

To

Ms Joyce Rodrigues
Dy. Manager (Listing Compliance)
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C '1, G- Block
Bandra Kurla complex
Bandra East, Mumbai-400 051

Dear Sir

Sub: Clarification on the Audited Financial Results submitted for the Quarter and Year
Ended 31st March, 2018

In reference to your mail dated June 12, 2018, we are submitting the results along with revised audit report incorporating additional point of qualification and revised statement of Impact of audit qualification.

We request you to kindly update your record accordingly and ignore the previous result submitted.

Thanking you

Yours Faithfully

For Khaitan Electricals Limited

Swapam Kumar Das

Swapam Kumar Das
Chief Financial Officer



Independent Auditors' Report on Standalone Financial Results

For the quarter & year ended 31st March' 2018

The Board of Directors of

Khaitan Electricals Limited

1. We have audited the accompanying statement of financial results of **M/s. Khaitan Electricals Limited** ('the Company') for the quarter and year ended 31st March, 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('the SEBI Regulations'), read with SEBI circular No: CIR/CFD/FAC/62/2016 dated 5th July, 2016 and has been initialled by us for identification. The financial results for the quarter ended 31st March, 2018 have been prepared on the basis of the audited financial statements for the year ended 31st March, 2018 and the financial results for the nine months ended 31st December, 2017, which were subject to limited review and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company.

2. Our responsibility is to express an opinion on these financial results based on our audit of the financial results as at and for the year ended 31st March, 2018 and our review of the financial results for the nine month period ended 31st December 2017, which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (IND AS) 34, "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 (as amended) read with relevant rules issued there under, as applicable and other accounting principles generally accepted in India and the relevant requirements of the SEBI Regulations.

3. 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as 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.



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(2)

4. In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone financial results as well as the year to date results read with notes thereon:

I. are presented in accordance with the requirements of Regulation 33 of the SEBI Regulations read with SEBI circular No: CIR/CFD/FAC/62/2016 dated 5th July, 2016, in this regard; and

II. gives a true and fair view of the Loss, other comprehensive income, total comprehensive income and other financial information for the quarter and year ended 31st March 2018, except as given below, the effect of which could not be determined:

- a) The accounts have been prepared on going concern basis although the net worth of the Company has been fully eroded.
- b) The balance due to/from creditors, parties to whom advances have been given and certain debtors are subject to confirmation.
- c) The Company has not provided for Bank Interest from the month of July' 2017, since the same has been declared NPA by the banks. Has this interest been provided then there would have been increase in loss amounting to Rs 4041.50 Lakhs.
- d) The company has given Loan having closing balance of Rs. 140.55 lakhs to a related Party on which interest amounting to Rs.16.84 lakhs has not been provided. Had this interest been provided then there would have been a decrease in the loss amounting to Rs.16.84 lakhs.

5. These financial results include the results for the quarter ended 31st March, being the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto 31st December of the relevant financial years, which were subject to limited review by us as stated in Paragraph 1 above, as required under Regulation 33 of the SEBI Regulations read with SEBI circular No: CIR/CFD/FAC/62/2016 dated 5th July, 2016. Our opinion is modified in respect of this matter.

6. The comparative IND AS financial information of the Company for the corresponding quarter and year ended 31st March, 2017 were audited by the predecessor auditor, M/s. G.P Agarwal & Co, who

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Bidasaria & Associates
Chartered Accountants

14, Princep Street
3rd Floor, Suite # 5
Kolkata - 700 072
Phone : +91 33 2212 9596
E-mail : bidasaria1@gmail.com

(3)

expressed their opinion, vide their report dated 09th June, 2017 and reliance has been placed by us on the same for the purpose of this report. Our opinion is not modified in respect of this matter.

For Bidasaria & Associates
Chartered Accountants
F.R. No. 315101E

A. Bidasaria
(CA. Ankit Bidasaria)
Partner
Membership No. 307256



Place of Signature: Kolkata
Date: 30th May, 2018



khaitan electricals limited

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

CIN:L31909AP1975PLC001949

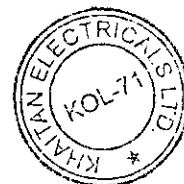
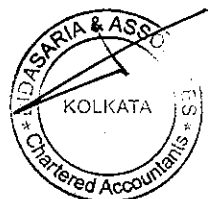
STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018

Rs. In Lakhs

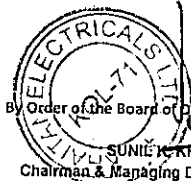
Sl. No.	Particulars	Quarter Ended			Year ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.18	31.03.17
		Audited	Unaudited	Audited	Audited	
1	Income:					
a	Revenue from Operations	446.88	537.70	1,506.23	3,899.94	7,964.05
b	Other Income	165.79	92.22	(321.07)	289.22	266.40
c	Other Gains/(Losses)	208.10	-	-	208.10	103.45
	Total Income	820.77	629.92	1,185.16	4,397.26	8,333.90
2	Expenses:					
a	Cost of Materials Consumed	87.10	133.31	1,176.39	1,336.19	4,250.88
b	Purchases of Trading Goods	112.72	155.90	993.06	1,079.12	2,575.02
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	127.73	281.06	2,718.99	1,875.38	13,805.05
d	Excise Duty on Sale of Goods	17.20	-	323.06	120.10	739.83
e	Employee benefits expense	401.68	118.92	349.76	912.70	1,813.73
f	Finance Cost	167.40	4.77	1,568.89	1,337.85	5,415.58
g	Depreciation & Amortisation Expenses	38.09	43.67	50.02	169.13	198.43
h	Other expenses	634.75	406.16	6,261.64	2,146.74	9,406.78
	Total Expenses	1,586.67	1,143.79	13,441.81	8,977.21	38,205.30
3	Profit before Tax (1-2)	(765.90)	(513.87)	(12,256.65)	(4,579.95)	(29,871.40)
4	Tax Expenses:					
	Current Tax	-	-	-	-	-
	Deferred Tax	-	-	-	-	-
	Tax of earlier years	-	-	-	-	6.51
	Total tax expenses	-	-	-	-	6.51
5	Profit for the year (3-4)	(765.90)	(513.87)	(12,256.65)	(4,579.95)	(29,877.91)
6	Other Comprehensive Income					
A	Items that will not be reclassified to profit and loss					
	Actuarial (Gains)/Losses on defined benefits Plans	(83.20)	-	-	(104.22)	(106.89)
B	(i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Other Comprehensive Income for the Year	(83.20)	-	-	(104.22)	(106.89)
7	Total Comprehensive Income for the Year	(682.70)	(513.87)	(12,256.65)	(4,475.73)	(29,771.02)
8	Paidup Equity Share Capital (Face Value per share Rs.10/-)	1,150	1,150	1,150	1,150	1,150
9	Reserve and Surplus (Excluding Revaluation Reserve) as per Balance Sheet of Year End	-	-	-	(40,406.05)	(35,930.32)
10	Earning Per equity share of Rs.10/- each Basic and Diluted (Rs.)	(6.66)	(4.47)	(106.58)	(39.83)	(259.81)

Notes:

- The figures for the Quarter ended 31st March, 2018 are the balance figure between audited figures in respect of full financial year and the published year to date reviewed figures upto the end of the third quarter ended on 31st December, 2017. The figures for the quarter ended 31st March, 2017 are drawnup in accordance with Regulation 33 of the SEBI Regulation. These are the balancing figures, as prepared by the Company's management, between audited figures in respect of the full financial year and the published year to date unaudited figures upto the end of the third quarter of the 31st December, 2017 as adjusted on account of transition from Indian GAAP to Ind As.
- The Statutory Auditors have conducted the Audit of the above Financial Results.
- The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company has adopted Ind AS from 1st April, 2017, with a transition date of 1st April, 2016 and accordingly results for the Year ended 31st March, 2017 have been restated, to comply with the requirement of Ind AS and to make them comparable with those of the current Year ended 31st March, 2018.



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4(a)	Reconciliation of Unaudited financial results as previously reported (referred to as "Previous GAAP") and Ind AS for the Year ended 31st March, 2017 is as under:		
		(Rs. In Lacs)	
	Particulars	Three months Ended 31.03.2017 Audited	Year Ended 31.03.2017 Audited
	Net Profit/(Loss) as per Previous GAAP (after tax)		
	Add/(Less) - Effect of transition to Ind AS :	(12,256.65)	(29,877.91)
	Reclassification of actuarial gain/(loss) arising in respect of employee benefits scheme to other comprehensive income (net of tax)		
	Others	-	(106.89)
	Net impact of Ind AS adjustments	-	-
	Net Profit/(Loss) for the year as reported under Ind AS	-	-
	Other comprehensive income (net of tax) as reported under Ind AS	(12,256.65)	(29,771.02)
	Total comprehensive income as reported under Ind AS	(12256.65)	(29771.02)
4(b)	A Reconciliation of Equity to that reported under Previous GAAP is given below:		
	Particulars	Year ended 31.03.2017	
	Total Equity as per previous GAAP	(34,780.32)	
	Add/Less: Adjustments for GAAP difference		
	Effect of Fair Valuation as deemed cost for Property, Plant & Equipment		
	Effect of Fair Valuation of Financial Assets		
	Effect of Fair Valuation of Derivative Instruments		
	Effect of provisioning through Expected Credit Loss Model		
	Effect of provisioning through Expected Sales Return		
	Effect of others		
	Tax Adjustment on IND AS adjustment	(500.00)	
	Total Equity as per IND AS	(34,280.32)	
5)	Under the previous GAAP and Ind AS, the Company has recognized costs related to its post-employment defined benefit plan on an actuarial basis. However, under the previous GAAP, the entire cost, including actuarial gains and losses, was charged to the Statement of Profit and Loss where as under Ind AS, re-measurements of defined benefit plan are recognized in the Balance Sheet with a corresponding debit or credit to equity through other comprehensive income (OCI).		
	As regards observations of the Auditors on the Unaudited Financial Results for the Year ended 31st March, 2018 in their Review Report, it is stated that said observations		
6)	are self explanatory and the impact thereof on the profit or loss of the Company for the Year ended 31st March, 2018 can only be ascertained on final determination of issues.		
7)	The figures of previous periods have been regrouped/reclassified wherever necessary to make them comparable with those of the current period.		
Place of Signature : Kolkata Date: 30th May, 2018   By Order of the Board of Directors SUNIL K. KHAITAN Chairman & Managing Director			



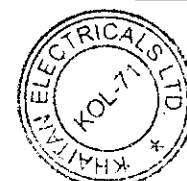
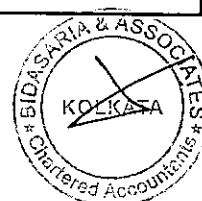
Khaitan electricals limited

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

CIN:L31909AP1975PLC001949

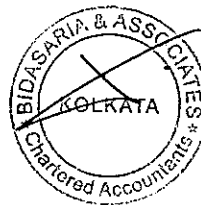
STATEMENT OF ASSETS AND LIABILITIES

Sl. No.	Particulars	(Rs.in lacs)	
		YEAR ENDED	
		31.03.2018 Unaudited	31.03.2017 Audited
A	ASSETS		
1	Non -current assets		
a.	Property, plant and equipment	1,581.10	1,741.56
b.	Capital work - in - progress	-	-
c.	Investment Properties	-	-
d.	Intangible Assets	21.38	47.31
e.	Financial Assets	-	-
(i)	Investments	-	304.62
(ii)	Trade Receivables	234.17	614.13
iii)	Other Financial Assets	3,604.23	3,617.51
f.	Deferred Tax Assets (net)	-	-
	Income Tax Assets (Net)	29.14	182.88
g.	Current Tax Assets (net)	-	-
h.	Other non-current assets	-	-
	Sub -Total- Non Current Assets	5,470.02	6,508.01
2	Current assets		
a.	Inventories	1,617.25	3,448.08
b.	Biological Assets	-	-
b.	Financial Assets	-	-
(i)	Investments	-	-
(ii)	Trade Receivables	936.62	4,137.11
(iii)	Cash and cash equivalents	36.79	88.57
(iv)	Bank balances other than Cash and Cash equivalents	127.94	529.03
(v)	Loans	191.23	82.38
(vi)	Other Financial Assets	246.71	179.73
c.	Other current assets	901.56	1,206.40
	Sub - Total - Current Assets	4,058.10	9,671.30
	TOTAL ASSETS (1+2)	9,528.12	16,179.31
B	EQUITY AND LIABILITIES		
1	Equity		
a.	Share Capital	1,150.00	1,150.00
b.	Other Equity	(40,406.05)	(35,930.32)
	Sub-Total - Equity	(39,256.05)	(34,780.32)
2	Liabilities		
	Non Current Liabilities		
a.	Financial Liabilities		
(i)	Borrowings	8,785.62	11,228.32
(ii)	Other Financial Liabilities	16.49	9.85
b.	Other non current Assets	-	-
c.	Provisions	-	-
	Employee Benefit Obligations	70.99	-
	Sub-Total Non-Current Liabilities	8,873.10	11,238.17
3	Current Liabilities		
a.	Financial Liabilities		
(i)	Borrowings	23,891.55	24,465.24
(ii)	Trade Payable	2.82	8.06
	Total Outstanding dues of micro enterprises and small enterprises	5,353.21	6,455.19
	Total Outstanding dues of other than micro enterprises and small enterprises	9,828.13	7,376.01
(iii)	Other Financial Liabilities	764.72	1,338.55
b.	Other Current Liabilities	5.96	78.38
c.	Provisions	64.68	-
	Employee Benefit Obligations	-	-
	Sub-Total- Current Liabilities	39,911.07	39,721.46
	Total - Equity and Liabilities	48,784.17	50,959.63
	TOTAL - EQUITY AND LIABILITIES (1+2+3)	9,528.12	16,179.31



Notes:	1 The above Audited results for the Quarter and Year ended 31st March, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on 30th May, 2018 2 The Figures for the Quarter ended 31st March, 2018 and for the corresponding Quarter ended 31st March, 2017 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective financial year ended on 31st March. 3 The Company operates predominantly only in one business segment, viz., Electrical Goods which is the primary segment. 4 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. 5 a) Regarding auditor qualification on preparation of accounts on going concern basis 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. b) Regarding auditor qualification on balance due to / from creditors, parties to whom advances have been given and certain debtors which are subject to confirmations, the management is, however, of the view that no material adjustment will be required to be made on receipt of confirmations of the parties. c) Regarding auditor qualification on interest not being provided from the Month of July 2017, since the accounts has been declared as NPA by the Banks. Therefore, a net effect of Rs. 4041.50 lakhs will be required to be adjusted to the carrying value of assets and liabilities. 6 Previous Year's / period's figures have been regrouped/re-arranged wherever necessary.
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PLACE: KOLKATA
DATE: 30th May, 2018



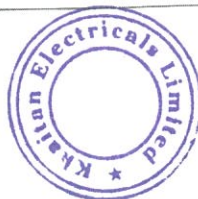
By Order of the Board of Directors
SUNIL K. KHATTAN
Chairman & Managing Director

ANNEXURE I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results

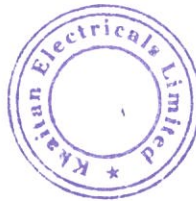
(Amount in Rs. Lakhs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]			
I. Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1 Turnover / Total income	4397.26	4414.1
	2 Total Expenditure	8977.21	13018.71
	3 Net Profit/(Loss) After Tax	-4579.95	-8604.61
	4 Earnings Per Share (in Rs.)	-39.83	-74.82
	5 Total Assets	9528.12	9544.96
	6 Total Liabilities	49934.17	53975.67
	7 Net Worth	-40406.05	-44430.71
	8 Any other financial item(s) (as felt appropriate by the management)	NIL	NIL
II. Audit Qualification (each audit qualification separately):			
a. Details of Audit Qualification:			
i. The accounts have been prepared on going concern basis although the net worth of the Company has been fully eroded. ii. The balance due to / from creditors, parties to whom advances have been given and certain debtors are subject to confirmation. iii. The company has not provided for bank interest from the month of July, 2017, since the same has been declared NPA by the banks. Had this interest been provided then there would have been an increase in the loss amounting to Rs.4041.50 Lakhs. iv. The company has given Loan having closing balance of Rs.140.55 Lakhs to a related party on which interest amounting to Rs. 16.84 Lakhs has not been provided. Had this interest been provided then there would have been a decrease in the loss amounting to Rs.16.84 Lakhs.			
b. Type of Audit Qualification : Qualified Opinion			
c. Frequency of qualification: Point (i) & (ii) Appeared for Second Time & Point (iii) & (iv) Appeared for First Time			
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:			
i. Regarding Auditors Qualification on the company not providing bank interest, the management view is: i) As the accounts have turned NPA banks are not debiting interest. ii) The company is also not in position to serve interest, hence it would be inappropriate to provide for interest on the bank loan. ii. Regarding Auditors Qualification on the company not providing interest on the loan been given, the management view is : Over the past few years the Company has been providing for interest receivable from Khaitan Lamps Limited, but Khaitan Lamps Limited has not paid any interest amount to the company due to absence of income in the company resulting into unrealised income and receivable from parties. Therefore the management has decided that it is prudent and conservative to not provide for such interest receivable. Further the management does not consider Khaitan Lamps Limited as related party.			



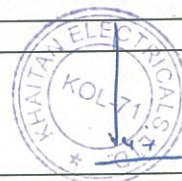
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification:
	i. Regarding auditor qualification on preparation of accounts on going concern basis the Management believes that the Company will be able to generate sufficient 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.
	ii. Regarding auditor qualification on balance due to / from creditors, parties to whom advances have been given and certain debtors which are subject to confirmations, the management is of the view that no materials adjustment will be required to be made on receipt of confirmations of the parties.
	(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable
	(iii) Auditors' Comments on (i) or (ii) above: Refer to Audit Qualification
	As stated herein above, the impact with respect to above and consequential adjustments cannot be ascertained by the Management and as such cannot be commented upon by us.

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III. Signatories:

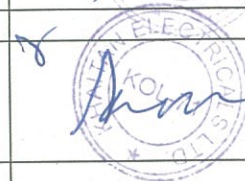
SUNIL K. KHAITAN
CEO/Chairman and Managing Director



SWAPAN KUMAR DAS
CFO

Swapan Kumar Das.

GAIK BAWERJEE
Audit Committee Chairman



Statutory Auditor



Place: Kolkata

Date: 30.05.2018