

ANNUAL  
REPORT  
2016-17



**khaitan** (India) Limited

## Contents

---

Notice	2	Directors' Report	7	Report on Corporate Governance	19
Auditors' Report	24	Balance Sheet	28	Profit & Loss Account	28
Cash Flow Statement	29	Notes on Accounts	30		



**khaitan** (India) Limited

Regd. Office : 46C, J. L. Nehru Road, Kolkata 700 071

Phone : (033) 2288 8391, 4050 5000, Fax : 91 33 2288 3961

**BOARD OF DIRECTORS**

SUNAY K. KHAITAN

A. K. KEDIA

ANIL KUMAR JAIN

Mrs SULEKHA DUTTA, Director-cum-Company Secretary

**AUDITORS**

O P SHARMA & ASSOCIATES

Chartered Accountants

**COST AUDITORS**

A. B. & CO.

**BANKERS**

IDBI BANK LTD.

BANK OF BARODA

**SUGAR & AGRICULTURE DIVISIONS**

**Office :**

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

Phone : (033) 2288 8391, 4050 5000,

Fax : 91 33 2288 3961

**Sugar Mill :**

Khaitan Nagar 741 157

Plassey (Nadia), West Bengal

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

**Agriculture Division :**

Ramnagar 742 163

(Murshidabad), West Bengal

Phone : (03482) 244244



## NOTICE

### TO THE SHAREHOLDERS

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

#### ORDINARY BUSINESS:

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

#### SPECIAL BUSINESS

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

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

By Order of the Board of Directors  
For Khaitan (INDIA) Limited  
Sulekha Dutta  
Director-cum-Company Secretary

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF/ITSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument of Proxy should be deposited at the Registered Office of the Company, not later than 48 hours before commencement of the Meeting.
2. Pursuant to provisions of Section 105 of the Companies Act, 2013, read with the applicable rules thereon, a person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy, who shall not act as a proxy for any other member.
3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
4. Members/Proxies should fill in and sign the attendance slips and deposit at the entrance of Meeting Hall, before attending the Meeting.
5. Only bonafide members of the Company whose names appear on the Register of Members/Proxyholders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its rights to take all steps as may be deemed necessary to restrict non-members from attending the meeting.  
The notice of the Annual General Meeting is being sent to the members, whose names appear in the register of members / depositories as at closing hours of business on Friday 25th August, 2017
6. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday 19th September, 2017 to Tuesday 26th September, 2017 (both days inclusive).
7. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination Form SH-13 prescribed by the Government can be obtained from the share Transfer Registrar M/s Maheshwari Datamatics Pvt Ltd 23, R N Mukherjee Road, 5th Floor, Kolkata - 700 001.
8. The Registers under the Companies Act, 2013 is available for inspection at the Office of the Company at 46C, J.L.Road Kolkata-700071 during business hours between 11.00 a.m. to 1.00 p.m. except on holidays.
9. Members are requested to bring their copy of the Annual Report to the Meeting.
10. Pursuant to Section 101 and Section 136 of the Companies Act 2013 read with relevant Companies (Management and Administration Rules), 2014 companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to M/s Maheshwari Datamatics Pvt. Ltd. Members holding shares in Demat form are requested to register/update their e-mail address with their Depository Participant(s) directly. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
11. All documents referred to in the accompanying Notice shall open for inspection at office of the Company at 46C, J.L. Nehru Road, Kolkata-700071 during the business hours between 11.00 a.m. to 1.00 p.m. except on holidays, upto and including the date of the Annual General Meeting of the Company.
12. Members, desiring any information about the proposed resolution are requested to write to the company, at least 10 days in advance of the Annual General Meeting to facilitate compilation thereof.
13. The Director liable to retire in the ensuing AGM Mrs. Sulekha Dutta (DIN 07114240). Mrs. Sulekha Dutta aged 43 years (D.O.B. 21.08.1974) is a qualified Company Secretary. She is also Director in M/s Riga Sugars Ltd.. Her appointment will be beneficial to the company.
14. Voting through Electronic means (E-Voting)
  - I. In terms of Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rule, 2014, and pursuant to Clause 35 B of the listing Agreement, the Company has engaged the services of CDSL to provide the facility of electronic voting ('e-voting') in respect of the Resolutions proposed at this AGM. The Company is pleased to offer E-voting facility which will enable members to cast their votes electronically on the resolutions mentioned in the notice and the business may be transacted through E-voting services. The Board of Directors of the Company has appointed Mr. Amit Choraria, proprietor M/s Amit Choraria & Associates, Chartered Accountants, Membership No. 066838 as the Scrutinizer for this purpose.
  - II. The instructions for shareholders voting electronically are as under :-
    - i) The voting period begins on Saturday 23rd September, 2017 and ends on Monday 25th September, 2017 at 5.00 P.M. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19.09.2017 may cast their vote electronically. The E voting module shall be disabled by CDSL for voting thereafter.
    - ii) The shareholders should log on to the e-voting website [www.evotingindia.com](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.



## NOTES (Cont.)

- IX. After entering these details appropriately, click on "SUBMIT" tab.
- X. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will not reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- XI. For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XII. Click on the EVSN for the relevant "KHAITAN (INDIA) LIMITED" on which you choose to vote.
- XIII. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the resolution.
- XIV. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolutions details.
- XV. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm 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).
- XXI. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 19.09.2017.
- XXII. The shareholders shall have one vote per equity share held by them as on the cut-off date 19.09.2017. The facility of e-voting would be provided once for every folio/client ID, irrespective of number of joint holders.
- XXIII. The Company has appointed Mr. Amit Choraria, proprietor M/s Amit Choraria & Co., Chartered Accountants, Membership No. 066838 as the Scrutinizer for this purpose for conducting the e-voting process in the fair and transparent manner.
- XXIV. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- XXV. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.khaitansugar.com](http://www.khaitansugar.com) and on the website of CDSL immediately after the declaration of result by the Chairperson of the Company and communicated to the National Stock Exchange of India Limited and BSE Limited.
- XXVI. The scrutinizer's decision on the validity of e-voting will be final.

### Annexure to the Notice

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

##### Item Nos. 4 and 5

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

#### A. Term and Termination

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

#### B. Duties & Powers

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

#### C. Remuneration

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

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

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

#### III. Perquisites:

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

**NOTES (Cont.)**
**CATEGORY I**

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

**CATEGORY II**

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

**CATEGORY III (Not to be considered as Perquisites)**

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

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

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

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

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

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

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

**I. GENERAL INFORMATION**

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

**4. Financial Performance based on given indicators**

Rs. in lakhs

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

**5. Export performance and net foreign Exchange Collaborations.**

Rs. in lakhs

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

6. Foreign Investment or collaborations, if any - NIL

**II. INFORMATION ABOUT THE APPOINTEE:**

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

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

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

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

3. Recognition and awards: Nil

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



## NOTES (Cont.)

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

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

### Item Nos. 6

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

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

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

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

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

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

### Item No. 7

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

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

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

## ANNEXURE A

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

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

### LIST OF DIRECTORSHIP OF MR. RAWAN KUMAR JAJODIA AS ON 31.03.2017

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



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

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

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

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

**DIVIDEND**

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

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**  
**OPERATIONS**

Performance of all the Divisions are as under:-

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

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

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

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

**Agriculture Division:**

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

**INDUSTRIAL STRUCTURE**

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

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

**Human Resources:** The Company believes that its employees are a vital resource in the current business environment. The Company is enjoying good and congenial industrial relations at all the Divisions of the Company. As on 31st March, 2017 the total permanent employees were 29 Nos.

**WHISTLE BLOWER POLICY:**

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

**DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

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

**DIRECTORS AND COMMITTEES**

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



## DIRECTORS' REPORT

### INCLUDING MANAGEMENT DISCUSSION & ANALYSIS REPORT

#### BOARD EVALUATION

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

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

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

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

#### REMUNERATION POLICY

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

#### MEETINGS

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

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

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

#### RELATED PARTY TRANSACTIONS

There were no contracts or arrangements entered into by the company in accordance with the provisions of Section 188 of the Companies Act, 2013. However, there were no material related party transactions in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2016. All material related party transactions that were entered into during the financial year were on an arm length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the company with promoters, Directors, Key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

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

#### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

#### DEPOSITS

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

#### AUDITORS

##### STATUTORY AUDITORS

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

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

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

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

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