



khaitan (India) Limited
Annual Report 2018-19

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khaitan (India) Limited

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

Phone: (033) 2288 8391, 4050 5000

E-mail: kilsugar@gmail.com website: www.khaitansugar.in.

BOARD OF DIRECTORS

SUNAY KRISHNA KHAITAN (DIN: 07585070)

SANDIP CHATTERJEE (DIN: 06875010)

SUJATA SARKAR (DIN: 07114240)

CHIEF FINANCIAL OFFICER

SWAPAN KUMAR DAS

COMPANY SECRETARY

PRADIP HALDER

AUDITORS

V.K. TULSYAN & CO. LLP

CHARTERED ACCOUNTANTS

COST AUDITORS

A.B. & CO.

COST ACCOUNTANTS

BANKERS

IDBI BANK LTD.

BANK OF BARODA

SUGAR & AGRICULTURE DIVISIONS OFFICE:

46 C, J. L. NEHRU ROAD, KOLKATA 700 071

PHONE: (033) 2288 8391, 4050 5000,

SUGAR MILL:

KHAITAN NAGAR 741 157

PLASSEY (NADIA), WEST BENGAL

PHONE: (03474) 262345/6/7, FAX: 03474-262348

AGRICULTURAL DIVISION:

RAMNAGAR 742 163

(MURSHIDABAD), WEST BENGAL

PHONE: (03482) 244244



NOTICE

TO THE SHAREHOLDERS

Notice is hereby given that the 82nd Annual General Meeting of the members of Khaitan (India) Limited will be held at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, 4th Floor, Kolkata- 700 017 on Friday, 27th September 2019 at 11.00 A.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 March 31, 2019, together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunay Krishna Khaitan (DIN: 07585070), who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to the provision of Section 139, 142 and other applicable provision, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and pursuant to the resolution passed by the Members at the 80th Annual General Meeting, appointing M/s. V.K.Tulsyan & Co. LLP Chartered Accountants, Kolkata (FRN 326740E/E300015) as Statutory Auditors of the Company to hold office until the conclusion of the 85th Annual General Meeting Company, the company hereby ratifies and confirms the appointment of M/s. V.K.Tulsyan & Co. LLP Chartered Accountants, Kolkata as Statutory Auditors of the Company for the Financial Year Ended 31st March, 2020, 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".

"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."

SPECIAL BUSINESS

4. To pass following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provision 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) or re-enactments(s) thereof, for the time being in force), the Cost Auditors M/s. AB & Company remuneration of Rs. 15000/- plus applicable Goods & Service Tax, for the cost records of the company for the financial year ending 31st March, 2020 be ratified."

By the order of the Board
Sunay Krishna. Khaitan
(DIN: 07585070)
(Whole time Director)

Place: Kolkata

Date: The 13th August, 2019

NOTES:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the Annual General Meeting ("Meeting") is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll instead of him/her. The proxy so appointed need not be a member of the Company. The proxy form duly completed should be deposited at the registered office of the Company not less than forty – eight hours before the commencement of the meeting.
3. Pursuant to the provisions of Section 105 of the Companies Act, 2013 and rules framed there under, a person can act as a proxy on behalf of a members not exceeding 50 (Fifty) and holding in aggregate not more than 10% of the total share capital of the company carrying voting rights. Also, a member holding more the 10% of the total share capital of the company carrying voting rights, may appoint a single person as a proxy provided that such a person shall not act as a proxy for any other member of person.
4. The Member/Proxies should bring the Attendance Slip sent herewith duly filled for attending the Meeting.
5. Members holding shares in physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form SH-13 described by the Government can be obtained from the Share Transfer Registrar viz, Maheshwari Datamatics Pvt. Ltd. at 23, R. N. Mukherjee Road, 5th Floor, Kolkata-700001. The members are also requested to inform the following additional information to the Registrar and Transfer Agents viz, Maheshwari Datamatics Pvt. Ltd. at 23, R. N. Mukherjee Road, 5th Floor, Kolkata -700001: a. Email id b. PAN No. c. Unique Identification No. d. Mother's Name. e. Occupation, f In case of a minor (Guardian's Name and date of birth of the Member) g. CIN (In case the member is a body corporate)
6. All the registers and relevant documents referred to in the accompanying explanatory statement are open to inspection at the Registered Office of the Company on all working days except holidays between 11.00 A.M. to 1.00 P.M. up to the date of Annual General Meeting .
7. Members are requested to bring their copy of the Annual Report to the meeting.
8. The Register of Directors and Key Managerial Personnel (KMPs) and their share holding maintained under Section 170 of Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested maintained under section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding Shares in electronic form are, therefore, requested to submit the PAN details to their Depository Participants with whom they are demat account. Members holding Shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents.
10. Distribution of Fifts: In conformity with regulatory requirements, the Company will NOT be distributing any gift coupons or cash in lieu of gifts at the AGM or in connection therewith.
11. Members desirous of obtaining any relevant information with regard to the accounts of the Company at the meeting are requested to send their requests to the Company at least 10 (ten) days before the date of Meeting, so as to enable the Company to keep the information ready.
12. Electronic copy of the notice of the 82nd Annual General Meeting (AGM) inter alia including the process and manner for e-voting along with proxy form and attendance slip will be sent to the members whose email-id is registered with the Company Depository Participant for communication purposes. However, the members who have not registered their email address shall be furnished with physical copy of the same in permitted mode.

NOTES: (cont.)

13. Shareholders are requested to affix signatures at the space provided on the Attendance Slip and DP. ID for easy identification of attendance at the meeting.
14. Shareholders who hold shares in dematerialized form are requested to bring their client ID and DP for easy identification of attendance at the meeting.
15. Corporate shareholders intending to send their authorized representatives are requested to serve a duly certified copy of the Board's Resolution authorizing their representatives to attend and vote at the AGM.
16. Shareholders are requested to notify immediately any change in their address to the Company Registrar and Transfer Agents viz Maheshwari Datamatics Private Limited at 23, R.N. Mukherjee Road, 5th Floor, Kolkate-700001, E-Mail: mdpldc@yahoo.com
17. Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Book of the Company shall remain Closed from Friday, 20th September, 2019, to Friday, 27th September, 2019 (both days inclusive)
18. A member can opt for only one mode of voting i.e. either in person or through proxy at the meeting e-voting. If a member casts votes by both the modes, then voting done through e-voting shall prevail and voting through other means shall be treated as invalid.
19. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business on 30th August, 2019
20. Voting through electronic means (E-Voting)
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company has engaged the services of CDSL to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting by electronic means and the business may be transacted through e-voting Services. The facility of casting the vote by the members using an electronic voting system from a place other than venue of the AGM, remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL). 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 the purpose.
 - II. The facility for voting through ballot paper shall be available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be also to exercise their right at the meeting through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the AGM but shall not be entitled to cast vote again.
 - IV. The remote e-voting period commences on Tuesday, 24th September, 2019 (9.00 a.m.) and ends on Tuesday, 26th September, 2019 (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 on 19th September, 2019 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - V. The process and manner for remote e-voting are as under:
 - i) The Shareholders should log on to the e-voting website www.evotingindia.com during the voting period
 - ii) Click on "Shareholders" tab
 - iii) Now select the Company name "KHAITAN (INDIA) LIMITED" from the drop down menu and click on SUBMIT.
 - iv) 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 Click on Login
 - VII If you are holding shares in demat form and had logged on www.evotingindia.com and vote 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 Department (Applicable for both demat share holder 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 characters as First 2 characters of the First Holder Name followed by 8 characters consisting of Folio Number prefix by "0" (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: Mr. V.N.Swami and Folio Number is S/0245, the PAN will be VN000S0245 M/s. 4-square Company Ltd and Folio Number is C0052 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 DOB or Bank Account Number in order to Login. If both the details are not record with the depository or company then enter the member ID/ Folio Number in the Dividend Bank details. Enter the DOB or Bank Account Number in order to Login. If both the details are not recorded with the depository or company then enter the member ID/ Folio Number 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 resolution 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 "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- XV After selection the Resolution if 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 Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XIX Note of 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 they have to create a compliance user which should be created using the admin login and password. The Compliance user should 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. 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 an email to helpdesk.evoting@cdslindia.com or contact them at 18002005533.
- XX Institutional Members/ Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at kilsugar@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com on or before 19.09.2019 without which the vote shall not be treated as valid.
- XXI The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19.09.2019.
- XXII Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 19.09.2019 may obtain the login ID and Password by sending a request at www.evotingindia.com or Issuer/RTA.
- XXIII A member may participate in the AGM even after exercising his right to vote through remote voting but shall not be allowed to vote again at the AGM.
- XXIV A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility for remote e-voting as well as voting at the AGM through ballot paper.
- XXV Mr. Amit Choraria, proprietor M/s. Amit Choraria, & Co. Chartered Accountants, Membership No. 066838 has been appointed as the Scrutinizer for the remote e-voting process as well as voting through ballot paper at the AGM in a fair and transparent manner.
- XXVI The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow with the assistance of the scrutinizer, by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XXVII The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, no later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes casting favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XXVIII The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.khaitansugar.in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing.
- XXIX The Results shall also be simultaneously forwarded to the Stock Exchanges.
- XXX The Scrutinizer's decision on the validity of e-voting will be final.

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

The following explanatory Statement of pursuant to provision of Section 102 of the Companies Act, 2013 (including any statutory modification(s) thereto or re-enactment(s) thereof for the time being in force), sets out all material facts relating to the business items of the accompanying Notice.

ITEM NO: 4

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 31.03.2020 at a remuneration of Rs 15,000/- (inclusive of reimbursement of out of pocket expenses) plus applicable Goods & Service Tax.

In terms of 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 number 4 of the notice for ratification of the same. None of the Directors, Key Managerial personnel and their relatives are, in any way concerned or interested on the said resolution.

Details of Directors Proposed to be appointed / re-appointed at the Annual General Meeting

Pursuant to Regulation 36(3) of Securities & Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, the details of the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting are provided as under:-

Name of Director	SUNAY KRISHNA KHAITAN
Date of Birth (Age in years)	09/12/1991 (27)
Date of Appointment	12/11/2016
Expertise in specific functional area (Experience in years)	3 years in Marketing of Fans and Electrical appliances.
Qualification	BSC. (Economics & Finance)
Shareholding in the Company (either personally or on beneficial basis)	292079
List of other Public Limited Companies in which Directorship held	1..Khaitan Lefin Limited
Chairman/Member of the Committees of the Board across all Public Companies in which he is a Director	NIL
Chairman/Member of the Committees of the Board of the Company	NONE
Disclosure of relationships between Directors inter-se and other Key Managerial Personnel	NIL
Terms and conditions of appointment / re-appointment	Reappointment pursuant to retire by rotation
Remuneration sought to be paid / last drawn	Details as per Annexure-VI of the Directors' Report
Number of Board Meetings attended during the year	7



DIRECTORS' REPORT

TO THE MEMBERS

KHAITAN (INDIA) LIMITED

SUMMARY OF FINANCIAL HIGHLIGHTS

Your Directors present their 82nd Annual Report together with the Audited Accounts for the year ended 31st March, 2019.

Rs. In Lacs

FINANCIAL RESULTS	2018 - 2019	2017 - 2018
Sales & Operating Income	10,025.14	7,907.95
Profit/(Loss) before Interest Depreciation Amortisation and Taxation	507.92	593.52
• Interest / Finance Cost	267.69	220.77
Profit/(Loss) before Depreciation and Taxation	240.22	372.75
• Depreciation	180.96	207.19
Profit/(Loss) before Taxation	59.26	165.56
• Taxation	0	0
Profit/(Loss) for the year from continuing operations	59.26	165.56
• Profit /(Loss) from discontinued operations	0	0
Profit for the year	59.26	165.56
• Other Comprehensive Income/(Loss)	-261.33	-635.10
Total Comprehensive Income /(Loss)	-202.07	-469.54
STATEMENT OF RETAINED EARNINGS		
At the beginning of the year	2332.44	2166.88
Add: Profit for the Year	59.26	165.56
At the end of year	2391.69	2332.44

INDIAN ACCOUNTING STANDARDS

The Financial Statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis. The ministry of corporate affairs (MCA), vide is notification in the official Gazette date February 16, 2015 notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS is applicable on the Company from 1st April, 2017.

SHARE CAPITAL

There was no change in the share capital of the company.

DIVIDEND AND TRANSFER TO RESERVE

The Company did not had sufficient profit and Board considered it prudent (with a view to conserve the resources for the Company's growth and expansion) not to recommend payment of any dividend on the Equity shares for the financial year under review. Further, Board of the company has decided not to transfer any sum to reserve.

ECONOMIC CLIMATE AND OUR PERFORMANCE

Marketing division of the company markets electrical products like fan, cooler, pumps etc. We report that the marketing division has contributed significantly to turnover of the company. We believe that the marketing division would perform better in the time to come and shall contribute significantly in profitability also.

During the year, company could not start operation of the sugar mill (seasonal) mainly due to paucity of fund to finance the working capital requirement and other direct and operational expenses. During the Financial Year 2017-2018, sugar mill started only at fag end of the sugar season and could operate only for 25 days with lots of disruption in between, with very low recovery.

The agricultural division was more or less stable.

CREDIT RATING

No credit rating during the financial year under review was received by the company.

SUSTAINABLE DEVELOPMENT AND ENVIROMENT

We consider sustainable development and environment protection as integral part of our management culture. There is renewed thrust of environment protection in current year wherein we have put special effort on plant protection on our agricultural land.

CASH FLOW ANALYSIS

In conformity of the provisions of Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the cash flow statement for the year ended 31.03.2019 is included in the financial accounts.

CORPORATE GOVERNANCE

As per SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 annexed to this report is Auditors' Certification on Corporate Governance forming part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review as stipulated under SEBI (Listing and Disclosure Requirements) Regulations, 2015 is attached.

DEPOSITS

The company has not accepted any deposit from public falling within the ambit of Section 73 of the Companies Act, 2013 and the Company's (Acceptance of Deposit) Rules, 2014

PARTICULARS OF LOAN AND GUARANTEE AND INVESTMENT

Details of Loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements and hence not repeated in directors report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the Company.

WHISTLE BLOWER POLICY

The company has a Whistle blower policy which is hosted on its website www.khaitansugar.in in compliance with the provisions of Section 177 (9) of the Act and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of Annual Return in Form MGT 9 is given in Annexure 'I'

DIRECTORS

There are 3 Directors on the Board out of which 2 are independent Director and 1 is Whole Time Director.

(i) CHANGE IN DIRECTORSHIP**(a) RESIGNATION**

Mr. Anil Kumar Jain (DIN 07524177) and independent Director of the company had resigned from the Board of the company with effect from 30.04.2018. The Board of Directors places on record his appreciation for his contribution in development of the company.

Mrs. Sulekha Dutta (DIN 07114240) Executive Director and Company Secretary, of the company has resigned from the Board of the company with effect from 09.07.2018. The Board of Directors place on record her appreciation for her contribution in development of the company.

(b) APPOINTMENT

Mr. Sandip Chattejee (DIN 06875010) was appointed as Additional Independent Director of the company with effect from 27.04.2018. He is commerce graduate with more than 22 years of experience in capital market. In the Annual General meeting dated 28.09.2018 his appointment as independent director was confirmed for a term up to 26th April, 2023.

Ms. Sujata Sarkar (DIN 08183535) was appointed as Additional Independent Director of the company with effect from 07.07.2018. Ms. Sujata Sarkar is a commerce graduate with more the 26 years of experience in capital market. In the Annual General meeting dated 28.09.2018 her appointment as independent director was confirmed for a term up to 6th July, 2023.

(c) RETIREMENT BY ROTATION

In accordance with the provisions of section 152 of the Companies Act, 2013 Mr. Sunay Krishna Khaitan (DIN: 07585070) retires by rotation and being eligible offers himself for reappointment.

(ii) BOARD AND COMMITTEES EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 the Board has carried out annual performance evaluation of its own performance, the directors individually as well as working of its Audit, Nomination & Remuneration and Shareholders Relationship Committee. The method of evaluation has been explained in Corporate Governance Report.

(iii) BOARD MEETING

The details of meeting of Board and its various committees are given in Corporate Governance Report forming part of the report.

(iv) DISQUALIFICATION OF DIRECTORS

None of the Directors are disqualified under section 164(2) of the Companies Act, 2013.

(v) INDEPENDENT DIRECTOR DECLARATION

All the Independent Directors have given their declaration confirming that they meet the criteria of independence in terms of section 149(6) of the Companies Act, 2013

(vi) COMMISSION

Executive Director and whole time Director were not in receipt of any commission from the company.

Executive Director and Whole time Director were not in receipt of any commission from the subsidiary.

KEY MANAGEMENT PERSONNEL**(I) APPOINTMENT**

Mr. Manoj Kumar Jain was appointed as Chief Financial Officer (CFO) with effect from 27.04.2018. He is a qualified Chartered Accountant and Company Secretary with more than 24 years of experience in Audit, Taxation, and Fund Raising. He holds the membership of the Institute of Chartered Accountants of India and Institute of Company Secretaries of India.

Mr. Manoj Kumar Jain was appointed as Company Secretary with effect from 07.07.2018 due to resignation of Mrs. Sulekha Dutta who resigned with effect from 30.06.2018. He is Member of The Institute of Company Secretaries of India.

Mr. Swapan Kumar Das was appointed as Chief Financial Officer (CFO) with effect from 06.04.2019. due to resignation of Mr. Manoj Kumar Jain who resigned with effect from 01.02.2019. He is a qualified M.Com in Commerce and has more than three decades of Experience in Finance, Account and Administration industries including consumer durables.

Mr. Pradip Halder was appointed as Company Secretary and Compliance Officer with effect from 29.05.2019 due to resignation of Mr. Manoj Kumar Jain who resigned with effect from 01.02.2019. He is Member of The Institute of Company Secretaries of India

(II) RESIGNATION

Mrs. Sulekha Dutta resigned as Company Secretary with effect from 30.06.2018 which was taken on record at the meeting held on 07.07.2018. The Board of Directors place on record her appreciation for her contribution in development of the company

Mr. Manoj Kumar Jain resigned as Chief Financial Officer (CFO) and Company Secretary with effect from 01.02.2019 which was taken on record at the meeting held on 25.02.2019. The Board noted its appreciation for his guidance during his tenure as Chief Financial Officer (CFO) and Company Secretary.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

The information on Conservation 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 as Annexure II.

INFORMATION OF EMPLOYEES

Provisions of Section 197 of the Companies Act, 2013 read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable as no employee or director of the Company was in receipt of such remuneration as prescribed under the said rules.

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. The prescribed information of the employees required under section 134(3)(q) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is attached herewith as Annexure III.

ESTABLISHMENT OF VIGIL MECHANISM 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 www.khaitansugar.in

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company has adopted risk management policy which covers assessment of various risks impacting the business of the Company. The policy covers framework to identify, evaluate and mitigate business risk. The Risk Management policy has been uploaded on the website of the Company www.khaitansugar.in



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.

DIRECTORS' RESPONSIBILITY STATEMENT

Directors responsibility statement pursuant to section 134(3)(c) of the Companies Act, 2013 is attached as Annexure IV

RELATED PARTY TRANSACTIONS

All Transactions entered into with related parties as defined the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, during the financial year were in the ordinary course of business and on arm's length basis. All related party transactions are placed before the Audit Committee and also the Board for approval. Particulars of contracts of arrangement with related parties referred to in sub section (i) of section 188 have been given in the prescribed form AOC – 2 as Annexure V

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website www.khaitansugar.in.

AUDITORS AND AUDIT REPORT

STATUTORY AUDITORS

M/s. V. K. Tulsyan & Co. LLP, Chartered Accountants, (FRN 326740E / E300015), have been appointed as the Statutory Auditors of the Company at the Annual General Meeting held on 28th September, 2018 for a period of 5 years subject to ratification of appointment by the members at every Annual General Meeting. Accordingly members are requested to ratify the appointment of M/s. V. K. Tulsyan & Co. LLP, Chartered Accountants, (FRN 326740E/ E300015)

The Board has duly examined the Statutory Auditor's Report to Financial Statement. The reply of the management in regard to qualification in the auditor's report is as follows:

- Regarding Auditor qualification on non write off Deferred Tax Assets, your management believes that it was due to past history or continued losses and prevailing uncertainty of returning to profit due to continued losses in sugar business. However, now that the company has started reporting profit due to marketing of electrical business and the new business model would get established soon. Your management hopes to write off the deferred tax assets in near future.
- Regarding Auditor qualification on balance due to / from creditors, parties to whom deposits, advances have been given and debtors which are subject to confirmation, the management had taken steps to obtain same but the parties delayed/failed in responding to same. However, management is of the view that no material variation will be seen / reported on receipt of the confirmation. As regards land rent and panchayat tax on sugar factory land the management is obtaining necessary clarification from the concerned department. As regards intractability of certain FDRs the necessary action has been initiated.
- Regarding Auditor qualification on not opting to follow expected credit loss (ECL) model in regards with IND As 109 "Financial Instrument" for the provisioning of trade receivable amounting to Rs 1,59,44,179 the management believes that there will be no material difference in the value of realization of trade receivables.
- Regarding Auditor qualification on not making fair valuation of standing crops as required under IND AS 41 "Agriculture", the management believes that there will be no material difference in the value of standing crop as shown in books from the fair valuation amount.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act 2013 and The Companies, (Appointment and Remuneration of Managerial Personnel) Rule, 2014 the Company had appointed Ms. Priya Narnolia (CP No. 17480 and ACS No. 47211), Company Secretary in Practice, to undertake the Secretarial Audit of the Company for the FY 2018-19. The Secretarial Audit Report is Annexed herewith as Annexure VI.

The Qualifications therein are self explanatory and management's response is also covered therein.

INTERNAL AUDITORS

Your Company's in-house internal audit department carries out internal audits across all locations of the country. Their objective is to assess the existence, adequacy and operation of financial and operating controls set up by the Company and to ensure compliance with the Companies Act, 2013, SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015) and corporate policies. Internal Auditors Reports are reviewed by the Audit Committee. The Company has thought to have in house internal audit department to conduct internal audit in future.

COST AUDITORS

Your Board had appointed M/s AB & Co. (Reg.No. 00256) qualified Coast Accountants to carry out Cost Audit of the Cost Accounts maintained by the Company in respect of sugar Division for FY 2018-19. However as sugar mill could not start operation during the year, cost audit was not conducted.

SUBSIDIARY COMPANY

The Company doesn't have any subsidiary.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitment affecting financial position of the company which has occurred between the end of financial year of the company i.e. 31st March 2019 and till the date of this report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place a policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. During the year under review, no complaints were received.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENT

The company has adequate financial control procedures commensurate with its size and nature of business, the company has identified and documented all key internal financial controls which impact the financial statements, as a part of its Standard Operating Procedure (SOP) The SOPs are designed for all critical processes across all branches wherein financial transactions are undertaken.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

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

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


Sunay K. Khaitan
 Whole Time Director
 (DIN: 07585070)

Place: Kolkata
 Date: The 13th August, 2019