

**LEEL ELECTRICALS LIMITED**

(Formerly Lloyd Electric & Engineering Limited)

Corp. Office: 159, Okhla Industrial Estate, Phase-III,
New Delhi 110020 (India).

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Fax: +91-11-41609909

CIN: L29120UP1987PLC091016

23rd December, 2019

The Listing Department

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street

Mumbai-400001

Maharashtra.

BSE SCRIP CODE: 517518

The Listing Department

National Stock Exchange of India Limited

Bandra-Kurla Complex, Bandra East,

Exchange Plaza, Plot No C/1, G Block,

Mumbai -400051, Maharashtra

NSE SYMBOL: LEEL

Dear Sir(s),

Sub: Intimation for resignation of the Statutory Auditor of the Company.

In pursuance of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019, this is to inform you that the Statutory Auditor of the Company viz. Goel Garg & Co., Chartered Accountants (FRN: 000397N) have tendered their resignation from the position of the Statutory Auditors of the company w.e.f. 18.12.2019 (intimation of resignation received by the Company on 20.12.2019).

Further, the information required from the Auditor in pursuance of SEBI circular no. CIR/CFD/CMD1/114/2019 dated October 18, 2019 is enclosed herewith as **Annexure-A**.

This is for your information & record please.

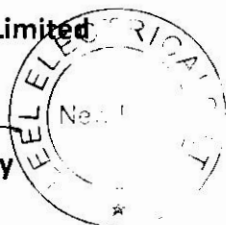
Thanking You

Yours Faithfully

For LEEL Electricals Limited

Authorized Signatory

Encl: as above



Information of Resignation(in accordance with SEBI Circular No CIR/CFD/CMD1/114/2019 dated 18th October, 2019)

S.No.	Particulars	Remarks
1.	Name of the listed entity/ material unlisted subsidiary	LEEL Electricals Limited (CIN L29120UP1987PLC091016)
2.	Details of the statutory auditor	
	a. Name	Goel Garg & Co.
	b. Address	18, Ground Floor, National Park, Lajpat Nagar-IV, New Delhi
	c. Phone number	011-46539501, 46539502
	d. Email	ashok@ggco.co.in
3.	Details of association with the listed entity/ material unlisted subsidiary	
	a. Date on which the statutory auditor was appointed	26 th September 2017 (Financial Year 2017-18)
	b. Date of which the term of the statutory auditor was scheduled to expire	Till the conclusion of 35 th Annual General meeting of the company i.e. AGM for financial year 2021- 22
4.	Detailed reasons for resignation	1. Management have not presented to us the financial results / financial statements for the period ended 31st December 2018, 31st March 2019, 30th June 2019 and 30th September 2019, as the case may be. Management have also not presented any related information and explanations and/or documents for our Limited Review / audit procedures, nor have we been able to perform any/all procedures of audit / limited review for Quarters ended 31st December 2019, Year ended 31st March 2019, Quarter ended 30th June 2019 and Quarter ended 30th September 2019, except for Limited Review procedures that we could undertake for the period ended 31st December 2018 (albeit incomplete due to non-submission of financial results / financial statements by the management). 2. Our mails / communications referenced herein and more specifically our communication dated 31st October, 2019 to Audit committee and Board of Directors, for which we have not received any response what so ever till date (Refer Page No. 12 to 19 of Appendix I)



Information of Resignation

(in accordance with SEBI Circular No CIR/CFD/CMD1/114/2019 dated 18th October, 2019)

	3. Based on Limited Review procedures performed for period ended 31st December 2018(albeit incomplete due to non-submission of financial results/ financial statements by the management), many outstanding audit issues were highlighted to management through various communications which remains unresolved. (Refer Page No. 21 to 26 of Appendix I) 4. We did not receive any response either from the Audit Committee and/or the Management in reply to our draft findings on 25th January 2019, as is required under Rule 13 of the Companies (Audit and Auditors) rules 2014 [as amended by Companies (Audit and Auditors) amendment rules, 2015], read with section 143(12) of the Companies Act 2013. Accordingly, we issued our final report under section 143(12) of the Companies Act to Secretary, Ministry of Corporate Affairs on 12th March, 2019. 5. All the directors have since left the organization/ ceased to be directors, except one Independent director and chairman of audit committee, who, as we understand, has resigned from the company on 30th July 2019 as per stock exchange filing but still continuing in the records of Registrar of Companies, Kanpur, Uttar Pradesh. 6. All Key Managerial Personals (KMP) have since left the organization. 7. Further, we firmly believe that the above circumstances are a clear-cut case of imposing severe limitations on our scope of audit/Limited Review and our ability to obtain sufficient appropriate audit evidence so as to issue an audit opinion / limited review report as required by Companies Act 2013 and other statutes as well as to follow / comply with relevant prescribed auditing and accounting standards. Lastly, even though we have performed audit procedures and issued limited review report/for period ended 30th June 2018 and 30th September 2018 and also performed Limited Review procedures (albeit incomplete due to non-submission of financial results / financial statements by the management) for the period ended 31st December 2018, we have not
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Information of Resignation

(in accordance with SEBI Circular No CIR/CFD/CMD1/114/2019 dated 18th October, 2019)

		received any fees or out of pocket expenses for this said periods. This is also causing substantial hardship to us and our cash flows as a professional Chartered Accountant Firm in Practice and is thus, along with all other facts and circumstances cumulatively considered is, impairing our independence in this regard. This document should be read in conjunction with our resignation letter dated 18th December, 2019 as well as our communication to management on 31st October, 2019 as well as our communication to SEBI dated 14th November 2019 and 28th November 2019 attached herewith as Appendix I and Appendix II respectively.
5.	In case of any concerns, efforts made by the auditor prior to resignation (including approaching the Audit Committee)	Please refer Appendix I as well as the attached Annexure 1 to the Appendix for concerns, efforts made by us prior to resignation (including approaching the Audit Committee.)
6.	In case the information requested by the auditor was not provided, then following shall be disclosed	
	a. Whether the inability to obtain sufficient appropriate audit evidence was due to a management-imposed limitation or circumstances beyond the control of the management.	For the period upto 30th July, 2019 Our inability to obtain sufficient appropriate audit evidences for the period mentioned in 4 above, was due to a management-imposed limitations as is highlighted in detail in the Resignation Letter This is also evident in our communication dated 31st October, 2019 in Appendix I (Page No.4 to 9) For the period post 30th July, 2019 Our inability to obtain sufficient appropriate audit evidence was due to circumstances beyond the control of the management as all Directors and KMP's had effectively resigned. This is evident in our communication dated 31st October, 2019 in Appendix I (Page No.3).
	b. Whether the lack of information would have significant impact on the financial statements/results.	The lack of information will have a significant impact on the financial statements / results for the period ending 31 st December 2018 onwards, whenever these are prepared by the management, especially considering our detailed observations



Information of Resignation

(in accordance with SEBI Circular No CIR/CFD/CMD1/114/2019 dated 18th October, 2019)

		a) With Reasons to believe that offence of fraud involving significant amounts were committed; b) w.r.t. Significant Suspected Offence involving frauds. in our report dated 12th March, 2019 to The Secretary, Ministry of Corporate Affairs under section 143(12) of the Companies Act, 2013 and impact thereof on the Financial Statements.
	c. Whether the auditor could have performed alternative procedures to obtain appropriate evidence for the purposes of audit/limited review	Considering the limitation of scope and inability to obtain sufficient appropriate audit evidence as submitted in 4 and 6(a) above, we as auditors were not in a position to have performed any alternative procedures whatsoever to obtain evidence for the purposes of audit / limited review above.
	d. Whether the auditor communicated the matter to the Audit committee before resignation	Kindly refer Page No. 12 to 19 in our communication to management in Appendix I (More Specifically Annexure 1)
	e. Whether the lack of information was prevalent in the previous reported financial statements/results. If yes, on what basis the previous audit/limited review reports were issued.	The Peculiar situation as described here for the said periods was not prevalent as at 30 th June 2018 and 30 th September, 2018 (i.e. Q1 and Q 2 of 2018-19) primarily because the KMP's and directors had not resigned. We received the financial results and issued our limited review report based on audit procedures performed. As part of our overall audit plan and rotational scope for each quarter, we reviewed various significant areas. We also qualified our Limited Review Report for the period ended 30 th September 2018 w.r.t. trade receivables. It is pertinent to note that Financial Year 2018-19 was only our second year as the statutory auditors of the company.
	f. Prior to resignation, the extent of audit/limited review work performed by the auditor.	8. Prior to resignation, Limited review of quarter ended June 2018 (Q1) and quarter ended September 2018 (Q2) were performed for the Financial year 2018-19 and we had commenced our Limited review procedures for the period ended 31.12.2018 (Q3) and had performed Limited Review procedures (albeit incomplete due to non-submission of financial results/ financial statements by the management). Management have not presented to us the financial results / financial statements for the period ended 31 st December 2018, 31 st March 2019, 30 th June 2019 and 30 th September 2019, as the case may be.

Information of Resignation

(in accordance with SEBI Circular No CIR/CFD/CMD1/114/2019 dated 18th October, 2019)

		Management have also not presented any related information and explanations and/or documents for our Limited Review / audit procedures, nor have we been able to perform any/all procedures of audit /limited review for Quarters ended 31st December 2019, Year ended 31st March 2019, Quarter ended 30th June 2019 and Quarter ended 30th September 2019, except for Limited Review procedures that we could undertake for the period ended 31st December 2018 (albeit incomplete due to non-submission of financial results /financial statements by the management).
7.	Any other facts relevant to the resignation	Refer our detailed communication/explanations and justification for resignation in Appendix I and II and the main resignation letter.

Declaration

1. We hereby confirm that the information given in this letter and its attachments is correct and complete.
2. We hereby confirm that there is no other material reason other than those provided above for my resignation/ resignation of my firm.
3. That this form should be read in conjunction with our letter to Audit Committee / management dated 31.10.2019 and our letter to SEBI dated 14.11.2019 & 28.11.2019, both of which are enclosed herewith as Appendix I and II respectively.

**For Goel Garg & Co.
Chartered Accountants
(Firm's Registration No. 000397N)**


**Ashok Kumar Agarwal
(Partner)
(Membership No.: 084600)**



**Place : New Delhi
Date: 18th December, 2019**

Encl:

Appendix I - Copy of Letter dated 31.10.2019 to Audit Committee of the Board and the Board of Directors which includes details of communications made (annexure 1) and summary of queries/issues raised during Q3 (2018-19) limited Review and pending till date (annexure 2).

Appendix II - Copy of letter dated 14.11.2019 to The Chairman and Executive Directors of Securities and Exchange Board of India and gentle reminder letter dated 28.11.2019.