

20<sup>th</sup> June, 2019

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

BSE Code: 500139  
Fax No: 022-22722039

To,  
**National Stock Exchange of India  
Limited**  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E)  
Mumbai - 400 051, Maharashtra  
NSE Code: FEDDERELEC  
Fax No: 022-26598237/38

**Sub.: Outcome of Board Meeting**

Dear Sir/Ma'am,

The Board of Directors of Fedders Electric and Engineering Limited (Formerly known as Fedders Lloyd Corporation Limited) at its meeting held on 20<sup>th</sup> June, 2019 which commenced at 04:30 p.m. and concluded at 7:50 p.m., inter-alia considered and approved the following:

1. Standalone and Consolidated Audited Financial Results along with Segment Wise Revenue, Results and Capital Employed of the Company, Statement of Assets and Liabilities and Auditors Report issued by the Statutory Auditors of the Company for the year ended 31<sup>st</sup> March, 2018, are enclosed herewith; and
2. Auditors' Report on the Audited Financial Results (Standalone & Consolidated) for the quarter and financial year ended 31<sup>st</sup> March, 2018. The Auditors' Report along with the Statement on Impact of Audit Qualifications pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") are enclosed herewith; and
3. Appointment of K. Sahu & Associates, Cost and Management Accountant as the Internal Auditor of the Company.

For Fedders Electric And Engineering Ltd.

  
Company Secretary

The above information may be treated as disclosure under Regulation 30 of the Listing Regulations.

You are requested to take the aforesaid information on record and oblige.

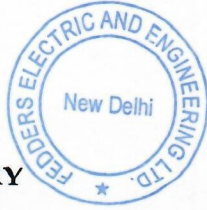
Thanking You,

Yours faithfully,

**FOR AND ON BEHALF OF  
FEDDERS ELECTRIC AND ENGINEERING LIMITED**

*Shagun Bajpai*

**SHAGUN BAJPAI  
COMPANY SECRETARY  
ICSI MEM. NO.: A45982**



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

(Rs. in Crores)

Particulars	Standalone			Standalone		Consolidated	
	Quarter ended			Year ended		Year ended	
	31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	(Audited)	(Un-audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>Income</b>							
1 a) Gross Sales/Income from operations	320.10	295.14	426.90	1,239.06	1364.85	1,239.06	1364.85
b) Other operating income	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Revenue from operations (a+b)	320.10	295.14	426.90	1,239.06	1,364.85	1,239.06	1,364.85
d) Other Income	0.51	0.28	1.25	1.23	2.75	1.23	2.75
<b>Total Income</b>	<b>320.61</b>	<b>295.42</b>	<b>428.15</b>	<b>1,240.29</b>	<b>1,367.60</b>	<b>1,240.29</b>	<b>1,367.60</b>
<b>Expenses</b>							
2 a) Cost of materials consumed	444.50	255.17	274.62	1,235.58	1134.08	1,235.58	1134.08
b) Purchases of stock-in-trade							
c) Changes in inventories of finished goods, work in progress and stock-in-trade	235.46	(4.58)	79.93	226.45	11.56	226.45	11.56
d) Excise duty on sale of goods	0.00	0.00	11.27	1.91	11.27	1.91	11.27
e) Employee benefits expense	13.90	8.12	12.15	39.54	38.01	39.54	38.01
f) Finance costs	25.04	15.56	15.91	72.82	65.01	72.82	65.02
g) Depreciation and amortisation expense	9.64	2.65	2.92	18.28	12.92	18.28	12.92
h) Other expenses	113.75	15.98	26.61	186.42	64.75	188.17	64.85
<b>Total Expenses</b>	<b>842.29</b>	<b>292.90</b>	<b>423.41</b>	<b>1,781.00</b>	<b>1,337.60</b>	<b>1,782.75</b>	<b>1,337.71</b>
3 Profit (+) / Loss (-) before Exceptional Items and Tax (1-2)	(521.68)	2.52	4.74	(540.71)	30.00	(542.46)	29.89
4 Exceptional Items	0.00	0.00	0.00	45.18	0.00	45.18	0.00
5 Profit before Tax	(521.68)	2.52	4.74	(495.53)	30.00	(497.28)	29.89
<b>Tax expense</b>							
6 Current Tax	(6.51)	0.84	3.69	0.00	8.56	0.00	8.56
Deferred Tax	0.47	0.00	0.42	0.47	1.64	0.47	1.64
<b>Total Tax Expense</b>	<b>(6.04)</b>	<b>0.84</b>	<b>4.11</b>	<b>0.47</b>	<b>10.20</b>	<b>0.47</b>	<b>10.20</b>
7 Net Profit for the period	(515.64)	1.68	0.63	(496.00)	19.80	(497.75)	19.69
<b>Other Comprehensive Income (Items that will not be reclassified to P&amp;L)</b>							
8 (i) Remeasurement of net defined benefit plans	0.44	0.00	0.69	0.44	0.69	0.44	0.69
(ii) Investment carried at fair value through OCI	0.11	0.06	0.09	0.15	0.11	0.15	0.11
(iii) Adjustment on account of excess revaluation depreciation	0.07	(0.03)	0.07	(0.20)	(0.30)	(0.20)	(0.30)
(iv) Foreign Currency Translation Reserve	0.00	0.00	0.00	0.00	0.00	(0.50)	1.97
(v) Tax Expenses	(0.14)	0.02	(0.22)	(0.12)	(0.16)	(0.11)	(0.16)
<b>Other Comprehensive Income (Net of tax)</b>	<b>0.48</b>	<b>0.05</b>	<b>0.63</b>	<b>0.27</b>	<b>0.34</b>	<b>(0.22)</b>	<b>2.31</b>
9 Total Comprehensive Income for the period	(515.16)	1.73	1.26	(495.73)	20.15	(497.97)	22.01
<b>Details of Equity Share capital</b>							
10 Paid-up Equity Share capital	33.97	33.97	33.97	33.97	33.97	33.97	33.97
Face value of Equity Share capital per share	10	10	10	10	10	10	10
<b>Earning per equity share (Rs.) (Nominal Value Rs. 10 per share (not annualised))</b>							
11 Basic	(151.80)	0.50	0.19	(146.01)	6.28	(146.53)	6.25
Diluted	(151.80)	0.50	0.19	(146.01)	6.28	(146.53)	6.25

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

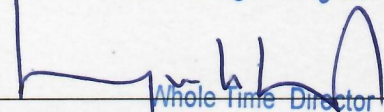


(Rs. in Crores)

Statement of Assets and Liabilities						
Particulars	Standalone			Consolidated		
	As at current year ended 31.03.2018	As at previous year ended 31.03.2017	As at beginning of preceding period 01.04.2016	As at current year ended 31.03.2018	As at previous year ended 31.03.2017	As at beginning of preceding period 01.04.2016
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
<b>ASSETS</b>						
<b>1 Non-current assets</b>						
(a) Property, Plant and Equipment	240.83	255.87	260.11	240.83	255.87	260.11
(b) Capital work-in-progress	1.00	12.05	11.86	1.00	12.05	11.86
(c) Investment Property						
(d) Other Intangible Assets	0.35	0.51	0.64	0.35	0.51	0.64
(e) Investments accounted for using equity method						
(f) Financial Assets						
(i) Investments	0.91	0.76	0.65	0.37	0.22	0.11
<b>Total Non-Current Assets</b>	<b>243.09</b>	<b>269.19</b>	<b>273.26</b>	<b>242.55</b>	<b>268.65</b>	<b>272.72</b>
<b>2 Current assets</b>						
(a) Inventories	82.33	379.81	393.89	82.33	379.81	393.89
(b) Financial Assets						
(i) Investments						
(ii) Trade receivables	255.17	453.75	433.70	255.17	453.75	433.71
(iii) Cash and cash equivalents	1.46	0.63	1.97	1.49	0.67	2.09
(iv) Bank Balances other than (iii) above	24.17	7.52	9.00	24.17	7.52	9.00
(v) Loans -Short Term loan and advances	107.75	1.66	1.62	105.57	0.00	0.00
(vi) Others	179.98	48.67	25.62	181.28	51.75	25.62
(c) Other current assets	33.96	19.38	35.12	33.95	19.38	35.12
<b>Total Current Assets</b>	<b>684.82</b>	<b>911.42</b>	<b>900.92</b>	<b>683.96</b>	<b>912.88</b>	<b>899.43</b>
<b>TOTAL ASSETS</b>	<b>927.91</b>	<b>1,180.61</b>	<b>1,174.18</b>	<b>926.51</b>	<b>1,181.53</b>	<b>1,172.15</b>
<b>EQUITY AND LIABILITIES</b>						
<b>1 Equity</b>						
Equity attributable to owners of parent						
(a) Equity Share capital	33.97	33.97	30.77	33.97	33.97	30.77
(b) Other Equity	(77.69)	422.11	389.96	(82.09)	419.97	385.95
<b>Total Equity</b>	<b>(43.71)</b>	<b>456.08</b>	<b>420.73</b>	<b>(48.12)</b>	<b>453.94</b>	<b>416.72</b>
<b>Liabilities</b>						
<b>2 Non-current liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings- Long Term	0.00	13.13	42.59	0.00	13.13	42.58
(b) Provisions	2.99	3.10	4.04	2.99	3.10	4.04
(c) Deferred tax liabilities (Net)	18.03	17.32	15.30	18.04	17.31	15.30
<b>Total Non-current liabilities</b>	<b>21.02</b>	<b>33.55</b>	<b>61.93</b>	<b>21.03</b>	<b>33.54</b>	<b>61.92</b>
<b>3 Current liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings- Short Term	418.75	425.60	436.28	418.75	425.60	436.28
(ii) Trade Payables	322.65	198.07	184.60	325.64	201.12	184.62
(iii) Other financial liabilities	152.55	59.07	55.06	152.55	59.10	57.03
(b) Other current liabilities	54.88	3.65	2.94	54.88	3.65	2.94
(c) Provisions	1.78	0.54	0.00	1.78	0.54	0.00
(d) Current Tax Liabilities (Net)	0.00	4.04	12.64	0.00	4.04	12.64
<b>Total Current liabilities</b>	<b>950.61</b>	<b>690.97</b>	<b>691.52</b>	<b>953.60</b>	<b>694.05</b>	<b>693.51</b>
<b>Total Liabilities</b>	<b>971.63</b>	<b>724.52</b>	<b>753.45</b>	<b>974.63</b>	<b>727.59</b>	<b>755.43</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>927.91</b>	<b>1,180.61</b>	<b>1,174.18</b>	<b>926.51</b>	<b>1,181.53</b>	<b>1,172.15</b>

\*Applicable in Case Consolidated Statement of Asset and Liabilities

For Fedders Electric And Engineering Ltd.



Whole Time Director

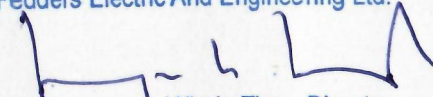
**REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2018**

(Rs. in Crores)

Particulars	Quarter ended			Year ended		Year ended	
	STANDALONE			STANDALONE		CONSOLIDATED	
	31.03.2018 (Audited)	31.12.2017 (Un-audited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
<b>1. Segment Revenue</b>							
(a) Segment –ENVIRONMENTAL CONTROL SYSTEMS	8.89	8.87	13.88	31.66	53.46	31.66	53.46
(b) Segment – STEEL STRUCTURES & ENGINEERING	264.8	219.08	342.35	994.98	1058.97	994.98	1058.97
(c) Segment – POWER PROJECTS	46.92	67.47	71.92	213.65	255.17	213.65	255.17
(d) Unallocated	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>320.61</b>	<b>295.42</b>	<b>428.15</b>	<b>1240.29</b>	<b>1367.60</b>	<b>1240.29</b>	<b>1367.60</b>
Less: Inter Segment Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net sales/Income From Operations</b>	<b>320.61</b>	<b>295.42</b>	<b>428.15</b>	<b>1,240.29</b>	<b>1,367.60</b>	<b>1,240.29</b>	<b>1,367.60</b>
<b>2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from each segment</b>							
(a) Segment –ENVIRONMENTAL CONTROL SYSTEMS	(17.22)	0.91	1.05	(14.94)	4.63	(14.94)	4.63
(b) Segment – STEEL STRUCTURES & ENGINEERING	(392.20)	8.65	14.27	(357.75)	65.41	(359.51)	65.31
(c) Segment – POWER PROJECTS	(86.36)	9.41	7.55	(91.03)	31.34	(91.03)	31.34
(d) Unallocated	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>(495.78)</b>	<b>18.97</b>	<b>22.87</b>	<b>(463.72)</b>	<b>101.38</b>	<b>(465.48)</b>	<b>101.28</b>
Less: (i) Finance Costs	25.04	15.56	15.91	72.82	65.01	72.82	65.02
(ii) Other Un-allocable Expenditure net off	0.86	0.89	2.22	4.17	6.37	4.16	6.37
Add: Un-allocable income	0.00	0.00	0.00	45.18	0.00	45.18	0.00
<b>Total Profit Before Tax</b>	<b>(521.68)</b>	<b>2.52</b>	<b>4.74</b>	<b>(495.53)</b>	<b>30.00</b>	<b>(497.28)</b>	<b>29.89</b>
<b>3. Segment Assets*</b>	-	-	-	-	-	-	-
<b>4. Segment Liabilities*</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.

For Fedders Electric And Engineering Ltd.

  
Whole Time Director

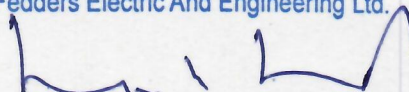
**FEDDERS ELECTRIC & ENGINEERING LTD.**  
(Formerly Fedders Lloyd Corporation Ltd.)  
C-4, Phase-II, Noida 201305  
Uttar Pradesh (INDIA)  
Tel. : 91-120-4258918  
CIN : L29299UP1957PLC021118



Notes:

1. The above Audited Financial Results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 20.06.2019.
2. The Company has adopted IND AS for the first time w.e.f 1st April, 2017 and accordingly, the financial results for the quarter and nine months ended 31.12.2017 have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued there under and the other accounting principles generally accepted in India.
3. As per Indian Accounting Standards 108 on Operating Segment, during the financial year ended 31.03.2018, the reportable segment of the company have been classified as:
  - (i) Environmental Control System,
  - (ii) Steel Structures and Engineering, and
  - (iii) Power Projects
4. Pursuant to Schedule II to the Companies Act, 2013, depreciation for the quarter and year ended 31.3.2018 has been provided on the basis of estimated economic useful life of the fixed assets of the Company.
5. The Consolidated Financial Result includes the financial result of the Subsidiary, Fedders Lloyd Trading FZE (UAE).
6. The Company has concluded the transaction with respect to the sale of brand name, logo, trade mark or any other intellectual property right associated with "LLOYD" and / or "Lloyd" to Havells India Limited for a consideration of Rs. 50 Crores.
7. Subsequent upon receipt of approval from the Registrar of Companies, Uttar Pradesh for change in name of the Company on 23<sup>rd</sup> May 2017. 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.
8. The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year upto 31.3.2018 and unaudited published year to date figure upto 31.12.2017, being the date of the end of the third quarter of the financial year which were subject to limited review.
9. The balances from related party have been settled by way of assignment of debts for Rs. 94.87 Crores.
10. The total turnover includes sales from Steel Trading Business of Rs. 813.89 Crores. There is no record of sales amounting to Rs. 414.54 Crores, which has been reversed in the year 2018-19.
11. The Earning Per Share has been calculated on the basis of weighted Average of outstanding shares at the financial year end.

For Fedders Electric And Engineering Ltd.



Whole Time Director

12. Contingent Liabilities :

		(Amount in Crores)
Particulars		As At March 31, 2018
<b>A. Claims against the company / disputed liabilities not acknowledged as debts:</b>		
a.	Recovery Suits filed by the parties in different court	32.68
b.	Recovery Suits filed by the co. different court	29.83
c.	Central Excise & Customs Matters (including Penalty)	1.95
d.	Sale Tax Matters	10.93
	• 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	1.13
e.	Income Tax Matters (Pending Rectifications)	0.26
f.	Non Filing of Financial Results to NSE and BSE as per regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	
<b>B. Guarantees:</b>		
	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.	279.49

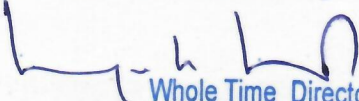
13. Principle amount of suppliers registered under MSME amounting to Rs. 2.49 Crores are under disputed.

14. The parties of the Company have filed a case in National Company Law Tribunal against the Company under Section 7 and 9 of the Insolvency and Bankruptcy Code 2016.

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

15. 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

For Fedders Electric And Engineering Ltd.

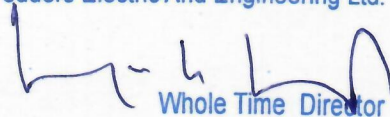
  
Whole Time Director

16. Reconciliation between financial results as previously reported (referred to as "Previous GAAP") and IND-AS for Quarter ended 31<sup>st</sup> March, 2017 is as below:

Sl. No.	Particulars	Quarter ended as on 31.03.2017	Year ended 31.03.2017
	<b>Net Profit Under Previous GAAP</b>	<b>1.35</b>	<b>20.54</b>
A	Item that will not be reclassified to Profit and Loss Account Re-measurements of the defined benefit plans	(0.99)	(0.99)
B	Effect of accounting for financial liabilities at amortised cost using effective interest rate	(0.04)	(0.15)
	<b>Depreciation and amortization Expenses</b>	(0.07)	-
C	Deferred Tax impact of above adjustments	0.39	0.40
	<b>Net Profit for the period under IND AS</b>	<b>0.63</b>	<b>19.80</b>
D	Other Comprehensive Income	-	-
	Item that will not be reclassified to Profit and Loss Account	0.65	0.34
	<b>Total comprehensive Income under INDS AS</b>	<b>1.28</b>	<b>20.15</b>

17. The figure of the earlier periods have been regrouped / re arranged wherever necessary.

For Fedders Electric And Engineering Ltd.



Whole Time Director



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

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018</b> <b>[Pursuant to Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]</b>				
<b>I</b>	<b>Sl.No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications)</b>
	1.	Turnover / Total income	1240.29	1240.29
	2.	Total Expenditure	1781.00	1781.00
	3.	Net Profit/(Loss)	(496.00)	(496.00)
	4.	Earnings Per Share	(146.01)	(146.01)
	5.	Total Assets	927.91	927.91
	6.	Total Liabilities	971.63	971.63
	7.	Net Worth	(43.71)	(43.71)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	a.	Details of Audit Qualification:	Disclaimer of Opinion	
	b.	Type of Audit Qualification :	Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	
	c.	Frequency of qualification:	First Time	
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	N.A.	
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	Not Quantified	
		(i) Management's estimation on the impact of audit qualification:	Present Management is not able to Estimate the Impact	

	(ii) If management is unable to estimate the impact, reasons for the same:	The Present Management has taken over the affairs of the Company after the said Audit Period, hence it is unable to provide any estimate on impact of audit qualification
	(iii) Auditors' Comments on (i) or (ii) above:	Our audit report dated June 20, 2019; Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph above, we have not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the aforesaid Financial Statements.

**III Signatories:**

<p><b>For G. K. Kedia &amp; Co.</b> Chartered Accountants FRN: 013016N</p> <p><i>Kanishka Aggarwal</i> Kanishka Aggarwal Partner M.No.:544129</p> <p><b>G. K. KEDIA &amp; CO.</b> 812, Naurang House 21, K. G. Marg, Connaught Place New Delhi-110001 Ph. 45259100 20446 Chuna Mandi Gurgaon Road Place: Noida Date: 20.06.2019</p> <p><b>CHARTERED ACCOUNTANTS</b></p>	<p><b>For and on behalf of the Board of Directors</b> <b>Fedders Electric and Engineering Limited</b></p> <p><i>[Signature]</i> Sanjiv Kavaljit Singh Whole-time Director &amp; CEO DIN: 0015689</p> <p><i>[Signature]</i> Neeraj Gupta Chief Financial Officer</p>	<p><i>[Signature]</i> Varish Vardhan Joshi Audit Committee - Chairman DIN: 06843644</p>
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**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted  
along-with Annual Audited Financial Results (Consolidated)**

(Rs. in Crores)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018 [Pursuant to Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	1240.29	1240.29
	2.	Total Expenditure	1782.75	1782.75
	3.	Net Profit/(Loss)	(497.75)	(497.75)
	4.	Earnings Per Share	(146.53)	(146.53)
	5.	Total Assets	926.51	926.51
	6.	Total Liabilities	973.63	973.63
	7.	Net Worth	(48.12)	(48.12)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II</b>				
<b>Audit Qualification (each audit qualification separately):</b>				
	a.	Details of Audit Qualification:	Disclaimer of Opinion	
	b.	Type of Audit Qualification :	<del>Qualified Opinion</del> / Disclaimer of Opinion / <del>Adverse Opinion</del>	
	c.	Frequency of qualification:	First Time	
	d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	N.A.	
	e.	For Audit Qualification(s) where the impact is not quantified by the auditor:		
		(i) Management's estimation on the impact of audit qualification:	Present Management is not able to Estimate the Impact.	
		(ii) If management is unable to estimate the impact, reasons for the same:	The Present Management has taken over the affairs of the Company after the said Audit	

		Period, hence it is unable to provide any estimate on impact of audit qualification.
	(iii) Auditors' Comments on (i) or (ii) above:	Our audit report dated June 20, 2019; Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph above, we have not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the aforesaid Consolidated Financial Statements.

<b>III</b>	<b>Signatories:</b>	
<p><b>For G. K. Kedia &amp; Co.</b> Chartered Accountants FRN: 013016N</p> <p><i>Kanishka Aggarwal</i> Kanishka Aggarwal Partner 21, K. G. Marg, Connaught Place New Delhi - 110028 M.No.: 544129 20446 Ghana Mandi, Chandra Prastha Road, Fahar Gully, New Delhi - 110057 Ph: 23462244</p> <p>Place: Noida Date: 20.06.2019</p>	<p><b>For and on behalf of the Board of Directors Fedders Electric and Engineering Limited</b></p> <p><i>Sanjiv Kavaljit Singh</i> Sanjiv Kavaljit Singh Whole-time Director &amp; CEO DIN: 0015689</p> <p><i>Neeraj Gupta</i> Neeraj Gupta Chief Financial Officer</p>	<p><i>Vansh Vardhan Joshi</i> Vansh Vardhan Joshi Audit Committee-Chairman DIN: 06843644</p>

# G. K. KEDIA & CO.

CHARTERED ACCOUNTANTS  
(ISO 9001:2015 Certified & Peer Reviewed)

## Independent Auditor's Report on Quarterly Financial Results and Year to Date Financial Results of Fedders Electric & Engineering Limited Pursuant to the Regulation 33 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Fedders Electric & Engineering Limited  
(Formerly known as Fedders Lloyd Corporation Limited)

1. We were engaged to audit the accompanying financial results of Fedders Electric & Engineering Limited (Formerly known as Fedders Lloyd Corporation Limited) ('the Company') for the quarter ended March 31, 2018 and the year to date results for the year from April 1, 2017 to March 31, 2018 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015. The quarterly financial results are the derived figures, which are the balancing figure between the audited figures in respect of the year ended 31 March 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year. Also, the figures up to the end of the third quarter had only been reviewed and not subjected to audit.
2. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the reviewed financial results up to the end of the third quarter and audited annual Financial Statements, which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial results based on our audit of such Financial Statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.

### 3. BASIS FOR DISCLAIMER OF OPINION

- a. *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.

- b. 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.

- c. 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.

- d. 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.

- e. 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.



- f. 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.
- g. The Company has not filed its financial results for the year ended 31<sup>st</sup> March on or before the due date prescribed under regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and thus violated the aforementioned regulations.
- h. 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.

#### 4. 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.

#### 5. Emphasis of matter:

We draw attention to the following:

- a. 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.
- b. 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.

#### 6. Other Matters:

- a. Forensic Audit of the Company has been ordered by State Bank of India vide letter dated 15.09.2018.
- b. 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.

- c. 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.
- d. 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.
- e. 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.
- f. 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.
- g. 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

- h. The review of unaudited financial results for the quarter ended ended December 31, 2017 and September 30, 2017 included in these financial results were carried out and reported by Goel Garg & Co., Chartered Accountants vide their unmodified reports dated February 14, 2018 and November 14, 2017 respectively. Further, review of unaudited financial results for the quarter ended June 30, 2017 and audit of the Financial results for the year ended March 31, 2017 included in these financial results were carried out and reported by Suresh C. Mathur & Co., Chartered Accountants vide their unmodified reports dated August 10, 2017 and May 30, 2017 respectively, whose reports have been furnished to us by the management and which have been





relied upon by us for the purpose of our audit of these financial results. Our audit report is not modified in respect of this matter.

Place: New Delhi  
Date: 20.06.2019

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

*Kanishka Aggarwal*

Kanishka Aggarwal  
Partner  
M. N. 544129



# G. K. KEDIA & CO.

CHARTERED ACCOUNTANTS  
(ISO 9001:2015 Certified & Peer Reviewed)

**Independent Auditor's Report on Quarterly Consolidated Financial Results and Year to Date Financial Results of Fedders Electric & Engineering Limited Pursuant to the Regulation 33 of the SEBI (Listing obligation and Disclosure Requirements) Regulations, 2015**

**To the Board of Directors of Fedders Electric & Engineering Limited  
(Formerly known as Fedders Lloyd Corporation Limited)**

1. We were engaged to audit the accompanying consolidated financial results of Fedders Electric & Engineering Limited (Formerly known as Fedders Lloyd Corporation Limited) ('the Company') for the quarter ended March 31, 2018 and the consolidated year to date results for the year from April 1, 2017 to March 31, 2018 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure requirement) Regulations, 2015. The consolidated quarterly financial results are the derived figures, which are the balancing figure between the audited consolidated figures in respect of the year ended March 31, 2018 and the published year-to-date consolidated figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year. Also, the consolidated figures up to the end of the third quarter had only been reviewed and not subjected to audit.
2. These consolidated quarterly financial results as well as consolidated year to date financial results have been prepared on the basis of the reviewed consolidated financial results up to the end of the third quarter and audited consolidated annual Financial Statements, which are the responsibility of the Company's Management. Our responsibility is to express an opinion on these consolidated financial results based on our audit of such Consolidated Financial Statements, which have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.

### 3. BASIS FOR DISCLAIMER OF OPINION

- a. *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.

- b. 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.

- c. 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.

- d. 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.

- e. 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.

- f. 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.*

- g. 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*
- h. 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.*
- i. 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.*
- j. 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 has 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.*

#### **4. 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.



## 5. EMPHASIS OF MATTER

We draw attention to the following:

- a. 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.
- b. 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.

## 6. OTHER MATTER

- a. Forensic Audit of the Holding Company has been ordered by State Bank of India vide letter dated 15.09.2018.
- b. 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.
- c. 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.
- d. 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.
- e. 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.
- f. 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.
- g. 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

- h. 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.

- i. The review of unaudited consolidated financial results for the quarter ended December 31, 2017 and September 30, 2017 included in these consolidated financial results were carried out and reported by Goel Garg & Co., Chartered Accountants vide their unmodified reports dated February 14, 2018 and November 14, 2017 respectively. Further, review of consolidated unaudited financial results for the quarter ended June 30, 2017 and audit of the consolidated Financial results for the year ended March 31, 2017 included in these consolidated financial results were carried out and reported by Suresh C. Mathur & Co., Chartered Accountants vide their unmodified reports dated August 10, 2017 and May 30, 2017 respectively, whose reports have been furnished to us by the management and which have been relied upon by us for the purpose of our audit of these consolidated financial results. Our audit report is not modified in respect of this matter.

Place: New Delhi  
Date: 20.06.2019

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

*Kanishka Aggarwal*

Kanishka Aggarwal  
Partner  
M. N. 544129

