

October 1, 2018

To,
National Stock Exchange of India Limited
Exchange Plaza, C/1 Block G
Bandra Kurla Complex, Bandra (E)
Mumbai-400051

Symbol : FIVECORE

Sub: Annual Report of Five Core Electronics Ltd. for the Financial Year 2017-18

Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the Financial Year 2017—18.

This is for your information and records.

Thanking you

Yours Faithfully,
For Five Core Electronics Limited


Saurabh Kumar Jain
Company Secretary



Encl: a/a

*Climbing the
heights of quality,
performance, trust
and reliability.*



5 CORE[®]

SOUND OF INDIA



Five Core Electronics Ltd.
Annual Report 2017-18

*Climbing the
heights of quality,
performance, trust
and reliability.*

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FIVE CORE ELECTRONICS LTD

COMPANY OVERVIEW



Surinder Singh Kalra established his venture in the field of electronics as a small-time goods dealer in the year of 1984 in Kolkata. Through the integration of hard work and knowledge, his lineage successfully established the business as a distinguished manufacturer and exporter to many parts of the world in the overall span of 34 years.

The brand “5CORE®” – established in 1988 – became the first to introduce multi-core soldering wire of Japanese Technology in India. As the business expanded, “FIVE CORE ELECTRONICS LTD.” was founded in 2002, which dealt in the manufacturing as well as exporting of Public Address Systems, Speakers, Amplifiers, Driver Units, Microphone, Audio System and D J System etc. Having being accepted all across the globe in more than 75 countries, 5Core® – The sound of India, has climbed the heights of Quality, Performance and Trust With the strong history of manufacturing, the company has established itself in the industry and marked its place in the world market.

5CORE® is the largest manufacturers of PA equipment as well as the biggest exporter of the same worldwide. It is currently trading across the globe with developed & developing countries namely, U.S.A, U.K, China, Hong Kong, Columbia, Singapore, Dubai, S.A, Saudi Arabia, Kuwait, Nepal, Egypt, Brazil, Argentina, Tanzania, Nigeria and Bangladesh. While manufacturing strength of a company plays as a backbone in the business world, Five Core has been able to establish two modern manufacturing plants to produce the world-class Public Address Systems.

We are 300 + strong team working with a motive to encroach the already set limits of Excellency. We have an excellent team of B.Tech Engineers in our R&D, Qualified Electronic Engineers for efficient Production, Electronic degree holders for manufacturing, Qualified export/import management graduates, C.A's for finance, Marketing team and CS for Compliances.

By rendering exceptionally good sound solutions, the company helps people find access to great technology & electronically-advanced PA Equipment. The company has been working with a vision to serve supreme sound quality that let one experience ‘the science of Acoustics.

CHAIRMAN'S MESSAGE



Dear Stakeholders,

I on behalf of entire 5 Core Family take this opportunity to thank our valued Stakeholders, whose continued patronage and confidence in our products inspires us to extend the best of services and enable us to provide value for their money.

The financial year 2017-18 was very good for the Company. During the year, Company has received "Electronics Business of the Year" award in Small Business Awards 2018 organized by Franchise India, and "Most Impactful 30 Power Brands 2018" award at Power Brands Glam- BFJA 2018. your Company got the 7th

Ranked in the category "The Very Best Speaker Brands" at www.ranker.com.

As you are aware that, now Your Company is Listed Entity, During the month of May, 2018, Company came out with Initial Public Offer of 33,33,000 Equity Shares at a Price of Rs. 140/- per share (including Premium of Rs. 130/- per share). Getting listed shall give us major three benefits. : First one is branding of the company, second one is wealth creation for our stakeholders and third one is we have enough working capital for our further expansion.

The year 2017-18 was full of opportunities. As of now we are focusing on Branding of our company. At this point of time, I have the pleasure and privilege to share with you the highlights of the year's performance as mentioned below:

At Consolidated level, The total revenue of the company during the year under the review was Rs. 3,359,520,295 (2017-18) & company has posted Profit after Tax of Rs. 140,294,820, At Standalone level, The total revenue of the company during the year under the review was Rs. 1,922,420,000 (2017-18) and the company has posted Profit after Tax of Rs.46,850,344 .

We have successfully installed and executed the PA System at the Kumbh Mela, Ujjain along with participation in various exhibitions like Secutech at Mumbai, India, Electronics and Electrical Expo at Antananarivo, Madagascar, HKTDC Electronics fair at Hongkong, Infocomm at Mumbai, Indian DJ Expo at Delhi, Palm Expo at Mumbai. Etc.

I once again extend my warm wishes and thank our investors, bankers, board Members, Partners, suppliers, employees and customers for their trust and support, May you all have great decades ahead!

I look forward to your support and encouragement in making your company the Leader in the field of PA System.

With Best Regards,
Amarjit Singh Kalra
Chairman & Managing Director

Our Values

Values serve as a compass for our actions and describe how we behave in the world.

- **Leadership:** The courage to shape a better future
- **Collaboration:** PA Equipment collective genius
- **Integrity:** Be real; be true to the market values.
- **Diversity:** A wide range of PA equipment, Home Theatre Systems and Car Speakers
- **Quality:** Maintaining the standard value of the products that might enhance the standard of living of the people

Our Mission

The entrepreneurial voyage of any company starts with its mission and vision that enables their existence as a whole. It declares the purpose of a company and serves as the standard against which company weighs its actions and decisions.

5SCORE®'s mission is to serve the elite masses all across the world, with innovative and qualitative acoustic equipment & systems

Our Vision

The vision serves as the framework and guides every aspect of the business by describing what the company wishes to accomplish in order to continue achieving sustainable and quality growth. Sound connects us to our internal spiritual soul and it carries much of the emotional & holistic content to experience one of God's Gift- ACOUSTICS. Our vision is to develop systems that record & reproduce The Enigma of Sound in its original & true flavor.

We feel rewarded when our valued customer's Blooming Ear Buds are able to cherish the natural and exhilarating Flavors of Sound through the means of Audio Systems passionately developed by us.

Strengths & Building Blocks

- ▶ Products are manufactured at twostate of the art manufacturing units under the guidance of experienced engineers
- ▶ Largest manufacturers of PA equipments as well as the biggest exporter of the same worldwide.
- ▶ ISO certified, maintaining highest standards of quality and endurance.
- ▶ Exports to more than 70 countries covering almost all of America, Europe, Africa, Asia and Middle-East.

ELECTRONICS BUSINESS OF THE YEAR

Given By P.P. Chaudhary - Union
Minister Of State For The
Law And Justice And The Ministry Of
Corporate Affairs In Small Business
Awards 2018



THE MOST IMPACTFUL POWER BRAND 2018

Given By Arindam Chaudhury
And Kay Kay Menon
During The Power Brands Awards 2018



E V E N T S



PALM EXPO MUMBAI
2017



LIGHT, SOUND & DJ EXPO (P&B),
JALANDHAR - 2017



INDIAN DJ EXPO
2017



INFOCOMM INDIA
MUMBAI-2017



SECUTECH INDIA
MUMBAI-2017



PRO WAVE EXPO
BANGALORE-2017



PUNJAB DJ LIGHT
& SOUND AND SABHCHARAK
GROUP ASSOCIATION,
BHATINDA PUNJAB-2017

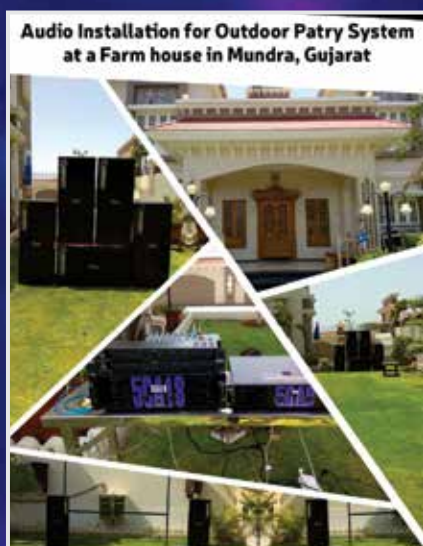
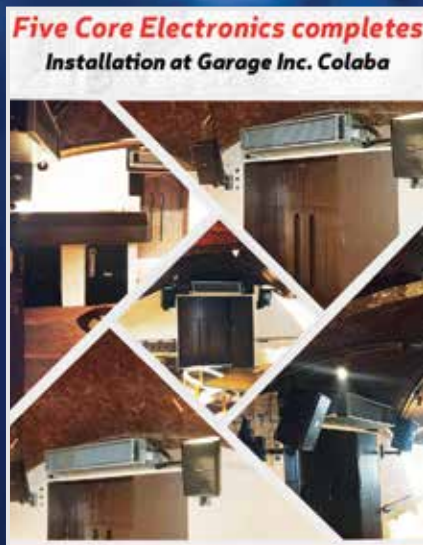


PRO WAVE EXPO
BANGALORE-2017



INDIAN DJ EXPO
NEW DELHI-2017

Installations



BELL RINGING CEREMONY OF FIVE CORE

Five Core Electronics Ltd was listed on Nse Emerge platform of National Stock Exchange on 21st May, 2018. The Company has fixed a price of Rs. 140 per shares(including premium of Rs. 130/- per Share) for its initial public offerings through which it is estimated to raise 46.66 Cr. Issue was open from 9th of May 2018 to 11th of May 2018 and closed with 1.77% Oversubscription. The Main Objectives of the company to come up with IPO, to meet the working capital requirements of our Company and its Subsidiary (5 Core Acoustics Private Limited) and repayment of unsecured Loan of Promoters/ Directors and General Corporate purpose.

BELOW ARE SOME GLIMPSES OF BELL RINGING CEREMONY



MANUFACTURING FACILITIES

- FECL has developed one R&D unit and two manufacturing units in Delhi and Bhiwadi, Rajasthan respectively.
- The manufacturing and R&D units are spread over a sprawling area of 35000 sq.yards.
- The majority of the materials are procured domestically but there are certain raw materials which are procured from foreign countries as they believe in providing best quality.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Amarjit Singh Kalra
Managing Director

Mrs. SurinderKaur Kalra
Director

Mrs. Jagjit Kaur Kalra
Director

Mr. Raj Kumar Projapati
Director(Independent)

Mr. Aditya Agarwal
Director(Independent)

Mr. Neeraj Joshi
Director(Independent)

CHIEF FINANCIAL OFFICER

Mr. Amitabh Singh

COMPANY SECRETARY

Mr. Saurabh Kumar Jain

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Raj Kumar Projapati
Mr. Neeraj Sharma
Mr. Amarjit Singh Kalra

NOMINATION AND REMUNERATION COMMITTEE

Mr. Neeraj Sharma
Mr. Raj Kumar Projapati
Mr. Amarjit Singh kalra

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Neeraj Sharma
Mr. Raj Kumar Projapati
Mr. Amarjit Singh Kalra

AUDITORS

M/s GSK & Associates LLP, Chartered Accountants
Plot No.8, 1st Floor,Motia Khan,
Industrial Area,New Delhi

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Private Limited

Mumbai Office: 1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road, Marol, Andheri East,
Mumbai –400059

Delhi Office: 4E/8, First Floor, Jhandewalan Extension,
NewDelhi-110055

BANK

Andhra Bank

REGISTERED OFFICE

WZ-15B, Ground Floor, Uggarsain Market,
Ashok Nagar, New Delhi-110018

FIVE CORE ELECTRONICS LIMITED

(CIN: L32109DL2002PLC148250)

Reg. Off.: WZ-15B, Ground Floor, Uggarsain Market, Ashok Nagar, New Delhi -110018**Tel:** 011-28128000, **Fax No:** 011-28128011, **Website:** www.5core.com, **Email :** cs@5core.in**NOTICE OF 16TH ANNUAL GENERAL MEETING**

Notice is hereby given that Sixteenth Annual General Meeting of the Members of the Five Core Electronics Limited will be held on Thursday, 27th September, 2018 at Naraina Vihar Club, C Block, Near Gurudwara Sri Guru Singh Saheb, Naraina Vihar, Naraina, New Delhi-110028 at 04:00 P.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement (Standalone and Consolidated) of the company for the financial year ended March 31, 2018; the Reports of Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mrs. Surinder Kaur Kalra (DIN :00177037), who retires by rotation and being eligible, offers herself for re-appointment.

For and on behalf of the Board
For Five Core Electronics Limited

Place: New Delhi
Date: August 22, 2018

Amarjit Singh Kalra
Managing Director

REGISTERED OFFICE:
WZ-15B, Ground Floor,
Uggarsain Market,
Ashok Nagar, New Delhi -110018

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll on his/ her behalf and the Proxy need not be member of the company. Pursuant to Section 105 of the Companies Act, 2013, a person can act as Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the company. Members holding more than ten percent of the total share capital of the company may appoint a single person as Proxy, who shall not act as Proxy for any other Member.
2. The Instrument of Proxy, in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not later than 48 hours before the commencement of the meeting. Every member entitled to vote at a meeting of the company, or on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention so to inspect is given to the company. A proxy form is annexed to this report.
3. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), of the person seeking re-appointment as Director under Item No. 2 of the Notice, are also annexed as "Annexure A" hereto.
4. Corporate/Society Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a certified copy of the Board Resolution/Authority letters together with specimen signature of their representative(s), who are authorized to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the meeting, only that joint-holder who is highest in the order of names shall be entitled to vote.
6. Members desirous of seeking any information concerning the Accounts or operations of the Company are requested to address their queries in writing to the Company at least 10 days before the date of Annual General Meeting, so that the requested information can be made available at the time of the meeting.
7. Members holding shares in physical forms are requested to consider converting their holding to dematerialized form to eliminate all risk associated with physical shares and for ease in portfolio management. Member can contact the Company or the Company's Registrar and Transfer Agent, Bigshare Services Private Limited, for assistance in this regard.
8. Pursuant to Companies Act, 2013 and Regulation 42 of SEBI (LODR) Regulation, 2015. Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2018 to 27th September, 2018 (both days inclusive).
9. Cut off Date:
A person whose name appeared on Register of Members or Register of Beneficiary Owners as on 21st September, 2018 ("Cut-off Date") only shall be entitled to vote through Remote e-voting and at the AGM. The voting rights of member shall be in proportion to their share of the paid-up equity share capital of the company as on Cut-off date.
10. Members/ Proxies are requested to bring their admission slip along with copy of the report and accounts to Annual General Meeting.
11. Members are requested to notify immediately any changes, if any, in their registered addresses at an early date to the Registrar and Share Transfer Agent, quoting their folio numbers/client ID/ DPIN in all correspondence, so as to enable the Company to address any future communication at their correct Address.
12. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the

Company between 11.00 A.M. to 2.00 P.M. on all working days (except Sundays and Public Holidays) up to the date of the Annual General Meeting of the Company. The register of Directors and Key Managerial Personnel and their shareholding, maintained under section 170 of the Companies Act, 2013 and the Register of Contract and Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 and others as may be specified, will be available for inspection by the members at the AGM.

13. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting Venue.
14. Non Resident Indian Members are requested to inform Registrar and Transfer Agent and their relevant DP's immediately of:
 - (a) change in their residential status to India for permanent settlement.
 - (b) Particulars of their bank Account (s) maintained in India with Complement name ,branch, account type, account number and address of bank with Pin code Number, if not furnished earlier.
15. Electronic copy of the Annual Report, inter-alia, including Notice of Annual General Meeting, proxy form and attendance slip is being sent to all the shareholders whose name appears in the prelist furnished by NSDL and CDSL as Beneficial Owner as on 24th Day of August, 2018 at the Email Id registered with the Company /RTA/ DP for communication purpose. For those Members whose name stand registered in the Register of Member as on 24th Day of August, 2018 and who haven't registered their e-mail ids, physical copy of the Annual Report, inter-alia, including Notice of Annual General Meeting , proxy form and attendance slip is being sent to them in permitted mode.
16. Members who have not registered their e-mail addresses so far are requested to register the same with the Company or Bigshare Services Private Limited for receiving all communication electronically from the Company.
17. Members may also note that Notice of Annual General Meeting and Annual Report for 2017 of the Company is also available on the Company's website: www.5score.com
18. Members can opt for one mode of voting i.e. either by physical ballot or through e-voting. If Members opt for e-voting then they cannot vote by Physical Ballot or vice versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
19. The E-voting period for all items of business contained in this Notice shall commence from Monday the 24th September, 2018 at 9.00 a.m. and will end on Wednesday the 26th September, 2018 at 5.00 p.m. During this period equity shareholders of the Company holding shares either in physical form or in dematerialized form as on the cutoff date of 21st September, 2018, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by any Member, he/she shall not be allowed to change it subsequently.
20. The Board of Directors has appointed M/s Mohit Singhal & Associates, Company Secretaries, as the Scrutinizer to Scrutinize the E-voting process in a fair and transparent manner (including the Ballot Form received from the members who do not have access to the e-voting process) in a fair and transparent manner.
21. The Results of E-voting shall be declared at the AGM of the Company and the results along with Scrutinizer's report shall be placed on the website of the Company thereafter and shall also be communicated to the Stock Exchanges. The Resolutions shall be deemed to be passed, if approved, on the date of Annual General Meeting.
22. The Scrutinizer shall immediately after the conclusion of voting at the meeting, first count the votes casted at the meeting, thereafter unblock the votes casted through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and make, not later than 3 days of conclusion of the meeting and after scrutinizing such votes received shall make a Consolidated Scrutinizer's Report of the votes

cast in favor or against or invalid votes in connection with the resolution(s) mentioned in the Notice of the Meeting and submit the same forthwith to the Chairman of the Company.

23. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
24. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
25. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company www.5score.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Limited.
26. The Route Map showing directions to reach the venue of the Annual General Meeting is annexed.

27. Voting Through electronics means :

Pursuant to Section 108 of Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI LODR, 2015, the Company is pleased to provide the facility to members to exercise their right to vote on the resolutions proposed to be passed in the AGM by electronic means. The members whose names appear in the Register of Members/ List of Beneficial owners as on Friday 21st September, 2018, being the cut-off date, is entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting systems from any place other than the venue of the meeting (remote e-voting). The remote e-voting will commence from Monday 24th September, 2018 at 9.00 a.m. and will end on Wednesday the 26th September, 2018 at 5.00 p.m. In addition, the facility of voting through Polling Paper shall also be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given here:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below :

How to Log-into NSDL e-Voting website?

1. Visit the e-Voting website of NSDL, Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical Your User ID is:

- If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 are given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of Five Core electronics Limited to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to (Mail Id of Scrutinizer) in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

For and on behalf of the Board
For Five Core Electronics Limited

Amarjit Singh Kalra
Managing Director

Place: New Delhi
Date: August 22, 2018

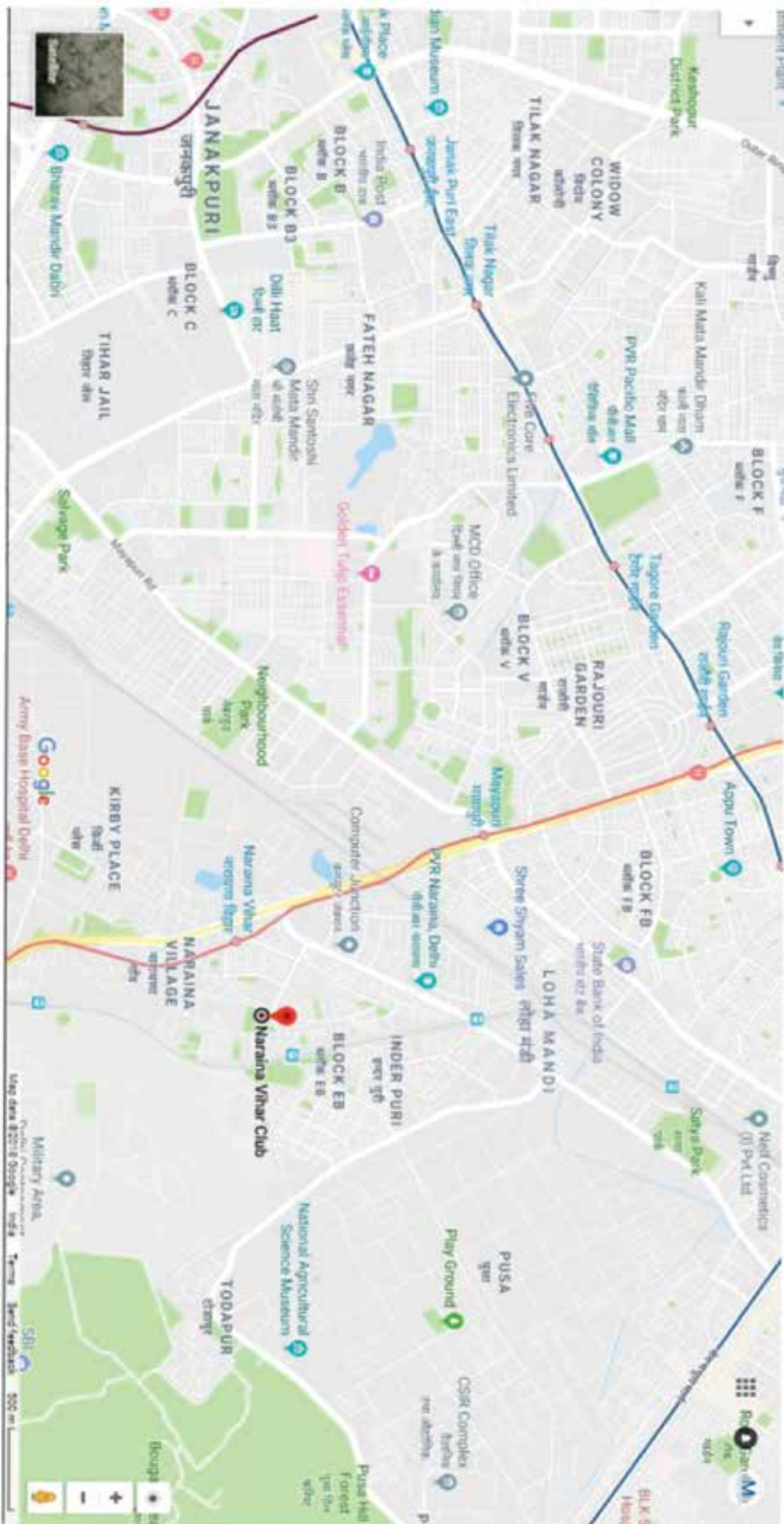
REGISTERED OFFICE:
WZ-15B, Ground Floor,
Uggarsain Market,
Ashok Nagar, New Delhi -110018

DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE 16TH ANNUAL GENERAL MEETING

ANNEXURE 'A'

Name of Director	Mrs. Surinder Kaur Kalra (DIN:00177037)
i) Date of Birth/Age	March 13,1974/ 44 Years
ii) Qualifications	Graduate from Tribhuvan University, Nepal
iii) Experience	She has a rich experience of more than 25 years in production and marketing of electronic goods and other related industry.
iv) Terms and Conditions of Re-appointment	Director liable to retire by rotation.
v) Last Remuneration drawn	N.A.
vi) Date of first appointment on the Board	11/04/2002
vii) No. of shares held as on March 31, 2018	2,441,783 (26.29 %)
viii) Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Wife of Mr. Amarjit Singh Kalra, Managing Director of the Company and Daughter in law of Mrs. Jagjit Kaur Kalra, Director of the Company
ix) No. of Board Meetings attended/ held during Financial Year 2017-18	23 out of 23
x) Directorships held in other companies	5 core Acoustics Pvt. Ltd./ Indian Acoustics Pvt. Ltd./ Happy Acoustics Ltd.,/ Kaneer Industries Pvt. Ltd./ Ems & Exports Private Ltd. / Digi Export Venture Pvt. Ltd./ Five Core Exim Ltd. (Listed on BSE)
xi) Chairman/ Member of the Committee of the Board of Directors of the Company as on March 31, 2018	Nil
xii) Committee position held in other companies	Nil

ROUTE MAP OF VENUE OF AGM



**FIVE CORE ELECTRONICS LIMITED**

(CIN: L32109DL2002PLC148250)

Reg. Off.: WZ-15B, Ground Floor, Uggarsain Market, Ashok Nagar, New Delhi -110018**Tel:** 011-28128000, **Fax No:** 011-28128011, **Website:** www.5core.com, **Email :** cs@5core.in**ATTENDANCE SLIP**
16th ANNUAL GENERAL MEETING

Srl. No.

Registered Folio No. / DP ID & Client ID :

Name and Address of Member (s) :

Joint Holder (s) :

No. of Shares :

I/We hereby record my/our presence at the 16th Annual General Meeting of the Company held on Thursday, the **27th day of September, 2018 at 4.00 P.M.** at Naraina Vihar Club, C Block, Near Gurudwara Sri Guru Singh Saheb, Naraina Vihar, Naraina, New Delhi -110028.

Proxy's name(in Block Letters)_____
Member's/ Proxy's Signature**Notes:**

1. Please fill up this attendance slip and hand over at the entrance of the venue for the meeting. Members/Proxy Holders are requested to bring their copies of the Annual Report to the meeting.
2. Please note that no gift or gift coupons will be distributed.

**FIVE CORE ELECTRONICS LIMITED**

(CIN: L32109DL2002PLC148250)

Reg. Off.: WZ-15B, Ground Floor, Uggarsain Market, Ashok Nagar, New Delhi-110018**Tel:** 011-28128000, **Fax No:** 011-28128011, **Website:** www.5core.com, **Email :** cs@5core.inA**PROXY FORM – MGT-11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the Member(s):

Registered address :

E-mail Id:

Folio No/ Client Id: **DP ID:**

I/ We being the member (s) of _____ shares of the above mentioned
company, hereby appoint:

1. Name: **E-mail Id :**

Address :

.....,Signature.....

, or failing him/her;

2. Name: **E-mail Id :**

Address :

.....,Signature.....

, or failing him/her;

3. Name: **E-mail Id :**

Address :

.....,Signature.....

, or failing him/her;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th ANNUAL GENERAL MEETING of the Company to be held on Thursday, 27th September 2018 at 4:00 P.M. at Naraina Vihar Club, C Block, Near Gurudwara Sri Guru Singh Saheb, Naraina Vihar, Naraina, New Delhi-110028 and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Res. No.	Description	For	Against
1.	To consider and adopt the Audited Financial Statement (Standalone and Consolidated) of the company for the financial year ended March 31, 2018; the Reports of Board of Directors' and Auditors' thereon		
2.	To appoint a Director in place of Mrs. Surinder Kaur Kalra (DIN:00177037) who retires by rotation and being eligible, offers herself for re-appointment		

Signed this _____ day of _____, 2018

Signature of the member
Signature of Proxy holder(s)

**Affix
Revenue
Stamp**

Note:

1. The Proxy form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company.
2. Please put a " " in the Box in the appropriate column against the respective resolution. If you leave the "For" or "Against" column blank against any or all the resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
4. A proxy need not be a member of the Company.
5. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the **16th Annual Report** on the business and operations of the Company and audited financial statements of Accounts for the Financial year ended March 31, 2018.

1. FINANCIAL HIGHLIGHTS

A brief overview on Standalone and Consolidated Financial Performance for the Financial Year ended March 31, 2018 is as follows :

Particulars	STANDALONE		CONSOLIDATED	
	2017-18	2016-17	2017-18	2016-17
Revenue from operations	1,912,177,642	1,696,364,915	3,335,141,835	1,726,919,574
Other Income	10,242,358	9,809,704	24,378,460	9,809,704
Total Income	1,922,420,000	1,706,174,619	3,359,520,295	1,736,729,278
<i>Less: Expenditure</i>	1,852,421,173	1,685,275,761	3,184,308,938	1,716,365,307
Profit before prior period items and tax	69,998,827	20,898,858	175,211,357	20,363,971
<i>Less: Prior period Items</i>	-	538,630	-	538,630
Profit before Tax	69,998,827	20,360,228	175,211,357	19,825,341
Less: Taxation	23,148,483	7,421,679	34,916,537	7,422,483
Profit after Tax	46,850,344	12,938,549	140,294,820	12,402,858
Earning Per Share				
• Basic :	5.22	2.35	15.64	2.25
• Diluted :	5.22	1.78	15.64	1.71

2. STATE OF COMPANY'S AFFAIR

The company is engaged in the business of manufacture, trading, import and export of all kinds of electronics and electrical goods. The total Consolidated revenue of the company during the year under the review was Rs.3,359,520,295 (2017-18) and company has posted profit after tax of Rs. 140,294,820.

At Standalone level, The total revenue of the company during the year under the review was Rs. 1,922,420,000(2017-18) and company has posted profit after tax of Rs. 46,850,344.

3. FUTURE OUTLOOK

The outlook of the Company remains encouraging and it is expected that positive trend will continue in furthering the growth of the Company. The Company is focused on growth with a renewed commitment to enhance quality and customer service by Innovations, investment, positive modifications and reduce costs are expected in the near future.

4. DIVIDEND

To strengthen the financial position of the Company, Board of Directors of the Company did not recommend any dividend for the financial year 2017-18.

5. TRANSFER TO RESERVES

During the period under review, The Company has proposed transfer Rs.46,850,344 to General Reserve.

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125 (2) of the Companies Act, 2013 and rules made there under do not apply on the Company as there was no dividend declared and paid by the Company during last seven years.

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion And Analysis Report as required under Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 forms an integral part of this report, and provides adequately with the company's current working and future outlook of the Company as per **Annexure -I**.

8. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF FINANCIAL YEAR TO WHICH THIS FINANCIAL YEAR RELATE AND THE DATE OF THE REPORT

Apart from the changes as mentioned below, no material changes and commitment occurred between the end of financial year to which this financial year relate and the date of the report which affect the financial position of the company.

⇒ LISTING INFORMATION

After ending of the reporting financial year, your Company came out with Initial Public Offer of 33,33,000 Equity Shares at Rs. 140/- per Shares (including Premium of Rs. 130/- per share) which was oversubscribed by 1.77 times and got the trading approval from NSE Limited (NSE Emerge) on May 21, 2018 having **"FIVECORE"**.

The Company confirms that Annual Listing Fees of NSE for the year 2018-19 have been paid.

The Company has paid the annual custody fees for the year 2018-19 to the depositories namely National Securities Depository Limited and Central Depository Services Limited. The shares of the Company are compulsorily traded in dematerialized form.

9. DEPOSITS

During the Financial Year, your Company has not accepted any Deposit with in the meaning of Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014. Accordingly, there are no unpaid deposit lying with the Company for the period under review.

10. EXTRACT OF ANNUAL RETURN

Extract of Annual Return as on 31st March 2018 in the prescribed form MGT-9, pursuant to the provisions of Section 92(3) of Companies Act, 2013 and the Companies Management and Administration) Rules 2014 is annexed herewith as per **Annexure–II.**

11. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, the Company have 5 subsidiary in the following name:-

1. 5 Core Accoustics Private Limited
2. South Asia Exim PTE Ltd.
3. Pan Arabian Ventures FZE
4. EMS & Exports Private Limited; and
5. Kaneer Industries Private Limited

The details of Subsidiary, Associates and Joint Venture Companies as prescribed in Section 129(3) of companies Act, 2013 are described under the AOC-1 attached herewith as per **Annexure –III.**

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The details of the related party transactions are disclosed in note to the financial statement which sets out related party disclosures. The requisite details are also provided in form AOC- 2 which forms part of the report are annexed herewith as per **Annexure –IV.**

13. PARTICULAR OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of Loan given, investment made and guarantee and security given by the Company (if any) during the Financial Year under review and governed by the Section 186 of the Companies Act, 2013, have been furnished under notes to the Financial Statements.

14. STATUTORY AUDITOR AND THEIR REPORT

M/s GSK & Associates LLP Chartered Accountants, having FRN No. 013838N were appointed as statutory auditors for the period of 5 years at the 15th Annual General Meeting held thereafter till the conclusion of 20th Annual General Meeting of the Company, (subject to annual ratification by the Members at the Annual General Meeting*) on such remuneration, fee and out of pocket expenses as shall be fixed by the board of Directors of the Company in consultation with Auditors.

The report given by M/s GSK & Associates LLP on the Financial Statements of the Company are self-explanatory and does not contain any qualification, reservation, adverse remark or disclaimer. The Auditors have not reported any fraud to the Company required to be disclosed under Section 143(12). The Report given by the statutorily Auditor on the Financial statement of the Company and consolidated Financial statement for the Financial year ended March 31, 2018 forms part of this Annual Report.

* The requirement related to annual ratification of appointment of auditors by members is omitted.

15. SECRETARIAL AUDITOR AND THEIR REPORT

Pursuant to the provision of Section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 M/s Mohit Singhal & Associates, Practicing Company secretaries, were appointed as Secretarial Auditors of the Company to conduct the Secretarial Audit of the Company for the Financial year 2017-18. The Secretarial Auditor Report submitted by them in Prescribed form MR-3 is attached as per **Annexure –V** to this report.

There are no qualification or other observations or remarks of the Secretarial Auditor in the report issued by them for the Financial Year 2017-18 which call for any explanations from the Board of Directors.

16. COST AUDITOR AND THEIR REPORT

Provision of Cost Audit is not applicable to the Company.

17. CHANGE IN NATURE OF BUSINESS

There was no change in the Nature of business of the Company during the financial Year 2017-18.

18. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL (KMPs)

The Board of Directors of the Company is duly constituted. None of the Directors of the Company is disqualified under the provisions of Companies Act, 2013.

As on the date of this report, the Board consists of following Members:

1. Mr. Amarjit Singh Kalra: - Managing Director (DIN:00176921)
2. Mrs. Surinder Kaur Kalra:- Director (DIN:00177037)
3. Mrs. Jagjit Kaur Kalra:- Director (DIN:00177128)
4. Mr. Raj Kumar Projapati: - Independent Director (DIN:02228070)
5. Mr. Aditya Agarwal: - Independent Director (DIN:08042253)
6. Mr. Neeraj Joshi:- Independent Director (DIN:08042256)
7. Mr. Saurabh Kumar Jain:-Company Secretary(PAN:BFYPJ9001A)
8. Mr. Amitabh Singh: - Chief Financial Officer(PAN:EKWPS0492G)

19. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL (KMPs) WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

During the period under Review, Ms. Swati Srivastva was appointed as Company Secretary of the Company w.e.f. 22/04/2017. Ms. Anshu Independent Director of the Company has resigned from the position w.e.f.10/05/2017. The Board appreciates her valuable contribution to the Company, during her tenure. Mrs. Jagjit Kaur Kalra Director of the Company has resigned from the position w.e.f. 31/05/2017. The Board also appreciates her valuable contribution to the Company, during her tenure.

Ms. Swati Srivastva Company Secretary of the Company has resigned from the position w.e.f. 15/07/2017. The Board appreciates her valuable contribution to the Company, during her tenure.

Mr. Rama Kant was appointed as Independent Directors of the Company w.e.f. 25/08/2017 and resigned from the Directorship w.e.f. 30/11/2017 due to some personal reason. The Board appreciates his valuable contribution to the Company, during her tenure.

Mr. Saurabh Kumar Jain joined as company Secretary w.e.f. 01/12/2017 in place of Ms. Swati Srivastva. Further Designation of Mr. Amarjit Singh Kalra was changed from Whole Time director to Managing Director w.e.f. 01/01/2018. Mr. Amitabh Singh was appointed as a Chief Financial Officer of the Company w.e.f. 01/01/2018. Mr. Aditya Agrawal and Mr. Neeraj Sharma was appointed as a Independent Directors of the Company and Mrs. Jagjit Kaur Kalra was appointed as Non Executive Directors of the Company w.e.f. 30/01/2018

The Company has received in writing from them to act as a Director in Form DIR-2 and intimation in Form DIR-8 to the effect that they are not disqualified u/s 164(2) of the Companies Act, 2013 to act as a Director.

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

In terms of Section 152 of Companies Act, 2013 and Article of Association of the Company Mrs. Surinder Kaur Kalra Director of the Company shall retire by rotation at the ensuing AGM and being eligible, offers herself for re appointment.

20. DETAILS OF MEETING OF THE BOARD OF DIRECTORS OR COMMITTEES

Twenty Three (23) Board Meetings were held during the Financial Year 2017 -2018. The detailed Agenda and Notice for the Meetings was prepared and circulated in advance to the Directors within the prescribed time. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

11/04/2017	12/04/2017	15/04/2017	22/04/2017	10/05/2017	16/05/2017
30/05/2017	26/06/2017	15/07/2017	31/07/2017	30/08/2017	01/09/2017
12/09/2017	27/10/2017	01/12/2017	08/12/2018	27/12/2017	01/01/2018
30/01/2018	31/01/2018	09/02/2018	28/02/2018	05/03/2018	-

and the details of Meetings attended by each Director as follows:

S.No.	Name of the Directors	No of Board Meetings entitled	No. of Board Meetings attended
1.	Mr. Amarjit Singh Kalra	23	23
2.	Mrs. Surinder Kaur Kalra	23	23
3.	Mr. Raj Kumar Projapati	23	23
4.	Mrs. Jagjit Kaur Kalra	8	8
5.	Ms. Anshu	6	6
7.	Mr. Rama Kant	4	4
8.	Mr. Aditya Agarwal	4	4
9.	Mr. Neeraj Sharma	4	4

COMMITTEES OF THE BOARD

The Board has Constituted/ Re-Constituted to the committees in accordance with the provision of Companies Act, 2013:

1) Composition of Audit Committee is as follows:-

- Mr. Raj Kumar Projapati (Chairman & Non Executive - Independent Director)
- Mr. Neeraj Sharma (Non Executive - Independent Director)
- Mr. Amarjit Singh Kalra (Managing Director)

During the year 9 (Nine) Committee meetings were convened and held on the following date :

11/04/2017	10/05/2017	26/06/2017	31/07/2017	01/09/2017
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01/12/2017	30/01/2018	31/01/2018	09/02/2018	-
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and the details of the Meetings attended by each member as follows :

S.No.	Name of the Directors	No. of Committee Meetings entitled	No. of Committee Meetings attended
1.	Ms. Anshu	2	2
2.	Mr. Raj Kumar Projapati	9	9
3.	Mr. Amarjit Singh Kalra	9	9
4.	Mrs. Surinder Kaur Kalra	3	3
5.	Mr. Rama Kant	2	2
7.	Mr. Neeraj Sharma	2	2

II) Nomination and Remuneration Committee:-

- a) Mr. Neeraj Sharma (Chairman & Non Executive -Independent Director)
- b) Mr. Raj Kumar Projapati (Non Executive -Independent Director)
- c) Mrs. Jagjit Kaur Kalra (Non Executive Director)

During the year 6 (Six) Committee meetings were convened and held on the following date :

11/04/2017	22/04/2017	31/07/2017	01/12/2017	01/01/2018	30/01/2018
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and the details of the Meetings attended by each member as follows :

S.No.	Name of the Director	No. of Committee Meetings entitled	No. of Committee Meetings attended
1.	Ms. Anshu	2	2
2.	Mr. Raj Kumar Projapati	6	6
3.	Mrs. Jagjit Kaur Kalra	2	2
4.	Mr. Amarjit Singh Kalra	6	6
5.	Mrs. Surinder Kaur Kalra	6	6

III) Stakeholder relationship Committee:-

The Board of Directors at its meeting held on 30th January 2018 has constituted Stakeholder relationship Committee in compliance of provision of section 178 of companies act, 2013.

The Composition of Stakeholder relationship committee is enumerated as below :

- a) Mr. Neeraj Sharma (Chairman & Non Executive - Independent Director)
- b) Mr. Raj Kumar Projapati (Member & Non Executive - Independent Director)

c) Mr. Amarjit Singh Kalra (Member & Managing Director)

During the year, no Stakeholder relationship Committee meetings were convened and held.

21. FORMAL ANNUAL EVALUATION PROCESS BY BOARD :

Pursuant to the provision of Companies Act, 2013 and Rules made there under, the Board has carried the evaluation of its own performance, performance of Individual Directors, Board Committees, including the Chairman of the Board on the basis of attendance, contribution and various criteria as recommended by the Nomination and Remuneration committee of the Company. The evaluation of the working of the Board, its Committees, experience and expertise, performance of specific duties and obligation etc. were carried out. The Directors expressed their satisfaction with the evaluation process and outcome.

The performance of each of Non Independent Director (including the Chairman) was also evaluated by the Independent Directors at the separate Meeting held of Independent Directors of the Company.

22. CORPORATE GOVERNANCE :

Since the Company's Securities are Listed on Emerge SME Platform of NSE, by virtue of Regulation 15 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 the Compliance with the corporate governance provision as specified in the Regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of regulation 46 and Para C, D and E of Schedule V are not applicable to the Company. Hence Corporate Governance does not form Part of this Directors' Report.

23. COMPLIANCE OF CODE OF CONDUCT

Your Company has laid down a Code of Conduct for all the Board Members and Senior Management personnel of the Company. The Code of Conduct has been posted on the website of the Company. All Board Members and the Senior Management personnel have affirmed their compliance with the said Code of Conduct for the FY ended March 31, 2018.

24. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Company's internal control systems are adequate and commensurate with the nature and size of the Company and it ensures:

- Timely and accurate financial reporting in accordance with applicable accounting standards.
- Optimum utilization, efficient monitoring, timely maintenance and safety of its assets.
- Compliance with applicable laws, regulations and management policies.

The Internal Auditor assesses opportunities for improvement of business process, systems and controls, to provide recommendations, which can add value to the organization.

25. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

During the period under review, no material orders have been passed by the any regulators or courts against the Company.

26. SHARE CAPITAL

At the end of the Year, the Issued, Subscribed and Paid-up Share Capital of the Company was 9287622 equity shares of Rs. 10/- each. There were following allotment has been done :

1. 17,63,217 number of Equity Shares were allotted at a price of Rs. 70 on Right basis.
2. 20,21,693 number of Equity Shares were allotted at a price of Rs. 70 for swapping of Shares by way of purchase of Business of 5 core Acoustics private Limited.

a. Issue of equity shares with differential rights

Your Company has not issued any equity shares with differential rights during the year under review.

b. Issue of sweat equity shares

Your Company has not issued any sweat equity shares during the year under review.

c. Issue of employee stock options

Your Company has not issued any employee stock options during the year under review.

d. Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees

Your Company has not made any provision of money for purchase of its own Shares by employees or by trustees for the benefit of employees during the year under review.

27. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO DURING THE FINANCIAL YEAR

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

A. CONSERVATION OF ENERGY

i)	The Steps taken or impact on conservation of Energy	Energy conservation continues to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.
ii)	The Steps taken by the Company for utilizing alternate source of energy	Company has not taken any step for utilizing alternate sources of energy.
iii)	The Capital Investment on energy conservation equipments	Company has not made any capital investment on energy conservation equipments.

B. TECHNOLOGY ABSORPTION

i)	The Efforts made towards technology absorption	Updation of technology is a continuous process, absorption implemented and adapted by the company for innovation.
ii)	The benefit derived like product improvement, cost reduction, product development or import substitution	The Company had been able to successfully indigenize the tooling to a large extent and successfully developed new products by virtue of technology absorption, adaption and innovation
iii)	In case of Imported technology (imported during the last three years reckoned from the beginning of the Financial Year) a) Details of Technology Imported b) The year of Import; c) Whether the technology been fully absorbed d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange outgo and foreign exchange earned by the company during the year are detailed in Note No. 27,28,29,30 & 31 of the Financial Statements.

28. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provision of Section 135 of the Companies Act, 2013 is attracted to the Company in the financial year 2018-19 and your Board took note of the same and will take the necessary steps in order to comply with the provision of Section 135 of the Companies Act, 2013 by formulation of CSR Committee, CSR Policy, its expenditure, etc.

29. NOMINATION AND REMUNERATION POLICY OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In adherence of section 178(1) of the Companies Act, 2013, the Board of Directors of the Company has framed a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are – Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel (Other than Managing/ Whole-time Directors), Key-Executives and Senior Management and the

Remuneration of Other Employees. the policy is available on the website of the Company <https://www.5core.com/policies/Policy-on-Nomination&Remuneration.pdf>.

30. PARTICULARS OF EMPLOYEES

The Particulars of Employees required to be given pursuant to Section 197 of the Companies Act 2013 is provided in **Annexure VI**.

31. VIGIL MECHANISM / WHISTLE BLOWER POLICY

As per the provisions of Section 177(9) of the Companies Act, 2013 the Company is required to establish an effective vigil mechanism for Directors and employees to report genuine concerns. The Company as part of the 'vigil mechanism' has in place a 'Whistle Blower Policy' to deal with instances of fraud and mismanagement, if any. The Whistle Blower Policy has been placed on the website of the Company.

This vigil mechanism of the Company is overseen by the Audit Committee and provides adequate safeguard against victimization of employees and also provide direct access to the Chairperson of the Audit Committee in exceptional circumstances.

During the year under review, the Company did not receive any complaint. None of the personnel of your Company were denied access to the Audit Committee.

32. RISK MANAGEMENT

Risk Management is an integral part of the Company's business strategy. The Board reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyzes risk exposure related to specific issues and provides oversight of risk across the organization. The Board nurtures a healthy and independent risk management function to inculcate a strong risk management culture in the Company. Your Directors periodically review the risk associated with the business or threatens the prospectus of the Company. the policy is available on the website of the Company <https://www.5core.com/policies/Policy-on-Risk-Management.pdf>.

33. REPORT UNDER THE PREVENTION OF SEXUAL HARASSMENT ACT, 2013

The Company has a policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and it provides for protection against sexual harassment of woman at work place and for prevention and redressal of such complaints.

Company has complied with the provisions relating to the constitution of Internal complaints Committee under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

There were no cases reported during the FY 2017-18 under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

34. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2018 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken 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;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

35. APPRECIATION AND ACKNOWLEDGEMENT

Your Directors gratefully acknowledge all stakeholders of the Company viz. financial institutions, Government Authorities customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the financial year. Your Directors place on record their appreciation for employees, executives, staff and workers of the Company who have contributed to the growth and performance of the Company.

**For and on behalf of Board
For Five Core Electronics Limited**

**Date: 22/08/2018
Place:-New Delhi**

**Surinder Kaur Kalra
Director
DIN: 00177037**

**Amarjit Singh Kalra
Managing Director
DIN:00176921**

MANAGEMENT DISCUSSION & ANALYSIS

INDIAN ECONOMY:

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

India's economy grew at its fastest in seven quarters in the January-March period, bolstered by strong performance in construction, manufacturing and public services, pointing to a persistent revival trend and bringing cheer to the government ahead of next year's general election. The full FY18 growth estimate was revised upward to 6.7 per cent from 6.6 per cent in the second advance estimate released in February. This is in line with the 6.75 per cent growth forecast by the Economic Survey and down from 7.1 per cent in FY17 with the slowdown being attributed to the lingering effect of demonetization and the rollout of the goods and services tax (GST) in July last year.

The Government has undertaken a number of economic and institutional reforms, which have led to significant up-gradation in the ranking of Ease of Doing Business of the World Bank Report 2018. The recent upgrade of India's rating by the US based credit rating agency Moody's (Baa2 from Baa3) in recognition of the reforms agenda pursued by the Government is a major boost to investor confidence.

India ranked 100 among 190 countries assessed by the Doing Business Team in the Ease of Doing Business Report, 2018 with an improvement of 30 ranks over its rank of 130 in the Ease of Doing Business Report 2017. India saw an improvement in six out of ten indicators namely—Dealing with construction permits, getting credit, protecting minority investors, paying taxes, enforcing contracts and resolving insolvency.

Sources: Indian Economy Growth Rate & Statistics by IBEF; Press Information Bureau (India's rank rises to 100 in World Bank's doing Business Report, 2018, dated 31/10/2017)

INDUSTRIAL STRUCTURE AND DEVELOPMENT

The Indian electronics market is one of the largest in the world and is expected to reach a turnover of US\$ 400 billion in 2022, up from \$140 billion in 2017. According to an Indian Brand Equity Foundation (IBEF) report, the market is projected to grow at a compound annual growth rate (CAGR) of 29.4 per cent during the period 2015-2020.

By 2020, the industry worth is realistically expected to reach a target of \$280 billion based on the current exchange rate. The growing customer base and the increased penetration in the consumer durables segment has provided excellent scope for the growth of the Indian electronics sector.

Global Loudspeaker Market Size To Reach USD 8.48 Billion By 2025

The global loudspeaker market is estimated to reach USD 8.48 billion by 2025, according to a new report by Grand View Research, Inc. increasing middle class population and rising disposable income is expected to propel industry growth.

Wireless Audio Market

The wireless audio market is expected to grow from USD 16.13 Billion in 2016 to USD 31.80 Billion by 2023, at a CAGR of 10.06% between 2017 and 2023. Factors such as increasing demand for smartphones as a source of entertainment, consumer preferences for portable devices, and advancements in wireless technologies are driving the growth of the market. Wireless audio market for headsets to grow at a high rate between 2017 and 2023.

The wireless audio market is expected to grow from USD 16.13 Billion in 2016 to USD 31.80 Billion by 2023, at a CAGR of 10.06% between 2017 and 2023. Factors such as increasing demand for smartphones as a source of entertainment, consumer preferences for portable devices, and advancements in wireless technologies are driving the growth of the market. Wireless audio market for headsets to grow at a high rate between 2017 and 2023.

Home Audio Equipment Market

Home Audio Equipment Market size is set to exceed USD 20 billion by 2024, with shipments forecast to surpass 150 million units by 2024; according to a new research report by Global Market Insights, Inc.

Home audio equipment market is expected to grow owing to the growing penetration of internet of things (IoT) technology across the globe. With the introduction of IoT, consumers are increasingly demanding the devices compatible with multiple other devices to increase convenience and enhance experience. For instance, smart speaker range by Amazon perform several other functions that control smart homes, including control heaters, fans, lights, and thermostats. With the proliferation of this technology, the demand for audio devices that perform such functions is expected to propel the home audio equipment market growth.

Sources : <https://www.electronicsb2b.com/eb-specials/industry-report/indian-electronics-industry-2017-18> & <https://telecom.economictimes.indiatimes.com/>

SWOT ANALYSIS

Strengths	Weakness
1. '5 CORE' is a leading brand in PA systems. 2. Worldwide presence. 3. Wide Product Portfolio. 4. Production ability to assemble from base materials 5. Extensive Dealer network- both domestic and international 6. Excellent Consumer experience. 7. Continuous R&D and innovations 8. Aggressive market strategy 9. Professional and experienced team	1. Competition from other international brands. 2. High working capital requirements.
Opportunities	Threat
1. Niche Market 2. Demand is growing 3. Customer is more brand conscious. 4. To promote the Export Government providing various incentive	1. Changing consumer trends. 2. Counterfeit products. 3. Change in govt. policies

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company has only one business, disclosure of segment-wise information is not applicable under accounting Standard 17 - Segmental Information' (AS-17) notified by the Companies (Accounting Standards) Rules, 2006.

OUTLOOK

The outlook of the Company remains encouraging and it is expected that positive trend will continue in furthering the growth of the Company. The Company is focused on growth with a renewed commitment to enhance quality and customer service and to reduce costs, Innovations, investment and positive modifications are expected in the near future.

The company is expanding its business activities and is putting continuous efforts to attain further efficiencies. The growing role of electronics will predominantly help our Company to flourish lucratively in its new expansion plans. Also, the Prime Minister Mr. Narendra Modi has stated that India has become the world's fastest growing large economy, and is expected to grow five-fold by 2040, owing to a series of policy measures. Further, the Company is also confident that in spite of the possible recessionary conditions in the industry it will perform better in view of the strong fundamentals of the Company and hope to improve its turnover.

RISK AND CONCERNS

Your company is exposed to risk such as stiff competition, and possible entry of multinational Companies in to Electronics Industry. In addition to this, the Company is also concerned about the :

- Increase in input cost
- Shortfall of funds
- Cross border competition
- Technology obsolescences
- Foreign currency fluctuation
- Shortage of power Supply
- Changing consumer preferences
- Labour intensive industry
- Change in Govt. Policies

The Company's senior management oversees the management of these risks. Though the Company always remains cautious for such concerns, it always reviews its policy to check these concerns from time to time.

All operating divisions of the Company would identify the risks as perceived by them and take immediate steps to minimize the impact and at the same time submit a report to the next higher level of reporting.

FINANCIAL PERFORMANCE

The Company continues to see marginal growth in its overall performance in the financial year 2017-18 driven by the performance of the segment in which the Company operates. The total Consolidated revenue of the company during the year under the review was Rs. 3,359,520,295 (2017-18) and the company has posted Consolidated Profit after Tax of Rs. 140,294,820. At Standalone level, the total total revenue of the company during the year under the review was Rs.1,922,420,000 (2017-18) and the company has posted Profit after Tax of Rs.46,850,344.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Your Company consider the employees as our most important assets. The Company recognized the importance of human value and ensured that proper encouragement, both moral and financial, is extended to employees to motivate them. The Company maintains a constructive relationship with its employees by creating a positive work environment with focus on improving productivity and efficiency. The Company has a team of qualified personnel contributing to better performance of the Company. The Company enjoyed cordial relationship with workers and staff at all level of management during the year under discussion.

Your Company aims at training its employees by providing regular training Programs to enhance their employability and entrepreneurial abilities. Your Company has implemented many in house training programs to keep them abreast of the latest developments in the industry and economy. To establish direct link between performance and reward, your Company has been steadily increasing the weightage of actual performance in remuneration packages. Finally we would like to take this opportunity to thank all our employees without whom the success of the company is incomplete. Total Employees of the Company is 297.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control systems are adequate and commensurate with the nature and size of the Company and it ensures:

- Timely and accurate financial reporting in accordance with applicable accounting standards.
- Optimum utilization, efficient monitoring, timely maintenance and safety of its assets.
- Compliance with applicable laws, regulations and management policies.

The Internal Auditor assesses opportunities for improvement of business process, systems and controls, to provide recommendations, which can add value to the organization.

The Company has a whistle blower policy to address fraud risk. The Audit Committee of the Board regularly reviews significant audit findings of the Internal Audit Department covering operational, financial and other areas and provides guidance on further strengthening the internal controls framework.

Disclaimer Clause

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

For and on Behalf of Board

Place: New Delhi
Date: 22/08/2018

Amarjit Singh Kalra
Managing Director

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and
Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details:

i)	CIN	L32109DL2002PLC148250
ii)	Registration Date	11/04/2002
iii)	Name of the Company	FIVE CORE ELECTRONICS LIMITED
iv)	Category/Sub Category of the Company	Company Limited by Shares
v)	Address of the Registered office and contact details	WZ-15B, Ground Floor, Uggarsain Market, Ashok Nagar, New Delhi-110018 Contact No.: 011-28128000 Fax: 011-29961284
(vii)	Whether listed company (Yes/No)	Yes
viii)	Name, Address and Contact details of Registrar and Transfer Agent (as on 31.03.2018)	Bigshare Services Private Limited Mumbai Office: 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400059 Phone : +91 22 62638200 , Fax : +91 22 62638299 E-mail : investor@bigshareonline.com Delhi Office: 4E/8, First Floor, Jhandewalan Extension, New Delhi-110055 Tel: 011-23522373 Fax: 011-23522373 E-mail: yksinghal@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated: -

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of electronic components	264	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S. No.	Name and Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1.	5 Core Acoustics Private Limited WZ-15B,Uggarsain Market Ashok Nagar New Delhi -110018	U29100DL1995PTC072253	Subsidiary	100	2(87)
2.	Kaneer Industries Private Limited WZ-15B/1,Uggarsain Market, Ashok Nagar New Delhi -110018	U32302DL2017PTC313398	Subsidiary	67%	2(87)

3.	EMS & Exports Private Limited WZ-15B, R.NO.301, Uggarsain Market, Ashok Nagar, New Delhi West Delhi -110018	U32309DL2017PTC313645	Subsidiary	67%	2(87)
4.	South Asia Exim PTE Limited 10 Jalan Besar #02-20 Sim Lim Tower Singapore 208787	-	Subsidiary	100%	2(87)
5.	PAN ARABIAN VENTURES FZE Warehouse Number RA08ZE01, North Zone Jebel Ali Free Zone, Dubai, United Arab Emirates.	-	Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/ HUF	0	5502412	5502412	99.99	9287322	0	9287322	99.99	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub-Total (A) (1)	0	5502412	5502412	99.99	9287322	0	9287322	99.99	0
(2) Foreign									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Sub-Total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter	0	5502412	5502412	99.99	9287322	0	9287322	99.99	0
(A)=(A)(1)+(A)(2)									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0

ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	300	300	.01	200	100	300	.01	0
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	5502712	5502712	100	9287522	100	9287622	100	0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Amarjit Singh Kalra	1995013	36.26	0	3,839,595	41.34	0	5.09
2	Surinder Kaur Kalra	1308338	23.78	0	2,441,783	26.29	0	2.51
3	Jagjit Kaur Kalra	581784	10.57	0	974,310	10.49	0	(0.08)
4	Surinder Singh Kalra	1349903	24.53	0	1,468,103	15.81	0	(8.72)
5	Amarjit Singh Kalra Huf	267374	4.86	0	431,703	4.64	0	(0.21)
6	Surinder Singh Kalra HUF	0	0	0	131828	1.42	0	1.42
	Total Amount:-	5502412	99.99	0	9,287,322	99.99	0	0

(iii) Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year As on 01.04.2017		Shareholding at the end of the year As on 31.03.2018		% of Change in share holding during the year
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	Amarjit Singh Kalra	1995013	36.25	3,839,595	41.34	5.09
2	Surinder Kaur Kalra	1308338	23.78	2,441,783	26.29	2.51
3	Jagjit Kaur Kalra	581784	10.57	974,310	10.49	(0.08)
4	Surinder Singh Kalra	1349903	24.53	1,468,103	15.81	(8.72)
5	Amarjit Singh Kalra Huf	267374	4.86	431,703	4.65	(0.21)
6	Surinder Singh Kalra HUF	0	0	131828	1.42	1.42

(iv). Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year As on 01.04.2017		Shareholding at the end of the year As on 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
-	-	-	-	-	-

(v). Shareholding of Directors and Key Managerial Personnel (KMPs) :

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year As on 01.04.2017		Shareholding at the end of the year As on 31.03.2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Amarjit Singh Kalra	1995013	36.25	3,839,595	41.34
2	Surinder Kaur Kalra	1308338	23.78	2,441,783	26.29
3	Jagjit Kaur Kalra	581784	10.57	974,310	10.49
4	Amitabh Singh	-	-	100	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

SL No	Secured Loans excluding deposit	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	239,646,062	171,190,591	-	410,836,653
ii) Interest due but not paid	0	0	-	0
iii) Interest accrued but not due	0	0	-	0
Total (i+ii+iii)	239,646,062	171,190,591	-	410,836,653
Change in Indebtedness during the financial year				
Addition	3,281,291,862	294,686,565	-	3,575,978,427
Reduction	3,306,455,046	235,474,221	-	3,541,929,267
Net Change	(25,163,184)	59,212,344	-	34,049,160
Indebtedness at the end of the financial year				
i) Principal Amount	10,603,954	434,058,954	-	444,662,908
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	222,904	-	222,904
Total (i+ii+iii)	10,603,954	434,281,858	-	444,885,812

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

(in Lakhs)

Sl. No.	Particulars of Remuneration	Amarjit Singh Kalra MD
1.	Gross salary	22.25
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	

	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	
2.	Stock Option	
3.	Sweat Equity	
4.	Commission - as % of profit	
	- others, specify...	
	-Other Commission	
5.	Others, please specify	
	Total (A)	22.25
	Ceiling as per the Act	The Managerial Remuneration is within the Limit, as prescribed under the Companies Act, 2013

B. Remuneration to other/ Independent Directors:

(in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Rama Kant*	Mr. Raj Kumar Prajapati	Mr. Aditya Agarwal#	Mr. Neeraj Sharma##	
1.	Independent Directors	.25	.46	.16	.16	1.03
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify					
	Total (1)					
2.	Other Non-Executive Directors					
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify					
	Total (2)					
	Total (B) = (1+2)					
	Total Managerial Remuneration	.25	.46	.16	.16	1.03

*Mr. Rama Kant resigned w.e.f. 30th November 2017.# Mr. Aditya Agarwal was appointed as Independent Director w.e.f. 30th January, 2018.## Mr. Neeraj Sharma was appointed as Independent Director w.e.f. 30th January, 2018.**C. Remuneration to Key Managerial Personnel other than MD/ Manager/WTD**

(in Lakhs)

Sl. No.	Particulars of Remuneration	Mr. Amitabh Singh #	Mr. Saurabh Kumar Jain ##
1.	Gross salary	1.10	.92
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit		
	- others, specify...		
	-Other Commission		
5.	Others, please specify		
	Total (A)	1.10	.92

Mr. Amitabh Singh was appointed as Chief Financial Officer w.e.f. 1st January, 2018.## Mr. Saurabh Kumar Jain was appointed as Company Secretary w.e.f. 1st December, 2017.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of Board
For Five Core Electronics Limited

Date: 22/08/2018

Place:-New Delhi

Surinder Kaur Kalra

Director

DIN: 00177037

Amarjit Singh Kalra

Managing Director

DIN:00176921

Form No. 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

Part "A": Subsidiaries

Sl. No.	Particulars	Subsidiary 1	Subsidiary 2	Subsidiary 3	Subsidiary 4	Subsidiary 5
1.	Name of the subsidiary	5 Core Acoustics Private Limited	EMS & Exports Private Limited	Kaneer Industries Private Limited	South Asia Exim PTE Ltd.	PAN Arabian Ventures FZE
2.	The date since when subsidiary was acquired	April 15, 2017	February 28, 2017	February 23, 2017	24 October 2016	June 14, 2017
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	15 April 2017 to 31 March 2018	1 April 2017 to 31 March 2018	1 April 2017 to 31 March 2018	1 April 2017 to 31 March 2018	14 June 2017 to 31 March 2018
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	1 SGB = 49.68	1 AED = Rs. 17.736
5.	Share capital	31,448,550	100000	100000	496,800	1,773,600
6.	Reserves & surplus	90,053,563	2,601	2,623	5,249,934	64,914,167
7.	Total assets	390,487,044	510,382	701,224	6,563,771	195,547,505

8.	Total Liabilities (Non Current Liabilities & Current Liabilities)	268984931	407781	598601	817037	128,859,738
9.	Investments	-	-	-	-	-
10.	Turnover (including other income)	903,733,410	197,330	235,820	46,708,214	472,089,418
11.	Profit before taxation	33,915,776	2,681	2,078	6,129,754	65,162,241
12.	Provision for taxation	11,304,011	801	621	462,620	-
13.	Profit after taxation	22,611,765	1,880	1,457	5,667,134	65,162,241
14.	Proposed Dividend	0	0	0	0	0
15.	Extant of shareholding (in Percentage)	100%	67%	67%	100%	100%

Part B

Statement containing salient features of the financial statement of associate companies or joint ventures :

S. No	Particulars	Name of Associates
1.	Latest audited Balance Sheet Date	-
2.	Shares of Associate/Joint Ventures held by the company on the year end	-
	No	-
	Amount of Investment in Associates/Joint Venture	-
	Extend of Holding %	-
3.	Description of how there is significant influence	-
4.	Reason why the associate/joint venture is not consolidated	-
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	-
6.	Profit / Loss for the year	-
(i)	Considered in Consolidation	-
(ii)	Not Considered in Consolidation	-

**For and on behalf of Board
For Five Core Electronics Limited**

Date: 27/07/2018
Place:-New Delhi

Surinder Kaur Kalra
Director
DIN: 00177037

Amarjit Singh Kalra
Managing Director
DIN:00176921

Form No. AOC -2

(Pursuant to clause (h) of subsection (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/agreements entered into by the company with related parties referred to in subsection**(1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto****1. Details of Contracts or agreements or transaction not at arm's length basis**

S. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contract or arrangement or transaction including the value, if any	Justification for entering into such contracts or arrangements or transaction	Date(s) of approval by the board	Amount paid as advance, if any	Date on which the special resolution was passed in general meeting as require under first proviso to section 188
NIL								

2. Details of material contracts or agreement or transaction at arm's length basis

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contract or arrangement or transaction including the value, if any	Date(s) of approval by the board	Amount paid as advance, if any
1.	Amarjit Singh Kalra	Rent	1 Year	96,000	01/04/2017	0
2.	Surinder Kaur Kalra	Rent	1 Year	2,46,000	01/04/2017	0
3.	Ems & Exports	Job Work/ charges	1 Year	8,942,851	01/04/2017	0
4.	Happ Acoustic Private Ltd.	Job Work/ charges	1 Year	1,382,084	01/04/2017	0
5.	Neha Exports	Job Work/ charges	1 Year	496,141	01/04/2017	0
6.	Visual & Acoustics Corporation LLP	Job Work/ charges	1 Year	4,384,261	01/04/2017	0
7.	Digi Export Venture Pvt Ltd	Job Work/ charges	1 Year	1,646,600	01/04/2017	0
8.	Indian Acoustics Pvt Ltd	Job Work/ charges	1 Year	1,993,163	01/04/2017	0
9.	5 core acoustics pvt ltd	Job Work/ charges	1 Year	72929	01/04/2017	0
10.	Ems & Exports	Job Work/ Receipts	1 Year	8,942,851	01/04/2017	0
11.	Happy Acoustics Private Limited	Job Work/ Receipts	1 Year	1,382,084	01/04/2017	0
12.	Neha Exports	Job Work/ Receipts	1 Year	496,141	01/04/2017	0
13.	Visuals and Acoustics Corporation LLP	Job Work/ Receipts	1 Year	4,384,261	01/04/2017	0
14.	Digi Export Venture Pvt Ltd	Job Work/ Receipts	1 Year	1,646,600	01/04/2017	0
15.	Indian Acoustics Pvt Ltd	Job Work/ Receipts	1 Year	1,993,163	01/04/2017	0
16.	5 core acoustics Pvt ltd	Job Work/ Receipts	1 Year	72,929	01/04/2017	0
17.	5 core acoustics Pvt ltd	Purchase of Shares	-	14,15,18,510	15/04/2017	0

For and on behalf of the Board

Place: New Delhi
Date: 27/07/2018Sd/-
Amarjit Singh Kalra
Director
DIN:- 00176921Sd/-
Surinder Kaur Kalra
Director
DIN: 00177037

ANNEXURE-V

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Five Core Electronics Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Five Core Electronics Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 (the audit period), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;*
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;(Not Applicable to the Company during the Audit Period)*
- 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;(Not Applicable to the Company during the Audit Period)*
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;(Not Applicable to the Company during the Audit Period)*
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the Audit Period)*
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock*

- Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the Audit Period)*
- e. *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period)*
 - f. *The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client; (Not Applicable to the Company during the Audit Period)*
 - g. *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period) and*
 - h. *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (Not Applicable to the Company during the Audit Period)*

I have also examined compliance with the applicable clauses of the following:

- i. *Secretarial Standards issued by The Institute of Company Secretaries of India.*

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standardsetc., mentioned above.

I further report that,

the Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors; the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board of Directors were unanimous and no dissenting views have been recorded.

I further report that based on the review of the compliance reports/certificates of the Company Secretary which were taken on record by the Board of Directors, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company following specific events/actions having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards etc. referred to above:-

1. **The Company issue 17,63,217 equity shares on April 11, 2017, to the existing shareholder of the Company on the right basis.**
2. **The Company had increased its Authorised Capital of the Company from Rs. 9,00,00,000/- (Rupees Nine**

Crores Only) to Rs. 10,00,00,000/- (Rupees Ten Crores Only) on April 13, 2017, and From Rs. 10,00,00,000/- (Rupees Ten Crores Only) to Rs. 13,00,00,000/- (Rupees Thirteen Crores Only) on January 30, 2018.

3. The Company has signed share swap agreement with the shareholders of M/s 5 Core Acoustics Private Limited on April 15, 2017, to purchase the 100% shareholding of M/s 5 Core Acoustics Private Limited in lieu of allotment of 2021693 equity shares of the Company. The Company made M/s 5 Core Acoustics Private Limited as its Wholly Owned Subsidiary on April 15, 2017
4. The Company had reconstituted its Audit Committee and Nomination and Remuneration Committee on June 26, 2017, August 30, 2017, December 08, 2017 and January 30, 2018
5. The Company incorporate an entity in Dubai in the name of M/s PAN Arabian and made an investment of AED 1,00,000/.
6. The Company takes the members approval on January 01, 2018 for increase its borrowing limit under the provision of Section 180(1) (c) of the Companies Act, 2013 to Rs. 500,00,00,000/- (Rupees Five Hundred Crores Only);
7. The Company takes the members approval on January 01, 2018 for increase its investment limit under the provision of Section 186 of the Companies Act, 2013 to Rs. 200,00,00,000/- (Rupees Two Hundred Crores Only);
8. The Company had employed Mr Amarjit Singh Kalra as Managing Director of the Company on January 01, 2018;
9. The Company had employed Mr Amitabh Singh as Chief Financial Officer of the Company on January 01, 2018;
10. The Company has appointed M/s SNMG & Co. as peer review auditor for Initial Public Offer of the Company on January 01, 2018;
11. The Company appoint M/s Bigshare Services Private Limited as Registrar of Issue and Share Transfer Agent (RTA) of the Company on January 01, 2018;
12. The Company appoints M/s Sarthi Capital Advisors Private Limited and M/s Indian Overseas Bank as Lead Managers of the Company;
13. The Company entered into following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:
 - a. A tripartite agreement between NSDL, the Company and the Registrar to the Issue on March 13, 2018;

- b. A tripartite agreement between CDSL, the Company and the Registrar to the Issue on February 26, 2018.
14. The Company got the approval of Registrar of Companies, NCT of Delhi and Haryana on Initial Public offer on May 03, 2018.

For MohitSinghal & Associates
Company Secretaries

Place: New Delhi
Date: August 21, 2018

MohitSinghal
Proprietor
ACS No.: 43204; CP No.: 15995

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

'Annexure A'

To,
The Members
Five Core Electronics Limited

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

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

For MohitSinghal& Associates
Company Secretaries

Place: New Delhi
Date: August 21, 2018

Mohit Singhal
Proprietor
ACS No.: 43204; CP No.:15995

Disclosures pertaining to remuneration and other details are required under Section 197(12) of the act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below :

- A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year :

Executive Directors	Ratio to Median Remuneration
Mr. Amarjit Singh Kalra	10.93:1

- B. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Directors, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Amarjit Singh Kalra	85.42 %
Mr. Amitabh Singh as Chief Financial Officer #	N.A.
Mr. Saurabh Kumar Jain as Company Secretary ##	N.A.

Mr. Amitabh Singh appointed as Chief Financial Officer w.e.f. 1st January 2018

Mr. Saurabh Kumar Jain as Company Secretary w.e.f. 1st December 2018

- C. The percentage increase in median remuneration of employees in the financial year: 3.41%
- D. The number of permanent employees on the rolls of the Company : 297
- E. 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 and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:15.54%
- F. affirmation that the remuneration is as per the remuneration policy of the company -**Yes**
- G. the names of the top ten employees in terms of remuneration drawn and the name of every employee, who-
- if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than [one crore and two lakh rupees] – NIL
 - if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than [eight lakh and fifty thousand rupees per month]; - NIL

- (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company. – NIL
- (iv) The Statement containing the particulars of Employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016: The statement is being available on the Website of Company viz. www.5core.com/ investor updates.



Financial Statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIVE CORE ELECTRONICS LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of FIVE CORE ELECTRONICS LIMITED ("the Company") which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit & Loss, the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 Rule 7 of the Companies (Accounts) Rule, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) of the state of affairs of the Company as at March 31st 2018,
- (b) its profit for the year ended on that date, and
- (c) its cash flows for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

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

- (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, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 of the Order.
- (2) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit & Loss and Cash Flow dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act
 - f) 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".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
 - a) The Company has not have any pending litigations which impact it's financial position.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For GSK & Associates
Chartered Accountants
F R N. : 013838N

Place: New Delhi
 Date: 27th July 2018

CA Vijay Chawla
 Partner
 Membership No.: 093941

Annexure A to Independent Auditors' Report

Referred to in paragraph 5(1) of the Independent Auditors' Report of even date to the members of FIVE CORE ELECTRONICS LIMITED on the financial statements for the year ended 31st March 18

- i.
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. The fixed assets were physically verified by the management during the year. There is a regular programme of verification, which in our opinion, is reasonable having regard to the size of the Company and nature of its business. No material discrepancies were noticed on such verifications.
 - c. The title deed of immovable properties are held in the name of the company.
- ii.
 - a. As explained to us, the inventories of finished goods, semi-finished goods, stores, spare parts and raw materials were physically verified at regular intervals by the Management.
 - b. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- iii. According to the information and explanation given to us by the management and records produced, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, the requirements under para 3 (iii) (a) to (c) of the Companies (Auditor's Report) Order 2016 are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees and security; the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. According to the information and explanations given to us, and as per our examination of records, the Company has not accepted any deposits from public and therefore, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provision of the Companies Act, 2013, and rules framed there under, are not applicable.
- vi. According to the information and explanations given to us, maintenance of Cost Records as required under section 148(1) of the Companies Act, 2013 is not applicable to the Company.
- vii.
 - a. The Company is generally regular in depositing undisputed statutory dues including provident fund, income tax, valued added tax, service-tax, goods and service tax, cess and any other statutory dues applicable with the appropriate authorities. According to the information and explanation given to us, there are no undisputed statutory dues which were outstanding as on 31st March 2018 for a period of more than six months from the date the same become payable.
 - b. According to information and explanation given to us, and as per our examination of records of the Company there are no dues of income-tax, sales-tax, wealth-tax, service-tax, goods & service tax, duty of customs, and duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks

- ix. In our opinion and according to the information and explanations given to us, the term loans taken during the year by the company have been applied for the purpose for which they were raised. The company has not raised any money by initial public offer, further public offer or debt instrument during the year.
- x. According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of records of company, the company has paid/ provided for the managerial remuneration in accordance with the requisite approval mandated the provisions of section 197 read with schedule V to the Act.
- xii. The Company is not a Nidhi Company as specified in the Nidhi Rules, 2014. Thus, the requirements under para 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, and as certified by the management the Company has made preferential allotment or private placement of shares during the year under review and provision of section 42 of companies Act 2013 are complied with.
- xv. According to the information and explanations given to us, and as certified by the management company has entered into non cash transaction with the directors or persons connected with him during the year under review and provision of section 192 of companies Act 192 has been complied with in this respect.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For GSK & Associates
Chartered Accountants
F R N. : 013838N

Place: New Delhi
Date: 27th July 2018

CA Vijay Chawla
Partner
Membership No.: 093941

Annexure B to Independent Auditors' Report

Referred to in paragraph 5 (2) (e) of the Independent Auditors' Report of even date to the members of FIVE CORE ELECTRONICS LIMITED on the financial statements for the year ended 31st March 2018
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 FIVE CORE ELECTRONICS LIMITED as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial 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. 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

For GSK & Associates
Chartered Accountants
F R N. : 013838N

Place: New Delhi
Date: 27th July 2018

CA Vijay Chawla
Partner
Membership No.: 093941

FIVE CORE ELECTRONICS LIMITED
BALANCE SHEET AS AT 31ST MARCH , 2018

	Note No.	As at 31.03.2018 (Rupees)	As at 31.03.2017 (Rupees)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
a. Share capital	3	92,876,220	55,027,120
b. Reserves and surplus	4	489,197,474	215,252,530
		582,073,694	270,279,650
2 Share application money pending allotment	5	-	123,425,200
3 Non-current liabilities			
a. Long-term borrowings	6	49,255,255	134,015,798
b. Deferred tax liabilities (Net)		-	-
c. Other Long term liabilities		-	-
d. Long-term provisions	7	1,001,113	1,215,559
		50,256,368	135,231,357
4 Current liabilities			
a. Short term borrowings	8	228,101,827	224,679,392
b. Trade payables	9	126,868,698	16,250,495
c. Other current liabilities	10	28,208,108	32,026,709
d. Short-term provisions	11	13,149,078	3,914,883
		396,327,712	276,871,479
		1,028,657,774	805,807,686
B ASSETS			
1 Non-current assets			
a. Fixed assets			
(i) Tangible assets	12	164,401,642	153,936,215
b. Non-current investments			
(i) Investment in Non Current Investments	13	143,871,007	598,000
c. Long-term loans and advances	14	170,191	70,049
d. Deferred tax Assets (Net)	35	3,631,685	2,184,760
d. Other non-current assets		-	-
		312,074,524	156,789,025
2 Current assets			
a. Inventories	15	338,285,520	362,387,744
b. Trade receivables	16	105,989,596	82,985,371
c. Cash and cash equivalents	17	130,838,344	123,823,151
d. Short-term loan and advances	18	141,469,791	79,822,396
e. Other current assets		-	-
		716,583,251	649,018,662
		1,028,657,774	805,807,686

See accompanying notes forming part of the financial statements

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In terms of our report attached

For GSK & ASSOCIATES

Chartered Accountants
FRN : 013838N

For and on behalf of the Board
Five Core Electronics Ltd.

Vijay Chawla-FCA

Partner
M.NO - 093941
Place: New Delhi
Date:27.07.2018

Amarjit Singh Kalra

Director
Din:00176921

Surinder Kaur Kalra

Director
Din:00177037

Amitabh Singh
Chief Finance Officer

Saurabh Jain
Company Secretary

FIVE CORE ELECTRONICS LIMITED
STATEMENT OF PROFIT AND LOSS FOR PERIOD ENDED 31ST MARCH, 2018

	Note No.	Year ended 31.03.2018 (Rupees)	Year ended 31.03.2017 (Rupees)
1. Revenue from operations	19	1,912,177,642	1,696,364,915
2. Other income	20	10,242,358	9,809,704
3. Total Revenue		1,922,420,000	1,706,174,619
4. Expenses			
a. Cost of materials consumed	21	1,343,348,419	1,358,124,528
b. Purchase of Stock-in-Trade		333,058,494	174,136,228
c. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(63,895,309)	(43,204,093)
d. Employee benefits expense	23	85,537,637	74,958,343
e. Financial costs	24	42,218,405	34,132,653
f. Depreciation and amortization expense	12	13,212,983	11,235,063
g. Other expenses	25	98,940,545	75,893,039
Total Expenses		1,852,421,173	1,685,275,761
5. Profit before tax		69,998,827	20,898,858
6. Prior period items		-	538,630
7 Tax expense			
a. Current tax		24,118,978	8,019,084
b. Prior period tax adjustment		476,431	208,089
c. Deferred tax charge/ (credit)	35	(1,446,926)	(805,494)
		23,148,483	7,421,679
8. Profit After Tax (7-8)		46,850,344	12,938,549
9. Basic per share (of Rupees 10 each)	34	5.22	2.35
Diluted earnings per share (of Rupees 10 each)	34	5.22	1.78
See accompanying notes forming part of the financial statements	1-43		

In terms of our report attached

For GSK & ASSOCIATES
Chartered Accountants
FRN : 013838N

Vijay Chawla-FCA
Partner
M.NO - 093941
Place: New Delhi
Date:27.07.2018

For and on behalf of the Board
Five Core Electronics Ltd.

Amarjit Singh Kalra
Director
Din:00176921

Surinder Kaur Kalra
Director
Din:00177037

Amitabh Singh
Chief Finance Officer

Saurabh Jain
Company Secretary

FIVE CORE ELECTRONICS LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2018

	Year ended 31.03.2018 (Rupees)	Year ended 31.03.2017 (Rupees)
1. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	69,998,827	20,360,228
Adjustments for :		
Depreciation	13,212,983	11,235,063
(Profit)/Loss on sale of fixed assets	-	-
Interest Income on deposits	(7,725,146)	(8,087,395)
Provision for employee benefits	432,083	1,266,183
Advance write off	3,681,774	1,184,256
Interest expense	42,218,405	34,132,652
Other Adjustments	-	-
Operating profit before working capital changes	121,818,925	60,090,986
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	24,102,223	(113,716,259)
Trade receivables	(23,004,226)	(78,889,385)
Long-term loans and advances	(100,142)	61,479,890
Short-term loan and advances	(65,329,169)	(13,480,867)
Adjustments for increase / (decrease) in operating Liabilities:		
Trade payables	110,618,203	5,270,957
Short Term Provision		
Other current liabilities	(3,818,601)	(1,145,824)
Cash generated from/(used in) operations	164,287,215	(80,390,501)
Taxes paid (net of refunds)	(16,007,743)	(6,100,170)
Net cash from/(used in) operating activities	148,279,472	(86,490,671)
2. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(23,678,407)	(87,020,877)
Non Current Investment	(1,754,507)	(598,000)
Interest received on deposits	7,725,146	8,087,395
Net cash from/(used in) investing activities	(17,707,768)	(79,531,482)
3. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Application Money	-	123,425,200
Long term Borrowings Taken/ (Paid) during the year	(84,760,543)	66,050,131
Short term Borrowings		
- Secured Loans	3,422,435	72,401,709
Interest Paid	(42,218,405)	(34,132,653)
Net cash from/(used in) financing activities	(123,556,512)	227,744,386
4. Net increase/ (decrease) in cash and cash equivalents	7,015,192	61,722,233
5. Cash and cash equivalents as at the beginning of the year	123,823,151	62,100,918
6. Cash and cash equivalents at the end of the year	130,838,344	123,823,151
(Refer notes below)		
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer Note 17)		

Notes:

- The Cash Flow Statement has been prepared using the Indirect method as specified in Accounting Standard - 3.
- Cash and cash equivalents include fixed deposits amounting to Rupees 12,73,22,113 (Previous year Rupees 12,03,31,882)

In terms of our report attached

For GSK & ASSOCIATES

Chartered Accountants
FRN : 013838N

Vijay Chawla-FCA

Partner
M.NO - 093941
Place: New Delhi
Date: 27.07.2018

**For and on behalf of the Board
Five Core Electronics Ltd.**

Amarjit Singh Kalra
Director
Din: 00176921

Amitabh Singh
Chief Finance Officer

Surinder Kaur Kalra
Director
Din: 00177037

Saurabh Jain
Company Secretary

FIVE CORE ELECTRONICS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note	Particulars
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1 Corporate information

Five Core Electronics Ltd ("the Company") was incorporated on 11th April, 2002. The Company is mainly engaged in Manufacturing & Trading of Electronics & Electricals items with their components.

2 Significant accounting policies

2.01 Basis of accounting and preparation of financial statements

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principle (GAAP) in India under the historical cost convention on the accrual basis of accounting. Pursuant to section 133 of the Companies Act, 2013 read under Rule 7 of the companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by central government in consultation and recommendation of the National Financial Regulatory Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, These financial statements have been prepared to comply in all material, aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) rules, 2006, as amended] and other relevant provisions of the companies Act, 2013. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.02 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.03 Inventories

i. Inventories are valued on first –in-first out basis as under

- | | |
|---------------------|--|
| a. Raw Material | At cost or net realizable value, whichever is less |
| b. Work in progress | At cost |
| c. Stores & Spares | At cost |
| d. Finished Goods | At cost or net realizable value whichever is lower |

ii. Appropriate share of overheads are allocated over the work in progress, manufactured/ Processed finished goods.

iii. Appropriate provisions are made for slow and non moving inventories to write down the carrying value.

2.04 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand, Cheques in hand and fixed deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.05 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.06 Fixed Assets

Assets are capitalised at cost, net of accumulated depreciation and accumulated impairment losses, if any and inclusive of all costs incurred to bring the assets to their location and working condition upto the date the assets are put to use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

2.07 Depreciation and amortisation

Depreciation on fixed assets other than Land is provided on the written down value of fixed assets at the rates calculated in accordance with the lives prescribed by the Schedule II to the Companies Act, 2013. Depreciation on the acquisition/purchase of assets during the year has been provided on pro-rata basis according to the period each asset was put to use during the year.

2.08 Revenue recognition

a. Revenue in respect of Sale of Products is recognized on dispatch of goods to the Customers, which coincides with the transfer of Property to the buyer.

b. Service Income is recognized as and when the services are performed in accordance with the terms of the Contract.

c. Insurance claims are recognized for on their acceptance & receipts.

d. Duty Draw back are accounted on accrual basis. Difference if any at the time duty drawback is cleared by the Government authorities is duly accounted on actual basis.

e. DEPB / Focus are accounted for as Income at the time of export on accrual basis.

2.09 Foreign currency transactions and translationsInitial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that are closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

2.10 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Costs of investments include acquisition charges such as brokerage, fees and duties.

2.11 Employee benefits

Retirement benefit in the form of provident fund & other funds is a defined contribution scheme. The company has no obligation, other than the contribution payable to the respective fund. The company recognizes contribution payable to the gratuity & other funds as an expenditure, when an employee renders the related service and is charged to statement of profit and loss.

The company operates defined benefit plans for its employees, viz., gratuity. The costs of providing benefits under the gratuity plan are determined on the basis of actuarial valuation at each year-end. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of profit and loss.

2.12 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The Company has only one business, disclosure of segment-wise information is not applicable under accounting Standard 17 - 'Segmental Information' (AS-17) notified by the Companies (Accounting Standards) Rules, 2006. There is no geographical segment to be reported since all the operations are undertaken in India.

2.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.14 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.15 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

2.16 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.17 Miscellaneous Expenditure

Preliminary expenses included under the above heads is being amortized over the period of 5 years i.e. 1/5th expenses is charged every year to the Profit & Loss A/c.

2.18 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

2.19 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognized as expenses in the period in which they are incurred.

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number of shares	Rupees	Number of shares	Rupees
Note 3 - Share capital				
(a) Authorised				
Equity shares of Rupees 10 each with voting rights	10,000,000	100,000,000	7,000,000	70,000,000
(b) Issued, subscribed and fully paid up				
Equity shares of Rupees 10 each with voting rights				
At the Beginning of the Year	5,502,712	55,027,120	5,502,712	55,027,120
Add: Issued during the year	3,784,910	37,849,100	-	-
At the end of the year	9,287,622	92,876,220	5,502,712	55,027,120

(c) Equity Shares calls unpaid up by directors and officers of the company is NIL

(d) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(e) Details of shares held by each shareholder holding more than 5% shares:

S. No.	Class of shares / Name of shareholder	As at 31.03.2018		As at 31.03.2017	
		Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights					
1	Amarjit Singh Kalra	3,839,595	41%	1,995,013	36%
2	Amarjit Singh Kalra-HUF	431,703	5%	267,374	5%
3	Jagjit Kaur Kalra	974,310	10%	581,784	11%
4	Surinder Kaur Kalra	2,441,783	26%	1,308,338	24%
5	Surinder Singh Kalra	1,468,103	16%	1,349,903	25%

(f) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31 March, 2018	As at 31 March, 2017
Equity shares with voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash (FY 2017-18)	2,021,693	-

Note 4 - Reserves and surplus

Particulars	As at 31.03.2018	As at 31.03.2017
	(Rupees)	(Rupees)
(a) Securities Premium Reserve		
Opening balance	103,753,650	103,753,650
Add : Premium on shares issued during the year	227,094,600	-
Closing balance	330,848,250	103,753,650
(b) Revaluation Reserve		
Opening balance	37,126,380	37,126,380
Add : Addition during the year	-	-
Closing balance	37,126,380	37,126,380
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	74,372,500	61,433,953
Add: Profit for the year	46,850,344	12,938,547
Closing balance	121,222,844	74,372,500
Total (a+b+c)	489,197,474	215,252,530

Note 5 - Share application money pending allotment

Particulars	As at 31.03.2018	As at 31.03.2017
Share application money pending allotment	-	123,425,200
	-	123,425,200

	As at 31.03.2018 (Rupees)	As at 31.03.2017 (Rupees)
Note 6 - Long-Term Borrowings		
A) Secured Loans		
Car Finance Loans from Banks (Refer Note (a) below)	6,263,954	10,709,157
B) Unsecured Loans		
Business / Other Loans from Financial Institutions (Refer Note (b) below)	10,010,140	10,788,948
- From Directors/ Related Parties (See Note 36)	32,981,161	112,517,693
	49,255,255	134,015,798

Notes:-
(a)
Nature of Security & terms of repayment for Secured Borrowings :-

	Particulars & Nature of Security	Terms of repayment	As at 31.03.2018	As at 31.03.2017
(i)	Andhra Bank (EECO Flexi) - Secured by Hypothecation of Vehicle	As per the sanction terms of the vehicle loan of Rs. 23,00,120/- interest is payable @ of 10.25% p.a. and loan is repayable in 36 equal monthly installment.	460,686	1,332,583
(ii)	Kotak Mahindra Bank - Secured by Hypothecation of Vehicle	As per the sanction terms of the vehicle loan taken Rs.82,00,000/- from Kotak Mahindra Limited, the interest payable is 11% p.a. and loan is repayable in 60 equal monthly installment of Rs.1,78,287/- starting from 06/10/2015 to 01/10/2020	5,635,546	7,907,742
(iii)	Axis Bank Limited - Secured by Hypothecation of Vehicle.	As per the sanction terms of the vehicle loan taken Rs.27,86,576/- from Axis Bank Limited, the interest payable is 8.65% p.a. and loan is repayable in 36 equal monthly installment of Rs.57,372/- starting from 10/04/2017 to 10/03/2022	2,307,925	2,786,576
(iv)	Reliance Capital Limited	As per the sanction terms of the Machinery loan taken Rs.12,90,000/- from Reliance capital Limited, the interest payable is 15.50% p.a. and loan is repayable in 36 equal monthly installment of Rs.45,032/- starting from 15/03/2017 to 15/10/2020	891,178	1,261,628
(v)	Reliance Capital Limited	As per the sanction terms of the Machinery loan taken Rs.17,00,000/- from Reliance capital Limited, the interest payable is 15.50% p.a. and loan is repayable in 48 equal monthly installment of Rs.47,961/- starting from 15/02/2017 to 15/01/2021	1,308,619	1,678,141
	Sub Total		10,603,954	14,966,669
	Less: Current Maturities of Long Term Debt considered under 'Other Current Liabilities'		4,340,000	4,257,513
	Total		6,263,954	10,709,156

(b) Terms of Repayment of Long Term Borrowings (UnSecured) :-

	Particulars	Terms of repayment	As at 31.03.2018	As at 31.03.2017
(i)	Indian Infoline Finance	As per the new sanction terms of the Business loan of Rs. 50,00,000/- interest is payable @ of 19.00% p.a. and loan is repayable in 36 equal monthly installment of Rs. 1,82,280/- starting from 03/12/2016 to 03/11/2019	3,120,974	4,573,551
(ii)	HDFC Bank Limited	As per the sanction terms of the New Business loan of Rs. 50,00,000/- interest is payable @ of 16.50% p.a. and loan is repayable in 36 equal monthly installment of Rs. 1,77,022/- starting from 04/11/2016 to 04/10/2019	2,942,296	4,443,548
(iii)	Aditya Birla finance ltd	As per the sanction terms of the Business Installment loan of Rs. 40,00,000/- interest is payable @ of 18.0% p.a. and loan is repayable in 36 equal monthly installment of Rs. 1,44,610/- starting from 05/11/2016 to 05/03/2019	2,375,383	3,564,069
(iv)	Capital Float Limited	As per the sanction terms of the Business Installment loan of Rs. 40,00,000/- interest is payable @ of 19.5% p.a. and loan is repayable in 36 equal monthly installment of Rs. 1,47,634/- starting from 01/04/2016 to 01/03/2019	1,597,885	2,914,744
(v)	Neo Growth Credit pvt ltd	As per the new sanction terms of the Business loan of Rs. 45,00,000/- interest is payable @ of 19.00% p.a. and loan is repayable in 36 equal half monthly installment of Rs. 1,51,250/- starting from 06/05/2016 to 11/20/2017	-	2,363,085
(vi)	KOTAK MAHINDRA BANK	As per the new sanction terms of the Business loan of Rs. 42,50,000/- interest is payable @ of 17.00% p.a. and loan is repayable in 36 equal monthly installment of Rs. 207,400/- starting from 01/04/2016 to 01/03/2019	925,911	2,226,077
(vii)	ICICI Bank Limited	As per the sanction terms of the Business loan of Rs. 30,00,000/- interest is payable @ of 17.00% p.a. and loan is repayable in 24 equal monthly installment of Rs. 148,327/- starting from 01/04/2016 to 01/03/2018	-	1,626,304
(viii)	Capital Float Limited	As per the sanction terms of the Business Installment loan of Rs. 20,00,000/- interest is payable @ of 19.5% p.a. and loan is repayable in 36 equal half monthly installment of Rs. 1,19,195/- starting from 16/12/2016 to 28/08/2017	-	1,144,225
(ix)	Indusind Bank	As per the sanction terms of the this Business loan of Rs. 44,00,000/- interest is payable @ of 18.50% p.a. and loan is repayable in 36 equal monthly installment of Rs. 1,60,176/- starting from 04/10/2017 to 04.10.2020	3,921,851	-
(x)	Capital Float Limited	As per the sanction terms of the Business loan of Rs. 30,04,103/- interest is payable @ of 18.50% p.a. and loan is repayable in 36 equal monthly installment of Rs. 1,09,361/- starting from 01/01/2018 to 01/12/2020	2,812,030	-
(x)	Caital First Limited	As per the sanction terms of the Business Installment loan of Rs. 30,00,000/- interest is payable @ of 10.35% p.a. and loan is repayable in 36 equal monthly installment of Rs. 1,09,212/- starting from 05/01/2018 to 05/12/2020	2,808,187	-
	Sub Total		20,504,518	22,855,603
	Less: Current Maturities of Long Term Debt considered under 'Other Current Liabilities'		10,494,378	12,066,655
	Total		10,010,140	10,788,948

Note 7 - Long Term Provisions

Provision for employee benefits:

- Provision for compensated absences
- Provision for gratuity

As at 31.03.2018 (Rupees)	As at 31.03.2017 (Rupees)
403,319	208,504
597,794	1,007,055
1,001,113	1,215,559

Note 8 - Short term borrowings**A) Secured Loans****Short Term Loans - From Banks** (Refer Note (a))

- Packing Credit	166,860,824	186,413,414
- Cash Credit	37,018,099	38,265,978

B) Unsecured Loans

- Loan against GST Input Credit

24,222,904	-
228,101,827	224,679,392

Notes:-

(a) Terms of Repayment of Short Term Borrowings (Secured) :-

	Particulars	Terms of repayment & Nature of Security	As at 31.03.2018	As at 31.03.2017
(i)	Andhra Bank (Packing Credit)	As per the sanction terms of Andhra Bank - the Packing Credit limit was sanction for Rs. 19 Cr (Previous Year - Rs. 16 Cr) and the interest interest is as per bank's / RBI Extent Guidelines.	166,860,824	186,413,414
(ii)	Andhra Bank (Cash Credit limit)	As per the sanction terms of Andhra Bank - the Cash Credit limit was sanction for Rs. 4 Cr (Previous Year - Rs. 1 Cr) and the interest payable is equivalent to MCLR + 2.20%, which was 10.60% p.a at time of sanction of loan.	37,018,099	38,265,978
(iii)	Andhra Bank	As per the sanction terms of Andhra Bank - the MSME Mitra was sanction for Rs. 2.40 Cr (Previous Year - Nil) and the interest payable is equivalent to 11.30% p.a at time of sanction of loan.	24,222,904	-

- Details of Security

Cash Credit facilities and packing credit is secured by way of hypothecation of stock-in-trade both present & future, present & future book debts, outstanding monies, receivables, claims due or which may at any time become due and first pari passu charge on the entire current assets both present and future of the Company other than exclusively charged under term loans. Further deposits of Rs 12.78 cr and following immovable properties are given as collateral security -

S. No	Property Details
1	F-622, Phase-1, RIICO IND AREA, BHIWADI, DISTT-ALWAR, RAJASTHAN owned by Five core electronics Ltd
2	C-116, Basement, Ground Floor, First Floor, Khasra NO.568/2, Village Tihar Colony, Fateh Nagar, Jail Road owned by Mr. Amarjit Singh Kalra And Mrs. Surinder Kaur Kalra
3	C-130, Mansarovar Garden, New Delhi-110015 owned by Surinder Singh Kalra
4	WZ-15, Khasra NO. 328 & 329, Ugarsain Market, Ashok Nagar, Tilak Nagar, New Delhi-110018 owned by Five Core Electronics Ltd
5	WZ-15, 3rd Floor, Ugarsain Market, Ashok Nagar, New Delhi owned by Five Core Electronics Ltd
6	Plot No.F-24 to F-27, F-38 to F-41, E-47(B) to E-50 at Industrial Area Sare Khurd, Bhiwadi, Rajasthan owned by Five Core Electronics Ltd

Note 9 - Trade payables

- Trade Payables	126,868,698	16,250,495
	126,868,698	16,250,495

Note 10 - Other current liabilities

(a)	Current Maturities of Long Term Debt		
	- Car Finance Loans from Banks	4,340,000	4,257,513
	(Secured by hypothecation of vehicles)		
	- Unsecured Business Loan	10,494,378	12,066,655
(b)	Statutory Dues	760,547	473,046
(c)	Outstanding Liabilities	5,470,871	5,685,193
(d)	Advance from customers	7,142,312	9,544,302
		28,208,108	32,026,709

Note 11 - Short-term provisions

a.	Provision for income tax	12,451,925	3,864,259
	(Net of Advance tax & TDS Rs. 1,16,67,053 (Previous year Rs. 41,54,825))		
b.	Provision for employee benefits:		
	- Provision for compensated absences	602,226	47,491
	- Provision for gratuity	94,927	3,133
		13,149,078	3,914,883

FIVE CORE ELECTRONICS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 12 - Fixed Assets (At cost)

S.No	Particulars	GROSS BLOCK			As at 31.03.2018	DEPRECIATION BLOCK			NET BLOCK		
		As at 01.04.2017	Additions	Deletion/Transfer to other branch		As at 01.04.2017	During Period	Depreciation Reversed	As at 31.03.2018	As at 31.03.2017	
1.	Plant & Machinery	32,780,458	13,643,657	-	46,424,115	14,847,207	4,628,284	-	19,475,491	26,948,623	17,933,250
2.	Office Equipment	7,015,812	3,276,881	-	10,292,693	4,501,776	2,146,301	-	6,648,077	3,644,616	2,514,036
3.	Motor Vehicle	18,549,727			18,549,727	8,502,630	2,370,203		10,872,833	7,676,894	10,047,097
4.	Computers and Data Processing Units	9,577,020	2,366,022	-	11,943,042	7,797,721	1,930,141	-	9,727,863	2,215,179	1,779,299
5.	Electric Equipments and Installations	3,381,329	2,994,595	-	6,375,924	1,921,065	985,572	-	2,906,636	3,489,288	1,460,264
6.	Furniture & Fixtures	3,087,470	1,397,252	-	4,484,722	1,604,036	617,823	-	2,221,859	2,262,863	1,483,434
7.	Land	104,154,943	-	-	104,154,943	-	-	-	-	104,154,943	104,154,943
8.	Buildings	16,966,502	-	-	16,966,502	2,402,607	534,659	-	2,937,266	14,029,236	14,563,895
Total - Current Period		195,513,282	23,678,407	-	219,191,689	41,577,043	13,212,983	-	54,790,026	164,401,642	153,936,219
Total - Previous Year		108,492,384	87,020,877	-	195,513,261	30,341,983	11,235,061	-	41,577,043	153,936,218	78,150,402

	As at 31.03.2018 (Rupees)	As at 31.03.2017 (Rupees)
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Note 13 - Non Current Investments**Trade Investments (valued at cost)**

a) Unquoted equity instruments

(i) Investment in subsidiaries :

6,700 (Previous year -6700) shares of 10 each fully paid up in Kaneer Industries Private Limited	67,000	67,000
6,700 (Previous year - 6700) shares of 10 each fully paid up in Ems & Exports Private Limited	67,000	67,000
10,000 (Previous year - 10,000) shares of 1 SGD each fully paid up in South Asia Exim Pte Ltd	464,000	464,000
1,000 (Previous year - Nil) shares of 100 AED each fully paid up in Pan Arabian Venture Fze	1,754,532	-
31,44,855 (Previous year - Nil) shares of 10 each fully paid up in Score Acoustics Pvt Ltd	141,518,475	-

143,871,007**598,000****Note 14 - Long-term loans and advances**

(Unsecured, considered good)

a. Security deposits	170,191	70,049
	170,191	70,049

Note 15 - Inventories

(Valued at lower of cost or net realizable value, as certified by the management)

- Raw Material	83,012,667	171,010,199
- Work in progress/ Semi Finished	247,650,529	185,266,762
- Finished Stock	7,622,324	6,110,782

338,285,520**362,387,743****Note 16 - Trade receivables**

(Unsecured, considered good)

a. Outstanding for more than six months	711,366	2,930,000
b. Others	105,278,230	80,055,371
	105,989,596	82,985,371

Note 17 - Cash and cash equivalents

a. Cash on hand	2,544,037	1,024,585
b. Balances with scheduled banks in:		
i. Current accounts	972,194	2,466,684
ii. Deposit accounts (Refer Notes below)	127,322,113	120,331,882
	130,838,344	123,823,151

Notes:

(i) Balance with scheduled banks in deposit accounts includes deposits which are under lien	127,322,113	120,331,882
---	-------------	-------------

Note 18 - Short- term loan and advances

(Unsecured, considered good)

a. Prepaid expenses	2,436,507	3,876,435
b. Advance to suppliers and others	26,308,057	9,390,932
c. Excise /Service Tax /Custom Duty/GST Recoverable (Unsecured Loan of Rs. 2.4 Crs taken against GST Input Credit of Rs. 3,43,84,408)	85,913,082	32,088,680
d. Security Deposit	16,163	16,163
e. VAT & CST Recoverable	1,030,457	1,947,473
e. Duty Draw Back/Focus & DEPB Recoverable	25,765,525	32,502,713
	141,469,791	79,822,396

	Year ended 31.03.2018 (Rupees)	Year ended 31.03.2017 (Rupees)
Note 19 - Revenue from operations		
a. Income from operations:		
- Sale Export	1,465,046,678	1,430,166,831
- Sale Local	392,456,502	215,309,820
- Sale Focus/ DEBP/ M E I S	23,669,473	25,799,595
- Foreign Exchange Rate Diff.	16,773,829	9,194,598
- Scrap Sale	207,313	361,186
Less Excise Duty	23,035	183,432
Net Income from Operations:	1,898,130,760	1,680,648,598
b. Other Operating Income		
- Duty Draw Back	14,046,882	15,716,316
	1,912,177,642	1,696,364,915
Note 20 - Other Income		
a. Interest income on Fixed Deposit and VAT refund	7,725,146	8,087,395
b. Job Work	884,934	1,319,432
c. Other Income	1,632,278	402,877
	10,242,358	9,809,704
Note - 21 Cost of Materials Consumed		
A) Raw Material Consumed		
Opening Stock		
- Raw Material	171,010,199	100,498,033
Add:		
Purchases	1,244,426,205	1,410,607,749
Custom Duty on Import	5,345,536	7,644,373
Freight & Carriage	5,579,147	10,384,573
	1,426,361,087	1,529,134,728
Less : Closing Stock		
- Raw Material	83,012,667	171,010,199
Raw Material Consumed	1,343,348,419	1,358,124,529
Note - 22 (Increase)/Decrease in Stocks		
Opening Stock of :		
Finished Stock	6,110,782	43,745,324
Work in progress/ Semi Finished	185,266,762	104,428,127
Total (A)	191,377,544	148,173,451
Closing Stock of :		
Finished Stock	7,622,324	6,110,782
Work in progress/ Semi Finished	247,650,529	185,266,762
Total (B)	255,272,853	191,377,544
(Increase)/Decrease in Stock (A-B)	(63,895,309)	(43,204,093)

	Year ended 31.03.2018 (Rupees)	Year ended 31.03.2017 (Rupees)
Note 23 - Employee benefits expense		
Salary, Wages, Allowances & other Benefits	77,754,214	68,942,600
Directors Remuneration	2,225,000	1,200,000
P. F. Contribution	1,148,932	1,159,122
E.S.I Contribution	896,633	620,457
Staff Welfare Expenses	3,023,053	2,203,755
Gratuity & Leave encashment expenses	489,805	832,409
	85,537,637	74,958,343

Note 24 - Financial Cost

a. Interest on :		
Working Capital Loans	15,198,545	9,070,996
FBD/ FBP	20,642,259	17,637,817
Vehicle Loan	1,488,731	1,368,044
Other Loans	3,842,042	3,527,658
b. Other borrowing cost :		
Loans Processing / Guarantee charges	1,046,828	2,528,137
	42,218,405	34,132,652

Note 25 - Other expenses**A) Selling & Distribution Expenses**

a. Advertisement & Publicity	7,097,322	6,507,989
b. Business Promotion Expenses	7,907,418	4,972,697
c. Export Handling Charges	4,678,012	4,215,186
d. Entertainment Expenses	1,045,738	848,291

B) Operating, Administrative & Other Expenses

a. Advance (DEPB)/Service Tax /excise Write Off	3,681,774	1,184,256
b. Audit Fee	350,000	150,000
c. Bank Charges	3,000,426	2,408,921
d. Commission Charges	2,702,460	1,368,188
e. Conveyance Expenses	2,243,464	1,607,885
f. Donations	78,500	63,000
g. Factory Expenses/ Consumables	14,878,990	12,503,323
h. Factory Power & Fuel	2,574,931	2,056,861
i. Insurance Charges	5,822,739	5,424,857
j. Legal & Professional Fee	3,294,032	1,616,401
k. Membership Fee & Subscription	1,061,923	356,832
l. Miscellaneous Expenses	2,041,781	838,388
m. Office & General Expenses	3,777,239	4,098,298
n. Packing Expenses	2,644,333	1,939,892
o. Postage, telegram	1,937,095	1,616,213
p. Printing & Stationary	1,924,169	1,416,426
q. Rent, Rates & Taxes	1,654,666	510,216
r. Repairs & Maintenance		
a) Repairs & Maintenance- Machinery	1,321,061	1,193,693
b) Repairs & Maintenance- Building	796,133	866,664
c) Repairs & Maintenance- Others	6,483,687	4,123,228
s. Research and Development Expenses	974,904	699,465
t. Software Expense	68,985	1,364,224
u. Telephone & Internet Charges	4,468,153	4,158,330
v. Tour & Travelling Expenses.	7,303,058	4,985,986
w. VAT/ Excise/ CST Demand Paid	-	11,207
x. Vehicle Running & Maintenance	3,127,552	2,786,123
	98,940,545	75,893,040

Note:

Breakup of Audit fee as follows:

a. Statutory audit fees	300,000	125,000
b. Tax Audit Fees	50,000	25,000
	350,000	150,000

S. No.	Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees
26	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent Liabilities		
	Other money for which the company is contingently liable.		
	- Amount of Foreign Bill Discounting from the bank	406,660,957	429,737,893
	-Against C- Form	400,000	
(ii)	Commitments	NIL	NIL
	Total	407,060,957	429,737,893
27	Expenditure in foreign currency		
		Year ended 31.03.2018 Rupees	Year ended 31.03.2017 Rupees
(a)	Travelling	394,733	323,667
		394,733	323,667
28	CIF Value of Import		
(a)	Purchase of Material	121,225,068	95,023,021
29	Value of Raw Materials, Components and Spare Parts Purchased		
(i)	Raw Material		
	- Imported (Rs.)	121,225,068	95,023,021
		7.68%	6.00%
	- Indigenous (Rs.)	1,456,259,631	1,489,720,956
		92.32%	94.00%
30	Earnings in Foreign Exchange		
(a)	Exports Sales (Including deemed export)	1,465,046,678	1,430,166,831

31 Outstanding foreign currency exposures

The Company does not use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

Foreign currency exposures which are not hedged by a derivative instrument or otherwise as at 31st March, 2018:

Particular	Payable (Rupees)	Payable (foreign currency)
Sundry Creditors	24,543,814 (2,700,590)	USD 377364.91 (USD 41675.77)
Sundry Debtors	80,016,508 (75,339,890)	USD 993941.49 (USD 11,62,652.62)
Advance from customer	6,179,180 (9,267,189)	USD 95005.84 (USD 143012.17)

Closing rate of 1 USD = 65.04 Rupees (Previous year - 64.80)
Amounts in brackets represent previous year figures

S. No. Particulars

- 32** The Company does not have any reportable business segments. Operations of the Company do not qualify for reporting as geographic segments, as per the criteria set out under Accounting Standard 17 on Segment reporting.

33 Disclosures as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the Act have not been given. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

34 Earnings Per Share (EPS)

	Units	Year ended 31.03.2018	Year ended 31.03.2017
		Rupees	Rupees
Basic and diluted			
Net profit / (loss) for the year	Rupees	46,850,344	12,938,549
Number of equity shares	Numbers	9,287,622	5,502,712
Weighted average number of equity shares	Numbers	8,972,213	5,502,712
Diluted number of equity shares	Numbers	8,972,213	7,265,929
Earnings per share - Basic	Rupees	5.22	2.35
Earnings per share - Diluted	Rupees	5.22	1.78

35 Deferred Tax

Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws. The breakup of deferred tax assets/ liabilities is as follows:

Particulars	As at 31.03.2018	Charged/ (Credited) to Statement of Profit and Loss	Amount in Rupees
			As at 31.03.2017
Deferred Tax Assets			
Excess of depreciation provided in Companies Act compared to allowable under Income Tax Act	3,070,187	(885,428)	2,184,759
Provision for Employee Benefits	561,498	(561,498)	-
	3,631,685	(1,446,926)	2,184,759

- 36** Details of Related Party Transaction are as per **Annexure A** attached

- 37** Disclosure of Retirement Benefits and Leave Encashment as per AS 15-Employee Benefits - **Refer Annexure B**

- 38** The Holding Company has allotted 1,763,217 equity share during the year against the share application money pending allotment received during previous year @ 70 per share (Including Rs. 60 Per share as Share Premium)

Further the company has allotted 2,021,693 equity shares to the shareholders of 5 Core Acoustics Private Limited as consideration for acquiring equity shares of 5 Core Acoustics Private Limited. The Share swap ratio is 0.643:1.

- 39** The operating cycle of the Company has been considered as 12 months for the purpose of current and non-current classification in the financial statements.

- 40** In the opinion of the Board, and to the best of their knowledge and belief the value of the realization of current assets, loans and advances in the ordinary course of the business would not be less than the amount at which they are stated in the balance sheet and the provisions for all known and determined liabilities are adequate and not in excess of the amount reasonably required.

- 41** The Company completed an initial Public offer, ('the Offer') of 33,33,000 Equity Shares of Rs. 10/- each at a price of Rs. 140/- aggregating Rs. 12.620 Cr. The Equity Shares of the Company was Listed on NSE EMERGE on 21st day of May 2018

- 42** Pursuant to the press released issued by MCA dated 2nd January,2015(press release No.11/10/2009 CL-V) the Shares of the Company are listed on NSE Emerge/SME Platform shall not required to apply Indian Accounting Standard.

- 43** Previous period figures have been reclassified and regrouped, wherever necessary, to confirm to the current period's presentation. Amounts have been rounded off to nearest rupee.

For GSK & ASSOCIATES
Chartered Accountants
FRN : 013838N

For and on behalf of the Board
Five Core Electronics Ltd.

Vijay Chawla-FCA
Partner
M.NO - 093941
Place: New Delhi
Date:27.07.2018

Amarjit Singh Kalra
Director
Din:00176921

Amitabh Singh
Chief Finance Officer

Surinder Kaur Kalra
Director
Din:00177037

Saurabh Jain
Company Secretary

Annexure - A

S. No. Particulars

Related party transactions			
a. List of related parties			
(i) Subsidiaries		(iv) Entities under significant influence of Key Management personnel or their relatives	
Ems & Exports Pvt Ltd		Himalayan Traders	
Kaneer Industries Pvt Ltd		Happy Electronics	
South Asia Exim Pte Limited		J K Enterprises	
Pan Arabian Venture Fze		Indian Acoustics Private Limited	
5 Core Acoustics Pvt Ltd		Neha Exports	
(ii) Key Management Personnel		Digi Export	
a) Amarjit Singh Kalra		EMS & Exports	
b) Surinder Kaur Kalra		Visual & Acoustics Corporation LLP	
c) Raj Kumar Projapati			
(iii) Relative of Key management Personnel			
Madhu Gulati			
Surinder Singh kalra			
b. Balances outstanding/ transactions with related parties			
Particulars		Subsidiaries	Amount in Rupees
			Entities under Significant Influence of Key Management personnel or their relatives
			Key Management Personnel/ Relative of Key Management Personnel
(i) Transactions during the year			
Investment In Subsidiaries Companies			
Ems & Exports Pvt Ltd	-	-	-
	(67,000)	(-)	(-)
Kaneer Industries Pvt Ltd	-	-	-
	(67,000)	(-)	(-)
South asia exim pte Ltd	-	-	-
	(464,000)	(-)	(-)
Pan Arabian Venture Fze	1,754,532	-	-
	(-)	(-)	(-)
5 Core Acoustics Pvt Ltd	141,518,475	-	-
	(-)	(-)	(-)
	143,273,007	-	-
	(598,000)	(-)	(-)
Job Work/ other Charges			
Ems & Exports		8,942,851	-
		(179,646)	(-)
Happy Acoustics Pvt Ltd	-	1,382,084	-
	(-)	(379,506)	(-)
Neha Exports	-	496,141	-
	(-)	(82,400)	(-)
Visual & Acoustics Corporation LLP	-	4,384,261	-
	(-)	(1,495,612)	(-)
Digi Export Venture Pvt Ltd	-	1,646,600	-
	(-)	(314,645)	(-)
Indian Acoustics Pvt Ltd	-	1,993,163	-
	(-)	(167,075)	(-)
5 Core Acoustics Pvt Ltd	72,929	-	-
	(844,849)	(-)	(-)
	9,015,780	9,902,249	-
	(1,024,495)	(3,296,658)	(-)
Job Work /Other Receipts			
Ems & Exports		8,942,851	-
		(212,433)	(-)
Happy Acoustics Pvt Ltd	-	1,382,084	-
	(-)	(355,001)	(-)
Neha Exports	-	496,141	-
	(-)	(224,261)	(-)
Visual & Acoustics Corporation LLP	-	4,384,261	-
	(-)	(1,512,614)	(-)
Digi Export Venture Pvt Ltd	-	1,646,600	-
	(-)	(425,257)	(-)
Indian Acoustics Pvt Ltd	-	1,993,163	-
	(-)	(360,650)	(-)
5 Core Acoustics Pvt Ltd	72,929	-	-
	(862,849)	(-)	(-)
	9,015,780	9,902,249	-
	(1,075,282)	(3,592,415)	-

Particulars	Subsidiaries	Entities under Significant Influence of Key Management personnel or their relatives	Key Management Personnel/ Relative of Key Management Personnel
Rent			
Amarjit Singh Kalra	-	-	96,000
	(-)	(-)	(96,000)
Surinder Kaur kalra	-	-	246,000
	(-)	(-)	(246,000)
	-	-	342,000
	(-)	(-)	(342,000)
Director Remuneration			
Amarjit Singh Kalra	-	-	2,000,000
	(-)	(-)	(1,200,000)
	-	-	2,000,000
	(-)	(-)	(1,200,000)
Unsecured Loan Received			
Surinder Kaur Kalra	-	-	60,107,658
	(-)	(-)	(35,194,982)
Amarjit Singh Kalra	-	-	30,805,524
	(-)	(-)	(49,150,995)
Jagjit Kaur Kalra	-	-	20,080,590
	(-)	(-)	(33,645,154)
	-	-	110,993,772
	(-)	(-)	(117,991,131)
Unsecured Loan Repayment			
Surinder Kaur Kalra	-	-	94,426,170
	(-)	(-)	(22,934,604)
Amarjit Singh Kalra	-	-	61,415,515
	(-)	(-)	(27,659,064)
Jagjit Kaur Kalra	-	-	34,688,619
	(-)	(-)	(6,050,000)
	-	-	190,530,304
	(-)	(-)	(56,643,668)
(ii) Balance Outstanding as at the year end			
Long Term Unsecured Loan			
Surinder Kaur Kalra	-	-	391,866
	(-)	(-)	(34,710,378)
Amarjit Singh Kalra	-	-	13,552,169
	(-)	(-)	(44,162,161)
Jagjit Kaur Kalra	-	-	19,037,125
	(-)	(-)	(33,645,154)
	-	-	32,981,161
	(-)	(-)	(112,517,693)
Investment In Subsidiaries Companies			
Ems & Exports Pvt Ltd	67,000	-	-
	(67,000)	(-)	(-)
Kaneer Industries Pvt Ltd	67,000	-	-
	(67,000)	(-)	(-)
South asia exim pte Ltd	464,000	-	-
	(464,000)	(-)	(-)
Pan Arabian Venture Fze	1,754,532	-	-
	(-)	(-)	(-)
5 core Acoustics Pvt Ltd	141,518,475	-	-
	(-)	(-)	(-)
	143,871,007	-	-
	(598,000)	(-)	(-)

Figures in bracket indicate balances of previous year.

FIVE CORE ELECTRONICS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Annexure - B

Disclosure of Retirement Benefits under AS 15-Employee Benefits**a. Defined contribution plan**

The Company's contribution to the Employees Provident Fund is deposited with Provident Fund Commissioner which is recognised by the Income Tax authorities. The Company recognised Rupees 11,48,932 (Previous year Rupees 11,59,122) for Provident Fund contributions in the Statement of Profit and Loss Account.

b. Description of Defined Benefit Plans**i. Gratuity plan**

The Company's gratuity scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to maximum of Rs 10 lacs. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at each balance sheet date.

ii. Long term compensated absences plan

The earned leave liability arises as and when services are performed by an employee. The aforesaid liability is calculated on the basis of actuarial valuation as per projected unit credit method.

c. Disclosure as required under Accounting Standard – 15 (Revised) on "Employee Benefits" in respect of Gratuity is as**i. Change in benefit obligations:**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A Present value of obligations as at the beginning of the year	1,010,188	370,267
B Current service cost	235,133	604,300
C Interest cost	70,713	27,770
D Past service Cost	-	-
E Net actuarial (gain)/loss recognized in the period	(565,591)	108,833
F Benefit payments	(57,722)	(100,982)
G Present value of obligations as at the end of the year (G)=(A)+(B)+(C)+(D)+(E)+(F)	692,721	1,010,188

ii. Expenses recognised in the Statement of Profit and loss account:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A Current service cost	235,133	604,300
B Interest cost	70,713	27,770
C Expected return on plan assets	-	-
D Past service Cost	-	-
E Actuarial (gain)/loss recognised during the year	(565,591)	108,833
F Net charge/(credit) (E=A+B+C+D+E+F)	-259,745	740,903

iii. Principal actuarial assumptions:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Discount rate (p.a.)	7.00%	7.00%
Salary escalation rate (p.a.)	5.00%	5.00%

Notes:

- The discount rate is generally based on the market yields.
- The estimates of future salary increase are based on inflation, seniority, promotion & other relevant factors on long term basis.

iv. Demographic assumptions:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
1 Retirement age	58 years	58 years
2 Attrition Rate	5%	5%
3 Mortality rate	Indian Assured Lives Mortality (2006-08) ult.	

v. Current Liability (*It is expected payout in next 12 months as per schedule III of the Companies Act, 2013) :

Particulars	Year ended 31.03.2018 (Rupees)	Year ended 31.03.2017 (Rupees)
Current Liability (Short Term)	94,927	3,133
Non Current Liability (Long Term)	597,794	1,007,055
Total Liability	692,721	1,010,188

FIVE CORE ELECTRONICS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Annexure - B

d. Disclosure as required under Accounting Standard – 15 (Revised) on "Employee Benefits" in respect of Other Long term Benefits- Leave Encashment

i Change in benefit obligations:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A Present value of obligations as at the beginning of the year	255,995	168,363
B Current service cost	573,930	182,551
C Interest cost	17,920	12,627
D Past service Cost	-	-
E Net actuarial (gain)/loss recognized in the period	157,700	342,174
F Benefit payments	-	(449,720)
G Present value of obligations as at the end of the year (G)=(A)+(B)+(C)+(D)+(E)+(F)	1,005,545	255,995

ii Expenses recognised in the Statement of Profit and loss account:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A Current service cost	573,930	182,551
B Interest cost	17,920	12,627
C Expected return on plan assets	-	-
D Past service Cost	-	-
E Actuarial (gain)/loss recognised during the year	157,700	342,174
F Net charge/(credit) (E=A+B+C+D+E+F)	749,550	537,352

iii Current Liability (*It is expected payout in next 12 months as per schedule III of the Companies Act, 2013) :

Particulars	Year ended 31.03.2018 (Rupees)	Year ended 31.03.2017 (Rupees)
Current Liability (Short Term)	602,226	47,491
Non Current Liability (Long Term)	403,319	208,504
Total Liability	1,005,545	255,995

Independent Auditors' Report on Consolidated Financial Statements

TO THE MEMBERS OF Five Core Electronics Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Five Core Electronics Limited (hereinafter referred to as "the Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's

Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by 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 consolidated state of affairs of the Group at 31st March, 2018, and their consolidated Profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of M/s Kaneer Industries Private Limited, M/s EMS & Exports Private Limited, M/s 5Core Accoustics Private Limited, M/s South Asia Exim PTE Limited and of M/s Pan Arabian Ventures FZE, subsidiaries companies, whose financial statements reflect total assets of Rs.593,809,926/- as at 31st March, 2018, total revenues of Rs.1437,100,294/- as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of Rs. 93,443,376/- for the year ended 31st March, 2018, as considered in the consolidated financial statements, financial information have not been audited by us. These financial statements have been audited by other auditors whose reports have 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 these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company, its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India is

disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the holding company ,its subsidiary companies incorporated in India, refer to our separate report in “Annexure A”.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, Refer Note 26 to the consolidated financial statements.
 - ii. The Holding Company and its subsidiaries companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For GSK & Associates
Chartered Accountants
F R N.: 013838N

Vijay Chawla
Partner
Membership No.: 093941

Place: New Delhi
Date: 27th July 2018

Annexure A to Independent Auditors' Report of Even Date on the Consolidated Financial Statement of Five Core Electronics Limited

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

In conjunction with our audit of the consolidated financial statement of Five Core Electronics Limited (Hereinafter referred to as "Holding Company") as of and for the year ended 31st March 2018, we have audited the internal financial controls over financial reporting of company, its subsidiary companies, which are companies incorporated in India, as of the date.

Management's Responsibility for Internal Financial Controls

The respective Board of Director of the Holding Company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies which are companies incorporated in India, have maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

For GSK & Associates
Chartered Accountants
F R N. : 013838N

Place: New Delhi
Date: 27th July 2018

Vijay Chawla
Partner
M. No.: 093941

FIVE CORE ELECTRONICS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST March, 2018

CONSOLIDATED BALANCE SHEET AS AT 31st March, 2018			
	Note No.	As at 31.03.2018 (Rupees)	As at 31.03.2017 (Rupees)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
a. Share capital	3	92,876,220	55,027,120
b. Reserves and surplus	4	581,976,846	214,718,316
		674,853,066	269,745,436
2 Minority Interest			
		67,724	66,623
3 Share application money pending allotment			
	5	-	123,425,200
4 Non-current liabilities			
a. Long-term borrowings	6	165,731,115	135,648,566
b. Deferred tax liabilities (Net)		-	-
c. Other Long term liabilities		-	-
d. Long-term provisions	7	1,001,113	1,215,559
		166,732,228	136,864,125
5 Current liabilities			
a. Short term borrowings	8	346,892,481	224,679,392
b. Trade payables	9	271,067,091	16,250,495
c. Other current liabilities	10	38,306,143	32,026,709
d. Short-term provisions	11	23,254,222	3,915,687
		679,519,938	276,872,282
		1,521,172,956	806,973,666
B ASSETS			
1 Non-current assets			
a. Fixed assets			
(i) Tangible assets	12	203,220,285	153,936,216
(ii) Intangible assets	13	42,576,259	-
b. Non-current investments			
(i) Investment in Non Current Investments		-	-
c. Long-term loans and advances	14	722,295	86,212
d. Deferred tax Assets (Net)	35	4,908,745	2,184,760
d. Other non-current assets		-	-
		251,427,583	156,207,188
2 Current assets			
a. Inventories	15	613,692,317	362,387,743
b. Trade receivables	16	199,020,856	82,985,371
c. Cash and cash equivalents	17	234,795,821	124,796,762
d. Short-term loan and advances	18	221,643,602	79,806,233
e. Other current assets		592,776	790,368
		1,269,745,372	650,766,477
		1,521,172,956	806,973,666

See accompanying notes forming part of the financial statements 1-44

In terms of our report attached

For GSK & ASSOCIATES
Chartered Accountants
FRN : 013838N

Vijay Chawla-FCA
Partner
M.NO - 093941
Place: New Delhi
Date: 27th July 2018

For and on behalf of the Board
Five Core Electronics Ltd.

Amarjit Singh Kalra
Director
Din:00176921

Surinder Kaur Kalra
Director
Din:00177037

Amitabh Singh
Chief Finance Officer

Saurabh Jain
Company Secretary

FIVE CORE ELECTRONICS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST March, 2018

CONSOLIDATED			
	Note No.	Year ended 31.03.2018 (Rupees)	Year ended 31.03.2017 (Rupees)
1. Revenue from operations	19	3,335,141,835	1,726,919,574
2. Other income	20	24,378,460	9,809,704
3. Total Revenue		3,359,520,295	1,736,729,278
4. Expenses			
a. Cost of materials consumed	21	1,998,057,389	1,358,124,528
b. Purchase of Stock-in-Trade		910,824,764	204,376,124
c. Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(59,087,589)	(43,204,093)
d. Employee benefits expense	23	104,359,715	75,129,058
e. Financial costs	24	76,916,254	34,132,653
f. Depreciation and amortization expense	12	22,727,116	11,235,063
g. Other expenses	25	130,511,290	76,571,974
Total Expenses		3,184,308,938	1,716,365,307
5. Profit / (Loss) before tax		175,211,357	20,363,971
6. Prior period items		-	538,630
7 Tax expense			
a. Current tax		36,969,485	8,019,888
b. Prior period tax adjustment		476,431	208,089
c. Deferred tax charge/ (credit)	35	(2,529,378)	(805,494)
		34,916,537	7,422,483
8. Profit / (Loss) after tax		140,294,820	12,402,858
Less: Minority Interest		1,101	623
9 Net Profit transferred to Reserve & Surplus		140,293,719	12,402,235
10 Basic per share (of Rupees 10 each)		15.64	2.25
Diluted earnings per share (of Rupees 10 each)		15.64	1.71
See accompanying notes forming part of the financial statements	1-44		

In terms of our report attached

For GSK & ASSOCIATES
Chartered Accountants
FRN : 000044N

Vijay Chawla-FCA
Partner
M.NO - 093941
Place: New Delhi
Date: 27th July 2018

For and on behalf of the Board
Five Core Electronics Ltd.

Amarjit Singh Kalra **Surinder Kaur Kalra**
Director Director
Din:00176921 Din:00177037

Amitabh Singh **Saurabh Jain**
Chief Finance Officer Company Secretary

FIVE CORE ELECTRONICS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Year ended 31.03.2018 (Rupees)	Year ended 31.03.2017 (Rupees)
1. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	175,211,357	19,825,341
Adjustments for :		
Depreciation	22,727,116	11,235,063
Interest Income on deposits	(21,352,596)	(8,087,395)
Preliminary Exps W/off	197,592	197,592
Provision for Employee Benefit	432,083	1,266,183
Advance write off	3,681,774	1,184,256
Interest expense	76,916,254	34,132,653
Operating profit before working capital changes	257,813,580	59,753,693
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	(87,987,765)	(113,716,259)
Trade receivables	(78,949,237)	(78,889,385)
Long-term loans and advances	(652,246)	61,479,890
Short-term loan and advances	(110,204,304)	(13,480,866)
Other Current Assets	-	(987,960)
Adjustments for increase / (decrease) in operating Liabilities:		
Trade payables	237,732,146	5,270,958
Other current liabilities	4,409,141	(1,145,824)
Cash generated from/(used in) operations	222,161,314	(81,715,754)
Taxes paid (net of refunds)	(20,190,703)	(6,100,173)
Net cash from/(used in) operating activities	201,970,611	(87,815,927)
2. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets, including capital advances	(51,767,207)	(87,020,877)
Cash & Cash Equivalent at time of Acquisition of 5Core Acoutics Pvt. Ltd.	62,280,699	-
Interest received on deposits	21,352,596	8,087,395
Net cash from/(used in) investing activities	31,866,088	(78,933,482)
3. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Share Application Money	-	123,425,200
Long term Borrowings Taken/ (Paid) during the year	(49,952,764)	67,682,900
Short term borrowings	3,130,364	72,401,709
Minority interest	-	66,000
Interest Paid	(76,916,254)	(34,132,653)
Benefit Paid		
Foreign Exchange Translation Reserve	(98,987)	2,098
Net cash from/(used in) financing activities	(123,837,640)	229,445,254
4. Net increase/ (decrease) in cash and cash equivalents	109,999,059	62,695,845
5. Cash and cash equivalents as at the beginning of the year	124,796,762	62,100,918
6. Cash and cash equivalents at the end of the year	234,795,821	124,796,762
	(0)	0

Reconciliation of Cash and cash equivalents with the Balance Sheet:

Cash and cash equivalents as per Balance Sheet (Refer Note 17)

234,795,821

124,796,762

Notes :-

a. The Cash Flow Statement has been prepared using the Indirect method as specified in Accounting Standard - 3.

b. Cash and cash equivalents include fixed deposits under lien amounting to Rupees 225,260,428 (Previous year Rupees 120,331,882)

In terms of our report attached

For GSK & ASSOCIATES

Chartered Accountants

FRN : 000044N

Vijay Chawla-FCA

Partner

M.NO - 093941

Place: New Delhi

Date: 27th July 2018

For and on behalf of the Board

Five Core Electronics Ltd.

Amarjit Singh Kalra Surinder Kaur Kalra

Director

Director

Din:00176921

Din:00177037

Amitabh Singh

Chief Finance Officer

Saurabh Jain

Company Secretary

FIVE CORE ELECTRONICS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note	Particulars								
1	Corporate information								
	Five Core Electronics Ltd ("the Company") was incorporated on 11th April, 2002. The Company is mainly engaged in Manufacturing & Trading of Electronics & Electricals items with their components.								
2	Significant accounting policies								
2.01	Basis of accounting and preparation of financial statements								
	These financial statements have been prepared in accordance with the Generally Accepted Accounting Principle (GAAP) in India under the historical cost convention on the accrual basis of accounting. Pursuant to section 133 of the Companies Act, 2013 read under Rule 7 of the companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by central government in consultation and recommendation of the National Financial Regulatory Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, These financial statements have been prepared to comply in all material, aspects with the accounting standards notified under section 211(3C) [Companies (Accounting Standards) rules, 2006, as amended] and other relevant provisions of the companies Act, 2013. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.								
2.02	Use of estimates								
	The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.								
2.03	Inventories								
	i. Inventories are valued on first –in-first out basis as under								
	<table> <tr> <td>a. Raw Material</td><td>At cost or net realizable value, whichever is less</td></tr> <tr> <td>b. Work in progress</td><td>At cost</td></tr> <tr> <td>c. Stores & Spares</td><td>At cost</td></tr> <tr> <td>d. Finished Goods</td><td>At cost or net realizable value whichever is lower</td></tr> </table>	a. Raw Material	At cost or net realizable value, whichever is less	b. Work in progress	At cost	c. Stores & Spares	At cost	d. Finished Goods	At cost or net realizable value whichever is lower
a. Raw Material	At cost or net realizable value, whichever is less								
b. Work in progress	At cost								
c. Stores & Spares	At cost								
d. Finished Goods	At cost or net realizable value whichever is lower								
	ii. Appropriate share of overheads are allocated over the work in progress, manufactured/ Processed finished goods.								
	iii. Appropriate provisions are made for slow and non moving inventories to write down the carrying value.								
2.04	Cash and cash equivalents (for purposes of Cash Flow Statement)								
	Cash comprises cash on hand, Cheques in hand and fixed deposits with banks. Cash equivalents are short-term balances, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.								
2.05	Cash flow statement								
	Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.								
2.06	Fixed Assets								
	Assets are capitalised at cost, net of accumulated depreciation and accumulated impairment losses, if any and inclusive of all costs incurred to bring the assets to their location and working condition upto the date the assets are put to use.								
	Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.								
	Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.								

2.07 Depreciation and amortisation

Depreciation on fixed assets other than Land is provided on the written down value of fixed assets at the rates calculated in accordance with the lives prescribed by the Schedule II to the Companies Act, 2013. Depreciation on the acquisition/purchase of assets during the year has been provided on pro-rata basis according to the period each asset was put to use during the year.

2.08 Revenue recognition

a. Revenue in respect of Sale of Products is recognized on dispatch of goods to the Customers, which coincides with the transfer of Property to the buyer.

b. Service Income is recognized as and when the services are performed in accordance with the terms of the Contract.

c. Insurance claims are recognized for on their acceptance & receipts.

d. Duty Draw back are accounted on accrual basis. Difference if any at the time duty drawback is cleared by the Government authorities is duly accounted on actual basis.

e. DEPB / Focus are accounted for as Income at the time of export on accrual basis.

2.09 Foreign currency transactions and translationsInitial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that are closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

2.10 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Costs of investments include acquisition charges such as brokerage, fees and duties.

2.11 Employee benefits

Retirement benefit in the form of provident fund & other funds is a defined contribution scheme. The company has no obligation, other than the contribution payable to the respective fund. The company recognizes contribution payable to the gratuity & other funds as an expenditure, when an employee renders the related service and is charged to statement of profit and loss.

The company operates defined benefit plans for its employees, viz., gratuity. The costs of providing benefits under the gratuity plan are determined on the basis of actuarial valuation at each year-end. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of profit and loss.

2.12 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The Company has only one business, disclosure of segment-wise information is not applicable under accounting Standard 17 - 'Segmental Information' (AS-17) notified by the Companies (Accounting Standards) Rules, 2006. There is no geographical segment to be reported since all the operations are undertaken in India.

2.13 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.14 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

2.15 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their reliability.

2.16 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.17 Miscellaneous Expenditure

Preliminary expenses included under the above heads is being amortized over the period of 5 years i.e. 1/5th expenses is charged every year to the Profit & Loss A/c.

2.18 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

2.19 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are recognized as expenses in the period in which they are incurred.

Particulars	As at 31.03.2018		As at 31.03.2017	
	Number of shares	Rupees	Number of shares	Rupees
Note 3 - Share capital				
(a) Authorised				
Equity shares of Rupees 10 each with voting rights	10,000,000	100,000,000	7,000,000	70,000,000
(b) Issued, subscribed and fully paid up				
Equity shares of Rupees 10 each with voting rights				
At the Beginning of the Year	5,502,712	55,027,120	5,502,712	55,027,120
Add: Issued during the year	3,784,910	37,849,100	-	-
At the end of the year	9,287,622	92,876,220	5,502,712	55,027,120

(c) Equity Shares calls unpaid up by directors and officers of the company is NIL

(d) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(e) Details of shares held by each shareholder holding more than 5% shares:

S. No.	Class of shares / Name of shareholder	As at 31.03.2018		As at 31.03.2017	
		Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights					
1	Amarjit Singh Kalra	3,839,595	41%	1,995,013	36%
2	Amarjit Singh Kalra-HUF	431,703	5%	267,374	5%
3	Jagjit Kaur Kalra	974,310	10%	581,784	11%
4	Surinder Kaur Kalra	2,441,783	26%	1,308,338	24%
5	Surinder Singh Kalra	1,468,103	16%	1,349,903	25%

(f) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31 March, 2018	As at 31 March, 2017
Equity shares with voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash (FY 2017-18)	2,021,693	-

Note 4 - Reserves and surplus

Particulars	As at 31.03.2018	As at 31.03.2017
	(Rupees)	(Rupees)
(a) Securities Premium Reserve		
Opening balance	103,753,650	103,753,650
Add : Premium on shares issued during the year	227,094,600	-
Closing balance	330,848,250	103,753,650
(b) Revaluation Reserve		
Opening balance	37,126,380	37,126,380
Add : Addition during the year	-	-
Closing balance	37,126,380	37,126,380
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	73,836,188	61,433,953
Add: Profit for the year	140,293,719	12,402,235
Closing balance	214,129,907	73,836,188
(d) Foreign Currency Translation Reserve		
Opening balance	2,098	-
Add: Profit/(Loss) for the year	(129,789)	2,098
Closing balance	(127,691)	2,098
Total (a+b+c+d)	581,976,846	214,718,316

Note 5 - Share application money pending allotment

Particulars	As at 31.03.2018	As at 31.03.2017
	(Rupees)	(Rupees)
Share application money pending allotment	-	123,425,200
	-	123,425,200

FIVE CORE ELECTRONICS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	As at 31.03.2018	As at 31.03.2017
		(Rupees)
Note 6 - Long-Term Borrowings		
A) Secured Loans		
Car Finance Loans from Banks (Refer Note (a) below)	7,818,682	10,709,157
B) Unsecured Loans		
Business / Other Loans from Financial Institutions (Refer Note (b) below)	13,706,854	10,788,948
From Directors/ Related Parties (See Note 36)	143,611,100	113,505,653
Others	594,480	644,808
	165,731,115	135,648,566

Notes:-
(a) Nature of Security & terms of repayment for Long Term Borrowing (Secured) :-

	Particulars & Nature of Security	Terms of repayment	As at 31.03.2018	As at 31.03.2017
(i)	Andhra Bank (EECO Flexi) - Secured by Hypothecation of Vehicle	As per the sanction terms of the vehicle loan of Rs. 23,00,120/- interest is payable @ of 10.25% p.a. and loan is repayable in 36 equal monthly installment.	460,686	1,332,583
(ii)	Kotak Mahindra Bank - Secured by Hypothecation of Vehicle	As per the sanction terms of the vehicle loan taken Rs.82,00,000/- from Kotak Mahindra Limited, the interest payable is 11% p.a. and loan is repayable in 60 equal monthly installment of Rs.1,78,287/- starting from 06/10/2015 to 01/10/2020	5,635,546	7,907,742
(iii)	Axis Bank Limited - Secured by Hypothecation of Vehicle.	As per the sanction terms of the vehicle loan taken Rs.27,86,576/- from Axis Bank Limited, the interest payable is 8.65% p.a. and loan is repayable in 36 equal monthly installment of Rs.57,372/- starting from 10/04/2017 to 10/03/2022	2,307,925	2,786,576
(iv)	Reliance Capital Limited	As per the sanction terms of the Machinery loan taken Rs.12,90,000/- from Reliance capital Limited, the interest payable is 15.50% p.a. and loan is repayable in 36 equal monthly installment of Rs.45,032/- starting from 15/03/2017 to 15/10/2020	891,178	1,261,628
(v)	Reliance Capital Limited	As per the sanction terms of the Machinery loan taken Rs.17,00,000/- from Reliance capital Limited, the interest payable is 15.50% p.a. and loan is repayable in 48 equal monthly installment of Rs.47,961/- starting from 15/02/2017 to 15/01/2021	1,308,619	1,678,141
(vi)	Kotak Mahindra Prime Ltd	As per the sanction terms of the vehicle loan taken Rs.2,48,000/- from Kotak Mahindra Prime Limited, the interest payable is 16.51% p.a. and loan is repayable in 36 equal monthly installment of Rs.8,061/- starting from 05/02/2016 to 05/01/2019	76,751	-
(vii)	Reliance Capital Limited	As per the sanction terms of the Machinery loan taken Rs.26,00,000/- from Reliance capital Limited, the interest payable is 15.75% p.a. and loan is repayable in 48 equal monthly installment of Rs.73,352/- starting from 15/05/2017 to 15/04/2021	2,139,042	
(vi)	HDFC Bank Limited	As per the sanction terms of the Vehicle loan taken Rs.27,00,000/- from Hdfc Bank Limited, the interest payable is 15.50% p.a. and loan is repayable in 12 equal monthly installment of Rs.2,36,132/- starting from 05/10/2017 to 05/09/2018	1,380,291	
	Sub Total		14,200,038	14,966,669
	Less: Current Maturities of Long Term Debt considered under 'Other Current Liabilities'		6,381,356	4,257,513
	Total		7,818,682	10,709,157

(b) Nature of Security & terms of repayment for Long Term Borrowing (Secured) :-

	Particulars	Terms of repayment	As at 31.03.2018	As at 31.03.2017
(i)	Indian Infoline Finance	As per the new sanction terms of the Business loan of Rs. 50,00,000/- interest is payable @ of 19.00% p.a. and loan is repayable in 36 equal monthly installment of Rs. 1,82,280/- starting from 03/12/2016 to 03/11/2019	3,120,974	4,573,551
(ii)	HDFC Bank Limited	As per the sanction terms of the New Business loan of Rs. 50,00,000/- interest is payable @ of 16.50% p.a. and loan is repayable in 36 equal monthly installment of Rs. 1,77,022/- starting from 04/11/2016 to 04/10/2019	2,942,296	4,443,548
(iii)	Aditya Birla finance ltd	As per the sanction terms of the Business Installment loan of Rs. 40,00,000/- interest is payable @ of 18.0% p.a. and loan is repayable in 36 equal monthly installment of Rs. 1,44,610/- starting from 05/11/2016 to 05/03/2019	2,375,383	3,564,069
(iv)	Capital Float Limited	As per the sanction terms of the Business Installment loan of Rs. 40,00,000/- interest is payable @ of 19.5% p.a. and loan is repayable in 36 equal monthly installment of Rs. 1,47,634/- starting from 01/04/2016 to 01/03/2019	1,597,885	2,914,744
(v)	Neo Growth Credit pvt ltd	As per the new sanction terms of the Business loan of Rs. 45,00,000/- interest is payable @ of 19.00% p.a. and loan is repayable in 36 equal half monthly installment of Rs. 1,51,250/- starting from 06/05/2016 to 11/20/2017	-	2,363,085
(vi)	KOTAK MAHINDRA BANK	As per the new sanction terms of the Business loan of Rs. 42,50,000/- interest is payable @ of 17.00% p.a. and loan is repayable in 36 equal monthly installment of Rs. 207,400/- starting from 01/04/2016 to 01/03/2019	925,911	2,226,077

(vii)	ICICI Bank Limited	As per the sanction terms of the Business loan of Rs. 30,00,000/- interest is payable @ of 17.00% p.a. and loan is repayable in 24 equal monthly installment of Rs. 148,327/- starting from 01/04/2016 to 01/03/2018	-	1,626,304
(viii)	Capital Float Limited	As per the sanction terms of the Business Installment loan of Rs. 20,00,000/- interest is payable @ of 19.5% p.a. and loan is repayable in 36 equal half monthly installment of Rs. 1,19,195/- starting from 16/12/2016 to 28/08/2017	-	1,144,225
(ix)	Indusind Bank	As per the sanction terms of the this Business loan of Rs. 44,00,000/- interest is payable @ of 18.50% p.a. and loan is repayable in 36 equal monthly installment of Rs. 1,60,176/- starting from 04/10/2017 to 04.10.2020	3,921,851	-
(x)	Capital Float Limited	As per the sanction terms of the Business loan of Rs. 30,04,103/- interest is payable @ of 18.50% p.a. and loan is repayable in 36 equal monthly installment of Rs. 1,09,361/- starting from 01/01/2018 to 01/12/2020	2,812,030	-
(xi)	Caital First Limited	As per the sanction terms of the Business Installment loan of Rs. 30,00,000/- interest is payable @ of 10.35% p.a. and loan is repayable in 36 equal monthly installment of Rs. 1,09,212/- starting from 05/01/2018 to 05/12/2020	2,808,187	-
(xii)	Aditya Birla finance ltd	As per the sanction terms of the Business Installment loan of Rs. 20,00,000/- interest is payable @ of 18.5% p.a. and loan is repayable in 24 equal monthly installment of Rs. 1,00,333/- starting from 05/07/2017 to 05/07/2019	1,413,063	-
(xiii)	Money wise Finance Ltd	As per the sanction terms of the Business Installment loan of Rs. 25,00,000/- interest is payable @ of 18.5% p.a. and loan is repayable in 36 equal monthly installment of Rs. 91,009/- starting from 01/09/2017 to 01/08/2020	2,115,296	-
(xiv)	Tata Capital Financial Ltd	As per the sanction terms of the Business Installment loan of Rs. 16,00,000/- interest is payable @ of 18.0% p.a. and loan is repayable in 36 equal monthly installment of Rs. 91,009/- starting from 03/10/2017 to 03/10/2020	1,425,627	-
(xv)	Neo Growth Credit pvt ltd	As per the sanction terms of the Business Installment loan of Rs. 22,00,000/- interest is payable @ of 18.0% p.a. and loan is repayable in 36 equal half monthly installment of Rs. 73,945/- starting from 05/07/2017 to 20/12/2018	1,285,104	-
(xvi)	Electronica Finance Limited	As per the sanction terms of the Business Installment loan of Rs. 20,00,000/- interest is payable @ of 18.56% p.a. and loan is repayable in 24 equal monthly installment of Rs. 1,00,391/- starting from 10/03/2018 to 10/02/2020	1,930,542	-
Sub Total			28,674,150	22,855,603
Less: Current Maturities of Long Term Debt considered under 'Other Current Liabilities'			14,967,296	12,066,655
Total			13,706,854	10,788,948

Particulars

As at
31.03.2018 As at
31.03.2017

(Rupees) (Rupees)

Note 7 - Long Term ProvisionsProvision for employee benefits:

- 'Provision for compensated absences (Refer Note No. 37)
- 'Provision for gratuity (Refer Note No. 37)

403,319 208,504

597,794 1,007,055

1,001,113 1,215,559

Note 8 - Short term borrowings**A) Secured Loans****Short Term Loans - From Banks** (Refer Note (a) below)

- Packing Credit
- Cash Credit

266,878,083 186,413,414

55,791,494 38,265,978

B) Unsecured Loans

- Loan against GST Input Credit

24,222,904 -

346,892,481 224,679,392

Notes:-**(a) Nature of Security & terms of repayment for Song Term Borrowing (Secured from Banks) :-**

	Particulars	Terms of repayment & Nature of Security	As at 31.03.2018	As at 31.03.2017
(i)	Andhra Bank (Packing Credit)	As per the sanction terms of Andhra Bank - the Packing Credit limit was sanction for Rs. 19 Cr (Previous Year - Rs. 16 Cr) and the interest interest is as per bank's / RBI Extent Guidelines.	166,860,824	186,413,414
(ii)	Andhra Bank (Cash Credit limit)	As per the sanction terms of Andhra Bank - the Cash Credit limit was sanction for Rs. 4 Cr (Previous Year - Rs. 1 Cr) and the interest payable is equivalent to Base rate + 2.75%, which was 13.00% p.a at time of sanction of loan.	37,018,099	38,265,978
(iii)	Andhra Bank	As per the sanction terms of Andhra Bank - the MSME Mitra was sanction for Rs. 2.40 Cr (Previous Year - Nil) and the interest payable is equivalent to 11.30% p.a at time of sanction of loan.	24,222,904	-
(iv)	Karnatka Bank	As per the sanction terms of Karnatka Bank - the Cash Credit limit was sanction for Rs. 2 Cr (Previous Year - Rs. 2 Cr) and the interest payable is equivalent to Base rate + 3.50%, which was 12.40% p.a at time of sanction of loan.	18,773,395	-
(v)	Karnatka Bank	As per the sanction terms of Andhra Bank - the Packing Credit limit was sanction for Rs. 10 Cr (Previous Year - Rs. 10 Cr) and the interest interest is as per bank's / RBI Extent Guidelines.	100,017,259	-
			346,892,481	224,679,392

- Details of Security :-

Cash Credit facilities and packing credit is secured by way of hypothecation of stock-in-trade both present & future, present & future book debts, outstanding monies, receivables, claims due or which may at any time become due and first pari passu charge on the entire fixed assets, both present and future, of the Company other than exclusively charged under term loans.

Further deposits of Rs 22.25 Crore and following immovable properties are given as collateral securities :-

S. No	Property Details
1	F-622, Phase-1, RIICO IND AREA, BHIWADI, DISTT-ALWAR, RAJASTHAN owned by Five core electronics Ltd
2	C-116, Basement, Ground Floor, First Floor, Khasra NO.568/2, Village Tihar Colony, Fateh Nagar, Jail Road owned by Mr. Amarjit Singh Kalra & Mrs Surinder Kaur Kalra
3	C-130, Mansarovar Garden, New Delhi-110015 owned by Surinder singh Kalra
4	WZ-15, Khasra NO. 328 & 329, Uggarsain Market, Ashok Nagar, Tilak Nagar, New Delhi-110018 owned by Five Core Electronics Ltd
5	WZ-15, 3rd Floor, Uggarsain Market, Ashok Nagar, New Delhi owned by Five Core Electronics Ltd
6	Plot No.F-24 to F-27, F-38 to F-41, E-47(B) to E-50 at Industrial Area Sare Khurd, Bhiwadi, Rajasthan owned by Five Core Electronics Ltd
7	C-828, Bhiwadi Industrial area, Alwar, District Rajasthan Owned by 5 core Acoustics Pvt Ltd

Note 9 - Trade payables

- Trade Payables	271,067,091	16,250,495
	271,067,091	16,250,495

Note 10 - Other current liabilities

(a) Current Maturities of Long Term Debt		
- Car Finance Loans from Banks (Secured by hypothecation of vehicles)	6,381,356	4,257,513
- Unsecured Business Loan/other loans from Financial Institutions	14,967,296	12,066,655
(b) Statutory Dues	1,475,020	473,046
(c) Outstanding Liabilities	8,340,159	5,685,193
(d) Advance from customers	7,142,312	9,544,302
	38,306,143	32,026,709

Note 11 - Short-term provisions

a. Provision for income tax	22,557,069	3,865,063
b. Provision for employee benefits:		
- Provision for compensated absences (Refer Note No. 37)	602,226	47,491
- Provision for gratuity (Refer Note No. 37)	94,927	3,133
	23,254,222	3,915,687

Note 12 - Fixed Assets - Tangible assets (At cost)

S.No	Particulars	GROSS BLOCK				Depreciation Block				Net Block		
		As at 01.04.2017	Additions	Other Adjustments*	Deletion/Transfer to other branch	As at 31.03.2018	As at 01.04.2017	During the year	Other Adjustments*	Depreciation Reversed	As at 31.03.2018	As at 31.03.2017
1.	Plant & Machinery	32,780,458	22,782,564	16,668,398	-	72,231,421	14,847,207	8,460,523	4,101,540	-	27,409,270	17,933,251
2.	Office Equipment	7,015,812	7,529,665	2,489,683	-	17,035,160	4,501,776	4,254,306	945,744	-	9,701,826	2,514,036
3.	Motor Vehicle	18,549,727	6,144,770	305,340	-	24,999,837	8,502,630	3,463,555	114,341	-	12,080,527	10,047,097
4.	Computers and Data Processing Units	9,577,020	3,070,457	772,025	-	13,419,502	7,797,721	2,561,669	314,150	-	10,673,539	1,779,299
5.	Electric Equipments and Installations	3,381,329	2,994,595	-	-	6,375,924	1,921,065	985,572	-	-	2,906,637	1,460,264
6.	Furniture & Fixtures	3,087,470	9,264,775	651,247	-	13,003,492	1,604,036	2,127,255	141,685	-	3,872,976	1,483,434
7.	Land	104,154,943	-	2,537,604	-	106,692,547	-	-	-	-	106,692,547	104,154,943
8.	Buildings	16,966,502	-	9,725,370	-	26,691,872	2,402,607	874,236	7,288,232	-	10,565,075	14,563,895
Total - Current Year		195,513,262	51,786,827	33,149,667	-	280,449,755	41,577,043	22,727,116	12,905,691	-	77,209,850	153,936,216
Total - Previous Year		108,492,384	87,020,877	-	-	195,513,262	303,419,866	11,235,063	-	-	41,577,043	78,150,402

* Company has acquired Score Acoustics Private Limited during the year and its fixed assets as on date of acquisition are added to Fixed Assets block.

Note 13 - Fixed Assets - Intangible assets

S.No	Particulars	GROSS BLOCK					DEPRECIATION BLOCK				Net Block	
		As at 01.04.2017	Additions	Other Adjustments*	Deletion/Transfer to other branch	As at 31.03.2018	As at 01.04.2017	During the year	Other Adjustments *	Depreciation Reversed	As at 31.03.2018	As at 31.03.2017
1	Goodwill	-	42,576,259	-	-	42,576,259	-	-	-	-	42,576,259	-
	Total - Current Year	-	42,576,259	-	-	42,576,259	-	-	-	-	42,576,259	-

	As at 31.03.2018 (Rupees)	As at 31.03.2017 (Rupees)
Note 14 - Long-term loans and advances		
(Unsecured, considered good)		
Security deposits	722,295	86,212
	722,295	86,212
Note 15 - Inventories		
(Valued at lower of cost or net realizable value, as certified by the management)		
Closing Stock of :-		
- Raw Material	235,139,853	171,010,199
- Work in progress/ Semi Finished	266,264,940	185,266,762
- Finished Stock	112,287,524	6,110,782
	613,692,317	362,387,743
Note 16 - Trade receivables		
(Unsecured, considered good)		
a. Outstanding for more than six months	711,366	2,930,000
b. Others	198,309,490	80,055,371
	199,020,856	82,985,371
Note 17 - Cash and cash equivalents		
a. Cash in hand	7,481,682	1,424,868
b. Balances with scheduled banks in:		
i. Current accounts	2,053,711	3,040,012
ii. Deposit accounts (Refer Notes below)	225,260,428	120,331,882
	234,795,821	124,796,762
Notes:		
(i) Balance with scheduled banks in deposit accounts includes deposits which are under lien	225,260,428	120,331,882
Note 18 - Short- term loan and advances		
(Unsecured, considered good)		
a. Prepaid expenses	10,589,212	3,876,435
b. Advance to suppliers and others	39,599,339	9,390,932
c. Excise /Service Tax /Custom Duty / GST Recoverable	126,358,637	32,088,680
(Unsecured Loan of Rs. 2.4 Crs taken against GST Input Credit of Rs. 3.43 Crs)		
d. Security Deposit	266,619	-
e. VAT & CST Recoverable	1,030,457	1,947,473
F. Duty Draw Back/Focus & DEPB Recoverable	43,799,338	32,502,713
	221,643,602	79,806,233

Year ended 31.03.2018 (Rupees)	Year ended 31.03.2017 (Rupees)
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Note 19 - Revenue from operations**a. Income from operations:**

- Sale Export	2,780,058,796	1,430,166,831
- Sale Local	481,210,705	245,513,642
- Sale Focus/ DEBP/ M E I S	35,854,357	25,799,596
- Foreign Exchange Rate Diff.	16,773,829	9,194,598
- Scrap Sale	207,313	361,186
Less - Excise Duty	23,035	183,432

Income from Operations (A)

3,314,081,965	1,710,852,421
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b. Other Operating Income:-

- Duty Draw Back	20,626,720	15,716,316
- Others	433,150	350,837

Other operating Income (B)

21,059,870	16,067,153
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Total Revenue from Operations (A+B)

3,335,141,835	1,726,919,574
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Note 20 - Other Income

a. Interest income on Fixed Deposit and VAT refund	21,352,596	8,087,395
b. Job Work	1,260,607	1,319,432
c. Other Income	1,765,257	402,877
	24,378,460	9,809,704

Note - 21 Cost of Materials Consumed**Raw Material Consumed****Opening Stock:-**

Raw Material of Five Core Electronics Limited	171,010,199	100,498,033
Raw Material Of Subsidiaries Companies (acquired during the year)	19,090,224	-

Add:

Purchases	2,030,920,466	1,410,607,749
Custom Duty on Import	5,345,536	7,644,373
Freight & Carriage Inward	6,830,817	10,384,573

2,233,197,242	1,529,134,728
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Less : Closing Stock

Raw Material of Five Core Electronics Limited	83,012,667	171,010,199
Raw Material Of Subsidiaries Companies	152,127,186	-

Raw Material Consumed

1,998,057,389	1,358,124,528
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Note - 22 (Increase)/Decrease in Stocks**Opening Stock of :**

Finished goods of Five Core Electronics Limited	6,110,782	43,745,324
Finished goods of Subsidiaries Companies (acquired during the year)	8,062,140	-
WIP/Semi Finished goods of Five Core Electronics Limited	185,266,762	104,428,127
Work in progress/ Semi Finished goods (acquired during the year)	120,025,191	-

Total (A)	319,464,874	148,173,450
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Closing Stock of :

Finished goods of Five Core Electronics Limited	7,622,324	6,110,782
Finished goods of Subsidiaries Companies	104,665,200	-
Work in progress/ Semi Finished goods of Five Core Electronics Limited	266,264,940	185,266,762
Work in progress/ Semi Finished goods of Subsidiaries Companies	-	-

Total (B)	378,552,464	191,377,544
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(Increase)/Decrease in Stock (A-B)

(59,087,589)	(43,204,093)
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	Year ended 31.03.2018 (Rupees)	Year ended 31.03.2017 (Rupees)
Note 23 - Employee benefits expense		
Salary, Wages, Allowances & other Benefits	94,271,681	69,111,300
Directors Remuneration	3,294,516	1,200,000
P. F. Contribution	1,545,608	1,159,122
E.S.I Contribution	1,175,050	620,457
Staff Welfare Expenses	3,583,055	2,205,770
Gratuity & Leave Encashment Exp	489,805	832,409
	104,359,715	75,129,058
Note 24 - Financial Cost		
a. Interest on :		
Working Capital Loans	49,896,394	9,070,996
FBD/ FBP	20,642,259	17,637,817
Vehicle Loan	1,488,731	1,368,044
Other Loans	3,842,042	3,527,659
b. Other borrowing cost :		
Loans Processing / Guarantee charges	1,046,828	2,528,137
	76,916,254	34,132,653
Note 25 - Other expenses		
A) Selling & Distribution Expenses :-		
a. Advertisement & Publicity	13,716,345	6,164,976
b. Business Promotion Expenses	9,730,383	4,974,348
c. Clearing, Forwarding & Freight	195,663	-
d. Export Handling Charges	6,981,725	4,215,186
e. Entertainment Expenses	1,243,328	848,291
B) Operating, Administrative & Other Expenses:-		
a. Advance (DEPB)/Excise / Service Tax Write Off	3,681,774	1,184,256
b. Audit Fee	407,000	157,000
c. Bank Charges	6,780,694	2,411,623
d. Commission Charges	2,702,460	1,368,188
e. Conveyance Expenses	2,588,118	1,618,302
f. Donations	78,500	63,000
g. Factory Expenses/ Consumables	15,247,022	12,503,323
h. Factory Power & Fuel	4,191,405	2,060,200
i. Insurance Charges	6,571,919	5,424,857
j. Legal & Professional Fee	4,094,240	1,674,631
k. Membership Fee & Subscription	1,061,923	356,832
l. Miscellaneous Expenses	3,469,367	1,186,533
m. Office & General Expenses	4,183,272	4,098,298
n. Packing Expenses	2,644,333	1,939,892
o. Postage, telegram	2,135,900	1,616,213
p. Printing & Stationary	2,266,962	1,416,426
q. Rent, Rates & Taxes	7,311,560	889,036
r. Repairs & Maintenance		
a)Repairs & Maintenance- Machinery	1,616,885	1,266,977
b) Repairs & Maintenance- Building	796,133	866,664
c)Repairs & Maintenance- Others	7,374,868	4,049,944
s. Research and Development Expenses	974,904	699,465
t. Software Expense	68,985	1,364,224
u. Telephone & Internet Charges	4,761,343	4,169,840
v. Tour & Travelling Exp.	9,539,877	4,985,986
w. VAT/ Excise/ CST Demand Paid	-	11,207
x. Vehicle Running & Maintenance	3,896,810	2,788,664
xi. Preliminary Exps W/off	197,592	197,592
	130,511,290	76,571,975
Note:		
Breakup of Audit fee as follows:		
a. Statutory audit fees	357,000	132,000
b. Tax Audit Fees	50,000	25,000
	407,000	157,000

S. No.	Particulars	As at 31.03.2018 Rupees	As at 31.03.2017 Rupees
26	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent Liabilities		
	Other money for which the company is contingently liable :-		
	- Amount of Foreign Bill Discounting from the bank	672,093,609	429,737,893
	- Amount of C Form Pending	400,000	-
(ii)	Commitments	-	-
	Total	672,493,609	429,737,893
27	Expenditure in foreign currency		
		Year Ended 31.03.2018 Rupees	Year Ended 31.03.2017 Rupees
(a)	Travelling Expenses	394,733	323,667
		394,733	323,667
28	CIF Value of Import		
(a)	Purchase of Material	316,092,416	95,023,021
		316,092,416	95,023,021
29	Value of Raw Materials, Components and Spare Parts purchased		
(i)	Raw Material ,Components and spare Parts		
	- Imported (Rs.)	316,092,416	95,023,021
		15.56%	5.88%
	- Indigenous (Rs.)	1,714,828,051	1,315,584,728
		84.44%	94.12%
	Total Raw Material ,Components & Spare Parts purchased	2,030,920,466	1,410,607,749
30	Earnings in Foreign Exchange		
(a)	Exports Sales (Including deemed export)	2,836,076,561	1,430,166,831
		2,836,076,561	1,430,166,831
31	Outstanding foreign currency exposures		

The Company does not use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

Foreign currency exposures which are not hedged by a derivative instrument or otherwise as at 31 March, 2018:

Particular	Payable (Rupees)	Payable (foreign currency)
Sundry Creditors	24,687,712 (2,700,590)	USD 3,79,577.37 (USD 41,675.77)
Sundry Debtors	83,154,869 (75,339,890)	USD 12,78,518.90 (USD 11,62,652.62)
Advance from customer	6,179,180 (9,267,189)	USD 95,005.84 (USD 143012.17)

Closing rate of 1 USD = 65.04 Rupees (Previous year - 64.80)
(Amounts in brackets represent previous year figures)

S. No. Particulars

32 The Company does not have any reportable business segments. Operations of the Company do not qualify for reporting as geographic segments, as per the criteria set out under Accounting Standard 17 on Segment reporting.

33 Disclosures as per Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the Act have not been given. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

34 Earnings Per Share (EPS)

	Units	Year ended 31.03.2018 Rupees	Year ended 31.03.2017 Rupees
Basic and diluted			
Net profit / (loss) for the year	Rupees	140,294,820	12,402,858
Number of equity shares	Numbers	9,287,622	5,502,712
Weighted average number of equity shares	Numbers	8,972,213	5,502,712
Diluted number of equity shares	Numbers	8,972,213	7,265,929
Earnings per share - Basic	Rupees	15.64	2.25
Earnings per share - Diluted	Rupees	15.64	1.71

35 Deferred Tax

Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws. The breakup of deferred tax assets/ liabilities is as follows:

		Amount in Rupees	
Particulars	As at 31.03.2018	Charged/ (Credited) to Statement of Profit and Loss	As at 31.03.2017
Deferred Tax Assets			
Excess of depreciation provided in Companies Act compared to allowable under Income Tax Act	4,347,247	(1,967,881)	2,184,759
Provision for Employee Benefits	561,498	(561,498)	0
	4,908,745	(2,529,378)	2,184,759

* The closing balance includes Rs. 13,63,752 as deferred tax assets relating to its subsidiary.

36 Details of Related Party Transaction are as per **Annexure A** attached

37 Refer **Annexure B** for Disclosure of Retirement Benefits and Leave Encashment as per AS 15-Employee Benefits

38 AOC-1 Statement containing salient features of the financial statement of subsidiaries/ associate companies and joint ventures enclosed as **Annexure C**.

39 The Holding Company has allotted 1,763,217 equity share during the year against the share application money pending allotment received during previous year @ 70 per share (Including Rs. 60 Per share as Share Premium)

Further the company has allotted 2,021,693 equity shares to the shareholders of 5 Core Acoustics Private Limited as consideration for acquiring equity shares of 5 Core Acoustics Private Limited. The Share swap ratio is 0.643:1.

40 In the opinion of the Board, and to the best of their knowledge and belief the value of the realization of current assets, loans and advances in the ordinary course of the business would not be less than the amount at which they are stated in the balance sheet and the provisions for all known and determined liabilities are adequate and not in excess of the amount reasonably required.

41 The Company completed an initial Public offer, ('the Offer') of 33,33,000 Equity Shares of Rs. 10/- each at a price of Rs. 140/- aggregating Rs. 12.620 Cr. The Equity Shares of the Company was Listed on NSE EMERGE on 21st day of May 2018

42 Pursuant to the press released issued by MCA dated 2nd January,2015(press release No.11/10/2009 CL-V) the Shares of the Company are listed on NSE Emerge/SME Platform shall not required to apply Indian Accounting Standard.

43 The operating cycle of the Company has been considered as 12 months for the purpose of current and non-current classification in the financial statements.

44 Previous period figures have been reclassified and regrouped, wherever necessary, to confirm to the current year's presentation. Amounts have been rounded off to nearest rupee.

For GSK & ASSOCIATES
Chartered Accountants
FRN : 013838N

Vijay Chawla-FCA
Partner
M.NO - 093941
Place: New Delhi
Date: 27th July 2018

For and on behalf of the Board
Five Core Electronics Ltd.

Amarjit Singh Kalra
Director
Din:00176921

Amitabh Singh
Chief Finance Officer

Surinder Kaur Kalra
Director
Din:00177037

Saurabh Jain
Company Secretary

Annexure - A

S. No. Particulars

Related party transactions			
a. List of related parties			
(i) Subsidiaries			
Ems & Exports Pvt Ltd			
Kaneer Industries Pvt Ltd			
South Asia Exim Pte Limited			
Pan Arabian Venture Fze			
5 Core Acoustics Pvt Ltd			
(ii) Key Management Personnel			
a) Amarjit Singh Kalra			
b) Surinder Kaur Kalra			
c) Raj Kumar Projapati			
(iii) Relative of Key management Personnel			
Madhu Gulati			
Surinder Singh kalra			
Ram singh Kalra Huf			
b. Balances outstanding/ transactions with related parties			
Particulars	Subsidiaries	Entities under Significant Influence of Key Management personnel or their relatives	Key Management Personnel/ Relative of Key Management Personnel
(i) Transactions during the year			
Job Work/ other Charges			
Happy Acoustics Pvt Ltd	-	1,532,653	-
	(-)	(379,506)	(-)
Neha Exports	-	496,141	-
	(-)	(82,400)	(-)
Visual & Acoustics Corporation LLP	-	4,387,298	-
	(-)	(1,495,612)	(-)
Digi Export Venture Pvt Ltd	-	1,721,303	-
	(-)	(314,645)	(-)
Indian Acoustics Pvt Ltd	-	1,993,163	-
	(-)	(167,075)	(-)
	-	19,071,478	-
	(-)	(1,606,960)	(-)
Job Work /Other Receipts			
Happy Acoustics Pvt Ltd	-	1,529,629	-
	(-)	(355,001)	(-)
Neha Exports	-	496,141	-
	(-)	(224,261)	(-)
Visual & Acoustics Corporation LLP	-	4,449,891	-
	(-)	(1,512,614)	(-)
Digi Export Venture Pvt Ltd	-	1,721,303	-
	(-)	(425,257)	(-)
Indian Acoustics Pvt Ltd	-	1,993,163	-
	(-)	(360,650)	(-)
	-	19,131,047	-
	(-)	(3,090,216)	(-)
Rent			
Amarjit Singh Kalra	-	-	96,000
	(-)	(-)	(96,000)
Surinder Kaur kalra	-	-	306,000
	(-)	(-)	(246,000)
	-	-	402,000.00
	(-)	(-)	(342,000.00)
b. Balances outstanding/ transactions with related parties			
Director Remuneration			
Amarjit Singh Kalra	-	-	2,360,000
	(-)	(-)	(1,200,000)
	-	-	2,360,000
	(-)	(-)	(1,200,000)
Unsecured Loan Received			
Surinder Kaur Kalra	-	-	82,812,658
	(-)	(-)	(35,194,982)
Amarjit Singh Kalra	-	-	39,782,383
	(-)	(-)	(49,150,995)
Jagjit Kaur Kalra	-	-	28,625,690
	(-)	(-)	(33,645,154)
	-	-	151,220,731
	(-)	(-)	(117,991,131)

Unsecured Loan Repayment

Surinder Kaur Kalra	-	-	100,299,613
	(-)	(-)	(22,934,604)
Amarjit Singh Kalra	-	-	75,653,816
	(-)	(-)	(27,659,064)
Jagjit Kaur Kalra	-	-	34,688,619
	(-)	(-)	(6,050,000)
	-	-	210,642,048
	(-)	(-)	(56,643,668)

(ii) Balance Outstanding as at the year end
Long Term Unsecured Loan

Surinder Kaur Kalra	-	-	44,688,423
	(-)	(-)	(34,710,378)
Surinder Kaur Kalra (In Subsidiaries Companies acquired during the yr)	-	-	(27,465,000)
Amarjit Singh Kalra	-	-	48,202,841
	(-)	(-)	(45,150,121)
Amarjit Singh Kalra (In Subsidiaries Companies acquired during the yr)	-	-	(38,924,154)
Jagjit Kaur Kalra	-	-	50,719,835
	(-)	(-)	(33,645,154)
Jagjit Kaur Kalra (In Subsidiaries Companies acquired during the yr)	-	-	(23,137,610)
	-	-	143,611,100
	(-)	(-)	(113,505,653)

Figures in bracket indicate balances of previous year.

-

Annexure - B

Disclosure of Retirement Benefits under AS 15-Employee Benefits**a. Defined contribution plan**

The Company's contribution to the Employees Provident Fund is deposited with Provident Fund Commissioner which is recognised by the Income Tax authorities. The Company recognised Rupees 15,45,608 (Previous year Rupees 11,59,122) for Provident Fund contributions in the Statement of Profit and Loss Account.

b. Description of Defined Benefit Plans**i. Gratuity plan**

The Company's gratuity scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to maximum of Rs 10 lacs. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuation being carried out at each balance sheet date.

ii. Long term compensated absences plan

The earned leave liability arises as and when services are performed by an employee. The aforesaid liability is calculated on the basis of actuarial valuation as per projected unit credit method.

c. Disclosure as required under Accounting Standard – 15 (Revised) on "Employee Benefits" in respect of Gratuity is as**i Change in benefit obligations:**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A Present value of obligations as at the beginning of the year	1,010,188	370,267
B Current service cost	235,133	604,300
C Interest cost	70,713	27,770
D Past service Cost	-	-
E Net actuarial (gain)/loss recognized in the period	(565,591)	108,833
F Benefit payments	(57,722)	(100,982)
G Present value of obligations as at the end of the year (G)=(A)+(B)+(C)+(D)+(E)+(F)	692,721	1,010,188

ii Expenses recognised in the Statement of Profit and loss account:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
A Current service cost	235,133	604,300
B Interest cost	70,713	27,770
C Expected return on plan assets	-	-
D Past service Cost	-	-
E Actuarial (gain)/loss recognised during the year	(565,591)	108,833
F Net charge/(credit) (E=A+B+C+D+E+F)	-259,745	740,903

iii Principal actuarial assumptions:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Discount rate (p.a.)	7.00%	7.00%
Salary escalation rate (p.a.)	5.00%	5.00%

Notes:

- The discount rate is generally based on the market yields.
- The estimates of future salary increase are based on inflation, seniority, promotion & other relevant factors on long term basis.

iv Demographic assumptions:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
1 Retirement age	58 years	58 years
2 Attrition Rate	5%	5%
3 Mortality rate	Indian Assured Lives Mortality (2006-08) ult.	

v Current Liability (*It is expected payout in next 12 months as per schedule III of the Companies Act, 2013) :

Particulars	Year ended 31.03.2018 (Rupees)	Year ended 31.03.2017 (Rupees)
Current Liability (Short Term)	94,927	3,133
Non Current Liability (Long Term)	597,794	1,007,055
Total Liability	692,721	1,010,188

d. **Disclosure as required under Accounting Standard – 15 (Revised) on “Employee Benefits” in respect of Other Long term Benefits- Leave Encashment**

i **Change in benefit obligations:**

		Year ended 31.03.2018	Year ended 31.03.2017
	Particulars		
A	Present value of obligations as at the beginning of the year	255,995	168,363
B	Current service cost	573,930	182,551
C	Interest cost	17,920	12,627
D	Past service Cost	-	-
E	Net actuarial (gain)/loss recognized in the period	157,700	342,174
F	Benefit payments	-	(449,720)
G	Present value of obligations as at the end of the year (G)=(A)+(B)+(C)+(D)+(E)+(F)	1,005,545	255,995

ii **Expenses recognised in the Statement of Profit and loss account:**

		Year ended 31.03.2018	Year ended 31.03.2017
	Particulars		
A	Current service cost	573,930	182,551
B	Interest cost	17,920	12,627
C	Expected return on plan assets	-	-
D	Past service Cost	-	-
E	Actuarial (gain)/loss recognised during the year	157,700	342,174
F	Net charge/(credit) (E=A+B+C+D+E+F)	749,550	537,352

iii **Current Liability (*It is expected payout in next 12 months as per schedule III of the Companies Act, 2013) :**

		Year ended 31.03.2018	Year ended 31.03.2017
	Particulars		
		(Rupees)	(Rupees)
	Current Liability (Short Term)	602,226	47,491
	Non Current Liability (Long Term)	403,319	208,504
	Total Liability	1,005,545	255,995

FIVE CORE ELECTRONICS LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Annexure - C

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

- A. Names of subsidiaries which are yet to commence operations : Nil
- B. Names of subsidiaries which have been liquidated or sold during the year : Nil

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

S. No.	Particulars	Company Name				
		Kaneer Industries Private Limited	EMS & Exports Private Limited	South Aisa Exim PTE Limited	Pan Arabian Venture Fze	Score Acoustics Pvt Ltd
1	Name of the subsidiary					
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018	14.06.2017 to 31.03.2018	15.04.2017 to 31.03.2018
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.	N.A.	SGD, Closing Rate - 49.68	AED, Closing Rate - 17.736	N.A.
4	Share capital paid up	100,000	100,000	496,800	1,773,600	31,448,550
5	Reserves & surplus	2,623	2,601	5,249,934	64,914,167	90,053,563
6	Total assets	701,224	510,382	6,563,771	195,547,505	390,487,044
7	Total Liabilities	598,601	407,781	817,037	128,859,738	268,984,931
8	Investments	-	-	-	-	-
9	Turnover	235,820	197,330	46,708,214	472,089,418	903,733,410
10	Profit/(Loss) before taxation	2,078	2,681	6,129,754	65,162,241	33,915,776
11	Provision for taxation	621	801	462,620	-	11,304,011
12	Profit/(Loss) after taxation	1,457	1,880	5,667,134	65,162,241	22,611,765
13	Proposed Dividend	-	-	-	-	-
14	% of shareholding	67%	67%	100%	100%	100%

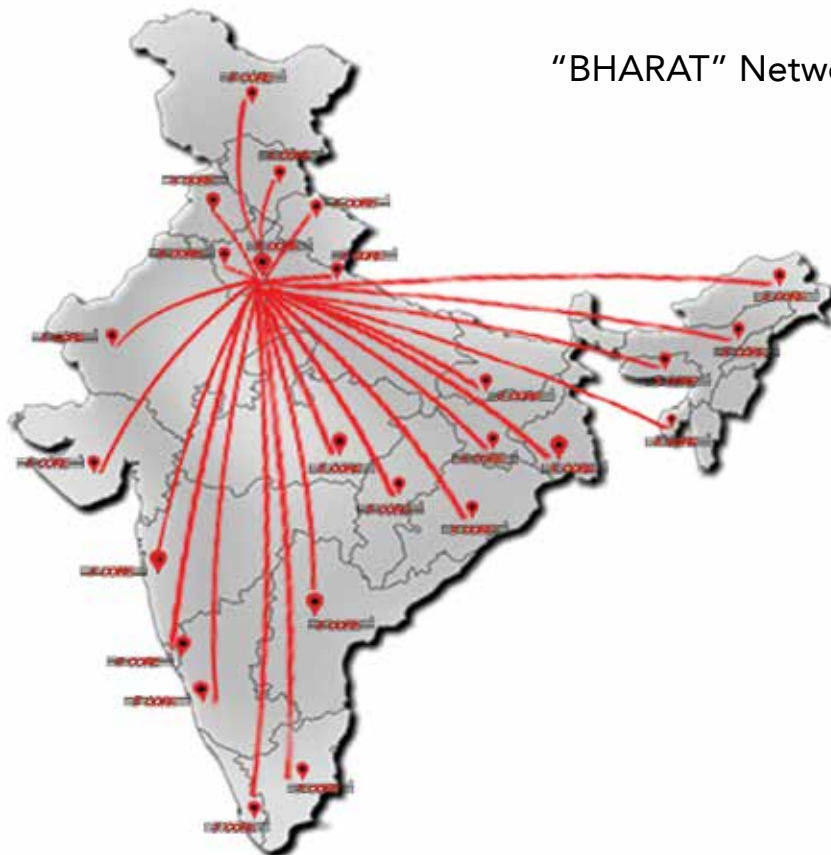
Name of the entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (Rs.)	As % of consolidated profit or loss	Amount (Rs.)
Parent				
Five Core Electronics Limited	74.98%	582,073,695	33.39%	46,850,344
Subsidiaries -Indian				
Kaneer Industries Private Limited	0.01%	102,623	0.00%	976
EMS & Exports Private Limited	0.01%	102,601	0.00%	1,260
Score Acoustics Pvt Ltd	15.65%	121,502,113	16.12%	22,611,765
Subsidiaries -Foreign				
South Aisa Exim PTE Limited	0.74%	5,746,734	4.04%	5,667,134
Pan Arabian Venture Fze	8.59%	66,687,767	46.45%	65,162,241
Minority Interest in all subsidiaries	0.01%	67,724	0.00%	1,101

INTENTIONALLY BLANK

World Wide Network



"BHARAT" Network





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