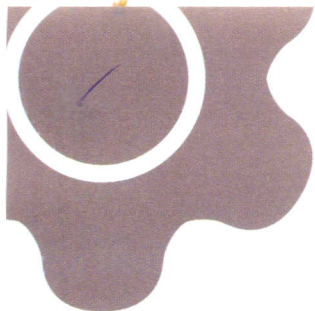




khaitan electricals limited
www.khaitan.com

REF: KEH: SEC: 044: 2016-17

September 02, 2016

The National Stock Exchange of India Ltd.
BSE Ltd. (Bombay Stock Exchange)

Dear Sir,

Ref: BSE Security Code: 504269, NSE Symbol: KHAITANELE

Sub: Submission of Annual Report for the Year 2015-2016

Please find enclosed Annual Report for the Year 2015-2016

This is for your information and records.

For Khaitan Electricals Limited

Amit Choraria

Amit Choraria
VP – Finance and Corporate Affairs

Enclosed: As above

To,

Listing Department
National Stock Exchange of
India Limited
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra Kurla Complex
Bandra East
MUMBAI – 400 051

Dept. of Corporate Services
BSE Ltd. (Bombay Stock Exchange)
Floor 25, P.J.Towers, Dalal St.
MUMBAI - 400 001

khaitan
The name is enough

Corporate Office: 46C J. L. Nehru Road, 20th Floor, Kolkata - 700 071 ☎ 033 4050 5000 📠 033 2288 3961
@ kel@khaitan.com CIN: L31909AP1975PLC001949
☎ Toll-free: 1800 123 8120
📍 Registered Office: A-13, Co-operative Industrial Estate, Balanagar, Hyderabad - 500 037

khaitan electricals limited
Annual Report 2015-16



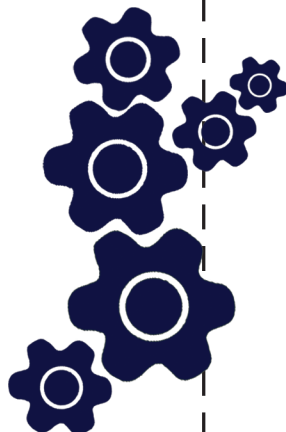
Unity in Diversity

Pioneer and Leader. Forerunner and Trendsetter. Trailblazer and Innovator. Only one enterprise can rightfully lay claim to all these epithets and more. A corporation whose name is enough. A company called Khaitan.

Our range of electrical solutions address diverse consumer needs but are bound together by the Khaitan name-a name that spells trust and quality, design and performance, innovation and enterprise.

Often, it so happens that the whole is greater than the sum of its parts. Nowhere is it truer than at Khaitan. We have synergised the myriad capabilities of our businesses in order to deliver growth beyond expectations.

Our businesses have one common goal and are driven by a single-minded focus on customer needs. They work in tandem with each other, creating value for our customers and the company.



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Corporate Information

Board of Directors

Sunil K. Khaitan, *Chairman & Managing Director*
Sajjan Dabriwal, *Dy. Managing Director (up to 31.03.2016)*
M.G. Todi
A.K. Kajaria
V.K. Rungta
Shiv Kumar Bajaj
Anjana Sharma

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) 2320 2465/2320 3155
Fax: (040) 6666 1267
Email: rta@cilsecurities.com

Branches

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

Corporate Office

'Everest House' 20th Floor
46C, J.L. Nehru Road
Kolkata – 700 071
Telephone: (033) 4050 5000
Fax: (033) 2288 4143

Registered Office

A-13, Co-operative Industrial Estate
Balanagar, Hyderabad – 500 037
Telephone: (040) 3299 0642
Fax: (08458) 279469

Hyderabad Works

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

Faridabad Works

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

Notice

TO THE MEMBERS

Notice is hereby given that the 40th Annual General Meeting of KHAITAN ELECTRICALS LIMITED will be held on Wednesday, the 28th day of September, 2016 at 10.30 A.M. at Federation of Telangana and A.P. Chamber of Commerce & Industry (FTAPCCI) Premises - Surana Udyog Hall, Federation House, FAPCCI Marg, 11-6-841, Red Hills, Hyderabad -500004, Telangana to transact the following business:

1. To receive, consider and adopt the audited Financial Statements for the year ended on 31st March, 2016 together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sajjan Dabrial (DIN No. 00215294) 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 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, the following resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of Sections 196, 197, 203 and Schedule V and other applicable provisions of the Companies Act, 2013 read with applicable Rules (hereinafter referred to as the Act), as amended up to date, the Articles of Association of the Company and such other consents as may be required, Mr. Sunil K. Khaitan (DIN:

00127698) be and is hereby reappointed as Chairman and Managing Director of the Company for a period of 3 (three) years with effect from November 1, 2016 on the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Sunil K. Khaitan."

"FURTHER RESOLVED THAT the remuneration payable to Mr. Sunil K. Khaitan, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to section

148 of the Companies Act, 2013, the remuneration of M/s. Prasad & Company, Cost Accountants appointed by Board of Directors, as Cost Auditors to conduct audit of Cost Accounting records maintained by the Company for Product(s) / Services covered under Companies (cost records and audit) Rules, 2014, for the financial year ending 2016 - 2017, at a remuneration of Rs.40,000/- plus applicable service tax, if any and inclusive of reimbursement of out of pocket expenses, be and is hereby ratified."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

By order of the Board of Directors
For **Khaitan Electricals Limited**

Sunil K. Khaitan
Chairman and Managing Director

46C, J.L.Nehru Road
Kolkata - 700 071
CIN: L31909AP1975PLC001949
12th August, 2016

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.

As per section 105 of the Companies Act, 2013 and Rules thereunder, 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 person or shareholder.

Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified true copy of the board

Notice (contd.)

resolution authorising their representative to attend and vote on their behalf at the Meeting.

2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, Members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.
3. 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.
4. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books shall remain closed from Wednesday, 21st September, 2016 to Wednesday, 28th September, 2016 (both days inclusive).
5. In terms of the provisions of Section 124 of the Companies Act, 2013, corresponding to Section 205A and Section 205C of the Companies Act, 1956, dividends for financial years prior to 2008-09 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 Year 2010-11 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 should approach the Company for obtaining duplicate Dividend Warrants.
6. Members are requested to send all communications relating to shares, and unclaimed dividends, change of address, etc. to the Registrar and transfer agents at the following address:

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

7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/Registrar and Transfer Agent.
8. In accordance with provision of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (LODR) Regulations, 2015 and Secretarial Standard - 2, 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 in a separate sheet. However members can attend and cast their vote at AGM if they wish to do so.
9. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e. 21st September, 2016, only shall be entitled to avail facility of remote e-voting and poll process at the venue of the meeting. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
10. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for e-voting as provided in the Notice convening the meeting, which is available on the website of the Company and CDSL.

However, if you are already registered with CDSL for remote e-voting, then you can use your existing User ID and password for casting your vote.

11. The resolutions listed in the Notice of the AGM shall be deemed to be passed on the date of the AGM, subject to the receipt of the requisite number of votes in favour of the respective resolutions.
12. Electronic copies of the Annual Report are being sent to all the members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
13. Electronic copy of the Notice of this Meeting of the Company inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Notice of the 40th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that Notice of this Meeting and the Annual Report will also be available on the Company's website www.khaitan.com for their download.
14. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies at the meeting.
15. Members/proxies should bring their attendance slips sent herewith, duly filled in, for attending the Meeting. Members/proxies attending the AGM are requested to carry their identity proof.

Notice (contd.)

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| <p>16. A statement containing details of the Directors seeking appointment/reappointment at the forthcoming Annual General Meeting as required under Regulation 36 of the SEBI (LODR) Regulations, 2015 is annexed.</p> <p>17. Brief resume of Directors proposed to be appointed / re-appointed 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 are provided in the Corporate Governance Report forming part of the Annual Report.</p> <p>18. Pursuant to section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in prescribed form SH-13 with the RTA. In respect of shares held in Electronic/ Demat form, members may please contact their respective Depository Participants.</p> <p>19. SEBI and Ministry of Corporate Affairs encourages paperless communication as a contribution to Green environment. Members holding shares in physical mode are requested to register their e-mail address to the RTA for receiving all communications including annual reports, notices, circulars etc. from the company electronically.</p> <p>20. 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.</p> | <p>21. 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, during business hours up to the date of the Meeting.</p> <p>22. A route map showing direction to reach the venue of 40th Annual General Meeting is provided in the Annual Report as per the requirement of the Secretarial Standard-2 on General Meetings</p> <p>23. 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 should submit their PAN to the Company/Ms CIL Securities Limited.</p> <p>24. Members desiring to seek any information on the annual accounts at the meeting are requested to write to the Company at least 10 days in advance of the meeting to facilitate compilation thereof.</p> <p>25. The notice of Annual General Meeting is being sent to the members, whose names appear in the register of members / depositories as at closing hours of business on Friday, 26th August, 2016.</p> <p>26. Other Instructions</p> <p>a. A member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting. If a</p> | <p>member casts votes by both the modes, then voting done through e-voting shall prevail and voting through other means shall be treated as invalid.</p> <p>b. The Company has appointed Mr. Ashish Gaggar, Practicing Company Secretary (Membership No. 7321), to act as the Scrutinizer. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in presence of at least two witnesses (not in the employment of the Company) and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to any of the Directors of the Company.</p> <p>c. The Results shall be declared at or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.khaitan.com and on the website of CDSL www.evotingindia.com within three (3) days of passing of the resolution at the Annual General Meeting of the Company and the same shall also be communicated to BSE Limited (Bombay Stock Exchange) and National Stock Exchange of India Limited, where the shares of the Company are listed.</p> <p>27. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.</p> |
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IMPORTANT

1. AS INFORMED MEMBERS ARE ONCE AGAIN REQUESTED TO SURRENDER THEIR OLD SHARE CERTIFICATES I.E. KEL-KOLKATA AND KEL-HYDERABAD FOR EXCHANGE WITH THE NEW SHARE CERTIFICATE I.E. KEL-HYDERABAD.
2. 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.
3. TO PROVIDE BETTER SERVICES, THE MEMBERS ARE REQUESTED TO PROVIDE THEIR E-MAIL ID, IF NOT ALREADY PROVIDED TO THEIR DEPOSITORISES AND ALSO TO THE REGISTRAR AND SHARE TRANSFER AGENT OF THE COMPANY.

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

The Nomination and Remuneration Committee and Board of Directors at their meeting dated 28.05.2016 has approved to reappoint Mr. Sunil K. Khaitan as Chairman and Managing Director with effect from 01.11.2016, subject to approval of Share Holders, on such terms and conditions and remuneration as set out here under:

A. Term and Termination

- a. Subject as hereinafter provided, the Appointment shall remain in force up to 31st October, 2019 i.e. for a period of 3 years from the Date of reappointment unless terminated earlier.
- b. This appointment can be terminated by either party by giving three months notice in writing to other.

B. Duties & Powers

- a. The Chairman and Managing Director shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.
- b. The Chairman and Managing Director undertakes to employ the best of his skill and ability and to make his utmost endeavors to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

C. Remuneration

Remuneration proposed: Remuneration as approved by the Remuneration Committee and the Board of Directors (for the period from 1st November, 2016 to 31st October, 2019)

I. Salary :Rs.4,00,000/-per month

II. Commission:

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

III. Perquisites:

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

CATEGORY I

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

Admission and/or Life Membership Fee.

CATEGORY II

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

CATEGORY III (Not to be considered as Perquisites)

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

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

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

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

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

In the event of absence or inadequacy of profits of the Company in any financial year during the period of the Chairman and Managing Director's reappointment, the Company shall pay to the Chairman and Managing Director remuneration by

way of salary, benefits, perquisites and allowances, performance linked bonus/ commission, as specified above, subject to provisions of the Act and Schedule V of the Act.

D. Information relevant to the reappointment of Mr. Sunil K. Khaitan as the Chairman and Managing Director as required under Section II of Part II of Schedule V of the Companies Act, 2013:

I. GENERAL INFORMATION

1. Nature of Industry - Manufacturing and Trading of electric fans, Lighting Products, Appliances, Wires and Cables & Pumps etc.
2. Date or expected date - The Companies Electric fans business commenced commercial production since 1976
3. In case of new Companies expected date of commencement and activities as per project financial institutions appearing in the prospects - Not Applicable
4. Financial Performance based on given indicators Rs. in lakhs

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2015	Year ended 31st March, 2016
Turnover (Sales)	52535.65	44180.63	29341.05
Net Profit/(Loss) before Tax	(1721.25)	(4825.92)	(9461.19)
Net Profit/(Loss) after Tax as per Statement of Profit and Loss	(1661.91)	(4891.73)	(9461.19)
Amount of dividend	NIL	NIL	NIL
Rate of dividend declared (%)	NIL	NIL	NIL

5. Export performance and net foreign Exchange Collaborations Rs. in lakhs

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2015	Year ended 31st March, 2016
Foreign Exchange earnings	722.54	480.45	417.76
Outgo	1.52	2.91	0.41

6. Foreign Investment or collaborations, if any - NIL

II. INFORMATION ABOUT THE APPOINTEE:

1. Background details – Mr. Sunil K. Khaitan took over the reins of Khaitan Electricals Ltd as Vice-Chairman and Managing Director in November 1998. Since then he has steered the destiny of Khaitan Electricals Ltd with a single minded focus of making Khaitan Electricals Ltd. an electric conglomerate. He was responsible for the strategic decision of including emerging products into product mix of the Company which resulted into phenomenal growth in the turn-over of the Company from Rs.100 Crores to Rs.500 Crores. He was appointed as Vice-Chairman on the Board of erstwhile Khaitan Electricals Ltd, Kolkata and was elevated to the position of Vice Chairman and Managing Director in November, 1999. He was appointed as Chairman and Managing Director of the Board on 10th November 2012 in place of Late Mr. S.K. Khaitan.

With a drive for creating new brands, Mr. Sunil K. Khaitan has taken active interest in the launch of new products. He was instrumental in successful launching of Zolta brand in 2000. His personal vision for the group is to take the company from being amongst the electrical conglomerates in India.

Mr. Sunil K. Khaitan aged 55 Years, is Master in Business Administration and has four decades of experience in the field of Industry, business and corporate Management.

Mr. Sunil K. Khaitan is member in Share Transfer and Transmission Committee and Shareholders' Relationship Committee.

The other Directorship of Mr. Sunil K. Khaitan are as follows:

Name of the Company	Board position held	Committee Membership
Khaitan (India) Ltd	Director	Share Transfer and Transmission Committee
Khaitan Lefin Ltd	Director	--
Khaitan Hotels Pvt. Ltd.	Director	--
Khaitan Lamps Limited	Director	--
EEPC India	Director	--

2. Past remuneration (including contribution to PF, Superannuation fund, gratuity fund & Commission) for last 3 years:

Financial year	Remuneration (Rs. in lakh)
2015-2016	48.63
2014-2015	50.08
2013-2014	45.56

3. Recognition and awards: Nil

4. Job profile and his suitability: Mr. Sunil K. Khaitan, Chairman and Managing Director is vested with substantial powers of management under the superintendence, control and direction of the Board of Directors. He is also involved in policy planning, vision and strategy and long term development activities of the Company. As explained, Mr. Sunil K. Khaitan as Chairman and Managing Director has steered the Company to its present position and his vision is to take the Company from being amongst the electrical conglomerates in India. Mr. Sunil K. Khaitan devotes his full time in managing business of the Company.

5. Remuneration proposed: As mentioned above.

6. Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person:

The remuneration proposed is commensurate with respect to the industry, size of the Company & profile of the person.

7. Pecuniary Relationship directly or indirectly with the Company or relationship with managerial presence if any:

Besides the remuneration Mr. Sunil K. Khaitan does not have any pecuniary relationship with the Company. He is the son of Late Mr. S.K. Khaitan, former Chairman. Further he is father of Mr. Sunay Khaitan and Ms. Vageesha Khaitan who are in employment of the company.

III. Other Information:

1. Reasons for Loss:

- Reduction in Turnover due to non encouraging market scenario.
- High Volatility in raw material and other input prices resulting in lower margins.
- High cost of per unit overheads due to lower volumes.
- Unprecedented depreciation of the Indian Rupee against the US Dollar and volatility in foreign exchange market resulting in exchange fluctuation loss/increase in cost of prime raw materials.
- Higher interest expenditure due to increase in current assets and inadequate internal accruals.
- Entry in new segment (Appliances) resulting in high stock pile up compared to sales volumes.
- Tough competition, both domestic and international leading to pressure on margins.
- Due to sluggish economic conditions recovery from debtors remained poor.

2. Steps taken or proposed to be taken for improvement:

- Requisite publicity which should lead to increase in demand and thus more sales in near future.
- Focus on research and development to build up substitute of high cost inputs and creation of attractive designs of products. This action is expected to show results in near future.
- The company has identified specific cost containment measures in the areas of after sale services cost, staff cost and also optimization of utilities cost. These initiatives would yield results in the coming years.
- At the request of the company, the bankers have approved the corporate debt restructuring (CDR) which will result not only in reduction of the cost of borrowings, but should also help the company to come out of the Financial Stress.

- The Company has shut down its Kolkata Factory and the production facilities therein were shifted to Hyderabad and Faridabad Factory. This will help reduce the overheads in the long run.
- Constant review of the Product mix and slow moving items in line with the demands will reduce stock pileup in future.
- To strengthen steady cash and fund flow, constant focus is put on timely recovery from the debtors. This strategy is expected to show results in near future.
- Various margin improvement measures initiated by the company in the areas of production, marketing and consequent reduction in overheads, value addition measures and optimization of product mix are expected to improve the profitability.
- The company is exploring various options of infusion of capital which will augment the net worth of the company and reduce the interest cost.
- The company has taken several steps for operational restructuring which are expected to lead to higher efficiency/cost savings in the times to come.

The Board recommend the Resolution at Item No. 4 of the Notice for approval by the members of the Company. None of the Directors, Key Managerial Personnel or their relatives, except Mr. Sunil K. Khaitan, Chairman and Managing Director of the Company are concerned or interested, in the resolution.

ITEM NO. 5 In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company. On the recommendation of the Audit Committee at its meeting held on May 28, 2016, the Board has, considered and approved the appointment of Messrs.	Prasad and Company, Cost Accountants as the Cost Auditor of the Company, for the financial year 2016-17 at a remuneration of Rs.40,000/- per annum plus service tax, if any and inclusive of reimbursement of out of pocket expenses. The Board recommend the Resolution at Item No. 5 of the Notice for approval by the members of the Company. None of the Directors, Key Managerial Personnel of the Company and their relatives are, concerned or interested, in the resolution.	By order of the Board of Directors For Khaitan Electricals Limited Sunil K. Khaitan <i>Chairman and Managing Director</i> 46C, J.L.Nehru Road Kolkata – 700 071 CIN: L31909AP1975PLC001949 12th August, 2016
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Additional Information on appointment or re-appointment and/or fixation of remuneration of Directors including Managing Director or Executive Director or Whole - time Director or of Manager or variation of the terms of remuneration in the Annual General Meeting under sub regulation 3 of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and para 1.2.5 of Secretarial Standard -2:

Name of Director	Mr. Sunil K. Khaitan	Mr. Sajjan Dabriwal
Date of Birth	14.12.1960	15.05.1968
Age	55 Years	48 Years
DIN	00127698	00215294
Date of Appointment for the last term as Whole Time Directors	01.11.2013	20.09.2013 (Resigned with effect from 01.04.2016)
Terms & Conditions of Re-appointment alongwith Remuneration sought to be paid	As provided in the Explanatory Statement	Not Applicable
Remuneration last drawn	As provided in the Explanatory Statement	Rs.3471311.00 (Resigned with effect from 01.04.2016)
Expertise in specific functional areas	Experience in manufacturing and trading in relation to Fan and appliances business.	Experience in manufacturing and trading in relation to Fan and appliances business.
Qualifications	Master in Business Administration	Graduate in Commerce
Number of Meetings of the Board attended during the year	4	2
Directorship held in other public companies (excluding foreign companies) as on 31.03.2016	3	1
Membership/Chairmanship of Committees of other public companies (includes only Audit Committee and Stakeholders Relationship Committee) as on 31.03.2016	1	0
Shareholding in Khaitan Electricals Limited	269164	6660
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Related to Mr. A. K. Kajaria and Mr. Sajjan Dabriwal	Related to Mr. Sunil K. Khaitan

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 remote e-voting period will commence on Saturday, 24th September, 2016 (9.00 a.m.) and end on Tuesday, 27th September, 2016. (5.00 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 (record date) of Wednesday, September 21, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote as stated in point no. 1 herein above shall be able to exercise their right at the meeting through ballot paper.
3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
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

REMOTE 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 you 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) * 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 name in CAPITAL letters Eg. if your name is Krishna Murthy with sequence number 1 then enter KRO0000001 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. # 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 favor of the Custodian, if any, in PDF format in the System for the scrutinizer to verify the same.
18. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to any of the directors of the company, who shall countersign the same and declare the result of the voting forthwith.
19. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.khaitan.com and on the website of CDSL immediately after the declaration of result by the Chairperson of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.
20. The scrutinizer's decision on the validity of e-voting will be final.

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 Saturday, 24th September, 2016 (9.00 a.m.) and ends on Tuesday, 27th September, 2016 (05.00 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 i.e. Wednesday, 21st September, 2016, 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.

khaitan electricals limited

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

Dear Shareholder,

Date. 12th August, 2016

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 approach concerned Depository Participant for updating/modifying the e-mail id(s) as the case may be.

For **KHAITAN ELECTRICALS LTD.**

Sunil K. Khaitan
Chairman and Managing Director

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 40th Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2016.

FINANCIAL RESULTS

	2015-2016 (Rs. in lacs)	2014-2015 (Rs. in lacs)
Sale of Goods	29,296.87	43,559.22
Gross Profit/(Loss) for the year	(8,982.44)	(4,530.03)
Less : Depreciation	219.43	295.89
Profit/(Loss) before Tax & Exceptional item	(9,201.87)	(4,825.92)
Less : Exceptional Item	(259.32)	-
Profit/(Loss) after Exceptional item	(9,461.19)	(4,825.92)
Add: Provision for Income-tax		
For Current Year- Current tax	-	-
Deferred tax	-	(3.40)
MAT Credit Entitlement	-	-
For earlier years- Income Tax	-	(62.41)
Profit/(Loss) after Tax	(9,461.19)	(4,891.73)
Add: Balance in Profit and Loss Account	(7,073.43)	(2,181.70)
Amount available for Appropriation	(16,534.62)	(7,073.43)
Appropriation		
a) Transfer to General Reserve	-	-
b) Proposed Dividend	-	-
c) Tax on Dividend	-	-
Balance carried to Balance Sheet	(16,534.62)	(7,073.43)
Earnings per share (in Rs.)	(82.27)	(42.54)
Cash earnings per share (in Rs.)	(80.36)	(39.96)



CORPORATE OVERVIEW

Khaitan Electricals Limited is one of the India's Leading Fan manufacturers 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, 2013 and the Generally Accepted Accounting Principles (GAAP) in India.

FINANCIAL REVIEW

The year 2015-16 was a tough year and the Company witnessed a sharp drop in Turnover and Margins. Due to de-growth in

business volumes, overheads and finance cost could not be absorbed which affected the bottom line. The Net Sales for the year was Rs.282.61 Crores against Rs.430.00 Crores in the previous year. The Company incurred a Loss before Tax of Rs. 94.61 Crores as against a Loss of Rs. Rs.48.26 Crores during the Previous Year. The loss of Rs.94.61 Crores includes provision on Closing Stock (old and defective) along with provisions against Bad & Doubtful Debts and Advances of Rs.43.50 Crores.

OTHER INCOME

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

FINANCIAL EXPENSES

Financial expenses for the year were to Rs.41.37 Crores as against Rs.41.73 Crores in the Previous Year.

DEPRECIATION

Depreciation was at Rs.2.19 Crores compared to Rs.2.96 Crores in the previous year.

EARNING PER SHARE

Earnings Per Share (EPS) stood at (Rs. 82.87) compared to EPS of (Rs.42.54) in the previous year. The cash earned per share stood at (Rs. 80.36) as against (Rs.39.96) in the previous year.

CASH FLOW ANALYSIS

(Rs. in lacs)

Source of cash	2015-16	2013-14
Cash from operations	(5044.73)	(895.92)
Increase in Borrowings	(229.31)	3860.13
Inter Corporate Deposits	262.23	(403.57)
Proceeds from Preference Shares	500.00	–
Total	(4511.81)	2560.64
Use of Cash	2015-16	2013-14
Net capital expenditure	139.96	170.74
Interest Paid (Net)	3154.90	3180.37
Tax paid	(37.52)	81.36
Increase/(Decrease) in Cash & Cash Equivalents	(830.06)	(390.45)
Increase/(Decrease) in Working Capital	(7198.41)	(481.38)
Extra Ordinary Items	259.32	–
Total	(4511.81)	2560.64



SHARE CAPITAL AND NET WORTH

The paid up Equity Share Capital as on March 31, 2016 was Rs.11.50 Crores. During the year under review the company has issued 5,00,000 Non-Convertible Redeemable Preference shares of Rs. 100 each. The net worth of the Company has reduced to Rs. (45.02) Crores as compared to Rs.44.59 Crores in the previous year.

SICK COMPANY AS PER SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985 (SICA)

As per the audited accounts of the Company, the company has eroded 100% of its net worth i.e. it has become sick industrial company within the meaning of Section 3(o) of Sick Industrial Companies (Special Provisions) Act, 1985. Therefore the Company will have to file reference with Board for Industrial and Financial Reconstruction (BIFR) as required by Section 15 of the said Act.

HUMAN RESOURCES

The Company employed good human resources practices. The Company is enjoying good and congenial industrial relations at all of its plants. As on 31st March, 2016, the total permanent employees were 468.

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 9001:2008

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

CURRENT OUTLOOK

The present market scenario does not appear to be very encouraging. Though 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, the Company is quite concerned about the outlook for the Current Year.

EXPECTED IMPACT OF GOODS AND SERVICE TAX (GST) ON THE COMPANY

GST reform is believed to transform India into a single market. It is expected that implementation of the GST law will have a positive impact on the Company due to following reasons:

- The Company will be able to close down depots in at least 7 states across India, thereby saving cost of rent, Carrying and Forwarding Agents and other Overheads, as goods can be supplied freely from the depots at nearby states.
- There will be economy of freight as goods will be able to reach the destination using the shortest route.
- Further this will help the company to face challenges from the unorganized sector as due to GST the increase in cost of goods to the final customer

attributable to tax impact is expected to reduce by 50%, thereby bringing the customers from the unorganized sector back to the organized sector.

RISKS AND CONCERNS

The Indian economy achieved GDP growth of 7.6% in FY'15-16 compared to 7.2 % in FY'14-15. It is expected that the Indian economy will continue to grow at 7% to 8%. Manufacturing sectors continued to languish.

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 improvement in overall economic scenario and stability in input cost, the company looks forward to year 2016-17 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.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual Financial Statements for the year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for the same period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding

the assets of the company and for preventing and detecting fraud and other irregularities;

- d) they have prepared the annual accounts on a going concern basis;
- e) they have laid down proper internal financial controls (IFC) in the company that are adequate and were operating effectively.
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

SECRETARIAL AUDIT REPORT

According to the provision of section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report submitted by Company Secretary in Practice is enclosed as a part of this report.

REMUNERATION POLICY

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy has been uploaded on the website of the Company at www.khaitan.com.

VIGIL MECHANISM

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.khaitan.com.

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Company has been addressing various risks impacting the Company and the policy of the Company on risk management has been established. The Risk Management Policy has been uploaded on the website of the Company at www.khaitan.com.

RELATED PARTY TRANSACTIONS

All transactions entered with related parties during the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus disclosure in form AOC - 2 is not required. There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval.

The Board of Directors of the Company has, on the recommendation of the Risk and Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy was considered and approved by the Board and has been uploaded on the website of the Company at www.khaitan.com.

CORPORATE SOCIAL RESPONSIBILITY

As there has been carry forward losses, provisions of section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility are not applicable to the Company.

REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of The Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company and Directors is furnished hereunder:

S. No	Name	Designation	Remuneration FY 2015-16 (Rs.)	Remuneration FY 2014-15 (Rs.)	Increase in remuneration from previous year (Rs.)	Ratio/Times per Median of employee remuneration
1.	Mr. Sunil Krishna Khaitan	Chairman and Managing Director	43,58,400	46,15,250	(2,56,850)	16 times
2.	Mr. Sajjan Dabrial	Deputy Managing Director	32,55,311	32,54,607	704	12 times
3.	Mr. Sunil Sureka	CFO (KMP)	7,17,177 (Resigned w.e.f 04.11.2015)	2,78,771 (Joined w.e.f. 02.02.2015)	Joined as CFO on 02.02.2015 and left on 04.11.2015 Comparison not possible	
4.	Mr. Swapan Das	CFO (KMP)	13,59,791 (Joined w.e.f. 12.02.2016)	N.A.	Joined as CFO on 12.02.2016 Comparison not possible	
5.	Mr. Amit Choraria	CS (KMP)	12,56,148	1,91,748(Joined w.e.f. 02.02.2015)	Joined as CS on 02.02.2015. Comparison not possible	4 times

DISCLOSURES

Information, as required under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, 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.15.45 Lacs
	c) Total	:	Rs. 15.45 Lacs
	d) Total R & D Expenditure as a percentage of Total Turnover	:	0.05 %
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. 0.41 Lacs Earned – Rs. 417.76 Lacs

EXTRACT OF ANNUAL RETURN

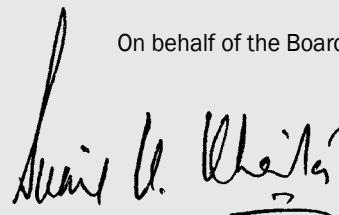
The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith.

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.

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

28th May, 2016

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2016

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

To,
The Members,
Khaitan Electricals Limited
CIN: L31909AP1975PLC001949
Hyderabad

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **Not Applicable**
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('SEBI LODR') which came into effect from December 1, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not Applicable;**
 - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not applicable;**
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable;**
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - **Not Applicable;**
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not Applicable.**

Form No. MR-3 (contd)

2. We have relied on certifications/representations made by the officers of the Company and mechanisms formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. Major laws applicable to the Company are as follows
- 1) Factories Act, 1948;
 - 2) The Legal Metrology Act, 2009 read with the Legal Metrology (Packaged Commodity) Rules, 2011;
 - 3) The Indian Copyright Act, 1957;
 - 4) The Patents Act, 1970;
 - 5) The Trade Marks Act, 1999;
 - 6) Acts prescribed under Environment Protection Act;
 - 7) Acts prescribed under Prevention and Control of Pollution;
 - 8) Acts prescribed under Direct Tax and Indirect Tax;
 - 9) Labour Welfare Acts;
 - 10) Labour laws and other incidental laws related to labour and employees appointed by the Company.
3. We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by The Institute of Company Secretaries of India;
 - ii. SEBI LODR guidelines and the erstwhile Listing Agreements entered into by the Company with Stock Exchange(s) as applicable.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period the company has

- i. re-classified the authorised share capital of the company by passing a resolution in the General meeting of the Company;
- ii. made preferential issue of 5,00,000 9% non – convertible, non – cumulative, redeemable Preference Shares of Rs.100 each on 9th November, 2015.

Date: 27th May, 2016
Place: Hyderabad

Signature
Savita Jyoti Associates
Practicing Company Secretary
FCS No.3738: C P No.:1796

P.S. This report is to be read along with or letter of even date which is annexed as Annexure A and forms an integral part of this report.

To,
The Members,
Khaitan Electricals Limited

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

1. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we follow provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial Audit Report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date: 27th May, 2016
Place: Hyderabad

Signature
Savita Jyoti Associates
Practicing Company Secretary
FCS No.3738: C P No.:1796

khaitan electricals limited

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L31909AP1975PLC001949
- ii) Registration Date : 27th October, 1975
- iii) Name of the Company : KHAITAN ELECTRICALS LIMITED
- iv) Category / Sub-Category of the Company : Public Company having Share Capital
- v) Address of the Registered office and contact details : A-13, Co-Operative Industrial Estate, Balanagar, Hyderabad - 500037
Phone No. 03340505000, Fax No. 03322883961
Email: hydfactory@khaitan.com,
Website: www.khaitan.com
- vi) Whether listed company : Yes. Listed on BSE Ltd. (Bombay Stock exchange) and National Stock Exchange of India Limited
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : CIL Securities Ltd.
214, Raghava Ratna Towers, Chirag Ali Lane, Hyderabad - 500 001
Telephone: (040) 23202465/23203155
Fax: (040) 23203028

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Domestic Appliances	2750	80.35
2	Electric Lighting Equipments	2740	12.19

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
NIL					

Form No. MGT - 9 (contd.)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/ HUF	435003	100000	535003	4.65	435003	100000	535003	4.65	0
b) Central Government	0	0	0	0	0	0	0	0	0
c) State Governments	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	4609205	1200000	5809205	50.52	4609205	1200000	5809205	50.52	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	5044208	1300000	6344208	55.17	5044208	1300000	6344208	55.17	0
(2) Foreign									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	5044208	1300000	6344208	55.17	5044208	1300000	6344208	55.17	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	23	23	0	0	23	23	0	0
b) Banks / FIs	260595	14638	275233	2.39	260595	14638	275233	2.39	0
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Governments	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
i) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	260595	14661	275256	2.39	260595	14661	275256	2.39	0
2. Non- Institutions									
a) Bodies Corporate									
i) Indian	1936049	4748	1940797	16.88	1840574	4648	1845222	16.05	-0.83
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1016163	1165928	2182091	18.98	1029473	1140896	2170369	18.87	-0.11

Form No. MGT - 9 (contd.)

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	722522	0	722522	6.28	836016	0	836016	7.27	0.99
c) Others (specify)	0	0	0	0	0	0	0	0	0
NRI's	14117	152	14269	0.12	14978	152	15130	0.13	0.01
Clearing Members	19612	0	19612	0.17	12554	0	12554	0.11	-0.06
Trust	1245	0	1245	0.01	1245	0	1245	0.01	0
Sub Total (B)(2)	3709708	1170828	4880536	42.44	3739488	1141048	4880536	42.44	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	9014511	2485489	11500000	100.00	9044291	2455709	11500000	100.00	0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	KHAITAN LEFIN LIMITED	2683373	23.33	0	2683373	23.33	23.33	0
2	KHAITAN (INDIA) LIMITED	1708018	14.85	0	1708018	14.85	0	0
3	KHAITAN LEFIN LIMITED (Physical)	900000	7.83	0	900000	7.83	7.83	0
4	THE ORIENTAL MERCANTILE COMPANY LTD. (Physical)	300000	2.61	0	300000	2.61	2.61	0
5	SUNIL KRISHNA KHAITAN	219164	1.91	0	219164	1.91	1.91	0
6	KHAITAN HOTELS PVT. LTD.	192289	1.67	0	192289	1.67	0	0
7	SARITA DABRIWAL	56740	0.49	0	56740	0.49	0	0
8	SUNIL KRISHNA KHAITAN (Physical)	50000	0.43	0	50000	0.43	0.43	0
9	SHREE KRISHNA KHAITAN (Physical)	50000	0.43	0	50000	0.43	0	0
10	SUNAY KRISHNA KHAITAN	40329	0.35	0	40329	0.35	0	0
11	VIDITA KHAITAN	28215	0.25	0	28215	0.25	0	0
12	ISHANI KHAITAN	26270	0.23	0	26270	0.23	0	0
13	VAGEESHA KHAITAN	26175	0.23	0	26175	0.23	0	0
14	THE ORIENTAL MERCANTILE COMPANY LIMITED	25525	0.22	0	25525	0.22	0.22	0
15	DURGADUTT CHIRANJILAL HUF (SHREE KRISHNA KHAITAN)	10650	0.09	0	10650	0.09	0	0
16	SUNITA KAILASH DIDWANIA	8620	0.07	0	8620	0.07	0	0
17	CHIRAJILAL SHREEKRISHNA KHAITAN HUF (SHREE KRISHNA KHAITAN)	6890	0.06	0	6890	0.06	0	0
18	SAJJAN KUMAR DABRIWAL	6660	0.06	0	6660	0.06	0	0
19	SHREE KRISHNA SUNIL KRISHNA KHAITAN HUF (SUNIL KRISHNA KHAITAN)	5290	0.05	0	5290	0.05	0	0

Form No. MGT - 9 (contd.)

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	6344208	55.17	6344208	55.17
	Increase / Decrease in Promoters Share holding during the year	No Change in Shareholding during the year			
	At the End of the year			6344208	55.17

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total shares of the company
1.	GLAXO FINANCE PVT. LTD.				
	At the beginning of the year	475378	4.13	475378	4.13
	Change during the Year	No Change during the year			
	At the end of the year			475378	4.13
2.	GANDHARI TEA TRADERS PRIVATE LIMITED				
	At the beginning of the year	370349	3.22	370349	3.22
	Change during the Year	No Change during the year			
	At the end of the year			370349	3.22
3.	AKASH BHANSHALI				
	At the beginning of the year	326525	2.84	326525	2.84
	Change during the Year	No Change during the year			
	At the end of the year			326525	2.84
4.	KHWAISH TRADECOM PRIVATE LIMITED				
	At the beginning of the year	300200	2.61	300200	2.61
	Change during the Year	No Change during the year			
	At the end of the year			300200	2.61
5.	NEWWAY CONSTRUCTIONS LIMITED				
	At the beginning of the year	248267	2.16	248267	2.16
	Change during the Year	No Change during the year			
	At the end of the year			248267	2.16
6.	UNITED INDIA INSURANCE COMPANY LIMITED				
	At the beginning of the year	225213	1.96	225213	1.96
	Change during the Year	No Change during the year			
	At the end of the year			225213	1.96
7.	VALLABH BHANSHALI				
	At the beginning of the year	166600	1.45	166600	1.45
	Change during the Year	No Change during the year			
	At the end of the year			166600	1.45

Form No. MGT - 9 (contd.)

8.	AKSHAT TIBREWALA				
	At the beginning of the year	129000	1.12	129000	1.12
	Change during the Year	No Change during the year			
	At the end of the year			129000	1.12
9.	YUTHIKA VYAPAR PRIVATE LIMITED				
	At the beginning of the year	115810	1.01	115810	1.01
	Change during the Year	No Change during the year			
	At the end of the year			115810	1.01
10.	MANPHOOL EXPORTS LIMITED				
	At the beginning of the year	100000	0.87	100000	0.87
	Change during the Year 14.08.2015 – Transfer	-100000	-0.87	0	0
	At the end of the year			0	0
11.	CORUM SECURITIES PRIVATE LIMITED				
	At the beginning of the year	0	0.00	0	0.00
	Change during the Year 14.08.2015 – Transfer	100000	0.87	100000	0.87
	At the end of the year			100000	0.87

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Directors and KMP	No. of Shares	% of total Shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Sunil K Khaitan				
	At the beginning of the year	269164	2.34		
	Change during the year	No Change during the year			
	At the end of the year (or on the date of separation, if separated during the year)			269164	2.34
2.	Mr. Sajjan Dabriwal				
	At the beginning of the year	6660	0.06		
	Change during the year	No Change during the year			
	At the end of the year (or on the date of separation, if separated during the year)			6660	0.06

Form No. MGT - 9 (contd.)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,716,994,247	438,865,596	0	3,155,859,843
ii) Interest due but not paid	14,624,104	0	0	14,624,104
iii) Interest accrued but not due	0	555,438	0	555,438
Total (i+ii+iii)	2,731,618,351	439,421,034	0	3,171,039,385
Change in Indebtedness during the financial year				
- Addition	96,843,485	0	0	96,843,485
- Reduction	0	-134,694,598	0	(134,694,598)
Net Change	96,843,485	-134,694,598	0	(37,851,113)
Indebtedness at the end of the financial year				
i) Principal Amount	2,828,372,841	304,555,806	0	3,132,928,647
ii) Interest due but not paid	88,995	0	0	88,995
iii) Interest accrued but not	0	170,630	0	170,630
Total (i+ii+iii)	2,828,461,836	304,726,436	0	3,133,188,272

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

Sl. no.	Particulars of Remuneration	Name of Chairman and Managing Director: Mr. Sunil K Khaitan	Name of Deputy Managing Director: Mr. Sajjan Dabriwal	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,608,400.00	3,240,000.00	6,848,400.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	750,000.00	15,311.00	765,311.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00
4.	Commission	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00
	Total (A)	4,358,400.00	3,255,311.00	7,613,711.00
	Ceiling as per the Act	4,800,000.00	4,800,000.00	9,600,000.00

Form No. MGT - 9 (contd.)
B. Remuneration to other directors:
(Amount in Rs.)

Sl. no.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. M. G. Todt	Mr. V. K. Rungta	Mr. Biswajit Choudhuri	Mr. Shiv Kumar Bajaj	Mrs. Anjana Sharma	Mr. Ajay Kumar Kajaria	
1.	Independent Directors • Fee for attending board, committee meetings	110,000.00	130,000.00	60,000.00	90,000.00	60,000.00	N.A.	450,000.00
	Total (1)	110,000.00	130,000.00	60,000.00	90,000.00	60,000.00	0.00	450,000.00
2.	Other Non-Executive Directors • Fee for attending board, committee meetings	0.00	0.00	0.00	0.00	0.00	20,000.00	20,000.00
	Total (2)	0.00	0.00	0.00	0.00	0.00	20,000.00	20,000.00
	Total (B)=(1+2)	110,000.00	130,000.00	60,000.00	90,000.00	60,000.00	20,000.00	470,000.00
	Total Managerial Remuneration	NIL (The Company has not paid any remuneration to the non executive and independent directors.)						8,083,711.00
	Overall Ceiling as per the Act							9,600,000.00

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB
(Amount in Rs.)

Sl. no.	Particulars of Remuneration	Mr. Sunil Sureka CFO (Resigned w.e.f. 04.11.2015)	Mr. Amit Choraria, CS	Mr. Swapan Kumar Das, CFO (Re-designated w.e.f. 12.02.2016)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	669,501.00	1,160,148.00	1,251,041.00	3,080,690.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	47,676.00	96,000.00	108,750.00	252,426.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	0.00	0.00	0.00
2.	Stock Option	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00
4.	Commission - as % of profit - others, specify...	0.00	0.00	0.00	0.00
5.	Others, please specify	0.00	0.00	0.00	0.00
	Total (A)	717,177.00	1,256,148.00	1,359,791.00	3,333,116.00

Form No. MGT - 9 (contd.)

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority RD / NCLT Court	Appeals made if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

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., Mr. M. G. Todi, Mr. V. K. Rungta, Mr. Shiv

Kumar Bajaj and Ms. Anjana Sharma. Mr. A. K. Kajaria, Non-Executive Director is related to Chairman of the Board. The only Executive Director is Mr. Sunil K. Khaitan, Chairman & Managing Director. Mr. Sajjan Dabriwal was Deputy Managing Director of the Company till 31st March, 2016. He resigned from the position of Deputy Managing Director w.e.f 1st April, 2016. Thereafter he continued to be Non Executive Director. He is also related to Chairman of the Board. Mr. Biswajit Choudhuri, Non Executive, Independent Director resigned from the

Board of Directors with effect from 30th December, 2015.

Four Board Meetings were held during the period from 1st April, 2015 to March 31, 2016 on the following dates:

May 29th, 2015; August 13th, 2015, November 09th, 2015 and February 12th, 2016.

The attendance at Board Meetings and at the Last Annual General Meeting and the number 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 / (Chairmanship) in other Public Limited Companies excluding Khaitan Electricals Ltd	Relationship Inter se Directors	Share holding in the Company
Mr. Sunil K Khaitan (Chairman and Managing Director)	4	No	3	1	Related to Mr. A. K. Kajaria and Mr. Sajjan Dabriwal	269164
Mr. M.G.Todi (Independent Director)	4	No	4	1		0
Mr. A.K.Kajaria (Non Executive Director)	2	No	1	NIL	Related to Mr. Sunil K.Khaitan	0
Mr. Sajjan Dabriwal (Deputy Managing Director)	2	Yes	1	NIL	Related to Mr. Sunil K. Khaitan	6660
Mr. V.K. Rungta (Independent Director)	4	Yes	3	5(2)		0
Mr. Biswajit Choudhuri* (Independent Director)	3	No	6*	8(5)*		0
Mr. Shiv Kumar Bajaj (Independent Director)	4	No	3	Nil		0
Mrs. Anjana Sharma (Independent Director)	4	No	NIL	Nil		0

* Mr. Biswajit Choudhuri resigned with effect from 30.12.2015. The applicable details provided is as per his last available declarations dated 01.04.2015.



All Directors have certified that the disqualifications mentioned under section 164, 167 and 169 of the Companies Act, 2013 do not apply to them. Independent directors have confirmed that they have complied with the code of Independent Directors mentioned in schedule IV of the Companies Act, 2013 and that they are not disqualified to act as an independent director in compliance with provisions of Section 149 of the Companies Act, 2013.

Copy of Appointment Letters and Familiarization program of Independent Directors has been uploaded on the Website of the Company at www.khaitan.com. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company. The Company shall through its MD/EDs/KMPs conduct programs/presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company. Such programs / presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.

The information as required under Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being made available periodically to the Board. The Board periodically reviews the compliance status of the Company.

3. Disclosure regarding appointment

or re-appointment of Directors:

Given below is the abbreviated resume of the Director of Khaitan Electricals Ltd. for Appointment / re-appointment.

Mr. Sunil K. Khaitan (55 Years) is the Chairman and Managing Director of the Company. He is a Post Graduate in MBA having more than 35 Years of experience in the Fan Industry. He is associated with the Company for over three decades after joining the Board of the Company in January, 1979. His other Directorships include Khaitan (India) Limited, Khaitan Lamps Limited, Khaitan Hotels Private Limited, EEPC India and Khaitan Lefin Limited. His Shareholdings in the Company is 269164 equity shares.

Mr. Sajjan Dabriwal aged 48 years is Graduate in Commerce and has nearly two decades of experience in the field of industry and business management. Mr. Sajjan Dabriwal took over the operations of the Company's Hyderabad facility as Deputy Managing Director in July, 1999. Since then he has efficiently run the operation of Hyderabad facility. He was responsible for cost optimization and process re-engineering. He resigned from the position of Deputy Managing Director of the Company with effect from 1st April, 2016. He will now act as Non-Executive Director. His other Directorships include Ratan Cinmark Pvt Ltd, S.Y.S Investments and Realty Limited, Subichar Realtor Private Limited and Manita Niketan Private Limited. His Shareholdings in the Company is 6660 equity shares.

4. Code of Conduct

The Code of Conduct laid down by Khaitan Electricals Limited is applicable to the Directors and all the employees of the Company. The Code of Conduct is available on the website of the Company www.khaitan.com. This Code of Conduct emphasizes the

Company's commitment to compliance with the highest standard of legal and ethical behavior. All Directors and Senior Management has adhered with the Code of Conduct of the Company during the year and have signed declaration of compliance to the Code of Conduct.

5. Internal Audit

The Internal Audit Department of the Company conducts Internal Audit on pan India basis.

6. Risk and Audit Committee:

Your Company has a Risk and Audit Committee comprising three Non Executive and Independent Directors. The Committee was reconstituted on 12th February, 2016 due to resignation of Mr. Biswajit Choudhuri and appointment of Ms. Anjana Sharma.

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

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

Ms. Anjana Sharma (Independent Director), Member

Mr. Amit Choraria, Company Secretary, acts as the Secretary of the Committee.

The terms of reference of the Risk and Audit Committee cover the matters specified under Clause 49 of the Listing Agreement, Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), 2015 as well as in Section 177 of the Companies Act, 2013.

During the period under review, the Risk and Audit Committee held Four Meetings on May 29th, 2015, August 13th, 2015; November 09th, 2015 and February 12th, 2016.

The attendance at the Risk and Audit Committee Meetings during the year 2015-16 is given below:

Name of Directors	No. of Meetings Attended
Mr. M.G. Todi	4
Mr. V.K. Rungta	4
Mr. Biswajit Choudhuri	3
Ms. Anjana Sharma	1

Audit Committee meetings are attended by the Chief Financial Officer and the Head (Internal Audit). The Statutory Auditors are invited to each meeting and the Managing Director/other persons are invited to the meetings as and when required.

The necessary quorum was present at the meetings.

7 (a) Nomination and Remuneration Committee

Your Company has a Nomination and Remuneration Committee with the following three Non Executive and Independent Directors:

Mr. M.G.Todi (Chairman of the Committee)

Mr. V.K. Rungta, Member

Mr. Shiv Kumar Bajaj, Member

During the period under review, the Committee held Two Meetings on August 13th, 2015 and February 12th, 2016.

Mr. Amit Choraria, Company Secretary, acts as the Secretary of the Committee.

The Committee has been constituted to recommend/review the appointment and remuneration package of the Chairman & Managing Director / Whole-time Directors / Independent Directors and Key Managerial Personnel (KMP).

The attendance at the Nomination and Remuneration Committee Meeting during 2015-16 is given below:

Members	Meeting Attended
Mr. M.G.Todi (Chairman of the Committee)	2
Mr. V.K. Rungta, Member	2
Mr. Shiv Kumar Bajaj, Member	2

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 and KMPs. The Committee also undertakes the functions as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7(b). Remuneration of Directors:

The details of remuneration of the Directors during 2015-16 are as follows:

Name of the Directors	Salary and Perquisites* (Rs.)	Commission (Rs.)	Sitting fees (Rs.)	Total (Rs.)	Period of appointment & (Notice Period)
Mr. Sunil K.Khaitan	43,58,400	0	0	43,58,400	01.11.13 to 31.10.16 (Three Months)
Mr. A.K.Kajaria	0	0	20000	20000	
Mr. M.G.Todi	0	0	110000	110000	
Mr. V.K.Rungta	0	0	130000	130000	
Mr. Biswajit Choudhuri	0	0	60000	60000	
Mr. Sajjan Dabriwal	32,55,311	0	0	32,55,311	20.09.2013 to 19.09.16 (Three Months)
Mr. Shiv Kumar Bajaj	0	0	90000	90000	
Ms. Anjana Sharma	0	0	60000	60000	

* Computed in accordance with section 197 of the Companies Act, 2013 read with rules 4, 5, 7 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

7 (c.) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Key Managerial Personnel. The Directors expressed their satisfaction with the evaluation process.

8. Independent Directors Meeting: Independent Directors' meeting was held on 12.02.2016 and was attended by Mr. V. K. Rungta (Chairman), Mr. M. G. Todi, Mr. Shiv Kumar Bajaj and Ms. Anjana Sharma.	days of receipt, if the documents were correct and valid in all respects. The Company received 68 Nos. of Transfers/Transmission applications during the year and the above applications were duly transferred and dispatched subsequently within 15 days of the stipulated period and no transfers are pending as on date. The Company received 255 Nos. of Demat applications during the year and the said Demat applications were duly confirmed within the stipulated period of 30 days and no Demat cases are pending as on date.	during the period under review. The Shareholders' Relationship Committee has the following members Mr. V.K.Rungta, Chairman of the Committee Mr. Sunil K. Khaitan, Member Mr. Sajjan Dabriwal, Member Mr. Shiv Kumar Bajaj, Member Mr. Amit Choraria, Company Secretary acts as the Secretary of the Committee. Your Company received 10 Nos. of Complaints from Shareholders relating to non receipt of dividend, Bonus Shares and Annual Report. The complaints were duly attended to and there were no complaints pending as on date. The attendance at the Shareholders' Relationship Committee Meeting during the year 2015-16 is given below:
9. Share Transfer and Transmission Committee: Share Transfer Committee has following members:- Mr. Sunil .K. Khaitan, Mr. Sajjan Dabriwal, Mr. V.K. Rungta, Mr. Shiv Kumar Bajaj Mr. Amit Choraria, Company Secretary, acts as the Secretary of the Committee. The Share Transfer Committee met 28 times during the year 2015-16 under review. All shares received for transfer were registered and dispatched within 15	10. Shareholders' Relationship Committee Your Company also has a Shareholders' Relationship Committee to review the Shareholders' Grievances. The Committee met twice on November 09th, 2015 and February 12th, 2016	

Members	Meeting Attended
Mr. V.K. Rungta (Chairman of the Committee)	2
Mr. Sunil K. Khaitan, Member	2
Mr. Sajjan Dabriwal, Member	1
Mr. Shiv Kumar Bajaj, Member	2

11. General Body Meetings:

AGM	Financial year	Location	Date	Time
39th	2014-15	Federation of A.P. Chambers and Commerce of Industry, Hyderabad -500 004	16th September, 2015	10.30 A.M
38th	2013-14	Federation of A.P. Chambers and Commerce of Industry, Hyderabad -500 004	16th September, 2014	11.00 A.M
37th	2012-13	Federation of A.P. Chambers and Commerce of Industry, Hyderabad - 500 004.	16th September, 2013	11.00 A.M

Special Resolution transacted at the Last Three Annual General Meetings held on - SEPTEMBER 16, 2015 Three Special Resolutions were passed at the 39th Annual General Meeting held on 16th September, 2015 - Pursuant to the provisions of Section 188 of Companies Act, 2013, the consent of the members of the Company was taken to approve the appointment of Mr. Sunay K. Khaitan, a relative of Mr. Sunil K. Khaitan, Chairman and Managing Director of the Company, to hold office or place of profit in the Company as 'Management Trainee' w.e.f. 1st October, 2015 on a remuneration of Rs.50,000 per month. - Pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, the consent of the members of the Company were taken to approve the draft regulations contained in the Articles of Association submitted to the meeting and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company. - Pursuant to the provisions of Section 43, 55 and 62 of the Companies Act, 2013 and other relevant Acts and Rules, the consent of the members of the Company were taken to create, offer, issue, invite to subscribe and allot, in one or more tranches, on private placement basis, such number of Preference Shares of Face Value of Rs.100/- (Rupees one hundred only) each, at par, for an aggregate value not exceeding Rs. 11,50,00,000/-	(Rupees Eleven Crores Fifty Lacs only), as Non - Convertible Redeemable Preference Shares ["NCRPS"], for cash or in lieu of extinguishment of amount due on account of principle debt amount to the Promoter(s) / Promoter Group Companies. - SEPTEMBER 16, 2014 Two Special Resolutions were passed at the 38th Annual General Meeting held on 16th September, 2014 - Pursuant to the provisions of Section 180(1) (c) and other applicable provisions of the Companies Act, 2013, the consent of the members of the Company was taken to borrow moneys for the purpose of Company's business provided that the moneys to be so borrowed together with moneys already borrowed by the Company do not exceed Rs.1000 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. - Pursuant to the provisions of Section 14 the AOA of the Company was amended by: (i) Deleting the existing Article 75 and substituting the following new Article 75 in place thereof. 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 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. 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." SEPTEMBER 16,2013 Two Special Resolutions was passed at the 37th Annual General Meeting held on 16th September, 2013 for Re-appointment of Mr. Sunil K Khaitan, Chairman & Managing Director from 01.11.2013 to 31.10.2016 and Re-appointment of Mr. Sajjan Dabrial, Dy. Managing Director from 20th September, 2013 to 19th September, 2016. All Resolutions as set out in respective notices were duly passed by the shareholders.
12. Postal Ballot No resolution requiring postal ballot has been placed for shareholders approval at the ensuing Annual General Meeting. Special Resolution was passed during the year 2015-2016 through Postal Ballot to take consent of the Company under Section 186 and other	applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made there under, as amended from time to time, to invest/acquire the securities of any body-corporate by way of subscription/purchase or otherwise, give any loan or guarantee or provide security in connection with a loan to any other body corporate or person, upto a sum of Rs.200 Crores,	notwithstanding that the aggregate of the investments so far made or to be made exceeds the limits/will exceed the limits laid down by the Act. Resolution as set out in postal ballot notice dated 09.11.2015 was duly passed by the shareholders. Result was declared on 15.02.2016.

13. 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.

14. Means of communications:

The annual, half-yearly and quarterly results are regularly submitted to Stock Exchanges in accordance with the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements), 2015 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.

15. General Shareholders' Information:

a. Annual General Meeting:

Date and time
28th September 2016 at 10.30 A.M.

Venue
The Federation of Telangana and A.P. Chamber of Commerce & Industry (FTAPCCI)
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, 2016
- 2nd quarter/half-yearly
2nd week of November, 2016

- 3rd quarter
2nd week of February, 2017
- Audited results
4th week of May, 2017

c. Dates of book closure

September 21st, 2016 to
September 28th, 2016

d. Stock exchange where listed and stock code

1. The BSE Limited, 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.

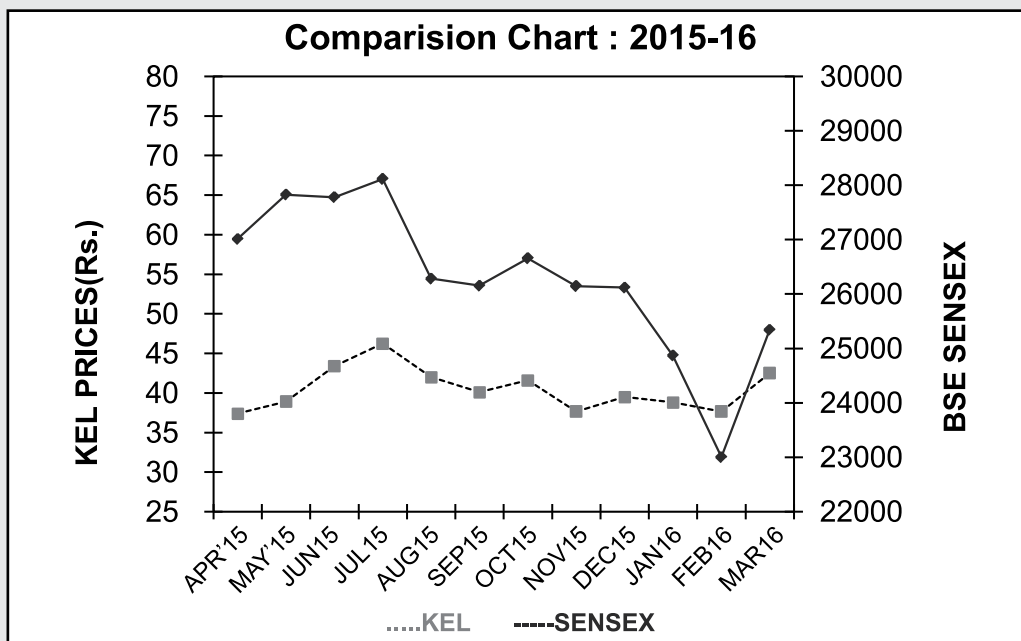
The listing fee for the year 2015-16 has been paid to BSE and NSE.

e. ISIN allotted to Equity Shares INE 761A01019

f. Market price data: 2015-16

BSE	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
HIGH	40.00	42.70	58.40	51.40	55.00	46.50	48.50	43.80	43.00	46.50	41.40	43.90
LOW	28.35	34.50	36.80	40.50	37.10	33.55	39.10	34.60	35.80	36.50	30.60	34.50
CLOSE	37.40	38.90	43.40	46.25	42.00	40.10	41.60	37.65	39.50	38.80	37.65	42.50
MONTHLY-Turnover (RS.IN LACS)	10.27	7.29	13.30	5.81	6.47	1.69	6.62	3.00	5.23	4.12	100.90	17.55

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, 2016

Shares held	No of Shareholders	% of Shareholders	No of Shares Held	% of Shares Holding
Upto 500	18626	97.39	1623991	14.12
501 To 1000	289	1.51	204558	1.78
1001 To 2000	106	0.55	150992	1.31
2001 To 3000	22	0.12	55691	0.48
3001 To 4000	10	0.05	33619	0.29
4001 To 5000	6	0.03	28474	0.25
5001 To 10000	28	0.15	194167	1.69
10001 and above	38	0.20	9208508	80.07
Total	19125	100.00	11500000	100.00
Physical mode	12863	67.26	2460357	21.39
Electronic Mode	6262	32.74	9039643	78.61

j. Shareholding Pattern as on 31st March, 2016

Categories	No. of Shares	%
Promoters' Holdings	6344208	55.17
Mutual Funds	23	0.00
Banks, Financial Institutions & Others	275233	2.39
Private Corporate Bodies	1845222	16.05
Indian Public	3006385	26.14
NRI/OCBS	15130	0.13
Clearing Members	12554	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.)

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

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 Mr. Amit Choraria, VP Finance and Corporate Affairs / Mr. A.V.S.G. Krishna Murthy, Senior Officer, Secretarial 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 / amit.choraria@khaitan.com / cs@khaitan.com or by fax: 08458-279469

m. CEO and CFO Certification

The Chairman and Managing Director and the Chief Financial Officer of the Company have given a certificate on financial reporting and internal controls to the Board of Directors in terms of Schedule V of SEBI (Listing Obligations and Disclosure Requirements), 2015.

n. Share Capital Reconciliation Audit

A qualified practicing Company Secretary carried out Share Capital Reconciliation audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held in electronic mode with NSDL and CDSL.

o. 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 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 31, 2016 received from the Senior Management Personnel and the Board Members, a declaration of compliance with the Code of Conduct."

Sunil K. Khaitan
Chairman &
Managing Director

Kolkata
28th May, 2016
CIN: L31909AP1975PLC001949

INDEPENDENT AUDITORS' COMPLIANCE CERTIFICATE

To,

The members of Khaitan Electricals Limited

1. We have examined the compliance of conditions of Corporate Governance by Khaitan Electricals Limited ("the Company") for the year ended 31st March, 2016, as stipulated in:
 - Clause 49 (excluding clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges) for the period April 1, 2015 to November 30, 2015.
 - Clause 49 (VII) (E) of the Listing Agreements of the Company with stock exchanges for the period April 1, 2015 to September 1, 2015.
 - Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) for the period September 2, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding regulation 23 (4)) and clauses (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the period December 1, 2015 to March 31, 2016.
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. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

Kolkata
28th May, 2016

CA. V. G. Tarak Nath
Partner
Membership No.023302

CA. Rakesh Kumar Singh
Partner
Membership No.066421



Financial section

Independent Auditors' Report

To
The Members of **Khaitan Electricals Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Khaitan Electricals Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 of the state of affairs of the Company as at 31st March, 2016 and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to note no.2.38 to the financial statements. The company has incurred net loss of Rs.9461.19 lacs during the year ended 31st March, 2016 and as of that date, the Company's net worth is fully eroded and has a negative net worth of Rs.4502.06 lacs, indicating the existence of uncertainty that may cast doubt about the Company's ability to continue as a going concern. Considering the matters set out in the said note, this financial statement is prepared on a going concern basis. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

Independent Auditors' Report (contd.)

2. As required by Section 143 (3) of the Act, we report that:

- i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- iii. The Balance Sheet, the Statement of Profit and Loss and the Cash flow Statement dealt with by this Report are in agreement with the books of account.
- iv. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- v. On the basis of the written representations received from the directors as at 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as at 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

vii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 2.28 to the financial statements.
- b. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

(**CA. V. G. Tarak Nath**)
Partner
Membership No.023302

Place: Kolkata
Date: 28th May, 2016

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

(**CA. Rakesh Kumar Singh**)
Partner
Membership No. 066421

“Annexure A” to the Independent Auditor’s Report

Statement referred to in paragraph ‘Report on Other Legal and Regulatory Requirements’ of our report of even date to the members of **Khaitan Electricals Limited** on the financial statements for the year ended 31st March, 2016.

- | | |
|---|--|
| <p>(i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.</p> <p>b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all fixed assets at reasonable intervals except fixed assets lying at Kolkata factory, as the factory has been seized by Kolkata Port Trust. According to the information & explanations given to us, no material discrepancies were noticed on such verification.</p> <p>c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except title deeds of immovable properties having written down value of Rs. 79.31 lacs which were not made available to us for our verification.</p> <p>(ii) The inventories (excluding stocks with third parties and inventories lying at Kolkata factory which has been seized by Kolkata Port Trust) have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.</p> <p>(iii) The company has granted unsecured loan to one Company covered in the register maintained under section 189 of the Companies Act, 2013. The Company has not granted any secured/ unsecured loan to firms or other parties covered in the register maintained under section 189 of the Act, 2013.</p> | <p>a) According to the information and explanations given to us, the terms and conditions of the loan are not prima facie prejudicial to the interest of the company.</p> <p>b) As informed to us, the aforesaid loan is repayable on demand. The company is regular in payment of interest as and when demanded by the company.</p> <p>c) In respect of the aforesaid loan, there is no overdue amount.</p> <p>(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provision of section 185 & 186 of the Act, with respect to the loans and investment made.</p> <p>(v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.</p> <p>(vi) 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 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We, however, as not required, have not made a detailed examination of such records.</p> <p>(vii) a) On the basis of our examination, the Company has been generally irregular in depositing undisputed statutory dues including provident fund, income tax, sales tax, value added tax, employees’ state insurance, duty of excise, service tax, and other statutory dues to the extent applicable with appropriate authorities.</p> |
|---|--|

According to the records, the following statutory dues were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable

Name of the Statute	Nature of Dues	Period to which pertain	Amount (Rs. In Lacs)	Due date	Paid on
Income Tax Act, 1961	Tax deducted at sources	2014-15 & 2015-16	33.10	7th of the succeeding month	-
The Central/State Sales Tax Act	Value Added Tax	2015-16	267.98	20th of succeeding month	-

- b) The disputed statutory dues aggregating to Rs. 1666.00 lacs that have not been deposited on account of matters pending before appropriate authorities are as under:

Name of the Statute	Nature of the Dues	Amount (Rs in Lacs)	Period	Forum where dispute is pending
Income Tax Act	Income Tax	12.15	2010-11	ITAT, Hyderabad
	Income Tax	105.00	2013-14	Commissioner of Income tax (Appeals)-Hyderabad
State Sales Tax	Sales Tax / Penalty	1198.35	2000-01, 2006-07 to 2013-14	AC, DC, Commissioner, Revision Board of Commercial Taxes, Tax Tribunal, High Court.
The Central Excise Act, 1944	Excise Duty	338.03	1994-95, 2000-01 to 2001-02 & 2007-08 to 2013-14	Commissioner of Central Excise, Tribunal, CESTAT
	Penalty	10.00	2008-09	Tribunal, Delhi
Finance Act, 1994	Service Tax	2.47	2011-12	Asstt. Commissioner, Service Tax
Total		1666.00		

- (viii) The Company does not have any loans or borrowings from Government or debenture holder during the year. However, according to the records, the Company have defaulted in repayment of borrowings to following financial institutions or banks :

Name of the financial institutions /banks	Nature of dues	Period to which pertain	Amount (Rs. in lacs)	Delays in days
Bank Of India	Bills discounting	2015-16	1165.94	1 to 313 days
Religare Finvest Limited	Bills discounting	2015-16	684.48	7 to 326 days

- | | |
|---|--|
| <p>(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loan during the year.</p> <p>(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.</p> <p>(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.</p> <p>(xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.</p> <p>(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.</p> <p>(xiv) According to the information and explanations given to us and based on our examination of the records of the</p> | <p>Company, the Company has made preferential allotment of shares during the year. The provisions of section 42 of the Act have been complied with in this regard and amount has been utilized for the purpose for which it was raised. The company has not made any private placement of shares and fully or partly convertible debentures during the year.</p> <p>(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause (xv) of paragraph 3 of the said order is not applicable to the Company.</p> <p>(xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="text-align: center;"> <p>For V. S. Rao & Co.
Chartered Accountants
(FR No. 003157S)</p> <p>(CA. V. G. Tarak Nath)
Partner
Membership No.023302</p> <p>Place: Kolkata
Date: 28th May, 2016</p> </div> <div style="text-align: center;"> <p>For G. P. Agrawal & Co.
Chartered Accountants
(FR No. 302082E)</p> <p>(CA. Rakesh Kumar Singh)
Partner
Membership No. 066421</p> </div> </div> |
|---|--|

“Annexure B” to the Independent Auditor’s Report of Even Date on the Financial Statements of Khaitan Electricals Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **Khaitan Electricals Limited** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the ICAI.

Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial

reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

(**CA. V. G. Tarak Nath**)
Partner
Membership No.023302

Place: Kolkata
Date: 28th May, 2016

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

(**CA. Rakesh Kumar Singh**)
Partner
Membership No. 066421

Balance Sheet

As at 31st March, 2016

(Amount in Rupees)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2.1	165,000,000	115,000,000
(b) Reserves & Surplus	2.2	(615,205,787)	330,913,466
		(450,205,787)	445,913,466
2. Non-current liabilities			
(a) Long-term borrowings	2.3	1,175,578,326	1,068,058,540
(b) Other long term liabilities	2.4	1,101,920	722,343
		1,176,680,246	1,068,780,883
3. Current liabilities			
(a) Short-term borrowings	2.5	1,957,350,321	2,087,801,303
(b) Trade payables:			
i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note No. 2.37)		-	-
ii) Total Outstanding dues of Creditors other than micro enterprises and small enterprises		1,002,561,940	1,044,864,838
(c) Other current liabilities	2.6	620,826,831	527,891,191
(d) Short-term provisions	2.7	21,110,374	16,822,871
		3,601,849,466	3,677,380,203
TOTAL		4,328,323,925	5,192,074,552
II. ASSETS			
1. Non-current assets			
(a) Fixed assets	2.8		
(i) Tangible assets		188,934,677	205,061,760
(ii) Intangible assets		6,282,575	6,118,212
		195,217,252	211,179,972
(b) Non-current investments	2.9	63,420,000	64,500,000
(c) Deferred tax assets (Net)	2.10	-	-
(d) Long-term loans and advances	2.11	21,447,901	20,014,360
(e) Other non-current assets	2.12	108,563,747	124,033,814
		388,648,900	419,728,146
2. Current Assets			
(a) Inventories	2.13	1,839,998,592	2,264,870,758
(b) Trade receivables	2.14	932,492,938	1,292,401,935
(c) Cash and bank balances	2.15	124,118,441	215,922,658
(d) Short-term loans and advances	2.16	840,193,411	836,981,117
(e) Other current assets	2.17	202,871,643	162,169,938
		3,939,675,025	4,772,346,406
TOTAL		4,328,323,925	5,192,074,552
Significant Accounting Policies	1		
Other Disclosures	2.28 to 2.45		

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
F. R. No. 003157S

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

Sunil K. Khaitan
Chairman &
Managing Director
Din No. 00127698

Shiv Kumar Bajaj
Director
Din No. 02000612

Madan Gopal Todi
Director
Din No. 00112568

Ajay Kumar Kajaria
Director
Din No. 00302009

CA. V.G. Tarak Nath
Partner
Membership No. 023302

CA. Rakesh Kumar Singh
Partner
Membership No. 066421

Vinod Kumar Rungta
Director
Din No. 00087032

Sajjan Dabriwal
Director
Din No. 00215294

Anjana Sharma
Director
Din No. 07128630

Swapan Kumar Das
Chief Financial Officer

Place: Kolkata
Date: 28th May, 2016

Debika Chatterjee
Company Secretary

Statement of Profit and Loss

For the year ended 31st March, 2016

(Amount in Rupees)

Particulars	Note No.	Year Ended 31.03.2016	Year Ended 31.03.2015
I. Revenue from Operations			
Sale of Goods (Gross)	2.18	2,929,686,703	4,355,921,876
Less: Excise Duty		123,738,706	88,747,854
Net Sale of Goods		2,805,947,997	4,267,174,022
Other operating revenue	2.19	20,105,180	32,858,328
Revenue from operations (net)		2,826,053,177	4,300,032,350
II. Other Income	2.20	108,052,020	118,030,449
III. Total Revenue (I + II)		2,934,105,197	4,418,062,799
IV. Expenses			
Cost of Materials Consumed	2.21	738,485,731	571,162,623
Purchases of Stock-in-Trade	2.22	1,372,048,591	2,658,885,837
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.23	295,831,403	97,536,750
Employee Benefits Expense	2.24	224,677,912	264,207,813
Finance Costs	2.25	413,743,808	417,255,451
Depreciation and Amortization Expense	2.8	21,943,170	29,589,008
Other Expenses	2.26	787,561,688	862,017,663
Total Expenses		3,854,292,303	4,900,655,145
V. Profit/(Loss) before Exceptional and Extraordinary Items and Tax (III - IV)		(920,187,106)	(482,592,346)
VI. Exceptional Items		-	-
VII. Profit/(Loss) after Exceptional Items but before Extraordinary Items and Tax (V - VI)		(920,187,106)	(482,592,346)
VIII. Extra Ordinary Items	2.27	(25,932,147)	-
IX. Profit/(Loss) before Tax (VII + VIII)		(946,119,253)	(482,592,346)
X. Tax Expense:			
(1) Earlier Year Tax		-	6,240,642
(2) Deferred Tax		-	340,095
		-	6,580,737
XI. Profit/(Loss) for the Year (IX-X)		(946,119,253)	(489,173,083)
X. Earnings Per Share of Rs.10/- each - Basic & Diluted	2.35	(82.27)	(42.54)
Significant Accounting Policies	1		
Other Disclosures	2.28 to 2.45		

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
F. R. No. 003157S

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

Sunil K. Khaitan
Chairman &
Managing Director
Din No. 00127698

Shiv Kumar Bajaj
Director
Din No. 02000612

Madan Gopal Todi
Director
Din No. 00112568

Ajay Kumar Kajaria
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Membership No. 023302

CA. Rakesh Kumar Singh
Partner
Membership No. 066421

Vinod Kumar Rungta
Director
Din No. 00087032

Sajjan Dabriwal
Director
Din No. 00215294

Anjana Sharma
Director
Din No. 07128630

Swapan Kumar Das
Chief Financial Officer

Place: Kolkata
Date: 28th May, 2016

Debika Chatterjee
Company Secretary

Cash Flow Statement

For the Year 2015-16

(Amount in Rupees)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
A. Cash Flow From Operating Activities:		
Net Profit before Tax & Exceptional Item as per statement of Profit and Loss	(920,187,106)	(482,592,346)
Adjusted for:		
Depreciation	21,943,170	29,589,008
Loss on Sale/ Discard of Fixed Assets	11,331,066	2,533,368
Profit on sale of Investment	(2,235,600)	-
Sundry Balances Written Off	13,252,189	18,203,457
Provision for doubtful debts/advances	55,933,207	22,609,260
Unrealised gain on exchange rate fluctuation	-	2,027,814
Finance costs	413,743,808	417,255,451
Interest income	(98,253,615)	(99,217,853)
Operating Profit before Working Capital Changes	(504,472,881)	(89,591,841)
Adjusted for:		
Trade receivables	311,715,359	242,718,143
Other Assets - Current / Non Current	(2,861,084)	(63,021,866)
Inventories	424,872,166	112,180,803
Trade payables	(42,302,899)	(196,530,217)
Other Liabilities - Current / Non Current	24,129,821	(49,568,553)
Short Term Provisions	4,287,503	2,360,106
Cash Generated from Operations	215,367,985	(41,453,425)
Taxes Paid	3,752,340	(8,136,507)
Cash flow before exceptional and extraordinary items	219,120,325	(49,589,932)
Exceptional & extraordinary items	(25,932,147)	-
Net Cash generated from / (Used in) Operating Activities (A)	193,188,178	(49,589,932)
B. Cash Flow From Investing Activities:		
Additions to Fixed Assets (including intangibles)	(19,018,951)	(18,508,428)
Sale of Fixed Assets/Investments	5,023,032	1,434,048
Loans Given	(70,700,000)	(41,185,472)
Repayment of Loans Received	96,923,064	828,870
Interest Income	98,253,615	99,217,853
Net Cash generated from / (Used in) Investing Activities (B)	110,480,760	41,786,871
C. Cash Flow From Financing Activities:		
Proceeds/(repayment) of Short Term Borrowings	(130,450,979)	(69,528,955)
Proceeds from Long Term Borrowings	145,967,267	476,123,294
Repayments of Long Term Borrowings	(38,447,481)	(20,581,056)
Proceeds of Preference Shares	50,000,000	-
Finance costs	(413,743,808)	(417,255,451)
Net Cash generated from / (Used in) Financing Activities (C)	(386,675,001)	(31,242,168)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(83,006,063)	(39,045,229)
Opening Balance of Cash and Cash Equivalents	141,011,663	180,056,892
Closing Balance of Cash and Cash Equivalents (Refer Note no. 2.15)	58,005,600	141,011,663

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.

	As at 31.03.2016	As at 31.03.2015
(iii) Cash and Cash Equivalents include :		
Cash Balances	1,278,125	1,650,500
Bank Balances	55,451,455	139,361,163
Remittance in Transit	1,276,020	-
	58,005,600	141,011,663

(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. 2.15, 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.

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
F. R. No. 003157S

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

Sunil K. Khaitan
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Director
Din No. 00215294

Anjana Sharma
Director
Din No. 07128630

Swapan Kumar Das
Chief Financial Officer

Place: Kolkata
Date: 28th May, 2016

Debika Chatterjee
Company Secretary

Notes forming part of the Financial Statements

NOTE No. 1 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2016

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 in India, including the accounting standards specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- b) The Company generally follows accrual system of accounting and recognizes 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 III to the Companies' Act, 2013. Based on the nature of operations and time between the procurement of raw materials 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 on tangible fixed assets is provided on straight line basis so as to charge the cost of the assets or the amount substituted for costs in case of revalued assets less its residual value over the useful life of the respective asset as prescribed under Part C of Schedule II to the Companies Act, 2013. Residual value has been considered as 5% of the cost of the respective assets.
- c) Leasehold land is amortized, over the period of lease. Computer Software acquired is amortized 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 realizable 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 inventory 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 recognize a decline, other than temporary, in the value of non-current investments, script 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 recognized 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 and 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 and 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 and development is shown as addition to Fixed Assets.

Notes forming part of the Financial Statements (contd.)

NOTE No. 1 SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2016 (CONTD.)

1.8 Foreign Currency Transactions

- a) Transactions in Foreign Currency are initially recorded at the Exchange Rate at which the transactions are carried out.
- 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 recognized 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 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-imbursement expected in respect of expenditure to settle a provision is recognized only when it is virtually certain that the re-imbursement will be received.

Contingent assets are neither recognized nor disclosed in the Accounts.

1.11 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.

1.12 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 period is reversed if there has been a change in the estimate of recoverable amount.

1.13 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 (contd.)

2 - Notes to Accounts

(Amount in Rupees)

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	% of holding	No. of Shares	% of holding
Note No : 2.1 Share Capital				
a. Authorised				
Equity shares of Rs. 10/- each	15,750,000	157,500,000	16,750,000	167,500,000
9% non convertible, non cumulative redeemable Preference Shares of Rs. 100/- each	1,175,000	117,500,000	75,000	7,500,000
		275,000,000		175,000,000
b. Issued				
Equity Shares of Rs.10/- each	11,595,350	115,953,500	11,595,350	115,953,500
9% non convertible, non cumulative redeemable Preference Shares of Rs. 100/- each	500,000	50,000,000	-	-
		165,953,500		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
9% non convertible, non cumulative redeemable Preference Shares of Rs. 100/- each	500,000	50,000,000	-	-
		165,000,000		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. 500,000 9% non convertible, non cumulative redeemable Preference Shares of Rs.100/- each have been issued at par during the year in lieu of extinguishment of amount due on account of principal debt of Rs. 50,000,000/-. The Preference shares shall be redeemable at par in one or more tranches as may be decided by the board of directors within 20 years from the date of allotment. The Preference shares shall not carry any voting right except in accordance with the provisions of Section 47(2) of the Companies Act, 2013.
- f. Reconciliation of number and amount of equity & preference shares outstanding:

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	% of holding	No. of Shares	% of holding
i) Equity Shares				
At the beginning of the year	11,500,000	115,000,000	11,500,000	115,000,000
Add:				
Equity shares issued during the Year	-	-	-	-
At the end of the year	11,500,000	115,000,000	11,500,000	115,000,000
ii) Preference Share				
At the beginning of the year	-	-	-	-
Add:				
Preference Shares issued during the Year	500,000	50,000,000	-	-
At the end of the year	500,000	50,000,000	-	-

- g. Shareholders holding more than 5% of the shares in the Company:

Particulars	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	% of holding	No. of Shares	% of holding
i) Equity Shares				
Khaitan Lefin Limited	3,583,373	31.15	3,583,373	31.15
Khaitan (India) Limited	1,708,018	14.85	1,708,018	14.85
ii) Preference Shares				
Khaitan Lefin Limited	500,000	100	-	-

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

Particulars	As at 31.03.2016		As at 31.03.2015	
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	(707,343,234)		(218,170,151)	
Add/(Less): Surplus/(Loss) as per Statement of Profit and Loss	(946,119,253)		(489,173,083)	
Amount available for appropriation	(1,653,462,487)		(707,343,234)	
(Add)/Less : Appropriations :	-		-	
Balance at the end of the year		(1,653,462,487)		(707,343,234)
		(615,205,787)		330,913,466

Note : General reserve 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.

(Amount in Rupees)

Particulars	As at 31.03.2016		As at 31.03.2015	
Note No : 2.3 Long - term borrowings				
From banks				
Secured - Rupee loans:				
Term loans				
Allahabad Bank	587,283,228		611,012,972	
IDBI Bank	32,384	587,315,612	294,767	611,307,739
Working Capital Term Loan				
IDBI Bank	65,781,355		68,600,000	
Indian Bank	76,006,830		80,007,469	
Allahabad Bank	51,441,242		54,146,442	
State Bank Of Travancore(SBT)	65,168,942		68,599,815	
State Bank Of Patiala (SBOP)	28,500,000	286,898,369	29,999,997	301,353,723
Funded Interest Term Loan				
State Bank Of Patiala (SBOP)	21,353,467		9,825,117	
Indian Bank	53,985,468		23,205,020	
IDBI Bank	47,605,789		20,580,094	
Allahabad Bank	37,222,113		15,565,731	
State Bank Of Travancore(SBT)	49,840,209	210,007,046	22,780,116	91,956,078
From entities other than banks				
Secured - Rupee loan:				
Loan against keyman Insurance policy	90,478,080		63,441,000	
Mahindra & Mahindra Finance Ltd.	879,219	91,357,299	-	63,441,000
		1,175,578,326		1,068,058,540

Notes forming part of the Financial Statements (contd.)

A) Nature of securities:

1) Term Loan

- Loan from Allahabad Bank is secured by an equitable mortgage of Immovable property owned by a third party subservient charge on the current assets and fixed assets of the Company and personal guarantee of Chairman & Managing Director of the Company.
- Vehicle loan from IDBI Bank and Axis Bank are/were secured by hypothecation of Vehicles.

2) Working Capital Term Loan and Funded Interest Term Loan from Banks are secured as follows :-

- First charge on entire current assets of the Company both present and future on pari passu basis amongst working capital consortium Bankers.
- Collateral security- Pari passu first charge on the entire fixed assets of the Company, both present and future, excluding -
1) The property at Noida, 2) Land & Building at the lease hold land at Kolkata, 3) Lease hold land with building at Balanagar, Hyderabad, 4) Land at Kala AMB and 5) Land at Dehradun.
- Personal Guarantee of Chairman & Managing Director of the Company.

B) Cash Credit facilities and Term Loans (Other than Vehicle Loans) have been restructured by the leading Banks during the Current Year.

C) The term of repayment and other details for Term Loans are given below - (Amount in Rupees)

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	No. of Installments outstanding but not due as on 31.03.16	Amount of installments
			Current#	Non Current			
i)	Axis Bank Ltd. *	10.25%	-	-	-	-	-
		(10.25%)	(85,855)	-	(5 Months)	(5)	(17,639)
		10.25%	-	-	-	-	-
		(10.25%)	(118,012)	-	(7 Months)	(7)	(17,425)
ii)	IDBI Bank Ltd.	10.25%	180,944	32,384	1Yrs 2 Months	14	16,192
		(10.25%)	(195,404)	(163,288)	(2 Yrs 2 Months)	(26)	(16,192)
		10.50%	131,478	-	6 Months	6	22,590
		(10.50%)	(260,591)	(131,479)	(1 Yrs 6 Months)	(18)	(22,590)
iii)	Life Insurance Corporation of India **	9.00%	-	90,478,080	5 Years	-	-
		(9.00%)	(-)	(63,441,000)	(6 Years)	-	-
iv)	Allahabad Bank	2% (FY 15-16)	30,865,000	587,283,228	5 Years 4 Months	6	15,432,500
		17.25% (FY 16-17 to 21-22)				4	23,148,750
						4	30,865,000
						4	55,557,000
						2	43,211,000
		(2% FY 14-15)	(-)	(611,012,972)	(6 Years 4 Months)	(6)	(15,432,500)
		(2% FY 15-16)				(4)	(23,148,750)
		(17.25% FY 16-17 to 21-22)				(4)	(30,865,000)
						(4)	(55,557,000)
						(2)	(43,211,000)
v)	IDBI Bank Ltd. (WCTL)	11.50%	3,500,000	65,781,355	5 Years 4 Months	6	1,750,000
						4	2,573,000
						4	3,430,000
						4	6,174,000
						1	4,801,000
						1	4,591,000
		(11.50%)	(-)	(68,600,000)	(6 Years 4 Months)	(6)	(1,750,000)
						(4)	(2,573,000)
						(4)	(3,430,000)
						(4)	(6,174,000)
						(1)	(4,801,000)
						(1)	(4,591,000)

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

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	No. of Installments outstanding but not due as on 31.03.16	Amount of installments
			Current#	Non Current			
vi)	IDBI Bank Ltd. (FITL)	12.00%	6,780,000	47,605,789	3 Years 4 Months	2	3,390,000
						4	4,068,000
						4	6,780,000
						2	8,814,000
		(12.00%)	(-)	(20,580,094)	(4 Years 4 Months)	(2)	(3,390,000)
						(4)	(4,068,000)
						(4)	(6,780,000)
						(2)	(8,814,000)
vii)	State Bank of Patiala (WCTL)	12.00%	1,500,000	28,500,000	5 Years 4 Months	6	750,000
						4	1,125,000
						4	1,500,000
						4	2,700,000
						2	2,100,000
		(12.00%)	(-)	(29,999,997)	(6 Years 4 Months)	(6)	(750,000)
						(4)	(1,125,000)
						(4)	(1,500,000)
						(4)	(2,700,000)
						(2)	(2,100,000)
viii)	State Bank of Patiala (FITL-1)	11.50%	2,250,000	16,202,572	3 Years 4 Months	2	1,125,000
						4	1,350,000
						4	2,250,000
						2	2,925,000
		(11.50%)	(-)	(7,443,261)	(4 Years 4 Months)	(2)	(1,125,000)
						(4)	(1,350,000)
						(4)	(2,250,000)
						(2)	(2,925,000)
ix)	State Bank of Patiala (FITL-2)	11.50%	720,000	5,150,895	3 Years 4 Months	2	360,000
						4	432,000
						4	720,000
						2	936,000
		(11.50%)	(-)	(2,381,856)	(4 Years 4 Months)	(2)	(360,000)
						(4)	(432,000)
						(4)	(720,000)
						(2)	(936,000)
x)	Mahindra and Mahindra Fin.Ser.Ltd	12.50%	184,124	879,219	4 Years 7 Months	55	25,600
			(-)	(-)	(-)	(-)	(-)
xi)	Indian Bank (WCTL)	12.00%	3,960,000	76,006,830	5 Years 4 Months	6	1,980,000
						4	2,970,000
						4	3,960,000
						4	7,128,000
						2	5,544,000
		(12.00%)	(-)	(80,007,469)	(6 Years 4 Months)	(6)	(1,980,000)
						(4)	(2,970,000)
						(4)	(3,960,000)
						(4)	(7,128,000)
						(2)	(5,544,000)

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

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	No. of Installments outstanding but not due as on 31.03.16	Amount of installments
			Current#	Non Current			
xii)	Indian Bank (FITL-1)	11.50%	5,950,000	40,784,627	3 Years 4 Months	2	2,975,000
						4	3,570,000
						4	5,950,000
						2	7,735,000
		(11.50%)	(-)	(17,459,421)	(4 Years 4 Months)	(2)	(2,975,000)
						(4)	(3,570,000)
						(4)	(5,950,000)
						(2)	(7,735,000)
xiii)	Indian Bank (FITL-2)	11.50%	1,890,000	13,200,841	3 Years 4 Months	2	945,000
						4	1,134,000
						4	1,890,000
						2	2,457,000
		(11.50%)	(-)	(5,745,599)	(4 Years 4 Months)	(2)	(945,000)
						(4)	(1,134,000)
						(4)	(1,890,000)
						(2)	(2,457,000)
xiv)	Allahabad Bank (WCTL)	12.00%	2,680,000	51,441,242	5 Years 4 Months	6	1,340,000
						4	2,010,000
						4	2,680,000
						4	4,824,000
						2	3,752,000
		(12.00%)	(-)	(54,146,442)	(6 Years 4 Months)	(6)	(1,340,000)
						(4)	(2,010,000)
						(4)	(2,680,000)
						(4)	(4,824,000)
xv)	Allahabad Bank (FITL-1)	11.50%	3,650,000	28,383,433	3 Years 4 Months	2	1,825,000
						4	2,190,000
						4	3,650,000
						2	4,745,000
		(11.50%)	(-)	(11,789,637)	(4 Years 4 Months)	(2)	(1,825,000)
						(4)	(2,190,000)
						(4)	(3,650,000)
						(2)	(4,745,000)
xvi)	Allahabad Bank (FITL-2)	11.50%	1,270,000	8,838,680	3 Years 4 Months	2	635,000
						4	762,000
						4	1,270,000
						2	1,651,000
		(11.50%)	(-)	(3,776,094)	(4 Years 4 Months)	(2)	(635,000)
						(4)	(762,000)
						(4)	(1,270,000)
						(2)	(1,651,000)
xvii)	State Bank of Travancore (WCTL)	12.00%	3,430,000	65,168,942	5 Years 4 Months	6	1,715,000
						4	2,573,000
						4	3,430,000
						4	6,174,000
		(12.00%)	(-)	(68,599,815)	(6 Years 4 Months)	(6)	(1,715,000)
						(4)	(2,573,000)
						(4)	(3,430,000)

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

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	No. of Installments outstanding but not due as on 31.03.16	Amount of installments
			Current#	Non Current			
						(4)	(6,174,000)
						(2)	(4,801,000)
xviii)	State Bank of Travancore (FITL-1)	11.50%	5,100,000	37,770,626	3 Years 4 Months	2	2,550,000
						4	3,090,000
						4	5,150,000
						2	6,720,000
		(11.50%)	(-)	(17,255,760)	(4 Years 4 Months)	(2)	(2,550,000)
						(4)	(3,090,000)
						(4)	(5,150,000)
						(2)	(6,720,000)
xix)	State Bank of Travancore (FITL-2)	11.50%	1,650,000	12,069,583	3 Years 4 Months	2	825,000
						4	990,000
						4	1,650,000
						2	2,145,000
		(11.50%)	(-)	(5,524,356)	(4 Years 4 Months)	(2)	(825,000)
						(4)	(990,000)
						(4)	(1,650,000)
						(2)	(2,145,000)
			75,691,546	1,175,578,326			
			(659,862)	(1,068,058,540)			

Figures in bracket pertains to previous year

\$ As at the year end.

Represents current maturities of loan long term debts shown under other current liabilities (Note No. 2.6)

* Amount of Installment includes interest.

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

(Amount in Rupees)

Particulars	As at 31.03.2016		As at 31.03.2015	
Note No : 2.4 Other long - term liabilities				
Security Deposit		1,101,920		722,343

(Amount in Rupees)

Particulars	As at 31.03.2016		As at 31.03.2015	
Note No : 2.5 Short - term borrowings				
Other loans and advances				
From banks				
Secured				
Cash Credit	1,652,794,515		1,648,935,707	
Unsecured				
Bills Discounting	251,973,704		364,279,711	
		1,904,768,219		2,013,215,418
Unsecured				
From Non banking financial Institutions*		39,082,102		-
From others -Unsecured		13,500,000		74,585,885
		1,957,350,321		2,087,801,303

Nature of securities:

Cash Credit from Banks are secured as follows :-

- First charge on entire current assets of the Company, both present and future, on pari passu basis amongst working capital consortium Bankers.

Notes forming part of the Financial Statements (contd.)

- b) Collateral security- Pari passu first charge on the entire fixed assets of the Company, both present and future, excluding -
1) The property at Noida, 2) Land & Building at the lease hold land at Kolkata, 3) Lease hold land with building at Balanagar, Hyderabad, 4) Land at Kala AMB and 5) Land at Dehradun.
- c) Personal Guarantee of Chairman & Managing Director of the Company.
- * Partly Secured against Land Situated at Dehradun having book value Rs. 18,267,250/-

(Amount in Rupees)

Particulars	As at 31.03.2016		As at 31.03.2015	
Note No : 2.6 Other current liabilities				
Current maturities of long - term debt *		75,691,546		659,862
Interest accrued but not due on borrowings		170,630		555,438
Interest accrued and due on borrowings		88,995		14,624,104
Unpaid dividends **		755,885		1,648,717
Other payables				
Advance from customers		57,153,165		77,663,548
Security deposits		171,086,423		203,255,584
Statutory liabilities		151,528,143		111,894,768
Overdrawn bank balances as per books		473,296		1,732,815
Unpaid salaries and other payroll dues		32,477,631		24,038,880
Accrued expenses		111,415,121		74,805,093
Others		19,985,996		17,012,382
		620,826,831		527,891,191

* Refer Note No. 2.3(A) & 2.3(C) 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 31.03.2016		As at 31.03.2015	
Note No : 2.7 Short-term provisions				
Provision for employee benefits - Leave encashment		7,045,151		5,978,687
Provision for employee benefits - Gratuity		1,286,234		-
Warranty		12,778,989		10,844,184
		21,110,374		16,822,871

Notes forming part of the Financial Statements (contd.)

Note No : 2.8 FIXED ASSETS

(Amount in Rupees)

Particulars	Tangible assets						Intangible assets		Grand total
	Land (Free Hold)	Buildings (Free Hold)	Plant & equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total	Computer software (Acquired)	
Gross block									
Gross carrying amount as at 01.04.2015	63,116,058	56,362,672	180,884,243	33,823,700	21,393,909	38,373,880	393,954,462	13,589,412	407,543,874
Additions during the period	-	204,659	9,941,748	3,012,117	1,586,391	1,576,384	16,321,299	2,697,652	19,018,951
Inter head adjustments during the period	-	-	16,630	-	-	(16,630)	-	-	-
Disposals/deductions during the period	-	422,735	36,290,977	4,045,636	2,505,519	3,861,145	47,126,012	623,915	47,749,927
Gross carrying amount as at 31.03.2016	63,116,058	56,144,596	154,551,644	32,790,181	20,474,781	36,072,489	363,149,749	15,663,149	378,812,898
Depreciation / amortisation									
Opening accumulated depreciation / amortisation	-	33,762,127	89,881,061	20,279,211	13,436,168	31,534,135	188,892,702	7,471,200	196,363,902
Depreciation and amortisation for the period	-	1,902,526	9,389,835	3,469,251	1,584,796	3,063,474	19,409,882	2,533,288	21,943,170
Deductions/Adjustments during the period	-	250,823	24,675,502	3,438,196	2,064,240	3,658,751	34,087,512	623,914	34,711,426
Closing accumulated depreciation / amortisation	-	35,413,830	74,595,394	20,310,266	12,956,724	30,938,858	174,215,072	9,380,574	183,595,646
Net carrying amount									
Net block as at 31.03.2016	63,116,058	20,730,766	79,956,250	12,479,915	7,518,057	5,133,631	188,934,677	6,282,575	195,217,252

Previous Year

Particulars	Tangible assets						Intangible assets		Grand total
	Land (Free Hold)	Buildings (Free Hold)	Plant & equipment	Furniture & Fixtures	Vehicles	Office Equipments	Total	Computer software (Acquired)	
Gross block									
Gross carrying amount as at 01.04.2014	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
Additions during the period	-	550,000	15,313,465	511,202	643,404	1,490,356	18,508,427	-	18,508,427
Disposals/deductions during the period	-	-	24,029,558	484,912	751,497	1,394,014	26,659,981	-	26,659,981
Gross carrying amount as at 31.03.2015	63,116,058	56,362,672	180,884,243	33,823,700	21,393,909	38,373,880	393,954,462	13,589,412	407,543,874
Depreciation / amortisation									
Opening accumulated depreciation / amortisation	-	31,786,112	100,107,485	15,375,903	11,083,468	25,396,221	183,749,189	5,718,271	189,467,460
Depreciation and amortisation for the period	-	1,976,015	10,503,409	5,185,983	2,968,811	7,201,861	27,836,079	1,752,929	29,589,008
Deductions/Adjustments during the period	-	-	20,729,833	282,675	616,111	1,063,947	22,692,566	-	22,692,566
Closing accumulated depreciation / amortisation	-	33,762,127	89,881,061	20,279,211	13,436,168	31,534,135	188,892,702	7,471,200	196,363,902
Net carrying amount									
Net block as at 31.03.2015	63,116,058	22,600,545	91,003,182	13,544,489	7,957,741	6,839,745	205,061,760	6,118,212	211,179,972

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

Particulars		As at 31.03.2016		As at 31.03.2015	
Note No : 2.9 Non-Current Investments	Face Value	No. of Shares	Amount	No. of Shares	Amount
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	57,000	3,420,000	75,000	4,500,000
The Oriental Mercantile Co. Limited	10.00	55,000	3,300,000	55,000	3,300,000
			63,420,000		64,500,000

(Amount in Rupees)

Particulars	As at 31.03.2016		As at 31.03.2015	
Note No : 2.10 Deferred tax assets (Net)				
Deferred tax assets				
Gratuity / Leave Encashment	-		3,271,213	
Provision for doubtful debts/claims	-		15,435,654	
Unabsorbed depreciation	11,513,882		-	
		11,513,882		18,706,867
Deferred tax liabilities				
Depreciation		11,513,882		18,706,867
		-		-

(Amount in Rupees)

Particulars	As at 31.03.2016		As at 31.03.2015	
Note No : 2.11 Long - term loans and advances (Unsecured, considered good unless otherwise stated)				
Capital advances				
Considered doubtful	9,150,940		9,150,940	
Less : Provision for doubtful advances	9,150,940	-	9,150,940	-
Security deposits		18,603,762		17,170,221
Other loans and advances				
Advance to suppliers and others				
Considered doubtful	38,854,044		23,749,760	
Less : Provision for doubtful advances	38,854,044		23,749,760	
		-		-
Others-Against Rent		2,844,139		2,844,139
		21,447,901		20,014,360

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

Particulars	As at 31.03.2016		As at 31.03.2015	
Note No : 2.12 Other non-current assets (Unsecured, considered good unless otherwise stated)				
Trade receivables outstanding for a period exceeding six months from due date				
Considered Good	91,748,589		100,505,085	
Considered Doubtful	89,915,961		44,721,947	
Less : Provision for doubtful debts	89,915,961		44,721,947	
		91,748,589		100,505,085
Gratuity Fund		-		2,961,231
Advance tax	37,552,171		53,624,378	
Less: Provision for taxation	20,737,013		33,056,880	
		16,815,158		20,567,498
Claims receivable				
Considered Doubtful	-		236,000	
Less : Provision for doubtful claims	-		236,000	
		-		-
		108,563,747		124,033,814

Note :- Trade receivable includes Rs. 91,748,589/- (Previous Year Rs.100,505,085/-) under litigation.

(Amount in Rupees)

Particulars	As at 31.03.2016		As at 31.03.2015	
Note No : 2.13 Inventories (At lower of cost and net realizable value)				
Raw materials	117,925,418		228,001,345	
Goods-in-Transit	-		1,096,793	
		117,925,418		229,098,138
Work-in-progress				
Components		102,565,361		107,586,367
Finished goods	314,843,870		360,335,866	
Goods-in-Transit	494,359		44,332,378	
		315,338,229		404,668,244
Stock in trade		1,303,866,694		1,523,336,310
Loose tools		302,890		181,699
		1,839,998,592		2,264,870,758

(Amount in Rupees)

Particulars	As at 31.03.2016		As at 31.03.2015	
Note No : 2.14 Trade receivables (Unsecured, considered good)				
Trade receivables outstanding for a period exceeding six months from due date		165,261,446		148,543,257
Other trade receivables		767,231,492		1,143,858,678
		932,492,938		1,292,401,935

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

Particulars	As at 31.03.2016		As at 31.03.2015	
Note No : 2.15 Cash and bank balances				
Cash and cash equivalents				
Balances with banks				
In current accounts	55,451,455		139,361,163	
Remittance in transit	1,276,020		-	
Cash on hand	1,278,125		1,650,500	
		58,005,600		141,011,663
Other bank balances				
Unpaid dividend accounts		755,885		1,648,717
Margin money (With banks against LC and bank guarantees)				
In Fixed deposits				
- Current portion Of Original Maturity period up to 12 months	5,044,361		6,752,523	
In Current Account	60,312,595		66,509,755	
		65,356,956		73,262,278
		124,118,441		215,922,658

(Amount in Rupees)

Particulars	As at 31.03.2016		As at 31.03.2015	
Note No : 2.16 Short - term loans and advances (Unsecured, considered good)				
Security deposits		625,865		625,865
Other loans and advances				
Loan to others		402,648,345		381,433,441
Advance to suppliers and others		349,824,110		378,556,485
Cenvat, Vat and other taxes/duties		81,079,925		63,636,414
Prepaid expenses		6,015,166		12,728,912
		840,193,411		836,981,117

Note :- Advance to suppliers and others includes Rs. 112,536,621/- (Previous Year Rs. 25,327,743/-) under litigation.

(Amount in Rupees)

Particulars	As at 31.03.2016		As at 31.03.2015	
Note No : 2.17 Other current assets (Unsecured, considered good)				
Interest accrued and due		196,920,023		146,818,706
Interest accrued but not due		218,438		2,126,117
Claims receivable		5,505,780		8,110,254
Other receivable		194,369		-
Taxes and duties refundable		33,033		1,320,914
DEPB entitlement		-		3,793,947
		202,871,643		162,169,938

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Note No : 2.18 Sale of goods (Gross)				
Sale of goods (Gross)				
Fans, Pumps & Motors etc.		973,416,820		942,523,113
Trading Goods				
Fans & Motors	955,665,048		1,431,403,066	
Home appliances	424,901,392		687,116,041	
Lightings	357,036,858		882,224,637	
Other items	218,666,585		412,655,019	
		1,956,269,883		3,413,398,763
		2,929,686,703		4,355,921,876

(Amount in Rupees)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Note No : 2.19 Other operating revenues				
Scrap sale		20,105,180		32,858,328

(Amount in Rupees)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Note No : 2.20 Other income				
Interest		98,253,615		99,217,853
Profit on Sale of long term Investments		2,235,600		-
Insurance Claim Received		694,000		-
Export incentive		1,040,439		3,754,196
Rent receipt		5,011,150		5,027,312
Miscellaneous income		817,216		10,031,088
		108,052,020		118,030,449

(Amount in Rupees)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Note No : 2.21 Cost of materials consumed				
Lamination/Silicon Steel Sheets		99,684,371		72,720,549
Copper Wire		115,599,143		105,779,144
Aluminium Ingots		38,611,443		38,733,237
Aluminium Sheets		31,424,476		19,646,958
Ball Bearings		30,733,737		23,519,909
Other Materials & Components		422,432,561		310,762,826
		738,485,731		571,162,623

(Amount in Rupees)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Note No : 2.22 Purchases of stock-in trade				
Fans & Motors		537,364,896		1,014,607,040
Home appliances		350,777,247		533,294,787
Lightings		307,219,423		784,659,355
Other items		176,687,025		326,324,655
		1,372,048,591		2,658,885,837

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Note No : 2.23 Changes in inventories of finished goods, work-in-progress and stock-in-trade				
Finished goods				
Opening stock	404,668,244		478,088,064	
Less: Closing stock	314,843,870		404,668,244	
		89,824,374		73,419,820
Work-in-progress				
Components				
Opening stock	107,586,367		133,906,326	
Less: Lost by fire	20,144,916		-	
Less: Closing stock	102,565,361		107,586,367	
		(15,123,910)		26,319,959
Stock in trade				
Opening stock	1,523,336,310		1,523,180,464	
Less: Closing stock	1,303,866,694		1,523,336,310	
		219,469,616		(155,846)
Add/(Less) : Excise duty and cess on stock *		1,661,323		(2,047,183)
		295,831,403		97,536,750

* 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 31.03.2016		Year ended 31.03.2015	
Note No : 2.24 Employee benefits expense				
Salaries and wages		202,673,385		236,778,959
Contribution to provident and other funds		15,389,268		20,021,515
Staff welfare expense		6,615,259		7,407,339
		224,677,912		264,207,813

(Amount in Rupees)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Note No : 2.25 Finance costs				
Interest expense		381,467,729		385,622,493
Other borrowing cost		32,276,079		31,632,958
		413,743,808		417,255,451

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Note No : 2.26 Other expenses				
Consumption of stores and spare parts		5,074,817		4,071,644
Power and fuel		8,315,578		8,310,205
Fabrication charges		88,560,301		61,354,941
Royalty		30,993,839		40,739,002
Rent		35,095,945		33,856,490
Repairs				
Buildings	1,522,510		1,166,014	
Machineries	5,397,083		2,040,282	
Others	1,534,513		2,016,435	
		8,454,106		5,222,731
Insurance		2,304,310		2,854,579
Rates and taxes (excluding taxes on income)		18,771,045		26,452,287
Payment to auditors				
As auditor for statutory audit	560,000		560,000	
For tax audit	132,000		132,000	
For other services (Limited reviews & certifications)	170,000		249,000	
For reimbursement of expenses	35,930		26,014	
		897,930		967,014
Carriage outward		83,334,874		101,878,229
Commission		39,545,658		44,379,850
Exchange rate fluctuation		-		2,027,814
Travelling & Conveyance		38,440,297		47,452,098
Advertisement & Publicity		56,302,745		47,169,664
Discount & Scheme Expenses		170,998,933		254,203,244
Sundry Balances Written off		13,252,189		18,203,457
After Sales Service Expenses		50,102,959		57,689,997
Provision for doubtful debts / advances		55,933,207		22,609,260
Loss on Sale/Discard of Fixed Assets		11,331,066		2,533,368
Miscellaneous Expenses		69,851,889		79,832,606
Prior period Expenses *		-		209,184
		787,561,688		862,017,663
* Include :				
Interest Paid		-		60,936
Professional Fees		-		8,000
Discount/Schemes		-		140,248
		-		209,184

(Amount in Rupees)

Particulars	Year ended 31.03.2016		Year ended 31.03.2015	
Note No : 2.27 Extraordinary Items				
Loss due to Fire (Gross)		34,426,885		-
Less: Insurance Claim Received (Adhoc)		(8,494,738)		-
		25,932,147		-

Note: A fire accident accrued in the Hyderabad Factory on 10 May, 2015 resulting in the aforesaid loss.

Notes forming part of the Financial Statements (contd.)

(Amount in Rupees)

Particulars	As at 31.03.2016	As at 31.03.2015
Note No : 2.28 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 Amount deposited against above	35,280,370 (2,30,112)	35,280,370 (2,30,112)
ii) Sales Tax/Entry Tax under appeal Amount deposited against above	113,585,916 (26,341,144)	144,692,213 (24,857,679)
iii) Income Tax Amount deposited against above	1,17,14,760 (-)	- (-)
iv) Employees State Insurance Amount deposited against above	711,216 (33,033)	711,216 (33,033)
v) Extension Fee by Administrator of Haryana Urban Development Authority under appeal	7,103,310	7,103,310
vi) Letter of Credit under dispute	14,478,200	13,697,200

- b) The Company has entered into a sub-lease Agreement on 19/10/1985 for Kolkata Factory premises with M/s P. C. Shyam & 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 amount of liability not provided in this respect, if any, is presently not ascertainable.

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.

2.29 Commitments: Capital contracts remaining to be executed and not provided is NIL (Previous year Rs. NIL) against which an advance of NIL (Previous year Rs. NIL) is paid.

2.30 Balances outstanding with certain Debtors and Creditors are subject to confirmation.

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

- a. Movement in provision for warranty claims :

(Amount in Rupees)

Particulars	2015-16	2014-15
Opening Balance	10,884,184	9,015,354
Provided during the year	19,34,805	1,828,830
Reversed during the year	-	-
Closing Balance	12,778,989	10,844,184
Timing of outflow/uncertainties	Outflow on repairing/replacement of fans	

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

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

2.32 The 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.)

2.33 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	Key Management Personnel (KMP)	Relatives of Key Management Personnel (R)	Other related Parties (ORP)	TOTAL
Receiving of Service (Inclusive of Remuneration)	3,837,311 (8,478,857)	366,000 (890,400)	- (-)	4,203,311 (9,369,257)
Rent Receipt	- (-)	- (-)	622,500 (331,920)	622,500 (331,920)
Purchase of Goods	- (-)	- (-)	15,605,360 (24,671,863)	15,605,360 (24,671,863)
Job Charges paid	- (-)	- (-)	2,786,096 (-)	2,786,096 (-)

(ii) Names of related parties, description of relationship and outstanding as on 31st March, 2016:

(Amount in Rupees)

Related Party		Relationship	Balance as at 31st March 2016		Balance as at 31st March 2015	
A. Key Management Personnel & Relatives:						
Sri Sunil K. Khaitan	(KMP)	Chairman & Managing Director (CMD)	-		-	
Sri Sajjan Dabriwal	(KMP)	Dy. Managing Director (DMD)	410,190	Cr	174,590	Cr
Smt. Sarita Dabriwal	(R)	Wife of DMD, Sri Sajjan Dabriwal	-		-	
Kum. Vageesha Khaitan	(R)	Daughter of CMD, Sri Sunil K Khaitan	-		-	
Sri Sunay Khaitan	(R)	Son of CMD, Sri Sunil K Khaitan	-		-	
B. S.Y.S. Investments & Realty Ltd.	(O)	Concern in which, DMD, Sri Sajjan Dabriwal, has significant influence	1,678,005	Cr	2,485,499	Cr

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

(Amount in Rupees)

Related Party		Particulars	2015-16	2014-15
a) Sri Sunil K Khaitan	(KMP)	(Remuneration)	4,862,628	5,008,250
b) Sri Sajjan Dabriwal	(KMP)	(Remuneration)	3,471,311	3,470,607
c) Smt. Sarita Dabriwal	(R)	(Remuneration)	366,000	366,000
d) Sri Sunay Khaitan	(R)	(Remuneration)	300,100	-
e) Kum. Vageesha Khaitan	(R)	(Remuneration)	621,780	524,400
f) S.Y.S. Investments & Realty Ltd.	(O)	Rent Receipt	622,500	331,920
		Purchase of Goods	1,56,05,360	24,671,863
		Job Charges paid	27,86,096	-

(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.

2.34 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.

Notes forming part of the Financial Statements (contd.)

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

(Amount in Rupees)

Particulars	2015-2016	2014-2015
i) Profit/(Loss) After Tax available for Shareholders (Amount used as the numerator)	(946,119,253)	(489,173,083)
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	(82.27)	(42.54)

2.36 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	2015-2016	2014-2015
Employers' Contribution to Provident Fund	8,889,259	11,011,957
Employers' Contribution to Employee State Insurance Scheme	747,902	1,023,794
Employers' Contribution to Labour Welfare Fund	15,632	16,344

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, 2016 in respect of Employees Benefit Schemes based on actuarial reports as on 31st March, 2016 is as follows:

(Amount in Rupees)

I. Components of Employer Expense:		Gratuity (Funded)		Leave Encashment (Funded)	
		2015-16	2014-15	2015-16	2014-15
1.	Current Service Cost	1,969,688	2,435,363	1,837,828	2,595,590
2.	Interest Cost	1,315,601	1,359,542	936,483	888,866
3.	Expected Return on Plan Assets	(1,458,108)	(1,617,960)	(371,987)	(359,121)
4.	Actuarial (gain)/loss recognized in the year	3,851,054	(502,246)	202,412	1,838,102
5.	Net expense recognized in Statement of Profit and Loss	5,678,235	1,674,699	2,604,736	4,963,437

(Amount in Rupees)

II. Change in Present Value of Defined Benefit Obligation:		Gratuity (Funded)		Leave Encashment (Funded)	
		2015-16	2014-15	2015-16	2014-15
1.	Present Value of Defined Benefit Obligation at the Beginning of the year	16,445,011	25,974,994	11,706,044	12,039,590
2.	Interest Cost	1,315,601	1,359,542	936,483	888,866
3.	Current Service Cost	1,969,688	2,435,363	1,837,828	2,595,590
4.	Benefits Paid	(4,173,877)	(12,822,642)	(3,014,456)	(5,656,104)
5.	Actuarial (Gain) / Losses	3,851,054	(502,246)	202,412	1,838,102
6.	Present Value of Obligation at the End of the year	19,407,477	16,445,011	11,668,311	11,706,044

(Amount in Rupees)

III. Change in Fair Value of Plan Assets during the year ended 31st March, 2016:		Gratuity (Funded)		Leave Encashment (Funded)	
		2015-16	2014-15	2015-16	2014-15
1.	Plan Assets at the Beginning of the year	18,404,250	28,566,104	4,307,488	6,592,179
2.	Expected Return on Plan Assets	1,458,108	2,231,765	371,987	537,074
3.	Actual Company Contribution	2,432,762	1,431,015	2,958,141	4,254,208
4.	Actual Benefits Paid	(4,173,877)	(12,822,642)	(3,014,456)	(5,656,104)
5.	Plan Assets at the End of the year	18,121,243	19,406,242	4,623,160	5,727,357

(Amount in Rupees)

IV. Net Asset/(Liability) recognized in the Balance Sheet as at 31st March, 2016:		Gratuity (Funded)		Leave Encashment (Funded)	
		2015-16	2014-15	2015-16	2014-15
1.	Present value of Defined Benefit Obligation	19,407,477	16,445,011	11,668,311	11,706,044
2.	Fair Value on Plan Assets	18,121,243	19,406,242	4,623,160	5,727,357
3.	Funded Status (Surplus) / deficit	12,86,234	(2,961,231)	70,45,151	5,978,687
4.	Net (Asset) / Liability recognized in Balance Sheet	12,86,234	(2,961,231)	70,45,151	5,978,687

(Amount in Rupees)

V. Actuarial Assumptions		Gratuity (Funded)		Leave Encashment (Funded)	
		2015-16	2014-15	2015-16	2014-15
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, 2016:		Gratuity (Funded)		Leave Encashment (Funded)	
		2015-16	2014-15	2015-16	2014-15
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. 2.24

(Amount in Rupees)

VIII. Relevant information relating to:		Gratuity (Funded)			Leave Encashment (Funded)		
		2013-14	2012-13	2011-12	2013-14	2012-13	2011-12
1.	Present value of Obligation	25,974,994	26,324,082	26,767,229	12,039,590	13,302,503	13,486,176
2.	Fair Value of Plan Assets	28,566,104	31,155,743	30,212,605	65,92,179	8,451,950	8,796,635
3.	Surplus / (Deficit) in the Plan	25,91,110	4,831,661	3,445,376	(54,47,411)	(4,850,553)	(4,689,541)

IX. Other disclosures:

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) Expected Employer's contribution for next year
- (ii) Experience adjustments of plan assets Gain/(Loss), and
- (iii) Experience adjustments of Obligation Gain/(Loss)

Notes forming part of the Financial Statements (contd.)

2.37 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 31.03.2016 as micro and small enterprises. Consequently, the amount paid/payable to these parties as on 31.03.2016 is NIL (Previous Year Rs. NIL).

2.38 The Company's net worth has eroded. However, the Management believes that the Company will be able to generate sufficient resources to be able to continue as a going concern. Accordingly, these financial statements have been prepared under the going concern assumption and that no adjustments are required to the carrying value of assets and liabilities.

2.39 The Company has charged depreciation in previous year based on the revised remaining life of the assets as per the requirement of Schedule II to the Companies Act, 2013 effective 1st April, 2014.

2.40 Details of Loans given, investments made and guarantee given covered under section 186 (4) of the Companies Act, 2013:

a. Details of Loans given:

(Amount in Rupees)

Particulars		Balance Outstanding as at 31st March, 2016	Balance Outstanding as at 31st March, 2015
1.	Century Vision Pvt. Ltd.	11,671,130	11,671,130
2.	Beekey Steel Industries Ltd.	2,500,000	2,500,000
3.	Emami Frank Rose Ltd.	32,000,000	32,000,000
4.	The Oriental Mercantile Co. Ltd.	256,523,623	231,323,623
5.	Subham Fan Pvt. Ltd.	5,299,803	5,299,803
6.	Spring Field Projects Pvt. Ltd.	33,150,000	33,150,000
7.	Subham Enterprises Pvt. Ltd.	2,500,000	2,500,000
8.	Neo Carbon Limited	3,014,904	10,000,000
9.	Khaitan (India) Limited	42,603,413	42,603,413
10.	Khaitan Lamps Limited	10,385,472	10,385,472
11.	Chitra Estate & Credit Pvt Ltd	1,500,000	-
12.	Samta Impex Pvt Ltd	1,500,000	-
Total		402,648,345	381,433,441

The above loans are to be utilized for general corporate purpose by the recipients.

b. Details of Investment made

The relevant details are given in Note no. 2.9.

c. Details of Guarantee Given

The Company has not given any Guarantee.

2.41 Consumption of materials :

Particulars		2015-16		2014-15	
		Rs.	%	Rs.	%
a.	Raw Materials				
	Imported	-	-	-	-
	Indigenous	738,485,731	100	571,162,623	100
		738,485,731	100	571,162,623	100
b.	Consumable Stores & Tools				
	Imported	-	-	-	-
	Indigenous	5,074,817	100	4,071,644	100
		5,074,817	100	4,071,644	100

Notes forming part of the Financial Statements (contd.)

2.42 Value of Imports calculated on C.I.F. Basis :

(Amount in Rupees)

Particulars	2015-2016	2014-2015
Finished Goods	-	89,251,497

2.43 Expenditure in Foreign Currency

(Amount in Rupees)

Particulars	2015-2016	2014-2015
Travelling Expenses	40,900	291,361

2.44 Earning in Foreign Exchange :

(Amount in Rupees)

Particulars	2015-2016	2014-2015
FOB Value of Exports	41,776,360	48,045,450

2.45 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, 2016:

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

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

Sunil K. Khaitan
Chairman &
Managing Director
Din No. 00127698

Shiv Kumar Bajaj
Director
Din No. 02000612

Madan Gopal Todi
Director
Din No. 00112568

Ajay Kumar Kajaria
Director
Din No. 00302009

CA. V.G. Tarak Nath
Partner
Membership No. 023302

CA. Rakesh Kumar Singh
Partner
Membership No. 066421

Vinod Kumar Rungta
Director
Din No. 00087032

Sajjan Dabriwal
Director
Din No. 00215294

Anjana Sharma
Director
Din No. 07128630

Swapan Kumar Das
Chief Financial Officer

Place: Kolkata
Date: 28th May, 2016

Debika Chatterjee
Company Secretary

khaitan electricals limited

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

PROXY FORM

FORM MGT – 11

[Pursuant to the provisions of Section 105(6) of the Companies Act, 2013
and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Serial no:.....

Name of the Member(s) (In BLOCK Letters):.....

Registered Address:.....

E-mail ID:.....

Folio No./Client ID:.....DP ID:.....

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

1. Name Address:

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

2. Name Address:

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

3. Name Address:

Email ID:.....

as my/ our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual General Meeting of the Company, to be held on Wednesday, 28th September, 2016 at 10.30 A.M. at – Federation of Telangana and A.P. Chamber of Commerce & Industry (FTAPCCI) 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 are indicated below:

Resolution No.	Resolution	Option	
Ordinary Business 1	Adoption of Accounts for the financial year ended 31st March, 2016, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon	For	Against
2	Appointment of Mr. Sajjan Dabirwal as Director who retire by rotation and offer himself for re-appointment		
3	Appointment M/s V.S.Rao & Co, Chartered Accountants, Hyderabad and M/s G. P. Agrawal & Co. Chartered Accountants, Kolkata from the conclusion of this AGM till the conclusion of the next Annual General Meeting.		
Special Business 4	Reappointment of Mr. Sunil K. Khaitan as Chairman and Managing Director		
5	Ratification of remuneration payable to M/s. Prasad & Company, appointed as Cost Auditors of the Company for Financial Year 2016-17		

Signed this day of 2016 Signature of Shareholder.....

.....
Signature of first proxy holder Signature of Second proxy holder Signature of third proxy holder

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 40th 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.

Affix
Revenue
Stamp of
Re 1/-

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	

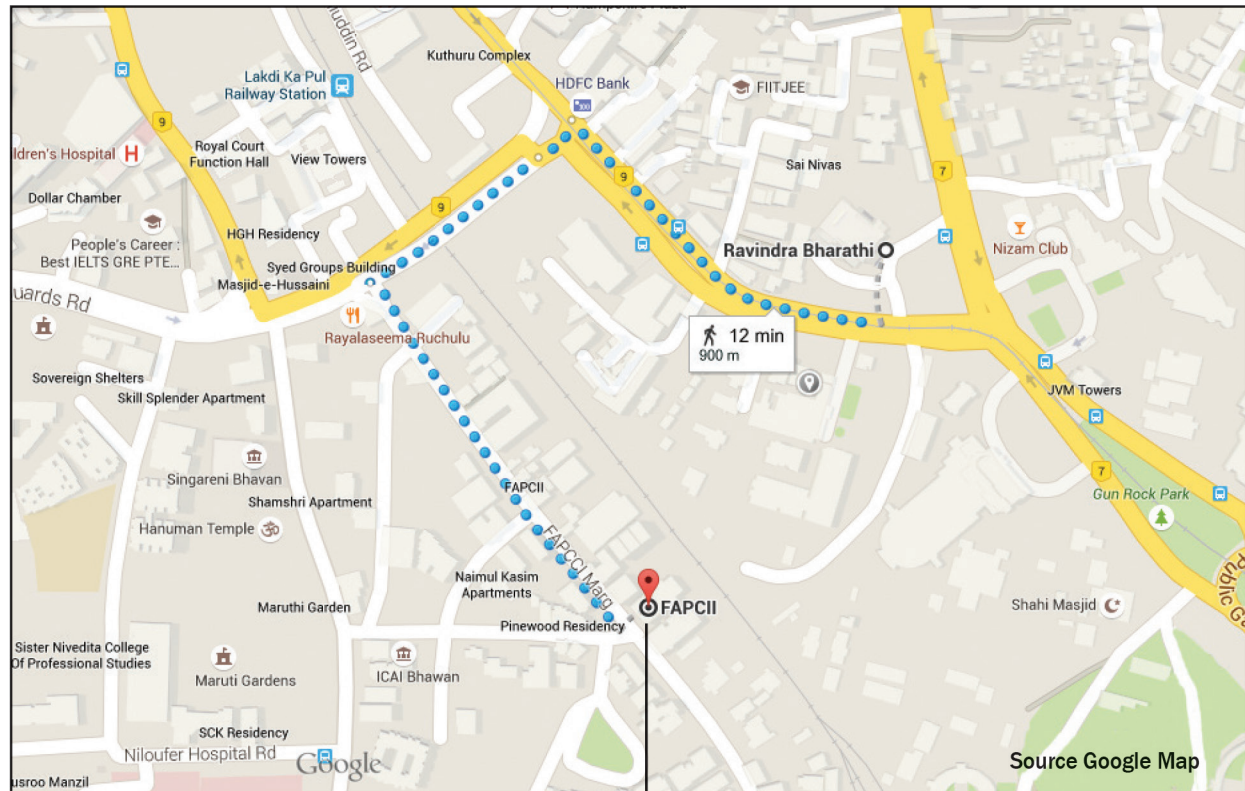
I hereby record my presence at the 40th Annual General Meeting of the Company to be held on Wednesday, 28th September, 2016 at 10.30 A.M. at – Federation of A.P. Chamber of Commerce & Industry (FAPCCI) Premises- Surana Udyog Hall, Federation House, FAPCCI Marg, 11-6-841, Red Hills, Hyderabad-500004 .

*Applicable for investors holding shares in electronic form.

.....
Member's/Proxy Signature



Route Map of AGM Venue



Federation of Telangana and A.P. Chamber of
Commerce & Industry (FTAPCCI)
Premises- Surana Udyog Hall, Federation House,
FAPCCI Marg, 11-6-841, Red Hills, Hyderabad-500004.

BOOK - POST



The name is enough

www.khaitan.com

If undelivered please return to:

Khaitan Electricals Limited. 46C, J.L.Nehru Road, Kolkata - 700 071 (India)