



**khaitan** (India) Limited

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## **khaitan** (India) Limited

Regd. Office : 46C, J. L. Nehru Road, Kolkata 700 071  
Phone : (033) 2288 8391, 4050 5000, Fax : 91 33 2288 3961

### **BOARD OF DIRECTORS**

SUNIL K. KHAITAN, Chairman

M. K. JALAN

Dr. V. K. RUNGTA

A. K. KEDIA

S. BAFNA, Executive Director

### **COMPANY SECRETARY**

B. K. CHORARIA

### **AUDITORS**

CHATURVEDI & CO.

Chartered Accountants

### **COST AUDITORS**

A. B. & CO.

### **BANKERS**

INDUSTRIAL DEVELOPMENT BANK OF INDIA

BANK OF BARODA

### **SUGAR & AGRICULTURE DIVISIONS**

#### **Office :**

7, Red Cross Place, Kolkata 700 001

Phone : (033) 2210 3331/32/33/34

Fax : 91 33 2248 7516

#### **Sugar Mill :**

Khaitan Nagar 741 157

Plassey (Nadia), West Bengal

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

#### **Agriculture Division :**

Ramnagar 742 163

(Murshidabad), West Bengal

Phone : (03482) 244244

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## NOTICE

### TO THE SHAREHOLDERS

NOTICE is hereby given that the Seventy Sixth Annual General Meeting of Khaitan (India) Limited will be held on Wednesday, the 25th September, 2013 at Merchant Chamber of Commerce, 15-B, Hemant Basu Sarani, Kolkata - 700001 at 11.30 A.M. to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit & Loss Account for the year ended on that date together with the Report of Directors' and Auditors' thereon.
2. To appoint a Director in place of Dr. V. K. Rungta, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint a Director in place of A. K. Kedia who retires by rotation and being eligible, offers himself for re-election.
4. To appoint Auditors and to fix their remuneration.

### 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 THAT 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**
2. Members/Proxies should fill in and sign the attendance slips and deposit at the entrance of Meeting Hall, before attending the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2013 to 25th September, 2013 (both days inclusive).
4. Members desiring any information about accounts or otherwise, are requested to write to the company, at least 10 days in advance of the Annual General Meeting, to facilitate compilation thereof.

Registered Office :  
46-C, J.L. Nehru Road  
Kolkata-700071  
the 7th June, 2013

By Order of the Board

B.K. Choraria  
*Company Secretary*

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

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

Your Directors have pleasure in presenting their Seventy Sixth Annual Report together with the Audited Accounts for the year ended 31st March, 2013.

**FINANCIAL RESULTS**

Sales & Operating Income were  
Profit/Loss for the year was

From which is deducted  
Depreciation

Leaving a Balance of  
**TO WHICH IS ADDED :**

Profit/Loss Brought Forward from Previous Years

Making an available surplus of which is carried  
forward to next year

	Rs./Lacs	
	2012-13	2011-12
	<b>2544.10</b>	2595.42
	<b>(41.47)</b>	(64.85)
	<b>(147.00)</b>	(138.65)
	<b>(188.47)</b>	(203.50)
	<b>(478.96)</b>	(275.46)
	<b>(667.43)</b>	(478.96)

**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.540.16 lacs compared to the last year's Rs.519.53 lacs.

**Sugar Division :** Although the crushing of sugarcane was lower to 5.38 lacs quintals compared to last year's 5.63 lacs quintals, the production of sugar was almost at par at a higher recovery of 8.33% compared to last year's 8.10%. Due to abnormal rise in sugarcane prices and other inputs it has resulted in loss during the year under review.

The Crushing Operations for the season 2012-13 started on 26th November, 2012 which was continued for 63 days compared to the last year's 68 days. Performance of the Sugar Division compared to last year is as under :

DETAILS	2012-2013	2011-2012
Start of Crushing Season	26.11.2012	08.12.2011
Close of Crushing Season	28.01.2013	14.02.2012
Cane Crushed (in lacs Qtls)	5.35	5.63
Recovery (%)	8.3	8.10
Sugar Production (in Qtls)	42,518	42,802

**AGRICULTURE DIVISION:**

Sugarcane is a agro product and is fully dependent on nature. As reported last year, supply from captive farms was less due to insufficient rain during the growth period of sugarcane. The supply of sugarcane from captive farms to the factory was less compared to last year.

Keeping in view the long term benefit, the company every year plants trees. This year about 25,000 trees were planted and about 315000 trees are standing as on 31.03.2013 planted by the Company in last 22 years.



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## DIRECTORS' REPORT

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

#### INDUSTRIAL STRUCTURE

The year 2012-13 was also not good for the sugar industry. Due to overall increase in cost of raw material and other inputs, the cost of production was much higher than the prevailing market prices of sugar. Even inspite of repeated news of decontrol of sugar, the financial year 2012-13 has sustained the burmt of Government's continued controls through release mechanism of sugar sale and levy sugar. The aforesaid constraints has badly effected the financial health of the industry. During the year under review, due to draught situation the production of sugar was 24.5 million tons compared to last year 26 million tons. Due to low international price, export during 2012-13 was only 60000 tons in comparison to last years 34 lac tons. At last, the Government had allowed partial decontrol of sugar sector. It has rescinded the control over sugar sale of the industry and 10% levy obligation but with this partial decontrol it has failed to improve the financial health of the sugar industry and to provide relief. The sugar industry is facing much financial crunch due to high cost of sugar production on account of high sugarcane prices and low sugar prices in the market. The Government should unshackle sugar industry completely and remove the remaining controls enjoyed on sugar.

**Internal Control Systems :** The Company has a well-defined organisational structure, authority levels, guidelines and manuals which provides adequate internal control systems at all levels to conduct business operations efficiently and to safeguard Company's assets. The Company also has adequate budgetary control system and actual performance is monitored by the management consistently.

**Human Resources :** The Company believes that its employees are a vital resource in the current business environment. The Company is enjoying good and congenial industrial relations at all the Divisions of the Company. As on 31st March, 2013 the total permanent employees were 83 Nos.

#### CURRENT OUTLOOK

**Marketing Division :** The Company is the owner of "Khaitan" Brand and will earn income from royalty.

**Sugar Division :** Due to intermittent rains, the sugarcane crop condition seems to be better and it is hoped that availability of sugarcane will be better in the year 2013-14. The Government has released partial control over sugar industry, it is hoped that the market prices will support on margins despite higher input cost.

**Agriculture Division :** Sugarcane is the only raw material for sugar industry. By this time there are adequate rains, yield during the sugar season 2013-14 will be better resulting in better supply of sugarcane to factory. However, weather conditions can't be predicted. A significant change in climatic conditions can affect yield, recovery and profitability.

**Risks & Concerns :** Being cyclical in nature, sugar price remains volatile and realisations get adversely affected during a downturn coupled with higher cane price affect the financial position. Procurement of funds to meet working capital requirements and the payment of interest and principal with respect to loans availed. The other associated risk is soaring interest rates.

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

**Fixed Deposits:** Fixed Deposits from the public and employees accepted by the Company stood nil as on 31st March, 2013.

**Auditors' Report :** The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further explanation. However, due to financial constraints and adverse condition of Sugar Industry instalments to financial institutions and other payments were delayed.

**DIRECTORS' REPORT**

INCLUDING MANAGEMENT DISCUSSION & ANALYSIS REPORT (Contd.)

**Directors' Responsibility Statement :**

The Board of Directors of your Company confirm:

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

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

Directors:

1. Mr. S. K. Khaitan the Chairman of the company left for heavenly abode on Sunday the 04th November, 2012. Due to his dynamism and foresightedness, the "Khaitan" brand became the world renowned and a household name. His enterprenural acumen has set a path to take the organization to new height. His style of functioning will always be a inspiration for future.
2. Mr. Sunil K Khaitan was elected to be the Chairman of the Company.
3. Dr. V. K. Rungta and Mr. A. K. Kedia retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

**Cost Auditors :** In compliance to the Central Government Order your Board has appointed M/s A B & Co. qualified Cost Accountants to carry out Cost Audit of the Cost Accounts maintained by the Company in respect of Sugar Division. This appointment has to be made at the beginning of each financial year. As such an application has already been forwarded to the Central Government to approve the appointment for the current financial year.

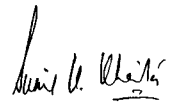
**Auditors :** M/s Chaturvedi & Co. Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment.

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

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

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

For and on behalf of the Board



Sunil K. Khaitan  
Chairman

Kolkata  
the 7th June, 2013





**REPORT ON CORPORATE GOVERNANCE****Philosophy on Corporate Governance**

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

**Board of Directors**

The Board of Directors comprised 5 (five) Members at the end of the financial year headed by Chairman of whom 1 (one) is Wholetime Director. Of these, 3 were non Executive Directors. There were three Independent Directors who construed 60 percent of the strength which complies the requirement of Listing Agreement. The Board of Directors met 4 times during the financial year 2012-13, 4 (four) Board Meetings were held on 07.06.2012; 14.08.2012; 12.11.2012 and 14.02.2013.

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

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

Name of Directors	Category	Attendane at Board Meeting	Attendance at Last AGM	Number of Committee member	Membership in Other Boards	Membership in Other Committees
Late S K Khaitan	E&WTD	2 / 4	No	---	---	---
Mr. Sunil K Khaitan	C&NED	3 / 4	No	---	3	---
Mr. M. K. Jalan	ID&NED	1 / 4	No	2	15	---
Mr. A.K. Kedia	ID&NED	4 / 4	No	2	10	---
Dr. V.K. Rungta	ID&NED	4/ 4	Yes	4	8	---
Mr. S. Bafna	WTD	4 / 4	Yes	2	1	---

**Category details :** E&WTD - Executive & Wholetime Directors; C&NED - Chairman & Non Executive Director; ID&NED - Independent & Non Executive Director and WTD - Whole Time Director.

**Disclosure regarding Re-appointment of Directors**

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

Mr. A. K. Kedia aged about 59 years is an Industrialist having vast experience of business and management. He is a Director of the Company since 1995. His other Directorships are as under :-



## REPORT ON CORPORATE GOVERNANCE (Cont.)

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

Dr. V. K. Rungta, aged about 67 years is a Company Secretary having vast experience of business and management. He is a Director of the Company since 1987. His other Directorships are as under:-

BMG Itech Pvt. Ltd, AGL Investors Pvt. Ltd., Wonder Décor Pvt. Ltd., Triton Distributors Pvt. Ltd., Eskay Properties Development Pvt. Ltd., Jhajhar Investment & Trading Pvt. Ltd., Khaitan Electricals Ltd., Ramnugger Cane & Sugar Co. Ltd.

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

(Rs. in Lacs)

NAME	SALARY & PERQUISITES	MEETING FEES	TOTAL
Late S.K. Khaitan	23.33	---	23.33
Mr. Sunil K Khaitan	---	0.15	0.15
Mr. M. K. Jalan	---	0.10	0.10
Dr. V. K. Rungta	---	0.60	0.60
Mr. A.K. Kedia	---	0.40	0.40
Mr. S. Bafna	6.40	---	6.40

### Declaration Regarding Compliance By Board Members And Senior Management Personnel with The Company's Code of Conduct

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

It is confirmed that the Company has in respect of the financial year ended 31st March, 2013, received from the Senior Management Team of the Company and the Members of the Board, a Declaration of compliances with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management team means the Chief Executive Officer, the Company Secretary and employees in the Executive Vice President cadre as on 31st March, 2013.

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

4 (four) Audit Committee Meetings were held on 07-06-2012; 14-08-2012; 12-11-2012 & 14-02-2013 during the period under review :

Members	Meetings Attended
Dr. V K Rungta	4
Mr. A.K. Kedia	4
Mr. M. K. Jalan	1

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

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

The Committee met 2 (Two) times during the period under review.

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

**Shareholders Grievance Committee** : 4 (four) Meeting of Shareholders Grievance Committee were held on 07.06.2012; 14.08.2012; 12.11.2012 and 14.02.2013.

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

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

YEAR	LOCATION	DATE	TIME
2011-12	Merchant Chamber of Commerce 15-B, Hemant Basu Sarani, Kol-1	26-09-2012	11.30 A.M.
2010-11	Merchant Chamber of Commerce 15-B, Hemant Basu Sarani, Kol-1	22-09-2011	11.30 A.M.
2009-10	Merchant Chamber of Commerce 15-B, Hemant Basu Sarani, Kol-1	27-09-2010	11.30 A.M.

- i) Special Resolutions were passed by show of hands.

**Disclosures**

1. There are no transactions of the Company of material nature with promoters, directors, subsidiaries or relatives etc. which would have potential complaints with the interest of the Company at large.
2. No strictures have been imposed by any regulatory authority as there is no instance of non-compliance of any laws by the Company.

**Means of Communications**

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

**Management Discussion & Analysis**

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

**Shareholders Information**

- a) Date, Time and Venue of Next Annual General Meeting : Wednesday the 25th September, 2013 at Merchant Chamber of Commerce at 11.30 a.m.15-B, Hemant Basu Sarani, Kolkata - 700 001



## REPORT ON CORPORATE GOVERNANCE (Cont.)

- b) Date of Book Closing : 16th to 25th September, 2013 (both days inclusive)
- c) Information regarding Stock Exchanges where the shares of the Company are listed : The National Stock Exchange of India Limited, Exchange Plaza, Bandra East, Mumbai-400051  
Bombay Stock Exchange Ltd.  
25 P J Towers, Dalai Street  
Mumbai-400001  
(under permitted securities category)

The Company had applied for de-listing with the Calcutta Stock Exchange Ltd. which is pending since 2007. No payment of Listing Fees is paid to them.

Listing fees have been paid for the year 2012-13 to NSE.

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

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

M/S. Maheshwari Datamatics (P) Ltd., 6, Mangoe Lane, Kolkata-700001, Phone Nos.: 033-2243 5029/5809, 2248 2248, Fax : 033-22484787, E-mail : mdpl@cal.vsnl.net.in

**SHARE TRANSFER SYSTEM :** Share Transfers are registered and returned within 30 days of lodgment thereof, if the documents are clear in all respects.

Market Price												(2012-13)		
NSC	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR		
HIGH	21.70	23.45	21.10	23.25	23.00	22.65	27.60	28.95	27.20	23.95	20.90	22.30		
LOW	18.70	21.05	19.85	20.15	20.30	20.50	24.15	26.00	24.20	22.00	20.90	21.25		

### Distribution of Shareholdings as on 31st March, 2013

(a) According to Category of Holding :

Category	Shareholders		Shares	
	Nos	%	No.	%
Promoters Group	12	0.44	2326832	48.99
Banks, Financial Institutions	2	0.07	1234	0.02
Private Corporate Bodies	78	2.85	1268377	26.70
Indian Public	2638	96.46	1147652	24.16
NRI	1	0.04	5600	0.12
Others/Clearing Members	4	0.14	305	0.01
Total	2735	100.00	4750000	100.00

**REPORT ON CORPORATE GOVERNANCE (Cont.)****(b) Pattern of Shareholdings as on 31st March, 2013 :**

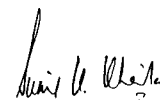
Shareholding Pattern	Shareholders		Shares	
	Nos.	%	Nos.	%
upto 500	2484	90.82	434861	9.16
501 to 1000	119	4.35	101510	2.14
1001 to 2000	52	1.90	76448	1.61
2001 to 3000	16	0.58	40898	0.86
3001 to 4000	5	0.19	17739	0.37
4001 to 5000	7	0.26	31842	0.67
5001 to 10000	15	0.55	114694	2.41
10001 and above	37	1.35	3932008	82.78
<b>Grand Total</b>	<b>2735</b>	<b>100.00</b>	<b>4750000</b>	<b>100.00</b>

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

**D'mat Facilities:** The Company's shares are compulsorily traded in dematerialized form and are available for trading under both Depository Systems, NSDL and CDSL. As on 31.03.2013 a total of **4306320** Equity Shares of the Company were held in demat mode.

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

For and on behalf of the Board



Sunil K. Khaitan  
Chairman

Kolkata  
the 7th June, 2013



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**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE AS STIPULATED IN CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of  
Khaitan (India) Ltd

We have reviewed the compliance of conditions of Corporate Governance by Khaitan (India) Limited for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s), with the relevant records and documents maintained by the Company and furnished to us.

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

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

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

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

60 Bentinck Street  
Kolkata-700069  
the 7th June, 2013

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

CA NILIMA JOSHI  
Partner  
(Membership No. 52122)

**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF KHAITAN (INDIA) LIMITED****Report on the Financial Statement**

1. We have audited the accompanying financial statements of Khaitan (india) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Managements' Responsibilities for the Financial Statement**

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies act, 1956 ("the Act"). this responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

**Auditors' Responsibilities**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material mis-statement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material mis-statement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that the appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**6. Basis of Qualified Opinion**

- a. *Attention is provided to Note no. 13 regarding deferred tax asset which have not been written off amounting to Rs. 3,26,43,751/- being recognised in the Balance Sheet. If the Deferred tax asset had been written off during the year, there would be a loss of Rs 5,14,90,655/- as against the loss of Rs 1,88,46,894/- shown in these financial statements. Deferred tax asset balance in the Balance sheet would amount to 'NIL' as against Rs 3,26,43,751/- as disclosed in these financial statements.*
- b. *Closing balances of Debtors, Creditors, loans, deposits, advances, demat accounts, and some bank balances are unconfirmed and fixed deposit receipts and National Saving certificates are not available with the company, in respect of which we are unable to express our opinion.*



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## INDEPENDENT AUDITORS' REPORT (Cont.)

### Opinion

7. Attention is drawn to Note No. 2(f) regarding valuation of planted trees, regarding valuation of planted trees on estimated realisable value being technical in nature, we are unable to express our opinion.
8. In our opinion and to the best of our information and according to the explanations given to us, the financial statements subject to the effects of the matters described in the Basis for Qualified Opinion paragraph and emphasis mentioned in para 7 above, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
  - a) in the case of the balance sheet, of the state of affairs of the company as at 31st March, 2013.
  - b) in the case of the Statement of Profit & Loss, of the Loss for the year ended on that date, and
  - c) in the case of cash flow statement, of the cash flow for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
10. As required by section 227(3) of the Act, we report that:
  - i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - ii. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books,
  - iii. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - iv. in our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to the sub-section (3C) of section 211 of the Companies Act, 1956;
  - v. on the basis of written representations received from the directors, as on 31st March, 2013 and taken on records by the Board of Directors, none of the Directors are disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of Sub section (1) of Section 274 of the Companies Act, 1956.
  - vi. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

60, Bentinck Street  
Kolkata-700069  
the 7th June, 2013

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

CA NILIMA JOSHI  
Partner  
(Membership No. 52122)



**ANNEXURE TO THE INDEPENDENT AUDITORS REPORT REFERRED TO IN PARAGRAPH 9 "UNDER REPORT AND OTHER LEGAL ON REGULATORY REQUIREMENTS" SECTION OF OUR REPORT OF EVEN DATE**

1.
  - i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets..
  - ii) On the basis of information and explanations given to us, we find that Fixed Assets have been physically verified by the management during the year, and there is a programme of verification having regard to the size of the Company and the nature of its fixed assets.
  - iii) There was no substantial disposal of fixed assets during the year.
2.
  - i) The management has conducted physical verification of inventory at reasonable intervals during the year
  - ii) The procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
  - iii) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3.
  - i) On the basis of examination of records and according to information and explanations given to us, we report that the Company has not granted any loans, secured or unsecured to/from companies/firms or other parties covered in the register maintained under Section 301 of the Act.
  - ii) In view thereof, the provision of clause 3(b), (c) & (d) of paragraph 4 of the Order are not applicable to the company.
  - iii) The Company has taken loan from a company covered in the register maintained under Section 301 of the Companies Act. The maximum amount involved during the year was *Rs. 16,95,35,328/- from two parties and the year end balance of loans taken is Rs. 13,08,89,148/- (including interest).*
  - iv) In our opinion the rate of interest and other terms and conditions on which above loans have been taken are not prima facie prejudicial to the interest of the company.
  - v) According to the information and explanation given to us, the Principal and interest amount where applicable are repayable on demand.
  - vi) In respect of the said Loans the same are repayable on demand and, therefore, the question of overdue amounts does not arise.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further, during the course of our audit no major weakness has been noticed in the internal control systems.



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**ANNEXURE TO THE INDEPENDENT AUDITORS REPORT REFERRED TO IN PARAGRAPH 9 "UNDER REPORT AND OTHER LEGAL ON REGULATORY REQUIREMENTS" SECTION OF OUR REPORT OF EVEN DATE (Contd.)**

5. i) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred in Section 301 of the Act have been entered into the register required to be maintained under that Section.  
ii) In our opinion and according to the information and explanations given to us, we report that transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lacs during the year are reasonable.
6. The Company had not accepted deposits from the public during the year. The directives issued by the Reserve Bank of India and the provisions of Section 58 A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder are not applicable.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate or complete.
9. i) Undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Excise Duty, Cess, TDS and other material statutory dues have generally been regularly deposited with the appropriate authorities *except Service Tax and TDS payment which has been delayed.*  
ii) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which were outstanding at the year end for a period of more than six months from the date they became payable.  
iii) According to the information and explanations given to us, there are no dues of Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute except dues outstanding of Sales Tax and Income Tax on account of any dispute are as follows :

**ANNEXURE TO THE INDEPENDENT AUDITORS REPORT REFERRED TO IN PARAGRAPH 9 "UNDER REPORT AND OTHER LEGAL ON REGULATORY REQUIREMENTS" SECTION OF OUR REPORT OF EVEN DATE (Contd.)**

Name of the Statute	Nature of Class	Amount Rs.	Period to which is relating	Forum where dispute is pending
Maharashtra Sales Tax Act	Tax & Penalty on higher turnover on reassessment	94,87,225		Joint Commissioner & Sales Tax (Appellate) Mumbai
Income Tax Act, 1961	Income Tax	39,80,580	2008-09	Appeal filed by Company against Assessment order before CIT (A)
	-Do-	28,018	2007-08	Department filed appeal before ITAT
	-Do-	50,42,790	2006-07	Department filed appeal before ITAT
	-Do-	53,21,692	2005-06	Company filed appeal before ITAT
	-Do-	23,29,884	2004-05	Department filed appeal before ITAT
	-Do-	48,83,986	2003-04	Appeal filed before CIT(A)

10. The Company has accumulated losses at the end of the financial year and it has incurred cash losses during the financial year covered by our audit. It had incurred cash losses in the immediately preceding financial year also.
11. Based on our audit procedures and as per the information and explanations given by the management the company *has delayed in repayment of dues to financial institutions for term loan of all twelve instalments of Rs. 10 lacs each pertaining to the period April 12 to March, 13.*
12. According to the information and explanations given to us and based on the documents and records produced before us we report that the Company has not granted loans and advances on the basis of security by way of pledge of share, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual fund/society. Therefore, the provision of clause 4 (xiii) of paragraph 4 of the Order are not applicable to the company.
14. In our opinion the company is not dealing in or trading in share, securities, debentures and other investment. Accordingly, the provision of clause 4 (xiv) of Paragraph 4 of the order are not applicable to the company.



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**ANNEXURE TO THE INDEPENDENT AUDITORS REPORT REFERRED TO IN PARAGRAPH 9 "UNDER REPORT AND OTHER LEGAL ON REGULATORY REQUIREMENTS" SECTION OF OUR REPORT OF EVEN DATE (Contd.)**

15. According to the information and explanation given to us, the company has given guarantee for loan taken by others, from bank or financial institutions. Since such guarantees or counter guarantees given are very old and records to this effect have not been provided to us, we are unable to comment upon whether the terms and conditions are prejudicial to the interest of the company.
16. Based on information and explanation given to us by the management, we report that the Company has not taken further term loan during the year.
17. According to the information and explanation given to us and on and overall examination of the balance sheet and the cash flow statement of the company, we report that no funds raised on short term basis have been used for long term investment.
18. The Company has not made any preferential allotment of shares to the parties or companies covered in the register maintained u/s 301 of the Companies Act, 1956.
19. According to the information and explanations given to us during the period covered by our audit report, we report that no debentures have been issued by the company.
20. The company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statement and as per the information and explanation given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For CHATURVEDI & CO.

60, Bentinck Street  
Kolkata-700069  
the 7th June, 2013

Registration No. 302137E  
Chartered Accountants

CA NILIMA JOSHI  
Partner  
(Membership No. 52122)

**BALANCE SHEET**

**AS AT 31ST MARCH, 2013**

Particulars	Notes No.	2012-13 Rs.	2011-12 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	47,500,000	47,500,000
Reserves & Surplus	4	502,768,921	522,563,515
<b>Non Current Liabilities</b>			
Long Term Borrowings	5	31,105,336	41,236,334
Long Term Provisions	6	6,894,418	7,098,629
<b>Current Liabilities</b>			
Short Term Borrowings	7	379,648,309	351,638,426
Trade Payables	8	39,881,864	28,383,853
Other Current Liabilities	9	43,680,987	51,386,844
Short Term Provisions	10	2,920,425	1,730,217
<b>TOTAL</b>		<b>1,054,400,260</b>	<b>1,051,537,818</b>
<b>II. ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	625,664,068	632,399,759
Non Current Investments	12	165,032,043	165,302,044
Deferred Tax Assets (Net)	13	32,643,751	32,643,751
Long Term Loans and Advances	14	41,617,558	35,174,350
Other Non Current Assets	15	16,414,059	27,830,092
<b>Current Assets</b>			
Current Investments	16	-	30,000
Inventories	17	141,336,354	131,827,638
Trade Receivables	18	8,074,408	6,023,713
Cash & Cash Equivalents	19	10,391,344	7,747,397
Short Term Loans and Advances	20	12,798,078	12,118,386
Other Current Assets	21	428,597	440,688
<b>TOTAL</b>		<b>1,054,400,260</b>	<b>1,051,537,818</b>

Notes to Accounts & Significant Accounting Policies 1 to 41

The Notes referred to above form an integral part of Balance Sheet.

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

B. K. Choraria  
Secretary

SUNIL K. KHAITAN  
Chairman

M. K. Jalan  
Director

Dr. V.K. RUNGTA  
Director  
A. K. Kedia  
Director  
S. BAFNA  
Executive Director



**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31ST MARCH, 2013**

Particulars	Notes No.	2012-13 Rs.	2011-12 Rs.
<b>REVENUE</b>			
Revenue from Operation	22	<b>254,409,547</b>	259,542,154
Other Income	23	<b>21,906,686</b>	13,048,257
<b>Total Revenue</b>		<b>276,316,233</b>	272,590,411
Cost of Materials consumed	24	<b>159,195,552</b>	138,741,985
Change in inventories of finished goods	25	<b>(10,431,993)</b>	7,115,249
Work in progress			
Other Manufacturing Expenses	26	<b>41,796,354</b>	38,250,721
Employees Benefits Expenses	27	<b>29,413,833</b>	30,315,993
Finance costs	28	<b>51,389,410</b>	56,184,101
Depreciation & Amortisation Expenses	11	<b>14,699,914</b>	13,865,263
Other Expenses	29	<b>9,100,057</b>	8,467,007
<b>Total Expenses</b>		<b>295,163,127</b>	292,940,319
PROFIT/(LOSS) BEFORE EXCEPTIONAL EXTRAORDINARY ITEMS & TAX		<b>(18,846,894)</b>	(20,349,908)
PROFIT/(LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX			
Profit/(Loss) for the period from continuing operations			
<b>Profit (Loss) for the Period</b>		<b>(18,846,894)</b>	(20,349,908)
Basic Earning Per Share of Rs. 10 each (In Rupees)	33	<b>(3.97)</b>	(4.28)
Diluted Earning Per Share of Rs. 10 each (In Rupees)	33	<b>(3.97)</b>	(4.28)
Notes to Accounts & Significant Accounting Policies The Note Nos. 1 to 41 are integrated part of these Financial Statements			

For CHATURVEDI & CO. Registration No. 302137E Chartered Accountants CA Nilima Joshi Partner (Membership No 52122)	B. K. Choraria Secretary	SUNIL K. KHAITAN Chairman M. K. Jalan Director	Dr. V.K. RUNGTA Director A. K. Kedia Director S. BAFNA Executive Director
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**CASH FLOW STATEMENT FOR COMPANIES OTHER THAN FINANCE COMPANIES**
**Cash Flow Statement for the year ended 31 March, 2013**

Particulars	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash flow from operating activities</b>				
Net Profit/ (Loss) before extraordinary items and tax				
<u>Adjustment for :</u>				
Sundry Loans and Advances written off	2,013,234	(18,846,894)		(20,349,908)
FBT relating to 2006-07 now written off	-		123,535	
Bad Debts written of Marketing Division	-		256,216	
Prior period items debited to Profit & Loss A/c	143,693		382,071	
Provision for employees benefit Leave encashment	(29,532)		(225,429)	
Provision for Group Gratuity Scheme	(104,211)		369,175	
Liabilities/ Provision no longer required written back	(29,137)		(300,924)	
Adjustment relating to earlier years	-		(3,989,485)	
Sundry Loans & Advances written back	-		(123,338)	
Depreciation and amortisation	14,699,914		13,865,263	
Interest on Borrowing	51,389,410		56,184,101	
Interest income received	(385,454)		(443,083)	
Dividend income received	-		(2,562,027)	
Rental Income received	(2,366,110)		(2,732,965)	
Profit on sale of Fixed Assets	(14,021,870)	51,309,937	(935,998)	59,867,112
<b>Operating Profit or Loss before Working Capital Changes</b>		<b>32,463,043</b>		<b>39,517,204</b>
<u>Changes in Working Capital</u>				
Decrease in current assets	(11,547,320)		36,900,166	
Decrease in current liabilities	(4,982,362)	(16,529,682)	(37,091,847)	(191,681)
Cash generated from operation ( A )		<b>15,933,361</b>		<b>39,325,523</b>
<b>B. Cash flow from investing activities</b>				
Cash from investing account				
Proceeds from sale of fixed assets	14,022,534		936,000	
Proceeds from sale of investment	300,001		200,000	
Miscellaneous income ( sale of export licence )	-		1,795,070	
Capital Investment Subsidy	4,604,000		-	
Interest & Dividend received	385,454		3,005,110	
Rental Income received	2,366,110		2,732,965	
Loans and advances -inflow	(6,443,208)		(5,146,691)	
Other non-current assets-inflow	11,416,033		1,542,952	
Outflow of long term loans and advances				
Purchase of Fixed Assets	(8,912,586)	17,738,338	(6,984,330)	(1,918,924)
Net cash from ( or used in ) investing activities ( B )		<b>17,738,338</b>		<b>(1,918,924)</b>



## CASH FLOW STATEMENT FOR COMPANIES OTHER THAN FINANCE COMPANIES

### Cash Flow Statement for the year ended 31 March, 2013

Particulars	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
<b>C. Cash flow from financing activities</b>				
Short term loans and advances paid			2,157,379	
Short term loans and advances-inflow	679,691		(617,155)	
Short term borrowing net	735,107		(26,891)	
Inflow from Short Term Borrowings	28,009,882		32,684,621	
Proceeds from long term Borrowing paid	(10,130,998)		(16,019,992)	
Finance Cost	(51,389,410)		590,045	
Non cash expenditure on account decrease in revaluation reserve	947,700		855,443	(36,560,651)
Other loans and advances-inflow	120,275	(31,027,753)		
Cash flow from financing activities ( C )		(31,027,753)		(36,560,651)
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>		2,643,946		845,947
Add cash and cash equivalents in the beginning of the year				
Cash in hand	1,298,556		446,326	
Cash at bank	1,597,831		1,807,671	
Short term deposit	4,851,010	7,747,397	4,647,453	6,901,450
<b>Reconciliation of Cash and cash equivalents with the Balance Sheet :</b>		10,391,343		7,747,397
adjust cash flow (net increase/ decrease and opening )				
(i) Cash in hand	511,456		1,298,556	
(ii) In current account	4,610,369		1,597,831	
(iii) In Short term deposit	5,269,518	10,391,343	4,851,010	7,747,397

**Notes :**

- (i) The Cash Flow Statement reflects the combined cash flow pertaining to continuing and discounting operations.
- (ii) These earmarked account balances with banks can be utilised only for the specific purposes.

See accompanying notes forming part of the financial statements

60 Bentinck Street Kolkata -700 069 the 7th June, 2013	For CHATURVEDI & CO. <i>Registration No. 302137E</i> <i>Chartered Accountants</i> CA Nilima Joshi <i>Partner</i> (Membership No 52122)	SUNIL K. KHAITAN <i>Chairman</i> M. K. Jalan <i>Director</i> Dr. V.K. RUNGTA <i>Director</i> A. K. Kedia <i>Director</i> S. BAFNA <i>Executive Director</i>
	B. K. Choraria <i>Secretary</i>	



**Notes on Financial Statement for the year ended 31st March, 2013****1. Corporate Information**

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

**2. Significant Accounting Policies****a) Basis of preparation of Financial Statements**

The financial statements have been prepared in accordance with generally accepted Accounting Standards in India and the provisions of the Companies Act, 1956.

**b) Basis of Accounting**

The Company follows accrual basis of accounting unless otherwise stated.

**c) Tangible Fixed Assets**

Fixed Assets (excluding Revalued Assets) are stated at cost including cost of installation and other incidental expenses. Assets of Rs.5000/- and below have been fully depreciated during the year of purchase.

**d) Depreciation & Amortisation**

Depreciation on Fixed Assets acquired after 31.08.1970 has been calculated on straight line method under Sec. 205(2)(b) of the Companies Act, 1956 while other assets have been depreciated on Written Down Value Method under section 205(2)(a) of the said Act.

**e) Investments**

Investments are stated at cost. Provision for diminution in value of investment is not made if they are long term in nature.

Investments, which are readily releasable and intended to be held for not more than one year from the date of investment made are classified as Current Investments. All investments other than long term investments are classified as non-current investments. Current Investments are valued at lower of Cost or Fair Value.

**f) Inventories**

Inventories are valued on FIFO basis as under:-

i) Stores, Spares & Others : At cost exclusive of CENVAT receivable

ii) Finished Goods : At lower of cost or market value

iii) Stock-in-Process:

-Sugar and Molasses: At lower of estimated cost or realisable value

-Planted Trees, having maturity of above 18 months, are taken at estimated realisable value.

**g) Cash and Cash equivalents**

Cash comprises of cash on hand, balances with banks in current accounts and demand deposits with banks.

**h) Foreign Exchange Transaction**

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Profit & Loss Account. Foreign currency monetary items at the year-end are reported at the year-end exchange rate, and the resultant exchange difference is recognised in the Profit & Loss Account.

In respect of transactions covered by Forward Exchange Contracts, the difference between the contract rate and spot rate on the date of transaction is amortised over the life of contract.

**i) Contingent Assets & Liabilities**

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

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



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## Notes on Financial Statement for the year ended 31st March, 2013

- j) **Impairment of Assets**  
Impairment of losses, if any is recognised in accordance with the accounting standard issued in this regard by the Institute of Chartered Accountants of India.
- k) **Segmental Reporting**  
The company's operating business are organised and managed as per location of the client. Common cost is allocated to the cost based on the Revenue Mix. Unallocated cost is disclosed separately. The company prepares its segment information in conformity with the accounting policy adapted for preparing and presenting the financial statement of the Company as a whole.
- l) **Earning Per Share**  
Basic earning per share is calculated by dividing the net profit or Loss for the period attributable to equity shareholders.
- m) **Revenue Recognition**  
Sales are shown inclusive of excise duty and net of returns. Dividend income is recognised when right to receive is established.
- n) **Employees Benefits**  
Contribution of Employer's Share to Employee's Provident Fund are worked on accrual basis and charged to Profit & Loss Account. The Company also provides for gratuity and leave encashment based on actuarial valuation made by an independent actuary as per AS-15.  
The liability for Gratuity and leave encashment has been provided with Annual Contribution to the Life Insurance Corporation of India under its Group Gratuity-cum-Life Insurance Scheme/ Group Leave Encashment Scheme.
- o) **Leases**  
Lease rentals on operating leases are charged on a monthly basis to Accounts.  
Assets taken on Finance Lease have been capitalised during the year of Agreement and charged off in accordance with the applicable rate of depreciation.
- p) **Borrowing cost**  
Borrowing cost in relation to a qualifying asset and capitalised as part of the cost of a qualifying asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably. Other borrowing costs are recognised as an expense in the period in which they are incurred.
- q) **Taxation**  
Provision for tax is made on the taxable income for the year in accordance with the applicable provisions of the Income Tax Act, 1961. Deferred tax is recognised subject to consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period are capable of reversal in one or more subsequent periods.
- r) **Provisions**  
Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date.
- s) Excise duty under expenditure, represents payments made/ to be made during the year on goods cleared/ to be cleared.  
Payment of services where service tax is charged and credit for the same is taken as accounted net of service tax.
- t) The expenses incurred on sugarcane and on trees are accumulated under the caption "Standing Sugarcane" and "Planted Trees" (excluding planted trees having maturity of over 18 months) respectively and charged to statement of Profit & Loss in the year of harvesting.

**Notes on Financial Statements for the year ended 31st March, 2013**

Particulars	31.03.2013 Rs.	31.03.2012 Rs.
<b>3. SHARE CAPITAL</b>		
<b>Authorised</b>		
2,47,50,000 Equity Shares of Rs.10/- each with voting rights	247,500,000	247,500,000
4,000 6% Income-Tax-Free Cumulative Preference Shares of Rs.100/- each	400,000	400,000
21,000 Preference Shares of Rs.100/- each	2,100,000	2,100,000
	<b>250,000,000</b>	250,000,000
<b>Issued &amp; Subscribed</b>		
* 47,50,000 Equity Shares of Rs.10/- each fully paid up	47,500,000	47,500,000
	<b>47,500,000</b>	47,500,000

The company has only one class of shares referred to as equity share having a par value of Rs.10/- per Share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holder of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of the no. of shares and amount outstanding at the beginning and end of the accounting period	31.03.2013		31.03.2012	
	Number of Shares	Amount Rs.	Number of Shares	Amount Rs.
<b>Equity Share Capital</b>				
Opening Balance	4,750,000	47,500,000	4,750,000	47,500,000
Add : Increase	Nil	Nil	Nil	Nil
	4,750,000	47,500,000	4,750,000	47,500,000
Less : Decrease	Nil	Nil	Nil	Nil
	4,750,000	47,500,000	4,750,000	47,500,000

Details of shares held by each shareholder holding more than 5% of share capital	31.03.2013		31.03.2012	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Khaitan Lefin Limited	1,131,561	23.82%	1,131,561	23.82%
Khaitan Hotels Pvt. Limited	555,745	10.76%	555,745	11.70%
The Oriental Mercantile Company Limited	398,448	8.39%	393,948	8.29%



## Notes on Financial Statements for the year ended 31st March, 2013

Particulars		31.03.2013 Rs.		31.03.2012 Rs.
<b>4. RESERVES &amp; SURPLUS</b>				
REVALUATION RESERVE				
At the beginning of the year	410,585,724		411,175,769	
Less : On Disposal of Fixed Assets	947,700	409,638,024	590,045	410,585,724
GENERAL RESERVE				
As per last Balance Sheet		159,874,197		159,874,197
STATEMENT OF PROFIT & LOSS A/C				
At the beginning of the year	(47,896,406)		(27,546,498)	
Less : Transferred from deficit in Statement of Profit/Loss	(18,846,894)		(20,349,908)	
At the end of the year		(66,743,300)		(47,896,406)
<b>TOTAL</b>		<b>502,768,921</b>		<b>522,563,515</b>

Particulars	2012-13 Rs.	2011-12 Rs.
<b>5. LONG TERM BORROWINGS</b>		
<b>A. Secured Loans from Banks</b>		
(I) Term loan from IDBI under Corporate Loan Scheme	12,782,959	24,468,750
	12,782,959	24,468,750
Less : Current Maturities of Term Loans (Refer Note no. 9)	12,000,000	12,000,000
	782,959	12,468,750
<b>B. From Others</b>		
Secured loan from Sugar Development Fund	30,322,377	28,767,584
<b>TOTAL</b>	<b>31,105,336</b>	<b>41,236,334</b>

### Details of Security

- The Term Loan from IDBI is secured by mortgage of 1997 acres of Company's agriculture land.
- Working Capital Term loan from IDBI and Bank of Baroda is Secured by hypothecation of Stock, Book Debts, Standing Crops, all Movable Properties and Mortgage of 2067.21 acres of Company's Agriculture Land and second charge of Fixed Assets of Sugar Division and guarantee of its one director, overdrafts against pledge of Fixed Deposit Receipts.
- Loan from Sugar Development Fund is secured by charge on specified assets and guaranteed by a director of the Company.

### Terms of Repayment of Secured Term Loans

- Term Loan from IDBI is repayable in 60 equal instalments of Rs. 10 Lacs per month from April, 2009 to March, 2014 instalments of Rs. 10 lacs each are due as on 31-03-2013. The applicable rate of interest is 14.75% and in case of default compound interest and penal interest is imposed.
- Loan from Sugar Development Fund for Rs. 287.55 lacs sanctioned on 31-03-1992 to be disbursed in 3 instalments upto 31-03-1995. However, only one instalment of Rs. 132.19 lakhs was disbursed. Initially rate of interest was 9% p.a. and penal interest was 2.5% above normal rate of Interest. The interest rate was later revised to 4.5%. There was a moratorium of 3 years and repayment of Principal was to be made in 4 equal annual instalment, after expiry of moratorium period and interest on loan was payable annually. At present amount due on principal account is Rs. 8,563,117 (previous year Rs. 8,563,117) and Rs. 217,59,260 (previous year Rs. 202,049,167) towards interest. The Company has sent a proposal to Sugar Development Fund for concession / waiver of interest which is pending. Interest on loan of Rs. 1,554,793 for the year (previous year Rs. 1,470,576) has been provided as per agreement.

**Notes on Financial Statements for the year ended 31st March, 2013**

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

1. Term Loan from IDBI was to be paid in monthly instalment of Rs. 10 lacs. Although the full amount of Rs. 12,00,000 has been paid but the same has not been paid on due dates either in F.Y 2012-13 and F.Y. 2011-12 and hence over and above the interest, compound interest and penalty on principal amount has been imposed.
2. The loan from Sugar Development Fund of Rs. 132.19 Lacs was repayable in 4 annual instalments by 1999. There is a continuous default now. Principal amount of Rs. 46,56,883 has been paid and balance amount due is Rs. 8,563,117.14 on 31-03-2013 (F. Y. 2012-13) and interest due is Rs. 21,759,260 as on 31-03-2013.

Particulars	2012-13 Rs.	2011-12 Rs.
<b>6. LONG TERM PROVISIONS</b>		
Employee Benefits *		
Provision for Gratuity	5,244,418	5,448,629
Provision for Leave Encashment -	1,650,000	1,650,000
Provision for Income Tax		
*Since the Actuary has not classified the provision for gratuity amount as current and non current, the entire amount has been taken as long term.		
<b>TOTAL</b>	<b>6,894,418</b>	<b>7,098,629</b>
<b>7. SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Cash Credit Account	32,854,342	32,119,235
<b>Nature of Security :</b>		
Secured by hypothecation of stocks, book debts, standing crops, all movable properties and mortgage of 1603.21 acres of company's agricultural land and second charge on Fixed Assets of sugar division and guarantee of one of its director, overdrafts against pledge of Fixed Deposit receipts.		
<b>Unsecured</b>		
Loans and advances from Related Parties	205,593,967	314,219,191
Inter Corporate Deposit	141,200,000	5,300,000
<b>TOTAL</b>	<b>379,648,309</b>	<b>351,638,426</b>
<b>8. TRADE PAYABLE</b>		
Other than Acceptances	39,881,864	28,383,853
<b>TOTAL</b>	<b>39,881,864</b>	<b>28,383,853</b>



## Notes on Financial Statement for the year ended 31 March, 2013

There are no Micro, Small, Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

Particulars	2012-13 Rs.	2011-12 Rs.
<b>9. OTHER CURRENT LIABILITIES</b>		
<b>Current maturity of long term debt (Refer Note no.4)</b>		
Term Loan from Banks		
Secured	<b>12,000,000</b>	12,000,000
<b>Other Payables</b>		
Trade / Security Deposits received	<b>9,759,940</b>	14,260,734
Interest Accrued & Due	<b>754,636</b>	754,636
Statutory Remittance	<b>54,80,094</b>	8,738,316
Dues of Employees	<b>2,662,231</b>	2,117,228
Contractually Reimbursible Expenses	<b>5,307,232</b>	3,769,220
Liability for expenses	<b>7,716,854</b>	9,697,245
Miscellaneous Payables	-	49,466
<b>TOTAL</b>	<b>43,680,987</b>	51,386,844
<b>10. SHORT TERM PROVISIONS</b>		
<b>EMPLOYEE BENEFITS</b>		
Provision for Bonus	<b>867,421</b>	832,168
Provision for Gratuity	<b>2,053,004</b>	898,049
<b>TOTAL</b>	<b>2,920,425</b>	1,730,217

**11 FIXED ASSETS-TANGIBLE**

Description	Gross Block-Cost/Book Value				Depreciation / Amortisation			Net Block			
	Total as at 01.04.2012	Addition/ Adjustment during the year	Deduction/ Adjustment during the year	Impairment/ (reversal) during the year	Total as at 31.03.2013	Total as at 01.04.2013	Provided during the year	Deductions/ Adjustment during the year	Total as at 31.03.2013	2012-13	2011-12
<b>Land</b>											
Freehold	430,772,980	-	948,363	-	429,824,617	-	-	-	-	429,824,617	430,772,980
<b>Buildings :-</b>											
(a) Factory	19,128,756	-	-	-	19,128,756	12,905,985	332,818	-	13,238,803	5,889,953	6,222,771
(b) Others	34,085,422	-	-	-	34,085,422	5,745,369	555,593	-	6,300,962	27,784,460	28,340,053
<b>Plant &amp; Machinery</b>	314,918,865	8,343,022			323,261,887	149,221,838	13,464,796		162,686,634	160,575,253	165,697,027
<b>Vehicles</b>	3,805,091	95,796			3,900,887	3,016,837	265,612		3,282,449	618,438	788,254
<b>Office Equipments</b>	1,863,832	306,968			2,170,800	1,741,444	23,148		1,764,592	406,208	122,388
<b>Furniture &amp; Fixtures</b>	2,834,127	166,800			3,000,927	2,378,939	57,947		2,436,886	564,041	455,188
<b>Ferry Right</b>	1,098				1,098					1,098	1,098
<b>TOTAL</b>	807,410,171	8,912,586	948,363		81,537,4394	175,010,412	14,699,914		189,710,326	625664068	632,399,759
Previous Year	801,015,886	6,984,330	590,045		807,410,171	161,693,931	13,865,263	548,856	175,010,412	632,399,759	

Note : Gross Block includes Rs. 513,021,623/- being the amount added on revaluation by an approved valuer of some of the Assets of the Company as on 31.03.1994



## Notes on Financial Statement for the year ended 31st March, 2013

Number	Face Value Per Unit	Particulars	2012-13 Rs.	2011-12 Rs.
		<b><u>12. Non-Current Investments</u></b>		
		<b><u>Trade Investments (at Cost)</u></b>		
		Investment in Equity Shares fully paid up		
		<b><u>Quoted</u></b>		
1720752 (1,720,752)	10	Khaitan Electricals Ltd (Company under the same Management)	<b>82,376,331</b>	82,376,331
		<b><u>Unquoted</u></b>		
24300 (24,300)	10	Naturewealth Development Corpn Ltd	<b>243,000</b>	243,000
44980 (44,980)	10	The Oriental Mercantile Co. Ltd	<b>1,401,113</b>	1,401,113
1294000 (1,294,000)	10	Khaitan Lefin Limited (Company under the same Management)	<b>77,640,000</b>	77,640,000
55500 (55,500)	10	Khaitan Hotels Pvt Ltd	<b>3,330,000</b>	3,330,000
		<b><u>Other Investments:</u></b>		
		<b><u>Quoted</u></b>		
3 (3)	10000	11.5% Maharashtra Krishna Valley Dev. Corpn.	<b>34,499</b>	304,500
		<b><u>Unquoted</u></b>		
		National Defence / Saving Certificates	<b>7,100</b>	7,100
		<b><u>Total Investments</u></b>	<b>165,032,043</b>	165,302,044
		Aggregate Value of		
		Quoted Investments	<b>82,410,830</b>	82,680,831
		Unquoted Investments	<b>82,621,213</b>	82,621,213
		Market Value of Quoted Investments	<b>119,196,575</b>	124,056,068

Notes : (1) National Defence/Saving Certificates are deposited with various Government Departments as Security and very old for which no documents are available.

### 13. Deferred Tax

- a) Net Deferred Tax Assets as on 31.03.2013 Rs 8,18,66,414/- (P.Y. Rs. 68,588,466) in accordance with Accounting Standard 22 'Accounting for taxes on Income' issued by ICAI. Out of above Deferred Tax Assets of Rs. 49,222,663/- (P.Y. 35,944,714) for the year has not been recognised by the Company due to uncertainty on prudence basis and opening Deferred Tax Assets of Rs 3,26,43,751/- has been kept in Balance Sheet.
- b) The break-up of net deferred tax asset is under:

	31.03.2013	31.03.2012
<b>DEFERRED TAX ASSET/ (LIABILITY)</b>		
DTA on account of brought forward losses	93,868,060	79,143,805
DTL on account of Fixed Assets	(12,001,646)	(10,555,339)
Deferred Tax Assets (Net)	81,866,414	68,588,466
Asset/(Liability) for the Year	49,222,663	35,944,714



**Notes on Financial Statement for the year ended 31st March, 2013**

Particulars	2012-13 Rs.	2011-12 Rs.
<b>NON CURRENT ASSETS</b>		
<b>14. LONG TERM LOANS AND ADVANCES</b> (Unsecured considered good)		
Security Deposits	219,432	219,432
Planned Asset (Leave Encashment)	266,945	137,413
Advance Income Tax & FBT	41,131,181	34,817,505
<b>TOTAL</b>	<b>41,617,558</b>	<b>35,174,350</b>
<b>15. OTHER NON CURRENT ASSETS</b> (Unsecured considered good)		
Long Term Trade Receivables	15,475,280	26,781,510
In Deposit Accounts/Margin money	-	109,803
Interest on Land Compensation	938,779	938,779
<b>TOTAL</b>	<b>16,414,059</b>	<b>27,830,092</b>

Long term trade receivable includes Rs.14,43,147/- which is under litigation and is considered good by the management

<b>16. CURRENT INVESTMENT</b>		
<b>Other Current Investments(at cost)</b>		
<b>Quoted</b>		
12.5% Maharashtra State Road Dev. Corpn. (3 units of face value 10000/- each)	-	30,000
<b>TOTAL</b>	-	30,000
<b>Aggregate Value of :</b>		
Quoted Investments	-	30,000
<b>CURRENT ASSETS</b>		
<b>17. INVENTORIES (as certified by the Management)</b> (At lower of cost /estimated cost or market value/realisable value)		
Stores, Spares, Process Chemicals & Fuels	6,933,253	8,000,292
Planted Trees	63,614,890	63,057,731
Process Stock (Afforestation Scheme)	1,563,157	1,242,944
Stock of Other Crop	-	87,420
Process Stock of Standing Sugarcane	18,887,562	18,905,088
Loose Tools	381,245	540,170
Process Stock (Sugar)	3,149,400	5,352,764
Finished Goods	46,806,847	34,641,229
<b>TOTAL</b>	<b>141,336,354</b>	<b>131,827,638</b>



**Notes on Financial Statement for the year ended 31st March, 2013**

Particulars	2012-13 Rs.	2011-12 Rs.
<b>18. TRADE RECEIVABLES</b>		
Trade receivable outstanding for a period exceeding 6 months		
Secured considered good	-	68,250
Doubtful debts	1,018,381	1,018,381
Less : Provision for Doubtful Debts	(1,018,381)	(1,018,381)
<b>Other Trade receivable</b>		
Secured considered good	8,074,408	5,955,463
<b>TOTAL</b>	<b>8,074,408</b>	<b>6,023,713</b>
<b>19. CASH &amp; BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Cash in hand and as Imprest	511,457	798,556
Remittance in Transit	-	500,000
<b>Balance with Banks :</b>		
In Current Accounts	4,589,074	1,581,336
In Deposit Accounts (under being against Bank guarantee)	5,269,518	4,851,010
Margin money maturity of less then 12 months		
In earmarked accounts (gratuity & superannuation scheme)	21,295	16,495
<b>TOTAL</b>	<b>10391344</b>	<b>7,747,397</b>
<b>20. SHORT TERM LOANS AND ADVANCES</b>		
Loans and Advances to related parties	5,948,080	5,948,081
Prepaid expenses (secured & considered good)	116,193	98,958
Advances to Employees (Secured & Considered good)	276,424	212,710
Cane Advances	3,872,970	1,748,148
Advance against expenses	128,599	528,545
CENVAT credit	788,090	392,192
Sales Tax Deposit/ Advance	1,285,323	1,258,862
Others (PF,ESI, etc.)	382,399	1,930,890
<b>TOTAL</b>	<b>12,798,078</b>	<b>12,118,386</b>
Cane Advances given to parties are considered good and recoverable by the management.		
<b>21. OTHER CURRENT ASSETS</b>		
Others	300	-
Interest Receivable	428,297	440,688
<b>TOTAL</b>	<b>428,597</b>	<b>440,688</b>
<b>22. REVENUE FROM OPERATIONS</b>		
Sales of Products	206,362,408	214,985,523
Sales of Services	54,015,939	51,953,333
	<b>260,378,347</b>	<b>266,938,856</b>
Less : Excise Duty	5,968,800	7,396,702
<b>NET SALES</b>	<b>254,409,547</b>	<b>259,542,154</b>

**Notes on Financial Statement for the year ended 31st March, 2013**

Particulars	2012-13 Rs.	2011-12 Rs.
<b>DETAILS OF REVENUE FROM OPERATIONS</b>		
<b>Sales of products comprises</b>		
<b>Manufactured goods</b>		
Sugar	133,997,335	131,885,851
Sugarcane	38,558,888	47,073,034
Molasses	16,477,699	23,560,077
Others	17,328,486	12,466,561
<b>TOTAL</b>	<b>206,362,408</b>	<b>214,985,523</b>
<b>23. OTHER INCOME</b>		
Interest Income	385,454	443,083
Dividend Income	-	2,562,027
Other Non-operating Income	7,499,362	9,107,149
Profit on sale of Assets	14,021,870	935,998
<b>TOTAL</b>	<b>21,906,686</b>	<b>13,048,257</b>
<b>DETAILS OF Interest income</b>		
Interest Income	385,454	443,083
<b>DETAILS OF Other Non Operating Income</b>		
Sale of Export Licence of Sugar	-	1,795,070
Capital Investment Subsidy	4,604,000	-
Depreciation on earlier year written back	-	548,856
Liability no longer required written back	29,137	300,924
Adjustment relating to earlier year	-	3,440,629
Rent	6,549	6,769
Implement & Tractor hire charges realised	-	194,931
Rent Receipt	2,366,110	2,732,965
Miscellaneous Income	493,566	87,005
<b>Total Other Non Operating Income</b>	<b>7,499,362</b>	<b>9,107,149</b>
<b>24. COST OF MATERIAL CONSUMED</b>		
Raw & Process Materials Consumed	14,293,5314	120,018,355
Power & Fuel	8,140,511	8,161,283
Stores, Spares, Chemicals & Packing Materials Consumed	8,119,727	10,562,347
<b>TOTAL</b>	<b>159,195,552</b>	<b>138,741,985</b>
<b>25. CHANGES IN INVENTORIES OF FINISHED GOODS WORK IN PROGRESS AND STOCK IN TRADE</b>		
Stock at Close - Process Standing Sugarcane/tress	66,764,290	68,410,495
Stock at Close - Finished	46,806,847	34,728,649
	<b>113,571,137</b>	<b>103,139,144</b>
Stock at Commencement - Process	68,410,495	64,863,764
Stock at Commencement - Finished	34,728,649	45,390,629
<b>Total</b>	<b>103,139,144</b>	<b>110,254,393</b>
Increase/(Decrease) in Stock	<b>10,431,993</b>	<b>(7,115,249)</b>



**Notes on Financial Statement for the year ended 31st March, 2013**

Particulars	2012-13 Rs.	2011-12 Rs.
<b>26. OTHER MANUFACTURING EXPENSES</b>		
Processing Charges	27,050,648	26,521,787
Repairs - Plant & Machinery	13,851,062	11,901,808
Repairs - Buildings	482,219	339,383
Excise Duty *	412,425	(512,257)
<b>TOTAL</b>	<b>41,796,354</b>	<b>38,250,721</b>
* Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty and closing stock of finished goods		
<b>27. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages, Bonus, Gratuity & Allowances	25,146,472	26,524,820
Contribution to Provident & Superannuation Fund	3,035,864	3,052,930
Staff Welfare Expenses	1,231,497	738,243
<b>TOTAL</b>	<b>29,413,833</b>	<b>30,315,993</b>
<b>28. FINANCE COST</b>		
Interest Expenses on Term Loans	4,417,107	9,023,388
Interest Expenses on Overdrafts & Other Borrowings	4,943,884	5,149,774
Other Borrowings Cost	42,028,419	42,010,939
<b>TOTAL</b>	<b>51,389,410</b>	<b>56,184,101</b>
<b>29. OTHER EXPENSES</b>		
Rent	269,350	279,400
Rates & Taxes	822,904	797,357
Insurance	161,675	158,956
Advertisement, Publicity & Sales Promotion	9,203	7,724
Travelling & Other Incidental Expenses	1,015,393	1,114,387
Office Maintenance	263,944	488,562
Vehicle Running & Maintenance	1,227,889	1,187,537
Printing & Stationery	432,138	377,484
Communication Expenses	296,742	308,329
Staff Recruitment & Training	1,180	21,223
Auditors Remuneration - As Auditors (Refer Note 30)	94,524	89,423
Legal, Professional & Consultancy Charges	1,214,243	1,611,418
Freight & Forwarding (Including Ocean Freight)	650,527	29,213
Directors' Sitting Fees	125,000	120,000
Miscellaneous Expenses	170,387	1,207,196
Commission And Brokerage	205,924	410,232
Filling Fee	74,841	107,989
Sundry Balance written off (refer note 38)	2,013,234	-
Bank charges	50,959	150,577
<b>TOTAL</b>	<b>9,100,057</b>	<b>8,467,007</b>
<b>30. Auditors Remuneration - As Auditors</b>		
As Auditors	38,605	38,605
For Tax Audit	11,030	11,030
For Certification	44,889	39,788
<b>TOTAL</b>	<b>95,453</b>	<b>89,423</b>

**Notes on Financial Statement for the year ended 31st March, 2013**

Particulars	2012-13 Rs.	2011-12 Rs.
<b>31. Prior Period Expenses</b>		
Rates and Taxes	71,803	-
Salary & Bonus	23,026	52,330
Repair to Building	-	104,109
Cane Price	-	63,256
Commission	-	162,376
Legal & Professional	23,711	-
Electricity Charges	25,153	-
Others	-	-
Interest	506,658	-
<b>TOTAL</b>	<b>650,351</b>	<b>382,071</b>
<b>32. Contingent Liabilities, not provided for, in respect of:</b>		
i) Guarantee/Sureties given by the Company for its Business Associates	3,050,000	3,050,000
ii) Counter Guarantee against Guarantees given by the bank to various authorities	2,528,172	2,528,172
iii) Estimated liabilities for Sales Tax relating to earlier years	9,487,225	9,487,225
iv) Income tax matters for earlier years (under appeals)	48,042,913	48,042,913
<b>33. Earning Per Share (EPS)</b>		
I. Net Profit as per Profit and Loss Account available for Equity Shareholders	<b>(18,846,894)</b>	(20,349,908)
II. Weighted average number of equity shares for Earnings Per Share Computation		
A. For Basic Earnings Per Share of Rs 10 each	4,750,000	4,750,000
B. For Diluted Earnings Per Share of Rs 10 each:		
No. of Shares for Basic EPS as per IIA	4,750,000	4,750,000
Add : Weighted Average outstanding option/ Shares related to FCCB	-	-
No. of Shares for Diluted Earnings Per Share of Rs 10 each	4,750,000	4,750,000
III Earnings Per Share (Weighted Average)		
Basic	<b>(3.97)</b>	(4.28)
Diluted	<b>(3.97)</b>	(4.28)



## Notes on Financial Statement for the year ended 31st March, 2013

### 34. Segment Reporting

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

(Rs.in Lacs)

Particulars	Unallocated Corp		Marketing Division		Sugar Division		Agriculture Division		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
<b>REVENUE</b>										
Sales & Operating Income	—	—	540.16	519.53	1,491.86	1,507.44	512.07	568.45	2,544.09	2595.42
Other Income	23.66	27.92	0.17	25.96	52.85	73.87	142.38	2.73	219.06	130.48
Increase/(Decrease) in Stock	—	—	—	—	99.62	(76.73)	4.70	5.58	104.32	(71.15)
<b>TOTAL REVENUE</b>	<b>23.66</b>	<b>27.92</b>	<b>540.33</b>	<b>545.49</b>	<b>1,644.33</b>	<b>1,504.58</b>	<b>659.15</b>	<b>576.76</b>	<b>2,867.47</b>	<b>2,654.75</b>
<b>RESULTS</b>										
PROFIT BEFORE INTEREST, DEPRECIATION & TAXATION	(13.69)	(28.19)	524.40	517.08	(218.22)	(104.82)	179.92	113.00	472.41	497.07
Less :										
a) Depreciation	(5.29)	(5.29)	(1.10)	(0.43)	(137.90)	(130.43)	(2.70)	(2.50)	(146.99)	(138.65)
b) Interest	—	—	(444.88)	(443.47)	(69.01)	(118.45)	—	—	(513.89)	(561.92)
<b>TOTAL PROFIT BEFORE TAX</b>	<b>(18.98)</b>	<b>(33.48)</b>	<b>78.42</b>	<b>73.18</b>	<b>(425.13)</b>	<b>(353.70)</b>	<b>177.22</b>	<b>110.50</b>	<b>(188.47)</b>	<b>(203.50)</b>
Less :										
a) Provision for Taxation	—	—	—	—	—	—	—	—	—	—
b) Provision for Deferred Tax	—	—	—	—	—	—	—	—	—	—
<b>PROFIT AFTER TAX</b>	<b>(18.98)</b>	<b>(33.48)</b>	<b>78.42</b>	<b>73.18</b>	<b>(425.13)</b>	<b>(353.70)</b>	<b>177.22</b>	<b>110.50</b>	<b>(188.47)</b>	<b>(203.50)</b>
<b>CAPITAL EMPLOYED</b>										
Segment Assets	1916.88	1,925.17	1293.40	1326.00	2595.86	2504.27	5064.30	5,086.37	10870.44	10481.83
Segment Liabilities	—	—	3256.26	3481.38	1874.72	1397.62	4006.72	4041.60	9137.69	8920.61
<b>TOTAL CAPITAL EMPLOYED</b>	<b>1916.88</b>	<b>1,925.17</b>	<b>(1962.86)</b>	<b>(2155.38)</b>	<b>721.14</b>	<b>1106.65</b>	<b>1057.59</b>	<b>1,044.78</b>	<b>1732.75</b>	<b>1921.22</b>

### 35. TRANSACTION WITH RELATED PARTIES

#### A) Name of the related party and description of relationship :

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

**Notes on Financial Statement for the year ended 31st March, 2013**

**B) Nature of Transactions**

(Rs. in Lacs)

Particulars	Key Management Personnel & Relatives (A)		Associates (B)		Total	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Remuneration	36.22	42.55	-	-	36.22	42.55
Sitting Fees	0.15	0.20	-	-	0.15	0.20
Residential Accomodation	2.88	2.88	4.82	4.74	7.70	7.62
Royalty Received	-	-	540.16	519.53	540.16	519.53
Interest Paid	-	-	376.60	166.64	376.60	166.64
Loan taken	-	-	994.51	278.54	994.51	278.54
Loan repaid	-	-	1973.00	-	1973.00	-

**C) Outstanding as on 31st March 2013**

Related Party	Nature of Due	2013 (Rs.in lacs)	2012 (Rs.in lacs)
Khaitan Electricals Limited	Loan Payble	1218.00	1328.92
The Oriental Mercantile Co. Ltd.	Loan Payble	747.26	1737.76
Khaitan Lefin Limited	Rent Payble	2.58	--
Khaitan Lefin Limited	Loan Payble	90.89	81.14

**36. Disclosure of employee benefits is as under :-**

**ii. Defined Benefit Plan:**

Post employment and other long-term employee benefits in the form of gratuity and leave encashment are considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method..

Any assets resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The amount recognised in the profit and loss account.

**iii. Expenses recognised during the year:**

	Gratuity (Funded)		Leave Encashment (Funded)	
	2012-13	2011-12	2012-13	2011-12
1. Current Service Cost	383,942	402,508	17,322	13,566
2. Interest Cost	687,561	699,154	48,163	70,334
3. Expected Return on Plan Assets	(251,671)	(251,671)	(59,156)	(59,156)
4. Net actuarial (gain) / Loss recognised in the year	(924,043)	(480,816)	(35,861)	(250,173)
5. Expenses recognised during the year	(104,211)	369,175	(29,532)	(225,429)

**iv. d) Change in Present Value of Defined Benefit Obligation:**

1. Present Value of Defined Benefit Obligation at the Beginning of the year	8,594,515	8,225,340	602,032	827,461
2. Interest Cost	687,561	699,154	48,163	70,334
3. Current Service Cost	383,942	402,508	17,322	13,566
4. Benefits Paid				
5. Actuarial Gain (Losses)	(1,175,714)	(732,487)	(95,017)	(309,329)
6. Present Value of Obligation at the end of the year	8,490,304	8,594,515	572,500	602,032



## Notes on Financial Statement for the year ended 31st March, 2013

### v. e) Change in Fair Value of Plan Assets during the year ended 31st March, 2013:

1. Plan Assets at the Beginning of the year	3,145,886	3,145,886	739,446	739,446
2. Expected Return on Plan Assets	251,671	251,671	59,156	59,156
3. Actual Company Contribution	100,000	--	100,000	--
4. Actual Benefits Paid				
5. Actuarial Gains.(Losses)	(251,671)	(251,671)	(59,156)	(59,156)
6. Plan Assets at the end of the year	3,245,886	3,145,886	839,446	739,446

### vi. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March, 2013

1. Present Value of Defined Benefit Obligation	8,594,515	8,225,340	602,032	827,461
2. Fair Value on Plan Assets	3,245,886	3,145,886	839,446	739,446
3. Funded Status (Surplus/(deficit))	(5,244,418)	(5,079,454)	266,946	(88,015)
4. Net Asset/(Liability) recognised in Balance Sheet	(5,244,418)	(5,079,454)	266,946	(88,015)

### vii. Actuarial Assumptions

1. Discount Rate (per annum)	8.00%	8.50%	8.00%	8.50%
2. Salary Increases	5%	5%	5%	5%
3. Retirement / Super-Annuation Age	58	58	58	58

### viii. Major Category of Plan Assets as a % of the Total Plan Assets as at 31st March, 2013:

1. Administered by LIC of India	100%	100%	100%	100%
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### ix. Basis of estimates of rate of escalation in salary.

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

- x. The Expenses have been recognised in "Contribution to Provident & Other Funds" in "Salaries/Wages and Bonus" Schedule.
37. Sundry Balances written off includes Rs. 18.98 lakhs being very old balances receivable from NJMC Unit Khardah claim for Capital Investment subsidy and State Trading Corporation claiming them to be irrecoverable..
38. There is no impairment of assets during the year.
39. No Borrowing cost have been capitalised during the year.
40. Advances, Debtors and creditors balances are subject to confirmation.
41. Previous year figures have been regrouped/ rearranged wherever necessary

60 Bentinck Street  
Kolkata -700 069  
the 7th June, 2013

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

B. K. Choraria  
Secretary

SUNIL K. KHAITAN  
Chairman  
M. K. Jalan  
Director

Dr. V.K. RUNGTA  
Director  
A. K. Kedia  
Director  
S. BAFNA  
Executive Director



**PROXY FORM**

I/We.....of.....  
.....being a member(s) of **Khaitan (India) Limited** hereby appoint.....  
.....  
or failing him/her.....of.....  
as my/our proxy to vote for me/us on my/our behalf at the Seventy Sixth Annual General Meeting of the Company to be held on Wednesday, the 25th September, 2013 at 11.30 a.m. at Merchant Chamber of Commerce, 15B, Hemant Basu Sarani, Kolkata 700 001 and at any adjournment thereof.

As witness my/our hand(s) this.....day of.....2013

Affix  
Re. 1  
Revenue  
Stamp

Signed by the.....

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

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

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**khaitan** (India) Limited

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

**ATTENDANCE SLIP**

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

I hereby record my presence at the Seventy Sixth Annual General Meeting of the Company to be held at Merchant Chamber of Commerce, 15B, Hemant Basu Sarani, Kolkata 700 001 on Wednesday, the 25th September, 2013 at 11.30 a.m.

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

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

Signature of the Shareholder/Proxy

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

**BOOK POST**

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**khaitan** (India) Limited

"Everest" 46C J. L. Nehru Road, Kolkata - 700 071 (India)