



**khaitan** (India) Limited

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**Annual Report 2014-15**





## NOTICE

### TO THE SHAREHOLDERS

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

### ORDINARY BUSINESS

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

### SPECIAL BUSINESS

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

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

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



### NOTES

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

**NOTES (Cont.)**

12. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Meeting is annexed hereto.
13. Members, desiring any information about the proposed resolutions are requested to write to the company, at least 10 days in advance of the Annual General Meeting to facilitate compilation thereof.
14. The two Directors liable to retire in the ensuing AGM are Mr. Sunil Krishna Khaitan (DIN 00127698) and Mr. Surendra Bana.
15. Voting through Electronic means (E-Voting)

- I. In terms of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rule, 2014, and pursuant to Clause 35 B of the listing Agreement, the Company has engaged the services of CDSL to provide the facility of electronic voting ('e-voting') in respect of the Resolutions proposed at this AGM. The Company is pleased to offer E-voting facility which will enable members to cast their votes electronically on the resolutions mentioned in the notice and the business may be transacted through E-voting services. The Board of Directors of the Company has appointed Mr. Navin Kothari of M/s N. K. & Associates, Company Secretaries as the Scrutinizer for this purpose.
- II. The instructions for shareholders voting electronically are as under :-
  - i) The voting period begins on Wednesday the 23/09/2015 at 9 A.M. and ends on Friday, the 25/09/2015 at 6 PM During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday the 23/09/2015 may cast their vote electronically. The E voting module shall be disabled by CDSL for voting thereafter.
  - ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- VIII. If you are a first time user follow the steps given below.

**For Members holding shares in Demat Form and Physical Form**

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

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



## NOTES (Cont.)

- XIV. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolutions details.
- XV. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- XVI. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- XVII. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- XVIII. If demat account holder has forgotten the same password then either the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XIX. Note for Institutional Shareholders:
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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](http://www.evotingindia.com) under help section or write and email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- III. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company of the Company as on the cut-off date of 23.09.2015.
- IV. The shareholders shall have one vote per equity share held by them as on the cut off date 23.09.2015. The facility of e-voting would be provided once for every folio/client ID, irrespective of number of joint holders.
- V. The Company has appointed Mr. Navin Kothari of M/s N. K. & Associates, Company Secretary, as the scrutinizer for conducting the e-voting process in the fair and transparent manner.
- VI. The Scrutiniser shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- VII. The Results declared alongwith the Scrutiniser's Report shall be placed on the Company's website [www.khaitanindia.com](http://www.khaitanindia.com) and on the website of CDSL immediately after the declaration of result by the Chairperson of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.
- VIII. The scrutiniser's decision on the validity of e-voting will be final.

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

### Item No. 4

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

### Item No. 5

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

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

**ANNEXURE A**

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

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



## DIRECTORS' REPORT INCLUDING MANAGEMENT DISCUSSION & ANALYSIS REPORT

### TO THE MEMBERS KHAITAN (INDIA) LIMITED

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

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

### DIVIDEND

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

### MANAGEMENT DISCUSSION & ANALYSIS REPORT OPERATIONS

Performance of all the Divisions are as under:-

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

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

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

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

### Agriculture Division:

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

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

### INDUSTRIAL STRUCTURE

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

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

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

### WHISTLE BLOWER POLICY:

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

### DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

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

**DIRECTORS' REPORT**

INCLUDING MANAGEMENT DISCUSSION &amp; ANALYSIS REPORT (Contd.)

**DIRECTORS AND COMMITTEES**

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

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

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

**BOARD EVALUATION**

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

**REMUNERATION RATIO OF THE DIRECTORS / KEY 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**

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

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

**MEETINGS**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

**RELATED PARTY 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 Risk and Audit Committee as also the Board for approval.

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

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR OR COURTS**

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





## **DIRECTORS' REPORT**

INCLUDING MANAGEMENT DISCUSSION & ANALYSIS AT REPORT (Contd.)

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

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

### **SECRETARIAL AUDITORS**

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

### **INTERNAL AUDITORS**

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

### **COST AUDITORS**

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

### **CHANGE IN DIRECTORS AND KEY MANAGERIALS PERSONNEL**

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

### **CORPORATE GOVERNANCE REPORT**

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

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGOING**

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

### **EXTRACT OF ANNUAL RETURN**

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

### **PARTICULARS OF EMPLOYEES**

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

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

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

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

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

### **IMPAIRMENT OF ASSETS**

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

### **FINANCIAL VIABILITY OF COMPANY**

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

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

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

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

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

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

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

### **ACKNOWLEDGEMENTS**

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

For and on behalf of the Board

Sunil K. Khaitan, Chairman  
(DIN 00127698)

Kolkata  
The 29th May, 2015



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

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31 st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
3. (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
- (vi) OTHER APPLICABLE ACTS,
  - Factories Act, 1948
  - The Payment of Wages Act, 1936, and rules made thereunder,
  - The Minimum Wages Act, 1948, and rules made thereunder
  - The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
  - The Payment of Gratuity Act, 1972
  - The Employees Compensation Act, 1923
  - The Environment (Protection) Act, 1986
  - The Water (Prevention and Control of Pollution) Act, 1974
  - The Air (Prevention and Control of Pollution) Act, 1981
  - Boiler Act, 1923
  - Industrial Disputes Act 1947
  - The Payment of Bonus Act. 1965
  - The industrial Employment (Standing Orders) Act, 1946

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

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

I further report that,

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

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

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

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

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

Place: Kolkata

Date: 29.05.2015

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

For N.K & Associates, Company Secretaries

Navin Kothari, Proprietor, FCS No. 5935, C P No.: 3725



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Annexure "A"

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

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

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

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

Place: Kolkata  
Date: 25.05.2015

