

**62nd
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

Ms. Sadhna Syal

Mr. Vansh Vardhan Joshi

Whole-time Director & Chief Executive Officer

Independent Director

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 62nd 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 31st 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 14th 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 14th August, 2019 and confirmed as Resolution Professional ("RP") by the approval of Committee of Creditors ("CoC") in its meeting held on 12th 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 st March, 2018	For the year ended 31 st 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
Earnings Per Share (₹)		
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 31st 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 31st March, 2017. The Company incurred a loss of ₹ (496.00) Crores, for the year ended 31st 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. 29th 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. 4th 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. 4th 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 31st March, 2018 and of the profit of the Company for the year ended 31st 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. 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 61st AGM of the Company with effect from the conclusion of 61st (Sixty First) AGM upto the conclusion of the 66th (Sixty Sixth) AGM.

Subsequently, M/s. Goel Garg & Co., Chartered Accountants resigned as the Statutory Auditors of the Company w.e.f. 9th 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 20th 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 64th (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 4th quarter which increased from 86% to 138% in 4th 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 4th 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 31st March, 2017 and 31st 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 31st 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 31st 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 8th 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 30th 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 31st 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 20th 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 31st 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 14th 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 14th August, 2019 and confirmed as Resolution Professional by the approval of CoC in its meeting held on 12th 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. 23rd May, 2017, pursuant to the Resolution passed by the Shareholders through Postal Ballot on 23rd March, 2017, and subsequent upon the receipt of approval from the Registrar of Companies, Uttar Pradesh ("ROC") on 23rd 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 to www.feddersselectric.com with effect from 8th June, 2017.

Subsequent to the name change, the Company also adopted its new logo w.e.f. 14th 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 31st July, 2018, an extract of the annual return in the prescribed format is available on the website of the Company viz. 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. 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 31st 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 8th June, 2018 has mandated the dematerialization of shares held in physical form for registration of transfer of shares of the Company w.e.f. 5th 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 14th 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 12th 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 31st 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. 1st APRIL, 2017

As per Notification of Ministry of Corporate Affairs (MCA) on 16th February, 2015, Companies (Indian Accounting Standards) Rules, 2015 ("IND-AS") came into existence which later on came into force with effect from 1st April, 2015. In accordance with the Guidelines issued by MCA and SEBI vide circular CIR/CFD/FAC/62/2016 dated 5th 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 1st 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: 3rd OCTOBER, 2019**

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

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