

khaitan electricals limited

Annual Report 2013-14



BUILDING AN ENDURING TRUST

BUILDING AN ENDURING TRUST

Khaitan - the name is enough, inspiring trust in millions. Its accent on quality has brought smiles to a vast multitude of people in this nation and beyond. Today, Khaitan is renowned for its entire range of electrical solutions - fans along with appliances, pumps and lights. Moving forward, the Company will be launching new models, which will provide customer delight through technology and quality. A quality that is non-negotiable and gives our buyers a confidence that is everlasting. Khaitan is another name for hope, for dreams, for trust.

CONTENTS

Notice 2 • Directors' Report 11 • Corporate Governance Report 16 • Auditors' Report 25

Balance Sheet 28 • Statement of Profit and Loss 29 • Cash Flow Statement 30 • Notes 31

Corporate Information

Board of Directors

Sunil K. Khaitan, *Chairman & Managing Director*
Sajjan Dabrial, *Dy. Managing Director*
Biswajit Choudhuri
M.G. Todi
A.K. Kajaria
V.K. Rungta
Shiv Kumar Bajaj

Auditors

M/s. V.S. Rao & Co.
Chartered Accountants

M/s. G.P. Agrawal & Co.
Chartered Accountants

Bankers

State Bank of Travancore
State Bank of Patiala
IDBI Bank Ltd.
Allahabad Bank
Indian Bank

Depository Registrar & Share transfer agent

M/s. CIL Securities Ltd.
214, Raghava Ratna Towers
Chirag Ali Lane
Hyderabad - 500 001
Telephone: (040) 23202465/ 23203155
Fax: (040) 66661267
Email: rta@cilsecurities.com

Branches

Ahmedabad, Bengaluru, Chandigarh, Chennai, Cuttack,
Faridabad, Ghaziabad, Guwahati, Hyderabad, Indore, Jaipur,
Kanpur, Kochi, Kolkata, Mumbai, New Delhi, Patna, Raipur,
Ranchi and Rishikesh

Corporate Office

'Everest' 20th Floor
46C, J.L. Nehru Road
Kolkata - 700 071
Telephone: (033) 40505000
Fax: (033) 22884143

Registered Office

A-13, Co-operative Industrial Estate
Balanagar, Hyderabad - 500 037
Telephone: (040) 23770640
Fax: (040) 23770646

Kolkata Works

P-10, Transport Depot Road
Kolkata - 700 088

Hyderabad Works

129, Sri Venkateswara Co-op. Industrial Estate
IDA, Bollaram - 502 320 Medak Dist. (A.P.)

Faridabad Works

Plot No. 14, Sector - 6
Faridabad - 121 006 (Haryana)

Notice

TO THE MEMBERS

The 38th Annual General Meeting of **KHAITAN ELECTRICALS LIMITED** will be held on 16th September, 2014 at 11.00 A.M. at – Federation of A.P. Chamber of Commerce & Industry (FAPCCI) Premises - Surana Udyog Hall, Federation House, FAPCCI Marg, 11-6-841, Red Hills, Hyderabad-500004 to transact the following business:

1. To receive and adopt the audited Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri A.K.Kajaria who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint M/s. V.S.Rao & Co., Chartered Accountants, Hyderabad and M/s. G.P. Agrawal & Co., Chartered Accountants, Kolkata as Joint Auditors who shall hold office from the conclusion of this Annual General Meeting and till the conclusion of next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS

4. To consider, and if thought fit, to pass with or without modification, as an Ordinary Resolution, the following:
“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and rules made thereunder, Schedule IV and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. M.G.Todi in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for Five Consecutive Years, for a term up to 15th September, 2019”.
5. To consider, and if thought fit, to pass with or without modification, as an Ordinary Resolution, the following:
“RESOLVED that pursuant to the

provisions of Sections 149, 150, 152 and rules made thereunder, Schedule IV and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Biswajit Choudhuri in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for Five Consecutive Years, for a term up to 15th September, 2019”.

6. To consider, and if thought fit, to pass with or without modification, as an Ordinary Resolution, the following:
“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and rules made thereunder, Schedule IV and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) Dr. V.K.Rungta in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for Five Consecutive Years, for a term up to 15th September, 2019”.

7. To consider, and if thought fit, to pass with or without modification, as an Ordinary Resolution, the following:
“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and rules made thereunder, Schedule IV and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr.

Shiv Kumar Bajaj in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for Five Consecutive Years, for a term up to 15th September, 2019”.

8. To consider, and if thought fit, to pass with or without modification, as a Special Resolution, the following:

“RESOLVED that pursuant to the provisions of Section 180(1)(c) and all other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee thereof) to borrow moneys for the purpose of Company’s business provided that the moneys to be so borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) do not exceed Rs. 1000 Crores (Rupees One thousand Crores) over and above the aggregate for the time being of the paid up share Capital and free reserves of the Company outstanding at any point of time”.

9. To consider, and if thought fit, to pass with or without modification, as a Special Resolution, the following:

“RESOLVED that pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or

re-enactment thereof for the time being in force), the Articles of Association of the Company be and is hereby amended by:

- (i) deleting the existing Article 75 and substituting the following new Article 75 in place thereof:
Number of directors “75. Until otherwise determined by a General Meeting and subject to Section 149 of the Companies Act, the number of Directors shall not be less than three not more than fifteen.
- (ii). adding the following para at the end of existing Article 91:
The Chairman is permitted to hold the position of both the Chairman as well as Managing Director/CEO/equivalent position thereof in the Company as per the

recommendations of the Board of Directors of the Company.”

- (iii). deleting the existing Article 92 and substituting the following new Article 92 in place thereof:
“92 Subject to Section 174 of the Act, quorum for a meeting of the Board shall be one-third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one), or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum. Provided that where at any time the number of interested

directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors that is to say, the number of Directors who are not interested, present at the Meeting being not less than two, shall be the quorum during such time.”

By Order of the Board
P. K. Bafana

Vice-President (Fin) & Company Secretary

46C, J.L.Nehru Road
Kolkata - 700 071
CIN: L31909AP1975PLC001949
29th May, 2014

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight(48) hours before commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. A Statement pursuant to section 102(1) of the Companies Act, 2013 relating to the special Business to be transacted at the meeting is annexed hereto.

3. The Company has notified closure of Register of Members and Share Transfer Books from 1st September, 2014 to 16th September, 2014 (both days inclusive).

4. In terms of the provisions of Section 205A and Section 205C of the Companies Act, 1956, dividends for financial years prior to 2006-07 which have remained unclaimed, have been transferred to the Investor Education and Protection Fund and General Reserve Account of the Central Government, as applicable dividends pertaining to the Financial Years 2006-07, 2007-08 and 2010-11 (No dividend was declared for Financial Years 2008-09, 2009-10, 2011-12 and 2012-13) which remain unclaimed for a period of seven years, will be transferred to the Investor Education Protection Fund. Members who have, till date, not encashed their dividend warrants for these years can claim the dividend from the company.

5. In accordance with provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the business at the General Meeting may be transacted through electronic voting system. The Company is providing a facility for voting by electronic means (“e-voting”) to its members. The Company has engaged the services of Central Depository Services Limited (“CDSL”) to provide e-voting facilities. Instructions for e-voting are indicated at the end of the Notice.

6. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

7. Brief resume of Directors including those proposed to be appointed/reappointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

8. Members are requested to bring their attendance Slip. In case of joint holders attending the meeting, the Members whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

9. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days except Saturdays,

<p>during business hours up to the date of the Meeting.</p> <p>10. 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 their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members, holding shares in physical form can submit their PAN to the Company/CIL Securities Limited.</p> <p>11. Members desiring to seek any information on the annual accounts at the meeting, are requested to write to the Company atleast 10 days in advance of the meeting to facilitate compilation thereof.</p> <p>12 (a) In order to provide protection</p>	<p>against fraudulent encashment of the warrants, shareholders holding shares in physical form are requested to intimate the Company under the signature of the Sole / First joint holder, the following information to be incorporated on the Dividend Warrants.</p> <p>(i) Name of the Sole/First joint holder and the Folio Number.</p> <p>(ii) Particulars of Bank Account, viz.,</p> <p>(a) Name of the Bank</p> <p>(b) Name of Branch</p> <p>(c) Complete address of the Bank with Pin Code Number</p> <p>(d) Account type, whether Savings (SB) or Current Account (CA)</p> <p>(b) Shareholders holding shares in</p>	<p>electronic form may kindly note that their Bank account details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion of/ change in such Bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Shareholders who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change, with complete details of Bank Account.</p>
---	--	---

IMPORTANT

AS INFORMED, MEMBERS ARE ONCE AGAIN REQUESTED TO SURRENDER THEIR OLD SHARE CERTIFICATES I.E.KEL-KOLKATA AND KTEL-HYDERABAD FOR EXCHANGE WITH THE NEW SHARE CERTIFICATE I.E. KEL-HYDERABAD.

FURTHER, AS THE COMPANY'S SHARE ARE UNDER COMPULSORY DEMAT (ISIN"INE 761A01019"), SHAREHOLDERS ARE ONCE AGAIN REQUESTED IN THEIR OWN INTEREST TO CONVERT THEIR SHARES FROM PHYSICAL TO DEMAT.

ANNEXURE TO NOTICE:

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice.

ITEM NO. 4

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, all Independent Directors of the Company must be appointed in accordance with new Act., at a General Meeting of the Company, within one year of the commencement of the Act.

Accordingly, it is proposed to appoint Mr. M.G.Todi as Independent Director in terms of the provisions of the Companies Act, 2013 for five consecutive years, for a term upto 15th September, 2019. A notice has been received from a member alongwith the deposit of requisite amount under section 160 of the Act., proposing the candidature of Mr. M.G.Todi as a Director.

In the opinion of the Board Mr. M.G.Todi fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act., 2013 and rules made thereunder as well as Clause 49 of the Listing Agreement with Stock Exchanges. Copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of appointment would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, upto the Annual General Meeting.

Mr. M.G.Todi is Qualified Chartered Accountant and law graduate, He was also a Director of the erstwhile Khaitan Electricals Ltd, Kolkata for many years. The Company has immensely benefited from his rich industrial as well as professional experience.

Mr. M.G.Todi is also Chairman of Audit Committee and Remuneration Committee of Khaitan Electricals Ltd..

The Board considers that Mr. M. G. Todi's continued association would be of immense benefit and accordingly, the Board recommends the Ordinary Resolution in relation to appointment of Mr. M.G.Todi as an Independent Director, for the approval by the Shareholders of the Company.

Mr. M.G.Todi does not hold any shares in the Company either in his individual capacity or

beneficially for others and is not related to any Director of the Company.

Except for Mr. M. G. Todi, none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

ITEM NO.5

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, all Independent Directors of the Company must be appointed in accordance with new Act., at a General Meeting of the Company, within one year of the commencement of the Act.

Accordingly, it is proposed to appoint Mr.Biswajit Choudhuri as Independent Director in terms of the provisions of the Companies Act, 2013 for five consecutive years, for a term upto 15th September, 2019. A notice has been received from a member alongwith the deposit of requisite amount under section 160 of the Act., proposing the candidature of Mr. Biswajit Choudhuri as a Director.

In the opinion of the Board Mr. Biswajit Choudhuri fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act., 2013 and rules made thereunder as well as Clause 49 of the Listing Agreement with Stock Exchanges. Copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of appointment would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, upto the Annual General Meeting.

Mr. Biswajit Choudhuri has over 49 years rich experience in Engineering Banking, Finance and Management. He is a graduate from IIT, Kharagpur in Mechanical Engineering . He is a former Chairman and Managing Director of United Bank of India and Executive Director of UCO Bank.

Mr. Biswajit Choudhuri is also Member of Audit Committee of Khaitan Electricals Ltd.

The Board considers that Mr. Biswajit

Choudhuri's continued association would be of immense benefit and accordingly, the Board recommends the Ordinary Resolution in relation to appointment of Mr.Biswajit Choudhuri as an Independent Director, for the approval by the Shareholders of the Company.

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

Except for Mr. Biswajit Choudhuri, none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

ITEM NO.6

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, all Independent Directors of the Company must be appointed in accordance with new Act., at a General Meeting of the Company, within one year of the commencement of the Act.

Accordingly, it is proposed to appoint Dr. V.K. Rungta as Independent Director in terms of the provisions of the Companies Act, 2013 for five consecutive years, for a term upto 15th September, 2019. A notice has been received from a member alongwith the deposit of requisite amount under section 160 of the Act., proposing the candidature of Dr. V.K.Rungta is as a Director.

In the opinion of the Board Dr. V.K.Rungta fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act., 2013 and rules made thereunder as well as Clause 49 of the Listing Agreement with Stock Exchanges. Copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of appointment would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, upto the Annual General Meeting.

Dr. V. K. Rungta is a qualified Company Secretary. He is also an MBA from the University of Calcutta, Graduate in Law and

has done his PHD in Management from Stanton University, New York through All India Professional Association Madras.

Dr. V. K. Rungta has over two decade of immense experience in Finance, Secretarial, Administration and other allied fields. He has been on the Board of Bank of Rajasthan, BFL SoftwareLtd.

Dr. V. K. Rungta is also a member of Audit Committee, Remuneration Committee, Shareholders/Investors Grievance Committee and Share Transfer/Transmission Committee of Khaitan Electricals Ltd.

The Board considers that Dr. V. K. Rungta's continued association would be of immense benefit and accordingly, the Board recommends the Ordinary Resolution in relation to appointment of Dr. V.K. Rungta as an Independent Director, for the approval by the Shareholders of the Company.

Dr. V.K. Rungta does not hold any shares in the Company either in his individual capacity or beneficially for others and is not related to any Director of the Company.

Except for Dr. V. K. Rungta, none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

ITEM NO.7

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, all Independent Directors of the Company must be appointed in accordance with new Act., at a General Meeting of the Company, within one year of the commencement of the Act.

Accordingly, it is proposed to appoint Mr. Shiv Kumar Bajaj as Independent Director in terms of the provisions of the Companies Act, 2013 for five consecutive years, for a term upto 15th September, 2019. A notice has been received from a member alongwith the deposit of requisite amount under section 160 of the Act., proposing the candidature of Mr. Shiv Kumar Bajaj as a Director.

In the opinion of the Board Mr. Shiv Kumar Bajaj fulfils the conditions for his appointment as an Independent Director as specified in the Companies Act., 2013 and rules made thereunder as well as Clause 49 of the Listing Agreement with Stock Exchanges. Copy of the draft letter for appointment of the Independent Director setting out the terms

and conditions of appointment would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, upto the Annual General Meeting.

Mr. Shiv Kumar Bajaj is a Commerce Graduate. He was Commercial Adviser and associated with the Company for over three decades.

Mr. Shiv Kumar Bajaj is also Member of Remuneration Committee, Share Transfer and Transmission Committee and Shareholders/Investors Grievance Committee of Khaitan Electricals Ltd.

The Board considers that Mr. Shiv Kumar Bajaj's continued association would be of immense benefit and accordingly, the Board recommends the Ordinary Resolution in relation to appointment of Mr. Shiv Kumar Bajaj as an Independent Director, for the approval by the Shareholders of the Company.

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

Except for Mr. Shiv Kumar Bajaj, none of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

ITEM NO.8

In terms of Ordinary Resolution adopted by the Shareholders at the General Meeting held on 17th September, 2011 the Board of Directors of the Company is authorized to borrow moneys upto Rs.1000 Crores (Rupees One Thousand Crores) over and above the aggregate of paid-up Share Capital and free reserves of the Company outstanding at any point of time.

The provisions of Section 180(1) (c), interalia, require approval of the shareholders by way of Special Resolution under the Companies Act, 1956.

The Ministry of Corporate Affairs has vide General Circular No.04/2014 dated March 25,2014 clarified that pursuant to the provisions of Section 180(1) (c) of the Companies Act, 2013, companies would be required to pass a special resolution by September, 11, 2014. As such it is necessary to obtain fresh approval of the Members by means of Special Resolution, to enable the Board of Directors of the Company to borrow

moneys apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid-up share capital and free reserves of the Company.

The above proposals as set out in the Resolution No.8 of the Notice are in the interest of the Company and your Directors recommended the same for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Special Resolution as set out at Item No.08 of this Notice.

ITEM NO.9

The existing Articles of Association are based on Companies Act, 1956. Some of the regulations in the existing Articles of Association are no longer in conformity with the Companies Act, 2013. Whilst the Company will need to review the Articles of association in its entirety upon notification of all provisions and Rules under the new Act, certain provisions of the Articles of Association which are more restrictive than the Act require alignment with the Act, as proposed in the resolution at Item No.9.

The Resolution at Item No.9 of the Notice is set out as a Special Resolution for approval by the members in terms of Section 10 of the Companies Act, 2013. The Board of Directors recommends amendment to the Articles of Association of the Company.

A Copy of the Memorandum and Articles of Association of the Company together with the proposed alternations would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, upto and including the date of Annual General Meeting.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested in this resolution.

By Order of the Board
P. K. Bafana

Vice-President (Fin) & Company Secretary

46C, J.L.Nehru Road
Kolkata – 700 071
CIN: L31909AP1975PLC001949
29th May, 2014

khaitan electricals limited

A-13, Co-op. Indl. Estate, Balanagar, Hyderabad – 500 037
(CIN NO.L31909AP1975PLC001949)

COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

1. The e-voting period will commence on 8th September, 2014 (9.30 a.m) and end on 10th September, 2014. (6.00 p.m.)
2. During the period shareholders of the Company, holding shares either in physical or in dematerialized form, may cast their vote electronically. The e-Voting module shall be disabled for voting thereafter.
3. Mr. Ashish Kumar Gaggar, Practising Company Secretary has been appointed as a Scrutinizer to scrutinize the e-voting process.
4. In case Members have any queries or issues regarding e-Voting, they may refer the Frequently Asked Questions (“FAQs”) and e-Voting manual available www.evotingindia.com under help section or write an email to helpdesk: evoting@cdslindia.com

E-VOTING PROCESS

1. Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com
2. Click on “Shareholders” tab
3. Select “KHAITAN ELECTRICALS LIMITED” from the drop down menu and click on (“SUBMIT”)
4. Enter your User ID
 - For CDSL: 16 digits beneficiary ID
 - For NSDL: 8 Character DP ID followed by 8 digits Client ID
 - Members holding shares in Physical Form should enter Folio Number registered with the Company
5. Enter the Image Verification as displayed and click on Login
6. If you are holding share in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password must be used.
7. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form	For Members holding Shares in Physical Form
Pan	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">* Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.* In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the the name in CAPITAL letters Eg. if your name is Krishna Murthy with sequence number 1 then enter KR00000001 in the PAN field.* The respective sequence number will be printed on the address sticker of the annual report cover sent to the shareholders.	
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records in dd/mm/yyyy format	
Bank Details	Enter the Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. <ul style="list-style-type: none"># Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or company, please enter the member ID/folio number in the bank details field as mentioned in instruction (4)	

8. After entering these details appropriately, click on “SUBMIT” tab.
9. Members holding shares in physical form will then reach directly the Company selection screen. However members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password must be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provide that 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.
10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in the Notice.
11. Click on the relevant EVSN of Khaitan Electricals Limited.
12. On the Voting page, you will see Resolution Description and against the same the options “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.
13. Click on the “Resolution File Link” if you wish to view the entire Resolution.
14. After selecting the resolution you have decided to vote on click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
15. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
16. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting Page.
17. If Demat account holder has forgotten the changed password, then enter the User ID and image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e.other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) 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.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the System for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (a) Please follow all steps from sl.no.(1) to sl.no.(17) above to cast vote.
- (b) The voting period begins on 8th September, 2014 (9.30 a.m.) and ends on to 10th September, 2014 (6.00 p.m).

During this period, Shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 1st August, 2014, may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Question (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

khaitan electricals limited

A-13, Co-op. Indl. Estate, Balanagar, Hyderabad – 500 037
(CIN NO.L31909AP1975PLC001949)

Dear Shareholder,

Date. May, 29, 2014

Sub:- Registration of email address

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

We, therefore request you to fill up the registration form below and send it to Company's Share Registrar & Transfer Agent at M/s CIL Securities Ltd., 214, Raghavaratna Towers, Chirag Ali Lane, Abids, Hyderabad – 500 001 for registration your email address.

Shareholders who hold shares in Demat form are requested to approach concerned Depository Participant for updating/modifying the e-mail id(s) as the case may be.

For **KHAITAN ELECTRICALS LTD.**

P.K.Bafana

Vice-President (Fin) & Company Secretary

khaitan electricals limited

A-13, Co-op. Indl. Estate, Balanagar, Hyderabad – 500 037
(CIN NO.L31909AP1975PLC001949)

EMAIL REGISTRATION FORM

To*:

The Company (for Members holding shares in physical mode)/

The Depository Participants (for members holding shares in Demat mode)

Sub: Registration of email address (Khaitan Electricals Ltd.)

I/We would like to receive Notices, Annual Reports and other communication/documents from the company in electronic mode. We request you register my/ our email address for receiving communication/documents electronically as per the following details:

Name of the Shareholder (s)	
Folio No./DP ID/ Client ID	
Email Address	
Mobile No.	

Date:

Place:

Signature of the Shareholder(s)**

* Please tick as applicable.

** Please ensure that the form is signed by the registered shareholder himself, alongwith joint shareholders, if any.

Directors' Report including Management Discussion

To the members

Your Directors present the 38th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014.

Financial results

	2013-2014 (Rs. in lacs)	2012-2013 (Rs. in lacs)
Sale of Goods	52,135.44	52,522.20
Gross Profit/(Loss) for the year	(1533.44)	628.89
Less : Depreciation	187.81	187.39
Profit/(Loss) before Tax & Exceptional item	(1721.25)	441.50
Less : Exceptional Item	-	465.22
Profit/(Loss) after Exceptional item	(1721.25)	906.72
Add: Provision for Income-tax		
For Current Year- Current tax	-	(205.00)
Deferred tax	92.14	39.56
MAT Credit Entitlement	-	64.00
For earlier years- Income Tax	(32.80)	6.86
Profit/(Loss) after Tax	(1661.91)	812.14
Add: Balance in Profit and Loss Account	(519.79)	(1331.93)
Amount available for Appropriation	(2181.70)	(519.79)
Appropriation		
a) Transfer to General Reserve	-	-
b) Proposed Dividend	-	-
c) Tax on Dividend	-	-
Balance carried to Balance Sheet	(2181.70)	(519.79)
Earnings per share (in Rs.)	(14.45)	7.06
Cash earnings per share (in Rs.)	(12.82)	8.69



Corporate Overview

Khaitan Electricals Limited is one of India's Leading Fan manufacturer with interests in Home Appliances, Lightings and Pump business having its Corporate head quarters in Kolkata.

Your Company prepares its financial statements in compliance with the requirements of the Companies Act, 1956 and the Generally Accepted Accounting Principles (GAAP) in India.

Financial Review

The year 2013-14 witnessed a sharp drop

in margins. Further, with no growth in business volumes, increase in Overheads and Finance Cost adversely affected the bottomline. The Net Sales for the year was Rs. 513.72 Crores as against Rs. 511.80 Crores in the previous year. The Company suffered a Loss Before Tax of Rs. 17.21 Crores as against a Profit of Rs. 4.41 Crores before Tax and Exceptional Income during the previous year.

Other income

Other income consists of interest received, export incentives, cash discount, claims received etc.

Financial Expenses

Financial expenses for the year was Rs. 41.30 Crores as against Rs. 38.02 Crores in the Previous Year.

Depreciation

Depreciation was at Rs.1.88 Crores compared to Rs.1.87 Crores in the previous year.

Earning per Share

Earnings Per Share (EPS) stood at (Rs. 14.45) compared to Rs. 7.06 in the previous year. The cash earned per share stood at (Rs. 12.82) as against cash earning of Rs. 8.69 in the previous year.

Cash flow analysis

(Rs. in lacs)

Source of cash	2013-14	2012-13
Cash from operations	1997.94	3211.54
Increase in borrowings	3832.80	(1559.93)
Inter Corporate Deposits	(1142.45)	1339.80
Total	4688.29	2991.41
Use of cash	2013-14	2012-13
Net capital expenditure	193.62	(431.64)
Interest Paid (Net)	3042.03	2508.14
Tax paid	210.87	69.41
Increase/(Decrease) in Cash & Cash Equivalents	(155.95)	318.03
Increase/(Decrease) in Working Capital	1397.72	527.47
Total	4688.29	2991.41



Human Resources

The Company employed good human resources practices. The Company is enjoying good and congenial industrial relations at all its plants. As on 31st March, 2014, the total permanent employees were 762.

Safety Environment And Pollution Control

The Company continuously works on high safety standards and a clean environment free from pollution. The manufacturing process does not generate effluents.

ISO 9001

The Plant of your Company located at Hyderabad and Kolkata are presently ISO 9001:2008 certified.

Current Outlook

The present market scenario does not appear to be very encouraging and therefore the Company is quite concerned about the outlook for the current year. However the Company is making all out efforts to regain its growth trend with major thrust on consolidation of product mix, reduction in cost and containing of overheads and interest. Further, the management has also initiated appropriate steps to mitigate the financial stress including the option for restructuring.

Risks And Concerns

Wild currency fluctuations affect metal prices and may cause pressure on margins. No threat is witnessed from imports.

Though the Company is realigning its products to mitigate the impact of rising

cost, the steep rise in input cost is a major cause of concern.

With no sign of stability in input cost, the company looks forward to year 2014-15 with caution.

Internal Control Systems And Their Adequacy

The Company remains committed to maintain its internal control system and procedures to provide reasonable assurances for efficient conduct of business and security of its assets. The Company has an elaborate budgetary control system and actual performance is consistently monitored by the Management. The Company has a well defined organizational structure, authority levels and internal guidelines and rules.

Fixed Deposits

The Company did not accept/renew any Fixed Deposits during the year under review and there were no outstanding Deposits.

Transfer Of Amounts To Investor Education And Protection Fund

Pursuant to the provisions of section 205A(5) of the Companies Act, 1956, dividends which remained unpaid or unclaimed for a period of 7 years have been transferred by the company to the Investor Education and Protection Fund.

Directorate

Sri Ajay Kumar Kajaria, Director of the Company, retire by rotation and being eligible offer himself for reappointment.

In terms of the provisions of Companies Act, 2013 all Independent Directors of the Company must be appointed in

accordance with the new Act at a General Meeting of the Company within one year of the commencement of the Act.

Accordingly Mr. M.G.Todi, Mr.Biswajit Choudhuri, Dr.V.K.Rungta and Mr.Shiv Kumar Bajaj Independent Directors are recommended for confirmation of appointment as Independent Director for a period of Five Years as per the provisions of Companies Act, 2013.

The details of the Directors being recommended for appointment are contained in the accompanying Notice of the forthcoming Annual General Meeting.

Corporate Governance Report

A separate report on Corporate Governance is furnished as a part of the Annual Report and the certificate from the Company's Auditors regarding compliance with the said code is annexed to the said Report.

Cost Auditors

Pursuant to provisions of Section 233(B) of the Companies Act, 1956 necessary application was submitted to the Department of Company Affairs for the appointment of M/s.Prasad & Company, Cost Accountants as Cost Auditors to audit the cost accounts maintained by the Company for the year ending 31st March, 2014.

Auditors

M/s.V.S.Rao & Co., Chartered Accountants and M/s.G.P.Agrawal & Co., Chartered Accountants, Joint Auditors of the Company retire at the ensuing Annual General meeting and are eligible for re-appointment.

Directors' Responsibility Statement

Pursuant to Sub Section 2 (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the loss of the Company for that period.

iii) the Directors took proper and

sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv) The Directors had prepared the annual accounts on a going concern basis.

Disclosures

Information, as required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is set out as under:

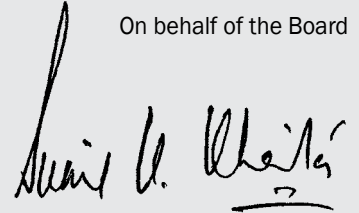
A.	Conservation of Energy	:	The Company's energy requirement is not large and the power consumption is in conformity with the industry norms. Hence, no special measures were taken.
B.	Technology Absorption		
	1. Specific areas in which R & D carried out by the Company	:	Development of new models/products/processes, improvement in the quality and productivity of the existing products.
	2. Benefits derived as a result of the above R & D	:	Improvement in quality and productivity of the products.
	3. Future Plan of Action	:	To design and develop new as well as low-cost models of fans, high speed fans and power-efficient motors.
	4. Expenditure on R & D		
	a) Capital	:	Nil
	b) Recurring	:	Rs. 1.87 Lacs
	c) Total	:	Rs. 1.87 Lacs
	d) Total R & D Expenditure as a percentage of Total Turnover	:	0.004 %
C.	Foreign Exchange Earning and Outgo		
	1. Activities relating to Exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.	:	The Company export its products to various Middle East Countries, Nigeria, Ghana, Yemen, Uganda, Iraq, Nepal, Bangladesh, Sri Lanka, etc. Efforts are on for increasing exports to the existing customers and for exporting to new countries.
	2. Total Exchange used and earned	:	Used – Rs. 2301.18 Lacs Earned – Rs. 722.55 Lacs

Personnel

Relations with the employees remained cordial and harmonious. Your Directors wish to place on record their sincere appreciation for the dedicated services rendered by the Company's employees at all levels. Information, as required under section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended are Nil.

The Directors thanks the Company's Customers, Distributors, Vendors, Investors, Bankers and Financial Institutions for their support to the Company.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Sunil K. Khaitan', with a horizontal line underneath the name.

Sunil K. Khaitan
Chairman

Kolkata
29th May, 2014

Corporate Governance Report

1. Company's Philosophy on Code of Governance

Your Company believes that good corporate governance entails the balancing of corporate actions with the interests of all stakeholders and satisfying the tests of accountability, transparency and fair play.

2. Board of Directors

The strength of your Company's Board is Seven Directors comprising Five

Non-Executive Directors, out of whom Four are Independent Directors viz., Sri M. G. Todi, Sri V. K. Rungta, Sri Biswajit Choudhuri and Sri Shiv Kumar Bajaj. Sri A. K. Kajaria Non-Executive Director related to Chairman of the Board. The Two Executive Directors are Sri Sunil K. Khaitan, Chairman & Managing Director and Sri Sajjan Dabriwal, Dy. Managing Director. Five Board Meetings were held during

the period from 1st April 2013 to 31st March 2014 on the following dates:

May 29th, 2013; August 14th, 2013; September 12th, 2013, November 13th, 2013 and February 13th, 2014.

The attendance at Board Meetings and at the Last Annual General Meeting and the No. of Other Directorships and Committee Memberships/Chairmanships of Directors is given below:

Name of Directors	No. of Board meetings attended	Attendance at the last AGM (yes/No)	No. of Directorships in other Public Limited Companies	Committee Memberships in other Public Limited Companies (excluding Khaitan Electricals Ltd.)	Relationship Inter se Directors
Sri Sunil K. Khaitan	5	No	2	Nil	Related to Sri A. K. Kajaria and Sri Sajjan Dabriwal
Sri M.G. Todi	5	No	4	Nil	
Sri A.K. Kajaria	5	No	3	Nil	Related to Sri Sunil K. Khaitan
Sri Sajjan Dabriwal	-	Yes	1	-	Related to Sri Sunil K. Khaitan
Sri V.K. Rungta	5	Yes	1	3	
Sri Biswajit Choudhuri	5	No	7	13	
Sri Shiv Kumar Bajaj	5	No	4	Nil	



3. Disclosure regarding appointment or re-appointment of Directors:

Given below are the abbreviated resumes of the Directors of Khaitan Electricals Ltd., for re-appointment.

- a. Sri Shiv Kumar Bajaj (64Years) is a Commerce Graduate. He was Commercial Adviser and associated with the Company for over three decades. His other Directorships include M/s The Oriental Mercantile Co. Ltd., M/s Murat Viniyog Ltd., Ambe Tex-Fab (India) Ltd., Adiambe Fashions Ltd. and M/s Orson Holding Co. Ltd. He Holds no share in the Company.
- b. Sri A.K.Kajaria (56 Years) is a Commerce Graduate. He was a Director of the erstwhile Khaitan Electricals Limited, Kolkata for many Years and his contribution to the growth of the Company is commendable. His Other Directorships include M/s Lagan Engineering Company Limited, M/s Kajaria Yarns & Twines Limited, M/s Murlidhar Ratanlal Export Ltd. His Shareholdings in the company 98 Nos. Shares.
- c. Sri Biswajit Choudhuri (72 Years) has over 50 Years rich experience in Engineering, Banking, Finance and Management. He is a graduate from IIT, Kharagpur in Mechanical Engineering. He is former Chairman and Managing

Director of United Bank of India and Executive Director of UCO Bank. His other Directorships include Aditya Birla Chemicals (India) Ltd., Hindustan Engineering & Industries Ltd., Ludlow Jute & Specialities Ltd., Godawari Power and Ispat Ltd., R.V. Investment & Dealers Ltd., Maithan Alloys Ltd. and Hira Ferro Alloys Ltd.. He holds no share in the Company.

- d. Dr. V.K. Rungta (68 Years) is a qualified Company Secretary. He is also an MBA from the University of Calcutta, Graduate in Law and has done his Ph.D in Management from Stanton University, New York through All Indian Profession Association, Madras.

Dr. V.K. Rungta has over two decades of immense experience in Finance, Secretarial, Administration and other allied fields. He has been on the Board of Bank of Rajasthan, BFL Software Ltd. His other Directorships in other Public Limited Companies include Khaitan (India) Limited, Wonder Décor Pvt. Ltd., Triton Distributors Ltd., Ess Key Properties Development Pvt. Ltd. His Shareholdings in the Company is Nil.

- e. Sri M. G. Todi (73 Years) is a Qualified Chartered Accountant and law graduate. He was also a Director of the erstwhile Khaitan

Electricals Limited, Kolkata for many years. The Company has immensely benefited from his rich industrial as well as professional experience. His other Directorships include Coastal Industrial Finance Ltd., Todi Sons Ltd., Todi Services Ltd., Century Extrusion Ltd. He holds no share in the Company.

4. Audit Committee

Your Company has an Audit Committee comprising Three Non Executive and Independent Directors.

Sri M. G. Todi, Chairman of the Committee (Independent Director)

Sri V. K. Rungta, (Independent Director), Member

Sri Biswajit Choudhuri (Independent Director), Member

Sri Prem Kumar Bafana, Vice President (Finance) & Company Secretary is the Secretary of the Committee.

The terms of reference of the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

During the period under review, the Audit Committee held Four Meetings on May 29th, 2013; August 14th, 2013; November 13th, 2013 and February 13th, 2014.

The attendance at the Audit Committee Meetings during 2013-14 is given below :

Name of Directors	No. of Meetings Attended
Sri M. G. Todi	4
Sri V. K. Rungta	4
Sri Biswajit Choudhuri	4

5(a). Directors' Remuneration Committee:

Directors' Remuneration Committee was formed on May 8th, 2004 and reconstituted on 29th May 2010 and 20th October, 2012 and further reconstituted on 10th November, 2012.

Sri M.G.Todi (Chairman of the Committee), Sri Sunil K. Khaitan, Member , Sri V.K. Rungta, Member, Sri Shiv Kumar Bajaj, Member Sri Prem Kumar Bafana, Vice-President (Finance) and Company Secretary shall act as Secretary of the Committee

The Committee has been constituted to recommend/review the remuneration package of the -Chairman & Managing Director/ Whole-time Directors. During the year, the committee met once on May 29th, 2013.

The attendance at the Directors' Remuneration Committee Meeting during 2013-14 is given below :

Members	Meeting Attended
Sri M.G. Todi (Chairman of the Committee)	1
Sri Sunil K. Khaitan, Member	1
Sri V.K. Rungta, Member	1
Sri Shiv Kumar Bajaj, Member	1

Role of The Committee:

Determining and monitoring of the Company's policy and specific remuneration packages including pension rights and any compensation payment for Whole-time Directors.

5(b). Remuneration of Directors:

The details of remuneration of the Directors during 2013-14 are as follows:

Name of the Directors	Salary and perquisites (Rs.)	Commission (Rs.)	Sitting fees (Rs.)	Total (Rs.)	Period of appointment & (notice period)
Sri Sunil K. Khaitan	46,56,000	-	-	46,56,000	01.11.13 To 31.10.16 (Three Months)
Sri A.K. Kalaria	-	-	60,000	60,000	
Sri M.G. Todi	-	-	1,10,000	1,10,000	
Sri V.K. Rungta	-	-	1,10,000	1,10,000	
Sri Biswajit Choudhuri	-	-	1,00,000	1,00,000	
Sri Sajjan Dabriwal	2,927,932	-	-	29,27,932	20.09.13 To 19.09.16 (Three Months).
Sri Shiv Kumar Bajaj	-	-	70,000	70,000	

6. Share Transfer Committee and Shareholders'/Investors' Grievance Committee:

The Board reconstituted Share Transfer Committee and Shareholders'/Investors' Grievance Committee on 10th November, 2012 in view of vacancy caused by the sad demise of Sri Shree Krishna Khaitan. as follows:-

Share Transfers & Transmission Committee

Sri Sunil .K. Khaitan, Sri Sajjan Dabriwal, Sri V.K. Rungta, Sri Shiv Kumar Bajaj

Sri Prem Kumar Bafana, Vice – President (Finance) & Company Secretary shall act as Secretary of the Committee

The Committee met 25 times during the period 2013-14 under review.

All shares received for transfer were registered and despatched within 15 days of receipt, if the documents were correct and valid in all respects.

Your Company received 47 Nos. of Transfers/Transmission applications during the year and the above applications were duly transferred and despatched subsequently within 15 days of the stipulated period and no transfers are pending as on date. Your Company received 229 Nos. of D'mat applications during the year and the said D'mat applications were duly confirmed within the stipulated period of 30 days and no D'mat cases are pending as on date.

Your Company also has a Shareholders'/Investors' Grievance Committee to review the Shareholders and Investors' Grievances.

The Committee met Twice on October 10th, 2013 and March 28th, 2014

during the period under review.

The Committee was reconstituted on 10th November, 2012.

Sri Sunil K. Khaitan, Chairman of the Committee,
Sri V.K.Rungta, Member
Sri Sajjan Dabriwal, Member
Sri Shiv Kumar Bajaj, Member

Sri Prem Kumar Bafana, Vice-President (Finance) and Company Secretary is the Secretary of the Committee and Compliance Officer and Secretary of the Share Transfer Committee as well as the Shareholders'/Investors' Grievance Committee.

Your Company received 15 Nos. of Complaints from Shareholders relating to the non receipt of dividend, Bonus Shares and Annual Report. The complaints were duly attended to and there were no complaints pending as on date.

7. General body meetings:

AGM	Financial year	Location	Date	Time
37th	2012-13	Federation of A.P. Chambers and Commerce of Industry, Hyderabad – 500 004	16th September, 2013	11.00 A.M
36th	2011-12	Federation of A.P. Chambers and Commerce of Industry, Hyderabad – 500 004	15th September, 2012	11.00 A.M
35th	2010-11	Federation of A.P. Chambers and Commerce of Industry, Hyderabad – 500 004.	17th September, 2011	11.00 A.M

Special Resolution transacted at the Last Three Annual General Meetings held on

- SEPTEMBER 16, 2013

Two Special Resolutions were passed at the 37th Annual General Meeting held on 16th September, 2013 for Re-appointment of Sri Sunil K Khaitan, Chairman & Managing

Director from 01.11.2013 to 31.10.2016 and Re-appointment of Sri Sajjan Dabriwal, Dy. Managing Director from 20th September, 2013 to 19th September, 2016.

- SEPTEMBER 15, 2012

No Special Resolution was passed at the 36th Annual General Meeting

held on 15th September, 2012.

- SEPTEMBER 17, 2011

No Special Resolution was passed at the 35th Annual General Meeting held on 17th September, 2011.

All Resolutions as set out in respective notices were duly passed by the shareholders.

8. Disclosures

There were no transactions of material nature between the Company and its directors or Management and their relatives or promoters that may have a potential conflict with the interest of the Company. The Register of Contracts, containing transactions in which directors are interested is placed before the Board regularly.

There have been no instances of non-compliance by the Company on any matters related to capital markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or Statutory authority does not arise.

9. Means of communications

The annual, half-yearly and quarterly results are regularly submitted to Stock Exchanges in accordance with the Listing Agreement and normally published in the Business Standard and Andhra Prabha.

During the year the Company has not made any presentation to institutional investors or analysts.

The Management Discussion and Analysis Report form a part of Directors' Report.

10. General shareholders' information

a. Annual General Meeting:

Date and time
16th September 2014 at 11.00 A.M.

Venue
The Federation of A.P. Chambers of Commerce and Industry (FAPCCI) Premises - Surana Udyog Hall Federation House, FAPCCI Marg, 11-6-841, Red Hills HYDERABAD- 500 004

b. Financial calendar (tentative)

- 1st quarter
2nd week of August 2014
- 2nd quarter/half-yearly
2nd week of November 2014
- 3rd quarter
2nd week of February 2015

- Audited results
4th week of May 2015

c. Dates of book closure

1st September 2014 to
16th September 2014

d. Stock exchange where listed and stock code

1. The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 (Stock Code: 504269)
2. National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 (Stock code: KHAITANELE EQ)

Note: Delisting application still pending with CSE from December, 2004.

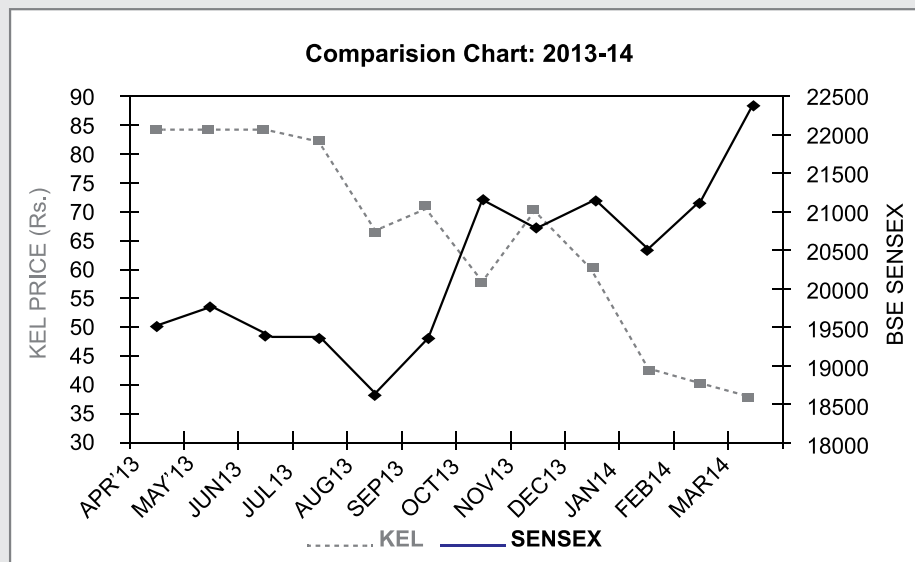
The listing fee for the year 2013-14 has been paid to BSE and NSE.

e. ISIN allotted to Equity Shares INE 761A01019

f. Market price data

BSE	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
HIGH	84.00	88.20	84.50	85.00	86.00	76.90	70.00	70.00	67.00	59.70	46.00	43.25
LOW	73.20	79.85	80.10	82.00	57.55	66.35	57.50	57.05	57.10	38.60	40.00	36.90
CLOSE	84.00	84.00	84.00	82.00	66.50	70.20	58.00	70.00	60.00	42.55	40.00	37.55
MONTHLY Turnover (RS.IN LACS)	195.38	13.43	6.91	10.43	1.39	0.87	1.48	3.63	2.64	13.38	2.89	66.35

g. Stock performance index



h. Depository Registrar and Share Transfer Agents : M/s. CIL Securities Ltd.,

214 Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad – 500 001

Phone nos. 040-23202465/23203155 • Fax no. 040-23203028, 040-66661267

Email: rta@cilsecurities.com, cilsec@rediffmail.com

i. Distribution of shareholdings as on 31st March, 2014

Shares held	No. of shareholders	% of shareholders	No. of shares held	% of shares holding
Upto 500	18993	97.58	1661342	14.45
501 to 1,000	281	1.44	197436	1.72
1,001 to 2,000	99	0.51	141097	1.23
2,001 to 3,000	16	0.08	40537	0.35
3,001 to 4,000	8	0.04	28447	0.25
4,001 to 5,000	12	0.06	55314	0.48
5,001 to 10,000	17	0.09	122240	1.06
10,001 and above	38	0.20	9253587	80.46
	19464	100.00	11500000	100.00
Physical mode	13176	67.69	2508276	21.82
Electronic mode	6288	32.31	8991724	78.18

j. Shareholding pattern as on 31st March, 2014

Categories	No. of shares	%
Promoters' Holdings	6344208	55.17
Mutual Funds	23	0.00
Banks, Financial Institutions and Others	275223	2.39
Private Corporate Bodies	2001949	17.41
Indian Public	2860415	24.88
NRI/OCBS	3816	0.03
Clearing Members	13121	0.11
Trust	1245	0.01
Total	11500000	100.00

k. Plant Location

Plot No.129,
S.V. Co-op.Industrial Estate,
IDA, Bollaram, 502 320
Medak Dist. (A P.)

P-10 Transport Depot Road
Kolkata - 700 088. (W.B.)

Plot No.14, Sector 6
Faridabad – 121 006 (Haryana)

at the Company's Secretarial
Department at A-13, Co-operative
Industrial Estate, Balanagar,
Hyderabad – 500 037, Telephone
nos: 23770640/01/02/03 or by
email at hydfactory@khaitan.com /
hydcommercial@khaitan.com or
by fax: 040-2377 0646.

employees and all Board Members.

This code is available on the
Company's website.

I confirm that the Company has in
respect of the financial year ended
March 31st, 2014 received from the
senior management personnel and
the Board members, a declaration
of compliance with the Code of
Conduct.”

l. Address for correspondence

Shareholders' correspondence
should be addressed to the
Company's Share Transfer Agents at
the address given in (h) above.
In case of any difficulty, shareholders
may contact Sri A.V.S.G. Krishna
Murthy, Senior Officer, Secretarial

m. CEO declaration on Code of Conduct

Reproduced is the text of the
declaration made by the Chairman
and Managing Director confirming
compliance of Code of Conduct by all
Directors and senior management
personnel:

“This is to confirm that the Company
has adopted a code of conduct for its

Sunil K. Khaitan
*Chairman &
Managing Director*

Kolkata

May 29, 2014

CIN: L31909AP1975PLC001949

Auditors' Certificate

on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreements

To,
The members of Khaitan Electricals Limited

1. We have reviewed, the implementation of Corporate Governance procedures by Khaitan Electricals Limited during the period ended 31st March, 2014, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. 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.
3. 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 agreements with the Stock Exchanges have been complied with in all material respects by the Company.
4. As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that there are no investors' grievances unattended for a period exceeding one month against the Company as per the records maintained by the Company.

For V. S. RAO & CO.
Chartered Accountants
(FR No. 003157S)

For G. P. AGRAWAL & CO.
Chartered Accountants
(FR No. 302082E)

Kolkata
29th May, 2014

CA. V. G. Tarak Nath
Partner
Membership No.23302

CA. Rakesh Kumar Singh
Partner
Membership No.66421



Financial section

Independent Auditors' Report

To
The Members of **Khaitan Electricals Limited**

Report on the financial statements

We have audited the attached Balance Sheet of KHAITAN ELECTRICALS LIMITED as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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 notified under the Companies Act, 1956 ("the Act") read with the General Circular no. 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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 misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. 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.
2. As required by section 227(3) of the Act, we report that:
 - a) 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;
 - b) 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;
 - c) 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.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular no. 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e) on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **V. S. Rao & Co.**
Chartered Accountants
F.R.No.003157S

For **G. P. Agrawal & Co.**
Chartered Accountants
F.R.No.302082E

CA. V. G. Tarak Nath
Partner
Membership No.23302

(CA. Rakesh Kumar Singh)
Partner
Membership No. 66421

Kolkata
Date: 29th May, 2014

Annexure to the Auditors' Report

Statement referred to in our report of even date to the members of KHAITAN ELECTRICALS LIMITED on the financial statements for the year ended 31st March, 2014.

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, the fixed assets were physically verified by the Management in a phased periodical manner which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- c) In our opinion, and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year.
- ii) a) Physical verification has been conducted by the management at reasonable intervals in respect of inventory of raw materials, stores and spare parts, stock-in-process and stock-in-trade in the Company's possession. The existence of stocks lying with third parties as at 31st March, 2014 has been substantially confirmed based on confirmations or statements of account received from such third parties. In our opinion, the frequency of physical verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed between the physical inventory as verified and the book records were not material.
- iii) a) The Company has not given any loan during the year to companies, firms or other parties covered in the register maintained under section 301 of the Act. Consequently, the provisions of para (iii) (a),(b),(c) and (d) of the Order are not applicable.
- b) The Company has not taken any loan during the year from companies, firms or other parties covered in the register maintained under section 301 of the Act. Consequently, the provisions of para (iii) (e),(f) and (g) of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining

comparable quotations, 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 sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in the register maintained under Section 301 of the Act, have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act, and exceeding the value of Rupees Five lakhs in respect of any party during the year, except where suitable alternative sources do not exist for obtaining comparable quotations, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposit from the public within the meaning of Section 58A and 58AA of the Act and the rules framed there under.
- vii) In our opinion the existing internal audit system employed by the Company is commensurate with the size of the Company and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records has been prescribed under Section 209(1)(d) of the Act. We are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- ix) a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have been regularly deposited by the Company during the year with the appropriate authorities except for delays in many cases which were not serious. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date of becoming payable.

- b) The disputed statutory dues aggregating to Rs. 13,63,72,213/- that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of the Dues	Amount (Rs)	Period	Forum where dispute is pending
State Sales Tax/ Central Sales Tax	Sales Tax & Penalty	7,78,60,732	1994-95 to 1995-96, 2000-01 to 2011-12	AC, DC, Commissioner, Revision Board of Comm. Taxes, Tax Tribunal, High Court.
State Entry Tax	Entry Tax	1,56,79,730	2000-01 2006-07 to 2012-13	Asstt. Commissioner
The Central Excise Act, 1944	Central Excise Duty	3,38,03,204	1994-95, 2000-01 to 2001-02 & 2007-08 to 2012-13	Commissioner of Central Excise, Tribunal, CESTAT
Finance Act, 1994	Penalty	10,00,000	2008-09	Tribunal, Delhi
Haryana Urban Development Authority Act, 1977	Service Tax	2,47,054	2011-12	Asstt. Commissioner Service Tax
Employees State Insurance Act, 1948	Extension Fee	71,03,310	1981 - 2002	Administration of Haryana Development Authority.
	ESI Contribution	6,78,183	1994-95	ESI Court
Total		13,63,72,213		

- x) The Company does not have any accumulated losses as at 31st March, 2014. The company has incurred cash losses during the current year though not in the immediately preceding year.
- xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company did not have any outstanding debentures during the year.
- xii) Based on our examination of documents and records, we are of the opinion that the Company has not granted loans and advances on the basis of the security by way of pledge of shares, debentures and other securities.
- xiii) As explained to us, the provisions of any special statute applicable to chit fund, nidhi, mutual benefit fund or society are not applicable to the Company.
- xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. However, the Company has made investment in shares in respect of which proper records have been maintained of the transaction and contracts and timely entries have been made therein, and the shares are held by the Company, in its own name.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or financial institutions.
- xvi) The Company has raised new term loan during the year. The term loan outstanding at the beginning of the year and those raised during the year has been applied for the purpose for which they were raised.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- xix) There are no debentures issued and outstanding at the year end.
- xx) The Company has not raised any money by public issue during the year.
- xxi) According to the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **V. S. Rao & Co.**
Chartered Accountants
(FR No. 003157S)

For **G. P. Agrawal & Co.**
Chartered Accountants
(FR No. 302082E)

CA. V. G. Tarak Nath
Partner
Membership No.23302

(CA. Rakesh Kumar Singh)
Partner
Membership No. 66421

Kolkata
Date: 29th May, 2014

Balance Sheet

As at 31st March, 2014

(Amount in Rupees)

Particulars	Note No	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	2.1	115,000,000	115,000,000
b. Reserves & Surplus	2.2	820,086,549	986,277,506
		935,086,549	1,101,277,506
2. Non-current liabilities			
(a) Long-term borrowings	2.3	612,516,302	300,837,088
(b) Deferred tax liabilities (Net)	2.4	-	8,874,344
(c) Other long term liabilities	2.5	871,776	390,321
		613,388,078	310,101,753
3. Current liabilities			
(a) Short-term borrowings	2.6	2,157,330,259	2,085,729,791
(b) Trade payables	2.7	1,239,367,241	1,410,293,286
(c) Other current liabilities	2.8	577,310,311	536,754,676
(d) Short-term provisions	2.9	14,462,765	18,887,143
		3,988,470,576	4,051,664,896
TOTAL		5,536,945,203	5,463,044,155
II. ASSETS			
1. Non-current assets			
(a) Fixed assets	2.10		
(i) Tangible assets		218,356,827	218,464,402
(ii) Intangible assets		7,871,141	7,544,508
		226,227,968	226,008,910
(b) Non-current investments	2.11	64,500,000	64,500,000
(c) Deferred tax assets (Net)	2.4	340,095	-
(d) Long-term loans and advances	2.12	56,492,583	55,473,356
(e) Other non-current assets	2.13	102,105,397	27,181,661
		449,666,043	373,163,927
2. Current Assets			
(a) Inventories	2.14	2,377,051,559	2,271,872,476
(b) Trade receivables	2.15	1,596,395,226	2,080,340,976
(c) Cash and bank balances	2.16	271,940,646	244,836,157
(d) Short-term loans and advances	2.17	734,462,679	388,094,799
(e) Other current assets	2.18	107,429,050	104,735,820
		5,087,279,160	5,089,880,228
TOTAL		5,536,945,203	5,463,044,155
Significant Accounting Policies	1		
Other Disclosures	2.29 to 2.44		

The accompanying Significant Accounting Policies & Notes to Accounts are an integral part of the Financial Statements.

As per our report of even date attached.

For **V. S. Rao & Co.**
Chartered Accountants
(FR No. 003157S)

For **G. P. Agrawal & Co.**
Chartered Accountants
(FR No. 302082E)

Sunil K. Khaitan
Chairman &
Managing Director

Shiv Kumar Bajaj
Director

P. K. Bafana
VP (Fin) & CS

CA. V. G. Tarak Nath
Partner
Membership No. 23302

CA. Rakesh Kumar Singh
Partner
Membership No. 66421

Kolkata
29th May, 2014

Statement of Profit and Loss

For the year ended 31st March, 2014

(Amount in Rupees)

Particulars	Note No	Year Ended 31.03.2014	Year Ended 31.03.2013
I. Revenue from Operations			
Sale of Goods (Gross)	2.19	5,213,543,642	5,252,220,402
Less: Excise Duty		100,020,326	171,079,029
Net Sale of Goods		5,113,523,316	5,081,141,373
Other operating revenue	2.20	23,635,702	36,851,773
Revenue from operations (net)		5,137,159,018	5,117,993,146
II. Other Income	2.21	116,406,116	134,850,382
III. Total Revenue (I + II)		5,253,565,134	5,252,843,528
IV. Expenses			
Cost of Materials Consumed	2.22	635,207,463	860,742,220
Purchases of Stock-in-Trade	2.23	3,258,407,346	2,959,151,207
Changes in Inventories of Finished Goods, Work-in-Progress and Stock in-Trade	2.24	(156,166,087)	(260,242,139)
Employee Benefits Expense	2.25	272,164,369	236,559,938
Finance Costs	2.26	413,012,340	380,208,227
Depreciation and Amortization Expense	2.10	18,781,492	18,738,572
Other Expenses	2.27	984,283,494	1,013,535,562
Total Expenses		5,425,690,417	5,208,693,587
V. Profit/(Loss) before Exceptional and Extraordinary Items and Tax (III - IV)		(172,125,283)	44,149,941
VI. Exceptional Item	2.28	-	46,522,481
VII. Profit/(Loss) before Tax (V + VI)		(172,125,283)	90,672,422
VIII. Tax Expense:			
(1) Current tax		-	20,500,000
Less : MAT Credit		-	(6,400,000)
(2) Earlier Year Tax		3,280,113	(685,390)
(3) Deferred Tax		(9,214,439)	(3,955,828)
		(5,934,326)	9,458,782
IX. Profit/(Loss) for the Year (VII-VIII)		(166,190,957)	81,213,640
X. Earnings Per Share of Rs.10/- each - Basic & Diluted	2.36	(14.45)	7.06
Significant Accounting Policies	1		
Other Disclosures	2.29 to 2.44		

The accompanying Significant Accounting Policies & Notes to Accounts are an integral part of the Financial Statements.

As per our report of even date attached.

For **V. S. Rao & Co.**
Chartered Accountants
(FR No. 003157S)

For **G. P. Agrawal & Co.**
Chartered Accountants
(FR No. 302082E)

Sunil K. Khaitan
Chairman &
Managing Director

Shiv Kumar Bajaj
Director

P. K. Bafana
VP (Fin) & CS

CA. V. G. Tarak Nath
Partner
Membership No. 23302

CA. Rakesh Kumar Singh
Partner
Membership No. 66421

Kolkata
29th May, 2014

Cash Flow Statement

For the Year 2013-14

(Amount in Rupees)

	Year ended 31.03.2014	Year ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax & Exceptional Item as per statement of Profit and Loss	(172,125,283)	44,149,938
Adjusted for:		
Depreciation	18,781,492	18,738,572
Loss on Sale/ Discard of Fixed Assets	361,462	1,508,047
Sundry Balances Written Off	21,918,383	-
Provision for doubtful debts/advances	23,370,361	5,942,700
Unrealised gain on exchange rate fluctuation	3,284,231	-
Finance costs	413,012,340	380,208,227
Interest Income	(108,809,432)	(129,393,629)
Operating Profit Before Working Capital Changes	199,793,554	321,153,855
Adjusted for:		
Trade Receivables	358,614,352	(210,129,462)
Other Assets - Current / Non Current	(261,144,090)	20,789,440
Inventories	(105,179,083)	(255,370,074)
Trade Payables	(174,210,276)	345,974,840
Other Liabilities - Current / Non Current	41,037,090	46,254,454
Short Term Provisions	1,110,455	(266,885)
Cash Generated from Operations	60,022,002	268,406,168
Taxes Paid	(21,086,579)	(6,940,908)
Cash flow before exceptional and extraordinary items	38,935,423	261,465,260
Exceptional & extraordinary items	-	-
Net Cash generated from / (Used in) Operating Activities (A)	38,935,423	261,465,260
B. Cash Flow From Investing Activities:		
Addition to Fixed Assets (including intangibles)	(22,281,024)	(23,072,631)
Sale of Fixed Assets	2,919,012	66,236,619
Loans Given	(118,445,298)	(134,316,724)
Repayment of Loans Received	4,200,000	268,296,337
Interest Income	108,809,432	129,393,629
Net Cash generated from / (Used in) Investing Activities (B)	(24,797,878)	306,537,230
C. Cash Flow From Financing Activities:		
Proceeds/(repayment) of Short Term Borrowings	71,600,468	(31,785,755)
Proceeds from Long Term Borrowings	712,374,214	14,086,055
Repayments of Long Term Borrowings	(400,695,000)	(138,291,686)
Interest expenses	(413,012,340)	(380,208,227)
Net Cash generated from / (Used in) Financing Activities (C)	(29,732,658)	(536,199,613)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(15,595,113)	31,802,877
Opening Balance of Cash and Cash Equivalents	195,652,005	163,849,128
Closing Balance of Cash and Cash Equivalents (Refer Note no. 2.16)	180,056,892	195,652,005

Note: (i) Figures in Brackets represent Outflows.

(ii) The Cash Flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard -3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.

(iii) Cash and Cash Equivalents include :

Cash Balances	1,853,125	876,806
Bank Balances	168,075,330	15,628,681
Remittance in Transit	10,128,437	179,146,518
	180,056,892	195,652,005

(iv) Cash and Cash Equivalent does not include any amount which is not available for use by the Company.

(v) Proceeds / (repayment) from short-term borrowing have been shown on net basis.

(vi) As breakup of Cash & Cash equivalent is also available in Note No. 2.16, reconciliation of item of cash & cash equivalent as per cash flow statement with the respective items reported in the Balance Sheet is not required and hence not provided.

(vii) Previous year figures have been restated wherever necessary.

As per our report of even date attached.

For **V. S. Rao & Co.**
Chartered Accountants
(FR No. 003157S)

For **G. P. Agrawal & Co.**
Chartered Accountants
(FR No. 302082E)

Sunil K. Khaitan
Chairman &
Managing Director

Shiv Kumar Bajaj
Director

P. K. Bafana
VP (Fin) & CS

CA. V. G. Tarak Nath
Partner
Membership No. 23302

CA. Rakesh Kumar Singh
Partner
Membership No. 66421

Kolkata
29th May, 2014

Notes forming part of the Financial Statements

NOTE No.1 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2014

1.1 Basis of Accounting

- a) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company and Companies Act, 2013 to the extent applicable
- b) The Company generally follows accrual system of accounting and recognises significant items of income and expenditure on accrual basis.
- c) All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies' Act, 1956. Based on the nature of operations and time between the procurement of raw material and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

1.2 Fixed Assets

- a) Fixed Assets are stated at their original cost (net of accumulated depreciation and amortization) of acquisition including all related expenses of acquisition and installation.
- b) Depreciation is provided on Straight Line Method at the rates prescribed under Schedule XIV to the Companies Act, 1956 from the month the assets are put to use.
- c) Leasehold land is amortised, over the period of lease. Computer Software acquired is to be amortised over a period of five years on Straight Line Basis.

1.3 Inventories

- a) Inventories (other than scrap) are valued at lower of cost or net realisable value. The cost of inventories is computed on weighted average basis except Trading goods the cost of which is calculated on first in first out basis. Cost of inventories comprises of purchase price, cost of conversion and other directly attributable cost that have been incurred in bringing the inventories to their respective present location and condition.
- b) Scrap is valued at net realisable value.

1.4 Investments

Investments are either classified as current or long-term based on Management's intention at the time of purchase. Long term Investments are carried at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of non current investments, scrip wise. Current Investments are valued at lower of cost or fair value, category wise. Cost of investments include acquisition cost such as brokerage, stamp duty etc.

1.5 Sales

- a) Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration.
- b) Sales is inclusive of Excise Duty and net of Sales Tax and Trade Discount.

1.6 Employee benefits

- a) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related service is rendered.
- b) Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit & Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined as per actuarial valuations. Actuarial gains and losses in respect of long term employee benefits are recognized in the Statement of Profit and Loss.

1.7 Research & Development

Revenue expenditure pertaining to research and development is charged to revenue in the year in which it is incurred. Capital Expenditure on Research & Development is shown as addition to Fixed Assets.

1.8 Foreign Currency Transactions

- a) Transactions in Foreign Currency are initially recorded at the Exchange Rate at which the transactions are carried out.

Notes forming part of the Financial Statements

NOTE No.1 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2014 (CONTD.)

- b) Monetary items are translated at Exchange Rate prevailing at the year-end. Any income or expense on account of exchange difference either on settlement or on translation at the year-end is recognised in the Statement of Profit and Loss.
- c) Forward exchange contracts entered into for hedging purposes are accounted for separately from the underlying transactions. The premium or discount on forward exchange contract is amortized over the period of the respective contract.

1.9 Insurance Claims

Insurance claims are recognized when the amount thereof can be reasonably ascertained and the claim is likely to be received.

1.10 Deferred Revenue Expenditure

Payment to employees under employees separation scheme are amortized equally over a period of five years.

1.11 Provisions, Contingent Liabilities And Contingent Assets

Provisions are recognized in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable as a result of a past event, and the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured by the best estimate of the outflow of economic benefits required to settle the obligation at the balance sheet date.

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

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Re-imbursment expected in respect of expenditure to settle a provision is recognised only when it is virtually certain that the re-imbursment will be received.

Contingent assets are neither recognised nor disclosed in the Accounts.

1.12 Taxes On Income

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, subject to consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

The deferred tax for timing differences between the book and tax profit for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date.

1.13 Government Grant

- a) Grants from the Government are recognised when there is reasonable assurance that the Company would comply with the conditions attached with them and the grant would be received.
- b) Government grants related to specific fixed assets are adjusted with the value of the fixed asset. Government Grant received on Capital Account is shown as Capital Reserve.
- c) Government grants related to revenue items are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income.

1.14 Impairment Of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

1.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Notes forming part of the Financial Statements

2 - Notes to Accounts

(Amount in Rupees)

Particulars	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	Amount	No. of Shares	Amount
Note No : 2.1 Share Capital				
a. Authorised				
Equity shares of Rs. 10/- each	16,750,000	167,500,000	16,750,000	167,500,000
Preference shares of Rs. 100/- each	75,000	7,500,000	75,000	7,500,000
		175,000,000		175,000,000
b. Issued				
Equity Shares of Rs.10/- each	11,595,350	115,953,500	11,595,350	115,953,500
c. Subscribed and fully Paid-up				
Equity shares of Rs. 10/- each	11,500,000	115,000,000	11,500,000	115,000,000

d. The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The holders of Equity Shares are entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.

e. Shareholders holding more than 5 % of the equity shares in the Company :

	No. of Shares	% of holding	No. of Shares	% of holding
Khaitan Lefin Limited	3,583,373	31.15	3,566,973	31.02
Khaitan (India) Limited	1,708,018	14.85	1,708,018	14.85

(Amount in Rupees)

Particulars	As at 31.03.2014		As at 31.03.2013	
	Note No : 2.2 Reserves and Surplus			
a. Securities premium account				
Balance as per last account		485,636,700		485,636,700
b. Reserve against share warrants forfeited				
Balance as per last account		2,620,000		2,620,000
c. General reserve				
Balance as per last account		550,000,000		550,000,000
d. Surplus				
Balance as per last account	(51,979,194)		(133,192,834)	
Add/(Less): Surplus/(Loss) as per Statement of Profit and Loss	(166,190,957)		81,213,640	
Balance at the end of the year		(218,170,151)		(51,979,194)
Total Reserves and surplus		820,086,549		986,277,506

Notes : 1. Reserve against share warrants forfeited was created for amount of premium received against subscription of Warrantes forfeited due to option not exercised by the subscribers.

2. General reserve is primarily created to comply with the requirements of section 205(2A) of the Companies Act,1956. This is a free reserve and can be utilised for any general purpose like for issue of bonus shares,payment of dividend, buy back of shares etc.

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

Particulars	As at 31.03.2014		As at 31.03.2013	
Note No : 2.3 Long - term borrowings				
Term loans				
From banks				
Secured				
Rupee loans:				
Axis Bank	203,867		930,344	
IDBI Bank	374,691		-	
Unsecured				
Allahabad Bank	548,496,744		236,465,744	
		549,075,302		237,396,088
From entities other than banks				
Secured				
Rupee loan:				
Loan against keyman Insurance policy		63,441,000		63,441,000
		612,516,302		300,837,088

a) Nature of securities:

- Vehicle loan from Axis Bank Ltd. IDBI Bank Ltd. and HDFC Bank are secured against hypothecation of vehicles.
- Rupee Term Loan from Allahabad Bank is secured by an equitable mortgage of immovable property owned by a third party, Fixed Deposit of Rs. 3,52,00,000/- of the Company and is also secured by personal guarantee of Chairman & Managing Director of the Company.
- Loan against keyman Insurance policy is secured against Keymen Insurance Policy.

b) Terms of repayment:

Sl. No	Name of the banks/entities	Interest Rate p.a.\$	Amount outstanding as at the Balance sheet date		Period of maturity w.r.t. Balance Sheet date	Number of Installments outstanding but not due as on 31/03/2014	Amount of Installment (Rs.)
			Current# (Rs.)	Non Curent (Rs.)			
i)	Axis Bank Ltd. *	10.25%	216,396	-	10 Months	10	22,669
		(10.25%)	(272,028)	(180,881)	(1 Year 10 Months)	(22)	(22,669)
		10.25%	167,633	-	9 Months	9	19,430
		(10.25%)	(204,457)	(167,633)	(1 Year 9 Months)	(21)	(19,430)
		10.25%	190,955	85,855	1 Year 5 Months	17	17,639
		(10.25%)	(171,417)	(276,810)	(2 Years 5 Months)	(29)	(17,639)
		10.25%	187,008	118,012	1 Year 7 Months	19	17,425
ii)	Allahabad Bank (Term Loan I)	(10.25%)	(169,275)	(305,020)	(2 Years 7 Months)	(31)	(17,425)
		13.20%	58,800,000	177,665,744	3 Years 9 Months	39	4,900,000
						5	7,700,000
		(14.20%)	(58,800,000)	(236,465,744)	(4 Years 9 Months)	(51)	(4,900,000)
						(5)	(7,700,000)
iii)	Allahabad Bank (Term Loan II)	13.20%	29,169,000	370,831,000	8 Years	96	4,167,000
		(-)	(-)	(-)	(-)	(-)	(-)
		(-)	(-)	(-)	(-)	(-)	(-)
iv)	HDFC Bank *	(8.05%)	(161,849)	(-)	(2 Months)	(2)	(81,740)
		(8.05%)	(62,786)	(-)	(4 Months)	(4)	(16,007)
		(8.05%)	(123,970)	(-)	(8 Months)	(8)	(16,066)
		(8.05%)	(62,786)	(-)	(4 Months)	(4)	(16,007)
		10.50%	219,064	374,691	2 Years 6 Months	30	22,590
v)	Life Insurance Corporation of India **	(-)	(-)	(-)	(-)	(-)	
		(9.00%)	(-)	63,441,000	7 Years	(-)	(-)
			88,950,056	612,516,302	(8 Years)	(-)	(-)
			(60,028,567)	(300,837,088)			

Figures in brackets pertain to previous year.

\$ As at the year end. # Represents current maturities of long term debts shown under other current liabilities (Note No. 2.8) * Amount of Instalment includes interest.

** Bullet payment at the end of the maturity period.

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

Particulars	As at 31.03.2014		As at 31.03.2013	
Note No : 2.4 Deferred tax liabilities (Net)				
Deferred tax liabilities :				
Depreciation		18,706,867		19,405,031
Deferred tax assets :				
Gratuity / Leave Excashment	926,726		6,130	
Provision for doubtful debts/claims	18,120,236		10,524,557	
		19,046,962		10,530,687
		(340,095)		8,874,344

Note: Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

(Amount in Rupees)

Particulars	As at 31.03.2014		As at 31.03.2013	
Note No : 2.5 Other long - term liabilities				
Security Deposit		871,776		390,321

(Amount in Rupees)

Particulars	As at 31.03.2014		As at 31.03.2013	
Note No : 2.6 Short - term borrowings				
Other loans and advances				
Working capital loans				
From banks				
Secured				
Cash Credit		1,608,010,830		1,531,667,288
Unsecured				
Buyers' credit	118,062,407		175,454,918	
Bills Discounting	338,671,137		234,221,700	
		2,064,744,374		1,941,343,906
From others -Unsecured		92,585,885		144,385,885
		2,157,330,259		2,085,729,791

Nature of securities:

Cash Credit from Banks are secured by Hypothecation of Raw Materials, Stock-in-Process, Stock-in-Trade and Book Debts and further collaterally secured by pari-passu charge on all Fixed Assets of Hyderabad, Faridabad, Kolkata and Paonta Sahib factories.

(Amount in Rupees)

Particulars	As at 31.03.2014		As at 31.03.2013	
Note No : 2.7 Trade payables				
Total outstanding dues of other than Micro and Small Enterprises		1,239,367,241		1,410,293,286
(Refer Note No.2.38)		1,239,367,241		1,410,293,286

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

Particulars	As at 31.03.2014		As at 31.03.2013	
Note No : 2.8 Other current liabilities				
Current maturities of long - term debt *		88,950,056		60,028,567
Interest accrued but not due on borrowings		1,153,490		988,090
Interest accrued and due on borrowings		12,943,745		3,626,805
Unpaid dividends **		2,510,822		3,382,622
Other payables				
Advance from customers and others		73,459,684		50,260,669
Security deposits		219,971,293		219,352,412
Statutory liabilities		104,624,308		131,930,901
Overdrawn bank balances as per books		1,620,393		5,249,764
Unpaid salaries and other payroll dues		16,818,668		15,780,699
Accrued expenses		45,815,505		46,046,710
Others		9,442,347		107,437
		577,310,311		536,754,676

* Refer Note No. 2.3(a) & 2.3(b) for nature of securities and terms of repayment respectively.

** There is no amount due and outstanding to be credited to Investor Education & Protection Fund.

(Amount in Rupees)

Particulars	As at 31.03.2014		As at 31.03.2013	
Note No : 2.9 Short-term provisions				
Provision for employee benefits - Unavailed Leave		5,447,411		4,850,553
Other provisions				
Income Tax		-	65,056,880	
Less: Advance tax		-	59,522,047	
		-		5,534,833
Warranty		9,015,354		8,501,757
		14,462,765		18,887,143

Notes forming part of the Financial Statements (contd.)

Note No : 2.10 FIXED ASSETS

(Amount in Rupees)

Particulars	Tangible assets							Intangible assets		Grand Total
	Land (Free hold)	Buildings (Free hold)	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Total	Computer software (acquired)	Grand Total	
Gross block										
Gross carrying amount as at 01.04.2013	63,116,058	55,812,672	188,874,663	32,825,972	21,360,960	35,676,315	397,666,640	12,363,512	410,030,152	
Additions during the year	-	-	15,365,393	971,438	1,344,233	3,374,060	21,055,124	1,225,900	22,281,024	
Disposals/deductions during the year	-	-	14,639,720	-	1,203,191	772,837	16,615,748	-	16,615,748	
Gross carrying amount as at 31.03.2014	63,116,058	55,812,672	189,600,336	33,797,410	21,502,002	38,277,538	402,106,016	13,589,412	415,695,428	
Depreciation/Amortization										
Opening accumulated depreciation/amortization	-	30,054,837	102,954,621	13,548,754	9,805,724	22,838,302	179,202,238	4,819,004	184,021,242	
Depreciation/amortization during the year	-	1,731,275	9,296,788	1,827,149	1,779,390	3,247,623	17,882,225	899,267	18,781,492	
Disposals/deductions during the year	-	-	12,143,924	-	501,646	689,704	13,335,274	-	13,335,274	
Closing accumulated depreciation/amortization	-	31,786,112	100,107,485	15,375,903	11,083,468	25,396,221	183,749,189	5,718,271	189,467,460	
Net carrying amount										
Net block as 01.31.03.20.14	63,116,058	24,026,560	89,492,851	18,421,507	10,418,534	12,881,317	218,356,827	7,871,141	226,227,968	
Previous Year										
Particulars	Land (Free hold)	Buildings (Free hold)	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Total	Computer software (acquired)	Grand Total	
Gross block										
Gross carrying amount as at 01.04.2012	63,116,058	73,202,948	179,423,006	30,668,457	21,131,304	33,076,900	410,704,233	5,490,893	422,326,676	
Additions during the year	-	48,588	15,325,708	2,218,045	1,964,042	2,726,591	22,282,974	6,872,619	29,204,181	
Disposals/deductions during the year	-	17,438,864	5,874,051	60,530	1,734,386	127,176	35,320,567	-	41,500,705	
Gross carrying amount as at 31.03.2013	63,116,058	55,812,672	188,874,663	32,825,972	21,360,960	35,676,315	397,666,640	12,363,512	410,030,152	
Depreciation / Amortization										
Opening accumulated depreciation/amortization	-	36,636,742	97,550,496	11,794,673	8,373,288	19,599,610	175,470,557	3,959,086	179,429,643	
Depreciation/amortization during the year	-	2,022,504	8,836,251	1,807,497	1,859,121	3,294,983	17,878,654	859,918	18,738,572	
Disposals/deductions during the year	-	8,604,409	3,432,126	53,416	426,685	56,291	14,146,973	-	14,146,973	
Closing accumulated depreciation/amortization	-	30,054,837	102,954,621	13,548,754	9,805,724	22,838,302	179,202,238	4,819,004	184,021,242	
Net carrying amount										
Net block as 01.31.03.20.13	63,116,058	25,757,835	85,920,042	19,277,218	11,555,236	12,838,013	218,464,402	7,544,508	226,008,910	

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

Particulars		As at 31.03.2014		As at 31.03.2013	
Note No : 2.11 Non-current investments	Face value	No. of Shares	Amount	No. of Shares	Amount
Long term-Other than trade					
Unquoted (At cost, fully paid up)					
In equity shares of companies					
Khaitan Lefin Limited	10.00	945,000	56,700,000	945,000	56,700,000
Khaitan Hotels Limited	10.00	75,000	4,500,000	75,000	4,500,000
The Oriental Mercantile Co. Limited	10.00	55,000	3,300,000	55,000	3,300,000
Aggregate amount of unquoted investments			64,500,000	64,500,000	

(Amount in Rupees)

Particulars		As at 31.03.2014		As at 31.03.2013	
Note No : 2.12 Long - term loans and advances (Unsecured, considered good unless otherwise stated)					
Capital advances			19,536,412		20,036,412
Security deposits			20,192,032		18,672,805
Other loans and advances					
Advance to suppliers and others					
Considered doubtful		17,141,278		700,000	
Less : Provision for doubtful advances		17,141,278		700,000	
			-		-
MAT credit entitlement			6,400,000		6,400,000
Others - Against Rent			10,364,139		10,364,139
			56,492,583		55,473,356

(Amount in Rupees)

Particulars		As at 31.03.2014		As at 31.03.2013	
Note No : 2.13 Other non-current assets (Unsecured, considered good unless otherwise stated)					
Trade receivables outstanding for a period exceeding six months from due date					
Considered Good		80,042,654		-	
Considered Doubtful		38,473,654		31,042,215	
		118,516,308		31,042,215	
Less : Provision for doubtful debts		38,473,654		31,042,215	
			80,042,654		-
Fixed deposits with banks (Non current portion with original maturity period of more than 12 months)					
- Margin money against LC & Bank guarantee			7,200,000		22,350,000
For employee benefits - Gratuity			2,591,110		4,831,661
Advance tax		45,328,513		-	
Less: Provision for taxation		33,056,880		-	
			12,271,633		-
Claims receivable					
Considered Doubtful		236,000		236,000	
Less : Provision for doubtful claims		236,000		236,000	
			-		-
			102,105,397		27,181,661

Note : Trade receivables include Rs. 80,042,654 under litigation.

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

Particulars	As at 31.03.2014		As at 31.03.2013	
Note No : 2.14 Inventories (At lower of cost and net realizable value)				
Raw materials	241,651,805		286,726,813	
Goods-in-Transit	-		2,645,340	
		241,651,805		289,372,153
Work-in-progress				
Components		133,906,326		136,966,380
Finished goods	378,959,051		509,255,734	
Goods-in-Transit	99,129,013		41,274,202	
		478,088,064		550,529,936
Stock in trade		1,523,180,464		1,294,536,428
Loose tools		224,900		467,579
		2,377,051,559		2,271,872,476

(Amount in Rupees)

Particulars	As at 31.03.2014		As at 31.03.2013	
Note No : 2.15 Trade receivables (Unsecured, considered good)				
Trade receivables outstanding for a period exceeding six months from due date		263,001,723		241,247,808
Other trade receivables		1,333,393,503		1,839,093,168
		1,596,395,226		2,080,340,976

(Amount in Rupees)

Particulars	As at 31.03.2014		As at 31.03.2013	
Note No : 2.16 Cash and bank balances				
Cash and cash equivalents				
Balances with banks				
In current accounts	168,075,330		15,628,681	
Remittance in transit	10,128,437		179,146,518	
Cash on hand	1,853,125		876,806	
		180,056,892		195,652,005
Other bank balances				
Security against borrowings				
Fixed deposits with banks				
- Original maturity period upto 12 months		35,200,000		10,200,000
Unpaid dividend accounts		2,510,822		3,382,622
Margin money (With banks against LC and bank guarantees)				
In Fixed deposits				
- Current portion of original maturity period more than 12 months	1,839,226		2,132,571	
- Original Maturity period upto 12 months	27,164,646		8,623,099	
In Current Accounts	25,169,060		24,845,860	
		54,172,932		35,601,530
		271,940,646		244,836,157

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

Particulars	As at 31.03.2014	As at 31.03.2013
Note No : 2.17 Short - term loans and advances (Unsecured, considered good)		
Security deposits	730,565	730,565
Loan to Related party (Refer Note No. 2.34)	42,603,413	-
Other loans and advances		
Loan to others	298,473,426	226,831,541
Other Advances	11,453,283	22,860,908
Advance to suppliers and others	297,102,320	80,387,332
Cenvat, Vat and other taxes/duties	65,496,084	44,167,131
Prepaid expenses	18,603,588	13,117,322
	734,462,679	388,094,799

(Amount in Rupees)

Particulars	As at 31.03.2014	As at 31.03.2013
Note No : 2.18 Other current assets (Unsecured, considered good)		
Interest accrued and due on loans and deposits	85,000,186	65,625,019
Interest accrued but not due on loans and deposits	8,882,512	5,343,023
Claims receivable	5,962,492	11,848,462
Other receivable	2,209,269	17,039,163
Taxes and duties refundable	1,322,110	1,322,110
DEPB entitlement	4,052,481	3,558,043
	107,429,050	104,735,820

(Amount in Rupees)

Particulars	As at 31.03.2014	As at 31.03.2013
Note No : 2.19 Sale of goods (Gross)		
Manufactured Goods		
Fans, Pumps & Motors etc.	1,138,140,536	1,691,130,946
Trading Goods		
Fans & Motors	1,237,701,524	1,156,525,188
Home appliances	1,106,472,277	923,760,650
Lightings	1,211,875,668	1,147,347,084
Other items	519,353,637	333,456,534
	4,075,403,106	3,561,089,456
	5,213,543,642	5,252,220,402

(Amount in Rupees)

Particulars	As at 31.03.2014	As at 31.03.2013
Note No : 2.20 Other operating revenues		
Scrap sale	23,635,702	36,851,773

(Amount in Rupees)

Particulars	As at 31.03.2014	As at 31.03.2013
Note No : 2.21 Other Income		
Interest	108,809,432	129,393,629
Export incentive	1,953,921	500,313
Rent receipt	3,027,132	2,394,666
Miscellaneous income	2,615,631	2,561,774
	116,406,116	134,850,382

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
Note No : 2.22 Cost of materials consumed				
Raw Materials				
Lamination/Silicon Steel Sheets	75,125,645		102,764,109	
Copper Wire	127,256,620		170,401,738	
Aluminium Ingots	33,643,905		53,998,356	
Aluminium Sheets	27,648,798		54,276,573	
Ball Bearings	27,006,374		36,167,182	
Other Materials & Components	344,526,121		443,134,262	
		635,207,463		860,742,220

(Amount in Rupees)

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
Note No : 2.23 Purchases of stock-in trade				
Fans & Motors		925,100,621		973,448,178
Home appliances		905,647,989		735,362,066
Lightings		1,031,293,032		1,009,961,901
Other items		396,365,704		240,379,062
		3,258,407,346		2,959,151,207

(Amount in Rupees)

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
Note No : 2.24 Changes in inventories of finished goods, work-in-progress and stock-in-trade				
Finished goods				
Opening stock	550,529,936		637,567,820	
Less: Closing stock	478,088,064		550,529,936	
		72,441,872		87,037,884
Work-in-progress				
Components				
Opening stock	136,966,380		142,288,576	
Less: Closing stock	133,906,326		136,966,380	
		3,060,054		5,322,196
Stock in trade				
Opening stock	1,294,536,428		945,321,652	
Less: Closing stock	1,523,180,464		1,294,536,428	
		(228,644,036)		(349,214,776)
Add/(Less) : Excise duty and cess on stock *		(3,023,977)		(3,387,443)
		(156,166,087)		(260,242,139)

* The amount of excise duty and cess on stock represents differential excise duty and cess on opening and closing stock of finished goods.

(Amount in Rupees)

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
Note No : 2.25 Employee benefits expense				
Salaries and wages		247,587,257		214,736,548
Contribution to provident and other funds		15,815,446		13,293,821
Staff welfare expense		8,761,666		8,529,569
		272,164,369		236,559,938

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
Note No : 2.26 Finance costs				
Interest expense		356,701,570		326,619,210
Other borrowing costs		56,310,770		53,589,017
		413,012,340		380,208,227

(Amount in Rupees)

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
Note No : 2.27 Other expenses				
Consumption of stores and spare parts		4,761,337		4,380,887
Power and fuel		8,143,396		8,248,048
Fabrication charges		72,964,126		117,266,545
Royalty		47,269,497		54,015,940
Rent		30,980,612		34,056,391
Repairs				
Buildings	2,074,436		3,219,130	
Machinery	1,060,211		2,295,133	
Others	2,552,556		4,615,319	
		5,687,203		10,129,582
Insurance		2,999,463		6,480,836
Rates and taxes (excluding taxes on income)		24,582,270		19,357,604
Payments to auditor				
As auditor for statutory audit	435,000		251,000	
As auditor for Branch audit	-		122,000	
For tax audit	98,000		68,000	
For other services (Limited reviews & certifications)	134,000		128,100	
For reimbursement of expenses	13,083		23,305	
		680,083		592,405
Carriage outward		111,688,409		117,497,690
Commission		53,044,178		48,274,470
Exchange rate fluctuation		13,543,883		15,791,315
Travelling & Conveyance		60,875,083		53,546,335
Advertisement & Publicity		86,180,804		62,688,612
Discount & Schemes Expenses		282,976,214		305,494,657
Sundry Balances Written off		21,918,383		61,423
After Sales Service Expenses		65,474,434		47,309,665
Provision for doubtful debts / advances		23,370,361		5,942,700
Loss on Sale of Fixed Assets		361,462		1,508,047
Miscellaneous Expenses		66,401,926		100,892,410
Prior period Expenses *		380,370		-
		984,283,494		1,013,535,562

* Include : Amount(Rs.)

Freight Outwards	355,245
Legal Charges	12,000
Professional Fees	6,000
Rent	4,000
Rates & Taxes	3,125
	<u>380,370</u>

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

Particulars	Year ended 31.03.2014		Year ended 31.03.2013	
Note No : 2.28 Exceptional Item				
Profit on sale of Immovable Property		-		46,522,481

(Amount in Rupees)

Particulars	As at 31.03.2014	As at 31.03.2013
Note No : 2.29 Contingent Liabilities not provided for in respect of :		
a) Claims against the Company not acknowledged as debts :-		
i) Central Excise Duty/Service Tax under appeal	35,280,370	27,058,448
Amount deposited against above	(2,30,112)	(-)
ii) Sales Tax/Entry Tax under appeal	103,633,249	73,388,832
Amount deposited against above	(10,092,787)	(14,224,712)
iii) Employees State Insurance	711,216	711,216
Amount deposited against above	(33,033)	(33,033)
iv) Extension Fee by Administrator of Haryana Urban Development Authority under appeal	7,103,310	7,103,310
v) Letter of Credit under dispute	13,197,789	11,908,590

- b) The Company has entered into a sub-lease Agreement on 19/10/1985 for Kolkata Factory premises with M/s P.C.Syam & Co., the lessee, with the consent of Kolkata Port Trust (KPT), the lessor. The lease which expired in April, 1987 is yet to be renewed by the lessor. The amounts shown in (a) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the grounds that there are fair chances of successful outcome of appeals.

2.30 Commitments: Capital contracts remaining to be executed and not provided for Rs. 49,000,000 (Previous year Rs. 49,500,000) against which an advance of Rs. 19,536,412 (Previous year Rs. 20,036,412) is paid.

2.31 Balances outstanding with Debtors and Creditors are subject to confirmation.

2.32 Provisions, Contingent Liabilities and Contingent Assets as per AS-29 :

- a. Movement in provision for warranty claims :

(Amount in Rupees)

Particulars	2013-14	2012-13
Opening Balance	8,501,757	8,929,654
Provided during the year	63,279,320	46,692,217
Expense/used during the year	(61,473,578)	(46,685,470)
Reversed during the year	(1,292,145)	(434,644)
Closing Balance	9,015,354	8,501,757

Timing of outflow/uncertainties Outflow on repairing/replacement of fans

- b. The future cash outflow in respect of above provision is dependent upon payment by customers for bills discounted/fans sent by customers for replacement etc.

The Company does not expect any reimbursements in respect of the above provisions.

2.33 Company operates predominantly only in one business segment, viz, Electrical Goods, which is the Primary Segment. Therefore, Segment Reporting under AS-17 is not applicable.

Notes forming part of the Financial Statements (contd.)

2.34 Related Party Disclosure (as identified by the Management) as per Accounting Standard 18 are given below:

i) Details of transactions with Related Parties:

(Amount in Rupees)

Nature of Transactions	Associates (A)	Key Management Personnel (KMP)	Relatives of Key Management Personnel (R)	Other related Parties (ORP)	Total
Rent Payment	6,00,000	-	-	-	6,00,000
	(6,00,000)	(-)	(-)	(-)	(6,00,000)
Receiving of Service	-	7,583,932	919,360	-	8,503,292
(Inclusive of Remuneration)	(-)	(6608,511)	(910,400)	(-)	(7,518,911)
Licence Agreement	53,112,007	-	-	-	53,112,007
(Royalty Payment inclusive of cenvat)	(54,015,940)	(-)	(-)	(-)	(54,015,940)
Loan Given	42,603,413	-	-	-	42,603,413
	(-)	(-)	(-)	(-)	(-)
Advance Given	-	-	-	-	-
	(57,413,326)	(-)	(-)	(-)	(57,413,326)
Interest Receipt	18,150,548	-	-	-	18,150,548
	(22,229,056)	(-)	(-)	(-)	(22,229,056)
Interest Payment	-	-	-	-	-
	(1,585,666)	(-)	(-)	(-)	(1,585,666)
Purchase of Goods	-	-	-	-	-
	(-)	(-)	(-)	(41,857,756)	(41,857,756)
Personal Guarantees executed	-	3,640,000,000	-	-	3,640,000,000
	(-)	(-)	(-)	(-)	(-)

ii) Names of related parties, description of relationship and outstanding as on 31st March, 2014 :

(Amount in Rupees)

Related Party		Relationship	Balance as at 31st March, 2014	Balance as at 31st March, 2013
a. Associate:				
Khaitan (India) Ltd.	(A)	Associate	138,333,001 Dr	132,997,901 Dr
b. Key Management Personnel & Relatives:				
Sri. Sunil.K.Khaitan	(KMP)	VC & MD till 9.11.2012 and CMD from 10.11.2012.	-	-
Sri Sajjan Dabriwal	(KMP)	Wholtime Director	3,08,200 Cr	78,800 Cr
Smt. Sarita Dabriwal	(R)	Wife of WTD, Sri Sajjan Dabriwal	-	-
Kum. Vageesha Khaitan	(R)	Daughter of CMD, Sri Sunil K Khaitan	-	-
C. S.Y.S. Investments & Realty Ltd.	(O)	Concern in which, WTD, Sri Sajjan Dabriwal, has significant influence	-	5,961,458 Cr

iii) The Significant transactions during the year with related parties are as under:

(Amount in Rupees)

Related Party		Particulars	2013-14	2012-13
a) Khaitan (India) Ltd.	(A)	Licence Agreement (Royalty Payment)	53,112,007	54,015,940
		Loan Given	42,603,413	-
		Advance Given	-	57,413,326
		Interest Payment	-	1,585,666
		Interest Receipt	18,150,548	22,229,056
b) Khaitan Lefin Ltd.	(A)	Rent Payment	600,000	600,000
c) S.Y.S. Investments & Realty Ltd.	(O)	Purchase of Goods	-	41,857,756
d) Sri S.K.Khaitan	(R)	Receiving of Services (Remuneration)	-	20,000
e) Sri Sunil K Khaitan	(KMP)	(Remuneration)	4,656,000	4,290,205
f) Sri Sunil K Khaitan	(KMP)	Personal Guarantees	3,640,000,000	-
g) Sri Sajjan Dabriwal	(KMP)	(Remuneration)	2,927,932	2,318,306
h) Smt. Sarita Dabriwal	(R)	(Remuneration)	366,000	366,000
i) Kum. Vageesha Khaitan	(R)	(Remuneration)	553,360	524,400

Notes forming part of the Financial Statements (contd.)

iv) Notes :

- Figures in the brackets pertain to previous year.
- The Company has neither written off nor written back any amount recoverable/payable from / to any related party during the year.
- The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.
- The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

2.35 Disclosure under clause 32 of the listing agreement:

There are no transactions (except related party transactions) which are required to be disclosed under clause 32 of the listing agreement with the stock exchanges where the equity shares of the Company are listed.

2.36 Earnings Per Share – The numerator and denominator used to calculate Basic/Diluted Earning per share:

Amount used as the numerator:

(Amount in Rupees)

Particulars	2013-14	2012-13
i) Profit/(Loss) After Tax available for Shareholders	(166,190,957)	81,213,640
ii) Basic/Weighted Average number of Equity Shares used as the denominator	11,500,000	11,500,000
iii) Nominal Value of Equity Shares	10	10
iv) Basic/Diluted Earnings per Share	(14.45)	7.06

2.37 As per Accounting Standard – 15 “Employee Benefits “, the disclosure of Employee Benefits as defined in the Accounting Standard are as follows:

Defined Contribution Plan:

Employee benefits in the form of Provident Fund, Employee State Insurance Scheme and Labour Welfare Fund are considered as defined contribution plan and the contributions are made in accordance with the relevant statute and are recognized as an expense when employees have rendered service entitling them to the contributions. The contribution to defined contribution plan, recognized as expense in the Statement of Profit and Loss for the year are as under:

(Amount in Rupees)

Defined Contribution Plan	2013-14	2012-13
Employers' Contribution to Provident Fund	11,762,494	9,487,804
Employers' Contribution to Employee State Insurance Scheme	1,479,723	1,961,433
Employers' Contribution to Labour Welfare Fund	17,987	29,384

Defined Benefit Plan:

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

Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The amount recognized in the Statement of Profit and Loss for the year ended 31st March,2014 in respect of Employees Benefit Schemes based on actuarial reports as on 31st March, 2014 is as follows:

(Amount in Rupees)

I. Components of Employer Expense:	Gratuity (Funded)		Leave Encashment (Funded)	
	2013-14	2012-13	2013-14	2012-13
1. Current Service Cost	2,769,593	2,692,833	2,690,679	2,475,103
2. Interest Cost	2,105,927	2,141,378	1,064,200	1,078,894
3. Expected Return on Plan Assets	(2,504,560)	(2,737,481)	(599,299)	(826,958)
4. Actuarial (gain)/loss recognized in the year	367,531	(1,903,542)	(697,564)	(868,138)
5. Net Expense Recognised in Statement of Profit & Loss	2,738,491	193,188	2,458,016	1,858,901

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

II. Change in Present Value of Defined Benefit Obligation:	Gratuity (Funded)		Leave Encashment (Funded)	
	2013-14	2012-13	2013-14	2012-13
1. Present Value of Defined Benefit Obligation at the Beginning of the year	26,324,082	26,767,229	13,302,503	13,486,176
2. Interest Cost	2,105,927	2,141,378	1,064,200	1,078,894
3. Current Service Cost	2,769,593	2,692,833	2,690,679	2,475,103
4. Benefits Paid	(5,592,139)	(3,373,816)	(4,320,228)	(2,869,532)
5. Actuarial (Gain) / Losses	367,531	(1,903,542)	(697,564)	(868,138)
6. Present Value of Obligation at the End of the year	25,974,994	26,324,082	12,039,590	13,302,503

(Amount in Rupees)

III. Change in Fair Value of Plan Assets during the year ended 31st March 2014:	Gratuity (Funded)		Leave Encashment (Funded)	
	2013-14	2012-13	2013-14	2012-13
1. Plan Assets at the Beginning of the year	31,155,743	30,212,605	8,451,950	8,796,635
2. Expected Return on Plan Assets	2,504,560	2,737,481	599,299	826,958
3. Actual Company Contribution	497,940	1,579,473	1,861,158	1,697,889
4. Actual Benefits Paid	(5,592,139)	(3,373,816)	(4,320,228)	(2,869,532)
5. Plan Assets at the End of the year	28,566,104	31,155,743	6,592,179	8,451,950

IV. Net Asset/(Liability) recognized in the Balance Sheet as at 31st March 2014:

	2013-14	2012-13	2013-14	2012-13
	1. Present value of Defined Benefit Obligation	25,974,994	26,324,082	12,039,590
2. Fair Value on Plan Assets	28,566,104	31,155,743	6,592,179	8,451,950
3. Funded Status ((Surplus) / deficit)	(2,591,110)	(4,831,661)	5,447,411	4,850,453
4. Net (Asset) / Liability recognized in Balance Sheet	(2,591,110)	(4,831,661)	5,447,411	4,850,453

V. Actuarial Assumptions

1. Discount Rate (per annum)	8%	8%	8%	8%
2. Salary Increases	5%	5%	5%	5%
3. Retirement/ Superannuation Age	58	58	58	58

VI. Major Category of Plan Assets as a % of the Total Plan Assets as at 31st March 2014:

1. Administered by Life Insurance Corporation of India	100%	100%	100%	100%
--	------	------	------	------

VII. Basis of estimates of rate of escalation in salary

The estimates of rate of escalation in salary considered in actuarial valuation, taking 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.

The Gratuity Expenses & Leave Encashment have been recognized in "Salaries, Wages, Bonus, etc." under Note No. 2.25

VIII. Relevant information relating to 2011-12, 2010-11 & 2009-10 :

(Amount in Rupees)

	Gratuity (Funded)			Leave Encashment (Funded)		
	2011-12	2010-11	2009-10	2011-12	2010-11	2009-10
a. Present Value of Obligation	26,767,229	24,958,720	20,969,087	13,486,176	6,352,424	6,661,114
b. Fair Value of Plan Assets	30,212,605	26,580,010	23,322,214	8,796,635	6,625,961	5,680,633
c. Surplus / (Deficit) in the Plan	3,445,376	1,621,290	2,353,127	(4,689,541)	273,537	(980,481)

Notes forming part of the Financial Statements (contd.)

IX. Other disclosures:

- a) The amount of Expected Employer's contribution for next year is not available and therefore, not disclosed.
- b) The following disclosures as required by AS-15 could not be made as the relevant information is not available in the actuarial valuation report:
- (i) Experience adjustments of plan assets Gain/(Loss)
- (ii) Experience adjustments of Obligation (Gain)/Loss
- 2.38 The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small & Medium Enterprises Development Act, 2006) claiming their status as on 31.03.2014 as micro, small and medium enterprises. Consequently the amount paid/payable to these parties as on 31.03.2014 is NIL (Previous Year Rs. NIL).
- 2.39 Based on the review made at the Balance Sheet date, MAT Credit recognized in earlier year is carried forward as the Management is confident that there will be sufficient taxable profit during the specified period to utilize the same.

2.40 Consumption of Materials :

(Amount in Rupees)

a. Raw Materials	2013-14		2012-13	
	Rs.	%	Rs.	%
Imported	14,100,043	2	37,694,148	4
Indigenous	621,107,420	98	823,048,072	96
	635,207,463	100	860,742,220	100
b. Consumable Stores & Tools				
Imported	-	-	-	-
Indigenous	4,761,337	100	4,380,887	100
	4,761,337	100	4,380,887	100

(Amount in Rupees)

2.41 Value of Imports calculated on C.I.F. Basis:	2013-14	2012-13
Raw Materials	13,565,166	45,432,915
Finished Goods	216,151,022	214,624,526
Capital Goods	2,50,162	-

(Amount in Rupees)

2.42 Expenditure in Foreign Currency:	2013-14	2012-13
Travel Expenses	126,554	241,190
Others	25,563	335,762

(Amount in Rupees)

2.43 Earning in Foreign Exchange :	2013-14	2012-13
FOB Value of Exports	72,254,710	46,873,166

- 2.44 The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

Signatories to Notes on Financial Statement for the year Ended 31st March, 2014.

For **V. S. Rao & Co.**
Chartered Accountants
(FR No. 003157S)

For **G. P. Agrawal & Co.**
Chartered Accountants
(FR No. 302082E)

Sunil K. Khaitan
Chairman &
Managing Director

Shiv Kumar Bajaj
Director

P. K. Bafana
VP (Fin) & CS

CA. V. G. Tarak Nath
Partner
Membership No. 23302

CA. Rakesh Kumar Singh
Partner
Membership No. 66421

Kolkata
29th May, 2014

khaitan electricals limited

A-13, Co-op. Indl. Estate, Balanagar, Hyderabad – 500 037
(CIN NO.L31909AP1975PLC001949)

PROXY FORM

I / We, being the member(s) of shares of the above named Company hereby appoint

1. NameAddress:

Email ID:.....or failing him;

2. NameAddress:

Email ID:.....or failing him;

3. NameAddress:

Email ID:.....

And whose signature(s) are appended overleaf as my/ our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the Company, to be held on Tuesday, 16th September, 2014 at 11.00 A.M. at – Federation of A.P. Chamber of Commerce & Industry (FAPCCI) Premises- Surana Udyog Hall, Federation House, FAPCCI Marg, 11-6-841, Red Hills, Hyderabad–500004 and at any adjournment thereof in respect of such resolution as under:

Resolution No	Resolution	Optional	
		for	Against
Ordinary Business 1	Adoption of Accounts for the financial year ended 31st March, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.		
2	Appointment of Mr. A.K.Kajaria who retire by rotation and offer himself for re-election.		
3	Appointment of M/s V.S. Rao & Co, Chartered Accountants, Hyderabad and M/s G.P. Agrawal & Co. Chartered Accountants, Kolkata for a period of One year from the conclusion of this AGM till the conclusion of next Annual General Meeting.		
Special Business 4	Appointment of Mr. M.G. Todi as an Independent Director for a period of five years with effect from the date of this AGM.		
5	Appointment of Mr. Biswajit Choudhuri as an Independent Director for a period of five years with effect from the date of this AGM.		
6	Appointment of Dr. V.K. Rungta as an Independent Director for a period of five years with effect from the date of AGM.		
7	Appointment of Mr. Shiv Kumar Bajaj as an Independent Director for a period of five years with effect from the date of AGM.		
8	Consent of the Company under Section 180(1) (c) of the Act to the Board of Directors to create charges on the movable and immovable properties of the Company, both present and future, in respect of the borrowings.		
9	Amendment in the Articles of Association under section 14 of the act., deleting the Articles 75& 92 and substituting the New Articles 75 & 92 and adding additional para in Article 91.		

Signed this day of2014 Signature of Shareholder.....

.....
Signature of first proxyholder

.....
Signature of Second proxyholder

.....
Signature of third proxyholder

Affix
Revenue
Stamp of
Re 1/-

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 38th Annual General Meeting.
- It is optional to put an "X" in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details of members (s) in above box before submission.



khaitan electricals limited

A-13, Co-op. Indl. Estate, Balanagar, Hyderabad – 500 037
(CIN NO.L31909AP1975PLC001949)

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

..... Name of the attending Member (In Block Letters)	Members folio No..... DP.ID No.*..... Client ID No.*.....
..... Name of the Proxy (In Block Letters) (to be filled if the Proxy attends instead of the Member)	
No of Shares held	

I hereby record my presence at the 38th Annual General Meeting of the Company to be held on Tuesday, 16th September, 2014 at 11.00 A.M. at at – Federation of A.P. Chamber of Commerce & Industry (FAPCCI) Premises- Surana Udyog Hall, Federation House, FAPCCI Marg, 11-6-841, Red Hills, Hyderabad-500004.

*Applicable for investors holding shares in electronic form.



.....
Member's/Proxy Signature

BOOK-POST



www.khaitan.com

if undelivered please return to:
Khaitan Electricals Limited, 46C, J.L. Nehru Road, Kolkata 700 071

FORM – A

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGES

1	Name of the Company	Khaitan Electricals Limited
2	Annual Financial Statement for the Year Ended	31 st March, 2014
3	Type of Audit Observation	Nil
4	Frequency of Observation	Nil
5	<p>To be signed by</p> <p>MANAGING DIRECTOR</p> <p>CHIEF FINANCIAL OFFICER</p> <p>AUDITORS OF THE COMPANY</p> <p>1. M/S G.P. Agrawal & Co Chartered Accountants Regn. No. 23302 302082 E</p> <p>AUDIT COMMITTEE CHAIRMAN</p>	<p><i>For & on behalf of</i> khaitan electricals limited ↓ <i>-Chairman</i></p> <p><i>For and on behalf of</i> khaitan electricals limited <i>PK Bajwa</i> Vice President (Finance) & Company Secretary</p> <p>G. P. AGRAWAL <i>Rakesh Singh</i> Partner M. NO. 066421</p> <p>khaitan electricals ltd. <i>W. Toke</i> Director</p>