(338.17)	(82.11)	(82.56)	-	-	(460.32)	(484.46)
TOTAL PROFIT BEFORE TAX	(61.94)	(61.39)	(19.44)	66.39	(564.63)	(668.35)	(109.81)	114.28	(755.82)	549.07
Less :										
a) Provision for Taxation	-	-	-	-	-	-	-	-	-	-
b) Provision for Deferred Tax	-	-	-	-	-	-	-	-	-	-
PROFIT AFTER TAX	(61.94)	(61.39)	(19.44)	66.39	(564.63)	(668.35)	(109.81)	114.28	(755.82)	549.07
CAPITAL EMPLOYED										
SEGMENT ASSETS	1,571.31	1,899.25	745.39	806.07	1,851.08	2,145.13	4,980.72	5,109.06	9,148.50	9,959.52
SEGMENT LIABILITIES			2,925.00	003.41	2,071.99	2,182.08	4,100.11	4,039.22	9,097.10	9,224.71
TOTAL CAPITAL EMPLOYED	1,571.31	1,899.25	(2,179.61)	(2,197.34)	(220.91)	(36.95)	880.61	1,069.84	51.40	734.81

(B) Secondary Segment Information

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

(C) Other Discloser

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

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

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



NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

34. TRANSACTION WITH RELATED PARTIES

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

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

Rs. in Lacs

B) Nature of Transaction	Key Management Personnel & Relatives (A)		Associates (B)		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Remuneration	8.87	7.06			8.87	7.06
Sitting Fees	0.15	0.15			0.15	0.15
Residential Accommodation	3.00	3.00	-	1.80	3.00	4.80
Purchase	-	-	-	17.71	-	17.71
Royalty Received	-	-	309.94	407.28	309.94	407.28
Interest Paid			378.22	363.01	378.22	363.01
Loan Taken			551.69	295.30	551.69	295.30
Loan Paid	-	-	618.00	897.48	618.00	897.48

C) Outstanding as on 31st March, 2016

Rs. in Lacs

Related Party	Nature of Due	Balance as on 31st March, 2016 (Rs.in lacs)	Balance as on 31st March, 2015 (Rs.in lacs)
Khaitan Electricals Limited	Loan Payable	1,023.86	1232.03
The Oriental Mercantile Co. Ltd.	Loan Payable	1746.65	1532.28
Seth Chiranjilal Khaitan Trust	Rent Payable	0.90	2.02
Khaitan Lefin Ltd.	Rent Payable	8.09	-
Khaitan Lefin Ltd.	Loan Payable	-	92.30

35. DISCLOSURE OF EMPLOYEE BENEFITS IS AS UNDER:-

ii. Defined Benefit Plan:

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

Any assets resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The amount recognized in the profit and loss account for the year ended 31st March, 2016 in respect of Employees Benefit Schemes based on actuarial reports as on 31st March 2016 as follows:-

iii. Expenses recognized during the year:

(Amount in Rs.)

	Gratuity (Funded)		Leave Encashment (Funded)	
	2015-16	2014-15	2015-16	2014-15
1. Current Service Cost	342,785	374,031	17,813	28,739
2. Interest Cost	670,868	722,236	36,123	30,480
3. Expected Return on Plan Assets	(259,671)	(259,671)	(67,156)	(67,156)
4. Net actuarial (gain) / Loss recognized in the year	(1,205,112)	(147,357)	(163,461)	129,426
5. Expenses recognized during the year	(451,130)	689,239	(176,681)	121,489

iv. Change in Present Value of Defined Benefit

	Gratuity (Funded)		Leave Encashment (Funded)	
	2015-16	2014-15	2015-16	2014-15
1. Present Value of Defined Benefit Obligation at the Beginning of the year	8,546,087	8,024,848	460,161	338,672
2. Interest Cost	670,868	722,236	36,123	30,480
3. Current Service Cost	342,785	374,031	17,813	28,739
4. Benefits Paid				
5. Actuarial Gain (Losses)	(1,464,783)	(407,028)	(230,617)	62,270
6. Present Value of Obligation at the end of the year	7,967,957	8,546,087	283,480	460,161

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016
v. Change in Fair Value of Plan Assets during

Amount in Rs.

	Gratuity (Funded)		Leave Encashment (Funded)	
	2015-16	2014-15	2015-16	2014-15
1. Plan Assets at the Beginning of the year	3,245,886	3,245,886	839,446	839,446
2. Expected Return on Plan Assets	259,671	259,671	67,156	67,156
3. Actual Company Contribution				
4. Actual Benefits Paid				
5. Actuarial Gains/(Losses)	(259,671)	(259,671)	(67,156)	(67,156)
6. Plan Assets at the end of the year	3,245,886	3,245,886	839,446	839,446

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

Amount in Rs.

	Gratuity (Funded)		Leave Encashment (Funded)	
	2015-16	2014-15	2015-16	2014-15
1. Present Value of Defined Benefit Obligation	7,967,957	8,546,087	283,480	460,161
2. Fair Value on Plan Assets	3,245,886	3,245,886	839,446	839,446
3. Funded Status (Surplus/(deficit))	(4,722,071)	(5,300,201)	555,966	379,285
4. Net Asset/(Liability) recognized in Balance Sheet	(4,722,071)	(5,300,201)	555,996	379,285

vii. Actuarial Assumptions

Amount in Rs.

	Gratuity (Funded)		Leave Encashment (Funded)	
	2015-16	2014-15	2015-16	2014-15
1. Discount Rate (per annum)	7.59%	7.85%	7.59%	7.85%
2. Salary Increases	5%	5%	5%	5%
3. Retirement / Super-Annuation Age	58	58	58	58

viii) Major Category of Plan Assets as a % of the Total Plan Assets as at 31st March, 2016:

Particulars	2015-16	2014-15
1. Administered by Life Insurance Corporation of India	1	1

ix. Basis of estimates of rate of escalation in salary.

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

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

B-3, 8th Floor, Saltee Spacio
1, Mall Road,
Kolkata-700080
The 6th June, 2016

For OP SHARMA & ASSOCIATES
Chartered Accountants

Registration No 500128 N

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

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

S Bafna
Executive Director
(DIN 00127781)

Sunil K Khaitan
Chairman
(DIN 00127698)



Dear Shareholder,

Date. 6th, June 2016

Sub:- Registration of e-mail address

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

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

For KHAITAN (INDIA) LTD.

Mrs. Sulekha Dutta

Company Secretary

E-MAIL 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 to 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 79th ANNUAL GENERAL MEETING of the Company, to be held on Wednesday 28th September, 2016 at 11:00 a.m. at Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, Kolkata-700017.

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

Resolutions	Optional	
	For	Against
1. To receive, consider and adopt Audited Statement of Profit and Loss of the Company for the period 01.04.2015 to 31.03.2016 and the audited Balance Sheet as at 31.03.2016 together with Directors' Report and Auditors' Report		
2. To Re-appoint Sri Sunil Krishna Khaitan, who retires by rotation		
3. To Re-appoint Mrs Sulekha Dutta who retires by rotation		
4. To Re-appoint Auditors and fix their remuneration		
5. To appoint Mr. Anil Kumar Jain as Director		

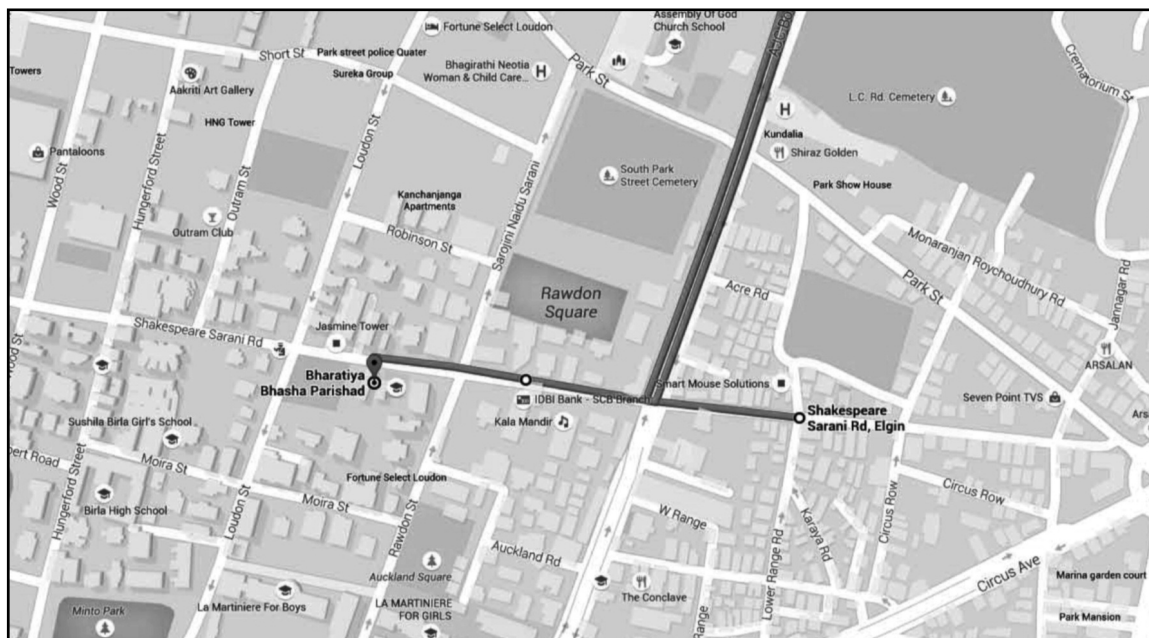
Signed this.....day of.....2016
Signature of the Shareholder

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

Affix
Re.1/-
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting
2. A proxy need not be a member of the Company
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder
4. ** This is only optional. Please put a "x" in the appropriate column against the resolutions indicated in the Box. If you leave the "For" or "Against" Column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner he/she thinks appropriate
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes
6. In the case of joint holders, the signature of any one of the holder will be sufficient, but names of all the joint holders should be stated



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



PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. JOINT SHAREHOLDERS MAY OBTAIN ADDITIONAL SLIP AT THE VENUE OF THE MEETING

DP Id*	
Client Id*	

Folio No.	
No. of Shares	

NAME OF THE MEMBER/MEMBERS (In Block Letters)

NAME AND ADDRESS OF THE PROXY

I hereby record my presence at the 79th ANNUAL GENERAL MEETING of the Company to be held at 11:00 a.m. on Wednesday, September 28th, 2016 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)