



FEDDERS ELECTRIC AND ENGINEERING LIMITED
(Formerly Fedders Llyod Corporation Ltd)
C-15, RDC, Raj Nagar, Ghaziabad- 201001 (U.P.)
Tel.: 91-120-4169337
CIN: L29299UP1957PLC021118

10th September, 2022

BSE Limited

Department of Corporate Services
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai-400 001
Scrip Code: 500139

NSE Limited

Department of Corporate Services
Exchange Plaza, Bandra,
Kurla Complex, Bandra (West)
Mumbai-400 051
Scrip Code: FEDDERELEC

SUBJECT: SUBMISSION OF 65TH ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 2020-2021.

Dear Sir/Madam,

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations, 2015 the copy of Annual Report for the financial year ended 2020-2021, which is being sent to shareholders through permitted mode, is enclosed herewith.

The Annual Report and Notice of AGM are also available on the Company's website i.e. www.imcapitals.com/fedders-electric-engineering/.

Thanking you,

For **Fedders Electric and Engineering Limited**

Sakshi Goel
Company Secretary & Compliance Officer

Encl. As Above

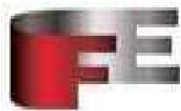


**FEDDERS
ENGINEERING**

ANNUAL REPORT 2020-21

**FEDDERS ELECTRIC AND ENGINEERING LIMITED
CIN NO: L29299UP1957PLC021118**

**65TH ANNUAL REPORT
2020-21**



**FEDDERS
ENGINEERING**

ANNUAL REPORT 2020-21

CORPORATE INFORMATION

Board of Directors

Mr. Vishal Singhal
(Appointed w.e.f 06.10.2021)
Ms. Tanya Singhal
(Appointed w.e.f 06.10.2021)
Mr. Anil Kumar Kaushik
(Appointed w.e.f 06.10.2021)
Mr. Sanjeev Kumar Singhal
(Appointed w.e.f 09.06.2022)

Managing Director

Woman Director

Independent Director

Independent Director

Chief Financial Officer

Mr. Narendra Kumar Mishra

Company Secretary & Compliance Officer

Ms. Sakshi Goel

Statutory Auditor

M/s. Rajiv Malhotra & Co.

Secretarial Auditor

M/s. DR Associates

Cost Auditor

M/s. Jain Sharma & Associates

Registrar & Share Transfer Agents

Skyline Financial Services Private Limited

Registered Office

6 and 6/1, UPSIDC Industrial Area, Sikandrabad, District Bulandshahr-203205 (U.P.)

Corporate Office

C-4, Noida Phase-II,
Gautam Buddha 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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Consolidated Financial Statement



BOARD'S REPORT

Dear Shareholders,

Your Directors present the 65th 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, 2021.

Fedders Electric and Engineering Limited went into Corporate Insolvency Resolution Process under the provisions 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 were 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 continued as Resolution Professional by the approval of Committee of Creditors in its meeting held on 12th September, 2019 under provisions of the Code. Further, the Hon'ble NCLT, Allahabad bench vide its order dated 06th October, 2021 has approved the Resolution Plan submitted by IM Plus Capitals Ltd. (Successful Resolution Applicant or SRA or RA).

1. FINANCIAL PERFORMANCE

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

(Rupees in crores)

Particulars	For the year ended 31st March 2021	For the year ended 31st March, 2020
Revenue from Operations	17.43	70.50
Other Income	0.38	0.53
Total Revenue	17.81	71.02
Total Expenses	73.91	127.54
Profit/(Loss) before Tax	-56.10	-56.51
Tax Expenses:		
Current Tax	0	0
Deferred Tax	-2.09	-1.02
Profit/(Loss) after Tax	-54.01	-55.49
Earnings Per Share (₹)		
1. Basic	-15.90	-16.34
2. Diluted	-15.90	-16.34



The consolidated performance of the Company as per consolidated financial statements is as under:

(Rupees in crores)

Particulars	For the year ended 31 st March 2021	For the year ended 31 st March, 2020
Revenue from Operations	17.43	70.50
Other Income	0.38	0.53
Total Revenue	17.81	71.03
Total Expenses	73.87	127.54
Profit/(Loss) before Tax	-56.06	-56.51
Tax Expenses:		
Current Tax	0.00	0.00
Deferred Tax	-2.09	-1.02
Profit/(Loss) after Tax	-53.98	-55.49
Earnings Per Share		
1. Basic	-15.89	-16.33
2. Diluted	-15.89	-16.33

2. STATE OF AFFAIRS AND OPERATIONAL HIGHLIGHTS

During the year under review, the total revenue from operations of your Company for the year ended 31st March, 2021 stood at Rs. 17.43 Crore as against the revenue of Rs. 70.50 Crore earned in the previous year ended on 31st March, 2020. The Company incurred a loss of Rs. 56.10 Crore for the year ended 31st March, 2021 in comparison with the loss on Rs. 56.51 Crore in the previous year ended on 31st March, 2020.

At present, Company is completing its existing projects only and most of its plants are non-operational, the new Management is making best endeavors to re-start the operations of the Company.

3. SHARE CAPITAL

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

4. DIVIDEND

In view of the Company is under CIRP and incurred losses, the matter was for recommendation of Dividend was not considered.



5. DEPOSITS

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

The aforementioned information based on the fact that RP during his tenure did not receive any claims from the deposit holders, if any, against the Company, and, further the entire liabilities of the Company will be settled as per the approved resolution plan.

6. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

Pursuant to the provision of Section 17 of the Insolvency and Bankruptcy Code, 2016 ("Code") on commencement of the Corporate Insolvency Resolution Process (CIRP) the powers of the Board of Directors of Fedders Electric and Engineering Limited (FEEL) stands suspended and the same are being exercised by the Resolution Professional. The management of the affairs of Company has been vested with Resolution Professional. Therefore, no meeting of Board of Director was held after the Commencement of Corporate Insolvency Resolution Process (CIRP) w.e.f. 14th August 2019.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

All the Directors of the Company has resigned from the directorship, except Mr. Vansh Vardhan Joshi (DIN:06843644) and as per order of Hon'ble NCLT Allahabad, Bench dated 14th August, 2019, the Company went in to CIRP and Mr. Ashok Kumar Gulla was appointed as a Resolution Profession and the affairs of the Company being managed by RP.

As Resolution Plan was submitted by IM+ Capitals Limited has been approved by Hon'ble NCLT vide its order dated 06.10.2021 and the Company was taken over by IM+ Capitals Limited, as per approved resolution Plan, the Board was reconstituted on 6th October, 2021 and following Directors were appointed: -

Mr. Vishal Singhal, Director, (DIN: 03518795)

Ms. Tanya Singhal, Independent Woman Director (DIN: 08930315)

Mr. Anil Kumar Kaushik, Independent Director (DIN: 09131927)

Further, Ms. Kirti Jain was appointed as Company Secretary & Compliance Officer and Mr. Narender Kumar Mishra appointed as Chief Financial Officer (CFO) of the Company w.e.f. 20th October, 2021, and Ms. Kirti Jain resigned from the said post w.e.f. 30th April, 2022.

Ms. Sakshi Goel was appointed as Company Secretary & Compliance Officer and Mr. Sanjeev Kumar Singhal were appointed as Independent Director w.e.f 09th June 2022.



8. DECLARATION BY INDEPENDENT DIRECTORS

The Company is under CIRP and accordingly power of the Board has been suspended and pursuant to the order of Hon'ble NCLT dated 14th August, 2019, Mr. Ashok Kumar Gulla, appointed Interim Resolution Professional. Therefore, no declaration received from each Independent Director under Section 149(7) of Companies Act, 2013 read with the schedules and Rules issued thereunder as well as Regulations 16 of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

9. RESOLUTION PROFESSIONAL/DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act 2013, the Directors/Resolution Professional hereby confirms that:

- i. in preparation of Annual Accounts the applicable Accounting Standards have been followed and there has been no material departure.
- ii. they have selected accounting policies which were applied consistently and the directors/IRP 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 at 31st March 2021 and of the profits/losses for the year ended on that date.
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. they have prepared the annual accounts on a going concern basis.
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively.
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

***The role and responsibilities of the Board of Directors after the commencement of Corporate Insolvency Resolution Process (CIRP) shall be fulfilled by Resolution Professional in accordance with Sections 17 and 23 of Insolvency and Bankruptcy Code 2016 and powers of the Board of Directors/Committees stand suspended.**

10. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

During the period under review, there are no companies which have become or ceased to be its Subsidiary, Associates & Joint Venture. The detail of existing subsidiary Companies are given in



Form AOC-1 as per **Annexure 1.**

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.imcapitals.com/fedders-electric-engineering/. The Company will make these documents available upon request made by any shareholder of the Company.

11. STATUTORY AUDITORS

In terms of the Section 139 of the Companies Act 2013, M/s Rajiv Malhotra & Associates Co., Chartered Accountants, having ICAI Registration No. 021479N were re-appointed as Auditors for a period of 5 years from the conclusion of 64th Annual General Meeting up to the conclusion of the 69th Annual General Meeting to be held for the financial year 2024-25.

12. AUDITORS' REPORT

The Auditor Report for the financial year ended 31st March 2021 contains various qualification and observation, Audit Report attached herewith which forms part of the Annual Report.

Management Reply

Fedders Electric and Engineering Limited went into Corporate Insolvency Resolution Process under the provisions 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 were 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 continued as Resolution Professional by the approval of Committee of Creditors in its meeting held on 12th September, 2019 under provisions of the Code. Further, the Hon'ble NCLT, Allahabad bench vide its order dated 06.10.2021 has approved the Resolution Plan submitted by IM Plus Capitals Ltd. (Successful Resolution Applicant or SRA or RA).

The Board of the Company was reconstituted in terms of the Resolution Plan. The present management acknowledges the qualifications observed by Auditors in the Audit Report on Financial Statements for the financial year ended 31st March 2021 and ensures the applicable compliances in the upcoming years.

13. SECRETARIAL AUDITORS

Pursuant to the provision of Section 204 of the Companies Act, 2013 the Board of Director the Company has appointed M/s DR Associates, Company Secretaries, as Secretarial Auditors of the Company in the Board Meeting held on 04th August, 2022 to conduct Secretarial Audit for the financial year 2020-21.

The Secretarial Audit Report submitted by them for the financial year 2020-21 in the prescribed form MR-3 is attached as **Annexure-2** and forms part of this Report. There were certain qualifications, observations, reservation or comments or other remarks in the Secretarial Audit Reports which are self-explanatory.



14. 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. In compliance with Regulation 34 of Listing Regulations, a detailed Corporate Governance Report is annexed herewith marked as **Annexure-3** to and forms part of this Report.

15. BOARD EVALUATION

Since the Company is under Corporate Insolvency Resolution Process (CIRP) and the entire Board is suspended, no formal evaluation of the Board has taken place.

16. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report on the operations of the Company, as required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is marked as **Annexure-4** and form part of this report.

17. COMMITTEES OF THE BOARD OF DIRECTORS

The provisions as specified in Regulations 18 (Audit Committee), Regulation 19 (Nomination and Remuneration Committee), Regulation 20 (Stakeholder's Relationship Committee) and under SEBI (LODR) Regulations, 2015 shall not be applicable during the Corporate Insolvency Resolution Process of the Company as the powers of the Board of Directors (including its committees) remains suspended during CIRP process and be exercised by Interim Resolution Professional/ Resolution Professional.

18. CHANGES IN THE NATURE OF THE BUSINESS

There has been no change in the nature of business of the Company during the financial year 2020-21.

19. MATERIAL AND SIGNIFICANT CHANGES

Fedders Electric and Engineering Limited went into Corporate Insolvency Resolution Process under the provisions 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. The affairs, business, and assets were 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 continued as Resolution Professional by the approval of Committee of Creditors in its meeting held on 12th September, 2019 under provisions of the Code. Further, the Hon'ble NCLT, Allahabad bench vide its order dated 06.10.2021 has approved the Resolution Plan submitted by IM Plus Capitals Ltd. (Successful Resolution Applicant or SRA or RA).

The takeover of the Company by the RA has been completed and the Board of Directors has been constituted to take over the management of the Company.



20. RELATED PARTY TRANSACTIONS

This is to share that there were no related party transactions entered during the financial year. Since there was no contract or arrangement with related parties falling within the purview of Section 188(1) of the Companies Act, 2013, during the financial year ended on 31st March 2021, therefore, the disclosure in Form AOC-2 was not required.

21. INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has no 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 not 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, Auditor has disclaimer opinion on Internal Control system and Adequacy.

22. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibilities shall not be applicable on the Company as the losses being incurred by the Company during the three immediately previous financial years i.e. 2017-18, 2018-19 and 2019-20.

23. 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-5** and forms part of this Report.

24. 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 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. During the year ended 31st March, 2021, no complaints pertaining to sexual harassment were received.

25. ANNUAL RETURN

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an annual return is uploaded on website of the Company www.imcapitals.com/fedders-electric-engineering/.



26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There were no loans or guarantees or security given by Company and investments made by the Company under Section 186 of the Companies Act, 2013.

27. PARTICULARS OF EMPLOYEES

The Statement pertaining to provision of Rule 5(2) & (3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 requiring the names of top ten employees in terms of remuneration drawn forms part of this Board Report. However, as per Section 136(1) of the Act and proviso of Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Report and Financial Statements are being sent to the Members of the Company excluding the said statement. Any Member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company. It is also stated here that there were no employee during the year who were in receipt of remuneration mention in Rule 5 (2) (I), (II) and (III) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

28. RISK MANAGEMENT

There are no employees on the roll of the Company at the year ended 31st March, 2021 and the Company is under CIRP. The Company had adequate Risk Management policy till commencement of CIRP.

29. 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.

30. 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 2020-21 have been paid to these stock exchanges.

31. 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. Further, the Hon'ble NCLT, Allahabad bench vide its order dated 06th October, 2021 has approved the Resolution Plan submitted by IM Plus Capitals Ltd. (Successful Resolution



Applicant or SRA or RA).

Thereafter, the Board of Directors has been duly constituted to take over the management of the Company.

32. INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), during the year under review, the dividend declared for the financial year 2012-13 which was remained unclaimed from seven consecutive years was not transferred to Investor Education and Protection Fund. Further, shares of the Company, in respect of which dividend has not been claimed from seven consecutive years from the date of transfer to unpaid dividend account, have also not been transferred to the demat account of IEPF Authority.

33. 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 maintained by the Company.

34. RATIO OF REMUNERATION

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is given in the Statement. annexed herewith as **Annexure-6**.

35. 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.

36. 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.



37. REPORTING OF FRAUDS BY AUDITORS

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the company by its officers or employees, the details of which would need to be mentioned in the board's report.

38. ACKNOWLEDGMENTS

Your Directors would like to express their sincere appreciation to 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.

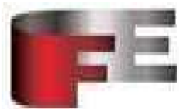
**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FEDDERS ELECTRIC AND ENGINEERING LIMITED**

**Date: 05.09.2022
Place: Ghaziabad**

**Sd/-
VISHAL SINGHAL
Managing Director
DIN: 03518795**

**Sd/-
TANYA SINGHAL
Director
DIN: 08930315**

Note: The Board of Directors has provided the information on the basis of the information and records received from the Corporate Debtor and Resolution Professional.



Annexure 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries- the Company has one subsidiaries

(In AED Currency)

S. No.	Name of the Subsidiary Company	Reporting Period	Capital	Reserves	Total Assets	Total Liab.	Investments	Turnover	Profit/(Loss) before taxation	Provision for Taxation	Profit/(Loss) after taxation	Proposed Dividend	% of Shareholding
1	Fedders Lloyd Trading FZE P.O. Box No. 331007 , Ras Al Khaimah , United Arab Emirates	2020-21	5,00,000	(3,457,782)	0	0	0	0	(7350)	0	(7350)	-	100%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures



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S. No.	Name of associate s/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end			Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/Loss for the year	
			No. of shares	Amount of Investment in Associate s/Joint Venture	Extent of Holding (%)				Considered in Consolidation	Not Considered in Consolidation
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Table no. 1.6

1. Names of associates or joint ventures which are yet to commence operations- NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year- NIL

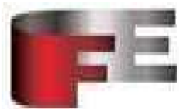
**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
FEDDERS ELECTRIC AND ENGINEERING LIMITED**

Date: 05.09.2022

Place: Ghaziabad

**Sd/-
VISHAL SINGHAL
Managing Director
DIN: 03518795**

**Sd/-
TANYA SINGHAL
Director
DIN: 08930315**



Form No. MR-3

[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]

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2021

The Members,
Fedders Electric & Engineering Limited
6 and 6/1, UPSIDC Industrial Area,
Sikandrabad, Bulandshahr,
Uttar Pradesh - 203205

We have conducted the Secretarial Audit of compliances, applicable statutory provisions and the adherence to good corporate practices by Fedders Electric & Engineering Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, statutory registers, 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 31st March, 2021, has not complied with the various statutory provisions listed hereunder and also that since the powers of the Board of Directors were suspended on the commencement of Corporate Insolvency Resolution Process, therefore, the provisions of proper Board Processes and Compliance Mechanism shall not be applicable.

We have examined the available books, papers, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (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'):-
 - 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, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not applicable to the Company during the audit period**



- d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2008; **Not applicable to the Company during the audit period**
- e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2008; **Not applicable to the Company during the audit period**
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable to the Company during the audit period**
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable to the Company during the audit period**
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable to the Company during the audit period**
- j) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- k) Secretarial Standards issued by the Institute of Company Secretaries of India.
- l) As informed by the management, there aren't any law, which were specifically applicable to the Company.

Our report is to be read along with the noting as mentioned here-in-under:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the Compliances of the laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of the corporate and other applicable laws, rules and regulations, standards is the responsibility of the Management; our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

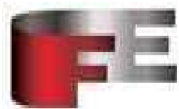
During the period under review, the Company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except the following observations*:

1. Fedders Electric and Engineering Limited went into Corporate Insolvency Resolution Process under the provisions 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 and the powers of Board of Directors of the Company stand suspended effective from the CIRP commencement date and such powers along with the management of affairs of the Company are vested with the IRP in accordance with the provisions of Section 17 and 23 of the Insolvency Code read with Regulation 15(2A) & (2B) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Its affairs, business, and assets were 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 continued as Resolution Professional by the approval of Committee of Creditors in its meeting held on 12th September, 2019 under provisions of the Code. Further, the Hon'ble NCLT, Allahabad bench vide its order dated 06.10.2021 has approved the Resolution Plan submitted by IM Plus Capitals Ltd. (Successful Resolution Applicant or SRA or RA).

2. *The Company did not hold its Annual General Meeting (AGM) for the financial years ended 2018-19 and 2019-20 as specified u/s 96 of Companies Act, 2013 and also, the Company has failed to file its Annual Return u/s 92(4), as on the due date of Annual General Meeting, for the said financial years and also not filed the un-adopted financial statements as prescribed under proviso of Section 137 of the Companies Act, 2013. Therefore, the Company was non-complied the provisions of Section 92, 96 and 137 of the Companies Act, 2013.*
3. *The Company has not submitted several forms and returns with the concerned Registrar of Companies as required by various provisions of the Companies Act 2013 and rules made thereunder.*
4. *The Company has not followed the provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India.*
5. *Statutory Registers as required to be maintained under various provisions of Companies Act, 2013, were not produced for verification.*
6. *Since the powers of the Board of Directors were suspended due to commencement of CIRP and appointment of Resolution Professional, therefore, we are not able to comment on the Board –processes and compliance mechanism during the audit period.*
7. *The Company has not complied with various provisions of SEBI regulations as listed above including the provisions of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.*
8. *The Company does not have any functional website as required under Regulation 46 of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.*
9. *The Company has not complied with the applicable provisions of Foreign Exchange Management Act 1999 and regulations made thereunder.*
10. *During the period of audit, the Company has not filed any documents required to be submitted by the Company to the stock exchanges except those which were available on the BSE and NSE portal.*



11. During the year review, there was no newspaper advertisement published by the Company as per provisions of SEBI (LODR) 2015.

We further report that:

- a. *The Board of Directors of the Company is not constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.* Since the powers of the Board of Directors was suspended, therefore, the compliances pertaining to convening and related compliances of Board meeting including maintenance of Minutes were not applicable.
2. We further report that due to lack of information, we are unable to comment on adequacy of systems and processes in the Company commensurating with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that after the close of the period under review, following event(s)/ action(s) have taken place which have a major bearing on the Company's affairs:

- a. The resolution plan submitted by IM + Capitals Ltd was approved by Hon'ble National Company Law Tribunal, Allahabad bench ("NCLT") vide order dated 6th October 2021. In order to supervise and implement the resolution plan a monitoring committee was constituted with each member from resolution applicant, Financial Creditor and Ex-Resolution professional. The Resolution Applicant (IM + Capital Ltd) has paid the entire Resolution amount and same has been distributed to various creditors as per the plan. The Role of the monitoring Committee came to an end on 21st February 2022.
- b. Further, before the date of signing of this report, the control of Fedders Electric and Engineering Ltd (FEEL) has been transferred to the new management. Hence, all the decision relating to the activities of the company ie. Fedders Electric and Engineering Ltd (FEEL) are being taken over by the new management.

For DR Associates
Company Secretaries
Firm Regn.: P2007DE003300

Place: New Delhi
Date: 05th September 2022

Sd/-
Deepak Gupta
Partner
CP No.: 4629
UDIN: F005339D000920154



ANNEXURE-3

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.

Fedders Electric and Engineering Limited went into Corporate Insolvency Resolution Process under the provisions 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 were being managed by the Insolvency Professional, Mr. Ashok Kumar Gulla, appointed as Interim Resolution Professional (IRP) by the NCLT, Allahabad vide order dated 14th August, 2019 and continued as Resolution Professional (RP) by the approval of Committee of Creditors in its meeting held on 12th September, 2019 under provisions of the Code. Further, the Hon'ble NCLT, Allahabad bench vide its order dated 06th October, 2021 has approved the Resolution Plan submitted by IM Plus Capitals Ltd. (Successful Resolution Applicant or SRA or RA).

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

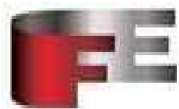
We believe in the philosophy that good corporate governance is not an end in itself. It is a means to support economic efficiency, sustainable growth and financial stability. It facilitates companies' access to capital for long-term investment and helps ensure that shareholders and other stakeholders, who contribute to the success of the corporation, are treated fairly. 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 behaviour and sound corporate governance practices.

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 endeavoured 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.

II. BOARD OF DIRECTORS & BOARD COMMITTEES

As per the provisions of IBC Code and provisions of Regulation 15 (2A) and (2B) of SEBI (LODR) as amended from time to time, the provisions specified in Regulations 17, 18, 19, 20 and 21, shall not be applicable during the corporate insolvency resolution process. The provisions as specified in said regulations of the SEBI (LODR) shall not be applicable during the corporate insolvency resolution process period and the roles and responsibilities of the board of directors and the committees, specified in the respective regulations, shall be fulfilled by the interim resolution professional or resolution professional of the Company as required under the Code.

The Company is under Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016 (IBC) by the Order of Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench dated



**FEDDERS
ENGINEERING**

ANNUAL REPORT 2020-21

14th August, 2019 and pursuant to the provision of Section 17 of the Insolvency and Bankruptcy Code, 2016, the powers of the Board of Directors stands suspended and such powers shall be vested with Mr. Ashok Kumar Gulla, appointed as the IRP on 14th August 2019 and later on confirmed as RP by Committee of Creditors w.e.f. 12th September, 2019.

IV. GENERAL BODY MEETINGS

- Details of the last 3 Annual General Meetings of the Company

FINANCIAL YEAR	LOCATION(S)	MEETING DATE	TIME
2019-2020	Regd. Office: 6 and 6/1, UPSIDC Industrial Area, Sikandrabad, District Bulandshahr, Uttar Pradesh-203205.	01 st September, 2022	12:00 P.M.
2018-2019	Regd. Office: 6 and 6/1, UPSIDC Industrial Area, Sikandrabad, District Bulandshahr, Uttar Pradesh-203205.	01 st September, 2022	11.30 A.M.
2017-2018	Regd. Office: 6 and 6/1, UPSIDC Industrial Area, Sikandrabad, District Bulandshahr, Uttar Pradesh-203205.	8 th November, 2019	09.00 A.M.

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

The Shareholders passed a Special Resolution in the 62nd Annual General Meeting held on 08th November, 2019

- To approve the appointment of Mr. Sanjiv Kavaljit Singh (DIN: 00015689) as the Whole-time Director of the Company.

The Shareholders passed a Special Resolution in the 63rd Annual General Meeting held on 01st September, 2022

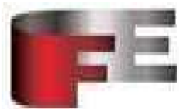
- To appoint and approve the remuneration payable to Mr. Vishal Singhal as Managing director of the Company.

POSTAL BALLOT

No Postal ballot conducted during the year.

Whether any resolutions are proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require



passing a resolution through Postal Ballot.

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.

Publication of quarterly results: Due to financial crisis and non-availability of the requisite personnel and other adequate resources, the statement of financial results (quarterly / half yearly / annual) was not published in the newspapers.

• Website:

There was no functional website of the Company as reported in Secretarial Audit Report.

• Stock Exchanges:

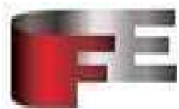
As the Company under Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016 (IBC) by the Order of Hon'ble National Company Law Tribunal (NCLT), Allahabad, Bench dated 14th August, 2019. There were delay in disclosures and some of the disclosures not intimated to BSE 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").

• 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.

• 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.



- **Exclusive Email ID for investors**

The Company has designated the Email ID **imcapital9830@gmail.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 favours, 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.

VII. DISCLOSURES

a) Related Party Transactions

During the year, there were no Material related party transactions entered during the financial year.

b) Details of non-compliance by the Company, penalties, and structures 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

There were several non-compliances under the SEBI regulations viz. Non-submission of Financial Results in time under Regulation 33 (3) and other Regulation of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for quarter/financial year ended 31.03.2021, quarter ended 30.06.2020, quarter/half year ended 30.09.2020, quarter/nine months period ended 31.12.2020, and also for Non-submission of Annual Report for F.Y. ended 31.03.2021 Non holding of AGM for the year 2021. The Company was under CIRP process during that period and the Exchanges were informed in respect of inter alia the insolvency commencement date, the appointment of the RP etc. and the Resolution Professional (RP) was entrusted with the responsibility for the management of the affairs of the Company. Apart from the above, there has not been any non-compliance by the Company in respect of which penalties or strictures have been imposed by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.



a. Whistle Blower Policy 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 behaviour. 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 31st March, 2021, no personnel have been denied access to the Chairman of the Audit Committee of the Company.

b. Disclosure of Accounting Treatment

Pursuant to the 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 was mandatorily required to prepare its financial statements along with the financial results for the accounting period beginning from 1st 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.

c. Reconciliation of Share Capital Audit

No quarterly reconciliation of Share Capital Audit was carried out during the period under review.

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

The Corporate Governance Report of the Company for the financial ended 31st March, 2021 is generally in compliance with the requirements of the Listing Regulations. However, there are certain non-compliances of Listing Regulations were also observed.

DISCRETIONARY REQUIREMENTS:

A. 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.

- B. As the Company is under Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code, 2016 (IBC) by the Order of Hon'ble National Company Law Tribunal (NCLT), Allahabad Bench dated 14th August, 2019 and pursuant to the provision of Section 17 of the Insolvency and Bankruptcy Code, 2016, the powers of the Board of Directors stand suspended and no Chairman is appointed in the Company.

E. GENERAL SHAREHOLDERS INFORMATION

1	Annual General Meeting	Remark
	Date	3 rd October, 2022
	Time	11:30 A.M
	Venue	Regd. Office: 6 and 6/1, UPSIDC Industrial Area, Sikandrabad, District Bulandshahr, Uttar Pradesh-203205.
2	Financial Year	1 st April, 2020 to 31 st March, 2021
3	Date of Book Closure	27 th September, 2022 to 3 rd October 2022
4	Date of Dividend Payment	N.A.
5	Name and address of Stock Exchanges at which Company's securities are listed;	BSE Limited ("BSE") Phiroze, Jeejeebhoy Towers Dalal Street, Mumbai 400 001 National Stock Exchange of India Limited ("NSE") Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Sandra (E), Mumbai 400 051
6	Stock Code/ Symbol	BSE :500139 NSE: FEDDERELC ISIN No.: INE249C01011
7	Listing Fees to Stock exchanges	The Company has paid the Annual Listing Fees for the financial year 2020-21 to the above Stock Exchanges.
8	Custodial Fees to Depositories	The Company has paid custodial fees for the financial year 2020-21 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 31st March, 2021 are as follows:

Months during the financial year ended 31 st March, 2021	BSE		NSE	
	High (Rs./share)	Low (Rs./share)	High (Rs./share)	Low (Rs./share)
April, 2020	Data not available			
May, 2020	Data not available			
June, 2020	Data not available			
July, 2020	Data not available			
August, 2020	Data not available			
September, 2020	Data not available			
October, 2020	Data not available			
November, 2020	Data not available			
December, 2020	Data not available			
January, 2021	Data not available			
February, 2021	Data not available			
March, 2021	Data not available			

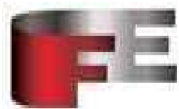
Source: BSE and NSE website

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.

During the financial year, the Company has not obtained 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 lodgment of transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations.

However, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, notified on 8th 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. 5th 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 2012-13 has been not transferred to the IEPF.

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
2012-2013 (Final Dividend)	11 th December, 2013	11 th January, 2021
2013-2014 (Final Dividend)	30 th October, 2014	30 th November, 2021
2014-2015 (Final Dividend)	25 th September, 2015	25 th October, 2022
2015-2016 (Final Dividend)	27 th August, 2016	27 th September, 2023
2016-2017 (Final Dividend)	22 nd September, 2017	22 nd 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 view of extinguishment of all the shares before approval of resolution plan vide Hon'ble NCLT order dated 6th October 2021, this provision shall not be applicable.



XII. DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2021

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)
Up To 5,000	24123	83.02	37680640.00	11.09
5001 To 10,000	2479	8.53	20722680.00	6.10
10001 To 20,000	1264	4.35	19701260.00	5.80
20001 To 30,000	458	1.58	11844200.00	3.49
30001 To 40,000	194	0.67	7019660.00	2.07
40001 To 50,000	171	0.59	8150070.00	2.40
50001 To 1,00,000	222	0.76	15745890.00	4.64
1,00,000 and Above	146	0.50	218832600.00	64.42
TOTAL	29057	100.00	339697000.00	100.00

XII. DEMATERIALIZATION OF SHARES AND LIQUIDITY

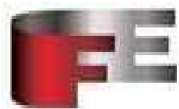
The Company has established connectivity with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through its Registrar & Share Transfer Agent- Skyline Financial Services (P) Ltd. This has facilitated the shareholders to hold and trade their shares in 'electronic form. As on 31st March, 2021, 3,34,82,928 equity shares of the Company, forming 98.56% of the shareholding stand dematerialized.

XIV. COMMODITY PRICE RISK

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is Nil and is not required to be given.

XV. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

- Number of complaints filed during the financial year- NIL
- Number of complaints disposed of during the financial year- NIL



c. Number of complaints pending as on end of the financial year- NIL

xvi. 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, 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

xvii. OVERSEAS SUBSIDIARY:

Fedders Lloyd Trading FZE

P.O. Box No. 331007, Ras Al Kaimah,
United Arab Emirates

XVII ADDRESS FOR CORRESPONDENCE

Corporate Office

INVESTOR RELATIONS DEPARTMENT

C-4, Noida Phase-II

Gautam Budh Nagar-201305, Uttar Pradesh

Tel No.: + 91-120-4169337

E mail id: imcapital9830@gmail.com

Website: www.imcapitals.com/fedders-electric-engineering/

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

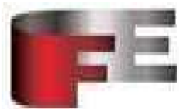
Website: www.skylinerta.com

COMPLIANCE OFFICER

Ms. Sakshi Goel

Company Secretary

ICSI Membership No.: A46999



Annexure – I to CG Report

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

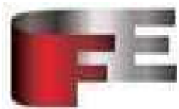
I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the year ended 31st March, 2021.

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

**Date: 05.09.2022
Place: Ghaziabad**

**Sd/-
VISHAL SINGHAL
Managing Director
DIN: 03518795**

**Sd/-
TANYA SINGHAL
Director
DIN: 08930315**



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

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

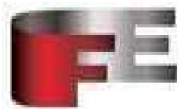
Dear Sirs,

We have reviewed the financial statements together with the Cash Flow Statement of Fedders Electric and Engineering Limited for the financial year ended 31st March, 2021 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 31st March, 2021 which is fraudulent, illegal or violate 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.



**FEDDERS
ENGINEERING**

ANNUAL REPORT 2020-21

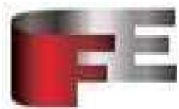
Note: As the Company is under CIRP, the powers of Board has been suspended so no constitution of Audit Committee was held.

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

**Date: 05.09.2022
Place: Uttar Pradesh**

**Sd/-
VISHAL SINGHAL
Managing Director
DIN: 03518795**

**Sd/-
NARENDRA KUMAR MISHRA
CFO
DIN: AINPM2689J**



Annexure – III to CG Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
***(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)***

Fedders Electric and Engineering Limited
6 and 6/1, UPSIDC Industrial Area,
Sikandrabad, Bulandshahr,
Uttar Pradesh - 203205

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Fedders Electric and Engineering Limited having CIN L29299UP1957PLC021118 and having registered office at 6 and 6/1, UPSIDC Industrial Area, Sikandrabad, Bulandshahr, Uttar Pradesh – 203205, (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Fedders Electric & Engineering Limited was admitted under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016 and w.e.f. 14th August 2019, its business and assets were being managed by Resolution Professional, Mr. Ashok Kumar Gulla, appointed by the Hon’ble National Company Law Tribunal Allahabad Bench vide order dated 14.08.2019.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that:

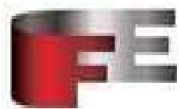
- Since the powers of the Board of Directors of the Company ceased to exist and the powers of the Board vested to Mr. Ashok Kumar Gulla, therefore, as on 31st March, 2021, the certification regarding no Directors have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority, shall not be applicable.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DR Associates
Company Secretaries
Firm Regn.: P2007DE003300

Date: 05th September 2022
Place: New Delhi

Sd/-
Deepak Gupta
Partner
CP No.: 4629
UDIN: F005339D000920209



CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
Fedders Electric and Engineering Limited
6 and 6/1, UPSIDC Industrial Area,
Sikandrabad, Bulandshahr,
Uttar Pradesh - 203205

We have examined the compliances of conditions of Corporate Governance by Fedders Electric and Engineering Limited, for the year ended on 31st March 2021, as stipulated in Part E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to examine the 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.

Fedders Electric & Engineering Limited was admitted under Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code 2016 and w.e.f. 14th August 2019, its business and assets were being managed by Resolution Professional, Mr. Ashok Kumar Gulla, appointed by the Hon'ble National Company Law Tribunal Allahabad Bench vide order dated 14.08.2019.

In our opinion and to the best of our information and according to the explanations given to us, we certify that:

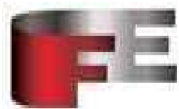
- ***In the Secretarial Audit Report issued by M/s DR Associates, Company Secretaries, various observations were mentioned including the constitution of Board of Directors and Committees was not in terms of the provisions of Listing Regulations, non-compliances of the various provisions of the Listing Regulations and non-maintenance of functional website.***
- ***During the financial year ended 31st March 2021, there were non-compliances of the various conditions of the Corporate Governance as stipulated in the above mentioned Listing 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 DR Associates,
Company Secretaries
Firm Regn.: P2007DE003300

Place: New Delhi
Date: 05th September 2022

Sd/-
(Deepak Gupta)
Partner
CP No.: 4629
UDIN: F005339D000920187



ANNEXURE-4

MANAGEMENT DISCUSSION & ANALYSIS REPORT

This Management Discussion & Analysis Report presents the key performance highlights of the year 2020-21 pertaining to the Company's business. This review should be read in conjunction with the Integrated Report presented in the earlier sections of this Annual Report, the Company's financial statements, the schedules and notes thereto and the other information included elsewhere in this Annual Report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS), complying with the requirements of the Company's Act 2013 and the guidelines issued by Securities and Exchange Board of India (SEBI).

INDIAN ECONOMY

The domestic market had its fair share of upheavals in the financial year under review. A combination of deferral of award decisions and the implementation of long term reforms causing short term economic turbulence have led to a muted environment for project execution.

GLOBAL ECONOMIC OVERVIEW

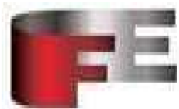
International markets have witnessed noticeable volatility, triggered by geo-political events, significant movements in currency and commodities, protectionist policies including tariff barriers, a prolonged bout of low oil prices, and constrained fiscal positions of oil producing nations. The recent hardening of oil prices is likely to now give better way to policy makers in GCC countries to allocate increased outlay on essential.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Global business environment continued to remain challenging during fiscal 2019 led by weak global growth, slowdown in China, divergent monetary policies and volatile currencies.

A strong infrastructure sector is vital to the development of a country's economy. However, since last four years, the Indian economy has witnessed particularly an infrastructure sector a severe downturn. Further, a year-on-year basis, the infrastructure sector in India has been affected primarily due to high interest rates, rising inflation, depreciating rupee, sluggish pace of orders and the absence of viable big-ticket projects. Your Company continued to perform with stability and maintained its momentum in the highly volatile market. The Company focused on cost control measures and product mix enrichment to sustain growth and profitability in the challenging year.

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 2019, India ranked 44th 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. 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.

STEEL STRUCTURES & ENGINEERING

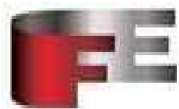
The Steel Structures & Engineering business of the Company is equipped with highly experienced engineers and "State of the Art" manufacturing facilities with ultramodern plants and machineries for designing any prefabricated structure with latest design and technology. The Company provides onsite fabrication 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.

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 Equipment's 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.



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 modernization 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 121 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.

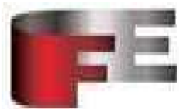
As an integral part of Urbanization, more than 550 km of Metro Rail projects and 381 km of regional rapid transport systems are under planning and consideration. The Ministry is also in the process of forming a new Metro Policy to promote construction of Metro lines under different financing and administrative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

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, along with 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.

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 endeavors 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



FEDDERS ENGINEERING

ANNUAL REPORT 2020-21

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

Internal Control system had been evaluated by the Auditor & erstwhile Management before CIRP commenced. Scope of work of Auditors covers review of controls on accounting, statutory and other compliances and operational areas in addition to reviews relating to efficiency and economy in operations.

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)

It has been the tradition of the Company to maintain excellent industrial relations at all levels. The Company is hopeful of getting revived upon approval of the Resolution Plan submitted to Hon'ble NCLT, Kanpur Bench for its approval

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

The statements forming part of this Report may contain certain forward looking remarks within the meaning of applicable laws and regulations. The actual results, performances or achievements of the Company depend on many factors which may cause material deviation from any future results, performances or achievements.

Significant factors which could make a difference to the Company's operations include domestic and international economic conditions, changes in Government regulations, tax regime and other statutes. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.



Information as per Section 134 of the Companies Act, 2013, read with the Companies (Account) Rules, 2014 and forming part of the Directors' Report for the period from 1st April, 2020 to 31st March, 2021:

A	Conservation of Energy Steps taken to impact on conservation Steps taken for utilization of alternate sources of energy Capital investment on the conservation equipment	The operations of the Company are not energy intensive as the Company is not engaged in any manufacturing activity. However, the Company considered the conservation of energy as its priority and always ensuring minimum consumption by way of better energy conservation.	
B	Technology Absorption Technology Absorption Benefits derived Expenditure or Research & Development, if any Details of technology imported, if any year of import Whether imported technology fully absorbed Areas where absorption of imported technology has not taken place if any	The Company is taking care of latest development and advancements in technology and all steps are being taken to adopt the same.	
C	Foreign Exchange	For the period from 1-04-2020 to 31-03-2021	For the period from 1-01-2019 to 31-03-2020
	<i>Earnings</i>	0.23	0.23
	<i>Outgo</i>	0	0.21

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

Date: 05.09.2022

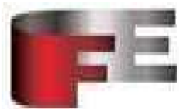
Place: Ghaziabad

Sd/-

VISHAL SINGHAL
Managing Director
DIN: 03518795

Sd/-

TANYA SINGHAL
Director
DIN: 08930315



READ WITH RULES 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The ratio of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:

Sl. No.	Name of the Directors	Designation	Ratio
1.	Mr. Vansh Vardhan Joshi	Director	NA

For this purpose, sitting fees paid to the directors has not been considered as remuneration.

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: **NA**
- (iii) The percentage increase in the median remuneration of employees in the financial year: **NA**
- (iv) The numbers of permanent employees on the rolls of Company: **65**
- (v) **Average percentile increase already 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:**

The average increase in salaries of employees in the 2020-21 was **NA**.

Percentage increase in the managerial remuneration for the year was **NA**.

- (vi) **If remuneration is as per the remuneration policy of the Company:** It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel, Senior Management Personnel and other employees.

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

Date: 05.09.2022

Place: Ghaziabad

Sd/-

**VISHAL SINGHAL
Managing Director
DIN: 03518795**

Sd/-

**TANYA SINGHAL
Director
DIN: 08930315**



INDEPENDENT AUDITOR'S REPORT

To

The Members of

FEDDERS ELECTRIC AND ENGINEERING LIMITED

(FORMERLY KNOWN AS FEDDERS LLYOD CORPORATION LIMITED)

Report on the audit of Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Financial Statements of **FEDDERS ELECTRIC AND ENGINEERING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including statement of other comprehensive income), the statement of cash Flow and the statement of changes in equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in Basis for Disclaimer Opinion section of our report, the standalone Ind AS financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2021, and its Profit and Loss (including other comprehensive income), statement of CashFlow and its statement of changes in equity for the year ended.

Corporate Insolvency Resolution Process as per the Insolvency & Bankruptcy Code, 2016 (IBC)

The Hon'ble National Company Law Tribunal, Allahabad Bench ("NCLT") vide its order dated 14th August 2019 admitted an insolvency and bankruptcy petition filed by State Bank of India (a lead member of lender consortium) against Fedders Electric & Engineering Limited ("the Company") and appointed Mr. Ashok Kumar Gulla to act as Interim Resolution Professional (IRP) with direction to initiate appropriate action contemplated under extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules and regulations. In their meeting held on 12th September, 2019, Committee of Creditors (COC) approved appointment of IRP as Resolution Professional (RP). Subsequently, the Hon'ble National Company Law Tribunal, Allahabad Bench ("NCLT") via its order dated October 06, 2021 approved the



resolution plan submitted by IM Plus Capitals Limited (“Resolution Applicant”, or “RA”). In order to supervise and implement the resolution plan, a monitoring committee was constituted with each member from Resolution applicant, Financial Creditor and Ex- Resolution Professional. The resolution applicant (IM+ Capitals Limited) has paid entire amount and same was distributed to various creditors as per plan. The role of Monitoring committee came to an end on 21st February 2022. All the decision relating to the activities of the company are being taken by the new Management of the company now.

The following consequential impacts have been given in accordance with approved resolution plan / Accounting Standards: -

- The existing directors of the Company as on the date of order have stand replaced by the new Board of Directors from their office with effect from October 06, 2021. As on date Board consist of the following directors
 - ✓ Mr. Anil Kumar Kaushik (Chairman and Non-Executive Independent Director)
 - ✓ Mr. Vishal Singhal (Executive Director) and
 - ✓ Mrs. Tanya Singhal (Non-Executive Women Director)
- Further, Mr. Narender Kumar Mishra was appointed as Chief Financial Officer (“CFO”) and Mrs. Kirti Jain was appointed as whole-time Company Secretary & Compliance Officer (“CS”) w.e.f 20th October, 2021 and Mr. Kirti Jain resigned from the said post w.e.f 30th April, 2022.
- Thereafter, Ms. Sakshi Goel appointed as Company Secretary & Compliance officer and Mr. Sanjeev Singhal appointed as Independent director of the company w.e.f 09th June 2022

Accordingly, the above audited financials for year ended March 31, 2021 have been endorsed by newly constituted board, confirming that financial results do not contain any material misstatements.

Basis for Disclaimer Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our **disclaimer opinion**.



1. As per “**Indian Accounting Standard 36**” which describe about impairment of asset, if the carrying amount of the asset is more than recoverable amount then asset need to be impaired and as per “**Indian Accounting Standard 109**” on financial instruments which also contains provisions of impairment of financials assets through expected credit loss method basis these provisions we were required to seek for any impairment obligations from management.
2. As per “**Indian Accounting Standard 109**” Company was required to get the Investment at fair value but the same has not been done by the company, accordingly we are unable to ascertain the effect of the same on the Financial statements. We were not provided documentations for FDR’s and accrued interest.
3. We are appointed as auditor of the company after 31.03.2021 and thus could not observe counting of physical inventories and Fixed assets at the beginning and end of the year. The Company has also not maintained proper records with respect to inventory including reconciliation of goods purchased / sold in terms of quantities held at 31.03.2021 and 31.03.2020 which are valued at Rs 24.31 Crores and Rs 24.38 Crores, respectively..
4. Trade Receivables and Payables are subject to confirmations for the year ended 31.03.2021. 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.
5. The Company has been continuously making losses, consequently its net worth is negative and the Company’s total liabilities exceeded its total assets. , the meeting of consortium Bankers convened on dated 21.07.2018 declaring the Bank Accounts as Non- Performing Asset, the aforesaid non-performance was resulted into Corporate Insolvency Resolution Process under the provisions of IBC, 2016. This indicates the existence of material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. Under the CIRP, resolution plan submitted IM+ Capitals Limited has been approved by the Hon’ble NCLT vide its order dated October 06th, 2021. Now the operations of the company have been taken over by the management of IM+ Capitals Ltd and Management of the IM+ Capitals Limited has assessed that there is no uncertainty exists that may cast significant doubt on the company’s ability to continue as going concern and all the necessary steps has been taken by the new management to continue the company for unforeseeable future. Our Conclusion is not modified in respect of this matter.
6. The company has not filed its financial results for the year ended 31 st March 2021 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.

7. During the course of our audit, we found that books, vouchers, records and other necessary registers for its sites, offices and units were not in the custody of the management and same were not presented for audit.

Emphasis of Matter

We draw attention to the following:

- a) With reference to audit report of financial year 2017-18, auditor had given disclaimer of opinion about sales of Rs. 545.24 crore and purchase of amounting Rs. 544.54 crores for which company does not have sufficient and satisfactory supporting evidence. Further above-mentioned sales and purchases have been transacted between identical parties. With effect of the opinion during the year 2018-19 company had reversed both the sale and purchase values of Rs 414.54 crores .

According to above mentioned limitations, we were unable to comment on appropriateness of transactions between corresponding supplier / vendor.

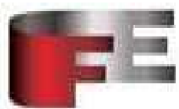
Further the treatment of the rectification is not done as mentioned in Ind AS 8 it is done through prospective basis (approach) and routed through profit & loss account statement as exceptional item.

- b) The company is facing financial and liquidity crisis since last more than 4 years which resulted in failure to meet commitments to Financial Creditors and other creditors. Operations were severely affected due to liquidity crunch resulted in delay in completion of various projects and consequent effect of being faced with various penalties, Liquidated damages and invocation of bank Guarantees. Major operational activities are closed from more than one year and available management and staff are assuring their best efforts to minimize further deterioration. On the basis of the best judgment's management had created provisions against the various assets which were not treated as specified in respective Ind AS: -

1. Provision against value of Inventories Rs. 0.69 Crore
2. Provision / Bad debts with respect to Customers Rs. 235.48 Crore
3. Provision against loss of Investments in Subsidiary Rs. 4.28 Crores

Other Matters

- i. Special Audit under Income Tax Act 1961, of the Company has been ordered by competent Income tax authority vide its' letter dated 21.12.2019, report of the same is not shared with us.
- ii. Forensic Audit of the Company has been ordered by State Bank of India vide letter dated 15.09.2018.



- iii. 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 2020-21 our report is subject to the observations mentioned in his report..
- iv. As per Section 204 of the Companies Act, 2013, Company is required to obtain Secretarial Audit Report from independent practicing Company Secretary which is provided to us during the course of review we found company had defaulted in filing of various returns and other irregularities are there, his report may be refer for detailed observations.
- v. Multiple bank accounts were opened by bankers due to devolvement of various letter of credits, the company is not having the complete accounts statements in possession. Therefore, we were unable to comment on the transactions happened with those accounts during the year.
- vi. Reconciliation of sales and purchases with GST returns is not available due to locked user ID's in GST portal and change of various accounting staff.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

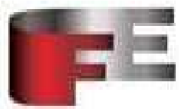
Except for the matters described in the Basis for Disclaimer opinion and emphasis of matter, we have determined that there are no other key audit matters to communicate in our report.

Information other than the standalone Ind AS financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management and Those Charged with Governance's Responsibility for the Standalone Ind AS financial statements

The Management and Board of Directors of the company are responsible for the matters stated in Section 134(5) of



the Companies Act, 2013 ('the act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, change in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

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; 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



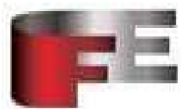
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of



such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the **Companies (Auditor's Report) Order, 2016 ("the Order")** issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **Annexure A** statement on the matters Specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, we report that:

- a) As explained in the Basis for Disclaimer for 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) The effects of the matters described in the Basis for Disclaimer for Opinion Paragraph, in our opinion, proper books of accounts is not maintained as per requirement of the law by the company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received to 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, Statements of Cash flow and Statements of Changes in Equity dealt with by this report are in agreement with the books of account and with the return received to us.
- d) Due to the possible effect of the matter described in the basis for Disclaimer of opinion, we are unable to state the aforesaid standalone IND AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the relevant rules 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.
- a) Since the resolution plan has already been approved by Hon'ble NCLT vide order dated October 06, 2021, monitoring committee comprising one representative from financial creditors, one representative from RA and Ex- Resolution Professional, is ensuring implementation of the resolution plan including constitution of the new board of the Company by RA. Accordingly, the above audited results for the year ended March 31, 2021 have been endorsed by newly constituted board, confirming that financial results do not contain any material misstatements. Written representation from directors have been taken on record by the Board of Directors. Accordingly, none of the directors is



disqualified as on March 31, 2021 from being appointed as a director in the terms of Section 164 (2) of the Act.

- b) 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 B**”. Our report expresses a Disclaimer opinion on the adequacy and operating effectiveness of the Company’s internal financial control over financial reporting.

- c) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In absence of proper records, we would not be able to comment whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- d) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

- i. The company has disclosed the impact of pending litigations on its financial position in its standalone IND AS financial statements [Refer Note no. 33]
- ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
- iii. It cannot be identified due to unavailability of the necessary records whether there has been any occasion in case of the Company during the year under report to the Investor Education and Protection Fund.

For Rajiv Malhotra & Associates

Chartered Accountants

FRN: 021479N

Sd/-

CA Sunil Kr Sakral

[Partner]

Membership Number: 509537



**FEDDERS
ENGINEERING**

ANNUAL REPORT 2020-21

Place : Sikandrabad, U.P.

Dated : 05th Sep, 2022

UDIN : 22509537ARGOOT2609

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

I In respect of fixed assets:

- a) According to the information and explanation given to us and on the basis of examination of books and records, the Company has maintained the records, however the same was not showing full particulars including quantitative details, location and situation of fixed assets and as informed the company is in the process of updating the same.
- b) According to the information and explanations given to us those fixed assets were not physically verified by the management at reasonable intervals. Whereas, during the course of the audit we had not visited any of the premises, therefore we cannot comment on material discrepancies, if any.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company. However, none is made available to us as they are pledged with the financial institutions. It was further informed that RP has come to know about Vrindavan Land Parcels and subsequently extracted certified copies of documents from the revenue department clearly states the said property is in the name of the company but no related asset is capitalized in the books of the corporate debtor. As stated in Lender Consortium Agreement, Original Copies of Deeds/Agreements of immovable properties, collateral against the debt facility, are held with Lender. During review of the minutes of board meeting dt. 13.06.2018 we noted that a resolution was passed by the board for sale of property situated at A 11 & 12, UPSIDC Area, Sikandrabad, Bulandshahar – 203205. Sale consideration is received which has been shown as advance received against sale of land in F.Y. 2018-19, but in F.Y. 2019-20 the same has been treated as sale of land and the amount received has been properly deducted against the value of land showing in the books of accounts. However the treatment done is not as per the applicable IND-AS.

II In respect of Inventories: - The Company does not have any effective mechanism for physical verification of inventories at regular intervals during the year. For the valuation of inventories, we have relied upon figures disclosed by management of the company in books of accounts.

III Company has granted loans to its wholly owned subsidiary company which is covered in the register maintained under Section 189 of the company Act, 2013.

- (1) 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.

(2) No schedule of repayment of principal and payment of interest has been stipulated.

(3) 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.** In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public covered under Section 73 to 76 of the Companies Act, 2013. Therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company. Whereas **in some cases company had defaulted for payments to its' vendors / advance from customers more than 365 days those are not reported as information not provided till the date of signing of report.** It is to be noted that RP has invited claims from creditors of the corporate debtor during the CIRP Process and which has been settled as per the approved resolution plan. Although, we have not been provided with Outstanding Ageing Reports by the company.
- VI.** We have not reviewed the records maintained by the company pursuant to the rules prescribed by the central government for maintenance of cost records under sub-section (1) of section 148 of the act as we have not been provided.
- VII.** According to the information and explanations given to us and based on the records of the company examined by us, the company has not been regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and service tax and other material statutory dues, as applicable, with the appropriate authorities in India during the year ended 31st March, 2021. According to the information and explanation given to us, arrears of undisputed statutory dues outstanding for a period of more than 6 months **is not ascertainable due to unavailability of the proper records.**
- According to the information and explanation given to us and based on the records of the company examined by us, the company has not paid/deposited following statutory dues on account of any disputes.

S.No.	Name of Statute	Period	Forum where dispute is pending	Amount (Rs. In Cr)
1	Basic Excise Duty	2009-10, 12-13 to 14-15	Central Sales Tax, Local Sales Tax, VAT , Interest & Penalty etc.	10.93
2	Central Excise Act 1944.	1996-97, 2014-15, 16-17	Excise Duty , Interest & Penalty	1.95
3	Income Tax Act 1961	FY 2006-07 to 16-17	Income Tax	2.04
	Total			14.92

*All the Claims against the company / disputed liabilities which was not acknowledged as debt except as shown above has been reduced to zero (NIL) on pursuant to the order of Hon'ble NCLT APPROVING THE RESOLUTION PLAN SUBMITTED BY IM+ CAPITALS LTD.

- VIII.** The Hon'ble National Company Law Tribunal, Allahabad Bench ("NCLT") vide its order dated 14th August 2019 admitted an insolvency and bankruptcy petition filed by State Bank of India (a lead member of lender consortium) against Fedders Electric & Engineering Limited ("the Company") and appointed Mr. Ashok Kumar Gulla to act as Interim Resolution Professional (IRP) with direction to initiate appropriate action contemplated under extant provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules and regulations. In their meeting held on 12th September, 2019, Committee of Creditors (CoC) approved appointment of IRP as Resolution Professional (RP). Estimated date for completion of Corporate Insolvency Resolution Process (CIRP) was 10th February 2020. Subsequently, Hon'ble Tribunal allowed one-time extension of 90 days for completion of CIRP which will expire on 10th May 2020. Due to COVID-19 lockdown from 25th March 2020 till 31st May 2020 (68 days), the period of CIRP get extended up to 17th July 2020. Subsequently, the Hon'ble National Company Law Tribunal, Allahabad Bench ("NCLT") via its order dated October 06, 2021 approved the resolution plan submitted by IM Plus Capitals Limited ("Resolution Applicant", or "RA") and the RA has done the payment of resolution amount and the same has been distributed by the RP amongst the Financial Creditors as per the approved resolution plan.
- IX.** The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- X.** In our opinion and according to the information and explanations given to us, we have not observed any reported fraud during the year. Although, State Bank of India being the lead member of Lending Consortium engaged M/s Kansal Singhal & Associates for forensic audit who submitted their draft report to State Bank of India. The copy of draft record is not available in record of the company. Further, Resolution Professional (RP) with concurrence of Committee of Creditors appointed M/s Grant Thornton India LLP as Transaction Review Auditor under the provisions of IBC, 2016. As informed by RP, the said report is for limited purpose and also covers fraudulent transactions. RP in compliance of relevant provisions of the code filed necessary application to Hon'ble NCLT, Allahabad Bench seeking necessary action on the identified transaction. In respect of all the fraudulent financial transaction and preferential transaction the RA has seeks the relief in the cited matter in their resolution plan with RP, RP has moved the avoidance application with NCLT, which has been considered by the NCLT and as per the order of Hon'ble NCLT in the citing matter, the name of the RA has been removed and the matter is pending with SBI and parties involved in the fraudulent and preferential transactions.
- XI.** In our opinion in absence of proper records, we would not be able to comment whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of

the Act read with Schedule V of the Act.

- XII.** In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- XIII.** In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- XIV.** During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- XV.** In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- XVI.** The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Rajiv Malhotra & Associates

Chartered Accountants

FRN: 021479N

Sd/-

CA Sunil Kr Sakral

[Partner]

Membership Number: 509537

Place : S i k a n d r a b a d , U . P .

Dated : 05th Sep,2022

UDIN : 22509537ARGOOT2609

Annexure – B to Independent Auditors' Report
(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **FEDDERS ELECTRIC AND ENGINEERING LTD.** as of 31st March 2021, in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 ('ICAI').

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. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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

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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

Disclaimer Opinion

The system of internal financial controls with regard to the company were not made available to us to enable us to determine if the company has established adequate financial controls over financial reporting were operating effectively as at March 31,2021.

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 Rajiv Malhotra & Associates

Chartered Accountants

FRN: 021479N

Sd/-

CA Sunil Kr Sakral

[Partner]

Membership Number: 509537

Place : S i k a n d r a b a d , U . P .

Dated : 05th Sep,2022

UDIN : 22509537ARGOOT2609

FEDDERS ELECTRIC AND ENGINEERING LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2021

(Amount in Crores)			
Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
(1) Non - Current Assets			
(a) Property, Plant and Equipment	3	141.39	158.92
(b) Capital work - in - progress		-	-
(c) Other Intangible Assets	4	0.06	0.06
(d) Financial assets			
(i) Non Current Investments	5	1.04	0.86
(iii) Other financial assets		-	-
Total Non- Current Assets		142.49	159.84
(2) Current Assets			
(a) Inventories	6	24.31	24.38
(b) Financial assets			
(i) Trade receivables	7	100.73	114.95
(ii) Cash and cash equivalents	8	0.64	1.27
(iii) Bank Balances other than (ii) above	9	10.34	10.07
(iv) Loan	10	150.89	150.89
(iii) Other financial assets	11	146.70	146.56
(c) Other current assets	12	44.88	41.53
Total Current Assets		478.49	489.65
TOTAL ASSETS		620.98	649.49
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	33.97	33.97
(b) Other Equity	14		-667.68
Total Equity		33.97	-633.71
LIABILITIES			
(1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	-	-
(ii) Provision	16	2.37	2.47
(b) Deferred tax liabilities (Net)	17	13.66	15.75
Total Non- Current Liabilities		16.03	18.22
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	781.78	753.90
(i) Trade payables	19	264.53	256.57
Dues of micro and small enterprises		-	-
Dues other than micro and small		-	-
(ii) Other financial liabilities	20	236.21	231.35
(b) Other current liabilities	21	5.25	18.42
(c) Provisions	22	4.73	4.74
(d) Current tax liabilities (Net)	23	-	-
Total Current Liabilities		1,292.50	1,264.98
TOTAL EQUITY AND LIABILITIES		1,342.50	649.49

Summary of significant accounting policies 2
The accompanying notes are an integral part of the financial statements 3 to 51

Rajiv Malhotra & Associates
Chartered Accountants
Firm's Registration Number: 021479N

sd/-
(CA Sunil Kr. Sakral)
Partner
M. No. 509537
UDIN: 22509537ARGOOT2609

Place : Sikandrabad, U.P.
Dated : 05-09-2022

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

sd/-
(Vishal Singhal)
Managing Director
DIN: 03518795

sd/-
(Narendra Kumar Mishra)
CFO

sd/-
(Tanya Singhal)
Director
DIN: 08930315

sd/-
(Sakshi Goel)
Company Secretary

FEDDERS ELECTRIC AND ENGINEERING LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in Crores)			
Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	24	17.43	70.50
Other income	25	0.38	0.53
Total Income		17.81	71.03
Expenses			
Cost of material consumed	26	14.83	49.34
Changes in inventories of Finished goods and Work - in - progress	27	0.14	3.02
Employee benefit expenses	28	6.00	8.15
Finance Cost	29	7.73	9.88
Depreciation & amortization expenses	30	17.53	17.62
Other Expenses	31	27.69	39.52
Total Expenses		73.91	127.53
Profit before exceptional items & tax		-56.10	-56.50
Add: Exceptional Items		-	-
Add: Exceptional Items- reversal of last year purchase		-	-
Add: Exceptional Items- reversal of last year sales		-	-
Profit/(Loss) before tax		-56.10	-56.50
Less: Tax expenses			
(1) Current tax		-	-
of Current year		-	-
of Earlier years		-	-
(2) Deferred tax		-2.09	-1.02
of Current year		-2.09	-1.02
of Earlier years		-	-
Total Tax Expenses		-2.09	-1.02
Profit after tax	A	-54.01	-55.48
Other Comprehensive Income			
A. (i) Items that will be reclassified to profit or loss		-	-
U B. (i) Items that will not be reclassified to profit or loss		-	-
Remeasurements of the defined benefit plans		-	-
Fair value gain on Investment		0.18	-
Revaluation Reserve		-	-
Foreign Currency Translation Reserve		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Other Comprehensive Income for the year	B	0.18	-
Total Comprehensive Income for the year	(A+B)	-53.83	-55.48
Earning per equity share (Face Value of Rs. 1/- each)	32		
(1) Basic		-15.90	-16.33
(2) Diluted		-15.90	-16.33

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements 3 to 51

As per our report of even date attached

Rajiv Malhotra & Associates

Chartered Accountants

Firm's Registration Number: 021479N

sd/-

(CA Sunil Kr. Sakral)

Partner

M. No. 509537

UDIN: 22509537ARGOOT2609

Place : Sikandrabad, U.P.

Dated : 05-09-2022

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

sd/-

(Vishal Singhal)

Managing Director

DIN: 03518795

sd/-

(Narendra Kumar Mishra)

CFO

sd/-

(Tanya Singhal)

Director

DIN: 08930315

sd/-

(Sakshi Goel)

Company Secretary

FEDDERS ELECTRIC AND ENGINEERING LIMITED
STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 March 2021

Particulars	Period ended 31.03.2021 Amount in Crores	Period ended 31.03.2020 Amount in Crores
A. Cash Flow from Operating Activities:		
Net Profit/(Loss) before tax	-56.10	-56.51
Adjustments for :		
Add : Depreciation	17.53	17.62
FCTR	-	-
Remeasurement of defined benefit plan	-	-
Expected Credit loss	-	-
Interest expenses	2.13	7.91
	19.66	25.53
Less:		
Interest Income	0.38	0.53
Gratuity Paid	-	-
Dividend Income	-	0.53
	0.38	-
Operating profit before working capital changes	-36.06	-30.45
Trade & other receivables	14.22	17.64
Inventories	0.08	2.87
Loans & Advances	0.00	-0.01
Other financial assets	-0.15	-18.94
Other current assets	-3.35	8.47
Other financial liability	4.86	-2.63
Other Current Liability	-13.28	-11.79
Provisions	-0.01	-1.73
Other financial assets	-	-
Trade & other payable	7.96	9.36
	10.33	3.23
Cash generated from operations	-25.72	-27.22
Direct tax paid	-	-
Net Cash Flow from Operating Activities	-25.72	-27.22
B Cash Flow from Investing Activities:		
Purchase/Sale of Property Plant and equipment	-	7.45
Sale of investments	-	-
Interest received	-0.38	-0.53
Dividend received	-	6.93
	-0.38	6.93
Net Cash Flow from Investing Activities	-0.38	6.93
C Cash Flow from Financial Activities:		
Long Term Loans and Advances	-	-
Proceeds from Borrowing	27.88	15.19
Dividend Paid	-	-
Dividend Tax	-	-
Proceeds from Share Capital/Warrants	-	-
Interest paid	-2.13	-7.91
	25.75	7.28
Net Cash Flow from Financing Activities	25.75	7.28
Net Increase/decrease In Cash and Cash Equivalents (A+B+C)	-0.35	-13.01
Opening Balance of Cash and Cash Equivalents	11.34	24.36
Closing Balance of Cash and Cash Equivalents	10.98	11.34
Net Increase/ decrease In Cash and Cash Equivalents	-0.36	-13.01

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

Rajiv Malhotra & Associates
Chartered Accountants
Firm's Regn No. : 021479N
UDIN: 22509537ARGOOT2609

sd/-
(CA. Sunil Sakral)
Partner
M. No. : 509537
UDIN: 22509537ARGOOT2609
Place : Sikandrabad
Dated : 05-09-2022

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

sd/-
(Vishal Singhal)
Managing Director
DIN: 03518795

sd/-
(Tanya Singhal)
Director
DIN: 08930315

sd/-
(Narendra Kumar Mishra)
CFO

sd/-
(Sakshi Goel)
Company Secretary

FEDDERS ELECTRIC AND ENGINEERING LIMITED
STATEMENT OF CHANGES IN EQUITY AS ON 31 ST MARCH, 2021

A. Equity Share Capital										
Particulars										
Balance at 1st April, 2019										
Changes in equity share capital during the year								No of Shares	Amount	
								3,39,69,700	33.97	
Balance at 31st March, 2020										
								3,39,69,700	-	
Balance at 31st March, 2020										
								3,39,69,700	33.97	
Changes in equity share capital during the year										
								-	-	
Balance at 31st March, 2021										
								3,39,69,700	33.97	
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	Foreign currency transaction reserve
Balance at 31st March, 2019		-	46.44	360.55	-1,030.04	6.92	3.38	0.74	-0.33	0.26
Profit for the year					-55.48					
Addition/deletion during the year										-0.12
Dividend										
Balance at 31st March, 2020		-		360.55	-1,085.52	6.92	3.38	0.74	-0.33	0.14
Profit for the year					-54.01					
Addition/deletion during the year										0.18
Dividend										
Balance at 31st March, 2021		-	46.44	360.55	-1,139.53	6.92	3.38	0.74	-0.33	0.32
										-
										-721.52

As per our report of even date attached

Rajiv Malhotra & Associates
Chartered Accountants
Firm's Registration Number: 021479N

sd/-
 (CA Sunil Kr. Sakral)
 Partner
 M. No. 509537
 UDIN: 22509537ARCO072609

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

sd/-
 (Vishal Singhal)
 Director
 DIN: 03518795

sd/-
 (Tanya Singhal)
 Director
 DIN: 08930315

sd/-
 (Narendra Kumar Mishra)
CEO

sd/-
 (Sakshi Goel)
Company Secretary

Place : Sikandrabad, U.P.
 Dated : 05-09-2022

FEDDERS ELECTRIC AND ENGINEERING LIMITED
(Formerly known as Fedders Lloyd Corporation Limited)

Notes to the financial statements for the year ended March 31, 2021

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, 1956 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 mainly 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 Standalone financial statements ("financial statements") have been prepared to comply in all material aspects with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and as amended by the Ministry of Corporate Affairs ('MCA') from time to time.

The financial statements have been prepared under historical cost convention on accrual and going concern basis, except for the certain financial instruments which have been measured at fair value as required by relevant Ind ASs.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the amounts included in the financial statements are reported in Crores of Indian Rupees, and are rounded to the nearest Crores except per share data and unless stated otherwise.

The Financial statements have been prepared in accordance with Indian Accounting Standards to the extent possible and requirements of all Ind AS have not been complied with in totality.

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 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.

2.4 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.

2.5 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.

2.6 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.

2.7 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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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 availment 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.

2.15 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.

2.16 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.

2.17 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.

2.18 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.

2.19 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.

2.20 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.

2.21 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.

2.22 Cash and cash Equivalents

Cash and cash equivalents include cash on 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.

2.23 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.

2.24 Investment

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

2.25 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.

2.26 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.

NOTE NO 3
PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS CARRYING AMOUNT				Accumulated Depreciation				NET CARRYING AMOUNT	
	AS AT 01.04.2020	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2021	UP TO 01.04.2020	DEP. FOR THE YEAR	Provision for Impairment	DEDUCTION DURING THE YEAR	AS AT 31.03.2021	AS AT 31.03.2020
Land - Freehold	46.43	-	-	46.43	-	-	-	-	-	46.43
Building	109.35	-	-	109.35	56.84	3.23	-	-	60.06	52.51
Office Premises	2.89	-	-	2.89	2.12	0.05	-	-	2.17	49.28
Temporary Shed	3.52	-	-	3.52	3.38	-	-	-	3.38	0.76
Plant & Machinery	227.69	-	-	227.69	170.06	13.96	-	-	184.02	0.14
Computer	5.35	-	-	5.35	5.02	0.01	-	-	5.03	57.64
Furniture's and Fixtures	3.83	-	-	3.83	3.34	0.28	-	-	3.61	0.32
Office Equipment's	4.95	-	-	4.95	4.40	0.00	-	-	4.40	0.50
Motor Car	2.15	-	-	2.15	2.09	-0.00	-	-	2.09	0.55
Scooter & Motor Cycle	0.11	-	-	0.11	0.10	-	-	-	0.10	0.06
										0.01
Total Property, Plant and Equipment	406.272	-	-	406.27	247.35	17.53	-	-	264.88	158.92
										141.99

NOTE NO 4
CAPITAL WORK-IN-PROGRESS

PARTICULARS	GROSS CARRYING AMOUNT				Accumulated Depreciation				NET CARRYING AMOUNT	
	AS AT 01.04.2020	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2021	UP TO 01.04.2020	DEP. FOR THE YEAR	Provision for Impairment	DEDUCTION DURING THE YEAR	AS AT 31.03.2021	AS AT 31.03.2020
Capital Work IN Progress	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

NOTE NO 4

PARTICULARS	GROSS CARRYING AMOUNT				Accumulated Depreciation				NET CARRYING AMOUNT	
	AS AT 01.04.2020	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2021	UP TO 01.04.2020	DEP. FOR THE YEAR	Provision for Impairment	DEDUCTION DURING THE YEAR	AS AT 31.03.2021	AS AT 31.03.2020
software	1.29	-	-	-	1.22	-	-	-	#VALUE!	0.06
Total Other Intangible Assets	1.29	-	-	-	1.22	-	-	-	#VALUE!	0.06

Notes:

407.56	-	-	406.27	248.58	17.53	-	-	-	#VALUE!	158.98	#VALUE!
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* The Fixed Assets shown are as per books of accounts, no physical verification has been done during last year as well in current year. The Impairment of Assets cannot be assessed and not provided for loss on Impairment of Assets.

5 NON CURRENT INVESTMENTS

(Amount in Crores)

Particulars	As at		As at	
	March-21		March-20	
Trade Investments	Face	No. of Shares	No. of Shares	Value
Quoted				
<u>Equity Instruments (At FVOCI)</u>				
LEEL Electricals Ltd	10	100	100.00	0.00
SBI Mutual Fund (Gold Fund)		50,000	50,000	0.07
State Bank Of India PSU		49,950	49,950	0.04
State Bank of Bikaner & Jaipur	10	10,500	10,500.00	0.21
Total Value of Quoted Investments				0.50
Unquoted-Non Trade				
<u>Equity Instruments (At Cost)</u>				
<u>Subsidiary Company</u>				
Fedders Lloyd Trading FZE				0.54
Total Value of Unquoted Investments				0.54
				1.04
Aggregate amount of quoted investments				0.50
Aggregate amount of unquoted investments				0.54

6 INVENTORIES

Particulars	As at		As at	
	March-21		March-20	
Raw materials		22.86		22.79
Work in progress		0.86		1.00
Finished goods		1.28		1.28
Material in Transit		-		-
Less:- Provision		-0.69		-0.69
		24.31		24.38

7

Particulars	As at		As at	
	March-21		March-20	
(Unsecured)				
Considered good	344.16		358.38	
	-7.95		-7.95	
Less: Pro for Impairment of Trade receivable	-235.48	100.73	-235.48	114.95
		100.73		114.95

8 CASH AND BANK BALANCES

Particulars	As at		As at	
	March-21		March-20	
Balances with banks		0.64		1.27
Cash on Hand		-		-
		0.64		1.27

9 Bank Balances

Particulars	As at		As at	
	March-21		March-20	
Unclaimed dividend account		0.48		0.48
Deposits with maturity for Less than 12 months		9.86		9.59
		10.34		10.07

10 Loan

Particulars	As at		As at	
	March-21		March-20	
Loan to related party		150.89	-	150.89
		150.89		150.89

11 OTHER FINANCIAL ASSETS

Particulars	As at		As at	
	March-21		March-20	
Retention Money	104.86		105.99	
Less:- Provision	-1.55	103.31	-1.55	104.44
Interest accrued on fixed deposit		-		-
Advances to employee		2.37		2.35
LD Recoverable		28.99		26.48
Earnest Money & Other Deposit		12.03		13.29
		146.70		146.56

12 OTHER CURRENT ASSETS

Particulars	As at	As at
	March-21	March-20
Balances with Statutory/ Govt. Authorities	5.15	4.47
Supplier advances	29.99	27.65
Prepaid expenses	0.16	0.16
Insurance claim recoverable	0.03	0.03
Advance tax and TDS	9.55	9.22
	44.88	41.53

13 EQUITY SHARE CAPITAL

Particulars	As at	As at
	March-21	March-20
Authorized Share Capital		
700,00,000 Equity shares, Re. 10- par value	70.00	-
(31 March 2021: 700,00,000 equity shares Re. 10- each)		
(1 April 2020: 700,00,000 equity shares Re. 10- each)		
	70.00	70.00
Issued, Subscribed and Fully Paid Up Shares		
33969700 Equity shares, Re. 10- par value fully paid up	33.97	33.97
(31 March 2021: 33969700 equity shares Re. 10- each)		
(1 April 2020: 33969700 equity shares Re. 10- each)		
	33.97	33.97

Note No 13.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2021:

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	3,39,69,700.00	33.97	3,39,69,700.00	33.97
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-
Number of shares at the end	3,39,69,700.00	33.97	3,39,69,700.00	33.97

Note No 13.2: 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.

Note No 13.3: The details of shareholders holding more than 5% shares in the company :

Name of the shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares held	% held as at	No. of shares held	% held as at
Fedders Sales Private Limited	42,93,619.00	12.64	42,93,619.00	12.64
Perfect Radiators and Oil Coolers Pvt Ltd	38,26,525.00	11.26	38,26,525.00	11.26
Airserco Pvt. Ltd.	17,52,709.00	5.16	17,52,709.00	5.16

14 OTHER EQUITY

Particulars	As at	As at
	March-21	March-20
Reserves & surplus*		
a) Share warrant	-	-
b) Securities Premium Reserve	46.44	46.44
c) General Reserve	360.55	360.55
d) Retained Earnings	-1,090.19	-1,036.18
e) Capital reserve	3.38	3.38
f) Revaluation reserve	6.92	6.92
	-672.90	-618.89
Other Comprehensive Income (OCI)		
Actuarial gain & loss	0.74	0.74
Investment carried at Fair value	0.32	0.14
Revaluation reserve	-0.33	-0.33
Foreign currency translation reserve		
	0.72	0.55
	-672.18	-618.34
Share warrant		
Balance as per last financial statement	-	-
Adjusted during the year	-	-
	-	-

Security premium		
Balance as per last financial statement	46.44	46.44
Premium on issue of share	-	-
	<u>46.44</u>	<u>46.44</u>
General reserve		
Balance as per last financial statement	360.55	360.55
Addition during the year	-	-
Deletion during the year	-	-
	<u>360.55</u>	<u>360.55</u>
Retained earning		
Balance as per last financial statement	-1,036.18	-1,030.04
Profit for the period	-54.01	-6.14
Dividend during the year	-	-
Transfer to general reserve	-	-
	<u>-1,090.19</u>	<u>-1,036.18</u>
Capital reserve		
Balance as per last financial statement	3.38	3.38
Addition during the year	-	-
	<u>3.38</u>	<u>3.38</u>
Revaluation reserve		
Balance as per last financial statement	6.92	6.92
Addition during the year	-	-
	<u>6.92</u>	<u>6.92</u>
Remeasurement of defined benefit plan		
Balance as per last financial statement	0.74	0.74
Addition during the year	-	-
	<u>0.74</u>	<u>0.74</u>
Investment carried at fair value		
Balance as per last financial statement	0.14	0.26
Addition during the year	0.18	-0.12
	<u>0.32</u>	<u>0.14</u>
Revaluation reserve		
Balance as per last financial statement	-0.33	-0.33
Addition during the year	-	-
	<u>-0.33</u>	<u>-0.33</u>
Total other equity	<u>-672.18</u>	<u>-618.34</u>
15 BORROWINGS		
Particulars	As at	As at
	March-21	March-20
<u>Secured</u>		
Term Loans		
From banks		
Foreign Currency loan	0.00	-
Indian Currency Loan	-	-
	<u>0.00</u>	<u>-</u>
16 Provision		
	As at	As at
	March-21	March-20
Gratuity	2.37	2.47
	<u>2.37</u>	<u>2.47</u>
17 DEFERRED TAX LIABILITIES (NET)		
Particulars	As at	As at
	March-21	March-20
<u>Deferred tax liabilities</u>		
Depreciation	11.95	13.98
Others	1.71	1.77
	<u>13.66</u>	<u>15.75</u>
<u>Less: Deferred tax assets</u>		
Others	-	-
	<u>-</u>	<u>-</u>
Net	<u>13.66</u>	<u>15.75</u>
18 BORROWINGS		
Particulars	As at	As at
	March-21	March-20
<u>Secured</u>		
From banks	781.78	753.90
	<u>781.78</u>	<u>753.90</u>

19 TRADE PAYABLES

Particulars	As at March-21	As at March-20
Current		
Dues of micro and small enterprises	1.76	1.76
Dues other than micro and small enterprises	262.77	-
	264.53	256.57

20 OTHER FINANCIAL LIABILITIES

Particulars	As at March-21	As at March-20
Current maturities of long term debt	6.13	5.91
Interest Accrued but not due on Term Loan	-	-
Payable on account of employees	2.68	3.50
Security Deposit	74.42	74.46
Expenses payables	8.37	2.82
Audit fee payable	0.09	0.14
Unclaimed dividend	0.48	0.48
Advance from related party	144.04	144.04
	236.21	231.35

21 OTHER CURRENT LIABILITIES

Particulars	As at March-21	As at March-20
Advance from customer	6.34	17.36
Statutory dues payable	-4.46	-2.04
Sr Cr. Employee	3.37	3.10
	5.25	18.42

22 PROVISIONS

Particulars	As at March-21	As at March-20
Gratuity	-	-
Leave encashment	0.45	0.46
Provision for loss on investment	4.28	4.28
	4.73	4.74

23 CURRENT TAX LIABILITIES (NET)

Particulars	As at March-21	As at March-20
Provision for tax	-	-
Less Advance tax	-	-
	-	-

FEDDERS ELECTRIC AND ENGINEERING LIMITED
NOTES TO PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2021

24 REVENUE FROM OPERATIONS	(Amount in Crores)	
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<u>Sale of product</u>		
Projects/Manufacturing Goods	17.43	70.50
	17.43	70.50
Less:- Discount		
	17.43	70.50
25 OTHER INCOME		
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest Income	0.38	0.53
Dividend Income	-	-
Other Income	-	-
	0.38	0.53
26 COST OF MATERIALS CONSUMED		
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Raw materials, consumables & component consumed		
Opening stocks	22.79	36.62
Add:-Purchases	14.89	35.44
Carriage Inwards	0.00	0.07
Less: Closing stocks	22.85	22.79
27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE		
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<u>Inventories at the end of the year</u>		
Finished Goods	1.28	1.28
Work In Progress	0.86	1.00
	2.14	2.28
<u>Inventories at the beginning of the year</u>		
Finished Goods	1.28	3.02
Work In Progress	1.00	2.29
	2.28	5.31
	0.14	3.02
28		
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Wages (Workers)	1.92	1.76
Labour Welfare	-0.00	0.01
Salary & wages	3.66	7.36
Contribution to provident and other fund	0.19	0.43
	0.01	0.03
Gratuity	0.12	-1.24
Bonus	0.05	0.13
Leave Encashment	0.04	-0.40
Staff Welfare	0.01	0.06
	6.00	8.15

29

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest Expense	2.13	7.91
Bank Charges	5.60	1.97
	7.73	9.88

30 DEPRECIATION & AMORTIZATION EXPENSES

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on Property, Plant and Equipment	17.53	17.54
Amortisation on Intangible Assets	-	0.09
	17.53	17.62

31 OTHER EXPENSES

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Repair and Maintenance		
- Plant & Machinery	0.00	0.00
- Building & Office	0.05	0.00
- Others	0.09	0.08
Electricity Charges	0.29	0.82
Factory Overheads	12.86	16.35
Insurance	0.09	0.31
Rent Rate & Taxes	0.33	0.40
Postage & Courier & Telephone Expenses	0.19	0.19
Printing and stationery	0.04	0.03
Audit Fee (including service tax&GST)	0.04	0.09
Legal & Professional Expenses	1.62	1.43
Travelling & Conveyance Expenses	0.19	0.35
Motor Car Expenses	0.02	0.02
Advertisement Expenses	0.03	0.07
Selling expenses	0.02	0.10
Research & Development Expenses	-	0.00
Watch & Ward	0.82	0.71
Computer /Software Expenses	0.16	0.45
Fees & Taxes(including club fee)	0.13	0.26
Director Remuneration & Sitting Fees	-	0.25
Warranty Expenses	0.00	0.02
Loss on foreign exchange fluctuation	-0.20	0.48
Misc. Expenses	0.01	0.03
Loss on Sale of Fixed Assets	-	0.01
LD/ Performance Penalties Expenses	10.92	17.05
Prior Period Expenses	-	0.04
	27.69	39.52

32 EARNING PER SHARE

Particulars	2020-21	2019-20
(A) Profit attributable to Equity Shareholders (Rs.)	-54.01	-6.14
(B) No. of Equity Share outstanding during the year.	3,39,69,700	3,39,69,700
(C) Face Value of each Equity Share (Rs.)	10	10
(D) Basic & Diluted earning per Share (Rs.)	-15.90	-1.81

NOTES TO ACCOUNTS:**33) Contingent liability not provided for**

Particulars	As at 31.03.2021 (Rs. in Crore)	As at 31.03.2020 (Rs. in Crore)
A. Claims against the company / disputed liabilities not acknowledged as debts*		
a. Recovery Suits filed by the parties in different court	0.00	0.00
b. Recovery Suits filed by the co. different court	0.00	0.00
c. Central Excise & Customs Matters	0.00	0.00
d. Sale Tax Matters	0.00	0.00
• 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) 2,04,89,249/-	0.00	0.00
B. Guarantees -Bank Guarantees	4.44	4.44

Note : All the Claims against the company / disputed liabilities which was not acknowledged as debt except as shown above has been reduced to zero (NIL) on pursuant to the order of Hon'ble NCLT APPROVING THE RESOLUTION PLAN SUBMITTED BY IM+ CAPITALS LTD.

**34) Contracts remaining to be executed
On capital account and not provided for**

NIL

NIL

35) 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	As at 31.03.2021	As at 31.03.2020
Principal amount due to any supplier as at the year end	1.76	1.76
Interest due on the principal amount unpaid at the year end to any supplier:	NIL	NIL
TOTAL	1.76	1.76

Principal Amount of supplies registered under MSME amounting to Rs.1.76 Crores are under dispute as on balance sheet date, however there is no outstanding of MSME related to this period as on the date of signing

36) Disclosure as per regulation 34 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**a) Loan given to Subsidiary and outstanding****(Rs. in Crores)**

Name of the Company	Relationship	Amount Outstanding as on 31.03.2021	Amount Outstanding as on 31.03.2020
Fedders Lloyd Trading FZE	100% Owned Subsidiary	2.18	2.17

b) Loan taken from Subsidiary and payable**(Rs. In Crores)**

Name of the Company	Relationship	Amount Outstanding as on 31.03.2021	Amount Outstanding as on 31.03.2020
		NIL	NIL

37) Related Party Disclosures: (in which some Directors are interested)**i. Wholly Owned Subsidiaries**

- a. Fedders Lloyd Trading FZE

ii. List of Key management personnel as defined under Indian Accounting Standard (Ind AS) 24, 'Related party disclosures:

- a. Mr. Sanjiv Kavaljit Singh Whole Time Director & CEO (w.e.f 08.11.2018 to 18.10.2019)
b. Mrs. Shagun Bajpai Company Secretary (w.e.f 01.04.2019 to 08.01.2020)
c. Neeraj Gupta CFO (w.e.f 29.11.2018 to 16.10.2021)
d. Vansh Vardhan Joshi Independent Director (w.e.f 04.06.2019 to 06.10.2021)

iii. Enterprises owned or significantly influenced by key management personnel or their relatives;**Rs. In Crores**

		2020-21	2019-20
		Amount	Amount
a.	Airserco Private Limited	46.03	46.03
b.	LEEL Electricals Limited	(65.10)	(65.10)
c.	LEEL Electricals Limited (security deposit)	(61.29)	(61.29)
d.	Perfect Radiators & Oil Coolers Pvt. Ltd.	(67.41)	(67.41)
e.	PSL Engineering Pvt. Ltd.	76.41	76.41
f.	Regal Information Technology Pvt. Ltd.	3.63	3.63
g.	Fedders Credits Ltd.	-	-
h.	Fedders IT Technology Pvt. Ltd.	7.23	7.23
i.	Fedders Sales Pvt. Ltd.	5.01	5.01
j.	Fedders Manufacturing Pvt. Ltd.	(9.97)	(9.97)
k.	Fedders Infotech (India) Pvt. Ltd.	(0.35)	(0.35)
l.	Fedders Stock & Investments Pvt. Ltd.	(1.20)	(1.20)
m.	Himalayan Mineral Waters Pvt. Ltd.	9.30	9.30
n.	Punj Engineering Pvt. Ltd.	-	-
o.	Punj Services Pvt. Ltd.	-	-
p.	Pandit Kanahaya Lal Punj Pvt. Ltd.	1.11	1.11
q.	PSL Wolfe JV Pvt. Ltd.	-	-
r.	Pandit Kanahaya Lal Punj Trust	-	-
s.	Brij Raj Punj(HUF)	-	-

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

Name of Related Party	Rs. in Crores	
	2020-21 Amount	2019-20 Amount
Key Management Personnel		
Managerial Remuneration Paid		
-Mr. Sanjiv Kavaljit Singh	-	0.33
-Mrs. Shagun Bajpai	-	0.05
-Mr. Neeraj Gupta	0.43	-

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

Particular	2020-21	2019-20
i) Raw Materials Components & Parts	0.00	0.04
ii) Capital Goods	0.00	0.00
Total	0.00	0.04

Value of Raw Material consumed:

	March 31, 2021		March 31, 2020	
	Percentage	Value	Percentage	Value
Import	0.00	0.00	0.08	0.04
Indigenous	100.00	14.83	99.92	49.30
Total	100.00	14.83	100.00	49.34

Remittance in Foreign Currency on account of:

Particulars	March 31, 2021	March 31, 2020
Import Raw Material components & parts	0.00	0.04
Travelling Expenses	0.00	0.04
Other Expenses	0.00	0.13
Total	0.00	0.21

Earning in Foreign Exchange:

Particulars	March 31, 2021	March 31, 2020
Export Sale	0.23	0.23
Total	0.23	0.23

External Commercial Borrowings:-

The Company has total ECB of USD 8,32,577.38 INR 6,09,47,578.28 (Last year USD 7,78,947.44 INR 5,86,74,215.91) is out standing as on reporting date.

39) Remuneration to Auditors:**(Rs. in Crores)**

Particulars	March 31, 2021	March 31, 2020
Audit fees (Including Tax Audit Fees)	0.04	0.09
Total	0.04	0.09

40) Primary Segment Reporting (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:

(Rs. In Crores)

Particulars	March 31, 2021	March 31, 2020
I. Segment Revenue		
i. Environmental control system	2.09	2.62
ii. Steel Structure & Engineering	0.70	8.67
iii. Power Project	15.02	59.73
Sub:- Total (i+ii+iii)	17.81	71.03
Less:- Inter Segment Revenue	-	-
Net Sales/Income from Operations	17.81	71.03
II. Segment Results		
(PROFIT (+)/LOSS(-))		
i. Environmental control system	(5.34)	(6.00)
ii. Steel Structure & Engineering	(22.25)	(17.74)
iii. Power Project	(20.79)	(22.88)
Sub:- Total (i+ii+iii)	(48.38)	(46.62)
Less:-i. Finance Cost	7.72	9.88
ii. Other un-allocable expenditure net of	0.00	0.00
iii. Un-allocable income		
Total Profit before tax	(56.10)	(56.50)
	-	-
III. Capital Employed (Total assets – current Liability) *	-	-

*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.

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, 2021	March 31, 2020
Present Value of obligation as at the beginning of the period	2.47	3.79
Interest Cost	0.17	0.29
Service Cost	0.07	0.09
Benefit Paid	(0.00)	(0.08)
Past service cost including curtailment Gain/Loss on obligation	0.00	0.00
Total Actuarial Gain/Loss on Obligation	(0.12)	(1.62)
Present Value of obligation as at the End of the period	2.59	2.47

The Amount recognized in the Income Statement

Particulars	March 31, 2021	March 31, 2020
Interest Cost	0.17	0.29
Service Cost	0.07	0.09
Expenses recognized in the Income Statement	0.38	0.38

Net Liability recognized in the Balance Sheet

Particulars	March 31, 2021	March 31, 2020
Present Value of obligation at end	2.59	2.47
Fair Value of Plant Assets	-	-
Unfunded Liability /Provision in Balance Sheet	(2.59)	(2.47)
Unfunded Liability recognized in the Balance Sheet	(2.59)	(2.47)

Remeasurement (gain)/ loss recognized in other comprehensive income

Particulars	March 31, 2021	March 31, 2020
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.00)	(0.59)
Actuarial (Gain)/Loss on arising from Experience Adjustment	0.12	1.68
Total	0.12	1.09

Principal assumptions used in determining defined benefit obligation.

Particulars	March 31, 2021	March 31, 2020
i) Discounting Rate	6.80	6.80
ii) Future salary Increase	8.00	8.00
iii) Retirement Age (Years)	60	60
iv) Mortality rates inclusive of provision for disability **	100% of IALM (2006 - 08)	
v) Ages	Withdrawal	Withdrawal
	Rate (%)	Rate (%)
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.

a) Impact of the change in discount rate	
Present Value of Obligation at the end of the period	2.59
Impact due to increase of 0.50%	(0.04)
Impact due to decrease of 0.50 %	0.04
b) Impact of the change in salary increase	
Present Value of Obligation at the end of the period	2.59
a) Impact due to increase of 0.50%	0.04
b) Impact due to decrease of 0.50 %	(0.04)

42) 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.

(Rs. in crores)		
Particulars	As at March 31, 2021	As at March 31, 2020
Debt	787.91	759.80
Cash and bank balances	10.98	11.34
Net debt	776.93	748.46
Total equity	(687.56)	(633.50)
Equity and net debt	89.37	114.96
Gearing ratio (Net Debt/Capital and Net Debt)	869.34%	651.06%

43) Financial Instruments

a) Financial instruments by category

(Rs. in crores)		
Financial assets	As at March 31, 2021	As at March 31, 2020
Measured at amortized cost		
a) cash and cash equivalent including bank balance	10.98	11.34
b) Loan	150.89	150.89
c) Other financial assets	146.70	146.56
d) Trade receivable	100.73	114.95
Fair value through Other Comprehensive Income		
Investment in equity Instrument	0.50	0.32
Investment in Subsidiary at cost		
Investment in Subsidiaries	0.54	0.54
Total	410.34	424.59
Financial liabilities		
Measured at amortized cost		
a) Borrowing	6.13	5.91
b) Short term borrowing	781.78	753.90
b) Trade payable	264.53	256.57
c) Other financial liability	230.08	225.47
Total	1282.52	1241.85

b) **Fair value measurement of financial assets and financial liabilities**

Particulars	Fair value hierarchy	Valuation technique(s) and key input(s)		
	As at March 31, 2021	As at March 31, 2020		
Investment in equity	0.50	0.32	Level 1	Based on quoted market price in active markets
Borrowing	6.13	5.91	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.

Particulars	As at March 31, 2020	As at March 31, 2020
i) Financial assets – Current		
Trade receivables	100.73	114.95
Cash and Bank balances	10.98	11.34
Loans	150.89	150.89
Other Financial assets	146.70	146.56
ii) Financial liabilities – Current		
Borrowings	781.78	753.90
Trade payable	264.53	256.57
Other Financial liabilities (other than current maturity of long term borrowings)		
	230.08	225.47

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

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, 2020 comprise of fixed rate loans and accordingly, are not expose to risk of fluctuation in market interest rate.

ii) **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.

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. However The 'Corporate insolvency Resolution Process' (CIRP) was initiated against the company, under the provisions of Insolvency and Bankruptcy Code, 2016 vide order of Hon'ble NCLT dated August 14, 2019, Under the CIRP, resolution plan submitted by IM+ Capital Limited has been approved by the Hon'ble NCLT vide its order dated October 06th, 2021. All the repayment has been settled by resolution professional as per the approved resolution plan. The figures shown below is only for reporting purpose taken from the books of accounts. 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 as on reporting date.

(Rs. in crores)

Particulars	Weighted average effective interest rate (%)	Within 1 year	1-5 years	Total	Carrying amount
As at March 31, 2021					
Borrowings	7.59%	6.13	-	6.13	6.13
Short term borrowings		781.78	-	781.78	781.78
Trade payable		264.53	-	264.53	264.53
Other financial liabilities		230.08	-	230.08	230.08
Total		1282.52	-	1282.52	1282.52

Particulars	Weighted average effective interest rate (%)	Within 1 year	1-5 years	Total	Carrying amount
As at March 31, 2020					
Borrowings	7.59%	5.91	-	5.91	5.91
Short term borrowings		753.90	-	753.90	753.90
Trade payables		256.57	-	256.57	256.57
Other financial liabilities		225.47	-	225.47	225.47
Total		1241.85	-	1241.85	1241.85

46) Dividend Paid and Proposed

(Rs. in crores)

Particulars	31.03.21	31.03.20
Dividend declared and paid during the year:		
Final Dividend paid	0.00	0.00
Corporate Dividend Tax on Final Dividend	0.00	0.00
	0.00	0.00

47) Deferred tax

Particulars	31-Mar-20	Recognized in Profit or loss	Recognized in other comprehensive income	31-Mar-21
Deferred tax (liabilities)/assets in relation to:				
Due to Depreciation	(13.98)	2.03	-	(11.95)
Others	(1.77)	(0.06)	-	(1.71)
Total	(16.77)	2.09	0.00	(13.66)

The company is facing financial and liquidity crisis for last more than 4 years which resulted in failure to meet commitments to Creditors and operations were severely affected due to liquidity crunch. It also resulted delay in completion of various projects and consequent effect of being faced with various penalties, Liquidated damages and invocation of bank Guarantees. Major operational activities are closed from more than two years.

48) The Fixed Asset Register maintained by company was not maintained properly for over the past years, and it is not comparable with the existing assets. The Description of assets is not properly mentioned. The Current Management has tried to verify the assets but could not conclude the physical verification of assets. The Most of the plant of the company is not in operation from last 3 years and no repair and maintenance has taken place,.

49) The Company is engaged in EPC Business and Steel Structure business. Due to financial stress in company the company could not perform on many projects, and due to delay in projects the customer has terminated many projects in previous years as well in current year. Due to which many places the stores are locked by contractors and the stock given for erection is not returned by contractors. The Stock lying at factory premises got rusted and obsolete. The Stock Could not be verified by the company and an estimated provision for obsolete as well defective stock is already provided for Rs. 68,63,915.99.

50 Previous year's figures re-grouped / re-arranged where found necessary.

51) Notes '1' to '50' form an integral part of accounts and are duly authorized.

Refer to our Report of even date.

For Rajeev Malhotra & Associates
Chartered Accountants,
Firm's Registration Number : 021479N

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

Sd/-
Sunil Sakral
Partner
Membership No.: 509537

sd/-
Vishal Singhal
Director
DIN:03518795

sd/-
Tanya Singhal
Director
DIN:08930315

Place: Sikandrabad, U.P.
Date: 05th Sep, 2022
UDIN: 22509537ARGOOT2609

Sd/-
Narendra Kumar Mishra
Chief Financial Officer

sd/-
Sakshi Goel
Company Secretary



INDEPENDENT AUDITOR'S REPORT

To

The Members of

FEDDERS ELECTRIC AND ENGINEERING LIMITED

(FORMERLY KNOWN AS FEDDERS LLYOD CORPORATION LIMITED)

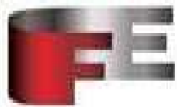
Report on the audit of Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Financial Statements of **FEDDERS ELECTRIC AND ENGINEERING 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, 2021, and the Consolidated Statement of Profit and Loss (including statement of 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").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in Basis for Disclaimer Opinion section of our report, the Consolidated Ind AS financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2021, and its consolidated statement of Profit and Loss (including statement of other comprehensive income), Consolidated Cash Flow Statement and its statement of changes in equity for the year ended 31 March, 2021.

Corporate Insolvency Resolution Process as per the Insolvency & Bankruptcy Code, 2016 (IBC)

The Hon'ble National Company Law Tribunal, Allahabad Bench ("NCLT") vide its order dated 14th August 2019 admitted an insolvency and bankruptcy petition filed by State Bank of India (a lead member of lender consortium) against Fedders Electric & Engineering Limited ("the Company") and appointed Mr.



Ashok Kumar Gulla to act as Interim Resolution Professional(IRP) with direction to initiate appropriate action contemplated under extant provisions of the Insolvency and Bankruptcy Code,2016 and other related rules and regulations. In their meeting held on 12thSeptember, 2019, Committee of Creditors (COC) approved appointment of IRP as Resolution Professional (RP).

Subsequently, the Hon'ble National Company Law Tribunal, Allahabad Bench ("NCLT") via its order dated October 06, 2021 approved the resolution plan submitted by IM+ Capitals Limited ("Resolution Applicant", or "RA"). In order to supervise and implement the resolution plan, a monitoring committee was constituted with each member from Resolution applicant, Financial Creditor and Ex- Resolution Professional. The resolution applicant (IM+ Capitals Limited) has paid entire amount and same was distributed to various creditors as per plan. The role of Monitoring committee came to an end on 21st February 2022. All the decision relating to the activities of the company are being taken by the new Management of the company now.

The following consequential impacts have been given in accordance with approved resolution plan / Accounting Standards :-

- The existing directors of the Company as on the date of order have stand replaced by the new Board of Directors from their office with effect from October 06, 2021. As on date Board consist of the following directors
 - Mr. Anil Kumar Kaushik (Chairman and Non-Executive Independent Director)
 - Mr. Vishal Singhal (Executive Director) and
 - Mrs. Tanya Singhal (Non-Executive Women Director)
- Further, Mr. Narender Kumar Mishra was appointed as Chief Financial Officer ("CFO") and Mrs. Kirti Jain was appointed as whole-time Company Secretary& Compliance Officer ("CS")w.e.f 20th October, 2021 and Mr. Kirti Jain resigned from the said post w.e.f 30th April,2022.
- Thereafter, Ms. Sakshi Goel appointed as Company Secretary Compliance officer and Mr. Sanjeev Singhal appointed as Independent director of the company w.e.f 09th June 2022

Accordingly, the above audited financials for year ended March 31, 2021 have been endorsed by newly constituted board, confirming that financial results do not contain any material misstatements.



Basis for Disclaimer Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our **disclaimer opinion**.

1. As per "**Indian Accounting Standard 36**" which describe about impairment of asset, if the carrying amount of the asset is more than recoverable amount then asset need to be impaired and as per "**Indian Accounting Standard 109**" on financial instruments which also contains provisions of impairment of financials assets through expected credit loss method basis these provisions were not considered in accompany financial statement.
2. As per "**Indian Accounting Standard 109**" the Holding Company was required to get the Investment at fair value but the same has not been done by the company, accordingly we are unable to ascertain the effect of the same on the Financial statements. We were not provided documentations for FDR's and accrued interest.
3. We are appointed as auditor of the Holding company after 31.03.2021 and thus could not observe counting of physical inventories and Fixed assets at the beginning and end of the year. The Holding Company has also not maintained proper records with respect to inventory including reconciliation of goods purchased / sold in terms of quantities held at 31.03.2021 and 31.03.2020 which are valued at Rs 24.31 Crores and Rs 24.38 Crores, respectively.
4. Trade Receivables and Payables are subject to confirmations for the year ended 31.03.2021. 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.



5. The Holding Company has been continuously making losses, consequently its net worth is negative and the Group's total liabilities exceeded its total assets. the meeting of consortium Bankers convened on dated 21.07.2018 declaring the Bank Accounts as Non- Performing Asset, the aforesaid non-performance was resulted into Corporate Insolvency Resolution Process under the provisions of IBC, 2016. This indicates the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Under the CIRP, resolution plan submitted IM+ Capitals Limited has been approved by the Hon'ble NCLT vide its order dated October 06th, 2021. Now the operations of the company have been taken over by the management of IM+ Capitals Ltd and Management of the IM+ Capitals Limited has assessed that there is no uncertainty exists that may cast significant doubt on the company's ability to continue as going concern and all the necessary steps has been taken by the new management to continue the company for unforeseeable future. Our Conclusion is not modified in respect of this matter..
6. The Holding company has not filed its financial results for the year ended 31st March 2021 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.
7. During the course of our audit, we found that the Holding company's books, vouchers, records and other necessary registers for its sites, offices and units were not in the custody of the management and same were not presented for audits.
8. The Holding Company is having one more subsidiary company as mentioned in previous auditor's report 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. In relation to the "subsidiary financial statement", the Entity has not carried out any commercial activity during the last 5 years and incurred a net loss of Rs. 1.50 Lacs (AED 7,350) during the year ended March 31,2021, and had accumulated losses of Rs. 5.04 Crores (AED 34,57,782) as of that date. The Entity also has an equity deficit and negative working capital AED 42,700. 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. These financial statements have been



prepared on liquidation basis. It reflects impact of adjustments which are necessary to adjust the assets and liabilities to their net realizable values. 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.

Emphasis of Matter

We draw attention to the following:

- a) With reference to audit report of financial year 2017-18, auditor had given disclaimer of opinion about sales of Rs. 545.24 crore and purchase of amounting Rs. 544.54 crores for which Holding company does not have sufficient and satisfactory supporting evidence. Further above-mentioned sales and purchases have been transacted between identical parties. With effect of the opinion during the year 2018-2019, the holding company had reversed both the sale and purchase values of Rs 414.54 crores.

According to above mentioned limitations, we were unable to comment on appropriateness of transactions between corresponding supplier / vendor.

Further the treatment of the rectification was not done as mentioned in Ind AS 8 it is done through prospective basis approach and routed through consolidated profit & loss account statement as exceptional item.

- b) The Holding company is facing financial and liquidity crisis since last more than 4 years which resulted in failure to meet commitments to Financial Creditors and other creditors. Operations were severely affected due to liquidity crunch resulted in delay in completion of various projects and consequent effect of being faced with various penalties, Liquidated damages and invocation of bank Guarantees. Major operational activities are closed from more than one year and available management and staff are assuring their best efforts to minimize further deterioration. On the basis of the best judgment's management had created provisions against the various assets which were not treated as specified in respective Ind AS: -

1. Provision against value of Inventories Rs.0.69 Crore
2. Provision / Bad debts with respect to Customers Rs. 235.48Crore



Other Matters

- i. Forensic Audit of the Holding Company has been ordered by State Bank of India vide letter dated 15.09.2018.
- ii. Special Audit under Income Tax Act 1961, of the Holding Company has been ordered by competent Income tax authority vide its' letter dated 21.12.2019, report of the same is not shared with us.
- iii. 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 2020--21 our report is subject to the observations mentioned in his report.
- iv. As per Section 204 of the Companies Act, 2013, Company is required to obtain Secretarial Audit Report from independent practicing Company Secretary which is provided to us during the course of review we found company had defaulted in filing of various returns and other irregularities are there, his report may be refer for detailed observations.
- v. Multiple bank accounts were opened by bankers due to devolvement of various letter of credits, the Holding Company is not having the complete accounts statements in possession. Therefore, we were unable to comment on the transactions happened with those accounts during the year.
- vi. Reconciliation of sales and purchases with GST returns of Holding Company is not available due to locked user ID's in GST portal and change of various accounting staff.
- vii. We did not audit the financial statements of the subsidiary company, whose financial statements reflect Total Asset amounting to Rs. NIL as at March 31, 2021, Total Revenue of Rs. Nil and Total cash flow amounting to Rs. Nil 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matters described in the Basis for Disclaimer opinion and emphasis of matter, we have determined that there are no other key audit matters to communicate in our report.

Information other than the financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management and Those Charged with Governance's Responsibility

The Management and Board of Directors of the Holding company is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, financial performance, total consolidated comprehensive income, change in consolidated equity and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding 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; 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.

In preparing the financial statements, management is responsible for assessing the Holding Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Holding Company's financial reporting process.

Auditors' Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit



procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that



were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, we report that:

- a) As explained in the Basis for Disclaimer for 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) The effects of the matters described in the Basis for Disclaimer for Opinion Paragraph, in our opinion, proper books of accounts is not maintained as per requirement of the law by the company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have not been received to 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 Statements of Cash flow and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the books of account and with the returns received to us.
- d) Due to the possible effect of the matter described in the basis for Disclaimer of opinion, we are unable to state the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with the relevant rules 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) Since the resolution plan has already been approved by Hon'ble NCLT vide order dated October 06, 2021, monitoring committee comprising one representative from financial creditors, one representative from RA and Ex- Resolution Professional, is ensuring implementation of the resolution plan including constitution of the new board of the



Company by RA. Accordingly, the above audited results for the year ended March 31, 2021 have been endorsed by newly constituted board, confirming that financial results do not contain any material misstatements. Written representation from directors have been taken on record by the Board of Directors. Accordingly, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in the terms of Section 164 (2) of the Act.

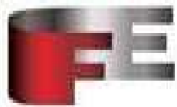
- g) With respect to the adequacy of the internal financial controls over financial reporting of the parent company and its wholly owned subsidiary company and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”. Our report expresses a Disclaimer opinion on the adequacy and operating effectiveness of the group’s internal financial control over financial reporting.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In absence of proper records, we would not be able to comment whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:

- i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated financial statements [Refer Note no. 33]
- ii. The Group did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
- iii. It cannot be identified basis the available records whether there has been any occasion in case of the Company during the year under report to the Investor Education and Protection Fund.



For Rajiv Malhotra & Associates

Chartered Accountants

FRN: 021479N

Sd/-

CA Sunil Kr Sakral

[Partner]

Membership Number: 509537

Place : Sikandrabad, U.P.

Dated : 05.09.2022

UDIN: 22509537ARGPGL2931



Annexure – A to Independent Auditors’ Report

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **FEDDERS ELECTRIC AND ENGINEERING LTD.** as of 31st March 2021 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 Controls

The management of Holding Company and its Subsidiary company incorporated outside of India, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 (“ICAI”).

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 Group’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial



controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for our audit opinion on the Holding Company and its Subsidiary company's internal financial controls system over financial reporting.

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 consolidated Ind AS 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 with regard to the Group were not made available to us to enable us to determine if the Holding company has established adequate financial controls over financial reporting were operating effectively as at March 31, 2021.



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 in so far as it relates to subsidiary company and consolidated on the basis of audited financial statements, which is company incorporated outside India, is based on the facts furnished by the management.

For Rajiv Malhotra & Associates

Chartered Accountants

FRN: 021479N

Sd/-

CA Sunil Kr Sakral

[Partner]

Membership Number: 509537

Place : Sikandrabad, U.P.

Dated: 05.09.2022

UDIN: 22509537ARGPGL2931

FEDDERS ELECTRIC AND ENGINEERING LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(Amount in Crores)			
Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
(1) Non - Current Assets			
(a) Property, Plant and Equipment	3	141.39	158.92
(b) Capital work - in - progress		-	-
(c) Other Intangible Assets	4	0.06	0.06
(d) Financial assets			
(i) Non Current Investments	5	0.50	0.32
(iii) Other financial assets		-	-
Total Non- Current Assets		141.95	159.30
(2) Current Assets			
(a) Inventories	6	24.31	24.38
(b) Financial assets			
(i) Trade receivables	7	100.73	114.95
(ii) Cash and cash equivalents	8	0.64	1.27
(iii) Bank Balances other than (ii) above	9	10.34	10.07
(iv) Loan	10	148.36	148.56
(iii) Other financial assets	11	146.70	146.56
(c) Other current assets	12	44.88	41.53
Total Current Assets		475.96	487.32
TOTAL ASSETS		617.91	646.62
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	13	33.97	33.97
(b) Other Equity	14	-723.92	-669.80
Total Equity		-689.95	-635.83
LIABILITIES			
(1) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	0.00	-
(ii) Provision	16	2.37	2.47
(b) Deferred tax liabilities (Net)	17	13.66	15.75
Total Non- Current Liabilities		16.03	18.22
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	781.78	753.90
(i) Trade payables	19	268.04	260.02
Dues of micro and small enterprises		-	-
Dues other than micro and small		-	-
(ii) Other financial liabilities	20	236.30	231.43
(b) Other current liabilities	21	5.26	18.42
(c) Provisions	22	0.45	0.46
(d) Current tax liabilities (Net)	23	-	-
Total Current Liabilities		1,291.83	1,264.23
TOTAL EQUITY AND LIABILITIES		617.91	646.62

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements 3 to 47

As per our report of even date attached.

Rajiv Malhotra & Associates

Chartered Accountants

Firm's Registration Number: 021479N

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

sd/-

(CA Sunil Kr. Sakral)

Partner

M. No. 509537

UDIN: 22509537ARGPGL2931

sd/-

(Vishal Singhal)

Managing Director

DIN: 03518795

sd/-

(Narendra Kumar Mishra)

CFO

sd/-

(Tanya Singhal)

Director

DIN: 08930315

sd/-

(Sakshi Goel)

Company Secretary

Place : Sikandrabad. U.P.

Dated : 05-09-2022

FEDDERS ELECTRIC AND ENGINEERING LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(Amount in Crores)

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	24	17.43	70.50
Other income	25	0.38	0.53
Total Income		17.81	71.03
Expenses			
Cost of material consumed	26	14.83	49.34
Changes in inventories of Finished goods and Work - in -progress	27	0.14	3.02
Employee benefit expenses	28	6.00	8.15
Finance Cost	29	7.73	9.88
Depreciation & amortization expenses	30	17.53	17.62
Other Expenses	31	27.70	39.53
Total Expenses		73.92	127.54
Profit before exceptional items & tax		-56.11	-56.51
Add: Exceptional Items		-	-
Add: Exceptional Items- reversal of last year purchase		-	-
Add: Exceptional Items- reversal of last year sales		-	-
Profit/(Loss) before tax		-56.11	-56.51
Less: Tax expenses			
(1) Current tax			
of Current year		-	-
of Earlier years			
(2) Deferred tax			
of Current year		-2.09	-1.02
of Earlier years			
Total Tax Expenses		-2.09	-1.02
Profit after tax	A	-54.02	-55.49
Other Comprehensive Income			
A. (i) Items that will be reclassified to profit or loss		-	-
B. (i) Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		-	-
Fair value gain on investment		0.18	-0.12
Revaluation Reserve		-	-
Foreign Currency Translation Reserve		-0.27	-0.43
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	
Total Other Comprehensive Income for the year	B	-0.09	-0.55
Total Comprehensive Income for the year	(A+B)	-54.11	-56.04
Earning per equity share (Face Value of Rs. 1/- each)	32		
(1) Basic		-15.90	-16.33
(2) Diluted		-15.90	-16.33
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements 3 to 47			

As per our report of even date attached

Rajiv Malhotra & Associates

Chartered Accountants

Firm's Registration Number: 021479N

sd/-

(CA Sunil Kr. Sakral)

Partner

M. No. 509537

UDIN: 22509537ARGPGL2931

Place : Sikandrabad, U.P.

Dated : 05-09-2022

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

sd/-

(Vishal Singhal)

Managing Director

DIN: 03518795

sd/-

(Narendra Kumar Mishra)

CFO

sd/-

(Tanya Singhal)

Director

DIN: 08930315

sd/-

(Sakshi Goel)

Company Secretary

FEDDERS ELECTRIC AND ENGINEERING LIMITED
STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 March 2021

Particulars	Period ended 31.03.2021 Amount in Crores	Period ended 31.03.2020 Amount in Crores
A. Cash Flow from Operating Activities:		
Net Profit/(Loss) before tax	-56.11	-56.51
Adjustments for :		
Add : Depreciation	17.53	17.62
FCTR	-	-0.43
Remeasurement of defined benefit plan	-	-
Expected Credit loss	-	-
Interest expenses	2.13	7.91
	19.66	25.11
Less:		
Interest Income	0.38	0.53
Gratuity Paid	-	-
Dividend Income	0.38	0.53
Operating profit before working capital changes	-36.08	-31.93
Trade & other receivables	14.22	17.64
Inventories	0.18	2.87
Loans & Advances	0.30	0.15
Other financial assets	-0.05	18.93
Other current assets	-3.25	8.47
Other financial liability	4.87	-2.63
Other Current Liability	-13.16	-11.79
Provisions	-0.11	-1.73
Trade & other payable	8.05	9.36
Cash generated from operations	-25.02	-28.26
Direct tax paid	-	-
Net Cash Flow from Operating Activities	-25.02	-28.26
B Cash Flow from Investing Activities:		
Purchase/Sale of Property Plant and equipment	-	7.45
Sale of investments	-	-
Interest received	-0.38	0.53
Dividend received	-	7.98
Net Cash Flow from Investing Activities	-0.38	7.98
C Cash Flow from Financial Activities:		
Long Term Loans and Advances	-	-
Proceeds from Borrowing	27.88	15.19
Dividend Paid	-	-
Dividend Tax	-	-
Proceeds from Share Capital/Warrants	-	-
Interest paid	-2.13	-7.92
Net Cash Flow from Financing Activities	25.75	7.27
Net Increase/decrease In Cash and Cash Equivalents (A+B+C)	0.36	-13.01
Opening Balance of Cash and Cash Equivalents	11.34	24.35
Closing Balance of Cash and Cash Equivalents	10.98	11.34
Net increase/ decrease in Cash and Cash Equivalents	-0.36	-13.01

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".

As per our report of even date attached
Rajiv Malhotra & Associates
Chartered Accountants
Firm's Regn No. : 021479N

sd/-
(CA. Sunil Sakral)
Partner
M. No. : 509537
UDIN: 22509537ARGPGL2931

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

sd/-
(Vishal Singhal)
Managing Director
DIN: 03518795

sd/-
(Tanya Singhal)
Director
DIN: 08930315

sd/-
(Narendra Kumar Mishra)
CFO

sd/-
(Sakshi Goel)
Company Secretary

Place : Sikandrabad, U.P.
Dated : 05-09-2022

FEDDERS ELECTRIC AND ENGINEERING LIMITED
STATEMENT OF CHANGES IN EQUITY AS ON 31 ST MARCH, 2020

A. Equity Share Capital											
Particulars											
Balance at at 1st April, 2019											
Changes in equity share capital during the year								No of Shares	Amount		
Balance at at 31st March, 2020								3,39,69,700	33.97		
Changes in equity share capital during the year								-	-		
Balance at at 31st March, 2021								3,39,69,700	33.97		
B. Other Equity											
Particulars	Share warrant	Reserves and Surplus			Retained Earnings	Revaluation reserve	Capital Reseve	Other items of Other comprehensive Income			Total
		Security premium	General reserve					Remeasurement of net defined benefit plans	Revaluation reserve	Fair Value through Other Comprehensive Income of Equity Investments	
Balance at at 31st March, 2019	-	46.44	360.55		-1,030.78	6.92	3.38	0.74	-0.33	0.26	-613.76
Profit for the year					-55.49						-55.49
Addition/deletion during the year					-					-0.12	-0.43
Dividend											-0.55
Balance at at 31st March, 2020	-	46.44	360.55		-1,086.26	6.92	3.38	0.74	-0.33	0.13	-669.80
Profit for the year					-54.02						-54.02
Addition/deletion during the year										0.18	-0.27
Dividend											-
Balance at at 31st March, 2021	-	46.44	360.55		-1,140.28	6.92	3.38	0.74	-0.33	0.31	-723.92

As per our report of even date attached

Rajiv Malhotra & Associates
Chartered Accountants
Firm's Registration Number: 021479N

sd/-
(CA Sunil K. Sakral)
Partner
M. No. 509537
UDIN: 22509537ARGPGL2931

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

sd/-
(Vishal Singhal)
Managing Director
DIN: 03518795

sd/-
(Tanya Singhal)
Director
DIN: 08930315

sd/-
(Narendra Kumar Mishra)
CFO

sd/-
(Sakshi Goel)
Company Secretary

Place : Sikandrabad, U.P.
Dated : 05-09-2022

FEDDERS ELECTRIC AND ENGINEERING LIMITED
(Formerly known as Fedders Lloyd Corporation Limited)

Notes to the Consolidated financial statements for the year ended March 31, 2021

1. Corporate Information

Fedders Electric and Engineering Limited (Formerly known as Fedders Lloyd Corporation Limited) (“the Company”) is a public group domicile in India and is incorporated under the provisions of the Companies Act, 1956 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 mainly 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 Consolidated Financial Statements have been prepared to comply in all material aspects with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and as amended by the Ministry of Corporate Affairs (‘MCA’) from time to time.

The Consolidated financial statements have been prepared under historical cost convention on accrual and going concern basis, except for the certain financial instruments which have been measured at fair value as required by relevant Ind ASs.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the amounts included in the consolidated financial statements are reported in Crores of Indian Rupees, and are rounded to the nearest Crores except per share data and unless stated otherwise.

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards to the extent possible and requirements of all Ind AS have not been complied with in totality.

Pursuant to the Resolution Plan submitted by IM Plus Capitals Limited and its approval by the Hon'ble National Company Law Tribunal, Allahabad Bench (“NCLT”) via its order dated October 06, 2021 for the corporate insolvency of the Company, which is implemented from October 06, 2021 otherwise as stated in below notes, the following consequential impacts have been given in accordance with approved resolution plan / Accounting Standards: -

- The existing directors of the Company as on the date of order have stand replaced by the new Board of Directors from their office with effect from October 06, 2021. As on date Board consist of Mr. Anil Kumar Kaushik (Chairman and Non-Executive Independent Director), Mr. Vishal Singhal (Executive Director) and Mrs. Tanya Singhal (Non-Executive Director).

- As per Para 16 of the Hon'ble NCLT order dated October 06, 2021, a Monitoring Committee/Agency has been constituted to supervise the implementation of the plan and to ensure smooth transition of business in the hands of RA/ newly constituted board.
- Pursuant to abovementioned implementation, by the first meeting of the Monitoring Committee dated October 14, 2021, Mr. Narender Kumar Mishra was appointed as Chief Financial Officer ("CFO") and Mrs. Kirti Jain was appointed as whole-time Company Secretary ("CS").
- Further Mrs. Kirti Jain has resigned as whole time Company Secretary on dated 30.04.2022 and Mrs. Sakshi Goel is appointed as Whole Time Company Secretary on dated 09.06.2022.

Accordingly, the above audited results for the quarter ended March 31, 2019 have been endorsed by newly constituted board and existing whole time company secretary, confirming that financial results do not contain any material misstatements. Since, the newly constituted board came into existence after NCLT order dated October 06 2021, these audited results have been endorsed by newly constituted board and existing whole time company secretary for the limited purpose of compliances, based on limited information available with them.

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, 2021. 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.

2.2 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.

2.3 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.

2.4 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.

2.5 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.

2.6 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.

2.7 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.

2.8 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.

2.9 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.

2.10 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 recognized in statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of profit and loss.

2.11 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 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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 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 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 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.

2.16 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 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 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.

2.17 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 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.

2.18 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.

2.19 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.

2.20 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.

2.21 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 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.

2.22 Cash and cash Equivalents

Cash and cash equivalents include cash on 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.

2.23 Critical accounting estimates, assumptions and judgements

The estimates and judgements used in the preparation of the said 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 financial statements in the year in which they become known.

2.24 Investments

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

2.25 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.

2.26 Trade and Other payable

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.

NOTE NO 3
PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS CARRYING AMOUNT				Accumulated Depreciation					NET CARRYING AMOUNT	
	AS AT 01.04.2020	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2021	UP TO 01.04.2020	DEP. FOR THE YEAR	Provision for Impairment	DEDUCTION DURING THE YEAR	AS AT 31.03.2021	AS AT 31.03.2020	AS AT 31.03.2021
Land - Freehold	46.43	-	-	46.43	-	-	-	-	-	46.43	46.43
Building	109.35	-	-	109.35	56.84	3.23	-	-	60.06	52.51	49.28
Office Premises	2.89	-	-	2.89	2.12	0.05	-	-	0.72	0.76	0.72
Temporary Shed	3.52	-	-	3.52	3.38	-	-	-	3.38	0.14	0.14
Plant & Machinery	227.69	-	-	227.69	170.06	13.96	-	-	184.02	57.64	43.68
Computer	5.35	-	-	5.35	5.02	0.01	-	-	5.03	0.32	0.32
Furniture's and Fixtures	3.83	-	-	3.83	3.34	0.28	-	-	3.61	0.50	0.22
Office Equipment's	4.95	-	-	4.95	4.40	0.00	-	-	4.40	0.55	0.54
Motor Car	2.15	-	-	2.15	2.09	-0.00	-	-	2.09	0.06	0.06
Scooter & Motor Cycle	0.11	-	-	0.11	0.10	-	-	-	0.10	0.01	0.01
Total Property, Plant and Equipment	406.272	-	-	406.27	247.35	17.53	-	-	264.88	158.92	141.99

NOTE NO 4
CAPITAL WORK-IN-PROGRESS

PARTICULARS	GROSS CARRYING AMOUNT				Accumulated Depreciation				NET CARRYING AMOUNT		
	AS AT 01.04.2020	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2021	UP TO 01.04.2020	DEP. FOR THE YEAR	Provision for Impairment	DEDUCTION DURING THE YEAR	AS AT 31.03.2021	NET CARRYING AMOUNT AS AT 31.03.2020	NET CARRYING AMOUNT AS AT 31.03.2021
Capital Work In Progress	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

NOTE NO 4
OTHER INTANGIBLE ASSETS

OTHER INTANGIBLE ASSETS											
PARTICULARS	GROSS CARRYING AMOUNT				Accumulated Depreciation					NET CARRYING AMOUNT	NET CARRYING AMOUNT
	AS AT 01.04.2020	PURCHASE DURING THE YEAR	DEDUCTION DURING THE YEAR	AS AT 31.03.2021	UP TO 01.04.2020	DEP. FOR THE YEAR	Provision for Impairment	DEDUCTION DURING THE YEAR	AS AT 31.03.2021		
software	1.29	-	-	1.29	1.22	-	-	-	1.22	0.06	0.06
Total Other Intangible Assets	1.29	-	-	1.29	1.22	-	-	-	1.22	0.06	0.06

407.56	-	-	-	407.56	248.58	17.53	-	-	266.10	158.98	141.45
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* The Fixed Assets shown are as per books of accounts, no physical verification has been done during last year as well in current year. The Impairment of Assets cannot be assessed and not provided for loss on Impairment of Assets.

FEDDERS ELECTRIC AND ENGINEERING LIMITED
NOTES TO BALANCE SHEET AS AT 31ST MARCH 2021

5 NON CURRENT INVESTMENTS

(Amount in Crores)

Particulars	As at		As at	
	March-21		March-20	
	Face	No. of Shares	No. of Shares	Value
Trade Investments				
Quoted				
Equity Instruments (At FVOCI)				
LEEL Electricals Ltd	10	100	100.00	0.00
SBI Mutual Fund (Gold Fund)		50,000	50,000	0.07
State Bank Of India PSU		49,950	49,950	0.04
State Bank of Bikaner & Jaipur	10	10,500	10,500.00	0.21
Total Value of Quoted Investments				0.32
Aggregate amount of quoted investments				0.32

6 INVENTORIES

Particulars	As at		As at	
	March-21		March-20	
Raw materials		22.86		22.79
Work in progress		0.86		1.00
Finished goods		1.28		1.28
Material in Transit		-		-
Less:- Provision		-0.69		-0.69
		24.31		24.38

7 TRADE RECEIVABLES

Particulars	As at		As at	
	March-21		March-20	
(Unsecured)				
Considered good	344.16		358.38	
Expected credit loss	-7.95		-7.95	
Less: Pro for Impairment of Trade receivable	-235.48	100.73	-235.48	114.95
		100.73		114.95

8 CASH AND BANK BALANCES

Cash and Cash Equivalents				
Particulars	As at		As at	
	March-21		March-20	
Balances with banks		0.64		1.27
Cash on Hand		-		-
		0.64		1.27

9 Bank Balances

Particulars	As at		As at	
	March-21		March-20	
Unclaimed dividend account		0.48		0.48
Deposits with maturity for Less than 12 months		9.86		9.59
		10.34		10.07

10 Loan

Particulars	As at		As at	
	March-21		March-20	
Loan to related party		148.36	-	148.56
		148.36		148.56

11 OTHER FINANCIAL ASSETS

Particulars	As at		As at	
	March-21		March-20	
Retention Money	104.86		105.99	
Less:- Provision	-1.55	103.31	-1.55	104.44
Interest accrued on fixed deposit		-		-
Advances to employee		2.37		2.35
LD Recoverable		28.99		26.48
Earnest Money & Other Deposit		12.03		13.29
		146.70		146.56

12 OTHER CURRENT ASSETS

Particulars	As at	As at
	March-21	March-20
Balances with Statutory/ Govt. Authorities	5.15	4.47
Supplier advances	29.99	27.65
Prepaid expenses	0.16	0.16
Insurance claim recoverable	0.03	0.03
Advance tax and TDS	9.55	9.22
	44.88	41.53

13 EQUITY SHARE CAPITAL

Particulars	As at	As at
	March-21	March-20
Authorized Share Capital		
700,00,000 Equity shares, Re. 10- par value	70.00	-
(31 March 2020: 700,00,000 equity shares Re. 10- each)		70.00
(1 April 2019: 700,00,000 equity shares Re. 10- each)		
	70.00	70.00
Issued, Subscribed and Fully Paid Up Shares		
33969700 Equity shares, Re. 10- par value fully paid up	33.97	33.97
(31 March 2020: 33969700 equity shares Re. 10- each)		
(1 April 2019: 30769700 equity shares Re. 10- each)		
	33.97	33.97

Note No 13.1: The reconciliation of the number of shares outstanding at the beginning and at the end of reporting period 31-03-2021:

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	3,39,69,700.00	33.97	3,39,69,700.00	33.97
Add: Shares issued during the year	-	-	-	-
Less : Shares bought back (if any)	-	-	-	-
Number of shares at the end	3,39,69,700.00	33.97	3,39,69,700.00	33.97

Note No 13.2: 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.

Note No 13.3: The details of shareholders holding more than 5% shares in the company :

Name of the shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares held	% held as at	No. of shares held	% held as at
Fedders Sales Private Limited	42,93,619.00	12.64	42,93,619.00	12.64
Perfect Radiators and Oil Coolers Pvt Ltd	38,26,525.00	11.26	38,26,525.00	11.26
Airserco Pvt. Ltd.	17,52,709.00	5.16	17,52,709.00	5.16

14 OTHER EQUITY

Particulars	As at	As at
	March-21	March-20
Reserves & surplus*		
a) Share warrant	-	-
b) Securities Premium Reserve	46.44	46.44
c) General Reserve	360.55	360.55
d) Retained Earnings	-1,140.28	-1,086.26
e) Capital reserve	3.38	3.38
f) Revaluation reserve	6.92	6.92
	-722.99	-668.97
Other Comprehensive Income (OCI)		
Actuarial gain & loss	0.74	0.74
Investment carried at Fair value	0.31	0.13
Revaluation reserve	-0.33	-0.33
Foreign currency translation reserve	-1.65	-1.38
	-0.93	-0.84
	-723.92	-669.80

Security premium		
Balance as per last financial statement	46.44	46.44
Premium on issue of share	-	-
	<u>46.44</u>	<u>46.44</u>
General reserve		
Balance as per last financial statement	360.55	360.55
Addition during the year	-	-
Deletion during the year	-	-
	<u>360.55</u>	<u>360.55</u>
Retained earning		
Balance as per last financial statement	-1,086.26	-1,030.78
Profit for the period	-54.02	-55.49
Dividend during the year	-	-
Transfer to general reserve	-	-
	<u>-1,140.28</u>	<u>-1,086.26</u>
Capital reserve		
Balance as per last financial statement	3.38	3.38
Addition during the year	-	-
	<u>3.38</u>	<u>3.38</u>
Revaluation reserve		
Balance as per last financial statement	6.92	6.92
Addition during the year	-	-
	<u>6.92</u>	<u>6.92</u>
Remeasurement of defined benefit plan		
Balance as per last financial statement	0.74	0.74
Addition during the year	-	-
	<u>0.74</u>	<u>0.74</u>
Investment carried at fair value		
Balance as per last financial statement	0.13	0.26
Addition during the year	0.18	-0.12
	<u>0.31</u>	<u>0.13</u>
Revaluation reserve		
Balance as per last financial statement	-0.33	-0.33
Addition during the year	-	-
	<u>-0.33</u>	<u>-0.33</u>
Foreign Currency Translation Reserve		
Balance as per last financial statement	-1.38	-0.95
Addition during the year	-0.27	-0.43
	<u>-1.65</u>	<u>-1.38</u>
Total other equity	<u>-723.92</u>	<u>-669.80</u>
15 BORROWINGS		
Particulars	As at March-21	As at March-20
<u>Secured</u>		
Term Loans		
From banks		
Foreign Currency loan	0.00	-
Indian Currency Loan	-	-
	<u>0.00</u>	<u>-</u>
16 Provision		
	As at March-21	As at March-20
Gratuity	2.37	2.47
	<u>2.37</u>	<u>2.47</u>
17 DEFERRED TAX LIABILITIES (NET)		
Particulars	As at March-21	As at March-20
<u>Deferred tax liabilities</u>		
Depreciation	11.95	13.98
Others	1.71	1.77
	<u>13.66</u>	<u>15.75</u>
<u>Less: Deferred tax assets</u>		
Others	-	-
	<u>-</u>	<u>-</u>
Net	<u>13.66</u>	<u>15.75</u>
18 BORROWINGS		
Particulars	As at March-21	As at March-20
<u>Secured</u>		
From banks	781.78	753.90
	<u>781.78</u>	<u>753.90</u>

19 TRADE PAYABLES

Particulars	As at March-21	As at March-20
Current		
Dues of micro and small enterprises	1.76	1.76
Dues other than micro and small enterprises	266.29	-
	<u>268.04</u>	<u>260.02</u>

20 OTHER FINANCIAL LIABILITIES

Particulars	As at March-21	As at March-20
Current maturities of long term debt	6.13	5.91
Interest Accrued but not due on Term Loan	-	-
Payable on account of employees	2.68	3.50
Security Deposit	74.42	74.46
Expenses payables	8.46	2.91
Audit fee payable	0.09	0.14
Unclaimed dividend	0.48	0.48
Advance from related party	144.03	144.03
	<u>236.30</u>	<u>231.43</u>

21 OTHER CURRENT LIABILITIES

Particulars	As at March-21	As at March-20
Advance from customer	6.34	17.36
Statutory dues payable	-4.46	-2.04
Sr Cr. Employee	3.37	3.10
	<u>5.26</u>	<u>18.42</u>

22 PROVISIONS

Particulars	As at March-21	As at March-20
Gratuity	-	-
Leave encashment	0.45	0.46
	<u>0.45</u>	<u>0.46</u>

23 CURRENT TAX LIABILITIES (NET)

Particulars	As at March-21	As at March-20
Provision for tax	-	-
Less Advance tax	-	-
	<u>-</u>	<u>-</u>

FEDDERS ELECTRIC AND ENGINEERING LIMITED
NOTES TO PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

24 REVENUE FROM OPERATIONS		(Amount in Crores)	
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	
<u>Sale of product</u>			
Projects/Manufacturing Goods	17.43	70.50	
	17.43	70.50	
Less:- Discount			
	17.43	70.50	
25 OTHER INCOME			
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	
Interest Income	0.38	0.53	
Dividend income	-	-	
Other income	-	-	
	0.38	0.53	
26 COST OF MATERIALS CONSUMED			
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	
Raw materials, consumables & component consumed			
Opening stocks	22.79	36.62	
Add:-Purchases	14.89	35.44	
Carriage Inwards	0.00	0.07	
Less: Closing stocks	22.85	22.79	
	14.83	49.34	
27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE			
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	
<u>Inventories at the end of the year</u>			
Finished Goods	1.28	1.28	
Work In Progress	0.86	1.00	
	2.14	2.28	
<u>Inventories at the beginning of the year</u>			
Finished Goods	1.28	3.02	
Work In Progress	1.00	2.29	
	2.28	5.31	
	0.14	3.02	
28 EMPLOYEE BENEFIT EXPENSES			
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020	
Wages (Workers)	1.92	1.76	
Labour Welfare	-0.00	0.01	
Salary & wages	3.66	7.36	
Contribution to provident and other fund	0.19	0.43	
Employer contribution in ESI	0.01	0.03	
Gratuity	0.12	-1.24	
Bonus	0.05	0.13	
Leave Encashment	0.03	-0.40	
Staff Welfare	0.01	0.06	
	6.00	8.15	

29 FINANCE COST

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest Expense	2.13	7.91
Bank Charges	5.60	1.97
	7.73	9.88

30 DEPRECIATION & AMORTIZATION EXPENSES

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on Property, Plant and Equipment	17.53	17.54
Amortisation on Intangible Assets	-	0.09
	17.53	17.62

31 OTHER EXPENSES

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Repair and Maintenance		
- Plant & Machinery	0.00	0.00
- Building & Office	0.05	0.00
- Others	0.09	0.08
Electricity Charges	0.29	0.82
Factory Overheads	12.86	16.35
Insurance	0.09	0.31
Rent Rate & Taxes	0.33	0.40
Postage & Courier & Telephone Expenses	0.19	0.19
Printing and stationery	0.04	0.03
Audit Fee (including service tax&GST)	0.04	0.09
Legal & Professional Expenses	1.64	1.43
Travelling & Conveyance Expenses	0.19	0.35
Motor Car Expenses	0.02	0.02
Advertisement Expenses	0.03	0.07
Selling expenses	0.02	0.10
Research & Development Expenses	-	0.00
Watch & Ward	0.82	0.71
Computer /Software Expenses	0.16	0.45
Fees & Taxes(including club fee)	0.13	0.26
Director Remuneration & Sitting Fees	-	0.25
Warranty Expenses	0.00	0.02
Loss on foreign exchange fluctuation	-0.20	0.48
Misc. Expenses	0.01	0.03
Loss on Sale of Fixed Assets	-	0.01
LD/ Performance Penalties Expenses	10.92	17.05
Prior Period Expenses	-	0.04
	27.70	39.53

32 EARNING PER SHARE

Particulars	2020-21	2019-20
(A) Profit attributable to Equity Shareholders (Rs.)	-54.02	-55.49
(B) No. of Equity Share outstanding during the year.	3,39,69,700	3,39,69,700
(C) Face Value of each Equity Share (Rs.)	10	10
(D) Basic & Diluted earning per Share (Rs.)	-15.90	-16.33

NOTES TO ACCOUNTS:**33) Contingent liability not provided for**

Particulars	As at 31.03.2021 (Rs. in Crore)	As at 31.03.2020 (Rs. in Crore)
A. Claims against the company / disputed liabilities not acknowledged as debts*		
a. Recovery Suits filed by the parties in different court	0.00	0.00
b. Recovery Suits filed by the co. different court	0.00	0.00
c. Central Excise & Customs Matters	0.00	0.00
d. Sale Tax Matters	0.00	0.00
• 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) 2,04,89,249/-	0.00	0.00
B. Guarantees*		
i) Bank Guarantees which Includes the Bank Guarantees issued in foreign currency amounting to USD 9,17,576.53(INR 6,52,39,691/-)	4.44	4.44

Note : All the Claims against the company / disputed liabilities which was not acknowledged as debt except as shown above has been reduced to zero (NIL) on pursuant to the order of Hon'ble NCLT APPROVING THE RESOLUTION PLAN SUBMITTED BY IM+ CAPITALS LTD.

34) Contracts remaining to be executed NIL
On capital account and not provided for NIL

35) 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	As at 31.03.2021	As at 31.03.2020
Principal amount due to any supplier as at the year end	1.76	1.76
Interest due on the principal amount unpaid at the year end to any supplier:	NIL	NIL
TOTAL	1.76	1.76

Principal Amount of supplies registered under MSME amounting to Rs.1.76 Crores are under dispute as on balance sheet date, however there is no outstanding of MSME related to this period as on the date of signing

36) 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
- ii. List of Key management personnel as defined under Indian Accounting Standard (Ind AS) 24, 'Related party disclosures':
 - a. Mr. Sanjiv Kavaljit Singh Whole Time Director & CEO (w.e.f 08.11.2018 to 18.10.2019)
 - b. Mrs. Shagun Bajpai Company Secretary (w.e.f 01.04.2019 to 08.01.2020)
 - c. Neeraj Gupta CFO (w.e.f 29.11.2018 to 16.10.2021)
 - d. Vansh Vardhan Joshi Independent Director (w.e.f 04.06.2019 to 06.10.2021)
- iii. Enterprises owned or significantly influenced by key management personnel or their relatives;

		Rs. In Crores	
		2020-21	2019-20
		Amount	Amount
a.	Airserco Private Limited	46.03	46.03
b.	LEEL Electricals Limited	(65.10)	(65.10)
c.	LEEL Electricals Limited (security deposit)	(61.29)	(61.29)
d.	Perfect Radiators & Oil Coolers Pvt. Ltd.	(67.41)	(67.41)
e.	PSL Engineering Pvt. Ltd.	76.41	76.41
f.	Regal Information Technology Pvt. Ltd.	3.63	3.63
g.	Fedders Credits Ltd.	-	-
h.	Fedders IT Technology Pvt. Ltd.	7.23	7.23
i.	Fedders Sales Pvt. Ltd.	5.01	5.01
j.	Fedders Manufacturing Pvt. Ltd.	(9.97)	(9.97)
k.	Fedders Infotech (India) Pvt. Ltd.	(0.35)	(0.35)
l.	Fedders Stock & Investments Pvt. Ltd.	(1.20)	(1.20)
m.	Himalayan Mineral Waters Pvt. Ltd.	9.30	9.30
n.	Punj Engineering Pvt. Ltd.	-	-
o.	Punj Services Pvt. Ltd.	-	-
p.	Pandit Kanahaya Lal Punj Pvt. Ltd.	1.11	1.11

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

		Rs. in Crores	
Name of Related Party		2020-21	2019-20
		Amount	Amount
Key Management Personnel			
Managerial Remuneration Paid			
-Mr. Sanjiv Kavaljit Singh		0.33	0.33
-Mrs. Shagun Bajpai		0.05	0.05
-Mr. Neeraj Gupta		0.43	-

* Since, the newly constituted board came into existence after NCLT order dated 06 October 2021, these audited results have been endorsed by newly constituted board for the limited purpose of compliance, based on limited information available with them. While Fedders Lloyd Nigeria Limited is appearing as a subsidiary in FY 2017-18 audited financials, but no information with respect to investment in the same is available, as on the reporting date, with newly constituted board.

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

Particular	2020-21	2019-20
i) Raw Materials Components & Parts	0.00	0.04
ii) Capital Goods	0.00	0.00
Total	0.00	0.04

Value of Raw Material consumed:

	March 31, 2021		March 31, 2020	
	Percentage	Value	Percentage	Value
Import	0.00	0.00	0.08	0.04
Indigenous	100.00	14.83	99.92	49.30
Total	100.00	49.34	100.00	49.34

Remittance in Foreign Currency on account of:

Particulars	March 31, 2021	March 31, 2020
Import Raw Material components & parts	0.00	0.04
Travelling Expenses	0.00	0.04
Other Expenses	0.00	0.13
Total	0.00	0.21

Earning in Foreign Exchange:

Particulars	March 31, 2021	March 31, 2020
Export Sale	0.23	0.23
Total	0.23	0.23

The Company has a bad debts Rs. NIL (Last year Rs.2.80 Crores)

External Commercial Borrowings:-

The Company has total ECB of USD 8,32,577.38 INR 6,09,47,578.28 (Last year USD 7,78,947.44 INR 5,86,74,215.91) is outstanding as on reporting date.

38) Remuneration to Auditors:**(Rs. in Crores)**

Particulars	March 31, 2021	March 31, 2020
Audit fees (Including Tax Audit Fees)	0.04	0.09
Total	0.04	0.05

39) Operating Segment Reporting (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, 2021	March 31, 2020
I. Segment Revenue		
i. Environmental control system	2.09	2.62
ii. Steel Structure & Engineering	0.70	8.67
iii. Power Project	15.02	59.74
Sub:- Total (i+ii+iii)	17.81	71.03
Less:- Inter Segment Revenue	-	-
Net Sales/Income from Operations	17.81	71.03
II. Segment Results		
(PROFIT (+)/LOSS(-))		
i. Environmental control system	(5.32)	(6.00)
ii. Steel Structure & Engineering	(22.24)	(17.75)
iii. Power Project	(20.81)	(22.88)
Sub:- Total (i+ii+iii)	(48.37)	(46.63)
Less:-i. Finance Cost	7.73	9.88
ii. Other un-allocable expenditure net of	0.00	0.00
iii. Un-allocable income		
Total Profit before tax	(56.11)	(56.51)
	-	-
III. Capital Employed (Total assets – current Liability) *	-	-

*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.

40). 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, 2021	March 31, 2020
Present Value of obligation as at the beginning of the period	2.47	3.79
Interest Cost	0.17	0.29
Service Cost	0.07	0.09
Benefit Paid	(0.00)	(0.08)
Past service cost including curtailment Gain/Loss on obligation	0.00	0.00
Total Actuarial Gain/Loss on Obligation	(0.12)	(1.62)
Present Value of obligation as at the End of the period	2.59	2.47

The Amount recognized in the Income Statement

Particulars	March 31, 2021	March 31, 2020
Interest Cost	0.29	0.29
Service Cost	0.09	0.09
Expenses recognized in the Income Statement	0.38	0.38

Net Liability recognized in the Balance Sheet

Particulars	March 31, 2021	March 31, 2020
Present Value of obligation at end	2.59	2.47
Fair Value of Plant Assets	-	-
Unfunded Liability /Provision in Balance Sheet	(2.59)	(2.47)
Unfunded Liability recognized in the Balance Sheet	(2.59)	(2.47)

Remeasurement (gain)/ loss recognized in other comprehensive income

Particulars	March 31, 2021	March 31, 2020
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	-
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	(0.00)	(0.59)
Actuarial (Gain)/Loss on arising from Experience Adjustment	0.12	1.68
Total	0.12	1.09

Principal assumptions used in determining defined benefit obligation.

Particulars	March 31, 2021	March 31, 2020
i) Discounting Rate	6.80	6.80
ii) Future salary Increase	8.00	8.00
iii) Retirement Age (Years)	60	60
iv) Mortality rates inclusive of provision for disability **	100% of IALM (2006 - 08)	
v) Ages	Withdrawal	Withdrawal
	Rate (%)	Rate (%)
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.

a) Impact of the change in discount rate	
Present Value of Obligation at the end of the period	2.59
Impact due to increase of 0.50%	(0.04)
Impact due to decrease of 0.50 %	0.04
b) Impact of the change in salary increase	
Present Value of Obligation at the end of the period	2.59
a) Impact due to increase of 0.50%	0.04
b) Impact due to decrease of 0.50 %	(0.04)

41) Capital Management

For the purposes of Group's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The Group 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 Group consists of net debt (borrowings offset by cash and bank balances) and total equity of the company.

The Group reviews the capital structure of the Company 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, 2021	As at March 31, 2020
Debt	787.91	759.81
Cash and bank balances	10.98	11.34
Net debt	776.93	748.47
Total equity	(689.95)	(635.83)
Equity and net debt	86.98	113.04
Gearing ratio (Net Debt/Capital and Net Debt)	893.23%	662.13%

42) Financial Instruments

a) Financial instruments by category

(Rs. in crores)

Financial assets	As at March 31, 2021	As at March 31, 2020
Measured at amortized cost		
a) cash and cash equivalent incl bank balance	10.98	11.34
b) Loan	148.36	148.56
c) Other financial assets	146.70	146.56
d) Trade receivable	100.73	114.95
Fair value through Other Comprehensive Income		
Investment in equity Instrument	0.50	0.32
Total	407.27	421.73
Financial liabilities		
Measured at amortized cost		
a) Borrowing	6.13	5.91
b) Short term borrowing	781.78	753.90
b) Trade payable	268.04	260.02
c) Other financial liability	230.17	225.53
Total	1286.12	1245.36

b) Fair value measurement of financial assets and financial liabilities

Particulars	Fair value hierarchy			Valuation technique(s) and key input(s)
	As at March 31, 2021	As at March 31, 2020		
Investment in equity	0.50	0.32	Level 1	Based on quoted market price in active markets
Borrowing	6.13	5.91	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.

Particulars	As at March 31, 2021	As at March 31, 2020
i) Financial assets – Current		
Trade receivables	100.73	114.95
Cash and Bank balances	10.98	11.34
Loans	148.36	148.56
Other Financial assets	146.70	146.56
ii) Financial liabilities – Current		
Borrowings	781.78	753.90
Trade payable	268.04	260.02
Other Financial liabilities (other than current maturity of long term borrowings)	230.17	225.53

43) 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 Company'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

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, 2020 comprise of fixed rate loans and accordingly, are not expose to risk of fluctuation in market interest rate.

ii) 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.

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.

(Rs. in crores)

Particulars	Weighted average effective interest rate (%)	Within 1 year	1-5 years	Total	Carrying amount
As at March 31, 2021					
Borrowings	7.59%	6.13	-	6.13	6.13
Short term borrowings		781.78	-	781.78	781.78
Trade payable		268.04	-	268.04	268.04
Other financial liabilities		230.17	-	230.17	230.17
Total		1286.12	-	1286.12	1286.12
Particulars	Weighted average effective interest rate (%)	Within 1 year	1-5 years	Total	Carrying amount
As at March 31, 2020					
Borrowings	7.59%	5.91	-	5.91	5.91
Short term borrowings		753.90	-	753.90	753.90
Trade payables		260.02	-	260.02	260.02
Other financial liabilities		225.53	-	225.53	225.54
Total		1245.36	-	1245.36	1245.37

44) Dividend Paid and Proposed

(Rs. in crores)

Particulars	31.03.21	31.03.20
Dividend declared and paid during the year:		
Final Dividend paid	0.00	0.00
Corporate Dividend Tax on Final Dividend	0.00	0.00
	0.00	0.00

45) Deferred tax

Particulars	31-Mar-20	Recognized in Profit or loss	Recognized in other comprehensive income	31-Mar-21
Deferred tax (liabilities)/assets in relation to:				
Due to Depreciation	(13.98)	2.03	-	(11.95)
Others	1.77	(0.06)	-	(1.71)
Total	(15.75)	2.09	0.00	(13.66)

46) Previous year's figures re-grouped/ re-arranged where found necessary.

47) Notes '1' to '46' form an integral part of accounts and are duly authorized.

Refer to our Report of even date.

For Rajeev Malhotra & Associates
Chartered Accountants,
Firm's Registration Number : 021479N

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

sd/-
Sunil Sakral
Partner
Membership No. :509537
UDIN: 22509537ARGPGL2931

Sd/-
Vishal Singhal
(Managing Director)
DIN: 03518795

sd/-
Tanya Singhal
(Director)
DIN: 08930315

Sd/-
Narender Kumar Mishra
(CFO)

sd/-
Sakshi Goel
(Company Secretary)

Place: Sikandrabad, U.P.

Date: 05.09.2022



**FEDDERS
ENGINEERING**

**ANNUAL REPORT 2020-21
BOOK POST COURIER**

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**REGISTERED OFFICE: 6 AND 6/1 UPSIDC Industrial Area
Sikandrabad Bulandshahr UP 203205**
