

**AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF
KHAITAN ELECTRICALS LIMITED**

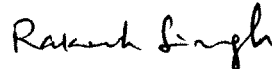
1. We have audited the quarterly Financial Results of KHAITAN ELECTRICALS LIMITED ("the Company") for the quarter ended 31st March 2014 and the year to date results for the period 1st April, 2013 to 31st March, 2014 attached herewith, being submitted by the Company pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the annual financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such annual financial statements, which have been prepared in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the year to date results:-
 - (i) are presented in accordance with the requirements of Clause 41 of the Listing Agreement with the Stock Exchanges and
 - (ii) give a true and fair view of the net profit and other financial information for the quarter ended 31st March, 2014 as well as the year to date results for the period 1st April, 2013 to 31st March, 2014.
4. Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of the shares as well as percentage of shareholding in respect of aggregate amount of public shareholding, as furnished by the Company in terms of clause 35 of the listing agreement and found the same to be correct.

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



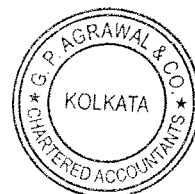
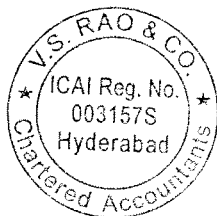
(CA. V G Tarak Nath)
Partner
Membership No.23302

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



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

Place: Kolkata
Date: 29th May, 2014



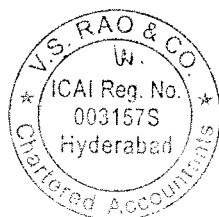


Khatan electricals limited

Regd. Office : A-13, Co - Operative Industrial Estate, Balanagar, Hyderabad - 500 037.

STATEMENT OF AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2014

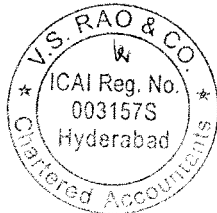
PART - I							(Rs.in lacs)
Sl. No.	Particulars	3 Months Ended 31.03.2014	Preceeding 3 Months Ended 31.12.2013	Corresponding 3 Months Ended 31.03.2013 in the Previous Year Audited	Current year Ended 31.03.2014 Audited	Previous year Ended 31.03.2013 Audited	
1	Income from Operations						
a	Net Sales /Income from Operations (Net of Excise Duty)	16,429.29	12,386.46	18,402.61	51,135.23	50,811.41	
b	Other Operating Income	64.25	49.47	92.96	236.36	368.52	
	Total Income from Operations (net)	16,493.54	12,435.93	18,495.57	51,371.59	51,179.93	
2	Expenses						
a	Cost of Materials Consumed	1,795.22	1,702.69	2,941.17	6,352.07	8,607.42	
b	Purchases of Stock-in-Trade	10,277.94	7,428.70	10,993.90	32,584.07	29,591.51	
c	Changes in inventories of finished goods Work-in -Progress and Stock-in-Trade	1,286.30	(672.22)	(1,327.88)	(1,561.66)	(2,602.42)	
d	Fabrication Charges	193.16	166.98	354.56	729.64	1172.67	
e	Employee benefits expense	723.17	703.41	608.25	2,721.65	2,365.60	
f	Depreciation and amortisation expense	36.49	51.90	33.39	187.82	187.38	
g	Other expences	2,855.35	2,408.92	3,703.27	9,113.19	8,962.69	
	Total Expenses	17,167.63	11,790.38	17,306.66	50,126.78	48,284.85	
3	Profit/(Loss) from Operations before other income, finance costs and exceptional items (1-2)	(674.09)	645.55	1,188.91	1,244.81	2,895.08	
4	Other Income	425.52	91.10	294.03	1,164.06	1,348.50	
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(248.57)	736.65	1,482.94	2,408.87	4,243.58	
6	Finance cost	1106.11	1,226.20	912.04	4,130.12	3,802.08	
7	Profit/(Loss) from ordinary activities after finance costs but before exceptional Items (5+6)	(1,354.68)	(489.55)	570.90	(1,721.25)	441.50	
8	Exeptional Items			(465.22)	-	(465.22)	
9	Profit/(Loss) from ordinary activities before Tax (7+8)	(1,354.68)	(489.55)	1,036.12	(1,721.25)	906.72	
10	Tax Expense	(69.42)	14.18	101.94	(59.34)	94.58	
11	Net Profit / (Loss) from ordinary activities after tax (9+10)	(1,285.26)	(503.73)	934.18	(1,661.91)	812.14	
12	Extraordinary items						
13	Net Profit / (Loss) for the period (11+12)	(1,285.26)	(503.73)	934.18	(1,661.91)	812.14	
14	Paid-up Equity Share Capital (Face Value per share Rs.10/-)	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	
15	Reserves & Surplus (excluding Revaluation Reserves)	N.A	N.A	N.A	8,200.87	9,862.78	
16	Earning Per Share of Rs. 10/- each (not annualised)						
	Basic and Diluted	(11.18)	(4.38)	8.12	(14.45)	7.06	



PART - II

Sl No		3 Months Ended 31.03.2014 Audited	Preceeding 3 Months Ended 31.12.2013 Unaudited	Corresponding 3 Months Ended 31.03.2013 in the Previous Year Audited	Current year Ended 31.03.2014 Audited	Previous year Ended 31.03.2013 Audited
A	PARTICULARS OF SHAREHOLDING					
15	Public Shareholdings :					
	a. Number of Shares	5,155,792	5,162,192	5,172,192	5,155,792	5,172,192
	b. Percentage of Shareholding	44.83%	44.89%	44.98%	44.83%	44.98%
16	Promoter & Promoter Group Shareholdings					
	a Pledge/encumbered					
	-Number of Shares	NIL	NIL	NIL	NIL	NIL
	-Percentage of Shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL
	-Percentage of Shares (as a % of the total Share Capital of the Company)	NIL	NIL	NIL	NIL	NIL
	b Non - Encumbered					
	-Number of Shares	6,344,208	6,337,808	6,327,808	6,344,208	6,327,808
	-Percentage of Shares (as a % of the total Share shareholding of promoter and promoter group)	100%	100%	100%	100%	100%
	-Percentage of Shares (as a % of the total Share Capital of the Company)	55.17%	55.11%	55.02%	55.17%	55.02%

	Particulars	3 months ended 31.03.2014
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the Quarter	Nil
	Received during the Quarter	2
	Disposed of during the Quarter	2
	Remaining unresolved at the end of the quarter	Nil



NOTES.

1 STATEMENT OF ASSETS AND LIABILITIES AS ON MARCH 31, 2014		Rs.In Lacs	
As per Clause 41(v)(h) of the Listing Agreement			
S.No	PARTICULARS	As at Current year ended 31.03.2014 Audited	As at Previous year ended 31.03.2013 Audited
A	EQUITY AND LIABILITIES		
	1 Shareholders' Funds:		
	a.Share Capital	1,150.00	1,150.00
	b. Reserves and Surplus	8,200.87	9,862.77
	Sub-Total -Shareholders' Funds	9,350.87	11,012.77
	2 Non Current Liabilities		
	a. Long Term borrowings	6,125.16	3,008.37
	b. Deferred tax liabilities (net)	-	88.75
	c. Other long-term liabilities	8.72	3.90
	d. Long-term provisions		
	Sub-Total Non-Current Liabilities	6,133.88	3,101.02
	3 Current Liabilities		
	a. Short-term borrowings	21,573.30	20,857.30
	b.Trade payables	12,393.67	14,102.93
	c Other current Liabilities	5,773.10	5,387.55
	d.Short term provisions	144.63	188.87
	Sub-Total- Current Liabilities	39,884.70	40,516.65
	TOTAL -EQUITY AND LIABILITIES	55,369.45	54,630.44
B	ASSETS		
	1 Non -current assets		
	a. Fixed assets	2,262.28	2,260.09
	b. Non-current investments	645.00	645.00
	c. Deferred tax assets (net)	3.40	-
	d. Long -term loans and advances	564.93	554.73
	e. Other non-current assets	1,021.05	271.82
	Sub -Total- Non Current Assets	4,496.66	3,731.64
	2 Current asstes		
	a.Inventories	23,770.52	22,718.72
	b. Trade receivables	15,963.95	20,803.41
	c.Cash and cash equivalents	2,719.40	2,448.36
	d. Short -term loans and advances	7,344.63	3,880.95
	e. Other current assets	1,074.29	1,047.36
	Sub-total-Current assets	50,872.79	50,898.80
	TOTAL ASSETS	55,369.45	54,630.44

Notes:

- The above audited results were approved by the Board of Directors on 29th May, 2014.
- The figures for the current quarter and the corresponding quarter in the previous year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current and the previous financial year respectively.
- Previous Year's figures have been regrouped/re-arranged wherever necessary.
- The Company operates predominantly only in one business segment viz., Electrical Appliances which is the primary segment.
- The sales of the Company is mainly in India and Export sales being less than 10% of the total turnover of the Company, there are no reportable geographical segments.
- The Financial Results are available on the Company's Website (www.khaitan.com) and on the Websites of BSE (www.bseindia.com) and NSE (www.nseindia.com)

By order of the Board

SUNIL K. KHAITAN
CHAIRMAN &
MANAGING DIRECTOR

KOLKATA
29Th May, 2014

