



**FEDDERS ELECTRIC & ENGINEERING LTD.**  
(Formerly Fedders Lloyd Corporation Ltd.)  
C-4 ,Phase-II , Noida 201305  
Uttar Pradesh (INDIA)  
Tel. : 91-120-4258918  
CIN : L29299UP1957PLC021118

29<sup>th</sup> November, 2019

To,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai- 400001  
Maharashtra

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E)  
Mumbai - 400 051, Maharashtra

BSE Code: 500139  
Fax No.: 022-22722039

NSE Code: FEDDERELEC  
Fax No.: 022-2659 8237/38

Dear Sir/Madam,

**Sub.: Submission of Annual Report of the Company under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

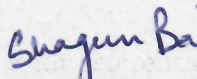
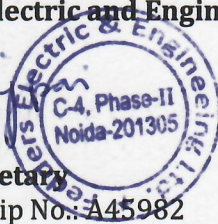
With reference to the captioned subject, we would like to submit the **Annual Report** for the Financial Year 2017-18 of Fedders Electric and Engineering Limited ("Company") in accordance with the provisions of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

You are requested to take the aforesaid information on records.

Thanking You,

Yours Truly,

**For Fedders Electric and Engineering Limited**

  
**Shagun Bajpai**  
Company secretary  
ICSI Membership No.: A45982  


Issued with the approval of Mr. Ashok Kumar Gulla, Resolution Professional  
IP Registration No.: IBBI/IPA-003/IP-N00024/2017-2018/10174

(Fedders Electric and Engineering Limited is under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016. Its affairs, business and assets are currently being managed by the Resolution Professional, Mr. Ashok Kumar Gulla, appointed by the Hon'ble National Company Law Tribunal, Allahabad vide order dated 14<sup>th</sup> August, 2019 and confirmed by the Committee of Creditors on 12<sup>th</sup> September, 2019)



**FEDDERS  
ENGINEERING**

**62<sup>nd</sup>  
Annual Report  
2017-18**

**FEDDERS ELECTRIC AND ENGINEERING LIMITED**

## CORPORATE INFORMATION

### Resolution Professional

Mr. Ashok Kumar Gulla

IP Registration No.: IBBI/IPA-003/IP-N00024/2017-2018/10174

### Board of Directors

Mr. Sanjiv Kavaljit Singh

Whole-time Director & Chief Executive Officer

Ms. Sadhna Syal

Independent Director

Mr. Vansh Vardhan Joshi

Independent Director

### Chief Financial Officer

Mr. Neeraj Gupta

### Company Secretary & Compliance Officer

Ms. Shagun Bajpai

### Statutory Auditors

M/s. G.K. Kedia & Co.

### Secretarial Auditors

M/s. SKP & Co.

### Cost Auditors

M/s. Jain Sharma & Co.

### Registrar & Share Transfer Agents

Skyline Financial Services Private Limited

### Registered Office

6 and 6/1, UPSIDC Industrial Area,  
Sikandrabad, District Bulandshahr- 203205,  
Uttar Pradesh

### Corporate Office

C-4, Noida Phase-II,  
Gautam Buddh Nagar- 201305  
Uttar Pradesh

### Bankers

State Bank of India

Central Bank of India

ICICI Bank Limited

Karnataka Bank Limited

Punjab National Bank

Standard Chartered Bank

Axis Bank

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## BOARD'S REPORT

**Dear Shareholders,**

Your Directors/Resolution Professional present the 62<sup>nd</sup> Report of Board of Directors on the business and operations of Fedders Electric and Engineering Limited ("Company") together with its Audited Financial Statements for the year ended 31<sup>st</sup> March, 2018.

The Company is under Corporate Insolvency Resolution Process ("CIRP") of the Insolvency and Bankruptcy Code, 2016 ("Code") in terms of order passed by the Hon'ble National Company Law Tribunal ("NCLT"), Allahabad Bench with effect from 14<sup>th</sup> August, 2019. Its affairs, business, and assets are being managed by the Insolvency Professional, Mr. Ashok Kumar Gulla, appointed as Interim Resolution Professional by the NCLT, Allahabad vide order dated 14<sup>th</sup> August, 2019 and confirmed as Resolution Professional ("RP") by the approval of Committee of Creditors ("CoC") in its meeting held on 12<sup>th</sup> September, 2019 under provisions of the Code and currently working in capacity of Resolution Professional with the directions of Committee of Creditors ("CoC"). In view thereof, the powers of the Board of Directors of the Company were suspended.

### FINANCIAL PERFORMANCE

The financial performance of the Company during the year under review is summarized below:

(Rupees in crores)

Particulars	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Revenue from Operations	1,240.29	1,364.85
Total Expenses	1,781.00	1,337.60
Finance Costs	72.82	65.01
Depreciation & Amortisation	18.28	12.92
Profit before Tax	(495.53)	30.00
Tax Expenses:		
Current Tax	0.00	8.56
Deferred Tax	0.47	1.64
Profit after Tax	(496.00)	19.80
<b>Earnings Per Share (₹)</b>		
1. Basic	(146.01)	6.28
2. Diluted	(146.01)	6.28

### STATE OF AFFAIRS AND OPERATIONAL HIGHLIGHTS

During the year under review, the Revenue from operations of your Company for the year ended 31<sup>st</sup> March, 2018 stood at ₹1,240.29 Crores as compared to the revenue generated of ₹1,367.60 Crores in the previous year ended on 31<sup>st</sup> March, 2017. The Company incurred a loss of ₹ (496.00) Crores, for the year ended 31<sup>st</sup> March, 2018 in comparison with the Profit after tax of ₹19.80 Crores earned in the previous year.

### SHARE CAPITAL

There was no change in the Company's Share Capital during the year under review.

### DIVIDEND

In view of losses incurred during the period under review, the Company does not recommend any dividend on the equity shares for the financial year ended March 31, 2018.

### DEPOSITS

During the year under review, your Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

### NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, 4 (four) meetings of the Board of Directors were held. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Report.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

As on date of this Report, the Company has 3 (three) Directors on Board namely, Mr. Sanjiv Kavaljit Singh, Whole-time Director (00015689), Ms. Sadhna Syal, Independent Woman Director (DIN: 07837529) and Mr. Vansh Vardhan Joshi (DIN: 06843644), Independent Director.

Mr. Neeraj Gupta was appointed as the Chief Financial Officer (“CFO”) w.e.f. 29<sup>th</sup> November, 2018 due to the resignation of the previous CFOs and Ms. Shagun Bajpai was appointed as the Company Secretary and Compliance Officer w.e.f. 4<sup>th</sup> June, 2019 in place of Mr. Pulkit Bhasin. Mr. Sanjiv Kavaljit Singh was designated as the Whole-time Director & Chief Executive Officer of the Company in accordance with Section 203 of the Act w.e.f. 4<sup>th</sup> June, 2019.

The details of the changes in the Board and Key Managerial Personnel that took place during the year under review and upto the date of this Report, are provided under Corporate Governance Report which forms part of this Report.

## **DECLARATION BY INDEPENDENT DIRECTORS**

All Independent Directors of the Company have given declarations confirming that they meet the criteria of independence as laid down under section 149(6) of the Act, and Listing Regulations.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. in the preparation of the annual accounts for the year under review, the applicable accounting standards have been followed and there are no 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 as on 31<sup>st</sup> March, 2018 and of the profit of the Company for the year ended 31<sup>st</sup> March, 2018.
- c. they have taken proper and sufficient care for the 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 fraud and other irregularities.
- d. they have prepared the annual accounts on a going concern basis.
- e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.
- f. they have devised proper systems to ensure compliance the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **SUBSIDIARIES**

Your Company has 2 (two) subsidiary companies namely Fedders Lloyd Trading FZE incorporated in United Arab Emirates and Fedders Lloyd Nigeria Limited incorporated in Nigeria. The consolidated financial statements presented by the Company include the financial information of Fedders Lloyd Trading FZE and have been prepared in compliance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

Fedders Lloyd Nigeria Limited has not commenced any operations since its incorporation and hence the financials of the said entity have not been audited and consolidated.

The Company has no Joint Venture or Associate Company. There has been no material change in the nature of the business of its subsidiaries.

Pursuant to provisions of section 129(3) of the Act, a separate statement containing the salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached with the financial statements of the Company.

Further, pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of Fedders Lloyd Trading FZE, are available on the website of the Company i.e. [www.fedderselectric.com](http://www.fedderselectric.com). The Company will make these documents available upon request made by any shareholder of the Company.

## STATUTORY AUDITORS

Pursuant to section 139 of the Act and the Rules made thereunder, M/s. Goel Garg & Co., Chartered Accounts (Firm Regn. No. 000397N) were appointed as the Statutory Auditors of the Company for a term of 5 (five) years in the 61<sup>st</sup> AGM of the Company with effect from the conclusion of 61<sup>st</sup> (Sixty First) AGM upto the conclusion of the 66<sup>th</sup> (Sixty Sixth) AGM.

Subsequently, M/s. Goel Garg & Co., Chartered Accountants resigned as the Statutory Auditors of the Company w.e.f. 9<sup>th</sup> August, 2018. Thereafter, the Board, on the recommendation of the Audit Committee of the Company and in order to fill in the casual vacancy caused due to the resignation of M/s. Goel Garg & Co., Chartered Accountants as the Statutory Auditors, appointed M/s. G. K. Kedia & Co., Chartered Accountants (ICAI Firm Registration No.: 013016N) as the Statutory Auditors of the Company upto the conclusion of the ensuing AGM. The Members of the Company approved their appointment by passing ordinary resolution through Postal Ballot on 20<sup>th</sup> September, 2018.

Further, the RP, in consultation with the Key Managerial Personnel of the Company proposed to appoint new Auditors in place of M/s. G. K. Kedia & Co., Chartered Accountants as their term was upto the ensuing AGM. The matter was also placed before the CoC and it took the same on records. The appointment of M/s. Rajiv Malhotra & Co., Chartered Accountants (FRN: 021479N), proposed Auditors, is subject to the approval of the Members of the Company at the forthcoming AGM, and shall hold office upto the conclusion of the 64<sup>th</sup> (Sixty Fourth) AGM of the Company.

As required under Section 139 of the Act and Companies (Audit and Auditors) Rules, 2014, M/s. Rajiv Malhotra & Co., Chartered Accountants have confirmed and issued a certificate that their appointment, if made as aforesaid, will be in accordance within the limits specified under the Act and they meet the criteria for appointment as specified under Section 141 of the Act and they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under Regulation 33 of the Listing Regulations.

## AUDITORS' REPORT

The Auditor Report of the Statutory Auditor is given as an annexure which forms part of the Annual Report.

## BOARD COMMENTS ON DISCLAIMER OF OPINION OF STATUTORY AUDIT REPORT

The Board and Management of the Company were entirely changed in the month of November, 2018. The details of the same are available in the Corporate Governance Report which forms a part of this report. The preparation of financials and auditing of the same was done before the appointment of the new management. The new Directors and KMPs only facilitated the Auditors with information and documents required by the Auditors after their appointment and signed the financials on behalf of the Company.

1. The Company has reported total turnover of Rs. 1,239 Crores, wherein Profit Centre of Jaipur has reported sales amounting to Rs. 545.24 Crores, which as per the observation of the Auditors, is not supported by proper documentary evidence. In this regard, the Auditors were informed that the Company had reversed a Sale of Rs. 417 Crore in month of March 2019, and for corresponding Purchase of Rs. 544.54 Crore, we have also reversed amount of Rs. 416 Crore in month of March 2019.

Moreover, the sales reported amounting to Rs. 268 Crores by the profit Centre of New Delhi, was a trading sale, in which the Company did not taken any delivery of goods and only tax invoice was raised to the party who purchased the Material. The Tax invoices were produced to the Auditors along with proper documents of purchase for these transactions.

2. The Statutory Auditors have observed the excessive consumption during 4<sup>th</sup> quarter which increased from 86% to 138% in 4<sup>th</sup> quarter. As per the understanding and information available to the Board, this consumption is the difference of stock at various places and stock in the books. The Company is involved in the business of EPC, where the invoices are raised, once the material received at site, but physically it is in the stores at site. The earlier management has not recorded proper consumption for the material billed to customer and now the projects are at completion stages, the difference between book stock and physical stock was verifiable and the same difference of previous years are booked in the 4<sup>th</sup> Quarter for finalizing the financials, which can give true and fair position as on date.
3. The current management is unaware of actual situation of stock and the difference in the Stock figures as on 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2018 as they were not in appointed then.
4. With reference to the Balance of the Customers and Vendors, we would like to state that our Customers are primarily Government Departments or Government Bodies, which normally do not send the confirmation of outstanding balances.
5. No physical verification of the sixth assets was conducted and the current management did not have sufficient supporting records and documents. The auditors have formed their opinion on the basis of their audit.

6. The Financial result for the quarter and year ended 31<sup>st</sup> March, 2018 were not filed with the Stock Exchanges in accordance with Regulation 33 of the Listing Regulations as the Audited financial statements was not finalized on time by the previous management.

#### **SECRETARIAL AUDITOR**

Mr. Sanjay Chugh, Practicing Company Secretary (C.P. No. 3073) was appointed as the Secretarial Auditor of the Company to conduct Secretarial Audit for the year ended 31<sup>st</sup> March, 2018 in compliance with the provisions of section 204 of the Act and the relevant rules made thereunder. Further, it is hereby informed that Mr. Chugh tendered his resignation as the Secretarial Auditor of the Company which resulted into a casual vacancy for the office of the Secretarial Auditor. Hence, to fill in such casual vacancy, M/s. SKP & Co., Company Secretaries were appointed as the Secretarial Auditor of the Company for the Financial Year 2017-18 by the Board in its meeting held on 8<sup>th</sup> February, 2019.

The Report of the Secretarial Auditor in Form MR-3 is annexed to this Report and marked as Annexure-1.

#### **COST AUDITORS**

M/s. Jain Sharma & Associates, Cost Accountants (Firm Regn. No. 000270) were appointed by the Board of Directors as the Cost Auditors of the Company to conduct Cost Audit for the financial year 2017-18.

Further, the Board, on the recommendation of the Audit Committee, has re-appointed M/s. Jain Sharma & Associates, as Cost Auditors of the Company for the financial year 2018-19 at a fee of ₹2,06,250/- (Rupees Two Lakhs Six Thousand Two Hundred and Fifty only) plus applicable taxes subject to its ratification by the shareholders at the ensuing AGM.

#### **INTERNAL AUDITOR**

Pursuant to the recommendation of the Audit Committee, the Board of Directors in its meeting held on 30<sup>th</sup> May, 2017 had appointed Mr. Rajeev Kumar Bansal, Chartered Accountant as Internal Auditor to conduct the Internal Audit of the Company for the year ended 31<sup>st</sup> March, 2018.

Upon the completion of the tenure of Mr. Bansal as the Internal Auditor and on the recommendation of the Audit Committee, K. Sahu & Associates were appointed as the Internal Auditor of the Company for the financial year 2018-19, by the Board of Directors in its meeting held on 20<sup>th</sup> June, 2019.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management's Discussion and Analysis Report, highlighting the performance and prospects of the Company's business, forms part of the Annual Report.

#### **CORPORATE GOVERNANCE**

The Company is committed towards maintaining the highest standards of Corporate Governance and adhering to the disclosure norms as set out by the Securities and Exchange Board of India and other Regulatory Authorities. Your Directors re-affirm their commitment to the corporate governance standards to the extent they are applicable to the Company. In compliance with Regulation 34 of Listing Regulations, a detailed Corporate Governance Report is annexed to and forms part of this Report.

#### **BOARD EVALUATION**

In terms of the Act and the rules made thereunder and as per the applicable provisions of the Listing Regulations, the Board of Directors, on recommendation of the Nomination and Remuneration Committee have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the year ended 31<sup>st</sup> March, 2018. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution.

#### **COMMITTEES OF THE BOARD OF DIRECTORS**

Your Company had following Committees of Board of Directors during the year under review:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee; and
5. Committee of Board of Directors.

The role and composition of these Committees, including the number of meetings held during the year under review and the related attendance, are provided under Corporate Governance Report which forms part of this Report.

#### **CHANGES IN THE NATURE OF THE BUSINESS**

There has been no change in the nature of business of the Company during the financial year 2017-18.

#### **MATERIAL AND SIGNIFICANT CHANGES**

The Company is under Corporate Insolvency Resolution Process (“CIRP”) of the Insolvency and Bankruptcy Code, 2016 in terms of order passed by the Hon’ble NCLT, Allahabad Bench with effect from 14<sup>th</sup> August, 2019. Its affairs, business, and assets are being managed by the Insolvency Professional, Mr. Ashok Kumar Gulla, appointed as Interim Resolution Professional by the NCLT, Allahabad vide order dated 14<sup>th</sup> August, 2019 and confirmed as Resolution Professional by the approval of CoC in its meeting held on 12<sup>th</sup> September, 2019 under provisions of the Code and currently working in capacity of Resolution Professional with the directions of Committee of Creditors (“CoC”). In view thereof, the powers of the Board of Directors of the Company were suspended as the Company is under the CIRP of Insolvency & Bankruptcy Code, 2016.

Under the CIRP, a resolution plan needs to be submitted by a Resolution Applicant, which is to be approved by the CoC, and would further be approved by NCLT. As per the Code, the RP has to receive, collate and admit all the claims submitted by the creditors of the company. Such claims can be submitted to the RP during the CIRP, till the approval of a resolution plan by the CoC.

#### **CHANGE OF NAME OF THE COMPANY**

The name of the Company has been changed from ‘**Fedders Lloyd Corporation Limited**’ to ‘**Fedders Electric and Engineering Limited**’ w.e.f. 23<sup>rd</sup> May, 2017, pursuant to the Resolution passed by the Shareholders through Postal Ballot on 23<sup>rd</sup> March, 2017, and subsequent upon the receipt of approval from the Registrar of Companies, Uttar Pradesh (“ROC”) on 23<sup>rd</sup> May, 2017. Accordingly, the Company had also obtained the final approvals with respect to the name change from the Stock Exchanges in which the Equity Shares of the Company are listed.

In view of the above, the Company has also changed the name of its website from [www.fedderslloyd.com](http://www.fedderslloyd.com) to [www.fedderselectric.com](http://www.fedderselectric.com) with effect from 8<sup>th</sup> June, 2017.

Subsequent to the name change, the Company also adopted its new logo w.e.f. 14<sup>th</sup> February, 2018.

#### **RELATED PARTY TRANSACTIONS**

All the related party transactions are entered on an arm’s length basis and are in compliance with the applicable provisions of the Act and Listing Regulations. Pursuant to the provisions of section 188 of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules, 2014, the details in **Form AOC-2** is annexed with this Report as **Annexure-2**. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large. A statement of all related party transactions was presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions. The Related Party Transactions Policy as approved by Board, on recommendation of the Audit Committee, is uploaded on the Company’s website.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has effective and reliable Internal Control System commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization and is aligned with the statutory requirements. The efficacy of the internal checks and control systems are validated by Statutory Auditors.

The Audit Committee reviews the internal audit plans, adequacy and effectiveness of the internal control system, significant audit observations and monitors the sustainability of remedial measures.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The Company is committed to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. The Board of Directors of the Company has constituted Corporate Social Responsibility (“CSR”) Committee in compliance with section 135 of the Act. The Company is committed to inclusive, sustainable development and contributing to building and sustaining economic, social and environmental capital and to pursue CSR projects that are replicable, scalable and sustainable with a significant multiplier impact on sustainable livelihood creation and environmental replenishment. The salient features of the CSR policy and initiatives taken by the Company on CSR activities during the year under review are provided in the **Annexure-3** of this Report in the format prescribed in the Companies (Corporate Social



Responsibility Policy) Rules, 2014. The CSR policy is available on the website of the Company at <http://feddersselectric.com/sustainability/csr-policy>.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AND RESEARCH & DEVELOPMENT**

In accordance with the requirements of section 134(3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, a statement showing particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are annexed hereto as **Annexure-4** and forms part of this Report.

#### **VIGIL MECHANISM**

In accordance with the provisions of the Act and Listing Regulations, the Company has adopted a Whistle Blower Policy, as part of Vigil Mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is an actual or suspected fraud or perceived to be in violation of or in conflict with the Code of Conduct of the Company. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also available on the website of the Company at <http://feddersselectric.com/uploads/pdf/Vigil-Mechanism-Policy.pdf>.

#### **EXTRACT OF ANNUAL RETURN**

In accordance with sections 134(3)(a) of the Companies Act, 2013, as amended by the Companies (Amendment) Act, 2017 effective from 31<sup>st</sup> July, 2018, an extract of the annual return in the prescribed format is available on the website of the Company viz. [www.feddersselectric.com](http://www.feddersselectric.com).

#### **POSTAL BALLOT**

The details with respect to the resolutions passed by the Shareholders of the Company through Postal Ballot under section 110 of the Act are given in the Corporate Governance Report, which forms a part of this Report.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of section 186 of the Act are given in the Notes to the Financial Statements.

#### **PARTICULARS OF EMPLOYEES**

The information required under section 197 of the Act read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure-6** to this Report.

#### **REMUNERATION POLICY**

The Board, on the recommendation of the Nomination and Remuneration Committee, has framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Remuneration Policy has been made available on the website of the Company i.e. [www.feddersselectric.com](http://www.feddersselectric.com). This Policy of the Company acts as a guideline for determining, inter alia, qualification, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of the performance of the Director, Key Managerial Personnel and Senior Management.

#### **RISK MANAGEMENT**

The Company has identified potential risks and required mitigation measures. Major risks identified are systematically addressed through mitigating actions on a continuing basis. These were discussed at the meetings of the Audit Committee of the Company. The Company has approved and adopted Risk Management Policy to enhance control mechanism for risk evaluation and mitigation and the risk management process.

#### **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has always provided a congenial atmosphere for work to all the employees, that is free from discrimination and harassment including sexual harassment. There were no cases/complaints pertaining to the sexual harassment reported to the Board during the year under review.

## **LISTING OF EQUITY SHARES**

The Equity Shares of your Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Annual Listing Fees for the year 2018-19 have been paid to these stock exchanges.

## **DEPOSITORY SYSTEM**

The Members are requested to note that as on 31<sup>st</sup> March, 2018; 98.36% of the Company's total paid up capital representing 3,34,11,887 shares were in dematerialized form. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Further, the Securities and Exchange Board of India ("SEBI"), vide its Notification dated 8<sup>th</sup> June, 2018 has mandated the dematerialization of shares held in physical form for registration of transfer of shares of the Company w.e.f. 5<sup>th</sup> December, 2018. Hence, all Members acquiring shares in physical form are requested to dematerialize their shareholding before making any transfer of shares w.e.f. the said date.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

The National Company Law Tribunal (NCLT), Allahabad Bench has ordered the initiation of CIRP against the Company on 14<sup>th</sup> August, 2019, pursuant to the application filed by the State Bank of India ("Financial Creditor") of the Company. Vide said order, Mr. Ashok Kumar Gulla with IP Registration No. IBBI/IPA-003/IP-N00024/2017-2018/10174 was appointed as an Interim Resolution Professional. Further, he was confirmed as the Resolution Professional by the CoC of the Company in its meeting held on 12<sup>th</sup> September, 2019.

## **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF")**

The Company had declared dividend of ₹1/- per share in the financial year 2009-10. The unclaimed dividend due for transferring during the year ended 31<sup>st</sup> March, 2018, to the Investor Education and Protection Fund ("IEPF") maintained with Central Government has been duly transferred. Please refer to the Corporate Governance Report for due dates of transferring the unclaimed dividend amount to IEPF for dividend declared in subsequent years.

## **TRANSFER OF SHARES TO THE DEMAT ACCOUNT OF THE IEPF AUTHORITY IN CASE OF UNPAID/ UNCLAIMED DIVIDEND ON SHARES FOR A CONSECUTIVE PERIOD OF SEVEN YEARS**

The Company in compliance with Section 124(6) of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") (as amended from time to time), had transferred 3,66,863 shares into the Demat Account of the IEPF Authority in the financial year 2017-18, in respect of which Dividend had not been paid/claimed by the Shareholders for last consecutive 7 (seven) years.

## **ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND-AS) w.e.f. 1<sup>st</sup> APRIL, 2017**

As per Notification of Ministry of Corporate Affairs (MCA) on 16<sup>th</sup> February, 2015, Companies (Indian Accounting Standards) Rules, 2015 ("IND-AS") came into existence which later on came into force with effect from 1<sup>st</sup> April, 2015. In accordance with the Guidelines issued by MCA and SEBI vide circular CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016, the Company is mandatorily required to prepare its financial statements along with the financial results for the accounting period beginning on or after 1<sup>st</sup> April, 2017 in accordance with IND-AS as notified by the MCA.

## **DISCLOSURE WITH RESPECT TO MAINTENANCE OF COST RECORDS**

Pursuant to the provisions of section 148(1) of the Act and rules made thereunder, the Company is required to maintain Cost records and accordingly, such accounts and records are made and maintained by the Company.

## **HEALTH, SAFETY AND ENVIRONMENT**

Your Company has complied with all the applicable Health & Safety Standards, Environment Laws and Labour laws and has been taking all necessary measures to protect the environment and provide workers a safe work environment. Your Company is committed towards improvement in Health & Safety as well as Environmental performance by providing a safe & healthy work environment to all its employees and co-workers.

**HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

Your Company considers people as its biggest assets and “Believing in People” is at the heart of its human resource strategy. Lot of efforts are put in for talent management, strong performance management, learning and training initiatives in order to ensure that your Company consistently develops inspiring strong and credible leadership. During the year under review, your Company continued to have cordial relationship with all its employees and maintained healthy, cordial and harmonious industrial relations at all levels.

**ACKNOWLEDGMENTS**

Your Directors take this opportunity to thank the Customers, Employees, Financial Institutions, Banks, Central and State Government Authorities, Regulatory Authorities, Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company who all made our consistent growth possible.

Your Directors also wish to record their appreciation for the continued co-operation and support extended by the governments of various countries where we have our operations.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS/RESOLUTION PROFESSIONAL  
FEDDERS ELECTRIC AND ENGINEERING LIMITED**

**PLACE: NOIDA  
DATE: 3<sup>rd</sup> OCTOBER, 2019**

**SANJIV KAVALJIT SINGH  
(WHOLE-TIME DIRECTOR)  
DIN: 00015689**

**SADHNA SYAL  
(DIRECTOR)  
DIN: 7837529**

**SECRETARIAL AUDIT REPORT**

For the Financial Year ended on March 31, 2018

*[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE NO. 9 OF THE COMPANIES  
(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]*

To,

The Members,  
Fedders Electric And Engineering Limited  
(Formerly, Fedders Lloyd Corporation Limited)  
CIN: L29299UP1957PLC021118

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Fedders Electric And Engineering Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our 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 March 31, 2018, 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:

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 March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder, as applicable;
- (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 thereunder;
- (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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), wherever applicable :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and/or the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act 2013 and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except following :

1. The Company has not submitted Annual Performance Report for the financial year ended on March 31, 2018 with the Reserve Bank of India in respect of both of its wholly owned subsidiaries viz. Fedders Lloyed Trading FZE in UAE and Fedders Lloyed Nigeria Limited in Nigeria pursuant to Regulation 15 of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 .
2. The company has not submitted financial results for the quarter and financial year ended on March 31, 2018 within timeline stipulated in Regulation 33 & 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 .
3. The Cost Audit Report for the Financial Year ended on March 31, 2018 was not been submitted with the Board of Directors of the Company but to the Resolution Professional appointed pursuant to the order of Hon'able National Company Law Tribunal (NCLT) dated August 14, 2019 initiating the Corporate Insolvency Resolution Proceedings, on September 27, 2019. The said cost audit report has yet not been submitted to the Central Government as required by Section 148(5) & (6) of the Companies Act 2013 read with Rule 6 (5) & (6) of the Companies ( Audit & Auditors) Rules 2014.
4. Expenditure of Corporate Social Responsibility (CSR) budget was made by donating the same to Pandit Kanahya Lal Punj Trust. Approval of this related party transactions with Pandit Kanahya Lal Punj Trust in respect of CSR activities/ expenditures was not taken form Audit committee and the Board of directors.
5. We did not find the company maintaining a functional website as per Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as on the date of issue of the report.

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 except wherever a meeting was duly called on shorter notice as per the prescribed procedure, 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, during the period under review, undertaken following event(s)/ action(s) having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, et cetera :

1. The Company has concluded sale of brand name, logo, Trade Mark and other Intellectual Property Rights associated with "LLOYD" and/or "Lloyd" owned by the Company for a consideration of Rs. 50 Crores to Havells India Limited. And hence name of the Company was changed from Fedders Lloyd Corporation Limited to Fedders Electric And Engineering Limited.
2. Corporate Insolvency Resolution Proceedings have been initiated by the order dated August 14, 2019, of Hon'able National Company Law Tribunal (NCLT) after the close of the Financial Year under review but before the issue of this report and Appointment of Interim Resolution Professional(IRP) has been made by the said order of hon'ble National Company Law Tribunal post classification of Company's Account as non-performing assets by the financial creditors of the Company.

**For SKP & Co.  
Company Secretaries**

**(CS Sundeep K. Parashar)  
M. No.: FCS 6136  
C.P. No.: 6575**

**Place: Vaishali  
Date: 30.09. 2019**



## FEDDERS ELECTRIC AND ENGINEERING LIMITED

[Company under Corporate Insolvency Resolution Process]

CIN : L29299UP1957PLC021118

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To,

The Members,  
Feddere Electric And Engineering Limited  
(Formerly, Fedders Lloyd Corporation Limited)  
CIN: L29299UP1957PLC021118

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

Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

1. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the 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 followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial record and Books of Accounts of the Company.
3. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For SKP & Co.  
Company Secretaries**

**(CS Sundeep K. Parashar)  
M. No.: FCS 6136  
C.P. No.: 6575**

**Place: Vaishali  
Date: 30.09. 2019**

**AOC-2**

*(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

**1. Details of contracts or arrangements or transactions not at Arm's length basis :**

The Company has not entered into any contract/arrangement/transaction with its related parties, which is not in ordinary course of business or not at arm's length during the year ended 31<sup>st</sup> March, 2018. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 and the corresponding Rules.

SI. No	Particulars	Details
a)	Names(s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transactions	Nil
c)	Duration of the contracts/arrangements/transactions	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions	Nil
f)	Date(s) of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	Nil

**2. Details of material contracts or arrangements or transactions at Arm's Length basis:**

The Company has not entered into any material contract/arrangement/transaction with its related parties.

SI. No	Particulars	Details
a)	Name(s) of the related party and nature of relationship	Nil
b)	Nature of contracts /arrangements /transactions	Nil
c)	Duration of the contracts/arrangements/ transactions	Nil
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Nil
e)	Date(s) of approval by the Board	Nil
f)	Amount paid as advances, if any	Nil
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General meeting as required under first proviso to Section 188	Nil

**ANNEXURE-3**

**ANNUAL REPORT ON CSR ACTIVITIES FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018**

**1. Brief Outline of the Company's CSR Policy, including overview of projects or programmes undertaken**

Corporate Social Responsibility (CSR) activities of Fedders Electric and Engineering Limited (formerly known as Fedders Lloyd Corporation Limited) ("the Company/ Fedders Electric") reflect its philosophy of implementing sound business practices and assisting communities in which it operates; helping shape a better, more sustainable society. We firmly believe that these activities benefit society and enhance the corporate value.

The Company undertakes its corporate social activities predominantly through Pandit Kanahaya Lal Punj Trust (PKLP Trust), the philanthropic arm within the Fedders Electric Group. The Company has a CSR Policy approved by the Board, in line with provisions of the Companies Act, 2013. The CSR initiatives being pursued by the Company are broadly in the areas of health care, girl child welfare, primary education, organic farming, skill development and vocational training to under privileged members of our society. The programmes/projects are generally chosen in the neighborhood of the Company's units. The activities and funding are monitored internally by the Company.

The CSR Policy of Fedders Electric is available on the Company's website at <http://fedderselectric.com/uploads/pdf/Corporate-Social-Responsibility-CSR-policy.pdf>.

**Composition of CSR committee:** The composition of the Corporate Social Responsibility Committee was changed during the year on account of change in management. The CSR Committee was re-constituted by the Board of Directors in its meeting held on 4th June, 2019 as per the following composition:

- 1) Mr. Sanjiv Kavaljit Singh - Chairperson
- 2) Ms. Sadhna Syal - Member
- 3) Mr. Vansh Vardhan Joshi - Member

**2. Average net profit of the Company for last three financial years for the purpose of computation of CSR: ₹49.37 Crores**

**3. Prescribed CSR expenditure: ₹0.99 Crores**

**4. Details of the Expenditure on CSR during the financial year 2017-18:**

- a) Total amount proposed to be spent for the financial year : ₹0.99 Crore
- b) Total amount spent on CSR: ₹1.00 Crore
- c) Amount unspent, if any : NIL

**5. Manner in which the amount spent during the financial year is detailed below:**

(Amount in Crores)

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget project or Programme wise	Amount spent on the project or programme, Sub Heads; (1) Direct expenditure on projects or programmes (2)Overheads	Cumulative expenditure up to the reporting period	Amount Spent direct or through implementing agency
1.	Con-struction of PKLP School	Promoting Education	Tauru, Haryana	1.00	1.00	1.00	Through Pan-dit Kanahaya Lal Punj Trust
<b>TOTAL</b>				<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial year or any part thereof, the Company shall provide the reason for not spending the amount in the Board Report : Not Applicable

7. Responsibility Statement: The CSR committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and the CSR policy of the Company.

PLACE: NOIDA  
DATE: 3<sup>rd</sup> OCTOBER, 2019

**SANJIV KAVALJIT SINGH**  
CHAIRPERSON OF CSR COMMITTEE  
DIN: 00015689



**ANNEXURE-4**

Information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules 2014 is provided hereunder:

**A. CONSERVATION OF ENERGY**
**(i) Steps taken or impact on conservation of energy**

The Company is aware of its duties towards the society and environment in which it operates and recognizes its role in managing the social, economic and environmental challenges; and is committed towards creating sustainable social and environmental impact.

The Company has been continuously striving to conserve the environment and natural resources. The improvement in the methods of energy efficiency through various initiatives has helped the Company in not only reducing energy cost but also the preserving the natural resources for future generations.

Various measures have been implemented at all the offices and plants of the Company to improve energy usage efficiencies and increase the share of renewable energy. Steps taken during the year to conserve energy include:

- Reducing line changeover
- OPE improvement
- Shutting down unnecessary computer, printer, office light
- Awareness developed through various training programmes.
- Installation of capacitors to save power
- Rationalization of usage of electrical equipments- air conditioning system, office illuminations, beverage dispensers etc.
- Speed drivers and energy-efficient lighting systems were introduced at various locations.
- Real Time Cost optimization by usage of best possible source of energy in a location
- Light Emitting Diode Lights
- Power Management Units (PMUs) have been introduced.
- Automatic Power Shutdowns of Idle monitors
- Using 5 star rated air conditioner

**Steps taken by the Company for utilizing alternate sources of energy**

The Company promotes the usage of renewable resources of energy that can help to conserve the non-renewable resources and have a much lower environmental impact than conventional energy technologies.

**(ii) Capital Investment on energy conservation equipments**

NIL

**B. TECHNOLOGY ABSORPTION, ADAPTATION, INNOVATION, BENEFITS AND FUTURE PLANS OF ACTIONS**

The Company continuously evaluates global innovation and technology as a benchmark and whenever required enters into arrangements to avail of the latest technology trends and practices. The Company engages its resources in the Research & Development activities for development of new products along with improvement of the existing ones. The Company has achieved increased sales due to product improvements and introduction of new products, reduction in cost and pollutants load due to formulation optimization, process improvements and cycle time reduction.

**Benefits Derived as a result of the above Efforts.**

- Cost reduction, waste reduction and quality improvement.
- Improvement in manufacturing processes.
- Partial and complete replacement of hazardous and toxic reagents with environment-friendly substitutes
- Better Customer satisfaction and support.
- Exploitation of the resources to the fullest in a judicious manner.

**C. EXPENDITURE INCURRED FOR RESEARCH & DEVELOPMENT**

Capital Expenditure: NIL

Revenue Expenditure: Charged out as expenses through the respective heads of accounts.

**D. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange Earned in terms of actual inflows during the year and Foreign Exchange Outgo during the year in terms of actual outflows:

Particulars	Amount (₹in Crores)
Foreign Exchange Earnings	6.23
Foreign Exchange Outgo	101.64

**Form No. MGT 9**
**Extract of Annual Return as on March 31 2018**

[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**

CIN	L29299UP1957PLC021118
Registration date	16-01-1957
Name of the company	FEDDERS ELECTRIC AND ENGINEERING LIMITED (formerly known as Fedders Lloyd Corporation Limited)
Category/Sub-category of the company	Company Limited by Shares/ Indian Non-Government Company
Address of the registered office and contact details	6 and 6/1, UPSIDC Industrial Area, Sikandrabad, District Bulandshahr-203205, Uttar Pradesh, India Phone No.: +91-11-40627200, 40627300 Fax No.: +91-11-41609909
Whether listed company	Yes
Name, address and contact details of the Registrar and Transfer Agent, if any.	Skyline Financial Services Private Limited D-153/A, 1 <sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110020, India Phone No.: +91-11-268126821-83 Fax No.: +91-11-26812684

**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:-

S.No.	Name and Description of main products/services	NIC Code of the Product/Service	% of Total Turnover of the Company
1	Steel Structures & Engineering	41003	80.22%
2	Power Transmission & distribution	42202	17.22%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY**

S. No.	Name and Address of the Company	CIN/GLN*	Holding/ Subsidiary/ Associate Company	% of shares held	Applicable Section
1	Fedders Lloyd Trading FZE P.O. Box No. 331007, Ras Al Khaimah, United Arab Emirates	-	Wholly Owned Subsidiary	100%	2(87)(ii)
2	Fedders Lloyd Nigeria Limited Plot No. 1392, Cadastral Zone B2, Katampe District, Abuja, Nigeria	-	Wholly Owned Subsidiary	100%	2(87)(ii)

**IV. SHAREHOLDING PATTERN (Equity share capital breakup as % of total equity)**
**(i) Category-wise share holding**

Category of shareholders	No. of Shares held at the beginning of the year (1 April 2017)				No. of Shares held at the end of the year (March 31 2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual/ HUF	3723709	0	3723709	10.97	3723709	0	3723709	10.97	0.00
b) Central Govt. or State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	13927773	0	13927773	40.99	13927773	0	13927773	40.99	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total (A) (1)</b>	<b>17651482</b>	<b>0</b>	<b>17651482</b>	<b>51.96</b>	<b>17651482</b>	<b>0</b>	<b>17651482</b>	<b>51.96</b>	<b>0.00</b>
<b>2. Foreign</b>									
a) NRIs- Individuals	200	0	200	0.00	200	0	200	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total (A) (2)</b>	<b>200</b>	<b>0</b>	<b>200</b>	<b>0.00</b>	<b>200</b>	<b>0</b>	<b>200</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>17651682</b>	<b>0</b>	<b>17651682</b>	<b>51.96</b>	<b>17651682</b>	<b>0</b>	<b>17651682</b>	<b>51.96</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks /FI	42967	0	42967	0.13	51536	0	51536	0.15	0.02
c) Central Govt. or State Govt(s).	0	0	0	0.00	0	0	0	0.00	0.00
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
f) FIs	0	0	0	0.00	0	0	0	0.00	0.00
g) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
h) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total (B)(1)</b>	<b>42967</b>	<b>0</b>	<b>42967</b>	<b>0.13</b>	<b>51536</b>	<b>0</b>	<b>51536</b>	<b>0.15</b>	<b>0.02</b>
<b>(2) Non- Institutions</b>									
<b>1. Non Institutions</b>									
a) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(i) Indian	5437667	3800	5441467	16.02	2407639	3800	2411439	7.10	-8.92
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(i) Individual shareholders holding nominal share capital upto Rs. 2 Lakhs	7729037	800014	8529051	25.11	10095217	519813	10615030	31.25	6.14
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	843091	0	843091	2.48	1231800	0	1231800	3.63	1.15
c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
(c-i) Public Trusts	1050	0	1050	0.00	1050	0	1050	0.00	0.00
(c-ii) NRI/OCB's	220704	121700	342404	1.01	343448	34200	377648	1.11	0.10
(c-iii) Clearing members	484376	0	484376	1.43	457654	0	457654	1.35	-0.08
(c-iv) Hindu Undivided Families	631612	0	631612	1.86	802930	0	802930	2.36	0.50
(c-v) Investor Education and Protection Fund Authority, Ministry of Corporate Affairs	0	0	0	0.00	366863	0	366863	1.08	1.08
d) NBFCS Registered with RBI	2000	0	2000	0.01	2068	0	2068	0.01	0.00
<b>Sub Total (B)(2):</b>	<b>15349537</b>	<b>925514</b>	<b>16275051</b>	<b>47.91</b>	<b>15708669</b>	<b>557813</b>	<b>16266482</b>	<b>47.89</b>	<b>-0.02</b>
<b>Total Public Shareholding (B) = (B) 1 + (B) 2</b>	<b>15392504</b>	<b>925514</b>	<b>16318018</b>	<b>48.04</b>	<b>15760205</b>	<b>557813</b>	<b>16318018</b>	<b>48.04</b>	<b>0.00</b>
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>33044186</b>	<b>925514</b>	<b>33969700</b>	<b>100.00</b>	<b>33411887</b>	<b>557813</b>	<b>33969700</b>	<b>100.00</b>	<b>0.00</b>

(ii) Shareholding of promoters

S. No.	Shareholder's name	Shareholding at the beginning of the year (As on 1 April 2017)			Shareholding at the end of the year (As on March 31 2018)			% of change in shareholding 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	Fedders Sales Private Limited (Formerly Lloyd Sales Private Limited)	4293619	12.64	0.00	4293619	12.64	0.00	0.00
2	Perfect Radiators and Oil Coolers Private Limited	3826525	11.26	0.00	3826525	11.26	0.00	0.00
3	Airserco Private Limited	1752709	5.16	0.00	1752709	5.16	0.00	0.00
4	Brij Raj Punj	1632667	4.81	0.00	1632667	4.81	0.00	0.00
5	Fedders Manufacturing Private Limited (Formerly Lloyd Manufacturing Private Limited)	1254920	3.69	0.00	1254920	3.69	0.00	0.00
6	Renu Punj	1103352	3.25	0.00	1103352	3.25	0.00	0.00
7	Pandit Kanahaya Lal Punj Private Limited	700000	2.06	0.00	700000	2.06	0.00	0.00
8	Fedders Aircool Private Limited (Formerly Lloyd Aircon Private Limited)	500000	1.47	0.00	500000	1.47	0.00	0.00
9	Fedders Stock & Investments Private Limited (Formerly Lloyd Stock & Investments Private Limited)	500000	1.47	0.00	500000	1.47	0.00	0.00
10	Himalayan Mineral Waters Private Limited	500000	1.47	0.00	500000	1.47	0.00	0.00
11	Fedders Credits Limited (Formerly Lloyd Credits Limited)	500000	1.47	0.00	500000	1.47	0.00	0.00
12	Bharat Raj Punj	454990	1.34	0.00	454990	1.34	0.00	0.00
13	Brinda Jajoo	296200	0.87	0.00	296200	0.87	0.00	0.00
14	Bhavna Sareen	236500	0.70	0.00	236500	0.70	0.00	0.00
15	Punj Services Private Limited	100000	0.29	0.00	100000	0.29	0.00	0.00
16	Tulsi Vansh Prakash Punj	200	0.00	0.00	200	0.00	0.00	0.00
<b>TOTAL</b>		<b>17651682</b>	<b>51.96</b>	<b>0.00</b>	<b>17651682</b>	<b>51.96</b>	<b>0.00</b>	<b>0.00</b>

(iii) Change in Promoters' Shareholding

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 April 2017)		Date-wise increase decrease during the year			Cumulative Shareholding during the year (1 April 2017 to March 31 2018)	
		No. of Shares	% of total shares of the company	Date	Increase/ decrease during the year	Reason	No. of Shares	% of total shares of the company
There is no change in the Promoters' Shareholding during the year under review								

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs & ADRs)

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 April 2017)		Date-wise increase decrease during the year			Cumulative Shareholding during the year (1 April 2017 to March 31 2018)	
		No. of Shares	% of total shares of the company	Date	Increase/ decrease during the year	Reason	No. of Shares	% of total shares of the company
<b>1</b>	<b>PRABHUDAS LILLADHER FINANCIAL SERVICES PRIVATE LIMITED</b>							
	At the beginning of the year	402000	1.18	21/04/2017	50	Purchase	402050	1.18
				05/05/2017	-26	Sale	402024	1.18
				12/05/2017	26	Purchase	402050	1.18
				19/05/2017	-50	Sale	402000	1.18
				26/05/2017	50	Purchase	402050	1.18
				08/09/2017	30000	Purchase	432050	1.27
				29/09/2017	-25493	Sale	406557	1.20
				06/10/2017	-505	Sale	406052	1.20
				20/10/2017	10948	Purchase	417000	1.23
				27/10/2017	-15000	Sale	402000	1.18
				12/01/2018	500	Purchase	402500	1.18
				30/03/2018	271	Purchase	402771	1.19
	At the end of the year						<b>402771</b>	<b>1.19</b>
<b>2</b>	<b>BONANZA PORTFOLIO LIMITED</b>							
	At the beginning of the year	336499	0.99	07/04/2017	935	Purchase	337434	0.99
				14/04/2017	-13355	Sale	324079	0.95
				21/04/2017	-426	Sale	323653	0.95
				28/04/2017	-1790	Sale	321863	0.95
				05/05/2017	1835	Purchase	323698	0.95
				12/05/2017	163	Purchase	323861	0.95
				19/05/2017	-2410	Sale	321451	0.95
				26/05/2017	-8869	Sale	312582	0.92
				02/06/2017	-1403	Sale	311179	0.92
				09/06/2017	-200	Sale	310979	0.92
				16/06/2017	-3342	Sale	307637	0.91
				23/06/2017	536	Purchase	308173	0.91
				30/06/2017	-85	Sale	308088	0.91
				07/07/2017	-4	Sale	308084	0.91
				14/07/2017	-1600	Sale	306484	0.90
				21/07/2017	-255	Sale	306229	0.90
				28/07/2017	5622	Purchase	311851	0.92
				04/08/2017	360	Purchase	312211	0.92
				11/08/2017	-350	Sale	311861	0.92
				18/08/2017	-598	Sale	311263	0.92
				25/08/2017	-2943	Sale	308320	0.91
				01/09/2017	100	Purchase	308420	0.91
				08/09/2017	464	Purchase	308884	0.91
				15/09/2017	8097	Purchase	316981	0.93
				22/09/2017	3450	Purchase	320431	0.94
				29/09/2017	2510	Purchase	322941	0.95
				06/10/2017	2892	Purchase	325833	0.96
				13/10/2017	-6097	Sale	319736	0.94
				20/10/2017	7044	Purchase	326780	0.96

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 April 2017)		Date-wise increase decrease during the year			Cumulative Shareholding during the year (1 April 2017 to March 31 2018)	
		No. of Shares	% of total shares of the company	Date	Increase/decrease during the year	Reason	No. of Shares	% of total shares of the company
				27/10/2017	-4243	Sale	322537	0.95
				31/10/2017	-8347	Sale	314190	0.92
				03/11/2017	-94850	Sale	219340	0.65
				10/11/2017	1534	Purchase	220874	0.65
				17/11/2017	2806	Purchase	223680	0.66
				24/11/2017	7420	Purchase	231100	0.68
				01/12/2017	120	Purchase	231220	0.68
				08/12/2017	-3368	Sale	227852	0.67
				15/12/2017	33442	Purchase	261294	0.77
				22/12/2017	554	Purchase	261848	0.77
				29/12/2017	29227	Purchase	291075	0.86
				30/12/2017	-500	Sale	290575	0.86
				05/01/2018	3111	Purchase	293686	0.86
				12/01/2018	-1899	Sale	291787	0.86
				19/01/2018	-68	Sale	291719	0.86
				26/01/2018	36311	Purchase	328030	0.97
				02/02/2018	10773	Purchase	338803	1.00
				09/02/2018	-15371	Sale	323432	0.95
				16/02/2018	-826	Sale	322606	0.95
				23/02/2018	-11625	Sale	310981	0.92
				02/03/2018	-980	Sale	310001	0.91
				09/03/2018	-35186	Sale	274815	0.81
				16/03/2018	-31310	Sale	243505	0.72
				23/03/2018	15603	Purchase	259108	0.76
				30/03/2018	300	Purchase	259408	0.76
				31/03/2018	-110	Sale	259298	0.76
	At the end of the year						<b>259298</b>	<b>0.76</b>
<b>3</b>	<b>RAJUL ESTATES PRIVATE LIMITED</b>							
	At the beginning of the year	<b>1003562</b>	<b>2.95</b>	14/07/2017	-120000	Sale	883562	2.60
				21/07/2017	-80000	Sale	803562	2.37
				28/07/2017	-100000	Sale	703562	2.07
				18/08/2017	-200000	Sale	503562	1.48
				22/09/2017	-30	Sale	503532	1.48
				24/11/2017	-100000	Sale	403532	1.19
				01/12/2017	-100000	Sale	303532	0.89
				08/12/2017	-100000	Sale	203532	0.60
				25/01/2018	-180489	Sale	23043	0.07
				26/01/2018	157446	Purchase	180489	0.53
				02/02/2018	23043	Purchase	203532	0.60
	At the end of the year						<b>203532</b>	<b>0.60</b>

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S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 April 2017)		Date-wise increase decrease during the year			Cumulative Shareholding during the year (1 April 2017 to March 31 2018)	
		No. of Shares	% of total shares of the company	Date	Increase/decrease during the year	Reason	No. of Shares	% of total shares of the company
<b>4</b>	<b>RAMAKANT R KASAT</b>							
	At the beginning of the year	34301	0.10	28/04/2017	26820	Purchase	61121	0.18
				26/05/2017	23180	Purchase	84301	0.25
				22/09/2017	50000	Purchase	134301	0.40
	At the end of the year						<b>134301</b>	<b>0.40</b>
<b>6</b>	<b>ANGEL BROKING PRIVATE LIMITED</b>							
	At the beginning of the year	150562	0.44	07/04/2017	-2246	Sale	148316	0.44
				14/04/2017	-20151	Sale	128165	0.38
				21/04/2017	977	Purchase	129142	0.38
				28/04/2017	2349	Purchase	131491	0.39
				05/05/2017	-5773	Sale	125718	0.37
				12/05/2017	-4610	Sale	121108	0.36
				19/05/2017	-5462	Sale	115646	0.34
				26/05/2017	11601	Purchase	127247	0.37
				02/06/2017	-5470	Sale	121777	0.36
				09/06/2017	2924	Purchase	124701	0.37
				16/06/2017	-9952	Sale	114749	0.34
				23/06/2017	-8249	Sale	106500	0.31
				30/06/2017	-8297	Sale	98203	0.29
				07/07/2017	-6847	Sale	91356	0.27
				14/07/2017	-10134	Sale	81222	0.24
				21/07/2017	-1102	Sale	80120	0.24
				28/07/2017	4699	Purchase	84819	0.25
				04/08/2017	13243	Purchase	98062	0.29
				11/08/2017	3742	Purchase	101804	0.30
				18/08/2017	639	Purchase	102443	0.30
				25/08/2017	8825	Purchase	111268	0.33
				01/09/2017	-6583	Sale	104685	0.31
				08/09/2017	-1087	Sale	103598	0.30
				15/09/2017	-2852	Sale	100746	0.30
				22/09/2017	52	Purchase	100798	0.30
				29/09/2017	-7188	Sale	93610	0.28
				06/10/2017	5758	Purchase	99368	0.29
				13/10/2017	9861	Purchase	109229	0.32
				20/10/2017	18726	Purchase	127955	0.38
				27/10/2017	30288	Purchase	158243	0.47
				31/10/2017	3125	Purchase	161368	0.48
				03/11/2017	68065	Purchase	229433	0.68
				10/11/2017	-64751	Sale	164682	0.48
				17/11/2017	-11261	Sale	153421	0.45
				24/11/2017	-1138	Sale	152283	0.45
				01/12/2017	-25163	Sale	127120	0.37
				08/12/2017	9558	Purchase	136678	0.40
				15/12/2017	-5807	Sale	130871	0.39
				22/12/2017	3651	Purchase	134522	0.40
				29/12/2017	16027	Purchase	150549	0.44



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S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 April 2017)		Date-wise increase decrease during the year			Cumulative Shareholding during the year (1 April 2017 to March 31 2018)	
		No. of Shares	% of total shares of the company	Date	Increase/decrease during the year	Reason	No. of Shares	% of total shares of the company
				05/01/2018	9390	Purchase	159939	0.47
				12/01/2018	40074	Purchase	200013	0.59
				19/01/2018	-23741	Sale	176272	0.52
				25/01/2018	-19202	Sale	157070	0.46
				26/01/2018	-107263	Sale	49807	0.15
				02/02/2018	122668	Purchase	172475	0.51
				09/02/2018	7575	Purchase	180050	0.53
				16/02/2018	-18076	Sale	161974	0.48
				23/02/2018	-10376	Sale	151598	0.45
				02/03/2018	-24083	Sale	127515	0.38
				09/03/2018	-9361	Sale	118154	0.35
				16/03/2018	-14429	Sale	103725	0.31
				23/03/2018	20175	Purchase	123900	0.36
				30/03/2018	-15548	Sale	108352	0.32
				31/03/2018	-1000	Sale	107352	0.32
	At the end of the year						<b>107352</b>	<b>0.32</b>
<b>7</b>	<b>KARVY STOCK BROKING LIMITED</b>							
	At the beginning of the year	58569	0.17	07/04/2017	666	Purchase	59235	0.17
				14/04/2017	840	Purchase	60075	0.18
				21/04/2017	-2914	Sale	57161	0.17
				28/04/2017	3135	Purchase	60296	0.18
				05/05/2017	5011	Purchase	65307	0.19
				12/05/2017	5246	Purchase	70553	0.21
				19/05/2017	-101	Sale	70452	0.21
				26/05/2017	1113	Purchase	71565	0.21
				02/06/2017	2345	Purchase	73910	0.22
				09/06/2017	-260	Sale	73650	0.22
				16/06/2017	-48	Sale	73602	0.22
				23/06/2017	233	Purchase	73835	0.22
				30/06/2017	1231	Purchase	75066	0.22
				07/07/2017	-375	Sale	74691	0.22
				14/07/2017	-1576	Sale	73115	0.22
				21/07/2017	-681	Sale	72434	0.21
				28/07/2017	69	Purchase	72503	0.21
				04/08/2017	339	Purchase	72842	0.21
				11/08/2017	2260	Purchase	75102	0.22
				18/08/2017	-168	Sale	74934	0.22
				25/08/2017	117	Purchase	75051	0.22
				01/09/2017	-872	Sale	74179	0.22
				08/09/2017	1008	Purchase	75187	0.22
				15/09/2017	-3920	Sale	71267	0.21
				22/09/2017	-1118	Sale	70149	0.21
				29/09/2017	1113	Purchase	71262	0.21
				06/10/2017	101	Purchase	71363	0.21
				13/10/2017	-3444	Sale	67919	0.20
				20/10/2017	136	Purchase	68055	0.20



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S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 April 2017)		Date-wise increase decrease during the year			Cumulative Shareholding during the year (1 April 2017 to March 31 2018)	
		No. of Shares	% of total shares of the company	Date	Increase/decrease during the year	Reason	No. of Shares	% of total shares of the company
				27/10/2017	-10271	Sale	57784	0.17
				31/10/2017	-321	Sale	57463	0.17
				03/11/2017	-1321	Sale	56142	0.17
				10/11/2017	3055	Purchase	59197	0.17
				17/11/2017	2449	Purchase	61646	0.18
				24/11/2017	-2317	Sale	59329	0.17
				01/12/2017	-340	Sale	58989	0.17
				08/12/2017	3009	Purchase	61998	0.18
				15/12/2017	4981	Purchase	66979	0.20
				22/12/2017	-6866	Sale	60113	0.18
				29/12/2017	11916	Purchase	72029	0.21
				05/01/2018	2681	Purchase	74710	0.22
				12/01/2018	14298	Purchase	89008	0.26
				19/01/2018	-15191	Sale	73817	0.22
				26/01/2018	2017	Purchase	75834	0.22
				02/02/2018	-486	Sale	75348	0.22
				09/02/2018	6075	Purchase	81423	0.24
				16/02/2018	-2448	Sale	78975	0.23
				23/02/2018	5897	Purchase	84872	0.25
				02/03/2018	-2270	Sale	82602	0.24
				09/03/2018	-5844	Sale	76758	0.23
				16/03/2018	992	Purchase	77750	0.23
				23/03/2018	15275	Purchase	93025	0.27
				30/03/2018	1430	Purchase	94455	0.28
	At the end of the year						<b>94455</b>	<b>0.28</b>
<b>8</b>	<b>IL AND FS SECURITIES SERVICES LIMITED</b>							
	At the beginning of the year	61267	0.18	07/04/2017	-2662	Sale	58605	0.17
				14/04/2017	6350	Purchase	64955	0.19
				21/04/2017	-1804	Sale	63151	0.19
				28/04/2017	17314	Purchase	80465	0.24
				05/05/2017	2430	Purchase	82895	0.24
				12/05/2017	-5750	Sale	77145	0.23
				19/05/2017	7650	Purchase	84795	0.25
				26/05/2017	-999	Sale	83796	0.25
				02/06/2017	-2887	Sale	80909	0.24
				09/06/2017	2600	Purchase	83509	0.25
				16/06/2017	2000	Purchase	85509	0.25
				23/06/2017	400	Purchase	85909	0.25
				30/06/2017	-3850	Sale	82059	0.24
				07/07/2017	-2500	Sale	79559	0.23
				14/07/2017	-5963	Sale	73596	0.22
				21/07/2017	-3479	Sale	70117	0.21
				28/07/2017	-913	Sale	69204	0.20
				04/08/2017	-7800	Sale	61404	0.18
				11/08/2017	3550	Purchase	64954	0.19
				18/08/2017	-3049	Sale	61905	0.18

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S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (1 April 2017)		Date-wise increase decrease during the year			Cumulative Shareholding during the year (1 April 2017 to March 31 2018)	
		No. of Shares	% of total shares of the company	Date	Increase/decrease during the year	Reason	No. of Shares	% of total shares of the company
				25/08/2017	300	Purchase	62205	0.18
				01/09/2017	1772	Purchase	63977	0.19
				15/09/2017	8218	Purchase	72195	0.21
				22/09/2017	8399	Purchase	80594	0.24
				29/09/2017	-9852	Sale	70742	0.21
				06/10/2017	-6364	Sale	64378	0.19
				13/10/2017	-2448	Sale	61930	0.18
				20/10/2017	2030	Purchase	63960	0.19
				27/10/2017	17725	Purchase	81685	0.24
				31/10/2017	-925	Sale	80760	0.24
				03/11/2017	-2223	Sale	78537	0.23
				10/11/2017	7568	Purchase	86105	0.25
				17/11/2017	-6235	Sale	79870	0.24
				24/11/2017	-1478	Sale	78392	0.23
				01/12/2017	773	Purchase	79165	0.23
				08/12/2017	-730	Sale	78435	0.23
				15/12/2017	-1449	Sale	76986	0.23
				22/12/2017	-388	Sale	76598	0.23
				29/12/2017	-11626	Sale	64972	0.19
				30/12/2017	-1000	Sale	63972	0.19
				05/01/2018	16712	Purchase	80684	0.24
				12/01/2018	-7529	Sale	73155	0.22
				19/01/2018	1575	Purchase	74730	0.22
				26/01/2018	10883	Purchase	85613	0.25
				02/02/2018	1076	Purchase	86689	0.26
				09/02/2018	52385	Purchase	139074	0.41
				16/02/2018	7967	Purchase	147041	0.43
				23/02/2018	-31240	Sale	115801	0.34
				02/03/2018	-3500	Sale	112301	0.33
				09/03/2018	-7662	Sale	104639	0.31
				16/03/2018	6685	Purchase	111324	0.33
				23/03/2018	-4493	Sale	106831	0.31
				30/03/2018	-12325	Sale	94506	0.28
				31/03/2018	-4131	Sale	90375	0.27
	At the end of the year						<b>90375</b>	<b>0.27</b>
<b>9</b>	<b>KETAN RATILAL PATEL</b>							
	At the beginning of the year	2225	0.01	07/07/2017	2775	Purchase	5000	0.01
				21/07/2017	5000	Purchase	10000	0.03
				18/08/2017	5000	Purchase	15000	0.04
				29/09/2017	15000	Purchase	30000	0.09
				10/11/2017	35000	Purchase	65000	0.19
				17/11/2017	15000	Purchase	80000	0.24
	At the end of the year						<b>80000</b>	<b>0.24</b>
<b>10</b>	<b>DAMJI RAVJI MARU</b>							
	At the beginning of the year	75618	0.22	NIL				
	At the end of the year						<b>75618</b>	<b>0.22</b>

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Shareholding		Cumulative Shareholding during the year (1 April 2017 to March 31 2018)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>*Mr Brij Raj Punj</b>				
	At the beginning of the year	16,32,667	4.81		
	Date wise Increase/ Decrease in Shareholding during the year	No Change			
	At the end of the year			<b>16,32,667</b>	<b>4.81</b>
2	<b>Mr. Sham Sunder Dhawan</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
3	<b>Mr. Akhter Aziz Siddiqi</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
4	<b>Mr. Arun Kumar Joshi</b>				
	At the beginning of the year	<b>100</b>	<b>0.00</b>		
	Date wise Increase/ Decrease in Shareholding during the year	No Change			
	At the end of the year			<b>100</b>	<b>0.00</b>
5	<b>Mrs. Ritushri Sharma</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	<b>Mrs. Bindu Dogra</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
<b>B</b>	<b>Key Managerial Personnel</b>				
1	<b>Mr. Pulkit Bhasin Company Secretary</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase/ Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

Mr. Brij Raj Punj ceased to be the Director of the Company w.e.f. 5<sup>th</sup> December, 2017.

**(v) INDEBTEDNESS**

INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT AS ON March 31, 2018

(Rs. In Crores)

Particulars	SECURED LOAN	UNSECURED LOAN	DEPOSITS	TOTAL INDEBTEDNESS
<b>Indebtedness at the begning of the year*</b>				
i) PRINCIPAL AMOUNT	464.53	-	-	464.53
ii) INTEREST DUE BUT NOT PAID	-	-	-	-
iii) INTEREST ACCRUED BUT NOT DUE	0.62	-	-	0.62
<b>TOTAL (I+II+III)</b>	<b>465.15</b>	<b>-</b>	<b>-</b>	<b>465.15</b>
<b>Change in indebtedness during the financial year</b>				
ADDITIONS	-	-	-	-
REDUCTION	32.28	-	-	32.28
<b>NET CHANGE</b>	<b>(32.28)</b>	<b>-</b>	<b>-</b>	<b>(32.28)</b>
<b>Indebtedness at the end of the year</b>				
i) PRINCIPAL AMOUNT (AT THE END OF THE YEAR)	432.25	-	-	432.25
ii) INTEREST DUE BUT NOT PAID	-	-	-	-
iii) INTEREST ACCRUED BUT NOT DUE	0.37	-	-	0.37
<b>TOTAL (I+II+III)</b>	<b>432.62</b>	<b>-</b>	<b>-</b>	<b>432.62</b>

\*The change in opening figures is due to IND-AS application

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S.No.	Particulars of Remuneration	*Mr. Brij Raj Punj Chairman & Managing Director	Mr. Sham Sunder Dhawan Whole-Time Director	Mr. Akhter Aziz Siddiqi Whole-Time Director	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,258,394.00	11,058,916.00	3,691,626.00	21,008,936.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission -as% of profit -others, specify	- -	- -	- -	- -
5	Others Provident Fund	445,323.00	674,552.00	225,786.00	1,345,661.00
	<b>Total A</b>	<b>5,813,071.00</b>	<b>10,384,364.00</b>	<b>3,465,840.00</b>	<b>19,663,275.00</b>
	<b>Ceiling as per the Act (Schedule V in case of loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,196,870.40</b>

 \*Mr. Brij Raj Punj ceased to be the Director of the Company w.e.f. 5<sup>th</sup> December, 2017.

**B. Remuneration to other directors**

Sr. no.	Particulars of remuneration	Name of directors			Total amount
		Mr. Arun Kumar Joshi	Mrs. Ritushri Sharma	Mrs. Bindu Dogra	
<b>A</b>	<b>Independent Directors</b>				
	Fee for attending board/ committee meetings	35000	75000	75000	185,000.00
	Commission	-	-	-	-
	Others- Travelling Expenses	-	-	-	-
	<b>Total (A)</b>	<b>35000</b>	<b>75000</b>	<b>75000</b>	<b>185,000.00</b>
<b>B</b>	<b>Other Non Executives Directors</b>	-	-	-	-
	<b>Total (B)</b>	-	-	-	-
	<b>Total Managerial Remuneration (A+B)</b>	<b>35000</b>	<b>75000</b>	<b>75000</b>	<b>185000.00</b>
	<b>Overall Ceiling as per the Act</b>				<b>12,196,870.40</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sr. No.	Particulars of remuneration	Key Managerial Personnel	
		Mr. Pulkit Bhasin Company Secretary	Total Amount
<b>1.</b>	<b>Gross salary</b>		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,369,944.00	1,369,944.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock option	-	-
3.	Sweat equity	-	-
4.	Commission - as % of profit - others (specify)	-	-
5.	Others - Provident fund	6,00,60.00	6,00,60.00
	<b>Total</b>	<b>1,430,004.00</b>	<b>1,430,004.00</b>

**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)	Appeal made if any (give details)
<b>A. Company</b>					
- Penalty			None		
- Punishment					
- Compounding					
<b>B. Directors</b>					
- Penalty			None		
- Punishment					
- Compounding					
<b>C. Other officers in default</b>					
- Penalty			None		
- Punishment					
- Compounding					

**ANNEXURE-6**

A. The information required under section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as under:

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year ended 31<sup>st</sup> March, 2018:

Sl. No.	Name of the Directors	Designation	Ratio
2	Mr. Brij Raj Punj	Chairman & Managing Director*	16.98:1
3	Mr. Sham Sunder Dhawan	Whole-time Director	30.34:1
4	Mr. Akhter Aziz Siddiqi	Whole-time Director	10.12:1
5	Mr. Arun Kumar Joshi	Independent Director	0.10:1
6	Mrs. Bindu Dogra	Independent Director	0.22:1

\*Mr. Brij Raj Punj ceased to be the Chairman & Managing Director of the Company w.e.f. 5<sup>th</sup> December, 2017.

The Company pays only sitting fees and reimbursement of expenses to Non-Executive Directors in accordance with the provisions prescribed under the Companies Act, 2013 for each Board/Committee meetings attended by Non-Executive Independent Directors.

2. The percentage increase in remuneration of each Key Managerial Personnel of the Company during year ended 31<sup>st</sup> March, 2018:

The remuneration paid to the Key Managerial Personnel during the year under review is as follows:

Sl. No.	Name of the Key Managerial Personnel	Designation	Remuneration Paid during year ended 31 <sup>st</sup> March, 2018 (₹ In Lakhs)	Date of joining
1	Mr. Brij Raj Punj	Chairman & Managing Director*	58.13	10
2	Mr. Sham Sunder Dhawan	Whole Time Director	103.84	10
3	Mr. Akhter Aziz Siddiqi	Whole Time Director & CFO	34.65	10
4	Mr. Pulkit Bhasin	Company Secretary	13.62	10

\*Mr. Brij Raj Punj ceased to be the Chairman & Managing Director of the Company w.e.f. 5<sup>th</sup> December, 2017.

The sitting fees paid to Non-Executive Directors has been increased from ₹15000/- (Rupees Fifteen Thousand only) to ₹20000/- (Rupees Twenty Thousand only) w.e.f. 10<sup>th</sup> August, 2017.

3. The percentage change in the median remuneration of the employees during the year ended 31<sup>st</sup> March, 2018:

The percentage decrease in the median remuneration of the employees noted on 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2018 respectively is 1.23%.

4. The number of permanent employees on the rolls of Company:

The total number of permanent employees on pay rolls of the Company as on 31<sup>st</sup> March, 2018 is 489.

5. Average percentile increase made in the salaries of Employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there is any exceptional circumstances for increase in managerial remuneration:

The average percentile increase in the salaries during the year ended 31<sup>st</sup> March, 2018:

Managerial Personnel: 10%

Employees other than Managerial Personnel: 9.08%

The remuneration to Managerial Personnel is as approved by the shareholders under the provisions of the Companies Act, 2013.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

**B. The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:**

**A. Names of Top Ten Employees in terms of Remuneration:**

S. No.	Name of Employees	Designation	Remuneration (Rs. in Lakhs)	Nature of employment (Contractual or otherwise)	Qualification and Experience	Date of Commencement of employment	Age	Last employment before joining the Company	% of Equity shares held by such employee	Whether any such employee is a relative of any director or manager of the Company
1.	Mr. Sham Sunder Dhawan	Whole-time Director	10,384,364.00	Permanent	Master Degree in Business Administration and Political Science	26.04.2008	63	Western Food Limited	0.00%	No
2.	Mr. Brij Raj Punj	Chairman & Managing Director	5,813,071.00	Permanent	Engineering Graduate from United Kingdom	02.06.1980	72	-	4.81%	No
3.	Krishna Kumar Tiwari	President-T & D (Power Projects)	4,792,922.00	Permanent	Bachelor Degree in Engineering	17.10.2016	60	Self Employed	0.00%	No
4.	B.S. Gautam	President-T & D (Power Projects)	3,712,922.00	Permanent	Bachelors of Technology	14.12.2016	58	Punj Lloyd Limited	0.00%	No
5.	Akhter Aziz Siddiqi	Whole-time Director & CFO	3,465,840.00	Permanent	Master Degree in Commerce	01.11.2004	57	-	0.00%	No
6.	Anoop Kumar Verma	Executive Vice President- IT	3,383,556.00	Permanent	Master Degree in Business Administration	16.09.2010	59	Advent Electronics Limited	0.00%	No
7.	Yogendra Narayan Sen	President- SSFD	3,139,224.00	Permanent	Bachelors of Technology	06.06.2016	57	Everest Industries Limited	0.00%	No
8.	Devendra Bikram Mishra	Associate Vice President- Air Systems	2,826,972.00	Permanent	Master Degree in Business Administration	30.06.2008	40	Caryaire-Equipments (I) Private Limited	0.00%	No
9.	AlokNath	Vice President-Legal	2,550,588.00	Permanent	Bachelors of Law	16.06.1978	64	-	0.00%	No
10.	Karri Chandra Sekhara Reddy	General Manager Projects	2,445,528.00	Permanent	Master Degree in Business Administration & Marketing	01.08.2012	45	Jaguar Overseas	0.00%	No

**B. Employees Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than ₹1,02,00,000/-**

S. No.	Name of Employees	Designation	Remuneration (Rs. in Lakhs)	Nature of employment (Contractual or otherwise)	Qualification and Experience	Date of Commencement of employment	Age	Last employment before joining the Company	% of Equity shares held by such employee	Whether any such employee is a relative of any director or manager of the Company
1.	Mr. Sham Sunder Dhawan	Whole Time Director	10,384,364.00	Permanent	Master Degree in Business Administration and Political Science	26.04.2008	63	Western Food Limited	0.00%	No

**Employed for part of the Financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than ₹8,50,000/- per month:**

S. No.	Name of Employees	Designation	Remuneration (Rs. in Lakhs)	Nature of employment (Contractual or otherwise)	Qualification and Experience	Date of Commencement of employment	Age	Last employment before joining the Company	% of Equity shares held by such employee	Whether any such employee is a relative of any director or manager of the Company
NA										



- C. Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.

S. No.	Name of Employees	Designation	Remuneration (Rs. in Lakhs)	Nature of employment (Contractual or otherwise)	Qualification and Experience	Date of Commencement of employment	Age	Last employment before joining the Company	% of Equity shares held by such employee	Whether any such employee is a relative of any director or manager of the Company
1.	Krishna Kumar Tiwari	President-T & D (Power Projects)	4,792,922.00	Permanent	Bachelor Degree in Engineering	17.10.2016	60	Self Employed	0.00%	No
2.	B.S. Gautam	President-T & D (Power Projects)	3,712,922.00	Permanent	Bachelors of Technology	14.12.2016	58	Punj Lloyd Limited	0.00%	No

**For Fedders Electric and Engineering Limited**

**Date: 3<sup>rd</sup> October, 2019**

**Place: Noida**

**Sanjiv Kavaljit Singh**  
**Whole-time Director**  
**(DIN: 00015689)**

## **REPORT ON CORPORATE GOVERNANCE**

In accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the report containing the details of Corporate Governance systems and processes is given below.

In accordance with the applicable provisions of the Insolvency and Bankruptcy Code, 2016 ("IBC/Code"), the Corporate Insolvency Resolution Process ("CIRP") of Fedders Electric and Engineering Limited ("Company") was initiated by the Financial Creditors of the Company. The Financial Creditors petition to initiate the CIRP Process was admitted by the National Company Law Tribunal ("NCLT"), Allahabad Bench on 14<sup>th</sup> August, 2019. Mr. Ashok Kumar Gulla was appointed as the Interim Resolution Professional ("IRP") to manage the affairs of the Company by the NCLT, Allahabad Bench by Order dated 14<sup>th</sup> August, 2019. Subsequently, Mr. Ashok Kumar Gulla was confirmed as the Resolution Professional ("RP") by the Committee of Creditors ("CoC") in its Meeting held on 12<sup>th</sup> September, 2019. On appointment of the IRP/RP, the powers of the Board of Directors of the Company were suspended.

### **I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

We believe in the philosophy that good corporate governance is not an end in itself. It is a means to support economic efficiency, sustainable growth and financial stability. It facilitates companies' access to capital for long-term investment and helps ensure that shareholders and other stakeholders, who contribute to the success of the corporation, are treated fairly. The Company has created a transparent set of rules and controls in which shareholders, directors and officers have aligned incentives. For us, it is not enough to merely be profitable; we also demonstrate good corporate citizenship along with the practice of discipline and integrity through environmental awareness, ethical behavior and sound corporate governance practices.

The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

Fedders Electric has formulated a Corporate Compliance Program which is designed and implemented to manage risks, prevent illegal and unethical conduct, and mitigate or eliminate punishments and liabilities when such conduct does take place. The Company has always endeavored to accept and follow the internationally recognized code of conduct within the organization. It has always been the aim of the Company to exceed and excel through fair and transparent practices. We acknowledge our individual and collective responsibilities to manage our business activities along with catering to the needs of the society we operate in.

### **II. BOARD OF DIRECTORS**

The Board of Directors ("Board") is the primary direct stakeholder influencing corporate governance. Directors are elected by the Board Members and appointed by the shareholders, and represent the Company. The responsibilities of the Board include setting the Company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship. We strive to maintain an effective, informed and independent Board to ensure the highest standards of Corporate Governance.

During the year under review, the Company was headed by Late Mr. Brij Raj Punj (DIN: 00080956) who ceased to be the Chairman & Managing Director of the Company w.e.f. 5<sup>th</sup> December, 2017 due to his untimely and sad demise. The Company expresses its heartfelt condolences and places on record a deep appreciation for the valuable services rendered by Late Mr. Brij Raj Punj during his tenure as a Director of the Company from the time of his appointment until his death. Mr. Punj was a true visionary and an unparalleled leader. May his ideals, vision and legacy continue to flourish and inspire us to take the Company to greater heights.

Mr. Sham Sunder Dhawan (DIN: 00528056), Whole-time Director of the Company resigned from his office w.e.f. 5<sup>th</sup> May, 2018. The Board placed on record its appreciation for his continuous support, guidance and contribution during his tenure as the Whole-time Director on the Board of the Company.

Further, Mr. Akhter Aziz Siddiqi (DIN: 07726807), Whole-time Director and Chief Financial Officer of the Company resigned from his office w.e.f. 23<sup>rd</sup> May, 2018. The Board placed on record its appreciation for his constant guidance and contribution during his tenure as the Whole-time Director and Chief Financial Officer on the Board of the Company.

The Board of Directors of the Company in its meeting held on 13<sup>th</sup> June, 2018, pursuant to the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Randhir Jain (DIN: 08156040), as the Whole-time Director of the Company for a term of 2 years w.e.f. 13<sup>th</sup> June, 2018. Moreover, the Board in its meeting held on the same day had also appointed Mr. Anup Bhargava and Mr. Rajeev Kumar Bansal as the Chief Executive Officer and Chief Financial Officer of the Company, respectively. Thereafter, Mr. Jain resigned from the Directorship of the Company w.e.f. 17<sup>th</sup> September, 2018.

Mrs. Bindu Dogra (DIN: 06580704) and Mrs. Ritushri Sharma (DIN: 06747753), Independent Directors of the Company resigned from the Directorship of the Company w.e.f. 24<sup>th</sup> August, 2018 and subsequently, Mr. Arun Kmar Joshi (DIN: 06747753), Independent Director of the Company tendered his resignation w.e.f. 25<sup>th</sup> August, 2018. The Board placed on record their consistent support, guidance and contribution during their tenure as the Independent Directors on the Board of the Company.

Further, pursuant to the resignation of Mr. Randhir Jain on 17<sup>th</sup> September, 2018, there were no Directors left on Board. Therefore, in accordance with the provisions section 168(3) of the Act, the Promoter and Promoter Group of the Company appointed Mr. Satya Narayan Gupta (DIN: 06571433), Mr. Prabhu Nath Sinha (DIN: 02506030) and Mr. Sanjiv Kavaljit Singh (DIN: 00015689) as the Non- Executive Independent Directors of the Company w.e.f. 8<sup>th</sup> October, 2018, 20<sup>th</sup> October, 2018 and 8<sup>th</sup> November respectively, to hold office upto the ensuing General Meeting of the Company. However, Mr. Satya Narayan Gupta resigned from his Directorship soon after his appointment, on 30<sup>th</sup> December, 2018. Furthermore, the Company removed Mr. Anup Bhargava from his position of the Chief Executive Officer of the Company on grounds of non-adherence to the Company's Code of Conduct and illegal activities carried out by him during his tenure.

Thereafter, Mr. Rajeev Kumar Bansal, Chief Financial Officer of the Company resigned w.e.f. 23<sup>rd</sup> November, 2018, pursuant to which the Board appointed Mr. Neeraj Gupta as the Chief Financial Officer in its meeting held on 29<sup>th</sup> November, 2018, thereby filing the vacancy caused by his resignation.

Later on, it was required to fill the vacancy caused by the resignation of Mr. Satya Narayan Gupta and appoint a Woman Director on Board to comply with the requirements of the Act and the Listing Regulations, hence, pursuant to Section 174(2) of the Act, the remaining Directors on Board, in their Meeting held on 8<sup>th</sup> February, 2019 had appointed Ms. Sadhna Syal (DIN: 07837529) as the Non- Executive Independent Director on the Board of the Company, to hold office upto the ensuing General Meeting of the Company.

Further, the Board was also required to comply with the requirements of Section 203 of the Act and appoint a Whole-time Director and Company Secretary, as all the Directors on Board were Non-Executive Directors and Mr. Pulkit Bhasin had also tendered his resignation w.e.f. 2nd January, 2019 from his position of Company Secretary and Compliance Officer of the Company. Consequently, the Board of Directors of the Company in its meeting held on 4<sup>th</sup> June, 2019 had appointed Mr. Sanjiv Kavaljit Singh, as the Whole-time Director & Chief Executive Officer of the Company for a term of 2 years w.e.f. 4<sup>th</sup> June, 2019 due to his valuable support and guidance extended by him to the Company. A declaration in respect of the change in his status of Directorship from Independent to Non- Independent has been received by the Company, in accordance with Section 149 of the Act. The said appointment is subject to the approval of the Members at the ensuing General Meeting of the Company. Moreover, the Board in its meeting held on the same day had also appointed Ms. Shagun Bajpai as the Company Secretary and Compliance Officer of the Company and Mr. Vansh Vardhan Joshi (DIN: 06843644) was appointed as the Non- Executive Independent Director on the Board of the Company, to hold office upto the ensuing General Meeting of the Company. Subsequently, Mr. Prabhu Nath Sinha tendered his resignation w.e.f. 29<sup>th</sup> August, 2019 as the Non-Executive Director of the Company.

Brief resume of Mr. Sanjiv Kavaljit Singh, Ms. Sadhna Syal and Mr. Vansh Vardhan Joshi, Directors proposed to be appointed, along with their shareholding in the Company, as stipulated under Secretarial Standard 2 ("SS-2") issued by the Institute of Company Secretaries of India and as per the provisions of Listing Regulations, is appended as an Annexure to the Notice of the ensuing AGM.

#### **A. Composition and Category of Board of Directors**

The Board comprises of an optimal mix of executive and non-executive Directors having great knowledge and experience in diversified areas, enabling the Board to discharge its responsibilities and provide effective leadership to the business.

As on the date of this Report, the Board consists of 3 (three) Directors comprising of 1 (one) Whole-time Director and 2 (two) Independent Directors. Out of 2 Independent Directors 1 is a woman.

None of the Directors is a Director in more than 10 public limited companies (as specified in Section 165 of the Companies Act, 2013 ("Act") or acts as an Independent Director in more than 7 listed companies or 3 listed companies in case he/she serves as a Whole-time Director in any listed company (as specified in Regulation 25 of the Listing Regulations).

During the financial year under review, none of the Non-Executive Directors had any material pecuniary relationship or transactions with the Company apart from receiving sitting fees for attending meetings of Board of Directors and Committees thereof. None of the Directors of your Company are inter-se related to each other. The Independent Directors fulfill the conditions as specified under law and are independent of the management of the Company.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act and the details of which are provided herein below:

Name of Directors	DIN	Designation	Category	No. of Equity Shares held in the Company
<sup>1</sup> Mr. Brij Raj Punj	00080956	Chairman & Managing Director	Promoter Executive Director	16,32,667
<sup>2</sup> Mr. Sham Sunder Dhawan	00528056	Whole-time Director	Executive Director	-
<sup>3</sup> Mr. Akhter Aziz Siddiqi	07726807	Whole-time Director & CFO	Executive Director	-
<sup>5</sup> Mrs. Bindu Dogra	06580704	Director	Non- Executive Independent Director	-
<sup>6</sup> Mrs. Ritushri Sharma	06747745	Director	Non- Executive Independent Director	-
<sup>7</sup> Mr. Arun Kumar Joshi	06747753	Director	Non- Executive Independent Director	100
<sup>4</sup> Mr. Randhir Jain	08156040	Whole-time Director	Executive Director	-
<sup>8</sup> Mr. Satya Narayan Gupta	06571433	Director	Non- Executive Independent Director	-
<sup>9</sup> Mr. Prabhu Nath Sinha	02506030	Director	Non- Executive Independent Director	-
<sup>10</sup> Mr. Sanjiv Kavaljit Singh	00015689	Whole-time Director & CEO	Executive Director	-
<sup>11</sup> Ms. Sadhna Syal	07837529	Director	Non- Executive Independent Director	-
<sup>12</sup> Mr. Vansh Vardhan Joshi	06843644	Director	Non- Executive Independent Director	-

<sup>1</sup> Ceased to be Chairman & Managing Director w.e.f. 5<sup>th</sup> December, 2017

<sup>2</sup> Ceased to be Whole-time Director w.e.f. 5<sup>th</sup> May, 2018.

<sup>3</sup> Ceased to be Whole-time Director & CFO w.e.f. 23<sup>rd</sup> May, 2018.

<sup>4</sup> Appointed as Additional & Whole-time Director w.e.f. 13<sup>th</sup> June, 2018 and ceased to be Whole-time Director w.e.f. 17<sup>th</sup> September, 2018

<sup>5</sup> Ceased to be Non-Executive Independent Director w.e.f. 24<sup>th</sup> August, 2018

<sup>6</sup> Ceased to be Non-Executive Independent Director w.e.f. 24<sup>th</sup> August, 2018

<sup>7</sup> Ceased to be Non-Executive Independent Director w.e.f. 25<sup>th</sup> August, 2018

<sup>8</sup> Appointed as Non-Executive Independent Director w.e.f. 8<sup>th</sup> October, 2018 and ceased to be Director w.e.f. 30<sup>th</sup> December, 2018

<sup>9</sup> Appointed as Non-Executive Independent Director w.e.f. 20<sup>th</sup> October, 2018 and ceased to be Director w.e.f. 29<sup>th</sup> August, 2019

<sup>10</sup> Appointed as Non-Executive Independent Director w.e.f. 8<sup>th</sup> November, 2018 and subsequently appointed as Whole-time Director & CEO w.e.f. 4<sup>th</sup> June, 2019

<sup>11</sup> Appointed as Non-Executive Independent Director w.e.f. 8<sup>th</sup> February, 2019

<sup>12</sup> Appointed as Non-Executive Independent Director w.e.f. 4<sup>th</sup> June, 2019

## **B. Board Procedures**

The Board of Directors meet atleast once in each quarter to, inter alia, review annual operating and capital expenditure plans, financial statements of business segments, compliance report(s) of all laws applicable to the Company, minutes of the Board Meetings of Subsidiary companies, short-term borrowings, any other proposal from the management regarding any restructuring of investments, etc.

The Board Members make presentations on matters including but not limited to the Company's performance, operations, plans, quarterly and annual financial results, compliance reports etc. The Board has complete access to any information within the Company which includes information as specified in Regulation 17 and Part A of Schedule II of the Listing Regulations.

## **C. Number of Board Meetings**

The Company adheres to the provisions of the Act read with the Rules issued thereunder, read with the Secretarial Standards and Listing Regulations with respect to convening and holding the meetings of the Board of Directors and its Committees.

Minimum 4 (four) Board Meetings are held in every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs of the Company. All material information is circulated to the Directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Regulation 17(7) of the Listing Regulations to enable them for making value addition as well as exercising their judgment to take informed decisions.

During the period under review, the following 4 (four) meetings of the Board of Directors were held on:

- I. 30<sup>th</sup> May, 2017;
- II. 10<sup>th</sup> August, 2017;
- III. 14<sup>th</sup> November, 2017; and
- IV. 14<sup>th</sup> February, 2018

Requisite quorum was present in all the meetings. The intervening period between two Board Meetings was well within the maximum time gap as stipulated under Regulation 17 of the Listing Regulations read with the Act.

Mr. Pulkit Bhasin, Company Secretary of the Company attended all the meetings of the Board and its Committees and was, inter alia, responsible for recording the minutes of the meetings of the Board and its Committees during the year under review.

## **D. Director's Attendance Record and their other Directorships/Committee Memberships:**

As mandated by Regulation 26 of the Listing Regulations, none of the Director is a member of more than 10 (ten) Board level Committees (considering only Audit Committee and Stakeholders Relationship Committee) or Chairman of more than 5 (five) Committees across all public limited companies (listed or unlisted) in which he/she is a Director.

Further, all Directors have informed about their Directorships, Committee Memberships/Chairmanships including any change in their positions.

Relevant details for the financial year 2017-18, in accordance with the requirements of the Listing Regulations are given below:

Sl. No.	Name of the Directors	Attendance at		No. of Directorship in other Public Companies	No. of Committees Positions held in other Public Companies	
		Board Meetings	Last AGM		Chairperson	Member
1.	<sup>1</sup> Mr. Brij Raj Punj	0	No	2	Nil	Nil
2.	Mr. Sham Sunder Dhawan	3	Yes	Nil	Nil	Nil
3.	Mr. Akhter Aziz Siddiqi	4	Yes	Nil	Nil	Nil
4.	Mrs. Bindu Dogra	4	No	Nil	Nil	Nil
5.	Mrs. Ritushri Sharma	4	No	Nil	Nil	Nil
6.	Mr. Arun Kumar Joshi	2	Yes	Nil	Nil	Nil

<sup>1</sup>During the year under review Mr. Brij Raj Punj ceased to be the Chairman & Managing Director of the Company w.e.f. 5<sup>th</sup> December, 2017.

**Notes:**

- A. Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act are excluded for the above purposes.
- B. Only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies are considered for the purpose of reckoning committee positions.

**E. Familiarization Programme**

Your Company has put in place a structured induction and Familiarization Programme for all of its Directors including the Independent Directors. The Company conducts Familiarization Programme for the Independent Directors to provide them an opportunity to familiarize with the Company, its Management and its operations so as to gain a clear understanding of their roles, rights and responsibilities and contribute significantly towards the growth of the Company. They have full opportunity to interact with Senior Management Personnel and are provided with all the documents required and sought by them for enabling them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part.

During the year under review, sessions under the Familiarization Programme for Independent Directors were conducted to apprise the Directors on the activities and operations of the Company and make them aware of the relevant changes in various Acts applicable on the Company. The Familiarization Programme along with the details of the training imparted to Independent Directors during the year are available on the website of the Company and the weblink thereto is <http://fedderselectric.com/uploads/pdf/Familiarization-Programme.pdf>.

**III. BOARD COMMITTEES**

In compliance with the statutory requirements and to focus effectively on the issues and to ensure expedient resolution of the diverse matters, the Board has constituted various committees with specific terms of reference and scope. The Committees are the Board's empowered agents and operate as per their charter/terms of reference.

The Board has currently established the following statutory and non-statutory committees:



## 1. AUDIT COMMITTEE

The Audit Committee is, inter alia, entrusted with the responsibilities to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors.

The composition of the Audit Committee is in alignment with the provisions of section 177 of the Act and Rules framed thereunder and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. The Committee invites the Directors, CFO and Statutory Auditor to attend the meetings of the Committee.

### (a) Terms of reference of the Audit Committee:

The Audit Committee is empowered, pursuant to its terms of reference and its roles inter alia, includes the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Reviewing with the management the quarterly, half-yearly and annual financial statements, standalone as well as consolidated, before submission to the Board for approval;
3. Reviewing the Management Discussion and Analysis Report of the financial condition and results of operations;
4. Reviewing with the management, the Auditor's Report before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report as per Section 134(3)(c) of the Act;
  - b) Changes, if any, in the accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgement by management and significant adjustments made in the financial statements arising out of audit findings;
  - c) Compliance with listing and other legal requirements relating to financial statements;
  - d) Disclosure of any Related Party Transactions (RPTs); and
  - e) Qualifications in the draft Audit Report, if any.
5. Reviewing the financial statements of unlisted subsidiary companies (including joint ventures) and investments made by the unlisted subsidiary companies (including joint ventures);
6. Reviewing and considering the following w.r.t. appointment of Auditors before recommending to the Board:
  - a) qualifications and experience of the individual/firm proposed to be considered for appointment as Auditor;
  - b) whether such qualifications and experience are commensurate with the size and requirements of the Company; and
7. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor, fixing of audit fees and approving payments for any other service;
8. Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
9. Reviewing and approving quarterly and yearly management representation letters to the Statutory Auditor;
10. Reviewing management letters/letters of internal control weaknesses issued by the Statutory Auditors and ensuring suitable follow-up thereon;
11. Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process;
12. Formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
13. Evaluating the internal financial controls and risk management policies/system of the Company;

14. Discussion with the Internal Auditors on Internal Audit Reports relating to internal control weaknesses and any other significant findings and follow-up thereon;
15. Reviewing the internal investigations by the Internal Auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
16. Review and comment upon the report made by the Statutory Auditors (before submission to the Central Government) with regard to any offence involving fraud committed against the Company by its officers/employees;
17. Approval or subsequent modification of transactions of the Company with related parties including appointment and revision in remuneration of related parties to an office or place of profit in the Company, its subsidiary company or associate company;
18. Reviewing the statements of significant related party transactions submitted by the management;
19. Reviewing and Scrutinizing the inter-corporate loans and investments;
20. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy. Overseeing the functioning of the same;
21. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
22. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
23. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
24. Review and approve policy formulated for determination of material subsidiaries;
25. Review and approve policy on materiality of related party transactions and also dealing with related party transactions.
26. Review of statement of deviations:
  - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
  - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of regulation 32 (7) of the Listing Regulations.
27. Valuation of undertakings or assets of the Company, wherever it is necessary.
28. Reviewing such other functions as envisaged under the provisions of Section 177 of the Act read with the Rules made thereunder and the Listing Regulations.

**(b) Composition, Meeting And Attendance**

During the financial year under review, 4 (four) Audit Committee meetings were held on 30<sup>th</sup> May, 2017, 10<sup>th</sup> August, 2017, 14<sup>th</sup> November, 2017, 14<sup>th</sup> February, 2018 respectively. During the year under review, the Audit Committee comprised of 4 (four) Members. The composition and attendance of the Members at the meetings held during the year are as follows:

Name of Directors	Designation	Category of Director	No of meetings held	No. of meetings attended
Mr. Arun Kumar Joshi	Chairperson	Non-Executive Independent Director	4	2
Mrs. Ritushri Sharma	Member	Non-Executive Independent Director	4	4
Mrs. Bindu Dogra	Member	Non-Executive Independent Director	4	4
Mr. Akhter Aziz Siddiqi	Member	Whole-time Director	4	4

Requisite quorum was present in all the meetings.



Mr. Pulkit Bhasin, Company Secretary acted as the Secretary to the Committee during the period under review. Now, Ms. Shagun Bajpai is serving as the Secretary to the Committee. The Chairman of the Audit Committee was present at the last AGM held on 22nd September, 2017 to answer the shareholders' queries.

Currently, the Composition of the Audit Committee is as under:

Name of Directors	Designation	Category of Director
Mr. Vansh Vardhan Joshi	Chairperson	Non-Executive Independent Director
Mr. Sanjiv Kavaljit Singh	Member	Whole-time Director
Ms. Sadhna Syal	Member	Non-Executive Independent Director

## 2. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in compliance with the provisions of Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

The Nomination and Remuneration Committee broadly plays a dual role for determining the composition of the Board based on need and requirements of the Company from time to time and determines the overall compensation framework and policy for Directors, senior management and employees. The Committee further reviews that the human resource practices of the Company are effective in maintaining and retaining a competent workforce.

The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of applicable laws and the Nomination and Remuneration Policy:

(a) Terms of reference of the Nomination and Remuneration Committee:

1. Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, formulation of criteria for evaluation of performance of independent directors and the board of directors;
2. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
3. specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
4. To lay out remuneration principles for Directors, Key Managerial Personnel and Senior Management Personnel linked to their effort, performance and achievement relating to the Company's goals trends and practices that prevail in peer companies across the industry.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. To ensure the Board Diversity by constituting the structure of Board of Directors.

(b) Composition, Meeting And Attendance

The Committee met twice during the year under review on 10<sup>th</sup> August, 2017 and 14<sup>th</sup> February, 2018 respectively. The composition of the Nomination and Remuneration Committee along with the details of the meetings held and attended by the members of the Committee during the year under review is detailed below:

Name of Directors	Designation	Category of Director	No of meetings held	No. of meetings attended
Mrs. Bindu Dogra	Chairperson	Non-Executive Independent Director	2	2
Mrs. Ritushri Sharma	Member	Non-Executive Independent Director	2	2
Mr. Arun Kumar Joshi	Member	Non-Executive Independent Director	2	0

Requisite quorum was present in all the meetings.

Mr. Pulkit Bhasin, Company Secretary acted as the Secretary to the Committee during the period under review. Now, Ms. Shagun Bajpai is serving as the Secretary to the Committee.

Currently the composition of the Nomination & Remuneration Committee of the Company is as under:

Name of Directors	Designation	Category of Director
Ms. Sadhna Syal	Chairperson	Non-Executive Independent Director
Mr. Sanjiv Kavaljit Singh	Member	Whole-time Director
Mr. Vansh Vardhan Joshi	Member	Non-Executive Independent Director

(c) Performance Evaluation Criteria for Independent Directors

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation; the Directors who are subject to evaluation had not participated.

(d) Remuneration Policy

The Remuneration Policy is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The Remuneration Policy of your Company applies to the Directors, Key Managerial Personnel, Senior Management Personnel and other Employees of the Company.

In determining the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees of the Company, a Remuneration Policy has been framed by the Nomination and Remuneration Committee and approved by the Board with the following broad objectives:

- i. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- ii. Motivate Key Managerial Personnel and Senior Management to achieve excellence in their performance.
- iii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iv. Ensuring that the remuneration to Directors, KMP and Senior Management involves a balance between fixed & incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice. This policy is uploaded on the website of the Company i.e. at <http://fedderselectric.com/uploads/pdf/Remuneration-Policy.pdf>.

**DETAILS OF THE REMUNERATION PAID DURING THE FINANCIAL YEAR 2017-18 IS AS MENTIONED BELOW:**

Sl. No.	Name of the Director	Gross Salary (Rs. p.a.)	Perquisites, Provident Fund and other benefits (Rs. p.a.)	Total (Rs. p.a.)
1.	<sup>1</sup> Mr. Brij Raj Punj	6258394.00	445323.00	5813071.00
2.	Mr. Sham Sunder Dhawan	11058916.00	674552.00	10384364.00
3.	Mr. Akhter Aziz Siddiqi	36891626.00	225786.00	3465840.00

<sup>1</sup>Mr. Brij Raj Punj ceased to be the Chairman & Managing Director of the Company w.e.f. 5<sup>th</sup> December, 2017. Henceforth, his remuneration details are of proportionate period.

**NON-EXECUTIVE INDEPENDENT DIRECTORS**

The Company increased the sitting fee to be paid to the Non-Executive Independent Directors from Rs. 15,000/- to Rs. 20,000/- per meeting w.e.f. 10<sup>th</sup> August, 2017 for attending meetings of the Board of Directors of the Company. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

Name of Director	Sitting Fees (Rs.)
Mr. Arun Kumar Joshi	35,000.00
Mrs. Bindu Dogra	75,000.00
Mrs. Ritushri Sharma	75,000.00

The Company does not have any Employee Stock Option Scheme.

**3. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee oversees, inter-alia, redressal of shareholders' and investors' grievances, non-receipt of Annual Report, non-receipt of Dividend, transfer/transmission of shares, issue of duplicate shares, exchange of new design share certificates, recording dematerialisation/rematerialization of shares and related matters.

**(a) Terms of reference of the Stakeholders' Relationship Committee**

The terms of reference of the Committee include enquiring into and redressing complaints of shareholders and investors. The composition of the Stakeholders' Relationship Committee is in compliance with the provisions of the Act read with Rules made thereunder and Regulation 20 read with Part D of Schedule II of the Listing Regulations.

**(b) Composition, Meeting and Attendance**

The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

Name of the Directors	Designation	Category	No. of meetings held	No. of meetings attended
Mrs. Ritushri Sharma	Chairperson	Non-Executive Independent Director	19	19
Mrs. Bindu Dogra	Member	Non-Executive Independent Director	19	19
Mr. Sham Sunder Dhawan	Member	Whole-time Director	19	19

Requisite quorum was present in all the meetings.

Mr. Pulkit Bhasin, Company Secretary being the Compliance Officer took all necessary and immediate steps for investors' grievances.

**Details of Investors' Complaints/requests received & redressed during the year:**

Opening Balance	Received During the year	Resolved During the year	Closing Balance
0	5	5	0

Currently the composition of the Stakeholders' Relationship Committee is as under and Ms. Shagun Bajpai is the Compliance Officer of the Company, handling all investor grievances:

Name of the Directors	Designation	Category
Ms. Sadhna Syal	Member	Non-Executive Independent Director
Mr. Sanjiv Kavaljit Singh	Member	Whole-time Director
Mr. Vansh Vardhan Joshi	Member	Non-Executive Independent Director

Mr. Prabhu Nath Sinha was the Chairperson of the SRC. He resigned from the Company w.e.f. 29<sup>th</sup> August, 2019.

#### 4. COMMITTEE OF BOARD OF DIRECTORS

In line with the provisions of section 179 of the Act, the Company has constituted a Committee of Board of Directors which is entrusted with substantial powers and responsibilities. The Committee is authorized to transact all the businesses which the Board of Directors is empowered to transact except for the transactions that are mandated to be dealt in at the Board Meeting pursuant to the provisions of the Act.

The Committee meets at regular intervals to decide upon the matters of routine nature and the minutes of the Committee meeting held during the quarter are placed before the Board for its consideration and ratification.

##### (a) Terms of reference of the Committee of Board of Directors

In accordance with the provisions of the Act, the Committee of Board of Directors has been authorized to grant powers in connection with day-to-day routine matters such as authorization for various tender purposes, banking matters or any other matters for day to day business operations of the Company for its smooth functioning.

##### (b) Composition, Meeting and Attendance

The composition of the Committee of Board of Directors and the details of meetings attended by its members during the year under review are given below:

Name of the Directors	Designation	Category	No. of meetings held	No. of meetings attended
<sup>3</sup> Mr. Brij Raj Punj	Chairperson	Chairman & Managing Director	9	0
Mr. Sham Sunder Dhawan	Member	Whole-time Director	9	8
Mr. Akhter Aziz Siddiqi	Member	Whole-time Director	9	9
Mr. Arun Kumar Joshi	Member	Non-Executive Independent Director	9	9
<sup>1</sup> Mrs. Bindu Dogra	Member	Non-Executive Independent Director	9	1
<sup>2</sup> Mr. Ritushri Sharma	Member	Non-Executive Independent Director	9	1

<sup>1</sup>Mrs. Bindu Dogra ceased to be a member of the Committee of Board of Directors w.e.f. 30<sup>th</sup> May, 2017.

<sup>2</sup>Mrs. Ritushri Sharma ceased to be a member of the Committee of Board of Directors w.e.f. 30<sup>th</sup> May, 2017.

<sup>3</sup>Mr. Brij Raj Punj ceased to be the Chairperson and member of the Committee of Board of Directors w.e.f. 5<sup>th</sup> December, 2017.

Requisite quorum was present in all the meetings.

Mr. Pulkit Bhasin, Company Secretary acted as the Secretary to the Committee during the period under review.

#### 5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company, as a responsible corporate citizen, strives to enhance value creation in the society and in the community in which it operates. In alignment with the mandatory provisions under section 135 of the Act, a Committee has been constituted to guide the Company in undertaking CSR activities in a focused and structured manner and review CSR Policy from time to time. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of "Corporate Social Responsibility Policy", observe practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary.

##### (a) Terms of reference of the Committee

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in compliance with the Act and rules framed thereunder.
- Recommend the amount of expenditure to be incurred on the activities as above.
- Monitor the CSR Policy of the Company from time to time.

**(b) Composition, Meeting and Attendance**

The composition of the CSR Committee and the details of meetings attended by its members are given below:

Name of Directors	Designation	Position	No. of meetings held	No. of meetings attended
Mr. Sham Sunder Dhawan	Whole-time Director	Chairperson	2	2
Mrs. Ritushri Sharma	Non-Executive Independent Director	Member	2	2
Mrs. Bindu Dogra	Non-Executive Independent Director	Member	2	2
Mr. Akhter Aziz Siddiqi	Whole-time Director	Member	2	2

Currently, the composition of the Corporate Social Responsibility Committee of the Company is as under:

Name of Directors	Designation	Category
Sanjiv Kavaljit Singh	Chairperson	Whole-time Director
Ms. Sadhna Syal	Member	Non-Executive Independent Director
Mr. Vansh Vardhan Joshi	Member	Non-Executive Independent Director

**IV. GENERAL BODY MEETINGS**
**• DETAILS OF THE LAST 3 ANNUAL GENERAL MEETINGS OF THE COMPANY**

FINANCIAL YEAR	LOCATION(S)	MEETING DATE	TIME
2016-2017	Regd. Office: 6 and 6/1, UPSIDC Industrial Area, Sikandrabad, District Bulandshahr, Uttar Pradesh-203205.	22 <sup>nd</sup> September, 2017	09.30 A.M.
2015-2016	Regd. Office: 6 and 6/1, UPSIDC Industrial Area, Sikandrabad, District Bulandshahr, Uttar Pradesh-203205.	27 <sup>th</sup> August, 2016	09.30 A.M.
2014-2015	Regd. Office: 6 and 6/1, UPSIDC Industrial Area, Sikandrabad, District Bulandshahr, Uttar Pradesh-203205.	25 <sup>th</sup> September, 2015	09.30 A.M.

**• DETAILS OF THE SPECIAL RESOLUTIONS PASSED DURING PREVIOUS THREE ANNUAL GENERAL MEETINGS**

The Shareholders passed a Special Resolution in the 61<sup>st</sup> Annual General Meeting held on 22<sup>nd</sup> September, 2017 to approve the re-appointment of Mr. Brij Raj Punj (DIN: 00080956) as the Managing Director of the Company and payment of remuneration thereof.

**• DETAILS OF THE SPECIAL RESOLUTIONS PASSED DURING THE LAST FINANCIAL YEAR THROUGH POSTAL BALLOT**

During the previous year, pursuant to Section 110 of the Act read with the Companies (Management and Administration) Rules, 2014 (including any statutory amendment(s) or re-enactment(s) thereof made thereunder), the Company passed the following resolutions through the Postal Ballot process:

**Resolution No. 1: Sale of Brand Name, Logo, Trade Mark or any other Intellectual Property Rights associated with “LLOYD” and/or “Lloyd” by the Company**

Category	No. of Shares	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
Promoter and Promoter Group	17661682	17651682	99.94	17651682	-	100	-
Public Institutional Investor	40747	-	-	-	-	-	-
Public Others	16267271	3128385	19.23	3109122	19263	99.38	0.62
<b>Total</b>	<b>33969700</b>	<b>20780267</b>	<b>61.17</b>	<b>20780267</b>	<b>19263</b>	<b>99.91</b>	<b>0.09</b>

**Resolution No. 2: Ceasing of Usage of the Brand “LLOYD” and/or “Lloyd” and Change of Name of the Company**

Category	No. of Shares	No. of votes polled	% of votes polled on outstanding shares	No. of votes in favour	No. of votes against	% of votes in favour on votes polled	% of votes against on votes polled
Promoter and Promoter Group	17661682	17651682	99.94	17651682	-	100	-
Public Institutional Investor	40747	-	-	-	-	-	-
Public Others	16267271	3128487	19.23	3109092	19595	99.37	0.63
<b>Total</b>	<b>33969700</b>	<b>20780369</b>	<b>61.17</b>	<b>20760774</b>	<b>19595</b>	<b>99.91</b>	<b>0.09</b>

The Company successfully completed the process of obtaining approval from its shareholders on 23<sup>rd</sup> March, 2017 for special resolutions on the items detailed above, vide postal ballot.

No Special Resolution is proposed to be passed through Postal Ballot as on the date of this Report.

Mr. Sanjay Chugh, Practicing Company Secretary was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

- **PROCEDURE FOR POSTAL BALLOT**

In compliance with the provisions of Sections 108, 110 and other applicable provisions of the Act read with the Rules made thereunder, the Company provided remote electronic voting (e-voting) facility to all its members.

The Company engaged the services of National Securities Depository Limited (“NSDL”) for the purpose of providing remote e-voting facility to all its members. The members have the option to vote either by physical ballot or through remote e-voting. The Company dispatches the postal ballot notices and forms along with prepaid postage business reply envelopes to its members whose names appear on the Register of Members/List of Beneficiaries as on cut-off date. The Postal Ballot Notice is sent to members in electronic form to the Email addresses registered with the Depository Participants/Company’s Registrar & Transfer Agents. The Company also publishes a notice in the newspapers declaring the details of completion of dispatch and other requirements under the Act and the Rules issued thereunder.

Voting rights are reckoned on the paid-up value of shares of the Company in the names of the shareholders as on the cut-off date. Members desiring to vote through physical ballot are requested to return the forms, duly completed and signed so as to reach the Scrutinizer before the close of the voting period. Members desirous of exercising their voting rights by electronic mode are requested to vote before the close of business hours on the last date of remote e-voting.

The Scrutinizer submits his report to the Chairman or in his absence to any other Director as authorized by the Chairman after completion of scrutiny of votes cast through Postal Ballot Forms and remote e-voting, after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman/authorized officials of the

Company. The results of the Postal Ballot along with the Scrutinizer's Report will be displayed on the website of the Company- [www.feddersselectric.com](http://www.feddersselectric.com), at the Registered and the Corporate Offices of the Company respectively, communicated to the Stock Exchanges and uploaded on the National Securities Depository Limited's website-[www.evoting.nsdl.com](http://www.evoting.nsdl.com).

The date of declaration of results of Postal Ballot shall be the date on which the resolution would deem to have been passed, if approved by requisite majority.

## V. MEANS OF COMMUNICATION

Timely disclosure of the information on corporate financial performance and the corporate developments is a sign of good governance practice, which the Company follows:

### o Publication of quarterly results:

Quarterly, half-yearly and annual financial results of the Company were published in leading English and vernacular language newspaper.

### o Website and News Releases:

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors Relations' on the Company's website [www.feddersselectric.com](http://www.feddersselectric.com) gives information on various announcements made by the Company, status of unclaimed dividend, stock quotes, Annual Reports, Quarterly/Half-yearly/Annual financial results along with the applicable policies of the Company. Your Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website.

### o Stock Exchanges:

Your Company makes timely disclosures of necessary information to BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") in terms of the Listing Regulations and other rules and regulations issued by the Securities and Exchange Board of India ("SEBI").

### o NEAPS (NSE Electronic Application Processing System), BSE Corporate Compliance & the Listing Centre:

NEAPS and BSE Listing Centre are web-based applications designed by NSE and BSE respectively, for the Corporates to electronically file all compliance related filings, inter alia, Shareholding Pattern, Corporate Governance Report, corporate announcements, amongst others in accordance with the Rules, Regulations and Guidelines issued by SEBI.

### o SCORES (SEBI Complaints Redress System)

SCORES is a web-based centralized system provided by SEBI to the investors to lodge complaints against listed companies and registered intermediaries and is available 24\*7. It facilitates redressal of investor grievances in a speedy manner. The complainant may use SCORES portal to submit the grievance directly to companies/ intermediaries and the complaint shall be forwarded to the entity for resolution. The entity is required to redress the grievance within 30 days, failing which the complaint shall be registered in SCORES.

### o Exclusive Email ID for investors

The Company has designated the Email ID [investor.relations@feddersselectric.com](mailto:investor.relations@feddersselectric.com) exclusively for investor servicing, and the same is prominently displayed on the Company's website.

## VI. CODE OF CONDUCT

Code of Conduct is a comprehensive document that serves as the ethical road map for the employees and the Company. It also, inter alia, governs the conduct of business in consonance with national interest, fair and accurate presentation of financial statements, being an employer providing equal opportunities to its employees, prohibition on acceptance of gifts and donations that can be intended or perceived to obtain business or uncompetitive favors, practicing political non-alignment, safe and healthy environment for its people, maintaining quality of products and services, being a good corporate citizen, ethical conduct and commitment for enhancement of stakeholder's value. The Company has a Code of Conduct for the Company for its employees to abide by, placed on the website of the Company [www.feddersselectric.com](http://www.feddersselectric.com).

The Company also has a Code of Conduct for its Board Members and Senior Management Personnel pursuant to the provisions of the Act and as per Regulation 17 of the Listing Regulations. The Code of Conduct for Board Members and Senior Management Personnel has been placed on the Company's website. All Directors and Senior Management

Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31<sup>st</sup> March, 2018. A declaration to this effect signed by the Chief Executive Officer forms a part of this Annual Report.

## VII. DISCLOSURES

### a) Related Party Transactions

There were no materially significant related party transactions i.e. transactions by the Company of material nature with the related parties which could conflict with the interests of the Company. All transactions entered into by the Company with related parties, during the financial year 2017-18, were in ordinary course of business and on arm's length basis. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

Also, the related party transactions undertaken by your Company were in compliance with the provisions set out in the Act and Regulation 23 of the Listing Regulations.

The policy on related party transactions has been placed on the Company's website [www.fedderselectric.com](http://www.fedderselectric.com) and can be accessed through the following link: <http://fedderselectric.com/uploads/pdf/Policy-on-Related-Party-Transactions.pdf>

The Company has adopted policy for determination of 'material subsidiary' and the same has been posted on the Company's website [www.fedderselectric.com](http://www.fedderselectric.com) and can be accessed through the following link: <http://fedderselectric.com/uploads/pdf/Policy-for-Material-Subsidiaries.pdf>

### b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

However, the Company was fined by the Stock Exchanges for non-submission of Financial Results for the quarter and financial year ended 31<sup>st</sup> March, 2018 in accordance with Regulation 33 of the Listing Regulations.

### c) Whistle Blower Policy/Vigil Mechanism

Your Company believes in conducting its business and working with all its stakeholders, including employees, customers, suppliers and shareholders in an ethical and lawful manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Your Company prohibits any kind of discrimination, harassment, victimization or any other unfair practice being adopted against an employee. In accordance with Listing Regulations and provisions of the Act, your Company has adopted a Whistle Blower Policy with an objective to provide its employees a vigil mechanism whereby concerns can be raised in line with the Company's commitment to highest standards of ethical, moral and legal business conduct and its commitment to open communication.

During the financial year ended 31<sup>st</sup> March, 2018, no personnel have been denied access to the Chairman of the Audit Committee of the Company.

### d) Disclosure of Accounting Treatment

Pursuant to the Notification of Ministry of Corporate Affairs ("MCA") on 16<sup>th</sup> February, 2015, Companies (Indian Accounting Standards) Rules, 2015 ("IND-AS") came into existence which later on came into force with effect from 1<sup>st</sup> April, 2015. In accordance with the Guidelines issued by MCA and SEBI vide circular CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July, 2016, the Company was mandatorily required to prepare its financial statements along with the financial results for the accounting period beginning from 1<sup>st</sup> April, 2017 in accordance with IND-AS as notified by the MCA.

Therefore, during the year under review, the Company has adopted IND-AS in the preparation of financial statements and has not adopted a treatment different from that prescribed under it.

### e) Reconciliation of Share Capital Audit

Mr. Sanjay Chugh, a qualified Practicing Company Secretary carried out a quarterly Share Capital Audit for the purpose of reconciliation of Share Capital held with the National Securities Depository Limited (NSDL) and the Central Depository



Services (India) Limited (CDSL) and in physical form with the issued/listed capital during the period under review. The audit report 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 dematerialized shares held with NSDL and CDSL.

**f) Compliance with mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

The Corporate Governance Report of the Company for the financial ended 31<sup>st</sup> March, 2018 is in compliance with the requirements of the Listing Regulations.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations.

**DISCRETIONARY REQUIREMENTS**

**A. The Board**

During the year under review, the Company had Late Mr. Brij Raj Punj as an Executive Chairperson upto 5<sup>th</sup> December, 2018, henceforth no office for the Chairperson was required to be maintained at the Company's expense. There was no reimbursement of expenses to the Chairperson in performance of his duties. Subsequently, there being no statutory requirement to designate any Director as the Chairperson of the Company, the Board elects its Chairperson amongst the Directors present in every Board Meeting.

**B. Shareholders' Rights**

As the Company's quarterly results are published in an English newspaper having a circulation all over India and in a Hindi newspaper having a circulation in the region of National Capital Territory of Delhi and also uploaded on the Company's website [www.fedderelectric.com](http://www.fedderelectric.com), the half-yearly declaration of financial performance is not sent separately to each household of shareholders of the Company.

**C. Modified Opinion in Audit Report**

Statutory Auditors have given a Disclaimer of Opinion in their Audit Report for the year. The Board comments on the Disclaimer and qualifications made by them are available in the Board Report.

**D. Separate posts of Chairperson and CEO**

Late Mr. Brij Raj Punj served as the Executive Chairperson of the Company and was also appointed as the Managing Director of the Company. Subsequent to his death, the Board elects a Chairperson to preside over every Meeting amongst the Members present.

Currently, Mr. Sanjiv Kavaljit Singh is the Whole-time Director & Chief Executive Officer of the Company.

**E. Reporting of Internal Auditors**

The Report of the Internal Auditors is placed before the Audit Committee on periodical basis.

**VIII. GENERAL SHAREHOLDERS INFORMATION**

1	<b>Annual General Meeting</b>	
	Date	8 <sup>th</sup> November, 2019
	Time	09:00 A.M.
	Venue	At the Registered Office of the Company situated at 6 and 6/1, UPSIDC Industrial Area, Sikandrabad, District Bulandshahr- 203205, Uttar Pradesh
2	<b>Financial Year</b>	1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018
3	<b>Date of Book Closure</b>	2 <sup>nd</sup> November, 2019 to 8 <sup>th</sup> November, 2019
4	<b>Date of Dividend Payment</b>	N.A.

5	<b>Name and address of Stock Exchanges at which Company's securities are listed;</b>	<p><b>BSE Limited ("BSE")</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001</p> <p><b>National Stock Exchange of India Limited ("NSE")</b> Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051</p>
6	<b>Stock Code/ Symbol</b>	<p>BSE : 500139 NSE : FEDDERELEC ISIN No.: INE249C01011</p>
7	<b>Listing Fees to Stock exchanges</b>	The Company has paid the Annual Listing Fees for the financial year 2018-19 to the above Stock Exchanges.
8	<b>Custodial Fees to Depositories</b>	The Company has paid custodial fees for the financial year 2018-19 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

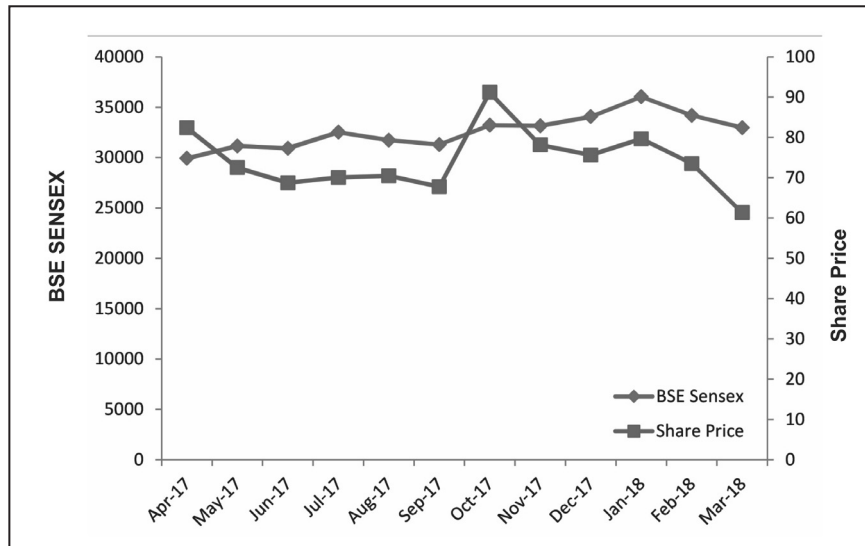
**IX. MARKET PRICE DATA:**

Monthly high and low of the Equity Shares of the Company at BSE and NSE during the year ended 31<sup>st</sup> March, 2018 are as follows:

Months during the financial year ended 31 <sup>st</sup> March, 2018	BSE		NSE	
	High (Rs./share)	Low (Rs./share)	High (Rs./share)	Low (Rs./share)
April, 2017	89.20	80.80	89.20	80.25
May, 2017	84.95	71.30	84.50	70.50
June, 2017	78.00	68.00	76.20	68.15
July, 2017	76.40	68.00	76.25	69.05
August, 2017	71.00	59.25	70.95	59.20
September, 2017	77.05	65.70	77.00	65.50
October, 2017	96.25	68.60	96.60	69.05
November, 2017	92.50	76.60	92.30	76.80
December, 2017	84.60	72.00	85.10	72.00
January, 2018	88.55	75.60	88.60	75.50
February, 2018	79.40	66.00	79.80	65.25
March, 2018	73.35	60.15	75.15	60.85

Source: BSE and NSE website.

**The performance comparison of the Company's Share Price with BSE Sensex.**



**X. SHARE TRANSFER SYSTEM**

The Company has appointed Skyline Financial Services Private Limited as the Registrar and Share Transfer Agent (“RTA”) of the Company. The work related to share transfer in terms of both physical and electronic mode is being dealt at single point by the RTA. After the completion of preliminary formalities of transfer/transmission by the RTA, the approval of transfer of shares in the physical form is given by the Stakeholders’ Relationship Committee (“SRC”) of the Board of Directors.

The SRC meets periodically to inter alia approve the Share Transfer(s) etc. The Company has complied with the provisions of the requisite guidelines issued by the regulatory authorities in respect of the transfer of shares and other related matters. The share transfers, which are received in physical form, are processed and the share certificates are duly returned within 15 (fifteen) days of lodgment, subject to the documents being valid and complete in all respects.

The Company obtains a half-yearly Compliance Certificate from a Company Secretary in practice to the effect that all certificates have been issued within 30 (thirty) days of the date of valid lodgement of transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with the Stock Exchanges.

However, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, notified on 8<sup>th</sup> June, 2018, the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. The said amendment shall come into force on the one hundred and eightieth day from the date of its publication in the Official Gazette i.e. 5<sup>th</sup> December, 2018. All the Shareholders holding shares in physical form have been duly informed of the said amendment in accordance with the Circulars issued by the Stock Exchanges.

**XI. UNCLAIMED/UNPAID DIVIDEND**

As per the provisions of Section 124 of the Act, dividends unclaimed for a period of 7 (seven) years statutorily gets transferred to the Investor Education and Protection Fund (“IEPF”) administered by the Central Government and thereafter cannot be claimed by the investors from the Company. The unclaimed dividend up to the financial year 2009-10 has been duly transferred to the IEPF and hence, there is no claim on the Company in respect of the same.

The dividend for the subsequent years remaining unclaimed for 7 (seven) years will be transferred by the Company to the IEPF according to the schedule given below. Shareholders who have not so far claimed their dividend warrant(s) or have not received the same are requested to make an application to the Company for payment of the same. Once the unclaimed dividend is transferred to the IEPF, no claim shall lie on the Company in respect of the same.

Financial Year	Date of declaration	Due date for transfer to IEPF
2011-2012 (Final Dividend)	27 <sup>th</sup> December, 2012	27 <sup>th</sup> January, 2020
2012-2013 (Final Dividend)	11 <sup>th</sup> December, 2013	11 <sup>th</sup> January, 2021
2013-2014 (Final Dividend)	30 <sup>th</sup> October, 2014	30 <sup>th</sup> November, 2021
2014-2015 (Final Dividend)	25 <sup>th</sup> September, 2015	25 <sup>th</sup> October, 2022
2015-2016 (Final Dividend)	27 <sup>th</sup> August, 2016	27 <sup>th</sup> September, 2023
2016-2017 (Final Dividend)	22 <sup>nd</sup> September, 2017	22 <sup>nd</sup> October, 2024

**MANDATORY TRANSFER OF SHARES TO DEMAT ACCOUNT OF INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY (“IEPF”) IN CASE OF UNPAID/ UNCLAIMED DIVIDEND ON SHARES FOR A CONSECUTIVE PERIOD OF SEVEN YEARS**

In terms of Section 124(6) of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”) (as amended from time to time), shares on which dividend has not been paid or claimed by a shareholder for a period of 7 (seven) consecutive years or more shall be credited to the Demat Account of the IEPF Authority within a period of 30 (thirty) days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, including the Dividend paid by the Company in the subsequent years, accruing on such shares shall also be credited to IEPF and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which will be transferred to the Demat Account of IEPF Authority can be claimed back by the shareholder from IEPF by following the procedure prescribed under the aforesaid rules.

Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

In accordance with the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement.

In terms of the provisions of IEPF Rules 3,66,863 shares were transferred during the financial year 2017-18 to the Demat Account of the IEPF Authority. Further, the Company has issued notices to the Shareholders who have unpaid and unclaimed amounts lying with the Company for more than 7 (seven) years, whose shares are liable to be transferred to the IEPF Authority. The details of such shares are available on the Company’s website.

**XII. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> MARCH, 2018**

No. of Shares held of Nominal Value of Rs. 10 each	Shareholders		Total Shares	
	Number	% to Total	No. of Shares Held	% to Total
(1)	(2)	(3)	(4)	(5)
Upto 5000	29860	98.78	10081333	29.68
5001   10,000	214	0.71	1543558	4.54
10,001   20,000	79	0.26	1125997	3.31
20,001   30,000	23	0.08	586678	1.73
30,001   40,000	14	0.05	495466	1.46
40,001   50,000	8	0.03	377291	1.11
50,001   1,00,000	12	0.04	819549	2.41
1,00,001 and Above	20	0.07	18939828	55.76
<b>TOTAL</b>	<b>30230</b>	<b>100</b>	<b>339697000</b>	<b>100</b>

**XIII. DEMATERIALIZATION OF SHARES AND LIQUIDITY**

The Company has established connectivity with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through its Registrar & Share Transfer Agent- Skyline Financial Services (P) Ltd. This has facilitated the shareholders to hold and trade their shares in ‘electronic form’. As on 31<sup>st</sup> March, 2018, 3,34,11,887 equity shares of the Company, forming 98.36% of the shareholding stand dematerialized.

#### **XIV. GREEN INITIATIVE IN CORPORATE GOVERNANCE**

As a continuing endeavor towards the 'Go Green' initiative, the Company proposes to send future correspondence and documents such as Notice of the General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report etc. in electronic form, to the E-mail addresses as provided by the Members and made available to us by the Depositories. For Members who have not registered their E-mail addresses, physical copies are being sent by the permitted mode.

In compliance with the provisions of Section 108 of the Act read with the Rules framed thereunder and as per the provisions of the Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the remote e-voting services provided by NSDL, on all the resolutions set forth in the Notice.

#### **XV. COMMODITY PRICE RISK**

During the year under review, the Company has managed the foreign exchange risk and hedging risk to the extent considered necessary.

#### **XVI. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

- a. Number of complaints filed during the financial year- NIL
- b. Number of complaints disposed of during the financial year- NIL
- c. Number of complaints pending as on end of the financial year- NIL

#### **XVII. PLANT LOCATIONS**

- a. Plot No. 6 and 6/1, UPSIDC Industrial Area, Sikandrabad- 203205, Uttar Pradesh
- b. C-4, Phase- II, Noida Dist. Gautam Budhh Nagar, Uttar Pradesh- 201305
- c. 836, 837, Jambusar- Bharuch Road, Village-Magnad, Dist. Bharuch, Gujarat 392150.
- d. Saketi Road, Industrial Area, Kala Amb, Tehsil Nahan, Dist. Simor, Himanchal Pradesh
- e. S-23 & 24, Phase-III, SIPCOT Industrial Complex, Mukundarayapuram, Ranipet-632405
- f. Plant No. 24, Sector 2, IIE Pantnagar, Dist. Udham Singh Nagar, Uttarakhand

#### **OVERSEAS SUBSIDIARY:**

Fedders Lloyd Trading FZE  
P.O. Box No. 331007, Ras Al Kaimah,  
United Arab Emirates

Fedders Lloyd Nigeria Limited  
Plot No. 1392, Cadastral Zone B2,  
Katampe District, Abuja, Nigeria

#### **XVII. ADDRESS FOR CORRESPONDENCE**

##### **Corporate Office**

##### **INVESTOR RELATIONS DEPARTMENT**

C-4, Noida Phase-II

Gautam Budh Nagar-201305, Uttar Pradesh

Tel No.:+ 91-120-4258918

E mail id: [investor.relations@feddersselectric.com](mailto:investor.relations@feddersselectric.com)

Website: [www.feddersselectric.com](http://www.feddersselectric.com)

##### **Registrar & Share Transfer Agent**

##### **SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**

D-153 A, First Floor,

Okhla Industrial Area, Phase-I, New Delhi- 110020

Tel No.: +91-11-26812682, 26812683, 84

Fax: +91-11-26812684

E mail ID: [admin@skylinerta.com](mailto:admin@skylinerta.com)

Website: [www.skylinerta.com](http://www.skylinerta.com)

#### **COMPLIANCE OFFICER**

Ms. Shagun Bajpai

Company Secretary

ICSI Membership No.: A45982

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report covering segment-wise performance and outlook is given below:

### INDIAN ECONOMY

The Indian economy slowed down a bit at around 6.5 per cent GDP in 2017-18, after registering a GDP growth of over 7 per cent for the third year in succession in 2016-17. This is slightly lower than the range of 6.5 per cent to 6.75 per cent being currently projected based on recent developments. Despite this lower growth for 2017-18, GDP growth has averaged 7.3 per cent for the period from 2014-15 to 2017-18, which is the highest among the major economies of the world. That this growth has been achieved against the backdrop of lower inflation, improved current account balance and notable reduction in the fiscal deficit to GDP ratio makes it all the more creditable. Demonetisation that emerged as the biggest economic reform in the previous year left its mark on the current year also. In addition to the introduction of GST, the year also witnessed significant steps being undertaken towards resolution of problems associated with non-performing assets of the banks, further liberalization of FDI, etc., thus strengthening the momentum of reforms. After remaining in negative territory for a couple of years, growth of exports rebounded into positive one during 2016-17 and strengthened further in 2017-18.

Make in India, Digital India, Skill India, Rural Electrification Drive, Smart Cities Mission, impetus on infrastructure, rising disposable income, low inflationary pressures, implementation of the Seventh Pay Commission, recovery in exports and private investments resulted in FY 2017-18 witnessing robust growth. Retail inflation eased to a five-month low in March 2018 to 4.28%, but remained above Reserve Bank of India's (RBI) medium-term target.

Major risks to the economy may come from oil prices and growing tendency of protectionism around the world, triggered by US's so-called reciprocal taxes. However, domestic factors, including from adjustments to the GST, would play a greater role.

The International Monetary Fund (IMF) has said that India could grow at 7.4% in the current year 2018, as against China's 6.8%, making it the fastest growing country among emerging economies. Notably, the International Monetary Fund has projected a 7.8% growth rate for India in 2019.

### GLOBAL ECONOMIC OVERVIEW

It has been a tumultuous year marked by natural disasters, geopolitical tensions, and deep political divisions in many countries.

On the economic front, however, 2017 is ended on a high note, with GDP continuing to accelerate over much of the world in the broadest cyclical upswing since the start of the decade.

One notable aspect of last year's upswing is its breadth. Growth accelerated in about three quarters of countries—the highest share since 2010. Even more important, some of the countries that had high unemployment for some time, for example, several in the euro area, are participating in the growth surge and experiencing strong employment growth. Some of the larger emerging market economies, such as Argentina, Brazil, and Russia, exited their recessions. Still, in per capita terms, growth in almost half of emerging market and developing economies—especially the smaller ones—lagged behind advanced economies, and almost a quarter have seen declines. Countries that struggled included fuel exporters and low-income economies suffering from civil strife or natural disasters.

Boosted by a recovery in investment, global trade growth rebounded from its slowest pace since 2001, other than during the recession of 2009. Weak capital spending in the energy sector had been an important contributor to the weakness in global investment in 2016.

Reveries of an economic sweet spot should not lull policymakers or markets into complacency. Good times are most likely temporary. To ensure a more durable recovery, policymakers must seize the opportunity for reform.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr. Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020. The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 4.34 per cent during FY12 and FY18 as per the second advance estimates of annual national income published by the Government of India. During April-September 2018, GVA from manufacturing at current prices grew 14.8 per cent year-on-year to Rs 138.99 trillion (US\$ 198.05 billion). Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy. India exports its engineering goods mostly to the US and Europe, which accounts for over 60 per cent of the total exports. Engineering exports for the period of FY19 were US\$ 81.02 billion as against US\$ 76.20 million in the same period previous year. Exports of electrical machinery and equipment grew at a CAGR of 7.00 per cent during FY10-18 to reach US\$ 6.7 billion in FY18. The Foreign Direct Investment (FDI) inflows into India's miscellaneous mechanical and engineering industries during April 2000 to March 2019 stood at around US\$ 3.58 billion, as per data released by the Department for Promotion of Industry and Internal Trade (DPIIT).

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development. In 2018, India ranked 44<sup>th</sup> out of 167 countries in World Bank's Logistics Performance Index (LPI) 2018. Favorable valuations make the sector an attractive opportunity. Also, increasing impetus to develop infrastructure in the Country is attracting major global players making this sector as one of the largest receivers of FDI Inflows in India.

Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required. With consistent efforts, the Power Sector in India has achieved a capacity addition of 9.505 GW in conventional power and 11.778 GW of Renewable power during the year 2017-18 raising the Installed Generation Capacity to around 344 GW.

HVAC systems are becoming one of the key building blocks in modern infrastructure. Rise in infrastructure, rapid urbanization and growth in commercial properties are some of the key factors fuelling the market for HVAC systems in India. With healthy growth anticipated in the real estate sector, the country is expected to witness strong infrastructure development, which would boost the market for HVAC systems over the next five years.

## **SEGMENT-WISE PERFORMANCE AND BUSINESS OUTLOOK**

The Company's strategy for longer term growth has been to continually expand its addressable market by investing in newer geographies and newer industry verticals. Accordingly, the Company's business is broadly classified into following three segments:

### **1. STEEL STRUCTURES & ENGINEERING**

The Steel Structures & Engineering business of the Company is equipped with highly experienced engineers and "State of the Art" manufacturing facilities with ultramodern plants and machineries for designing any prefabricated structure with latest design and technology. The Company provides onsite fabrication of steel structures, erection, installation, supply, prefabrication of structural steel components at the fabrication facilities for large industrial projects such as Power, Refineries, Steel, Fertilizer, Railways, Petrochemical projects, Pre-engineered structure for metro stations, structural sheds, Metro Depots and Special Spans in Steel Structure. The Company undertakes Turnkey Projects for designing, engineering, supplying and commissioning of complete Pre-Engineered Building Solutions.

During the period under review, the Steel Structures & Engineering segment of the Company registered the Revenue of Rs. 994.98 Crores which represents 80.22% of total revenue generated by the Company.

### **2. POWER PROJECTS**

The Power Project Division of the Company ("Power Division"), inter-alia, functions in Domestic and International markets for execution of projects for Power Transmission & Distribution and setting up of Sub-stations as an EPC Contractor. The Company has assembled unrivalled skills in the Power Sector and is eligible and qualified in Power Grid Corporation of India Limited ("PGCIL") and other Utilities to execute the transmission lines and sub-stations upto 800 KV Level AC and DC supply. During the period under review, the Company performed relentlessly for completion of the distribution projects awarded by various state utilities. The Company also actively participated in bidding process to garner various Power Projects in its best interest.

The Company also has an expertise in design, supply, erection, testing & commissioning of 25KV single phase, 50 Hz, Traction Overhead Equipment, Switching Stations, Booster Transformer Stations and LT Supply Transformer Stations including foundations, structures and ancillary equipment. The Company has completed various Sub sectioning post, feeding posts and Sub sectioning and paralleling posts for Indian Railways. During the period under review, the Company has successfully completed several key projects for designing, drawing, supplying, erection, testing & commissioning of Overhead Electrification Lines awarded by Indian Railways.

During the period under review, the Power Projects segment of the Company registered the Revenue of Rs. 213.65 Crores which represents 17.22% of total revenue generated by the Company.

### 3. ENVIRONMENTAL CONTROL SYSTEMS

The key trends in the Heating, Ventilation and Air Conditioning (“HVAC”) industry are energy savings and precision system control which has led to the use of adjustable frequency drives in HVAC systems today. The HVAC system is designed to reduce energy consumption while maintaining the interior conditions at a comfortable level to keep occupants healthy & productive.

One of the Company’s key objectives is to become a leading organization for manufacturing of World Class HVAC Equipments like Air Handling Units, Fan Coil Units, Air Distribution Products etc. and ensuring healthy environment. The Company pursues energy efficiency aggressively and implements more environmental friendly solutions in the HVAC sector. The Company’s environmental control systems division primarily provides the HVAC Equipment to Defence, Railways, Telecom and other specialized application segments, which includes designing, manufacture and supply of Air Handling Units, Fan Coil Units, Air Distribution products, Ventilation Units, etc. used mainly in Commercial Space, Shopping Malls, Buildings, Theaters, Auditoriums, Schools, Universities, Libraries, Temples, Hospitals, IT Industry, Airport, Hotels, etc. Fedders Electric is the only Indian Company which has provided Air Conditioning solution for Main Battle Tank.

During the year under review, the Company executed orders for Air Conditioning System for Rail Coaches. During the period under review, the Environment Control Systems segment of the Company registered the Revenue of Rs. 31.66 Crores which represents 2.55% of total revenue generated by the Company.

### OPPORTUNITIES, RISKS AND CONCERNS

The Indian steel sector growth has been driven by the domestic availability of raw materials such as iron ore and easy availability of cost effective labour. Steel sector has thus emerged as a major contributor to India’s manufacturing output. The industry is technologically advanced with state-of-the-art steel mills. There has been continuous modernisation and up-gradation of older plants and improvement in energy efficiency levels. Steel demand in emerging and developing economies (excl. China) is expected to increase by 4.9% in 2018 and 4.5% in 2019. Large scale Infrastructure expansion plans for 12<sup>th</sup> five year plan (FY 12-17) and raising per capita steel consumption in India promises unprecedented growth potential on Indian Manufacturing Industry during next 10 years.

As an integral part of Urbanisation, more than 550 km of Metro Rail projects and 381 km of regional rapid transport systems are under planning and consideration. The Ministry is also in the process of forming a new Metro Policy to promote construction of Metro lines under different financing and administrative models. Accordingly, the Company has plans to facilitate in execution of such projects for urbanisation.

The Indian manufacturing sector, for the last two to three years, has been facing challenges despite the continuous effort of the government to boost manufacturing and generate employment through ‘Make in India’ and ‘Skill India’ initiatives, alongwith reforms for improving the ease of doing business. However, the situation is not only linked to the government policies and is also attributed to increased global uncertainty, impacting the manufacturing sector. Further, the subdued demand scenario has kept the domestic and foreign players from making any fresh investments. Volatility in commodity prices and general uncertainty has impacted business environment across the globe and recovery pace in both mature and emerging markets.

Higher demand for energy has led to increasing capacity additions for power generation that, in turn, boosted demand for power generation & transmission. India’s power demand is expected to rise up to 1,905 TWh by FY 22. To meet the rising electricity demand, the Central Government plans to expedite market opportunity of US\$ 14.94 billion for power transmission. Private sector companies are being encouraged to participate in rail projects, which were largely in the public domain. The Cabinet approved ‘participative models for rail-connectivity & capacity augmented projects’, which allows private ownership of some railway lines. The Government proposes to complete electrification of 4000 km of track in the next 3 years.

There are enormous investment opportunities for private players across the entire power sector value chain consisting of generation, transmission, and distribution, and in various infrastructure projects. Therefore, the entry of more private players into the power sector has resulted in increased competition.

The HVAC market in India is forecast to reach USD 3.97 billion by 2019. Growth in retail, hospitality and commercial sectors is significantly boosting the demand for such systems in the country, as these sectors involve large-scale application of HVAC systems in organized retail outlets, shopping complexes, hotels, etc. Moreover, with anticipated growth in FDI (Foreign Direct Investment), several international players are expected to enter and start operations in the Indian retail market. Driven by strong FDI inflow from multinational food processing companies, the retail market in India is projected to reach USD 726.62 billion by 2019, which is expected to further fuel the country’s HVAC market.

Risk management at Fedders Electric is an enterprise-wide function and a holistic approach has been adopted based on Enterprise Risk Management (ERM) Framework. The framework encompasses practices relating to identification, assessment, monitoring and mitigation of various risks towards achievement of business objectives. The ERM is aimed at dealing with uncertainty and



to minimize adverse risk impact on business objectives and enables the Company to leverage business opportunities effectively. The Company relentlessly endeavours not only to minimize risks but convert them into business opportunities that allow it to maximize returns for shareholders from diverse situations. The Company has aligned risk management process with every part of the critical business processes to ensure that the processes are designed & operated effectively towards the achievement of business objectives.

Risks are identified & assessed across all key business functions in a holistic manner.

#### **INTERNAL CONTROL SYSTEMS AND ADEQUACY**

The Company's philosophy towards internal controls is based on the principle of healthy growth with a proactive approach to risk management. The Company has a proper and adequate system of Internal Control to ensure all the assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. The Internal Control is supplemented by an extensive program of internal audits, review by management and procedures. It is designed to ensure that the financial and other records are reliable for preparing financial statements, other data and for maintaining accountability of assets. The Company ensures adherence to all statutes.

#### **FINANCIAL PERFORMANCE**

The Financial Performance with respect to operational performance of the Company is discussed in the Directors' Report which forms part of the Annual Report.

#### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES (HR)**

People management is the backbone of your Company and it is regarded as one of the important resources for the success of Fedders. Over the years, your Company has strengthened its HR processes to ensure continual development and growth of its employees. HR processes are fine-tuned and updated to attract and recruit talent into the Company.

The Company strongly believes in enhancing the value of its people asset consistently. The Human Resource agenda continues to support the business in achieving sustainable and responsible growth by building the right capabilities in the organisation. It continues to focus on progressive employee relations policies, creating an inclusive work culture and a strong talent pipeline.

The Company has well documented and updated policies in place to prevent any kind of discrimination and harassment, including sexual harassment. The Whistle Blower Policy plays an important role as a watchdog.

The company currently has adequate man power and personnel to conduct the business without any complication or hindrances. The overall human and industrial relations have remained peaceful and composed during the period under review. As on 31<sup>st</sup> March, 2018, the total number of employees on the Company's payroll stood at 489.

#### **DISCLOSURE OF ACCOUNTING TREATMENT**

The accounts have been prepared in accordance with Indian Accounting Standards (Ind AS) and Disclosures thereon comply with requirements of Ind AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time, MSMED Act, 2006, other pronouncement of ICAI, provisions of the Companies Act and Rules and guidelines issued by SEBI as applicable.

#### **CAUTIONARY STATEMENT**

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and other statutes over which the Company does not have any direct control.

**CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE**

To,

The Members  
Fedders Electric And Engineering Limited  
(Formerly, Fedders Lloyd Corporation Limited)  
CIN: L29299UP1957PLC021118

We have examined the compliance of conditions of Corporate Governance by M/s. Fedders Electric And Engineering Limited (the "Company"), for the year ended 31.03.2018 as stipulated in Chapter IV of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Regulations) as applicable.

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.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company *has complied* with the conditions of Corporate Governance as stipulated in the said Clause of the above mentioned Regulations except that the company *has not submitted financial results for the quarter and financial year ended on March 31, 2018 as per and within timeline stipulated in Regulation 33 and is not maintaining a functional website as required under Regulation 46* of above said Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SKP & Co.  
Company Secretaries**

**(CS Sundeep K. Parashar)  
M. No. : FCS 6136  
C.P. No. : 6575**

**Place : Vaishali  
Date : 30.09.2019**

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**DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT**

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the year ended 31<sup>st</sup> March, 2018.

**For Fedders Electric and Engineering Limited**  
**Sanjiv Kavaljit Singh**  
**Whole-time Director**  
**DIN: 00015689**

**Date: 3<sup>rd</sup> October, 2019**

**Place: Noida**

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**COMPLIANCE CERTIFICATE**

(Issued in accordance with the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**The Board of Directors,**  
**Fedders Electric and Engineering Limited**  
(Formerly Fedders Lloyd Corporation Limited)  
6 and 6/1, UPSIDC Industrial Area, Sikandrabad,  
Bulandshahr, Uttar Pradesh-203205

Dear Sirs,

We have reviewed the financial statements together with the Cash Flow Statement of Fedders Electric and Engineering Limited for the financial year ended 31<sup>st</sup> March, 2018 and that to the best of our knowledge and belief, we state that;

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2018 which is fraudulent, illegal or violative of the Company's code of conduct.
4. We accept the responsibility for establishing and maintaining internal controls for financial accounting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and the observation have been informed for deficiency in design or operation of such internal controls during the period under review and to strengthen the internal control processes.

We further certify that the following information has been indicated to the Auditors and the Audit committee:

- a. There have been no significant changes in internal control over financial reporting during the year;
- b. There have been no significant changes in accounting policies during the year; and
- c. There have been no instances of significant fraud of which we have become aware and the involvement therein; of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Yours Sincerely**

**Place: Noida**  
**Date: 20.06.2019**

**Sanjiv Kavaljit Singh**  
**Whole-time Director & CEO**  
DIN: 00015689

**Neeraj Gupta**  
**Chief Financial Officer**

## INDEPENDENT AUDITORS' REPORT

### REPORT ON THE FINANCIAL STATEMENTS

We were engaged to audit the accompanying financial statements of **FEDDERS ELECTRIC AND ENGINEERING LIMITED** [Formerly known as Fedders Lloyd Corporation Limited] ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the preparation of these financial statements in terms of the requirement of Companies Act, 2013 ("the Act") that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under. 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.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### BASIS FOR DISCLAIMER OF OPINION

- The Company is operating through various locations in India and has reported a total turnover amounting to Rs. 1,239.06 Crores during the Financial Year 2017-18. One of the location in Jaipur, Rajasthan has reported sales amounting to Rs. 545.24 Crores for which company does not have sufficient & satisfactory supporting evidence. In the above location, company has also reported purchases amounting to Rs. 544.54 Crores which is also not supported by sufficient documentary evidences. Further, the abovementioned sales and purchases have been transacted between identical parties.*

*Another location in Okhla, New Delhi, has reported sale amounting to Rs. 268.65 Crores which is also not supported by sufficient & satisfactory supporting evidence.*

*Accordingly, in view of aforementioned limitations, we were unable to comment on appropriate recognition of sales and purchases.*

- Attention is invited to Note No. 27 of the Financial Statement which states the Cost of Material consumed during the financial year. There has been a significant change in the pattern of consumption of Raw Material in the 4<sup>th</sup> quarter. As extracted and computed from the published quarterly result for the first 3 quarters, average rate of consumption of raw material is around 86% which has drastically increased to 138% in the 4<sup>th</sup> quarter.*

*Further, management has not provided any satisfactory explanations and documentary evidences to justify the above variation in the consumption pattern. Therefore, we were unable to comment on the possible adjustment in cost of material consumed.*

- We were appointed as auditor of the Company after 31.03.2018 and thus could not observe the counting of physical inventories at the beginning and end of the year. The Company has also not maintained proper records including reconciliation of goods purchased/sold in terms of quantity and value. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31.03.2018 and 31.03.2017 which are valued at Rs 82.33 Crores and Rs 379.81 Crores, respectively in the Note No. 7 of the Financial Statements.*

*Therefore, we were unable to determine any possible adjustments that might have been found necessary in respect of recorded or unrecorded inventories, and the elements making up the Statement of Profit & Loss.*

4. *We sought External Confirmation from the Top 10 customers and vendors for the year ended 31.03.2018 which we could not conclude because of confirmations not received from most of the parties, therefore we cannot satisfy ourselves for the balances of parties appearing in the financial statements. In view of these, read along with our comments mentioned in Para 1 above and considering that the company does not have process in place to perform periodical reconciliation of balances with customers and vendors, we were unable to comment on recoverability of account receivable balance and advance given to suppliers and completeness of account payable balances. Further, the balance confirmation from one of the vendor "POSCO India Holdings Pvt. Ltd." formerly known as "POSCO India Chennai Steel Processing Centre Pvt. Ltd." has been received which is showing a difference of Rs. 0.25 Crores.*
5. *Attention is invited to Note No. 48 of the Financial Statement which states that the Company has done Assignment of Debt (i.e. Transfer of debt, and all the associated rights and obligations, from a creditor to a third party) during the F.Y 2017-18 with regard to Related Party Transactions. It has resulted into reduction of Debtors and Creditors by Rs. 94.87 Crores.*
6. *Management has informed us that the Recoverable Amount of Assets within the meaning of Ind AS 36 is more than their carrying value & as such no amount needs to be recognized in the Financial Statements for the impairment of loss. We were unable to validate this assertion in the absence of bids from prospective buyers/valuation report of an independent agency & the uncertainty of presumption of future operations/results of operations thereafter.*
7. *The Company has not filed its financial results for the year ended 31<sup>st</sup> March 2018 on or before the due date as prescribed under regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and thus violated the aforementioned regulations.*
8. *The Financial Statements have been prepared on Going Concern basis, notwithstanding the fact that the Company's Net Worth is eroded and the consortium lender banks have already recalled their debts from the Company. This cast significant impact on Company's ability to continue as a going concern. The appropriateness of the said basis is inter-alia, dependent on the company's ability to reschedule its financing arrangements from banks.*

#### **DISCLAIMER OF OPINION**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

#### **EMPHASIS OF MATTER**

We draw attention to the following:

1. The Company has written off the balances of Debtors amounting to Rs. 95.62 Crores during the financial year 2017-18 and the same has been disclosed in the Note No. 39 of the Financial Statements.
2. Attention is invited to Note No. 3 of the Financial Statement in which Depreciation calculated by the Management of the company for the financial year is shown in Negative for some of the assets and further the depreciation shown in Note No. 31 of the Financial Statement is not in agreement with the depreciation calculated in Note No. 3 of the Financial Statement.

Our opinion is not modified in respect of these matters.

#### **OTHER MATTER**

1. The Financial Statements of the Company for the year ended March 31, 2017, were audited by another auditor who had expressed an unmodified opinion on those financial statements vide their audit report dated May 30, 2017.
2. Forensic Audit of the Company has been ordered by State Bank of India vide letter dated 15.09.2018.
3. Company's financing arrangements expired majorly on July 11, 2018 as communicated to the Company, via meeting of consortium Bankers convened on dated 21.07.2018 declaring the Bank Accounts as Non-Performing Asset. This situation indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not adequately disclose this fact.
4. Service Tax Department had conducted the search under Section 82 of the Finance Act, 1994 and Service Tax liability was determined by the department amounting to Rs. 1.40 Crores and the company has accepted the demand and paid.

5. As per section 148 of the Companies Act, 2013, Cost Audit is applicable on the Company for which Cost Auditor is appointed for the Financial Year 2017-18. However, the report provided to us by the management was incomplete, unsatisfactory and without annexure, therefore it cannot be relied upon by us.
6. As per section 138 of the Companies Act, 2013, Internal Audit is applicable on the Company but till the date of the issuing of our Audit Report, Company has not provided us the Internal Audit Report issued by the Company's Internal Auditor.
7. As per section 204 of the Companies Act, 2013, Company is required to obtain Secretarial Audit Report from independent practicing Company Secretary but till the date of the issuing of our Audit report, Company has not provided us the Secretarial Audit Report.
8. The Parties of the Company has filed a case in National Company Law Tribunal (NCLT) against the Company under Section 7 and Section 9 of the Insolvency and Bankruptcy Code, 2016:

Sl. No	Name of the Party	Reference No	Relevant Law
1	State Bank of India	CP No. (IB) 75/ALD/2019	Under Section 7 of IBC, 2016
2	Delhi Control Devices Pvt. Ltd.	IB-926(ND)/2018	Under Section 9 of IBC, 2016
3	Axis Electricals Components (I) Pvt. Ltd.	CP No. (IB) 59/ALD/2019	Under Section 9 of IBC, 2016

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by sub - section (11) of Section 143 of the Act, a statement on the matters specified in paragraphs 3 and 4 of the **Companies (Auditors' Report) Order, 2016** ("the Order") issued by the Central Government of India has been reported in "**Annexure-I**" to this report.
2. As required by section 143(3) of the Act, we report that:
  - a) As described in the Basis for Disclaimer of Opinion paragraph, we were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, proper books of account as required by law have not been kept by the Company so far as appears from our examination of those books, and proper returns adequate for the purposes of our audit have been received from various locations not visited by us;
  - c) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Balance Sheet, Statement of Profit & Loss, Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account and with the returns received from various locations not visited by us;
  - d) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under;
  - e) The matter described in the Basis for Disclaimer of Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - f) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of section 164(2) of the Act;
  - g) 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-II**".
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. Company has disclosed the impact of pending litigations on the financial position in its financial statements – Refer Note No.34 to the financial statements;
- ii. Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education & Protection Fund by the company.

**For G. K. Kedia & Co.  
Chartered Accountants  
F.R.N. 013016N**

**Place: New Delhi  
Date:20.06.2019**

**Kanishka Aggarwal  
Partner  
M. N. 544129**

**ANNEXURE-I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FEDDERS ELECTRIC AND ENGINEERING LIMITED**
**[Formerly known as Fedders Lloyd Corporation Limited]**

(As referred in Paragraph 1 of Other Legal and Regulatory Matters in Independent Auditor's Report)

**We report on the matters contained in Paragraph 3 of the Companies (Auditor's Report) Order, 2016 as follows:**

- i) In respect of Company's fixed assets:
  - (a) The company has not maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) According to the information and explanation given to us, those fixed assets were not physically verified by the management at reasonable intervals. So, we cannot comment on material discrepancy, if any.
  - (c) The title deeds of immovable properties are held in the name of the Company.
- ii) As per the information & explanation given to us, the inventories were not physically verified during the year by the management at reasonable intervals. Hence, possibility of material discrepancies can exist.
- iii) The Company has granted loan to its wholly owned subsidiary company which is covered in the register maintained under Section 189 of the Companies Act, 2013.
  - a. The terms and condition of grant of such loan is prejudicial to the interest as no interest has been charged during the whole financial year.
  - b. No schedule of repayment of principal and payment of interest has been stipulated.
  - c. As no repayment schedule has been specified, so overdue cannot be determined.
- iv) Except for the effects of matters described in the basis of Disclaimer of Opinion of our main report, according to the information & explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantee and securities.
- v) As per the information & explanation given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified.
- vi) The Company is required to maintain cost records as specified by Central Government under sub-section (1) of section 148 of the Companies Act, 2013 which has been complied and such accounts and records have not been made and maintained in adequate manner.
- vii) According to the information and explanations given to us, in respect of statutory dues:
  - a. The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, duties of Customs, Goods and Services Tax, and other statutory dues applicable to it with the appropriate authorities and as on 31.03.2018, except mentioned below:

Amount outstanding for a period of more than six months are as follows:

Sl. No	Particulars	Amount (₹ in Crores)
1.	Value Added Tax	0.19
2.	Works Contract Tax	1.70
3.	Basic Excise Duty	0.25
4.	Basic Service Tax	5.78
5.	Service Tax Education Cess	0.12
6.	Service Tax SHE Cess	0.06
7.	Service Tax KK Cess	0.09
8.	Service Tax SB Cess	0.22
9.	Central Sales Tax	0.38
10.	Entry Tax	0.05
11.	Labour Cess	0.02
12.	Tax deducted at source	0.02
13.	Goods and Services Tax	7.68



The above amounts represent Gross Liabilities without taking the available Input Tax Credit into consideration with the company.

- b. The dues which were required to be deposited on account of any dispute with income tax or sales tax or service tax or duty of customs or duty of excise or value added tax are as follows:

Name of the Statute	Nature of Dues	Period	Amount (₹ in Crores)	Forum where Pending
Basic Excise Duty	Central Sales Tax, Local Sales Tax, Value Added Tax, Interest & Penalty etc	2012-13 to 2014-15	4.42	Appellate Tribunal Assessing Officer Assessing Officer
		2009-10	4.90	
		2012-13	1.61	
Central Excise Act, 1944	Excise Duty, Interest & Penalty	1996-97	1.12	Commissioner (Appeal) Commissioner (Appeal) Commissioner (Appeal)
		2014-15	0.22	
		2016-17	0.61	
Income Tax Act, 1961	Income Tax	AY 2006-07 to 2015-16	1.13	Assessing Officer

- viii) In our opinion and according to the information and representations given to us, the Company has not defaulted in repayment of any loans or borrowings from a financial institution, bank, government or dues to debenture holders as on 31<sup>st</sup> March 2018. However after the Balance Sheet date, as mentioned in Para 2 of Other Matters paragraph, Company's financing arrangements expired majorly on July 11, 2018 declaring the Bank Accounts as Non-Performing Asset.
- ix) In our opinion and according to the information and representations given to us and on the basis of our examination of the books of accounts, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). According to the information and explanation given to us, the term loans were applied for the purpose for which the loans were raised.
- x) In our opinion and according to the information and representations given to us, fraud is noticed by Officers of Company, which has been disclosed in Notes to Accounts, but it is not reported during the year.
- xi) The Managerial Remuneration has not been paid in accordance with requisite approvals mandated by provisions of Section 197 read with Schedule V.
- xii) The Company is not a Nidhi Company. Therefore this clause of the Order is not applicable to the company.
- xiii) In our opinion and according to the information and representations given to us, all related parties transactions are in compliance with sections 177 and 188 of Companies Act, 2013 and the details of same have been disclosed in Financial Statements etc., as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and representations given to us and on the basis of our examination of the books of accounts, the Company has not made any preferential issue / private placement of shares or debentures during reporting period. Therefore this clause of the Order is not applicable to the company.
- xv) According to the information and representations given to us and on the basis of our examination of the books of accounts, the Company has not entered into any non-cash transactions with directors or person connected with him, during the reporting period. Therefore this clause of the Order is not applicable to the company.
- xvi) The company is not required to get registered under section 45-IA of Reserve Bank of India Act, 1934.

**For G. K. Kedia & Co.**  
**Chartered Accountants**  
**F.R.N. 013016N**

**Place: New Delhi**  
**Date: 20.06.2019**

**Kanishka Aggarwal**  
**Partner**  
**M. N. 544129**

## **ANNEXURE-II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FEDDERS ELECTRIC AND ENGINEERING LIMITED**

**[Formerly known as Fedders Lloyd Corporation 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 were engaged to audit the internal financial controls over financial reporting of **FEDDERS ELECTRIC & ENGINEERING LIMITED [Formerly known as Fedders Lloyd Corporation Limited]** ("the Company") as of **March 31, 2018** 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 CONTROL**

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. 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 conducted 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 Institute of Chartered Accountants of India.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

### **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 authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **DISCLAIMER OPINION**

The system of internal financial controls over financial reporting with regard to the Company were not made available to us to enable us to determine if the Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer has affected our opinion on the financial statements of the Company and we have issued a disclaimer of opinion on the financial statements.

**For G. K. Kedia & Co.**  
**Chartered Accountants**  
**F.R.N. 013016N**

**Place: New Delhi**  
**Date: 20.06.2019**

**Kanishka Aggarwal**  
**Partner**  
**M. N. 544129**

**BALANCE SHEET AS AT MARCH 31, 2018**

(Rupees in crores)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	3	240.83	255.87	260.11
(b) Capital Work - In - Progress	4	1.00	12.05	11.86
(c) Other Intangible Assets	5	0.35	0.51	0.64
(d) Financial Assets				
(i) Investments	6	0.91	0.76	0.65
<b>Total Non- Current Assets</b>		<b>243.09</b>	<b>269.19</b>	<b>273.26</b>
<b>Current Assets</b>				
(a) Inventories	7	82.33	379.81	393.89
(b) Financial Assets				
(i) Trade Receivables	8	255.17	453.75	433.70
(ii) Cash and Cash Equivalents	9	1.46	0.63	1.97
(iii) Bank Balances other than (ii) above	10	24.17	7.52	9.00
(iv) Loan	11	107.75	1.66	1.62
(v) Other Financial Assets	12	179.98	48.67	25.62
(c) Other Current Assets	13	33.96	19.38	35.12
<b>Total Current Assets</b>		<b>684.82</b>	<b>911.42</b>	<b>900.92</b>
<b>TOTAL ASSETS</b>		<b>927.91</b>	<b>1,180.61</b>	<b>1,174.18</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital	14	33.97	33.97	30.77
(b) Other Equity	15	(77.68)	422.11	389.96
<b>Total Equity</b>		<b>(43.71)</b>	<b>456.08</b>	<b>420.73</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	16	0.00	13.13	42.59
(b) Provisions	17	2.99	3.10	4.04
(c) Deferred Tax Liabilities (Net)	18	18.03	17.32	15.30
<b>Total Current Liabilities</b>		<b>21.02</b>	<b>33.55</b>	<b>61.93</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	19	418.75	425.60	436.28
(i) Trade Payables	20	322.65	198.07	184.60
(ii) Other Financial Liabilities	21	152.55	59.07	55.06
(b) Other Current Liabilities	22	54.88	3.65	2.94
(c) Provisions	23	1.78	0.54	0.00
(d) Current Tax Liabilities (Net)	24	0.00	4.04	12.64
<b>Total Current Liabilities</b>		<b>950.61</b>	<b>690.97</b>	<b>691.52</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>927.91</b>	<b>1,180.61</b>	<b>1,174.18</b>

**Significant Accounting Policies**

2

The accompanying notes are an integral part of the financial statements

3 to 53

As per our report of even date attached.

 For G. K. Kedia & Co.  
Chartered Accountants  
FRN 013016N

 For and on behalf of the Board of Directors of  
Fedders Electric And Engineering Limited

 Kanishka Aggarwal  
Partner  
M. No. 544129

 Sanjiv Kavaljit Singh  
Whole-time Director & CEO  
DIN- 00015689

 Vansh Vardhan Joshi  
Director  
DIN-06843644

 Place : Noida  
Date : 20.06.2019

 Neeraj Gupta  
Chief Financial Officer

 Shagun Bajpai  
Company Secretary  
M.No. A45982

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

(Rupees in crores)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	25	1,239.06	1,364.85
Other Income	26	1.23	2.75
<b>Total income</b>		<b>1,240.29</b>	<b>1,367.60</b>
<b>Expenses</b>			
Cost of Material Consumed	27	1,235.58	1,134.08
Changes In Inventories of Finished Goods And Work In Progress	28	226.45	11.56
Excise Duty on Sale of Goods		1.91	11.27
Employee Benefit Expenses	29	39.54	38.01
Finance Cost	30	72.82	65.01
Depreciation & Amortization Expenses	31	18.28	12.92
Other Expenses	32	186.42	64.75
<b>Total Expenses</b>		<b>1,781.00</b>	<b>1,337.60</b>
Profit Before Exceptional Items & Tax		(540.71)	30.00
Add: Exceptional Items		45.18	0.00
<b>Profit/(Loss) Before Tax</b>		<b>(495.53)</b>	<b>30.00</b>
<b>Less: Tax Expenses</b>			
(1) Current Tax		0.00	8.56
(2) Deferred Tax		0.47	1.64
<b>Total Tax Expenses</b>		<b>0.47</b>	<b>10.20</b>
<b>Profit After Tax</b>	<b>A</b>	<b>(496.00)</b>	<b>19.80</b>
<b>Other Comprehensive Income</b>			
A. (i) Items that will be reclassified to Profit or Loss		0.00	0.00
(ii) Income Tax relating to items that will be reclassified to Profit or Loss		0.00	0.00
B. (i) Items that will not be reclassified to Profit or Loss:			
- Remeasurements of the Defined Benefit Plans		0.44	0.69
- Fair Value Gain on Investment		0.15	0.11
- Revaluation Reserve		(0.20)	(0.30)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(0.12)	(0.16)
<b>Total Other Comprehensive Income for the year</b>	<b>B</b>	<b>0.27</b>	<b>0.34</b>
<b>Total Comprehensive Income for the year</b>	<b>(A+B)</b>	<b>(495.73)</b>	<b>20.15</b>
Earning Per Equity Share (Face Value of Rs. 10/- Each)	33		
(1) Basic		(146.01)	6.28
(2) Diluted		(146.01)	6.28
<b>Summary of Significant Accounting Policies</b>	<b>2</b>		
<b>The accompanying notes are an integral part of the financial statements.</b>	<b>3 to 53</b>		

As per our report of even date attached.

**For G. K. Kedia & Co.**  
 Chartered Accountants  
 FRN 013016N

**Kanishka Aggarwal**  
 Partner  
 M. No. 544129

 Place : Noida  
 Date : 20.06.2019

**For and on behalf of the Board of Directors of**  
**Fedders Electric And Engineering Limited**
**Sanjiv Kavaljit Singh**  
 Whole-time Director & CEO  
 DIN- 00015689

**Neeraj Gupta**  
 Chief Financial Officer

**Vansh Vardhan Joshi**  
 Director  
 DIN-06843644

**Shagun Bajpai**  
 Company Secretary  
 M.No. A45982

## STATEMENT OF CHANGES IN EQUITY AS ON MARCH 31, 2018

**A. Equity Share Capital**

(Rupees in crores)

Particulars	No of Shares	Amount
<b>Balance as at April 1, 2016</b>	<b>30,769,700</b>	<b>30.77</b>
Changes in equity share capital during the year	3,200,000	3.20
<b>Balance as at March 31, 2017</b>	<b>33,969,700</b>	<b>33.97</b>
Changes in equity share capital during the year	0.00	0.00
<b>Balance as at March 31, 2018</b>	<b>33,969,700</b>	<b>33.97</b>

**B. Other Equity**

Particulars	Share Warrant	Reserves and Surplus					Other items of Other comprehensive income			Total
		Security Premium	General Reserve	Retained Earnings	Revaluation Reserve	Capital Reserve	Remeasurement of Net Defined Benefit Plans	Revaluation Reserve	Fair Value through Other Comprehensive Income of Equity Investments	
<b>Balance as at April 1, 2016</b>	9.38	25.64	340.55	7.49	6.92	0.00	0.00	-	(0.01)	<b>389.96</b>
Profit for the year	-	-	-	19.80	-	-	-	-	-	<b>19.80</b>
Addition/deletion during the year	(6.00)	20.80	20.00	0.00	-	0.00	0.45	(0.20)	0.08	<b>35.13</b>
Dividend paid	-	-	-	(2.78)	-	-	-	-	-	<b>(2.78)</b>
Transfer to general reserve	-	-	-	(20.00)	-	-	-	-	-	<b>(20.00)</b>
<b>Balance as at March 31, 2017</b>	<b>3.38</b>	<b>46.44</b>	<b>360.55</b>	<b>4.51</b>	<b>6.92</b>	<b>-</b>	<b>0.45</b>	<b>-0.20</b>	<b>0.07</b>	<b>422.11</b>
Profit for the year	-	-	-	(496.00)	-	0.00	-	-	-	<b>(496.00)</b>
Addition/deletion during the year	(3.38)	0.00	0.00	0.00	-	3.38	0.29	(0.13)	0.12	<b>0.28</b>
Dividend paid	-	-	-	(4.08)	-	-	-	-	-	<b>(4.08)</b>
<b>Balance as at March 31, 2018</b>	<b>0.00</b>	<b>46.44</b>	<b>360.55</b>	<b>(495.57)</b>	<b>6.92</b>	<b>3.38</b>	<b>0.74</b>	<b>(0.33)</b>	<b>0.19</b>	<b>(77.68)</b>

As per our report of even date attached.

For G. K. Kedia & Co.  
Chartered Accountants  
FRN 013016N

For and on behalf of the Board of Directors of  
Fedders Electric And Engineering Limited

Kanishka Aggarwal  
Partner  
M. No. 544129

Sanjiv Kavaljit Singh  
Whole-time Director & CEO  
DIN- 00015689

Vansh Vardhan Joshi  
Director  
DIN-06843644

Place : Noida  
Date : 20.06.2019

Neeraj Gupta  
Chief Financial Officer

Shagun Bajpai  
Company Secretary  
M.No. A45982

## CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2018

(Rupees in crores)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
<b>A. Cash Flow from Operating Activities:</b>				
Net Profit/(Loss) Before Tax		(495.53)		30.00
<b>Adjustments for :</b>				
Add : Depreciation	18.28		12.92	
Remeasurement of Defined Benefit Plan	0.44		0.69	
Expected Credit Loss	2.19		0.30	
Interest Expenses	59.06	79.97	55.44	69.35
Less:				
Interest Income	(0.80)		(0.52)	
Dividend Income	(0.00)	(0.80)	0.00	(0.52)
<b>Operating Profit Before Working Capital Changes</b>		<b>(416.36)</b>		<b>98.83</b>
Trade & Other Receivables	196.39		(20.36)	
Inventories	297.48		14.08	
Loans & Advances	(106.09)		(0.04)	
Other Financial Assets	(131.31)		(23.04)	
Other Current Assets	(14.58)		15.74	
Other Financial Liability	93.48		4.01	
Other Current Liability	51.23		0.71	
Provisions	1.13		(0.40)	
Trade & Other Payable	124.57	512.31	13.47	4.17
Cash Generated From Operations		<b>95.95</b>		<b>103.00</b>
Direct tax paid	(4.04)	(4.04)	(17.16)	(17.16)
<b>Net Cash Flow from Operating Activities</b>		<b>91.91</b>		<b>85.84</b>
<b>B Cash Flow from Investing Activities:</b>				
Purchase of Property, Plant & Equipment	7.89		(8.84)	
Sale of Investments	0.00		0.00	
Interest Received	0.80		0.52	
Dividend Received	0.00	8.69	-	(8.32)
<b>Net Cash Flow from Investing Activities</b>		<b>8.69</b>		<b>(8.32)</b>
<b>C Cash Flow from Financial Activities:</b>				
Proceeds from Borrowing	(19.98)		(40.13)	
Dividend Paid (including Dividend Distribution Tax)	(4.08)		(2.78)	
Proceeds from Share Capital/Warrants	0.00		18.00	
Interest paid	(59.06)	(83.12)	(55.44)	(80.35)
<b>Net Cash Flow from Financing Activities</b>		<b>(83.12)</b>		<b>(80.35)</b>
<b>Net increase/decrease in Cash and Cash Equivalents (A+B+C)</b>		<b>17.48</b>		<b>(2.82)</b>
Opening Balance of Cash and Cash Equivalents		8.15		10.97
Closing Balance of Cash and Cash Equivalents		25.63		8.15
<b>Net increase/ decrease in Cash and Cash Equivalents</b>		<b>17.48</b>		<b>(2.82)</b>

**Note:** The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standards - 7. "Statements of Cash Flow".

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

**For G. K. Kedia & Co.**  
Chartered Accountants  
FRN 013016N

**For and on behalf of the Board of Directors of  
Fedders Electric And Engineering Limited**

**Kanishka Aggarwal**  
Partner  
M. No. 544129

**Sanjiv Kavaljit Singh**  
Whole-time Director & CEO  
DIN- 00015689

**Vansh Vardhan Joshi**  
Director  
DIN-06843644

**Neeraj Gupta**  
Chief Financial Officer

**Shagun Bajpai**  
Company Secretary  
M.No. A45982

Place : Noida  
Date : 20.06.2019

## NOTES TO FINANCIAL STATEMENTS

### 1. Corporate Information

Fedders Electric and Engineering Limited (Formerly known as Fedders Lloyd Corporation Limited) (“the Company”) is a domestic Public Limited Company and is incorporated under the provisions of the Companies Act, 2013 having Registered Office at 6 and 6/1 UPSIDC Industrial Area, Sikandrabad, Bulandshahr UP - 203205. Its shares are listed on National Stock Exchange of India Limited (NSE) & BSE Limited (BSE) in India and well diversified in the fields of Environment Control Systems (ECS), Fabrication of Steel Structures for Power, Commercial and Industrial Construction Projects and implementation of high power transmission lines. The Company has also been into exports of power equipment's/ components to various funded projects by multilateral agencies.

The Company has been generating revenue mainly from three segments:-

1. Environmental Control System
2. Steel Structure & Engineering
3. Power Transmission & Distribution and Overhead Electrification (OHE)

### 2. Significant accounting policies

#### 2.1 Basis of preparation

The accounts have been prepared in accordance with Indian Accounting Standards (Ind AS) and Disclosures thereon comply with requirements of Ind AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time, MSMED Act, 2006, other pronouncement of ICAI, provisions of the Companies Act and Rules and guidelines issued by SEBI as applicable. Upto financial year ended on March 31, 2017, the Company has prepared the accounts according to the Previous GAAP. The financial statements for the year ended March 31, 2018 are the first to have been prepared in accordance with IND AS. Opening Balance Sheets as on April 1, 2016 and March 31, 2017, have been presented as comparatives. The transition was carried out retrospectively as on the transition date which is April 1, 2016, and for any variation in the amounts represented in the comparative balance sheet vis-à-vis earlier presentation, reconciliation is given as part of notes. 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 revised Schedule – III to the Companies Act, 2013.

#### 2.2 Use of Estimates & Basis of Measurement

IND AS enjoins management to make estimates and assumptions related to financial statements that affect reported amount of assets, liabilities, revenue, expenses and contingent liabilities pertaining to the year. Actual result may differ from such estimates. Any revision in accounting estimates is recognized prospectively in the period of change and material revision, including its impact on financial statements, is reported in the notes to accounts in the year of incorporation of revision.

The financial statements have been prepared under the historical cost convention on the accrual basis, except for certain financial instruments and provisions which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### 2.3 First time adoption of IND AS

The adoption of Ind AS is carried out in accordance with Ind AS 101 on April 1, 2016 being the transition date. However, in preparing these financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP, have been recognized directly in equity at the transition date.

Ind AS 101 allows first-time adopters certain optional exemptions and mandatory exceptions from the retrospective application of certain requirements under Ind AS.

### Exemptions from retrospective application

i. The Company has elected to apply the following optional exemption from full retrospective application of Ind AS:

**a) Deemed Cost**

Ind AS 101 permits first time adopter to elect to continue with the carrying value for all of its Property, Plant and Equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 - Intangible Assets. Accordingly, on transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognized as at 1 April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as the deemed cost of Property, Plant and Equipment.

ii. The following mandatory exceptions from retrospective application of Ind AS have applied by the Company:

**a) Estimates Exception**

On an assessment of the estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS (except for adjustments to reflect any difference in accounting policies), as there is no objective evidence that those estimates were in error. However, estimates, that were required under Ind AS but not required under Previous GAAP, are made by the Company for the relevant reporting dates, reflecting conditions existing as at that date without using any hindsight.

**b) De-recognition of financial assets and liabilities exception**

Financial assets and liabilities de-recognized before transition date are not re-recognized under Ind AS.

Reconciliations and explanations of the significant effect of the transition from Previous GAAP to Ind AS on the Company's equity, statement of profit and loss and are provided in Note 47.

iii. Carrying value for all of its investment in subsidiaries, Joint Ventures and Associates as at the date of transition to IND AS, measured as per previous GAAP are treated as their deemed costs as at the date of transition.

### 2.4 Recognition of Income and Expenses

Revenue is measured at the fair value of the consideration received or receivable, taking into account the contractually defined terms of payment net of returns and allowances, trade discounts, volume rebates and taxes or duties collected on behalf of the government.

Company recognizes revenue from sale of goods when significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which coincides with the delivery of goods.

Interest Income from debt instruments is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash flows over the expected life of financial instrument, to the gross carrying amount of the financial assets or to the amortized cost of the financial liability.

Dividend income is recognized when the Company's right to receive payment is established on or before the Balance Sheet date (Provided that it is probable that the economic benefit will flow to the Company).

Export sales are accounted on the basis of date of bill of lading.

Interest income on investment in fixed deposit is recognized on time proportion basis at the contractual rate.

Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

### 2.5 Property, Plant and Equipment

An item of Property, Plant and Equipment (PPE) is recognized as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially



recognized at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognizes such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognized from the balance sheet and cost of the new item of PPE is recognized. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred.

Depreciation is provided on straight line method, at the rates determined based on the economic useful lives of assets estimated by the management; or at the rates prescribed under Schedule II of the Companies Act, 2013, whichever is higher. Accordingly, the Company has used the following rates:-

Name of Assets	Useful Life (in Years)
Building	30
Plant & Machinery	15
Office equipment's	5
Furniture & Fixture	10
Vehicle	8

Assets of Rs. 5,000 or less are fully depreciated in the year of purchase.

## 2.6 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as Investment Property. Investment Property is measured initially at its cost, including transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized. Investment Properties (except freehold land) are depreciated using the straight-line method over their estimated useful lives.

## 2.7 Intangible Assets

Intangible Assets with finite useful lives acquired by the Company are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis. On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

## 2.8 Goodwill

No self-generated goodwill is recognized. Goodwill arises during the course of acquisition of an entity in terms of accounting treatment provided in IND AS-103 dealing with 'Business Combination'. Goodwill represents the excess of consideration money over the fair value of net assets of the entity under acquisition. Such goodwill is construed to have indefinite life and as such is not subject to annual amortization but annual test of impairment under IND AS - 36. Any shortfall in consideration money vis-à-vis fair value of net assets on account of bargain purchase is recognized in OCI at acquisition point and subsequently transferred to capital reserve.

## 2.9 Impairment Of Non- Financial Assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested

for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## **2.10 Government Subsidy / Grant**

Government Grant is recognized only when there is a reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received.

- a) Subsidy related to assets is recognized as deferred income which is recognized in the statement of profit & loss on systematic basis over the useful life of the assets. Purchase of assets and receipts of related grants are separately disclosed in statement of cash flow.
- b) Grants related to income are treated as other income in statement of profit & loss subject to due disclosure about the nature of grant.

## **2.11 Financial Instrument**

### **a) Financial Assets**

#### **Initial Recognition and Measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

#### **Subsequent Measurement**

For purpose of subsequent measurement financial assets are classified in two broad categories:-

- i. Financial Assets at fair value
- ii. Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss, or recognized in other comprehensive income. A financial asset that meets the following two conditions is measured at amortized cost.

- i. Business Model Test: The objective of the company's business model is to hold the financial asset to collect the contractual cash flows.
- ii. Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through OCI:-

- i. Business Model Test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- ii. Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit and loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected irrevocable option to present value changes in OCI.

### **Investment in Associates, Joint Venture and Subsidiaries**

The company has accounted for its investment in subsidiaries, associates and joint venture at cost.

### **Impairment**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and debt instrument carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables.

### **b) Financial Liabilities**

All financial liabilities are initially recognized at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified as measured at amortized cost or fair value through profit and loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gain or losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of profit and loss.

### **2.12 Fair Value Measurement**

The Company measures certain financial instruments at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable

Level 3: Significant inputs to the fair value measurement are unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 2.13 Lease assets

The determination of whether an arrangement is a lease is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Operating lease receipts / payments are recognized as an income / expense on a straight-line basis over the lease term.

Contingent rents are recognized as income / expense in the period in which they are earned/ incurred.

### 2.14 Inventory

#### a) Basis of valuation

Inventories are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

#### b) Method of valuation

Raw materials and consumables has been determined by using weighted average cost method and comprises all cost of purchase, freight costs, customs duty (wherever paid) taxes (other than those subsequently recoverable from Tax Authorities) and all other cost incurred in beginning the inventory to their present location and condition. The cost is determined using the Weighted Average Method.

**Work in progress** include direct and indirect materials, direct and indirect labour and other manufacturing overheads incurred in bringing them to their respective present location and condition.

**Finished goods** includes direct and indirect materials, direct and indirect labour and other manufacturing overheads incurred in bringing them to their respective present location and condition. Cost is determined on moving weighted average basis.

**Stock in transit** lying in customs warehouse does not include custom duty payable, however, non-provision of duty does not affect the profit for the year.

### 2.15 Employee benefits

The Company's employee benefits mainly include wages, salaries, bonuses, contribution to plans, defined benefit plans, compensated absences, deferred compensation and share-based payments. The employee benefits are recognized in the year in which the associated services are rendered by the Company employees.

#### Defined contribution plans

The contributions to defined contribution plans are recognized in profit or loss as and when the services are rendered by employees. The Company has no further obligations under these plans beyond its periodic contributions.

#### Provident Fund and Employees' State Insurance Schemes

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. The contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance schemes, which are also defined contribution schemes recognized and administered by the Government of India.

#### Defined benefit plans

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Company provides for the liability towards the said plans on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognized in the balance sheet, at the present value of the defined benefit obligations less the fair value of plan assets (being the funded portion). The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations liability. The net interest income / (expense) on the net defined benefit liability is recognized in the statement of profit and loss. However, the related re-measurements of the net defined benefit liability are recognized directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods.

#### **Other long-term employee benefits**

The employees of the Company are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises of encashment and availing of leave balances that were earned by the employees over the period of past employment.

The Company provides for the liability towards the said benefit on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognized in the statement of profit and loss in the period in which they arise.

#### **2.16 Tax Expenses**

Income Tax expense comprises of current tax and deferred tax charge or credit. Provision for current tax is made with reference to taxable income computed for the financial year for which the financial statements are prepared by applying the tax rates as applicable.

##### **Current Tax**

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date in the respective countries where the Company operates and generate taxable income. The payment made in excess / (shortfall) of the respective Company's income tax obligation for the period are recognized in the Balance Sheet as current income tax assets / liabilities.

##### **Deferred Tax**

Deferred tax is provided using the Balance Sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Current and deferred tax is recognized in statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

##### **Minimum Alternate Tax**

Minimum Alternate Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

### **2.17 Provisions, Contingent Liability and Contingent Assets**

- i. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.
- ii. Contingent liabilities, if material, are disclosed by way of notes and contingent assets, if any, are disclosed in the notes to financial statements.
- iii. A provision is recognized, when Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made for the amount of obligation. The expense relating to the provision is presented in the profit and loss net of any reimbursement.
- iv. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### **2.18 Foreign Currency Translation**

These financial statements are presented in Indian rupees (INR), which is the Company's functional currency.

Transactions in foreign currency are recorded on initial recognition at the spot rate prevailing at the time of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss in the period in which they arise.

#### **At the end of each reporting period:**

- i. Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.
- ii. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- iii. Non-monetary items that are measured terms of historical cost in a foreign currency are not retranslated.

### **2.19 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realized or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realized within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

### **2.20 Operating Segment**

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

The Operating segments have been identified on the basis of the nature of products/services:

- i. Segment revenue includes sales and other income directly identifiable with the segment including intersegment revenue.

- ii. Expenses that are directly identifiable with the segments are considered for determining the segment results. Expenses which relate to the Group as a whole and not allocable to segments are included under unallocable expenditure.
- iii. Income which relates to the Group as a whole and not allocable to segments is included in unallocable income.
- iv. Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Group.
- v. Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

### **2.21 Earnings Per Share**

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted Earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **2.22 Borrowing Cost**

Borrowing costs specifically relating to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are charged to statement of profit & loss in the period in which it is incurred except loan processing fees which is recognized as per Effective Interest Rate method.

Borrowing costs consist of interest and other costs that Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **2.23 Cash and cash Equivalents**

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Company's cash management, are also included as a component of cash and cash equivalents.

### **2.24 Critical accounting estimates, assumptions and judgements**

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the year in which they become known.

### **2.25 Investment**

Investments which are of equity in nature are carried at Fair Value and gain/loss on fair valuation is recognized through OCI.

### **2.26 Trade Receivable**

Trade Receivables are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

## **2.27 Trade and Other payable**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are recognized, initially at fair value, and subsequently measured at amortized cost using effective interest rate method.

## **2.28 Recent accounting pronouncement**

### **Standards issued but not yet effective**

In March 2018, the ministry of corporate affairs (MCA) issued the companies (Indian Accounting Standards) Amendments Rules 2018, notifying Ind AS 115, "Revenue from contract with customers", Appendix B to Ind AS 21, Foreign Currency transaction and advance consideration made by International Accounting Standards Board (IASB). These amendments are applicable to the Company from 1st April 2018. The Company will be adopting the amendments from their effective date.

a) Ind AS 115, Revenue from contract with customers.

Ind AS 115 supersedes Ind AS 11 - Construction Contract and Ind AS 18 - Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customer. The principal of Ind AS 115 is that an entity recognizes revenue that demonstrate the transfer of promised goods and services to customer at an amount that reflect the consideration to which the entity expect to be entitled in exchange for those goods and services. The standards can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contacts at the date of initial application of standards. Based on preliminary assessment performed by the Company, the impact of application of the standards is not expected to be material.

b) Appendix B to Ind AS 21, Foreign Currency transaction and advance consideration.

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the assets, expenses or income (or part of it) is the date on which an entity initially recognizes the non-monetary assets or non-monetary liability arising from the payment or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance in consideration. The impact of the appendix on the financial statements, as assessed by the Company, is expected to be not material.



**3. PROPERTY, PLANT AND EQUIPMENT**

(Rupees in crores)

PARTICULARS	Gross Carrying Amount			Accumulated Depreciation				Net Carrying Amount		
	As At April 1, 2017	Purchase during the year	Deduction during the year	As At March 31, 2018	Up to April 1, 2017	Dep. for the year	Deduction during the year	As At March 31, 2018	As At March 31, 2018	As At March 31, 2017
Land - Freehold	53.82	0.01	0.00	53.83	0.00	0.00	0.00	0.00	53.83	53.82
Building	109.34	0.00	0.00	109.35	33.23	3.23	0.00	36.45	72.89	76.12
<b>Office Premises</b>	2.76	0.12	0.00	2.89	1.77	0.05	0.00	1.82	1.07	0.99
Temporary Shed	3.52	0.00	0.00	3.52	3.35	0.00	0.00	3.35	0.18	0.18
Plant & Machinery	225.06	2.40	0.00	227.46	103.20	14.51	0.00	117.71	109.75	121.85
Computer	5.25	0.06	0.00	5.31	4.92	(0.02)	0.00	4.90	0.42	0.33
Furniture's and Fixtures	3.81	0.02	0.00	3.82	2.24	0.28	0.00	2.52	1.30	1.56
<b>Office Equipments</b>	4.44	0.48	0.00	4.93	4.29	(0.08)	0.00	4.21	0.72	0.15
Motor Car	3.04	0.00	0.00	3.04	2.19	0.19	0.00	2.38	0.66	0.85
<b>Scooter &amp; Motor Cycle</b>	0.11	0.00	0.00	0.11	0.09	0.00	0.00	0.09	0.02	0.02
<b>Total</b>	<b>411.15</b>	<b>3.11</b>	<b>0.00</b>	<b>414.26</b>	<b>155.28</b>	<b>18.15</b>	<b>0.00</b>	<b>173.43</b>	<b>240.83</b>	<b>255.87</b>

**PROPERTY, PLANT AND EQUIPMENT**

PARTICULARS	Gross Carrying Amount			Accumulated Depreciation				Net Carrying Amount		
	As At April 1, 2016	Purchase during the year	Deduction during the year	As At March 31, 2017	Up to April 1, 2016	Dep. for the year	Deduction during the year	As At March 31, 2017	As At March 31, 2017	As At March 31, 2016
Land - Freehold	53.82	0.00	0.00	53.82	0.00	0.00	0.00	0.00	53.82	53.82
Building	109.32	0.02	0.00	109.34	30.42	2.81	0.00	33.23	76.12	78.90
<b>Office Premises</b>	2.76	0.00	0.00	2.76	1.77	0.01	0.00	1.77	0.99	1.00
Temporary Shed	3.52	0.00	0.00	3.52	3.35	0.00	0.00	3.35	0.18	0.18
Plant & Machinery	216.72	8.34	0.00	225.06	94.24	8.96	0.00	103.20	121.85	122.47
Computer	5.05	0.20	0.00	5.25	4.75	0.16	0.00	4.92	0.33	0.30
Furniture's and Fixtures	3.77	0.03	0.00	3.81	1.96	0.28	0.00	2.24	1.56	1.81
<b>Office Equipment's</b>	4.40	0.04	0.00	4.44	3.79	0.50	0.00	4.29	0.15	0.61
Motor Car	3.04	0.00	0.00	3.04	2.04	0.15	0.00	2.19	0.85	0.99
<b>Scooter &amp; Motor Cycle</b>	0.11	0.00	0.00	0.11	0.08	0.01	0.00	0.09	0.02	0.03
<b>Total</b>	<b>402.52</b>	<b>8.64</b>	<b>0.00</b>	<b>411.15</b>	<b>142.41</b>	<b>12.88</b>	<b>0.00</b>	<b>155.28</b>	<b>255.87</b>	<b>260.11</b>

**4. CAPITAL WORK-IN-PROGRESS**

PARTICULARS	As At April 1, 2017	Addition During The Year	Deduction During the Year	As At March 31, 2018
Capital Work- in- Progress (Refer Note No 4.1)	12.05	0.00	(11.05)	1.00
<b>Previous Year</b>	<b>11.86</b>	<b>0.19</b>	<b>0.00</b>	<b>12.05</b>

PARTICULARS	As At April 1, 2016	Addition During The Year	Deduction During the Year	As At March 31, 2017
Capital Work- in- Progress (Refer Note No 4.1)	11.86	0.19	0.00	12.05
<b>Previous Year</b>	<b>11.19</b>	<b>0.67</b>	<b>0.00</b>	<b>11.86</b>

4.1. Capital work-in-progress mainly comprises fixed assets related to new factory unit taken on lease and for previous year mainly comprise fixed assets related to new plant and machinery.

**5. OTHER INTANGIBLE ASSETS**

(Rupees in crores)

PARTICULARS	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As At April 1, 2017	Purchase during the year	As At March 31, 2018	Up to April 1, 2017	Dep. for the year	Deduction during the year	As At March 31, 2018	As At March 31, 2018	As At March 31, 2017
Software	1.21	0.05	1.26	0.70	0.22	0.00	0.92	0.35	0.51
<b>Total</b>	<b>1.21</b>	<b>0.05</b>	<b>1.26</b>	<b>0.70</b>	<b>0.22</b>	<b>0.00</b>	<b>0.92</b>	<b>0.35</b>	<b>0.51</b>

PARTICULARS	Gross Carrying Amount				Accumulated Depreciation				Net Carrying Amount
	As At April 1, 2016	Purchase during the year	As At March 31, 2017	Up to April 1, 2016	Dep. for the year	Deduction during the year	As At March 31, 2017	As At March 31, 2017	As At March 31, 2016
Software	1.21	0.01	1.21	0.57	0.13	0.00	0.70	0.51	0.64
<b>Total</b>	<b>1.21</b>	<b>0.01</b>	<b>1.21</b>	<b>0.57</b>	<b>0.13</b>	<b>0.00</b>	<b>0.70</b>	<b>0.51</b>	<b>0.64</b>

**6. INVESTMENTS**

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016
	Face Value	No. of Shares	Value	No. of Shares	Value	No. of Shares	Value
<b>Trade Investments</b>							
Quoted							
<b>Equity Instruments (At FVOCI)</b>							
LEEL Electricals Ltd	10	100	0.00	100	0.00	100	0.00
State Bank of Bikaner & Jaipur	10	3,750	0.26	3,750	0.11	3,750	0.02
<b>Total Value of Quoted Investments</b>	<b>(A)</b>		<b>0.26</b>		<b>0.11</b>		<b>0.02</b>
<b>Unquoted-Non Trade</b>							
<u>Equity Instruments (At Cost)</u>							
<u>Subsidiary Company</u>							
Fedders Lloyd Trading FZE		5	0.54	5	0.54	5	0.54
<u>Others (At FVTOCI)</u>							
State Bank Of India PSU		50,000	0.06	50,000	0.06	50,000	0.04
SBI Mutual Fund (Gold Fund)		50,000	0.05	50,000	0.05	50,000	0.05
<b>Total Value of Unquoted Investments</b>	<b>(B)</b>		<b>0.65</b>		<b>0.65</b>		<b>0.63</b>
	<b>(A+B)</b>		<b>0.91</b>		<b>0.76</b>		<b>0.65</b>
Aggregate amount of Quoted Investments			0.26		0.11		0.02
Aggregate amount of Unquoted Investments			0.65		0.65		0.63

**7. INVENTORIES**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Materials	71.48	142.33	144.67
Work in Progress	5.65	193.89	199.22
Finished Goods	4.92	43.13	49.35
Material in Transit	0.28	0.46	0.65
<b>Total</b>	<b>82.33</b>	<b>379.81</b>	<b>393.89</b>

Valued at lower of cost or net realisable value

**8. TRADE RECEIVABLES**

(Rupees in crores)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016
(Unsecured)					
Considered Good					
Expected Credit Loss	261.71		458.10		437.75
	(6.54)	255.17	(4.35)	453.75	(4.05)
		<u>255.17</u>		<u>453.75</u>	<u>433.70</u>

**9. CASH AND BANK BALANCES**
**Cash and Cash Equivalents**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with Banks	1.38	0.26	1.17
Cash on Hand	0.08	0.37	0.80
	<u>1.46</u>	<u>0.63</u>	<u>1.97</u>

**10. BANK BALANCES**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unclaimed Dividend Account	0.69	0.67	0.68
Deposits with maturity for less than 12 months	23.48	6.85	8.32
	<u>24.17</u>	<u>7.52</u>	<u>9.00</u>

**11. Loan**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loan to Related Party	107.75	1.66	1.62
	<u>107.75</u>	<u>1.66</u>	<u>1.62</u>

**12. OTHER FINANCIAL ASSETS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Retention Money	130.69	12.16	9.62
Interest accrued on Fixed Deposit	0.40	0.01	0.02
Advances to Employees	0.51	0.87	2.40
LD Recoverable	21.74	13.11	6.59
Earnest Money & Other Deposit	26.65	22.52	7.01
	<u>179.98</u>	<u>48.67</u>	<u>25.62</u>

**13. OTHER CURRENT ASSETS**

(Rupees in crores)

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Balances with Statutory/ Govt. Authorities	2.60	6.05	13.75
Supplier Advances	22.55	12.13	16.77
Prepaid Expenses	1.08	1.16	4.57
Insurance Claim Recoverable	0.03	0.03	0.03
Advance tax and TDS	7.70	0.00	0.00
	<b>33.96</b>	<b>19.38</b>	<b>35.12</b>

**14. EQUITY SHARE CAPITAL**

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Authorized Share Capital</b>			
700,00,000 Equity Shares, Rs. 10/- par value	70.00	70.00	70.00
(March 31, 2017: 700,00,000 Equity Shares Rs. 10/- each)			
(April 1, 2016: 700,00,000 Equity Shares Rs. 10/- each)			
	<b>70.00</b>	<b>70.00</b>	<b>70.00</b>
<b>Issued, Subscribed and Fully Paid Up Shares</b>			
3,39,69,700 Equity shares, Rs. 10/- par value fully paid up	33.97	33.97	30.77
(March 31, 2017: 3,39,69,700 Equity Shares Rs. 10/- each)			
(April 1, 2016: 3,07,69,700 Equity Shares Rs. 10/- each)			
	<b>33.97</b>	<b>33.97</b>	<b>30.77</b>

The Company had, pursuant to the approval of Board of Directors, Shareholders and other regulatory approvals and subsequent upon receipt of 25% of the issue price from the Promoters and Promoters' Group, allotted 50,00,000 warrants convertible into equivalent number of equity shares on preferential basis to its Promoters and Promoters' Group on 3<sup>rd</sup> August, 2015 at the issue price of Rs. 75 per Warrant.

The aforesaid warrant holders had applied for exercising their right for conversion of 32,00,000 warrants into equity shares and had paid balance 75% aggregating to Rs. 18,00,00,000/-. Consequently, the Company had allotted equity shares to the aforesaid holders in 2 (two) Tranches, on 30<sup>th</sup> December, 2016 and 13<sup>th</sup> January, 2017 respectively. The remaining 18,00,000 warrants held by the warrant holders were forfeited in accordance with the applicable provisions of the SEBI (ICDR) Regulations, 2009.

**14.1. The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period March 31, 2018:**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	33,969,700	33.97	30,769,700	30.77	30,769,700	30.77
Add: Shares issued during the year	0.00	0.00	3,200,000	3.20	0.00	0.00
Less : Shares bought back (if any)	0.00	0.00	0.00	0.00	0.00	0.00
<b>Number of shares at the end</b>	<b>33,969,700</b>	<b>33.97</b>	<b>33,969,700</b>	<b>33.97</b>	<b>30,769,700</b>	<b>30.77</b>

**14.2. Terms / Rights attached to Equity Shares**

- (A) The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (B) 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.

**14.3. The details of shareholders holding more than 5% shares in the Company:**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	% of Shareholding	No. of shares	% of Shareholding	No. of shares	% of Shareholding
Zenith Impex Pvt Ltd	51,910	0.15	1,951,910	5.74	2,951,910	9.59
Rajul Estates Pvt Ltd	203,532	0.60	1,003,562	2.95	2,403,562	7.81
Fedders Sales Pvt Ltd (Formerly known as Lloyd Sales Pvt Ltd)	4,293,619	12.64	4,293,619	12.64	4,293,619	13.95
<b>Perfect Radiators and Oil Coolers Pvt Ltd</b>	<b>3,826,525</b>	<b>11.26</b>	<b>3,826,525</b>	<b>11.26</b>	<b>3,826,525</b>	<b>12.44</b>
<b>Mr. Brij Raj Punj</b>	<b>1,632,667</b>	<b>4.81</b>	<b>1,632,667</b>	<b>4.81</b>	<b>1,632,667</b>	<b>5.31</b>
<b>Airserco Pvt. Ltd.</b>	<b>1,752,709</b>	<b>5.16</b>	<b>1,752,709</b>	<b>5.16</b>	<b>1,252,709</b>	<b>4.07</b>

**15. OTHER EQUITY**

(Rupees in crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Reserves &amp; Surplus</b>			
a) Share Warrant	0.00	3.38	9.38
b) Securities Premium Reserve	46.44	46.44	25.64
c) General Reserve	360.55	360.55	340.55
d) Retained Earnings	(495.57)	4.51	7.49
e) Capital Reserve	3.38	0.00	0.00
<b>(A)</b>	<b>(85.20)</b>	<b>414.87</b>	<b>383.05</b>
<u>Other Comprehensive Income (OCI)</u>			
Actuarial Gain & Loss	0.74	0.45	0.00
Investment Carried at Fair value	0.19	0.07	(0.01)
Revaluation Reserve	-0.33	-0.20	-
<b>(B)</b>	<b>0.60</b>	<b>0.32</b>	<b>-0.01</b>
<b>(A+B)</b>	<b>(84.60)</b>	<b>415.19</b>	<b>383.04</b>
<b>Share warrant</b>			
Balance as per last financial statement	3.38	9.38	
Adjusted during the year	(3.38)	(6.00)	
	<b>0.00</b>	<b>3.38</b>	<b>9.38</b>
<b>Security premium</b>			
Balance as per last financial statement	46.44	25.64	
Premium on issue of share	0.00	20.80	
Deletion during the year			
	<b>46.44</b>	<b>46.44</b>	<b>25.64</b>
<b>General reserve</b>			
Balance as per last financial statement	360.55	340.55	
Addition during the year	0.00	20.00	
Deletion during the year	0.00	0.00	
	<b>360.55</b>	<b>360.55</b>	<b>340.55</b>

(Rupees in crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Retained earning</b>			
Balance as per last financial statement	4.51	7.49	
Profit for the period	-496.00	19.80	
Dividend during the year	-4.08	-2.78	
Transfer to general reserve	-	-20.00	
	<b>-495.57</b>	<b>4.51</b>	<b>7.49</b>
<b>Capital reserve</b>			
Balance as per last financial statement	0.00	0.00	
Addition during the year	3.38	0.00	
	<b>3.38</b>	<b>0.00</b>	<b>-</b>
<b>Remeasurement of defined benefit plan</b>			
Balance as per last financial statement	0.45	0.00	
Addition during the year	0.29	0.45	
Deletion during the year			
	<b>0.74</b>	<b>0.45</b>	<b>-</b>
<b>Investment carried at fair value</b>			
Balance as per last financial statement	0.07	-0.01	
Addition during the year	0.12	0.08	
Deletion during the year			
	<b>0.19</b>	<b>0.07</b>	<b>-0.01</b>
<b>Revaluation reserve</b>			
Balance as per last financial statement	-0.20	-	
Addition during the year	-0.13	-0.20	
Deletion during the year			
	<b>-0.33</b>	<b>-0.20</b>	<b>-</b>
<b>Total other equity</b>	<b>-84.60</b>	<b>415.19</b>	<b>383.04</b>

**16. BORROWINGS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured</b>			
Term Loans			
<b>From Banks</b>			
Foreign Currency Loan	0.00	13.13	39.35
Indian Currency Loan	0.00	0.00	3.23
	<b>0.00</b>	<b>13.13</b>	<b>42.59</b>

**17. PROVISIONS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Provision for Employee Benefit</b>			
Gratuity	2.99	3.10	4.04
	<b>2.99</b>	<b>3.10</b>	<b>4.04</b>

**18. DEFERRED TAX LIABILITIES (NET)**

(Rupees in crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Deferred Tax Liabilities</b>			
Depreciation	2.17	2.17	4.53
Others	15.85	15.47	10.96
<b>Total (A)</b>	<b>18.03</b>	<b>17.64</b>	<b>15.49</b>
<u>Less: Deferred Tax Assets</u>			
Others	0.00	0.32	0.19
<b>Total (B)</b>	<b>0.00</b>	<b>0.32</b>	<b>0.19</b>
<b>Total (A-B)</b>	<b>18.03</b>	<b>17.32</b>	<b>15.30</b>

**19. BORROWINGS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured</b>			
From Banks	418.75	425.60	436.28
	<b>418.75</b>	<b>425.60</b>	<b>436.28</b>

**20 TRADE PAYABLES**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current</b>			
Dues of Micro and Small Enterprises	2.49	1.07	0.00
Dues other than Micro and Small Enterprises	320.16	197.00	184.60
	<b>322.65</b>	<b>198.07</b>	<b>184.60</b>

**21 OTHER FINANCIAL LIABILITIES**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Maturities of Long Term Debt	13.50	25.81	32.08
Interest Accrued but not due on Term Loan	0.37	0.62	0.00
Payable on Account of Employees	4.31	4.53	3.00
Security Deposit	69.39	26.45	17.02
Expenses Payables	5.00	0.86	2.14
Audit Fee Payable	0.15	0.14	0.15
Unclaimed Dividend	0.69	0.67	0.68
Advance from Related Party	59.14	0.00	0.00
	<b>152.55</b>	<b>59.07</b>	<b>55.06</b>

**22. OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance from Customer	49.00	0.00	0.00
Statutory Dues Payable	5.88	3.65	2.94
	<b>54.88</b>	<b>3.65</b>	<b>2.94</b>

**23. PROVISIONS**

(Rupees in crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Provision for Employee Benefit</b>			
Gratuity	0.81	0.54	0.00
Leave Encashment	0.97	0.00	0.00
	<b>1.78</b>	<b>0.54</b>	<b>0.00</b>

**24. CURRENT TAX LIABILITIES (NET)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Tax	0.00	17.66	21.67
Less: Advance Tax	0.00	13.62	9.03
	<b>0.00</b>	<b>4.04</b>	<b>12.64</b>

**25. REVENUE FROM OPERATIONS**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Sale of product</b>		
Projects/Manufacturing Goods (including Excise Duty)	1,239.06	1,364.85
	<b>1,239.06</b>	<b>1,364.85</b>

**26. OTHER INCOME**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income	0.80	0.52
Dividend Income	0.00	0.01
Other Income	0.43	2.22
	<b>1.23</b>	<b>2.75</b>

**27. COST OF MATERIALS CONSUMED**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Materials, Consumables & Component Consumed		
Opening Stocks	142.33	144.67
Add:-Purchases	1,163.35	1,129.83
Carriage Inwards	1.38	1.93
Less: Closing Stocks	71.48	142.33
	<b>1,235.58</b>	<b>1,134.08</b>



**28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE**

(Rupees in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Inventories at the end of the year</b>		
Finished Goods	4.92	237.02
Work In Progress	<b>5.65</b>	<b>0.00</b>
<b>(A)</b>	<b>10.57</b>	<b>237.02</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	43.13	248.58
Work In Progress	193.89	0.00
<b>(B)</b>	<b>237.02</b>	<b>248.58</b>
<b>(A+B)</b>	<b>226.45</b>	<b>11.56</b>

**29. EMPLOYEE BENEFIT EXPENSES**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salary & Wages	36.14	36.02
Contribution to Provident and other Fund	2.99	1.99
Staff Welfare	0.41	0.00
	<b>39.54</b>	<b>38.01</b>

**30. FINANCE COST**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense	59.06	55.44
Bank Charges	13.76	9.57
	<b>72.82</b>	<b>65.01</b>

**31. DEPRECIATION & AMORTIZATION EXPENSES**

(Rs. in Crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on Property, Plant & Equipment	18.06	12.79
Amortisation on Intangible Assets	0.22	0.13
	<b>18.28</b>	<b>12.92</b>

**32. OTHER EXPENSES**

(Rupees in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Repair and Maintenance</b>		
- Plant & Machinery	0.50	0.47
- Building & Office	0.09	0.17
- Others	0.35	3.59
Electricity Charges	3.42	5.48
Factory Overheads	50.86	3.41
Insurance	1.03	1.83
Rent Rate & Taxes	3.70	4.70
Postage & Courier and Telephone Expenses	1.66	1.43
Printing & Stationery	0.20	0.41
Tender Fees	0.04	0.07
Auditor's Remuneration:		
- Statutory Audit Fee	0.15	0.13
- Tax Audit Fees	0.00	0.01
Legal & Professional Expenses	1.03	4.10
Travelling & Conveyance Expenses	4.45	5.90
Motor Car Expenses	0.23	0.39
Advertisement Expenses	0.75	0.03
Discount	0.00	0.00
Selling Expenses	5.03	16.90
Commission	1.57	1.10
Exhibition Expenses	0.08	0.02
Research & Development Expenses	0.06	0.40
Watch & Ward	2.71	2.68
Computer / Software Expenses	0.40	0.10
Donation (Corporate Social Responsibility)	1.00	0.36
Fees & Taxes (including Club Fee)	0.49	0.42
Director Remuneration & Sitting Fees	1.99	1.76
Warranty Expenses	6.07	0.24
Loss on Foreign Exchange Fluctuation	0.66	0.00
Bad Debts	97.81	8.34
Misc. Expenses	0.08	0.31
	<b>186.41</b>	<b>64.75</b>

**33. EARNING PER SHARE**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to Equity Shareholders (Rs.)	(496.00)	19.80
No. of Equity Share outstanding during the year (Weighted Average)	33,969,700	31,523,782
Face Value of each Equity Share ( Rs.)	10	10
Basic Earning per Share ( Rs.)	(146.01)	6.28
Diluted Earning per Share ( Rs.)	(146.01)	6.28

**34. Contingent Liability not provided for:**

(Rupees in crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A. Claims against the company / disputed liabilities not acknowledged as debts:			
a. Recovery Suits filed by the parties in different court	32.68	6.49	7.20
b. Recovery Suits filed by the co. different court	29.83	NIL	NIL
c. Central Excise & Customs Matters (including Penalty)	1.95	0.61	NIL
d. Sale Tax Matters	10.93	1.17	0.09
<ul style="list-style-type: none"> <li>• Sales Tax Demand for Uttar Pradesh for Rs. 1,07,00,000/-, Rs. 77,00,000/- and Rs. 2,58,00,000/- for Year 2012-13, 2013-14, 2014-15 respectively.</li> <li>• Sales Tax Demand for Punjab for Rs. 4,89,68,963/- for Year 2010-11</li> <li>• Sales Tax Demand for Gujarat for Rs. 1,61,42,755/- for Year 2013-14</li> </ul>			
e. Income Tax Matters (Pending Rectifications)	1.13	0.58	0.76
f. Non Filing of Financial Results to NSE and BSE as per regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	0.26	0.00	0.00
B. Guarantees:			
Bank Guarantees which Includes the following :	279.49	323.53	335.25
Bank Guarantees amounting to USD 18,14,739.53 (INR 11,98,77,156/-) invocation initiated by the beneficiaries in respect of certain contracts in Ethiopia under execution, against which the company has got permanent injunction from Ethiopian Court. The matter is under arbitration proceedings on direction of Ethiopian court.			

**35. Contracts remaining to be executed**

NIL

NIL

NIL

**On capital account and not provided for**
**36. Micro and Small Scale Business Entities**

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 2006, certain disclosure are required to be made relating to MSME, On the basis of information and record available with the company, the following disclosure are made for the amounts due to Micro, Small and Medium Enterprises:

Particulars	March 31, 2018	March 31, 2017
Principal amount due to any supplier as at the year end *	2.49	1.07
Interest due on the principal amount unpaid at the year end to any supplier	Nil	Nil
<b>TOTAL</b>	<b>2.49</b>	<b>1.07</b>

\* Principal amount mentioned above are under dispute.

**37. DISCLOSURE AS PER REGULATION 34 (3) OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**a. Loan given to Subsidiary and outstanding**

(Rupees in crores)

Name of the Company	Relationship	Amount Outstanding as on March 31, 2018	Amount Outstanding as on March 31, 2017	Amount Outstanding as on April 1, 2016
Fedders Lloyd Trading FZE	100% Owned Subsidiary	2.17	1.66	1.62

**b. Loan taken from Subsidiary and payable**

Name of the Company	Relationship	Amount Outstanding as on March 31, 2018	Amount Outstanding as on March 31, 2017	Amount Outstanding as on April 1, 2016
-----NIL-----				

**38. Related Party Disclosures: (in which some Directors are interested)**

**A. Names of Related Parties and Related Party Relationships**

- i. Wholly Owned Subsidiaries
  - a. Fedders Lloyd Trading FZE
  - b. Fedders Lloyd Nigeria Limited
- ii. List of Key Management Personnel as defined under Indian Accounting Standard (Ind AS) 24, 'Related Party disclosures':
  - a. Mr. Brij Raj Punj Chairman & Managing Director (w.e.f. 02.06.1980 to 05.12.2017)
  - b. Mr. Sham Sunder Dhawan Whole Time Director (w.e.f 26.04.2008 to 05.05.2018)
  - c. Mr. Akhter Aziz Siddiqi Whole Time Director(w.e.f 09.02.2017 to 23.05.2018)
  - d. Mr. Pulkit Bhasin Company Secretary(w.e.f 30.05.2016 to 02.01.2019)
- iii. Enterprises owned or significantly influenced by Key Management Personnel or their relatives;
  - a. Airserco Private Limited
  - b. LEEL Electricals Limited
  - c. Perfect Radiators & Oil Coolers Pvt. Ltd.
  - d. PSL Engineering Pvt. Ltd.
  - e. Regal Information Technology Pvt. Ltd.
  - f. Fedders Credits Ltd. (Formerly Lloyd Credits Ltd.)
  - g. Fedders IT Technology Pvt. Ltd. (Formerly Lloyd IT Technology Pvt. Ltd.)
  - h. Fedders Sales Pvt. Ltd. (Formerly Lloyd Sales Pvt. Ltd.)
  - i. Fedders Manufacturing Pvt. Ltd. (Formerly Lloyd Manufacturing Pvt. Ltd.)
  - j. Fedders Infotech (India) Pvt. Ltd. (Formerly Lloyd Infotech (India) Pvt. Ltd.)
  - k. Fedders Stock & Investments Pvt. Ltd. (Formerly Lloyd Stock & Investments Pvt. Ltd.)
  - l. Himalayan Mineral Waters Pvt. Ltd.
  - m. Punj Engineering Pvt. Ltd.
  - n. Punj Services Pvt. Ltd.
  - o. Pandit Kanahaya Lal Punj Pvt. Ltd.
  - p. PSL Wolfe JV Pvt. Ltd.
  - q. Pandit Kanahaya Lal Punj Trust
  - r. Brij Raj Punj(HUF)

**B. Transactions during the period with Related Parties are as under:**

(Rupees in crores)

Particulars	Amount	
	2017-18	2016-17
<b>LEEL ELECTRICALS LIMITED (Formerly Known as Lloyd Electric and Engineering Ltd.)</b>		
Sales of Goods	70.11	59.72
Purchase of Goods	3.60	13.26
Security Deposit	61.29	26.42
<b>Airserco Private Limited</b>		
Sales of Goods	64.21	Nil
Purchase of Goods	7.81	Nil
<b>PSL Engineering Private Limited</b>		
Sales of Goods	63.79	5.12
Purchase of Goods	Nil	0.02
<b>Pandit Kanahaya Lal Punj Trust</b>		
Donation (CSR Expenditure)	1.00	0.33
<b>Himalayan Mineral Waters Pvt. Limited</b>		
Rent	0.21	0.18
<b>Key Management Personnel</b>		
Managerial Remuneration Paid		
-Mr. Brij Raj Punj	0.58	0.77
-Mr. Sham Sunder Dhawan	1.03	0.92
-Mr. Akhter Aziz Siddiqi	0.35	0.04
- Mr. Pulkit Bhasin	0.14	0.10

**39. Additional Information:-**
**Value of Import (C.I.F) Value:**

Particulars	March 31, 2018	March 31, 2017
Raw Materials Components & Parts	96.75	21.80
Capital Goods	0.00	3.26
<b>Total</b>	<b>96.75</b>	<b>25.06</b>

**Value of Raw Material consumed:**

Particulars	March 31, 2018		March 31, 2017	
	Percentage (%)	Amount	Percentage (%)	Amount
Import	7.83	96.75	7.84	20.85
Indigenous	92.17	1138.83	98.16	1113.23
<b>Total</b>	<b>100</b>	<b>1235.58</b>	<b>100</b>	<b>1134.08</b>

**Remittance in Foreign Currency on account of:** (Rupees in crores)

Particulars	March 31, 2018	March 31, 2017
Import Raw Material components & parts	100.52	23.74
Travelling Expenses	0.63	2.42
Other Expenses	0.49	4.23
<b>Total</b>	<b>101.64</b>	<b>30.39</b>

**Earning in Foreign Exchange:**

Particulars	March 31, 2018	March 31, 2017
Export Sale	6.23	54.63
<b>Total</b>	<b>6.23</b>	<b>54.63</b>

Excise Duty paid of Rs.1.91 (11.27) Crores charged on sales.

The Company has written off Debtors Balances amounting to Rs. 95.62 crores.

**External Commercial Borrowings:-**

The Company has total ECB of USD 20,37,687.54 (INR 13,25,39,552/-) is outstanding as on date.

**40. Remuneration to Auditors:**

Particulars	March 31, 2018	March 31, 2017
Audit Fees	0.15	0.11
Tax Audit	0.00	0.01
Service Tax (including SBC & KKC)	0.00	0.02
<b>Total</b>	<b>0.15</b>	<b>0.14</b>

**41. Operating Segment (Business Segment)**

The Company has following Business Segments as its primary reportable segments:

- a. Environmental Control System
- b. Steel Structure & Engineering
- c. Power Project

**Segment Revenues, Results and Other Information:**

Particulars	March 31, 2018	March 31, 2017
<b>I. Segment Revenue</b>		
i. Environmental Control System	31.66	53.46
ii. Steel Structure & Engineering	994.98	1058.97
iii. Power Project	213.65	255.17
<b>Sub:- Total (i+ii+iii)</b>	<b>1240.29</b>	<b>1367.60</b>
<b>Less:- Inter Segment Revenue</b>	0.00	0.00
<b>Net Sales/Income from Operations</b>	<b>1240.29</b>	<b>1367.60</b>
<b>II. Segment Results</b>		
<b>(PROFIT (+) / LOSS(-))</b>		
i. Environmental Control System	(14.94)	4.63
ii. Steel Structure & Engineering	(357.75)	65.41
iii. Power Project	(91.03)	31.34
<b>Sub:- Total (i+ii+iii)</b>	<b>(463.72)</b>	<b>101.38</b>
<b>Less: i. Finance Cost</b>	72.82	65.01
ii. Other un-allocable expenditure net of un-allocable income	4.16	6.37
<b>Add:- i. Exceptional Items</b>	45.18	0.00
<b>Total Profit Before Tax</b>	<b>(495.53)</b>	<b>30.00</b>
<b>III. Capital Employed (Total Assets – Current Liability) *</b>	-	-

\*As certain assets of the Company including manufacturing facilities are often deployed interchangeably, across various segments, it is impractical to allocate these assets and liabilities segment wise.

**42. Employee Benefit Expenses:**

Disclosure figures of the Gratuity liability of the employees, in accordance with Ind AS 19. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

**Present Benefit Obligation-As per Actuarial Valuation: (Rupees in crores)**

Particulars	March 31, 2018	March 31, 2017
<b>Present Value of obligation as at the beginning of the period</b>	3.64	4.03
Interest Cost	0.27	0.30
Service Cost	0.41	0.48
Benefit paid	(0.37)	(0.48)
Past service cost including curtailment Gain / Loss on obligation	0.28	-
Total Actuarial Gain/Loss on Obligation	(0.43)	(0.69)
<b>Present Value of obligation as at the end of the period</b>	<b>3.80</b>	<b>3.64</b>

**Fair value of Plan Assets:**

Particulars	March 31, 2018	March 31, 2017
Fair value of Plan Assets at the beginning of the period	--	--
Actual return on Plan Assets	--	--
Employer Contribution	--	--
Benefits paid	--	--
Fair value of Plan Assets at the end of the period	--	--

**The Amount recognized in the Income Statement:**

Particulars	March 31, 2018	March 31, 2017
Interest Cost	0.27	0.30
Service Cost	0.69	0.48
<b>Expenses recognized in the Income Statement</b>	<b>0.96</b>	<b>0.78</b>

**Net Liability recognized in the Balance Sheet:**

Particulars	March 31, 2018	March 31, 2017
<b>Present Value of obligation at end</b>	3.80	3.64
Fair Value of Plant Assets	0.00	0.00
Unfunded Liability / Provision in Balance Sheet	(3.80)	(3.64)
<b>Unfunded Liability recognized in the Balance Sheet</b>	<b>(3.80)</b>	<b>(3.64)</b>

**Re-measurement (gain) / loss recognized in other comprehensive income:**

Particulars	March 31, 2018	March 31, 2017
<b>Actuarial (Gain)/Loss on arising from Change in Demographic Assumption</b>	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	0.07	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	0.37	(0.69)
<b>Total</b>	<b>0.44</b>	<b>(0.69)</b>

**Principal assumptions used in determining defined benefit obligation:**

(Rupees in crores)

Particulars	March 31, 2018	March 31, 2017
i. Discounting Rate	7.71	7.50
ii. Future salary Increase	8.00	8.00
iii. Retirement Age (Years)	60	60
iv. Mortality rates inclusive of provision for disability	<b>100% of IALM (2006 - 08)</b>	
v. Ages:	<b>Withdrawal</b>	<b>Withdrawal</b>
	<b>Rate (%)</b>	<b>Rate (%)</b>
- Up to 30 Years	3	3
-From 31 to 44 years	2	2
-Above 44 years	1	1

**Sensitivity Analysis of the defined benefit obligation:**

Particulars	Amount
<b>(a) Impact of the change in discount rate</b>	
Present Value of Obligation at the end of the period	<b>3.80</b>
Impact due to increase of 0.50%	(0.15)
Impact due to decrease of 0.50 %	0.16
<b>(b) Impact of the change in salary increase</b>	
Present Value of Obligation at the end of the period	<b>3.80</b>
i. Impact due to increase of 0.50%	0.16
ii. Impact due to decrease of 0.50 %	(0.15)

**43. Capital Management**

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The Company manages its capital to ensure that the company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the company.

The Company reviews the capital structure of the Company on a semi-annual basis. As part of this review, the company considers the cost of capital and the risks associated with each class of capital.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt.

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Debt	432.25	464.54	510.95
Cash and bank balances	25.63	8.15	10.97
<b>Net debt</b>	<b>406.62</b>	<b>456.39</b>	<b>499.98</b>
Total equity	(43.43)	456.26	420.73
<b>Equity and net debt</b>	<b>363.19</b>	<b>912.65</b>	<b>920.71</b>
<b>Gearing ratio (Net Debt/Capital and Net Debt)</b>	<b>111.95%</b>	<b>50.01%</b>	<b>54.30%</b>



**44. Financial Instruments:**

a) Financial instruments by category:

(Rupees in crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Measured at Amortized Cost</b>			
a) Cash and Cash Equivalent including Bank Balance	25.63	8.15	10.97
b) Loan	107.75	1.66	1.62
c) Other financial assets	179.98	48.67	25.62
d) Trade receivable	255.17	453.75	433.70
<b>Fair value through Other Comprehensive Income</b>			
Investment in equity Instrument	0.37	0.22	0.11
<b>Investment in Subsidiary at cost</b>			
Investment in Subsidiary at cost	0.54	0.54	0.54
<b>Total</b>	<b>569.44</b>	<b>512.99</b>	<b>472.56</b>
<b>Financial Liabilities</b>			
<b>Measured at amortized cost</b>			
a) Borrowing	13.50	38.94	74.67
b) Short term borrowing	418.75	425.60	436.28
c) Trade payable	322.65	198.07	184.60
d) Other financial liability	139.05	33.26	22.98
<b>Total</b>	<b>893.95</b>	<b>695.87</b>	<b>718.53</b>

b) Fair value measurement of financial assets and financial liabilities:

Particulars	Fair value as at			Fair value hierarchy	Valuation Technique(s) and key input(s)
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016		
<b>Financial Assets</b>					
Investment in equity	0.37	0.22	0.11	Level 1	Based on quoted market price in active markets.
<b>Financial Liabilities</b>					
Borrowing	13.50	38.94	74.67	Level 2	Discounted estimated cash flow through the expected life of the borrowings.

- c) The fair values of current debtors, bank balances, current creditors and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities:

(Rupees in crores)

Particulars	Carrying value		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>i) Financial Assets - Current</b>			
Trade receivables	255.17	453.75	433.70
Cash and Bank balances	25.63	8.15	10.97
Loans	107.75	1.66	1.62
Other Financial assets	179.98	48.67	25.62
<b>ii) Financial Liabilities - Current</b>			
Borrowings	432.25	451.41	468.36
Trade payable	322.65	198.07	184.60
Other Financial liabilities (other than current maturity of long term borrowings)	139.05	33.26	22.98

#### 45. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company is exposed to market risk, credit risk and liquidity risk. The company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below

##### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk.

##### i) Currency rate risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

##### ii) Interest rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates. The Company's borrowings outstanding as at March 31, 2018 comprise of fixed rate loans and accordingly, are not expose to risk of fluctuation in market interest rate.

##### iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of industrial and domestic air conditioners and therefore require a continuous supply of copper and Aluminum being the major input used in the manufacturing. Due to the significantly increased

volatility of the price of the Copper and aluminum, the Company has entered into various purchase contracts for these material for which there is an active market. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company partly mitigated the risk of price volatility by entering into the contract for the purchase of these material based on average price of for each month.

**b) Credit risk**

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers.

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Trade receivables may be analyzed as follows:

(Rupees in crores)

Age of receivables	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
0-90 days past due	20.52	40.33	38.75
90-180 days past due	31.82	335.45	324.68
More than 180 days past due	209.37	82.32	74.32
<b>Sub Total</b>	<b>261.71</b>	<b>458.10</b>	<b>437.75</b>
Less: Allowance for expected Credit Loss on Trade Receivable	6.54	4.35	4.05
<b>Total</b>	<b>255.17</b>	<b>453.75</b>	<b>433.70</b>

**c) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

Particulars	Weighted average effective interest rate (%)	Within 1 year	1-5 years	Total	Carrying Amount
<b>As at March 31, 2018</b>					
Borrowings	7.59%	13.50	-	13.50	13.50
Short term borrowings		418.75	-	418.75	418.75
Trade payable		322.65	-	322.65	322.65
Other financial liabilities		139.05	-	139.05	139.05
<b>Total</b>		<b>893.95</b>	<b>-</b>	<b>893.95</b>	<b>893.95</b>

(Rupees in crores)

Particulars	Weighted average effective interest rate (%)	Within 1 year	1-5 years	Total	Carrying Amount
<b>As at March 31, 2017</b>					
Borrowings	7.59%	25.81	13.13	38.94	38.94
Short term borrowings		425.60	-	425.60	425.60
Trade payables		198.07	-	198.07	198.07
Other financial liabilities		33.26	-	33.26	33.26
<b>Total</b>		<b>682.74</b>	<b>13.13</b>	<b>695.87</b>	<b>695.87</b>

Particulars	Weighted average effective interest rate (%)	Within 1 year	1-5 years	Total	Carrying Amount
<b>As at March 31, 2016</b>					
Borrowings	7.59%	32.08	42.59	74.67	74.67
Short term borrowings		436.28	-	436.28	436.28
Trade payables		184.60	-	184.60	184.60
Other financial liabilities		22.98	-	22.98	22.98
<b>Total</b>		<b>675.94</b>	<b>42.59</b>	<b>718.53</b>	<b>718.53</b>

**46. Dividend Paid and Proposed**

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Dividend declared and paid during the year:</b>		
Final Dividend paid	3.39	2.31
Corporate Dividend Tax on Final Dividend	0.69	0.47
<b>Total</b>	<b>4.08</b>	<b>2.78</b>

**47. Deferred tax**

Particulars	As at April 1, 2016	Recognized in Profit or loss	Recognized in other comprehensive income	As at March 31, 2017
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Fixed Assets	(13.04)	(2.03)	-	(15.07)
Financial assets and liabilities	1.30	0.17	-	1.47
Revaluation	(3.56)	-	(0.16)	(3.72)
<b>Total</b>	<b>(15.30)</b>	<b>(1.86)</b>	<b>(0.16)</b>	<b>(17.32)</b>

(Rupees in crores)

Particulars	As at March 31, 2017	Recognized in Profit or loss	Recognized in other comprehensive income	As at March 31, 2018
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Fixed Assets	(15.07)	(1.39)	-	(16.46)
Financial assets and liabilities	1.47	0.80	-	2.27
Revaluation	(3.72)	-	(0.12)	(3.84)
<b>Total</b>	<b>(17.32)</b>	<b>(0.59)</b>	<b>(0.12)</b>	<b>(18.03)</b>

48. The balances from related party has been settled by way of assignment of debts for Rs. 94.87 Crore.
49. The total turnover includes sales from Steel Trading Business of Rs. 813.89 Crores. There are no record of sale amounting to Rs 414.54 Crores, which has been reversed in the year 2018-19 .
50. The company is involved in the business of turnkey projects (EPC) and has not recorded proper consumption of the material for previous years. The difference identified between book stock and physical stocks of previous year not booked of Rs. 314.8 Crores has now been booked as consumptions to give the true and fair positions as on date. Moreover the consumption includes the purchases for Steel Trading business for which documents could not be verified and Rs 416.88 Crores has been reversed in the Financial Year 2018-19
51. **Disclosures as required by Indian Accounting Standard (Ind AS 101) first time adoption of Indian Accounting Standard:**

These are Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet as at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the act(Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the financial position & financial statements is set out in following notes.

**A) Reconciliations of Balance Sheet as at March 31, 2017 and April 01, 2016.**

(Rupees in crores)

Particulars	March 31, 2017				April 1, 2016		
	Note No	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>Assets</b>							
<b>Non Current assets</b>							
Property ,Plant and Equipment		255.87	-	255.87	260.11	-	260.11
Capital Work in Progress		12.05	-	12.05	11.86	-	11.86
Intangible assets		0.51	-	0.51	0.64	-	0.64
<b>Financial Assets</b>							
(i) Investments	2	0.66	0.10	0.76	0.66	(0.01)	0.65
		<b>269.09</b>	<b>0.10</b>	<b>269.19</b>	<b>273.27</b>	<b>(0.01)</b>	<b>273.26</b>
<b>Current Assets</b>							
Inventories		379.81	-	379.81	393.89	-	393.89
<b>Financial Assets</b>							
(i) Trade Receivable	3	458.10	(4.35)	453.75	437.75	(4.05)	433.70
(ii) Cash and Cash equivalents		0.63	-	0.63	1.97	-	1.97
(iii) Bank balance other than above		7.52	-	7.52	9.00	-	9.00
(iv) Loan		1.66	-	1.66	1.62	-	1.62
(v) Others		48.67	-	48.67	25.62	-	25.62
Other Current Assets		19.38	-	19.38	35.12	-	35.12
		<b>915.77</b>	<b>(4.35)</b>	<b>911.42</b>	<b>904.97</b>	<b>(4.05)</b>	<b>900.92</b>
		<b>1,184.86</b>	<b>(4.25)</b>	<b>1,180.61</b>	<b>1,178.24</b>	<b>(4.06)</b>	<b>1,174.18</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity Share Capital		33.97	-	33.97	30.77	-	30.77
Other Equity		424.45	(2.34)	422.11	393.28	(3.32)	389.96
		<b>458.42</b>	<b>(2.34)</b>	<b>456.08</b>	<b>424.05</b>	<b>(3.32)</b>	<b>420.73</b>
<b>Non Current Liabilities</b>							
<b>Financial Liabilities</b>							
(i) Borrowing	1	13.21	(0.08)	13.13	42.82	(0.23)	42.59
(ii) Provisions		3.10	-	3.10	4.04	-	4.04
(iii) Deferred Tax Liabilities	5	15.07	2.29	17.32	13.04	2.26	15.30
		<b>31.38</b>	<b>2.21</b>	<b>33.55</b>	<b>59.89</b>	<b>2.03</b>	<b>61.93</b>
<b>Current Liabilities</b>							
<b>Financial Liabilities</b>							
(i) Borrowings		425.60	-	425.60	436.28	-	436.28
(ii) Trade payables		198.07	-	198.07	184.60	-	184.60
(iii) Other Financial Liabilities		59.07	-	59.07	55.06	-	55.06
Other Current Liabilities		3.65	-	3.65	2.94	-	2.94
Provisions	4	4.63	(4.09)	0.54	2.78	(2.78)	0.00
Current tax liability		4.04	-	4.04	12.64	-	12.64
		<b>695.06</b>	<b>(4.09)</b>	<b>690.97</b>	<b>694.30</b>	<b>(2.78)</b>	<b>691.52</b>
<b>Total</b>		<b>1,184.86</b>	<b>(4.22)</b>	<b>1,180.60</b>	<b>1,178.24</b>	<b>(4.06)</b>	<b>1,174.18</b>

Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes.

**B) Reconciliation of Total Comprehensive Income for the year ended March, 31, 2017**

(Rupees in crores)

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from Operations	1,364.85	-	1,364.85
Other Income	2.75	-	2.75
<b>Total Income</b>	<b>1,367.60</b>	-	<b>1,367.60</b>
<u>Expenses:</u>			
Cost of Material/ services consumed	1,134.08	-	1,134.08
Excise Duty	11.27	-	11.27
Change in Inventories	11.56	-	11.56
Employee Benefits Expense	37.32	0.69	38.01
Finance Costs	64.86	0.15	65.01
Depreciation and amortization Expense	12.92	-	12.92
Other Expenses	64.45	0.30	64.75
<b>Total Expenses</b>	<b>1,336.46</b>	<b>1.14</b>	<b>1,337.60</b>
<b>Profit before exceptional items and tax</b>	<b>31.14</b>	<b>(1.14)</b>	<b>30.00</b>
Exceptional items	0.00	-	0.00
<b>Profit Before Tax</b>	<b>31.14</b>	<b>(1.14)</b>	<b>30.00</b>
Tax expense:			
(1) Current tax	8.56	-	8.56
(2) Deferred tax	2.04	(0.40)	1.64
<b>Profit (Loss) for the period</b>	<b>20.54</b>	<b>(0.74)</b>	<b>19.80</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gain & loss	-	0.69	0.69
Investment carried at fair value	-	0.11	0.11
Revaluation Reserve	-	-0.30	-0.30
Income tax	-	(0.16)	(0.16)
		<b>0.34</b>	<b>0.34</b>
<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>20.54</b>	<b>(0.40)</b>	<b>20.14</b>

Note: The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

**C) Reconciliation of equity as at March 31, 2017 and April, 2016 between previous GAAP and Ind AS:**

(Rupees in crores)

Particulars	Note No.	As at March 31, 2017	As at April 1 2016
<b>Total equity (shareholder's funds) under previous GAAP</b>		458.42	424.05
<b>Adjustment made :</b>			
Borrowing carried at amortized cost	1	0.08	0.23
<u>Investment carried at market value</u>	2	0.10	(0.01)
Expected credit loss	3	(4.35)	(4.05)
Dividend	4	4.09	2.78
Deferred Tax	5	(2.08)	(2.27)
<b>Total adjustment to equity</b>		<b>(2.16)</b>	<b>(3.32)</b>
<b>Total equity (shareholder's funds) under per IND AS</b>		<b>456.26</b>	<b>420.73</b>

Notes to the reconciliation of Balance Sheet as at April 1, 2015 and March 31, 2016 and the total comprehensive income for the year ended March 31, 2016.

• **Loan recognized at amortized cost using effective rate of interest**

Under the previous GAAP, transaction costs incurred in connection with borrowings are amortized upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

• **Fair value of investment through OCI**

Under the previous GAAP, investments are recorded at their transaction value. Under Ind AS all investment are required to be recognized at fair value. Accordingly the company has fair valued the investment at each balance sheet date based on quoted market price in active market. Difference between the transaction value and fair value is recognized in other comprehensive income.

• **Expected credit loss on trade receivables**

Under the previous GAAP, allowances on trade receivables are required to be recognized based on actual doubtful debt. Under Ind AS, life time expected credit losses are required to be recognized based on its historically observed default rates over the expected life of trade receivable.

• **Reversal of proposed dividend and recognition in the year of declaration and payment**

Under the previous GAAP, proposed dividend including corporate dividend tax (CDT), are recognized as liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognized as liability in the period in which it is declared by the Company, usually when approved by the shareholders in a general meeting or paid.

• **Deferred tax liability on land revaluation**

Under the previous GAAP, deferred tax is calculated using the income statement approach, Under Ind AS, deferred tax are required to be recognized on land revaluation as at 1 April 2016 related to the earlier land revaluations.

Under the previous GAAP, deferred tax is calculated using the income statement approach, which focuses on difference between taxable profits and accounting profits for the period. Ind AS 12 - "Income Tax" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

• **Excise duty**

Under the previous GAAP, revenue from sale to goods was presented exclusive of excise duty. Under Ind AS revenue from sales of goods is presented inclusive of excise duty. Excise duty paid is presented on face of statement of profit and loss account as a part of expense.



- **Statement of cash Flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

- **Employee Benefit**

As per Ind AS 19 – “Employee Benefit”, actuarial gain & loss have been recognized in other comprehensive income and not reclassified to profit & loss in subsequent period.

- **Reclassification is required as per Ind As Schedule III.**

52. Figures relating to April 1, 2016 (date of transition) have been regrouped / reclassified wherever necessary to make them comparable with the current year figures.

53. Notes ‘1’ to ‘53’ form an integral part of accounts and are duly authorized.

As per our report of even date attached.

**For G. K. Kedia & Co.**  
**Chartered Accountants**  
FRN 013016N

**Kanishka Aggarwal**  
Partner  
M. No. 544129

Place : Noida  
Date : 20.06.2019

**For and on behalf of the Board of Directors of  
Fedders Electric And Engineering Limited**

**Sanjiv Kavaljit Singh**  
Whole-time Director & CEO  
DIN- 00015689

**Neeraj Gupta**  
Chief Financial Officer

**Vansh Vardhan Joshi**  
Director  
DIN-06843644

**Shagun Bajpai**  
Company Secretary  
M.No. A45982

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF FEDDERS ELECTRIC AND ENGINEERING LIMITED

[Formerly known as Fedders Lloyd Corporation Limited]

### REPORT ON THE FINANCIAL STATEMENTS

We were engaged to audit the accompanying consolidated financial statements of **FEDDERS ELECTRIC AND ENGINEERING LIMITED** [Formerly known as Fedders Lloyd Corporation Limited] ("hereinafter referred to as" the Holding Company") and its subsidiary company (the Holding Company and subsidiary company collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian accounting standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under. The Holding Company's Board of Directors is responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by director of holding company, as aforesaid.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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. Because of the matter described in the "Basis for Disclaimer of Opinion" paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### BASIS FOR DISCLAIMER OF OPINION

- The Holding Company is operating through various locations in India and has reported a total turnover amounting to Rs. 1,239.06 Crores during the Financial Year 2017-18. One of the location in Jaipur, Rajasthan has reported sales amounting to Rs. 545.24 Crores for which holding company does not have sufficient & satisfactory supporting evidence. In the above location, the holding company has also reported purchases amounting to Rs. 544.54 Crores which is also not supported by sufficient documentary evidences. Further, the above mentioned sales and purchases have been transacted between the identical parties.*

*Another location in Okhla, New Delhi, has reported sale amounting to Rs. 268.65 Crores which is also not supported by sufficient & satisfactory supporting evidence.*

*Accordingly, in view of aforementioned limitations, we were unable to comment on appropriate recognition of sales and purchases.*

- Attention is invited to Note No. 27 of the Consolidated Financial Statement which states the Cost of Material consumed during the financial year. There have been significant changes in the pattern of consumption of Raw Material in the 4<sup>th</sup> quarter. As extracted and computed from the published quarterly result for the first 3 quarters, average rate of consumption of raw material is around 86% which has drastically increased to 138% in the 4<sup>th</sup> quarter.*

*Further, management has not provided any satisfactory explanations and documentary evidences to justify the above variation in the consumption pattern. Therefore, we were unable to comment on the possible adjustment in cost of material consumed.*

3. We were appointed as auditor of the Holding Company after 31.03.2018 and thus could not observe the counting of physical inventories at the beginning and end of the year. The Holding Company has also not maintained proper records including reconciliation of goods purchased / sold in terms of quantity and value. We were unable to satisfy ourselves by alternative means concerning the inventory quantities held at 31.03.2018 and 31.03.2017 which are valued at Rs 82.33 Crores and Rs 379.81 Crores, respectively in the Note No. 7 of the Consolidated Financial Statements.

Therefore, we were unable to determine any possible adjustments that might have been found necessary in respect of recorded or unrecorded inventories, and the elements making up the Consolidated Statement of Profit & Loss.

4. We sought External Confirmation from the Top 10 customers and vendors for the year ended 31.03.2018 which we could not conclude because of confirmations not received from most of the parties, therefore we cannot satisfy ourselves for the balances of parties appearing in the consolidated financial statements. In view of these, read along with our comments mentioned in Para 1 above and considering that the holding company does not have process in place to perform periodical reconciliation of balances with customers and vendors, we were unable to comment on recoverability of account receivable balance and advance given to suppliers and completeness of account payable balances. Further, the balance confirmation from one of the vendor "POSCO India Holdings Pvt. Ltd." formerly known as "POSCO India Chennai Steel Processing Centre Pvt. Ltd." has been received which is showing a difference of Rs. 0.25 Crores.
5. Attention is invited to Note No. 47 of the Consolidated Financial Statement which states that the Holding company has done the Assignment of Debt (i.e. Transfer of debt, and all the associated rights and obligations, from a creditor to a third party) during the F.Y 2017-18 with regard to Related Party Transactions. It has resulted into reduction of Debtors and Creditors by Rs. 94.87 Crores. Further, no documentary evidence has been provided by the management.
6. Management has informed us that the Recoverable Amount of Assets within the meaning of Ind AS 36 is more than their carrying value & as such no amount needs to be recognized in the Consolidated Financial Statements for the impairment of loss. We were not able to validate this assertion in the absence of bids from prospective buyers / valuation report of an independent agency & the uncertainty of presumption of future operations/results of operations thereafter.
7. The Holding Company has not filed its financial results for the year ended 31<sup>st</sup> March 2018 on or before the due date as prescribed under regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and thus violated the aforementioned regulations.
8. The Holding Company is having one more subsidiary company with name of Fedders Lloyd Nigeria Limited, which has been not considered in Consolidated Financial Statement and further no Financials and supporting documents has been provided to us for the verification.
9. The Consolidated Financial Statements have been prepared on Going Concern basis, notwithstanding the fact that the Group's Net Worth is eroded and the consortium lender banks have already recalled their debts from the Holding Company. This cast significant impact on Group's ability to continue as a going concern. The appropriateness of the said basis, inter-alia, dependent on the group's ability to reschedule its financing arrangements from banks.
10. In relation to the "subsidiary financial statement", the Entity has not carried out any commercial activity during the last 3 years and incurred a net loss of Rs. 1.76 Crores (AED 993,133) during the year ended March 31,2018, and had accumulated losses of Rs. 4.75 Crores (AED 2,681,980) as of that date. The Entity also has an equity deficit and negative working capital of Rs. 1.93 Crores (AED 1,086,458). The commercial license of the Entity has expired on March 05, 2018, and has not been renewed till date. These conditions, along with other matters as set forth above, indicate that the Entity is no longer a going concern. However, these financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. Accordingly, these financial statements do not reflect the impact of adjustments, if any, which may be necessary to adjust the assets and liabilities to their net realisable values. The Subsidiary's auditor have not been provided sufficient, appropriate evidence to satisfy themselves about the nature and recoverability of a deposit balance of Rs. 1.30 Crores (AED 733,102). The effects, if any, of the failure to assess the adjustment of the said amount on these financial statements have not been ascertained. The above mentioned opinion has been considered as per the Auditor's Report of the Subsidiary Company i.e. Fedders Lloyd Trading FZE, on which we have relied thereon.

#### **DISCLAIMER OF OPINION**

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the consolidated financial statements.

**EMPHASIS OF MATTER**

We draw attention to the following:

1. The Holding Company has written off the balances of Debtors amounting to Rs. 95.62 Crores during the financial year 2017-18 and the same has been disclosed in the Note No. 38 of the Consolidated Financial Statements.
2. Attention is invited to Note No. 3 of the Consolidated Financial Statement in which Depreciation calculated by the Management of the company for the financial year is shown in Negative for some of the assets and further the depreciation shown in Note No. 31 of the Consolidated Financial Statement is not in agreement with the depreciation calculated in Note No. 3 of the Consolidated Financial Statement.

Our opinion is not modified in respect of these matters.

**OTHER MATTER**

1. The Consolidated Financial Statements of the Company for the year ended March 31, 2017, were audited by another auditor who had expressed an unmodified opinion on those financial statements vide their audit report dated May 30, 2017. Our opinion is not modified in respect of this matter.
2. Forensic Audit of the Holding Company has been ordered by State Bank of India vide letter dated 15.09.2018.
3. Holding Company's financing arrangements expired majorly on July 11, 2018 as communicated to the Holding Company, via meeting of consortium Bankers convened on dated 21.07.2018 declaring the Bank Accounts as Non-Performing Asset. This situation indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The financial statements do not adequately disclose this fact.
4. Service Tax Department had conducted the search under Section 82 of the Finance Act, 1994 and Service Tax liability was determined by the department amounting to Rs.1.40 Crores and the Holding Company has accepted and paid the demand.
5. As per section 148 of the Companies Act, 2013, Cost Audit is applicable on the Holding Company for which Cost Auditor is appointed for the Financial Year 2017-18. However, the report provided to us by the management was incomplete, unsatisfactory and without annexure, therefore it cannot be relied upon by us.
6. As per section 138 of the Companies Act, 2013, Internal Audit is applicable on the Holding Company but till the date of the issuing of our Audit Report, Holding Company has not provided us the Internal Audit Report issued by the Holding Company's Internal Auditor.
7. As per section 204 of the Companies Act, 2013, Holding Company is required to obtain Secretarial Audit Report from independent practicing Company Secretary but till the date of the issuing of our Audit report, Holding Company has not provided us the Secretarial Audit Report.
8. The Parties of the Holding Company has filed a case in National Company Law Tribunal (NCLT) against the Holding Company under Section 7 and Section 9 of the Insolvency and Bankruptcy Code, 2016:

Sl. No	Name of the Party	Reference No	Relevant Law
1	State Bank of India	CP No. (IB) 75/ALD/2019	Under Section 7 of IBC, 2016
2	Delhi Control Devices Pvt. Ltd.	IB-926(ND)/2018	Under Section 9 of IBC, 2016
3	Axis Electricals Components (I) Pvt. Ltd.	CP No. (IB) 59/ALD/2019	Under Section 9 of IBC, 2016

9. We did not audit the financial statements of the subsidiary company, whose financial statements reflect Total Asset amounting to Rs. 1.33 crores as at March 31, 2018, Total Revenue of Rs. Nil and Total cash flow amounting to Rs. (0.01) crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary company, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid, subsidiary company, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory Requirements below, is modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by section 143(3) of the Act, we report that:
  - a) As described in the Basis for Disclaimer of Opinion paragraph, we were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, proper books of account as required by law have not been kept so far as appears from our examination of those books and the reports of the other auditors, and proper returns adequate for the purposes of our audit have been received from various locations not visited by us;
  - c) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Consolidated Balance Sheet, Consolidated Statement of Profit & Loss, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from various locations not visited by us;
  - d) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under;
  - e) The matter described in the Basis for Disclaimer of Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
  - f) On the basis of written representations received from the directors of the Holding Company and subsidiary (incorporated outside India) as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors of such companies is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of section 164(2) of the Act;
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the parent company and its wholly owned subsidiary company and the operating effectiveness of such controls, refer to our separate report in "Annexure-I".
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, – Refer Note No.34 of the consolidated financial statements;
    - ii. The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education & Protection Fund by the Holding Company. Besides there were no amounts which were required to be transferred to the Investor Education & Protection Fund by the Subsidiary Company.

**For G. K. Kedia & Co.**  
**Chartered Accountants**  
**F.R.N. 013016N**

**Place: New Delhi**  
**Date:20.06.2019**

**Kanishka Aggarwal**  
**Partner**  
**M. N. 544129**

## **ANNEXURE-I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FEDDERS ELECTRIC AND ENGINEERING LIMITED**

**[Formerly known as Fedders Lloyd Corporation 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 were engaged to audit the internal financial controls over financial reporting of **FEDDERS ELECTRIC & ENGINEERING LIMITED [Formerly known as Fedders Lloyd Corporation Limited]** (hereinafter referred to as "the Holding Company") and its subsidiary company, which is incorporated outside India, as of **March 31, 2018** in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROL**

The Board of Directors of the Holding Company and its subsidiary company incorporated outside India, are 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. 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 Act.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted 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 Institute of Chartered Accountants of India.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Holding Company and its subsidiary company.

### **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 authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **DISCLAIMER OPINION**

The system of internal financial controls over financial reporting with regard to the Holding Company were not made available to us to enable us to determine if the Holding Company has established adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2018.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Holding Company, and the disclaimer has affected our opinion on the financial statements of the Holding Company and we have issued a disclaimer of opinion on the consolidated financial statements.

**OTHER MATTERS**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary company and consolidated on the basis of unaudited financial statements, which is company incorporated outside India, is based on the facts furnished by the management.

**For G. K. Kedia & Co.  
Chartered Accountants  
F.R.N. 013016N**

**Place: New Delhi  
Date: 20.06.2019**

**Kanishka Aggarwal  
Partner  
M. N. 544129**

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018**

(Rupees in crores)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	3	240.83	255.87	260.11
(b) Capital Work - In - Progress	4	1.00	12.05	11.86
(c) Other Intangible Assets	5	0.35	0.51	0.64
(d) Financial Assets				
(i) Investments	6	0.37	0.22	0.11
<b>Total Non- Current Assets</b>		<b>242.55</b>	<b>268.65</b>	<b>272.72</b>
<b>Current Assets</b>				
(a) Inventories	7	82.33	379.81	393.89
(b) Financial Assets				
(i) Trade Receivables	8	255.17	453.75	433.71
(ii) Cash and Cash Equivalents	9	1.49	0.67	2.09
(iii) Bank Balances other than (ii) above	10	24.17	7.52	9.00
(iv) Loan	11	105.57	0.00	0.00
(v) Other Financial Assets	12	181.28	51.75	25.62
(c) Other Current Assets	13	33.95	19.38	35.12
<b>Total Current Assets</b>		<b>683.96</b>	<b>912.88</b>	<b>899.43</b>
<b>TOTAL ASSETS</b>		<b>926.51</b>	<b>1,181.53</b>	<b>1,172.15</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital	14	33.97	33.97	30.77
(b) Other Equity	15	(82.09)	419.97	385.95
<b>Total Equity</b>		<b>(48.12)</b>	<b>453.94</b>	<b>416.72</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	16	0.00	13.13	42.58
(b) Provision	17	2.99	3.10	4.04
(c) Deferred Tax Liabilities (Net)	18	18.04	17.31	15.30
<b>Total Non- Current Liabilities</b>		<b>21.03</b>	<b>33.54</b>	<b>61.92</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	19	418.75	425.60	436.28
(i) Trade Payables	20	325.64	201.12	184.62
(ii) Other Financial Liabilities	21	152.55	59.10	57.03
(b) Other Current Liabilities	22	54.88	3.65	2.94
(c) Provisions	23	1.78	0.54	0.00
(d) Current Tax Liabilities (Net)	24	0.00	4.04	12.64
<b>Total Current Liabilities</b>		<b>953.60</b>	<b>694.05</b>	<b>693.51</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>926.51</b>	<b>1,181.53</b>	<b>1,172.15</b>

**Summary of Significant Accounting Policies** 2  
**The accompanying notes are an integral part of the financial statements** 3 to 52  
 As per our report of even date attached.

**For G. K. Kedia & Co.**  
**Chartered Accountants**  
 FRN 013016N

**Kanishka Aggarwal**  
 Partner  
 M. No. 544129

Place : Noida  
 Date : 20.06.2019

**For and on behalf of the Board of Directors of  
 Fedders Electric And Engineering Limited**

**Sanjiv Kavaljit Singh**  
 Whole-time Director & CEO  
 DIN- 00015689

**Neeraj Gupta**  
 Chief Financial Officer

**Vansh Vardhan Joshi**  
 Director  
 DIN-06843644

**Shagun Bajpai**  
 Company Secretary  
 M.No. A45982



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

(Rupees in crores)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	25	1,239.06	1,364.85
Other Income	26	1.23	2.75
<b>Total income</b>		<b>1,240.29</b>	<b>1,367.60</b>
<b>Expenses</b>			
Cost of Material Consumed	27	1,235.58	1,134.08
Changes In Inventories of Finished Goods and Work - In -Progress	28	226.45	11.56
Excise Duty on Sale of Goods		1.91	11.27
Employee Benefit Expenses	29	39.54	38.01
Finance Cost	30	72.82	65.02
Depreciation & Amortization Expenses	31	18.28	12.92
Other Expenses	32	188.17	64.85
<b>Total expenses</b>		<b>1,782.75</b>	<b>1,337.71</b>
Profit Before Exceptional Items & Tax		(542.46)	29.89
Add: Exceptional Items		45.18	0.00
<b>Profit/(Loss) Before Tax</b>		<b>(497.28)</b>	<b>29.89</b>
<b>Less: Tax Expenses</b>			
(1) Current Tax		0.00	8.56
(2) Deferred Tax		0.47	1.64
<b>Total Tax Expenses</b>		<b>0.47</b>	<b>10.20</b>
<b>Profit After Tax</b>	<b>A</b>	<b>(497.75)</b>	<b>19.69</b>
<b>Other Comprehensive Income</b>			
A. (i) Items that will be reclassified to Profit or Loss		0.00	0.00
(ii) Income Tax relating to items that will be reclassified to Profit or Loss"		0.00	0.00
B. (i) Items that will not be reclassified to Profit or Loss:			
- Remeasurements of the Defined Benefit Plans		0.44	0.69
- Fair Value Gain on Investment		0.15	0.11
- Revaluation Reserve		(0.20)	(0.30)
- Foreign Currency Translation Reserve		(0.50)	1.97
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(0.12)	(0.16)
<b>Total Other Comprehensive Income for the year</b>	<b>B</b>	<b>(0.22)</b>	<b>2.31</b>
<b>Total Comprehensive Income for the year</b>	<b>(A+B)</b>	<b>(497.97)</b>	<b>22.01</b>
Earning Per Equity Share (Face Value of Rs. 10/- Each)	33		
(1) Basic		(146.53)	6.25
(2) Diluted		(146.53)	6.25
<b>Summary of Significant Accounting Policies</b>	<b>2</b>		
<b>The accompanying notes are an integral part of the financial statements.</b>	<b>3 to 52</b>		

As per our report of even date attached.

**For G. K. Kedia & Co.**  
 Chartered Accountants  
 FRN 013016N

**For and on behalf of the Board of Directors of**  
**Fedders Electric And Engineering Limited**
**Kanishka Aggarwal**  
 Partner  
 M. No. 544129

**Sanjiv Kavaljit Singh**  
 Whole-time Director & CEO  
 DIN- 00015689

**Vansh Vardhan Joshi**  
 Director  
 DIN-06843644

 Place : Noida  
 Date : 20.06.2019

**Neeraj Gupta**  
 Chief Financial Officer

**Shagun Bajpai**  
 Company Secretary  
 M.No. A45982

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS ON MARCH 31, 2018**

(Rupees in crores)

**A. Equity Share Capital**

Particulars	No of Shares	Amount
<b>Balance as at April 1, 2016</b>	30,769,700	30.77
Changes in equity share capital during the year	3,200,000	3.20
<b>Balance as at March 31, 2017</b>	<b>33,969,700</b>	<b>33.97</b>
Changes in equity share capital during the year	0.00	0.00
<b>Balance as at March 31, 2018</b>	<b>33,969,700</b>	<b>33.97</b>

**B. Other Equity**

Particulars	Share Warrant	Reserves and Surplus					Other items of Other comprehensive income				Total
		Security Premium	General Reserve	Retained Earnings	Revaluation Reserve	Capital Reserve	Remeasurement of Net Defined Benefit Plans	Revaluation Reserve	Fair Value through Other Comprehensive Income of Equity Investments	Foreign Currency Translation Reserve	
<b>Balance as at April 1, 2016</b>	9.38	25.64	340.55	5.78	6.92	-	-	-	(0.01)	(2.30)	<b>385.95</b>
Profit for the year	-	-	-	19.69	-	-	-	-	-	-	<b>19.69</b>
Addition/deletion during the year	(6.00)	20.80	20.00	-	-	-	0.45	(0.20)	0.08	1.97	<b>37.11</b>
Dividend	-	-	-	(2.78)	-	-	-	-	-	-	<b>(2.78)</b>
Transfer to General Reserve	-	-	-	(20.00)	-	-	-	-	-	-	<b>(20.00)</b>
<b>Balance as at March 31, 2017</b>	<b>3.38</b>	<b>46.44</b>	<b>360.55</b>	<b>2.69</b>	<b>6.92</b>	-	<b>0.45</b>	<b>(0.20)</b>	<b>0.07</b>	<b>(0.33)</b>	<b>419.97</b>
Profit for the year	-	-	0.00	(497.75)	-	-	-	-	-	-	<b>(497.75)</b>
Addition/deletion during the year	(3.38)	-	-	-	-	3.38	0.29	(0.13)	0.12	(0.50)	<b>(0.23)</b>
Dividend	-	-	-	(4.08)	-	-	-	-	-	-	<b>(4.08)</b>
<b>Balance as at March 31, 2018</b>	<b>(0.00)</b>	<b>46.44</b>	<b>360.55</b>	<b>(499.15)</b>	<b>6.92</b>	<b>3.38</b>	<b>0.74</b>	<b>(0.33)</b>	<b>0.19</b>	<b>(0.83)</b>	<b>(82.09)</b>

As per our report of even date attached.

**For G. K. Kedia & Co.**  
**Chartered Accountants**  
 FRN 013016N

**Kanishka Aggarwal**  
 Partner  
 M. No. 544129

 Place : Noida  
 Date : 20.06.2019

**For and on behalf of the Board of Directors of**  
**Fedders Electric And Engineering Limited**
**Sanjiv Kavaljit Singh**  
 Whole-time Director & CEO  
 DIN- 00015689

**Neeraj Gupta**  
 Chief Financial Officer

**Vansh Vardhan Joshi**  
 Director  
 DIN-06843644

**Shagun Bajpai**  
 Company Secretary  
 M.No. A45982

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

(Rupees in crores)

Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
<b>A. Cash Flow from Operating Activities:</b>				
Net Profit/(Loss) Before Tax		(497.28)		29.89
<b>Adjustments for :</b>				
Add : Depreciation	18.28		12.92	
Remeasurement of Defined Benefit Plan	0.43		0.69	
FCTR	(0.50)		1.97	
Expected Credit Loss	2.19		0.30	
Interest Expenses	59.06	79.46	55.44	71.32
Less:				
Interest Income	(0.80)		(0.52)	
Dividend Income	(0.00)	(0.80)	0.00	(0.52)
<b>Operating Profit Before Working Capital Changes</b>		<b>(418.62)</b>		<b>100.69</b>
Trade & Other Receivables	196.39		(20.34)	
Inventories	297.48		14.08	
Loans & Advances	(105.57)		0.00	
Other Financial Assets	(129.53)		(26.13)	
Other Current Assets	(14.57)		15.74	
Other Financial Liability	93.45		2.07	
Other Current Liability	51.24		0.71	
Provisions	1.13		(0.40)	
Trade & Other Payable	124.52	514.54	16.51	2.24
<b>Cash generated from operations</b>		<b>95.92</b>		<b>102.93</b>
Direct Tax Paid	(4.04)	(4.04)	(17.16)	(17.16)
<b>Net Cash Flow from Operating Activities</b>		<b>91.88</b>		<b>85.77</b>
<b>B Cash Flow from Investing Activities:</b>				
Purchase of Property, Plant and Equipment	7.89		(8.84)	
Interest Received	0.80		0.52	
Dividend Received	0.00	8.69	0.00	(8.32)
<b>Net Cash Flow from Investing Activities</b>		<b>8.69</b>		<b>(8.32)</b>
<b>C Cash Flow from Financial Activities:</b>				
Proceeds from Borrowing	(19.98)		(40.28)	
Dividend Paid	(4.08)		(2.78)	
Proceeds from Share Capital/Warrants	0.00		18.00	
Interest Paid	(59.06)	(83.12)	(55.28)	(80.34)
<b>Net Cash Flow from Financing Activities</b>		<b>(83.12)</b>		<b>(80.34)</b>
<b>Net increase/decrease in Cash and Cash Equivalents (A+B+C)</b>		<b>17.45</b>		<b>(2.89)</b>
Opening Balance of Cash and Cash Equivalents		8.19		11.09
Closing Balance of Cash and Cash Equivalents		25.66		8.19
<b>Net increase/ decrease in Cash and Cash Equivalents</b>		<b>17.47</b>		<b>(2.90)</b>

Note : The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standards - 7. "Statements of Cash Flow".

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached.

**For G. K. Kedia & Co.**  
Chartered Accountants  
FRN 013016N

**Kanishka Aggarwal**  
Partner  
M. No. 544129

Place : Noida  
Date : 20.06.2019

**For and on behalf of the Board of Directors of  
Fedders Electric And Engineering Limited**

**Sanjiv Kavaljit Singh**  
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Director  
DIN-06843644

**Shagun Bajpai**  
Company Secretary  
M.No. A45982

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

### 1. Corporate Information

Fedders Electric and Engineering Limited (Formerly known as Fedders Lloyd Corporation Limited) (“the Company”) is a public group domiciled in India and incorporated under the provisions of the Companies Act, 2013 having Registered Office at 6 and 6/1 UPSIDC Industrial Area, Sikandrabad, Bulandshahr UP - 203205. Its shares are listed on National Stock Exchange of India Limited (NSE) & BSE Limited (BSE) in India and well diversified in the fields of Environment Control Systems (ECS), Fabrication of Steel Structures for Power, Commercial and Industrial Construction Projects and implementation of high power transmission lines. The Group has also been into exports of power equipment’s/ components to various funded projects by multilateral agencies.

The Group has been generating revenue mainly from three segments:-

1. Environmental Control System
2. Steel Structure & Engineering
3. Power Transmission & Distribution and Overhead Electrification (OHE)

### 2. Significant accounting policies

#### 2.1 Basis of preparation

These Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) and Disclosures thereon comply with requirements of Ind AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time, MSMED Act, 2006, other pronouncement of ICAI, provisions of the Companies Act and Rules and guidelines issued by SEBI as applicable. Upto financial year ended on March 31, 2017, the Group has prepared the accounts according to the Previous GAAP. The consolidated financial statements for the year ended March 31, 2018 are the first to have been prepared in accordance with IND AS. Opening Balance Sheets as on April 1, 2016 and March 31, 2017, have been presented as comparatives. The transition was carried out retrospectively as on the transition date which is April 1, 2016, and for any variation in the amounts represented in the comparative balance sheets vis-à-vis earlier presentation, reconciliation is given as part of notes. Assets and Liabilities have been classified as current or non-current as per the Group’s normal operating cycle and other criteria set out in revised Schedule – III to the Companies Act, 2013.

#### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company, its subsidiaries, associates and a joint venture as at and for the year ended March 31, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

-Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

-Exposure, or rights, to variable returns from its involvement with the investee, and

The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights
- The size of the Group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31 March. When the end of the reporting period of the parent Group is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent Group to enable the parent Group to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

**Consolidation procedure:-**

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the financial statements at the acquisition date.

Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intra group losses may indicate an impairment that requires recognition in the financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra Group transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the group had directly disposed of the related assets and liabilities.

**2.3 Use of Estimates & Basis of Measurement**

IND AS enjoins management to make estimates and assumptions related to consolidated financial statements that affect reported amount of assets, liabilities, revenue, expenses and contingent liabilities pertaining to the year. Actual result may differ from such estimates. Any revision in accounting estimates is recognized prospectively in the period of change and

material revision, including its impact on consolidated financial statements, is reported in the notes to accounts in the year of incorporation of revision.

These consolidated financial statements have been prepared under the historical cost convention on the accrual basis, except for certain financial instruments and provisions which are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### **2.4 First time adoption of IND AS**

The adoption of Ind AS is carried out in accordance with Ind AS 101 on April 1, 2016 being the transition date. However, in preparing these consolidated financial statements, the Group has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the consolidated financial statements as at the transition date under Ind AS and Previous GAAP, have been recognized directly in equity at the transition date.

Ind AS 101 allows first-time adopters certain optional exemptions and mandatory exceptions from the retrospective application of certain requirements under Ind AS.

#### **Exemptions from retrospective application**

i. The Group has elected to apply the following optional exemption from full retrospective application of Ind AS:

**a) Deemed Cost**

Ind AS 101 permits first time adopter to elect to continue with the carrying value for all of its Property, Plant and Equipment as recognized in consolidated financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 - Intangible Assets. Accordingly, on transition to Ind AS, the Group has elected to continue with the carrying value of all of its Property, Plant and Equipment recognized as at April 1, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as the deemed cost of Property, Plant and Equipment.

ii. The following mandatory exceptions from retrospective application of Ind AS have applied by the Group:

**a) Estimates Exception**

On an assessment of the estimates made under the Previous GAAP consolidated financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS (except for adjustments to reflect any difference in accounting policies), as there is no objective evidence that those estimates were in error. However, estimates, that were required under Ind AS but not required under Previous GAAP, are made by the Group for the relevant reporting dates, reflecting conditions existing as at that date without using any hindsight.

**b) De-recognition of financial assets and liabilities exception**

Financial assets and liabilities de-recognized before transition date are not re-recognized under Ind AS.

Reconciliations and explanations of the significant effect of the transition from Previous GAAP to Ind AS on the Group's equity, statement of profit and loss and are provided in Note 46.

#### **2.5 Recognition of Income and Expenses**

Revenue is measured at the fair value of the consideration received or receivable, taking into account the contractually defined terms of payment net of returns and allowances, trade discounts, volume rebates and taxes or duties collected on behalf of the government.

Group recognizes revenue from sale of goods when significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, which coincides with the delivery of goods.

Interest Income from debt instruments is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash flows over the expected life of financial instrument, to the gross carrying amount of the financial assets or to the amortized cost of the financial liability.

Dividend income is recognized when the Group's right to receive payment is established on or before the Balance Sheet date (Provided that it is probable that the economic benefit will flow to the Group).

Export sales are accounted on the basis of date of bill of lading.

Interest income on investment in fixed deposit is recognized on time proportion basis at the contractual rate.

Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

## 2.6 Property, Plant and Equipment

An item of Property, Plant and Equipment (PPE) is recognized as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. PPE are initially recognized at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of Property, Plant and Equipment are required to be replaced in regular intervals, the Group recognizes such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognized from the balance sheet and cost of the new item of PPE is recognized. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred.

Depreciation is provided on Straight Line Method, at the rates determined based on the economic useful lives of assets estimated by the management; or at the rates prescribed under Schedule II of the Companies Act, 2013, whichever is higher. Accordingly, the Group has used the following rates:-

Name of Assets	Useful Life (in Years)
Building	30
Plant & Machinery	15
Office equipment's	5
Furniture & Fixture	10
Vehicle	8

Assets of Rs. 5,000 or less are fully depreciated in the year of purchase.

## 2.7 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as Investment Property. Investment Property is measured initially at its cost, including transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized. Investment Properties (except freehold land) are depreciated using the Straight Line Method over their estimated useful lives.

## 2.8 Intangible assets

Intangible assets with finite useful lives acquired by the Group are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of

any changes in the estimate being accounted for on a prospective basis. On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

## 2.9 Goodwill

No self-generated goodwill is recognized. Goodwill arises during the course of acquisition of an entity in terms of accounting treatment provided in IND AS-103 dealing with 'Business Combination'. Goodwill represents the excess of consideration money over the fair value of net assets of the entity under acquisition. Such goodwill is construed to have indefinite life and as such is not subject to annual amortization but annual test of impairment under IND AS - 36. Any shortfall in consideration money vis-à-vis fair value of net assets on account of bargain purchase is recognized in OCI at acquisition point and subsequently transferred to Capital Reserve.

## 2.10 Impairment Of Non- Financial Assets

Intangible Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## 2.11 Government Subsidy / Grant

Government Grant is recognized only when there is a reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received.

- a) Subsidy related to assets is recognized as deferred income which is recognized in the statement of profit & loss on systematic basis over the useful life of the assets. Purchase of assets and receipts of related grants are separately disclosed in statement of cash flow.
- b) Grants related to income are treated as other income in statement of profit & loss subject to due disclosure about the nature of grant.

## 2.12 Financial Instrument

### a) Financial Assets

#### Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

#### Subsequent Measurement

For purpose of subsequent measurement financial assets are classified in two broad categories:-

- i. Financial Assets at fair value
- ii. Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss, or recognized in other comprehensive income. A financial asset that meets the following two conditions is measured at amortized cost.

- i. **Business Model Test:** The objective of the Group's business model is to hold the financial asset to collect the contractual cash flows.
- ii. **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.



A financial asset that meets the following two conditions is measured at fair value through OCI:-

- i. Business Model Test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- ii. Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit and loss.

All Equity Investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected irrevocable option to present value changes in OCI.

### **Impairment**

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and debt instrument carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Group applies the simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables.

### **b) Financial Liabilities**

All financial liabilities are initially recognized at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified as measured at amortized cost or fair value through profit and loss (FVTPL). A financial liability is classified as FVTPL if it is classified as held for trading, or it is a derivative or is designated as such on initial recognition. Financial Liabilities at FVTPL are measured at fair value and net gain or losses, including any interest expense, are recognized in statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of profit and loss.

### **2.13 Fair Value Measurement**

The Group measures certain financial instruments at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. In the principal market for the asset or liability, or
- ii. In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets

Level 2: Significant inputs to the fair value measurement are directly or indirectly observable

Level 3: Significant inputs to the fair value measurement are unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### **2.14 Lease assets**

The determination of whether an arrangement is a lease is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Operating lease receipts / payments are recognized as an income / expense on a straight-line basis over the lease term.

Contingent rents are recognized as income / expense in the period in which they are earned/ incurred.

#### **2.15 Inventory**

##### **a) Basis of valuation**

Inventories are valued at lower of cost and net realizable value after providing cost of obsolescence, if any. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

##### **b) Method of valuation**

Raw materials and consumables has been determined by using weighted average cost method and comprises all cost of purchase, freight costs, customs duty (wherever paid), taxes (other than those subsequently recoverable from Tax Authorities) and all other cost incurred in beginning the inventory to their present location and condition. The cost is determined using the Weighted Average Method.

**Work in progress** include direct and indirect materials, direct and indirect labour and other manufacturing overheads incurred in bringing them to their respective present location and condition.

**Finished goods** includes direct and indirect materials, direct and indirect labour and other manufacturing overheads incurred in bringing them to their respective present location and condition. Cost is determined on moving weighted average basis.

**Stock in transit** lying in customs warehouse does not include custom duty payable, however, non-provision of duty does not affect the profit for the year.

#### **2.16 Employee benefits**

The Group's Employee Benefits mainly include wages, salaries, bonuses, contribution to plans, defined benefit plans, compensated absences, deferred compensation and share-based payments. The employee benefits are recognized in the year in which the associated services are rendered by the Group employees.

##### **Defined contribution plans**

The contributions to defined contribution plans are recognized in profit or loss as and when the services are rendered by employees. The Group has no further obligations under these plans beyond its periodic contributions.

##### **Provident Fund and Employees' State Insurance Schemes**

All employees of the Group are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. The contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Group are covered under the employees' state insurance schemes, which are also defined contribution schemes recognized and administered by the Government of India.

### **Defined benefit plans**

In accordance with the local laws and regulations, all the employees in India are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Group provides for the liability towards the said plans on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognized in the balance sheet, at the present value of the defined benefit obligations less the fair value of plan assets (being the funded portion). The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations liability. The net interest income / (expense) on the net defined benefit liability is recognized in the statement of profit and loss. However, the related re-measurements of the net defined benefit liability are recognized directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods.

### **Other long-term employee benefits**

The employees of the Group are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Group provides for the liability towards the said benefit on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognized in the statement of profit and loss in the period in which they arise.

### **2.17 Tax Expenses**

Income Tax Expense comprises of Current Tax and Deferred Tax charge or credit. Provision for Current Tax is made with reference to taxable income computed for the financial year for which the consolidated financial statements are prepared by applying the tax rates as applicable.

#### **Current Tax**

The Current Tax is calculated on the basis of the Tax Rates, Laws and Regulations, which have been enacted or substantively enacted as at the reporting date in the respective countries where the Group operates and generate taxable income. The payment made in excess / (shortfall) of the respective Group's income tax obligation for the period are recognized in the Balance Sheet as current income tax assets / liabilities.

#### **Deferred Tax**

Deferred Tax is provided using the Balance Sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Current and Deferred Tax is recognized in statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

### Minimum Alternate Tax

Minimum Alternate Tax credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

### 2.18 Provisions, Contingent Liability and Contingent Assets

- i. A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.
- ii. Contingent liabilities, if material, are disclosed by way of notes and contingent assets, if any, are disclosed in the notes to consolidated financial statements.
- iii. A provision is recognized, when Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made for the amount of obligation. The expense relating to the provision is presented in the profit and loss net of any reimbursement.
- iv. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### 2.19 Foreign Currency Translation

These consolidated financial statements are presented in Indian rupees (INR), which is the Group's functional currency.

Transactions in foreign currency are recorded on initial recognition at the spot rate prevailing at the time of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated financial statements are recognized in profit or loss in the period in which they arise.

#### At the end of each reporting period:

- i. Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.
- ii. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- iii. Non-monetary items that are measured terms of historical cost in a foreign currency are not retranslated.

### 2.20 Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

Deferred Tax Assets and Liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realized or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realized within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

### **2.21 Operating Segment**

The Chief Operational Decision Maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the consolidated financial statements.

The Operating segments have been identified on the basis of the nature of products / services:

- i. Segment revenue includes sales and other income directly identifiable with the segment including intersegment revenue.
- ii. Expenses that are directly identifiable with the segments are considered for determining the segment results. Expenses which relate to the Group as a whole and not allocable to segments are included under un-allocable expenditure.
- iii. Income which relates to the Group as a whole and not allocable to segments is included in un-allocable income.
- iv. Segment result includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the Group.
- v. Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

### **2.22 Earnings Per Share**

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. For the purpose of calculating Diluted Earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### **2.23 Borrowing Cost**

Borrowing costs specifically relating to the acquisition or construction of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset. All other borrowing costs are charged to statement of profit & loss in the period in which it is incurred except loan processing fees which is recognized as per Effective Interest Rate (EIR) method.

Borrowing Costs consist of interest and other costs that Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **2.24 Cash and cash Equivalents**

Cash and Cash Equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Group's cash management, are also included as a component of cash and cash equivalents.

### **2.25 Critical accounting estimates, assumptions and judgements**

The estimates and judgements used in the preparation of the said consolidated financial statements are continuously evaluated by the Group, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Group regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognized in the consolidated financial statements in the year in which they become known.

## **2.26 Investments**

Investments which are of equity in nature are carried at Fair Value and gain / loss on fair valuation is recognized through OCI.

## **2.27 Trade Receivables**

Trade Receivables are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

## **2.28 Trade and Other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and Other Payables are recognized, initially at fair value, and subsequently measured at amortized cost using effective interest rate method.

## **2.29 Recent accounting pronouncement**

### **Standards issued but not yet effective**

In March 2018, the Ministry of Corporate Affairs (MCA) issued the companies (Indian Accounting Standards) Amendments Rules 2018, notifying Ind AS 115, "Revenue from contract with customers", Appendix B to Ind AS 21, "Foreign Currency Transaction" and advance consideration made by International Accounting Standards Board (IASB). These amendments are applicable to the Group from April 1, 2018. The Group will be adopting the amendments from their effective date.

#### **a) Ind AS 115, Revenue from contract with customers.**

Ind AS 115 supersedes Ind AS 11 - Construction Contract and Ind AS 18 - Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customer. The principal of Ind AS 115 is that an entity recognizes revenue that demonstrate the transfer of promised goods and services to customer at an amount that reflect the consideration to which the entity expect to be entitled in exchange for those goods and services. The standards can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contacts at the date of initial application of standards. Based on preliminary assessment performed by the Group, the impact of application of the standards is not expected to be material.

#### **b) Appendix B to Ind AS 21, Foreign Currency transaction and advance consideration.**

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the assets, expenses or income (or part of it) is the date on which an entity initially recognizes the non-monetary assets or non-monetary liability arising from the payment or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance in consideration. The impact of the appendix on the consolidated financial statements, as assessed by the Group, is expected to be not material.

**3. PROPERTY, PLANT AND EQUIPMENT**

(Rupees in crores)

PARTICULARS	Gross Carrying Amount			Accumulated Depreciation				Net Carrying Amount		
	As At April 1, 2017	Purchase during the year	Deduction during the year	As At March 31, 2018	Up to April 1, 2017	Dep. for the year	Deduction during the year	As At March 31, 2018	As At March 31, 2018	As At March 31, 2017
Land - Freehold	53.82	0.01	0.00	53.83	0.00	0.00	0.00	0.00	53.83	53.82
Building	109.34	0.00	0.00	109.35	33.23	3.23	0.00	36.45	72.89	76.12
<b>Office Premises</b>	2.76	0.12	0.00	2.89	1.77	0.05	0.00	1.82	1.07	0.99
Temporary Shed	3.52	0.00	0.00	3.52	3.35	0.00	0.00	3.35	0.18	0.18
Plant & Machinery	225.06	2.40	0.00	227.46	103.20	14.51	0.00	117.71	109.75	121.85
Computer	5.25	0.06	0.00	5.31	4.92	(0.02)	0.00	4.90	0.42	0.33
Furniture's and Fixtures	3.81	0.02	0.00	3.82	2.24	0.28	0.00	2.52	1.30	1.56
<b>Office Equipments</b>	4.44	0.48	0.00	4.93	4.29	(0.08)	0.00	4.21	0.72	0.15
Motor Car	3.04	0.00	0.00	3.04	2.19	0.19	0.00	2.38	0.66	0.85
<b>Scooter &amp; Motor Cycle</b>	0.11	0.00	0.00	0.11	0.09	0.00	0.00	0.09	0.02	0.02
<b>Total</b>	<b>411.15</b>	<b>3.11</b>	<b>0.00</b>	<b>414.26</b>	<b>155.28</b>	<b>18.15</b>	<b>0.00</b>	<b>173.43</b>	<b>240.83</b>	<b>255.87</b>

**PROPERTY, PLANT AND EQUIPMENT**

PARTICULARS	Gross Carrying Amount			Accumulated Depreciation				Net Carrying Amount		
	As At April 1, 2016	Purchase during the year	Deduction during the year	As At March 31, 2017	Up to April 1, 2016	Dep. for the year	Deduction during the year	As At March 31, 2017	As At March 31, 2017	As At March 31, 2016
Land - Freehold	53.82	0.00	0.00	53.82	0.00	0.00	0.00	0.00	53.82	53.82
Building	109.32	0.02	0.00	109.34	30.42	2.81	0.00	33.23	76.12	78.90
<b>Office Premises</b>	2.76	0.00	0.00	2.76	1.77	0.01	0.00	1.77	0.99	1.00
Temporary Shed	3.52	0.00	0.00	3.52	3.35	0.00	0.00	3.35	0.18	0.18
Plant & Machinery	216.72	8.34	0.00	225.06	94.24	8.96	0.00	103.20	121.85	122.47
Computer	5.05	0.20	0.00	5.25	4.75	0.16	0.00	4.92	0.33	0.30
Furniture's and Fixtures	3.77	0.03	0.00	3.81	1.96	0.28	0.00	2.24	1.56	1.81
<b>Office Equipment's</b>	4.40	0.04	0.00	4.44	3.79	0.50	0.00	4.29	0.15	0.61
Motor Car	3.04	0.00	0.00	3.04	2.04	0.15	0.00	2.19	0.85	0.99
<b>Scooter &amp; Motor Cycle</b>	0.11	0.00	0.00	0.11	0.08	0.01	0.00	0.09	0.02	0.03
<b>Total</b>	<b>402.52</b>	<b>8.64</b>	<b>0.00</b>	<b>411.15</b>	<b>142.41</b>	<b>12.88</b>	<b>0.00</b>	<b>155.28</b>	<b>255.87</b>	<b>260.11</b>

**4. CAPITAL WORK-IN-PROGRESS**

PARTICULARS	As At April 1, 2017	Addition During The Year	Deduction During the Year	As At March 31, 2018
Capital Work- in- Progress (Refer Note No 4.1)	12.05	0.00	(11.05)	1.00
<b>Previous Year</b>	<b>11.86</b>	<b>0.19</b>	<b>0.00</b>	<b>12.05</b>

PARTICULARS	As At April 1, 2016	Addition During The Year	Deduction During the Year	As At March 31, 2018
Capital Work- in- Progress (Refer Note No 4.1)	11.86	0.19	0.00	12.05
<b>Previous Year</b>	<b>11.19</b>	<b>0.67</b>	<b>0.00</b>	<b>11.86</b>

**Note No 4.1:** Capital work-in-progress mainly comprises fixed assets related to new factory unit taken on lease and for previous year mainly comprise fixed assets related to new plant and machinery.

**5. OTHER INTANGIBLE ASSETS**

(Rupees in crores)

PARTICULARS	Gross Carrying Amount			Accumulated Depreciation				Net Carrying Amount	
	As At April 1, 2017	Purchase during the year	As At March 31, 2018	Up to April 1, 2017	Dep. for the year	Deduction during the year	As At March 31, 2018	As At March 31, 2018	As At March 31, 2017
Software	1.21	0.05	1.26	0.70	0.22	0.00	0.92	0.35	0.51
<b>Total</b>	<b>1.21</b>	<b>0.05</b>	<b>1.26</b>	<b>0.70</b>	<b>0.22</b>	<b>0.00</b>	<b>0.92</b>	<b>0.35</b>	<b>0.51</b>

**OTHER INTANGIBLE ASSETS**

PARTICULARS	Gross Carrying Amount			Accumulated Depreciation				Net Carrying Amount	
	As At April 1, 2016	Purchase during the year	As At March 31, 2017	Up to April 1, 2016	Dep. for the year	Deduction during the year	As At March 31, 2017	As At March 31, 2017	As At March 31, 2016
Software	1.21	0.01	1.21	0.57	0.13	0.00	0.70	0.51	0.64
<b>Total</b>	<b>1.21</b>	<b>0.01</b>	<b>1.21</b>	<b>0.57</b>	<b>0.13</b>	<b>0.00</b>	<b>0.70</b>	<b>0.51</b>	<b>0.64</b>

**6. INVESTMENTS**

Particulars	As at March 31, 2018			As at March 31, 2017		As at April 1, 2016	
	Face Value	No. of Shares	Value	No. of Shares	Value	No. of Shares	Value
<b>Trade Investments</b>							
Quoted							
<b>Equity Instruments (At FVOCI)</b>							
LEEL Electricals Ltd.	10	100	0.00	100	0.00	100	0.00
State Bank of Bikaner & Jaipur	10	3,750	0.26	3,750	0.11	3,750	0.02
<b>Total Value of Quoted Investments</b>	<b>(A)</b>		<b>0.26</b>		<b>0.11</b>		<b>0.02</b>
<b>Unquoted-Non Trade</b>							
State Bank Of India PSU		50,000	0.06	50,000	0.06	50,000	0.04
SBI Mutual Fund (Gold Fund)		50,000	0.05	50,000	0.05	50,000	0.05
<b>Total Value of Unquoted Investments</b>	<b>(B)</b>		<b>0.11</b>		<b>0.11</b>		<b>0.09</b>
	<b>(A+B)</b>		<b>0.37</b>		<b>0.22</b>		<b>0.11</b>
Aggregate amount of Quoted Investments			0.26		0.11		0.02
Aggregate amount of Unquoted Investments			0.11		0.11		0.09

**7. INVENTORIES**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Materials	71.48	142.33	144.67
Work in Progress	5.64	193.89	199.22
Finished Goods	4.92	43.13	49.35
Material in Transit	0.28	0.46	0.65
<b>Total</b>	<b>82.33</b>	<b>379.81</b>	<b>393.89</b>

Valued at lower of cost or net realisable value



**8. TRADE RECEIVABLES**

(Rupees in crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Unsecured)			
Considered Good	261.71	458.10	437.76
Expected Credit Loss	(6.54) <u>255.17</u>	(4.35) <u>453.75</u>	(4.05) <u>433.71</u>
	<u><b>255.17</b></u>	<u><b>453.75</b></u>	<u><b>433.71</b></u>

**9. CASH AND BANK BALANCES**
**Cash and Cash Equivalents**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with Banks	1.41	0.30	1.29
Cash on Hand	0.08	0.38	0.80
	<u><b>1.49</b></u>	<u><b>0.67</b></u>	<u><b>2.09</b></u>

**10. BANK BALANCES**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unclaimed Dividend Account	0.69	0.67	0.68
Deposits with maturity for less than 12 months	23.48	6.85	8.32
	<u><b>24.17</b></u>	<u><b>7.52</b></u>	<u><b>9.00</b></u>

**11. LOAN**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loan to Related Party	105.57	0.00	0.00
	<u><b>105.57</b></u>	<u><b>0.00</b></u>	<u><b>0.00</b></u>

**12. OTHER FINANCIAL ASSETS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Retention Money	130.69	12.16	9.62
Interest accrued on Fixed Deposit	0.40	0.01	0.02
Advances to Employees	0.51	0.87	2.40
LD Recoverable	21.74	13.10	6.59
Earnest Money & Other Deposit	27.94	25.61	7.01
	<u><b>181.28</b></u>	<u><b>51.75</b></u>	<u><b>25.62</b></u>

**13. OTHER CURRENT ASSETS**

(Rupees in crores)

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Balances with Statutory/ Govt. Authorities	10.30	6.05	13.75
Supplier Advances	22.55	12.13	16.77
Prepaid Expenses	1.08	1.16	4.57
Insurance Claim Recoverable	0.03	0.03	0.03
	<b>33.95</b>	<b>19.38</b>	<b>35.12</b>

**14. EQUITY SHARE CAPITAL**

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
<b>Authorized Share Capital</b>			
700,00,000 Equity Shares, Rs. 10/- par value	70.00	70.00	70.00
(March 31, 2017: 700,00,000 Equity Shares Rs. 10/- each)			
(April 1, 2016: 700,00,000 Equity Shares Rs. 10/- each)			
	<b>70.00</b>	<b>70.00</b>	<b>70.00</b>
<b>Issued, Subscribed and Fully Paid Up Shares</b>			
3,39,69,700 Equity shares, Rs. 10/- par value fully paid up	33.97	33.97	30.77
(March 31, 2017: 3,39,69,700 Equity Shares Rs. 10/- each)			
(April 1, 2016: 3,07,69,700 Equity Shares Rs. 10/- each)			
	<b>33.97</b>	<b>33.97</b>	<b>30.77</b>

The Company had, pursuant to the approval of Board of Directors, Shareholders and other regulatory approvals and subsequent upon receipt of 25% of the issue price from the Promoters and Promoters' Group, allotted 50,00,000 warrants convertible into equivalent number of equity shares on preferential basis to its Promoters and Promoters' Group on 3rd August, 2015 at the issue price of Rs. 75 per Warrant.

The aforesaid warrant holders had applied for exercising their right for conversion of 32,00,000 warrants into equity shares and had paid balance 75% aggregating to Rs. 18,00,00,000/-. Consequently, the Company had allotted equity shares to the aforesaid holders in 2 (two) Tranches, on 30th December, 2016 and 13th January, 2017 respectively. The remaining 18,00,000 warrants held by the warrant holders were forfeited in accordance with the applicable provisions of the SEBI (ICDR) Regulations, 2009.

**14.1. The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period March 31, 2018:**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	33,969,700	33.97	30,769,700	30.77	30,769,700.00	30.77
Add: Shares issued during the year	0.00	0.00	3,200,000	3.20	0.00	0.00
Less : Shares bought back (if any)	0.00	0.00	0.00	0.00	0.00	0.00
<b>Number of shares at the end</b>	<b>33,969,700</b>	<b>33.97</b>	<b>33,969,700</b>	<b>33.97</b>	<b>30,769,700</b>	<b>30.77</b>

**14.2: Terms / Rights attached to Equity Shares**

- (A) The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- (B) 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.

**14.3: The details of shareholders holding more than 5% shares in the Company: (Rupees in crores)**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares	% of Shareholding	No. of shares	% of Shareholding	No. of shares	% of Shareholding
Zenith Impex Pvt Ltd	51,910	0.15	1,951,910	5.74	2,951,910	9.59
Rajul Estates Pvt Ltd	203,532	0.60	1,003,562	2.95	2,403,562	7.81
Fedders Sales Pvt Ltd (Formerly known as Lloyd Sales Pvt Ltd)	4,293,619	12.64	4,293,619	12.64	4,293,619	13.95
Perfect Radiators and Oil Coolers Pvt Ltd	3,826,525	11.26	3,826,525	11.26	3,826,525	12.44
Mr. Brij Raj Punj	1,632,667	4.81	1,632,667	4.81	1,632,667	5.31
Airserco Pvt. Ltd.	1,752,709	5.16	1,752,709	5.16	1,252,709	4.07

**15. OTHER EQUITY**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Reserves &amp; Surplus</b>			
a) Share Warrant	(0.00)	3.38	9.38
b) Securities Premium Reserve	46.44	46.44	25.64
c) General Reserve	360.55	360.55	340.55
d) Retained Earnings	(499.15)	2.69	5.78
e) Revaluation Reserve	6.92	6.92	6.92
f) Capital Reserve	3.38	-	-
<b>(A)</b>	<b>(81.86)</b>	<b>419.98</b>	<b>388.26</b>
<b>Other Comprehensive Income (OCI)</b>			
Actuarial Gain & Loss	0.74	0.45	-
Investment Carried at Fair Value	0.19	0.07	(0.01)
Revaluation Reserve	(0.33)	(0.20)	0.00
Foreign Currency Translation Reserve	(0.83)	(0.33)	(2.30)
<b>(B)</b>	<b>(0.23)</b>	<b>(0.01)</b>	<b>(2.31)</b>
<b>(A+B)</b>	<b>(82.09)</b>	<b>419.97</b>	<b>385.95</b>
<b>Share Warrant</b>			
Balance as per last Financial Statement	3.38	9.38	
Adjusted during the year	0.00	(6.00)	
	<b>3.38</b>	<b>3.38</b>	<b>9.38</b>
<b>Security premium</b>			
Balance as per last Financial Statement	46.44	25.64	
Addition during the year	0.00	20.80	
Deletion during the year	0.00	0.00	
	<b>46.44</b>	<b>46.44</b>	<b>25.64</b>
<b>General reserve</b>			
Balance as per last Financial Statement	360.55	340.55	
Addition during the year	0.00	20.00	
Deletion during the year	0.00	0.00	
	<b>360.55</b>	<b>360.55</b>	<b>340.55</b>

(Rupees in crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Retained earning</b>			
Balance as per last Financial Statement	2.69	5.78	
Profit for the period	(497.75)	19.69	
Dividend during the year	(4.08)	(2.78)	
Transfer to General Reserve	0.00	(20.00)	
	<b>(499.15)</b>	<b>2.69</b>	<b>5.78</b>
<b>Other Comprehensive Income</b>			
<b>Remeasurement of Defined Benefit Plan</b>			
Balance as per last Financial Statement	0.45	-	
Addition during the year	0.29	0.45	
Deletion during the year			
	<b>0.74</b>	<b>0.4489</b>	<b>0.00</b>
<b>Investment Carried at Fair Value</b>			
Balance as per last Financial Statement	0.07	(0.01)	
Addition during the year	0.12	0.08	
Deletion during the year			
	<b>0.19</b>	<b>0.07</b>	<b>(0.01)</b>
<b>Revaluation Reserve</b>			
Balance as per last Financial Statement	(0.20)	0.00	
Addition during the year	(0.13)	(0.20)	
Deletion during the year			
	<b>(0.33)</b>	<b>(0.20)</b>	<b>0.00</b>
<b>Foreign Currency Translation Reserve</b>			
Balance as per last Financial Statement	(0.33)	(2.30)	
Addition during the year	(0.50)	1.97	
Deletion during the year			
	<b>(0.83)</b>	<b>(0.33)</b>	<b>(2.30)</b>
<b>Total other equity</b>	<b>(89.01)</b>	<b>413.05</b>	<b>379.03</b>

**16. BORROWINGS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured</b>			
Term Loans			
<b>From Banks</b>			
Foreign Currency Loan	0.00	13.13	39.35
Indian Currency Loan	0.00	0.00	3.23
	<b>0.00</b>	<b>13.13</b>	<b>42.59</b>

**17. PROVISIONS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Provision for Employee Benefit</b>			
Gratuity	2.99	3.10	4.04
	<b>2.99</b>	<b>3.10</b>	<b>4.04</b>

**18. DEFERRED TAX LIABILITIES (NET)**

(Rupees in crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Deferred Tax Liabilities</b>			
Depreciation	2.17	2.17	4.53
Others	15.87	15.46	10.96
<b>Total (A)</b>	<b>18.04</b>	<b>17.63</b>	<b>15.49</b>
<b>Less: Deferred Tax Assets</b>			
Others	0.00	0.32	0.19
<b>Total (B)</b>	<b>0.00</b>	<b>0.32</b>	<b>0.19</b>
<b>Total (A-B)</b>	<b>18.04</b>	<b>17.31</b>	<b>15.30</b>

**19. BORROWINGS**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured</b>			
From Banks	418.75	425.60	436.28
	<b>418.75</b>	<b>425.60</b>	<b>436.28</b>

**20. TRADE PAYABLES**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current</b>			
Dues of Micro and Small Enterprises	2.49	1.07	0.00
Dues other than Micro and Small Enterprises	323.15	200.05	184.62
	<b>325.64</b>	<b>201.12</b>	<b>184.62</b>

**21. OTHER FINANCIAL LIABILITIES**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Maturities of Long Term Debt	13.50	25.81	32.08
Interest Accrued but not due on Term Loan	0.36	0.63	0.00
Payable on Account of Employees	4.31	4.53	3.00
Security Deposit	69.39	26.45	17.01
Expenses Payables	5.01	0.87	4.11
Audit Fee Payable	0.15	0.14	0.15
Unclaimed Dividend	0.69	0.67	0.68
Advance from Related Party	59.14	0.00	0.00
	<b>152.55</b>	<b>59.10</b>	<b>57.03</b>

**22. OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance from Customer	49.00	0.00	0.00
Statutory Dues Payable	5.88	3.65	2.94
	<b>54.88</b>	<b>3.65</b>	<b>2.94</b>

**23. PROVISIONS**

(Rupees in crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Provision for Employee Benefit</b>			
Gratuity	0.81	0.54	0.00
Leave Encashment	0.97	0.00	0.00
	<b>1.78</b>	<b>0.54</b>	<b>0.00</b>

**24. CURRENT TAX LIABILITIES (NET)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Tax	0.00	17.66	21.67
Less: Advance Tax	0.00	13.62	9.03
	<b>0.00</b>	<b>4.04</b>	<b>12.64</b>

**25. REVENUE FROM OPERATIONS**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Sale of product</b>		
Projects/Manufacturing Goods (Including Excise Duty)	1,239.06	1,364.85
	<b>1,239.06</b>	<b>1,364.85</b>

**26. OTHER INCOME**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income	0.80	0.52
Dividend Income	0.00	0.01
Other Income	0.43	2.22
	<b>1.23</b>	<b>2.75</b>

**27. COST OF MATERIALS CONSUMED**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Materials, Consumables & Component Consumed		
Opening Stocks	142.33	144.67
Add:-Purchases	1,163.35	1,129.81
Carriage Inwards	1.38	1.93
Less: Closing Stocks	71.48	142.33
	<b>1,235.58</b>	<b>1,134.08</b>

(Rupees in crores)

**28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Inventories at the end of the year</b>		
Finished Goods	4.92	43.13
Work In Progress	<b>5.65</b>	<b>193.89</b>
<b>(A)</b>	<b>10.57</b>	<b>237.02</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	43.13	49.36
Work In Progress	<b>193.89</b>	<b>199.22</b>
<b>(B)</b>	<b>237.02</b>	<b>248.58</b>
<b>(A+B)</b>	<b>226.45</b>	<b>11.56</b>

**29. EMPLOYEE BENEFIT EXPENSES**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salary & Wages	36.14	36.02
Contribution to Provident and other Fund	2.99	1.99
Staff Welfare	0.41	0.00
	<b>39.54</b>	<b>38.01</b>

**30. FINANCE COST**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expense	59.06	55.44
Bank Charges	13.76	9.58
	<b>72.82</b>	<b>65.02</b>

**31. DEPRECIATION & AMORTIZATION EXPENSES**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on Property, Plant & Equipment	18.06	12.79
Amortisation on Intangible Assets	0.22	0.13
	<b>18.28</b>	<b>12.92</b>

(Rs. in Crores)

(Rupees in crores)

**32. OTHER EXPENSES**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Repair and Maintenance</b>		
- Plant & Machinery	0.50	0.47
- Building & Office	0.09	0.17
- Others	0.35	3.59
Electricity Charges	3.42	5.48
Factory Overheads	50.86	3.41
Insurance	1.03	1.83
Rent, Rate & Taxes	3.74	4.74
Postage & Courier and Telephone Expenses	1.66	1.43
Printing & Stationery	0.20	0.41
Tender Fees	0.04	0.07
Auditor's Remuneration		
- Statutory Audit Fee	0.17	0.14
- Tax Audit Fees	0.00	0.01
Legal & Professional Expenses	1.07	4.10
Travelling & Conveyance Expenses	4.45	5.89
Motor Car Expenses	0.23	0.39
Advertisement Expenses	0.75	0.03
Discount	0.00	0.00
Selling Expenses	5.03	16.90
Commission	1.57	1.10
Exhibition Expenses	0.08	0.02
Research & Development Expenses	0.06	0.40
Watch & Ward	2.71	2.68
Computer / Software Expenses	0.39	0.10
Donation (Corporate Social Responsibility)	1.00	0.36
Fees & Taxes (including Club Fee)	0.49	0.42
Director Remuneration & Sitting Fees	1.98	1.76
Warranty Expenses	6.07	0.24
Loss on Foreign Exchange Fluctuation	0.66	0.00
Bad Debts	99.47	8.34
Misc. Expenses	0.08	0.36
	<b>188.17</b>	<b>64.85</b>

**33. EARNING PER SHARE**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to Equity Shareholders (Rs.)	(497.75)	19.69
No. of Equity Share outstanding during the year (Weighted Average)	33,969,700	31,523,782
Face Value of each Equity Share ( Rs.)	10.00	10.00
Basic Earning per Share ( Rs.)	(146.53)	6.25
Diluted Earning per Share ( Rs.)	(146.53)	6.25



**34. Contingent Liability not provided for:**

(Rupees in crores)

Particulars	As at March 31,2018	As at March 31,2017	As at April 1,2016
A. Claims against the company / disputed liabilities not acknowledged as debts:			
a. Recovery Suits filed by the parties in different court	32.68	6.49	7.20
b. Recovery Suits filed by the co. different court	29.83	NIL	NIL
c. Central Excise & Customs Matters (including Penalty)	1.95	0.61	NIL
d. Sale Tax Matters:	10.93	1.17	0.09
• Sales Tax Demand for Uttar Pradesh for Rs. 1,07,00,000/-, Rs. 77,00,000/- and Rs. 2,58,00,000/- for Year 2012-13, 2013-14,2014-15 respectively.			
• Sales Tax Demand for Punjab for Rs. 4,89,68,963/- for Year 2010-11			
• Sales Tax Demand for Gujarat for Rs. 1,61,42,755/- for Year 2013-14			
e. Income Tax Matters (Pending Rectifications)	1.13	0.58	0.76
f. Non Filing of Financial Results to NSE and BSE as per regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	0.26	0.00	0.00
B. Guarantees:			
Bank Guarantees which Includes the following :	279.49	323.53	335.25
Bank Guarantees amounting to USD 18,14,739.53 (INR 11,98,77,156/-) invocation initiated by the beneficiaries in respect of certain contracts in Ethiopia under execution, against which the company has got permanent injunction from Ethiopian Court. The matter is under arbitration proceedings on direction of Ethiopian court.			

**35. Contracts remaining to be executed**

NIL

NIL

NIL

**On capital account and not provided for**
**36. Micro and Small Scale Business Entities**

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from October 2, 2006, certain disclosure are required to be made relating to MSME, On the basis of information and record available with the group, the following disclosure are made for the amounts due to Micro, Small and Medium Enterprises.

Particulars	(Rs. in Crores)	
	March 31, 2018	March 31, 2017
Principal amount due to any supplier as at the year end *	2.49	1.07
Interest due on the principal amount unpaid at the year end to any supplier	Nil	Nil
<b>Total</b>	<b>2.49</b>	<b>1.07</b>

\* Principal amount mentioned above are under dispute.

**37. Related Party Disclosures: (in which some Directors are interested)**

**A. Names of Related Parties and Related Party Relationships**

- i. Wholly Owned Subsidiaries
  - a. Fedders Lloyd Trading FZE
  - b. Fedders Lloyd Nigeria Limited
- ii. List of Key Management Personnel as defined under Indian Accounting Standard (Ind AS) 24, 'Related Party disclosures':
  - a. Mr. Brij Raj Punj Chairman & Managing Director (w.e.f. 02.06.1980 to 05.12.2017)
  - b. Mr. Sham Sunder Dhawan Whole Time Director (w.e.f 26.04.2008 to 05.05.2018)
  - c. Mr. Akhter Aziz Siddiqi Whole Time Director(w.e.f 09.02.2017 to 23.05.2018)
  - d. Mr. Pulkit Bhasin Company Secretary(w.e.f 30.05.2016 to 02.01.2019)
- iii. Enterprises owned or significantly influenced by Key Management Personnel or their relatives;
  - a. Airserco Private Limited
  - b. LEEL Electricals Limited
  - c. Perfect Radiators & Oil Coolers Pvt. Ltd.
  - d. PSL Engineering Pvt. Ltd.
  - e. Regal Information Technology Pvt. Ltd.
  - f. Fedders Credits Ltd. (Formerly Lloyd Credits Ltd.)
  - g. Fedders IT Technology Pvt. Ltd. (Formerly Lloyd IT Technology Pvt. Ltd.)
  - h. Fedders Sales Pvt. Ltd. (Formerly Lloyd Sales Pvt. Ltd.)
  - i. Fedders Manufacturing Pvt. Ltd. (Formerly Lloyd Manufacturing Pvt. Ltd.)
  - j. Fedders Infotech (India) Pvt. Ltd. (Formerly Lloyd Infotech (India) Pvt. Ltd.)
  - k. Fedders Stock & Investments Pvt. Ltd. (Formerly Lloyd Stock & Investments Pvt. Ltd.)
  - l. Himalayan Mineral Waters Pvt. Ltd.
  - m. Punj Engineering Pvt. Ltd.
  - n. Punj Services Pvt. Ltd.
  - o. Pandit Kanahaya Lal Punj Pvt. Ltd.
  - p. PSL Wolfe JV Pvt. Ltd.
  - q. Pandit Kanahaya Lal Punj Trust
  - r. Brij Raj Punj(HUF)

**B. Transactions during the period with Related Parties are as under:**

(Rs. in Crores)

Particulars	Amount	
	2017-18	2016-17
<b>LEEL ELECTRICALS LIMITED (Formerly Known as Lloyd Electric and Engineering Ltd)</b>		
Sales of Goods	70.11	59.72
Purchase of Goods	3.60	13.26
Security Deposit	61.29	26.42
<b>Airserco Private Limited</b>		
Sales of Goods	64.21	Nil
Purchase of Goods	7.81	Nil
<b>PSL Engineering Private Limited</b>		
Sales of Goods	63.79	5.12
Purchase of Goods	Nil	0.02
<b>Pandit Kanahaya Lal Punj Trust</b>		
Donation (CSR Expenditure)	1.00	0.33
<b>Himalayan Mineral Waters Pvt Limited</b>		
Rent	0.21	0.18
<b>Key Management Personnel</b>		
Managerial Remuneration Paid		
-Mr. Brij Raj Punj	0.58	0.77
-Mr. Sham Sunder Dhawan	1.03	0.92
-Mr. Akhter Aziz Siddiqi	0.35	0.04
- Mr. Pulkit Bhasin	0.14	0.10

**38. Additional Information:-**
**Value of Import (C.I.F) Value:**

Particulars	March 31, 2018	March 31, 2017
Raw Materials Components & Parts	96.75	21.80
Capital Goods	0.00	3.26
<b>Total</b>	<b>96.75</b>	<b>25.06</b>

**Value of Raw Material consumed:**

Particulars	March 31, 2018		March 31, 2017	
	Percentage (%)	Amount	Percentage (%)	Amount
Import	7.83	96.75	7.84	20.85
Indigenous	92.17	1138.83	98.16	1113.23
<b>Total</b>	<b>100</b>	<b>1235.58</b>	<b>100</b>	<b>1134.08</b>

**Remittance in Foreign Currency on account of: (Rs. in Crores)**

Particulars	March 31, 2018	March 31, 2017
Import Raw Material components & parts	100.52	23.74
Travelling Expenses	0.63	2.42
Other Expenses	0.49	4.23
<b>Total</b>	<b>101.64</b>	<b>30.39</b>

**Earning in Foreign Exchange:**

Particulars	March 31, 2018	March 31, 2017
Export Sale	6.23	54.63
<b>Total</b>	<b>6.23</b>	<b>54.63</b>

Excise Duty paid of Rs.1.91 (11.27) Crores charged on sales.

The Group has written off Debtors Balances amounting to Rs. 95.62 crores.

**External Commercial Borrowings:-**

The Company has total ECB of USD 20,37,687.54 (INR 13,25,39,552/-) is outstanding as on date.

**39. Remuneration to Auditors: (Rs. in Crores)**

Particulars	March 31, 2018	March 31, 2017
Audit fees	0.17	0.12
Tax Audit	0.00	0.01
Service Tax (Including SBC & KKC)	0.00	0.02
<b>Total</b>	<b>0.17</b>	<b>0.15</b>

**40. Operating Segment (Business Segment)**

The Company has following Business Segments as its primary reportable segments:

- Environmental Control System
- Steel Structure & Engineering
- Power Project

**Segment Revenues, Results and Other Information: (Rs. in Crores)**

Particulars	March 31, 2018	March 31, 2017
<b>I. Segment Revenue</b>		
i. Environmental Control System	31.66	53.46
ii. Steel Structure & Engineering	994.98	1058.97
iii. Power Project	213.65	255.17
<b>Sub:- Total (i+ii+iii)</b>	<b>1240.29</b>	<b>1367.60</b>
Less:- Inter Segment Revenue	0.00	0.00
<b>Net Sales/Income from Operations</b>	<b>1240.29</b>	<b>1367.60</b>
<b>II. Segment Results</b>		
<b>(PROFIT (+) / LOSS(-))</b>		
i. Environmental Control System	(14.94)	4.63
ii. Steel Structure & Engineering	(359.51)	65.31
iii. Power Project	(91.03)	31.34
<b>Sub:- Total (i+ii+iii)</b>	<b>(465.48)</b>	<b>101.28</b>
<b>Less: i. Finance Cost</b>	<b>72.82</b>	<b>65.02</b>
ii. Other un-allocable expenditure net of un-allocable income	4.16	6.37
<b>Add:-i. Exceptional Items</b>	<b>45.18</b>	<b>0.00</b>
<b>Total Profit Before Tax</b>	<b>(497.28)</b>	<b>29.89</b>
<b>III. Capital Employed (Total Assets – Current Liability) *</b>	<b>--</b>	<b>--</b>

\*As certain assets of the Group including manufacturing facilities are often deployed interchangeably, across various segments, it is impractical to allocate these assets and liabilities segment wise

**41. Employee Benefit Expenses:**

Disclosure figures of the Gratuity liability of the employees, in accordance with Ind AS 19. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

**Present Benefit Obligation-As per Actuarial Valuation: (Rs. in Crores)**

Particulars	March 31, 2018	March 31, 2017
<b>Present Value of obligation as at the beginning of the period</b>	3.64	4.03
Interest Cost	0.27	0.30
Service Cost	0.41	0.48
Benefit Paid	(0.37)	(0.48)
Past service cost including curtailment Gain/Loss on obligation	0.28	-
Total Actuarial Gain/Loss on Obligation	(0.43)	(0.69)
<b>Present Value of obligation as at the End of the period</b>	<b>3.80</b>	<b>3.64</b>

**Fair value of Plan Assets:**

Particulars	March 31, 2018	March 31, 2017
Fair value of plan assets at the beginning of the period	--	--
Actual return on plan assets	--	--
Employer contribution	--	--
Benefits paid	--	--
Fair value of plan assets at the end of the period	--	--

**The Amount recognized in the Income Statement:**

Particulars	March 31, 2018	March 31, 2017
Interest Cost	0.27	0.30
Service Cost	0.69	0.48
<b>Expenses recognized in the Income Statement</b>	<b>0.96</b>	<b>0.78</b>

**Net Liability recognized in the Balance Sheet:**

Particulars	March 31, 2018	March 31, 2017
<b>Present Value of obligation at end</b>	3.80	3.64
Fair Value of Plant Assets	0.00	0.00
Unfunded Liability /Provision in Balance Sheet	(3.80)	(3.64)
<b>Unfunded Liability recognized in the Balance Sheet</b>	<b>(3.80)</b>	<b>(3.64)</b>

**Re-measurement (gain) / loss recognized in other comprehensive income:**

Particulars	March 31, 2018	March 31, 2017
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	0.06	-
Actuarial (Gain)/Loss on arising from Experience Adjustment	0.37	(0.69)
<b>Total</b>	<b>0.43</b>	<b>(0.69)</b>

**Principal assumptions used in determining defined benefit obligation: (Rs. in Crores)**

Particulars	March 31, 2018	March 31, 2017
i. Discounting Rate	7.71	7.50
ii. Future salary Increase	8.00	8.00
iii. Retirement Age (Years)	60	60
iv. Mortality rates inclusive of provision for disability	<b>100% of IALM (2006 - 08)</b>	
v. Ages:	<b>Withdrawal</b>	<b>Withdrawal</b>
	<b>Rate (%)</b>	<b>Rate (%)</b>
- Up to 30 Years	3	3
-From 31 to 44 years	2	2
-Above 44 years	1	1

**Sensitivity Analysis of the defined benefit obligation:**

Particulars	Amount
<b>(a) Impact of the change in discount rate</b>	
Present Value of Obligation at the end of the period	<b>3.80</b>
Impact due to increase of 0.50%	(0.15)
Impact due to decrease of 0.50 %	0.16
<b>(b) Impact of the change in salary increase</b>	
Present Value of Obligation at the end of the period	<b>3.80</b>
i. Impact due to increase of 0.50%	0.16
ii. Impact due to decrease of 0.50 %	(0.15)

**42. Capital Management**

For the purposes of Group's capital management, Capital includes equity attributable to the equity holders of the Group and all other equity reserves. The Group manages its capital to ensure that the group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and bank balances) and total equity of the group.

The Group reviews the capital structure of the Group on a semi-annual basis. As part of this review, the group considers the cost of capital and the risks associated with each class of capital.

The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt

(Rs. in Crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Debt	432.25	464.54	510.94
Cash and bank balances	25.66	8.19	11.09
<b>Net debt</b>	<b>406.59</b>	<b>456.35</b>	<b>499.85</b>
Total equity	(47.83)	454.11	416.72
<b>Equity and net debt</b>	<b>358.76</b>	<b>910.46</b>	<b>916.57</b>
<b>Gearing ratio (Net Debt/Capital and Net Debt)</b>	<b>113.33%</b>	<b>50.12%</b>	<b>54.53%</b>

**43. Financial Instruments:**

a) Financial instruments by category:

(Rs. in Crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Measured at Amortized Cost</b>			
a) Cash and Cash Equivalent including Bank Balance	25.66	8.19	11.09
b) Loan	105.57	0.00	0.00
c) Other financial assets	181.28	51.75	25.62
d) Trade receivable	255.17	453.75	433.71
<b>Fair value through Other Comprehensive Income</b>			
Investment in equity Instrument	0.37	0.22	0.11
<b>Total</b>	<b>568.05</b>	<b>513.91</b>	<b>470.53</b>
<b>Financial Liabilities</b>			
<b>Measured at amortized cost</b>			
a) Borrowing	13.50	38.94	74.66
b) Short term borrowing	418.75	425.60	436.28
c) Trade payable	325.64	201.12	184.62
d) Other financial liability	139.06	33.28	24.95
<b>Total</b>	<b>896.95</b>	<b>698.94</b>	<b>720.51</b>

b) Fair value measurement of financial assets and financial liabilities:

Particulars	Fair value as at			Fair value hierarchy	Valuation Technique(s) and key input(s)
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016		
<b>Financial Assets</b>					
Investment in equity	0.37	0.22	0.11	Level 1	Based on quoted market price in active markets.
<b>Financial Liabilities</b>					
Borrowing	13.50	38.94	74.66	Level 2	Discounted estimated cash flow through the expected life of the borrowings.

- c) The fair values of current debtors, bank balances, current creditors and current borrowings are assumed to approximate their carrying amounts due to the short-term maturities of these assets and liabilities:

(Rs. in crores)

Particulars	Carrying value		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>i) Financial Assets - Current</b>			
Trade receivables	255.17	453.75	433.71
Cash and Bank balances	25.66	8.19	11.09
Loans	105.57	0.00	0.00
Other Financial assets	181.28	51.75	25.62
<b>ii) Financial Liabilities - Current</b>			
Borrowings	432.25	451.41	468.36
Trade payable	325.64	201.12	184.62
Other Financial liabilities (other than current maturity of long term borrowings)	139.06	33.28	24.95

#### 44. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group is exposed to market risk, credit risk and liquidity risk. The group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized as below

##### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk.

##### i) Currency rate risk

Foreign Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are adversely affected as the rupee appreciates/ depreciates against these currencies.

##### ii) Interest rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligation at floating interest rates. The Group's borrowings outstanding as at March 31, 2018 comprise of fixed rate loans and accordingly, are not expose to risk of fluctuation in market interest rate.

##### iii) Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing manufacture of industrial and domestic air conditioners and therefore require a continuous supply of copper and Aluminum being the major input used in the manufacturing. Due to the significantly increased volatility



of the price of the Copper and aluminum, the Group has entered into various purchase contracts for these material for which there is an active market. The Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Group partly mitigated the risk of price volatility by entering into the contract for the purchase of these material based on average price of for each month.

**b) Credit risk**

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers.

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

Trade receivables may be analyzed as follows:

Age of receivables	(Rs. in Crores)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
0-90 days past due	20.52	40.33	38.75
90-180 days past due	31.82	335.45	324.69
More than 180 days past due	209.37	82.32	74.32
<b>Sub Total</b>	<b>261.71</b>	<b>458.10</b>	<b>437.76</b>
Less: Allowance for expected Credit Loss on Trade Receivable	6.54	4.35	4.05
<b>Total</b>	<b>255.17</b>	<b>453.75</b>	<b>433.71</b>

**c) Liquidity risk**

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time. The Group's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate source of financing through the use of short term bank deposits and cash credit facility. Processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows. The Group assessed the concentration of risk with respect to its debt and concluded it to be low.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to pay.

Particulars	Weighted average effective interest rate (%)	(Rs. in Crores)			
		Within 1 year	1-5 years	Total	Carrying Amount
<b>As at March 31, 2018</b>					
Borrowings	7.59%	13.50	-	13.50	13.50
Short term borrowings		418.75	-	418.75	418.75
Trade payable		325.64	-	325.64	325.64
Other financial liabilities		139.06	-	139.06	139.06
<b>Total</b>		<b>896.95</b>	<b>-</b>	<b>896.95</b>	<b>896.95</b>

(Rs. in Crores)

Particulars	Weighted average effective interest rate (%)	Within 1 year	1-5 years	Total	Carrying Amount
<b>As at March 31, 2017</b>					
Borrowings	7.59%	25.81	13.13	38.94	38.94
Short term borrowings	-	425.60	-	425.60	425.60
Trade payables	-	201.12	-	201.12	201.12
Other financial liabilities	-	33.28	-	33.28	33.28
<b>Total</b>	<b>-</b>	<b>685.81</b>	<b>13.13</b>	<b>698.94</b>	<b>698.94</b>

Particulars	Weighted average effective interest rate (%)	Within 1 year	1-5 years	Total	Carrying Amount
<b>As at April 1, 2016</b>					
Borrowings	7.59%	32.08	42.58	74.66	74.66
Short term borrowings	-	436.28	-	436.28	436.28
Trade payables	-	184.62	-	184.62	184.62
Other financial liabilities	-	24.95	-	24.95	24.95
<b>Total</b>	<b>-</b>	<b>677.93</b>	<b>42.58</b>	<b>720.51</b>	<b>720.51</b>

**45. Dividend Paid and Proposed**

Particulars	March 31, 2018	March 31, 2017
<b>Dividend declared and paid during the year:</b>		
Final Dividend paid	3.39	2.31
Corporate Dividend Tax on Final Dividend	0.69	0.47
<b>Total</b>	<b>4.08</b>	<b>2.78</b>

**46. Deferred tax**

Particulars	As at April 1, 2016	Recognized in Profit or loss	Recognized in other comprehensive income	As at March 31, 2017
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Fixed Assets	(13.04)	(2.04)	-	(15.08)
Financial assets and liabilities	1.30	0.19	-	1.49
Revaluation	(3.56)	-	(0.16)	(3.72)
<b>Total</b>	<b>(15.30)</b>	<b>(1.86)</b>	<b>(0.16)</b>	<b>(17.31)</b>

(Rs. in Crores)

Particulars	As at April 1, 2017	Recognized in Profit or loss	Recognized in other comprehensive income	As at March 31, 2018
<b>Deferred tax (liabilities)/assets in relation to:</b>				
Fixed Assets	(15.07)	(1.39)	-	(16.46)
Financial assets and liabilities	1.49	0.82	-	2.31
Revaluation	(3.77)	-	(0.12)	(3.89)
<b>Total</b>	<b>(17.35)</b>	<b>(0.57)</b>	<b>(0.12)</b>	<b>(18.04)</b>

47. The balances from related party has been settled by way of assignment of debts for Rs. 94.87 Crores.
48. The total turnover includes sales from Steel Trading Business of Rs. 813.89 Crores. There are no record of sale amounting to Rs 414.54 Crores, which has been reversed in the year 2018-19 .
49. The company is involved in the business of turnkey projects (EPC) and has not recorded proper consumption of the material for previous years. The difference identified between book stock and physical stocks of previous year not booked of Rs. 314.8 Crores has now been booked as consumptions to give the true and fair positions as on date. Moreover the consumption includes the purchases for Steel Trading business for which documents could not be verified and Rs 416.88 Crores has been reversed in the Financial Year 2018-19
50. **Disclosures as required by Indian Accounting Standard (Ind As 101) first time adoption of Indian Accounting Standard:**

These are Group's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet as at April 1, 2016 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the group has adjusted the amounts reported previously in financial statements prepared in accordance with accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the act(Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the financial position & financial statements is set out in following notes.

**A) Reconciliations of Balance Sheet as at March 31, 2017 and April 01, 2016.**

(Rs. in Crores)

Particulars	March 31, 2017				April 1, 2016		
	Note No	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>Assets</b>							
<b>Non Current assets</b>							
Property ,Plant and Equipment		255.87	-	255.87	260.11	-	260.11
Capital Work in Progress		12.05	-	12.05	11.86	-	11.86
Intangible assets		0.51	-	0.51	0.64	-	0.64
<b>Financial Assets</b>							
(i) Investments	2	0.12	0.10	0.22	0.12	(0.01)	0.11
		<b>268.55</b>	<b>0.10</b>	<b>268.65</b>	<b>272.73</b>	<b>(0.01)</b>	<b>272.72</b>
<b>Current Assets</b>							
Inventories		379.81	-	379.81	393.89	-	393.89
<b>Financial Assets</b>							
(i) Trade Receivable	3	458.10	(4.35)	453.75	437.76	(4.05)	433.71
(ii) Cash and Cash equivalents		0.67	-	0.67	2.09	-	2.09
(iii) Bank balance other than above		7.52	-	7.52	9.00	-	9.00
(iv) Loan		0.00	-	0.00	0.00	-	0.00
(v) Others		51.75	-	51.75	25.62	-	25.62
Other Current Assets		19.38	-	19.38	35.12	-	35.12
		<b>917.23</b>	<b>(4.35)</b>	<b>912.88</b>	<b>903.48</b>	<b>(4.05)</b>	<b>899.43</b>
		<b>1,185.78</b>	<b>(4.25)</b>	<b>1,181.53</b>	<b>1,176.21</b>	<b>(4.06)</b>	<b>1,172.15</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity Share Capital		33.97	-	33.97	30.77	-	30.77
Other Equity		422.30	(2.33)	419.97	389.26	(3.31)	385.95
		<b>456.27</b>	<b>(2.33)</b>	<b>452.94</b>	<b>420.03</b>	<b>(3.31)</b>	<b>416.72</b>
<b>Non Current Liabilities</b>							
<b>Financial Liabilities</b>							
(i) Borrowing	1	13.21	(0.08)	13.13	42.82	(0.23)	42.58
(ii) Provisions		3.10	-	3.10	4.04	-	4.04
(iii) Deferred Tax Liabilities	5	15.07	2.08	17.31	13.04	2.26	15.30
		<b>31.38</b>	<b>2.00</b>	<b>33.54</b>	<b>59.90</b>	<b>2.03</b>	<b>61.92</b>
<b>Current Liabilities</b>							
<b>Financial Liabilities</b>							
(i) Borrowings		425.60	-	425.60	436.28	-	436.28
(ii) Trade payables		201.12	-	201.12	184.62	-	184.62
(iii) Other Financial Liabilities		59.09	-	59.09	57.03	-	57.03
Other Current Liabilities		3.65	-	3.65	2.94	-	2.94
Provisions	4	4.63	(4.09)	0.54	2.78	(2.78)	0.00
Current tax liability		4.04	-	4.04	12.64	-	12.64
		<b>698.13</b>	<b>(4.09)</b>	<b>694.04</b>	<b>696.29</b>	<b>(2.78)</b>	<b>693.51</b>
<b>Total</b>		<b>1,185.78</b>	<b>(4.42)</b>	<b>1,180.52</b>	<b>1,176.21</b>	<b>(4.06)</b>	<b>1,172.15</b>

Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes.

**B) Reconciliation of Total Comprehensive Income for the year ended March, 31, 2017**

(Rs. in Crores)

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from Operations	1,364.85	-	1,364.85
Other Income	2.75	-	2.75
<b>Total Income</b>	<b>1,367.60</b>	-	<b>1,367.60</b>
<u>Expenses:</u>			
Cost of Material/ Services Consumed	1,134.08	-	1,134.08
Excise Duty	11.27	-	11.27
Change in Inventories	11.56	-	11.56
Employee Benefits Expense	37.32	0.69	38.01
Finance Costs	64.87	0.15	65.02
Depreciation and Amortization Expense	12.92	-	12.92
Other Expenses	64.55	0.30	64.85
<b>Total Expenses</b>	<b>1,336.57</b>	<b>1.14</b>	<b>1,337.71</b>
<b>Profit before exceptional items and tax</b>	31.03	(1.14)	29.89
Exceptional items	0.00	-	0.00
<b>Profit Before Tax</b>	<b>31.03</b>	<b>(1.14)</b>	<b>29.89</b>
Tax expense:			
(1) Current tax	8.56	-	8.56
(2) Deferred tax	2.03	(0.39)	1.64
<b>Profit (Loss) for the period</b>	20.44	(0.75)	19.69
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gain & loss	-	0.69	0.69
Investment carried at fair value	-	0.11	0.11
Revaluation Reserve	-	(0.30)	(0.30)
Foreign Currency Translation Reserve	-	1.97	1.97
Income tax	-	(0.16)	(0.16)
		<b>2.31</b>	<b>2.31</b>
Income tax	-	(0.16)	(0.16)
		<b>0.34</b>	<b>0.34</b>
<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>20.44</b>	<b>1.56</b>	<b>22.00</b>

Note: The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

**C) Reconciliation of equity as at March 31, 2017 and April, 2016 between previous GAAP and Ind AS:**

(Rs. in Crores)

Particulars	Note No.	As at March 31, 2017	As at April 1 2016
<b>Total equity (shareholder's funds) under previous GAAP</b>		456.27	420.03
<b>Adjustment made :</b>			
Borrowing carried at amortized cost	1	0.08	0.23
Investment carried at market value	2	0.10	(0.01)
Expected credit loss	3	(4.35)	(4.05)
Dividend	4	4.09	2.78
Deferred Tax	5	(2.08)	(2.26)
<b>Total adjustment to equity</b>		<b>(2.16)</b>	<b>(3.31)</b>
<b>Total equity (shareholder's funds) under per IND AS</b>		<b>454.11</b>	<b>416.72</b>

Notes to the reconciliation of Balance Sheet as at April 1, 2016 and March 31, 2017 and the total comprehensive income for the year ended March 31, 2017.

- **Loan recognized at amortized cost using effective rate of interest**

Under the previous GAAP, transaction costs incurred in connection with borrowings are amortized upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

- **Fair value of investment through OCI**

Under the previous GAAP, investments are recorded at their transaction value. Under Ind AS all investment are required to be recognized at fair value. Accordingly the group has fair valued the investment at each balance sheet date based on quoted market price in active market. Difference between the transaction value and fair value is recognized in other comprehensive income.

- **Expected credit loss on trade receivables**

Under the previous GAAP, allowances on trade receivables are required to be recognized based on actual doubtful debt. Under Ind AS, life time expected credit losses are required to be recognized based on its historically observed default rates over the expected life of trade receivable.

- **Reversal of proposed dividend and recognition in the year of declaration and payment**

Under the previous GAAP, proposed dividend including corporate dividend tax (CDT), are recognized as liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognized as liability in the period in which it is declared by the Group, usually when approved by the shareholders in a general meeting, or paid.

- **Deferred tax liability on land revaluation**

Under the previous GAAP, deferred tax is calculated using the income statement approach, Under Ind AS, deferred tax are required to be recognized on land revaluation as at 1 April 2016 related to the earlier land revaluations.

Under the previous GAAP, deferred tax is calculated using the income statement approach, which focuses on difference between taxable profits and accounting profits for the period. Ind AS 12 - "Income Tax" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base

- **Excise duty**

Under the previous GAAP, revenue from sale to goods was presented exclusive of excise duty. Under Ind AS revenue from sales of goods is presented inclusive of excise duty. Excise duty paid is presented on face of statement of profit and loss account as a part of expense.

- **Statement of cash Flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

- **Employee Benefit**

As per Ind AS 19 – “Employee Benefit”, actuarial gain & loss have been recognized in other comprehensive income and not reclassified to profit & loss in subsequent period.

- **Reclassification is required as per Ind As Schedule III.**

**51.** Figures relating to April 1, 2016 (date of transition) have been regrouped / reclassified wherever necessary to make them comparable with the current year figures.

**52.** Notes ‘1’ to ‘52 form an integral part of accounts and are duly authorized.

As per our report of even date attached.

**For G. K. Kedia & Co.**  
**Chartered Accountants**  
FRN 013016N

**Kanishka Aggarwal**  
Partner  
M. No. 544129

Place : Noida  
Date : 20.06.2019

**For and on behalf of the Board of Directors of  
Fedders Electric And Engineering Limited**

**Sanjiv Kavaljit Singh**  
Whole-time Director & CEO  
DIN- 00015689

**Neeraj Gupta**  
Chief Financial Officer

**Vansh Vardhan Joshi**  
Director  
DIN-06843644

**Shagun Bajpai**  
Company Secretary  
M.No. A45982







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ENGINEERING**

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