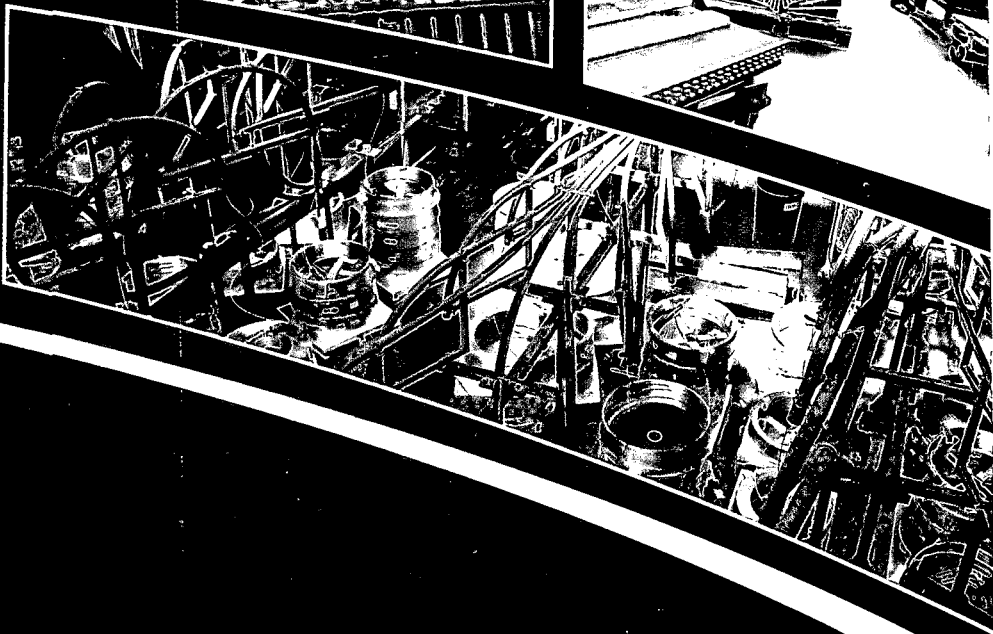
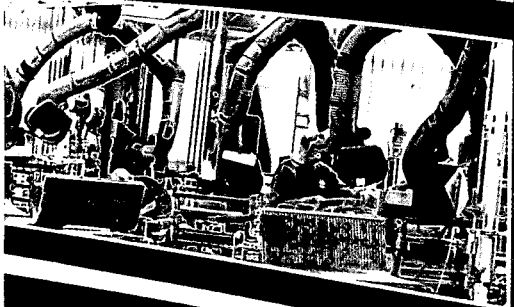
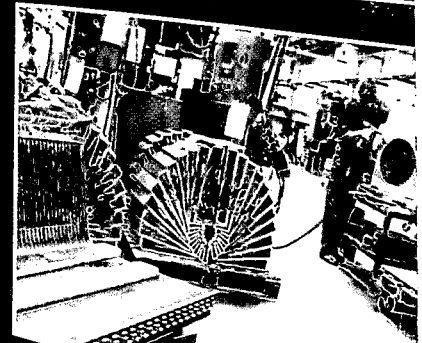
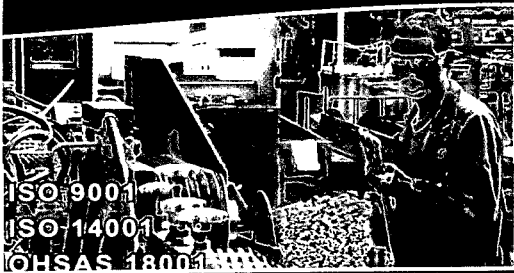
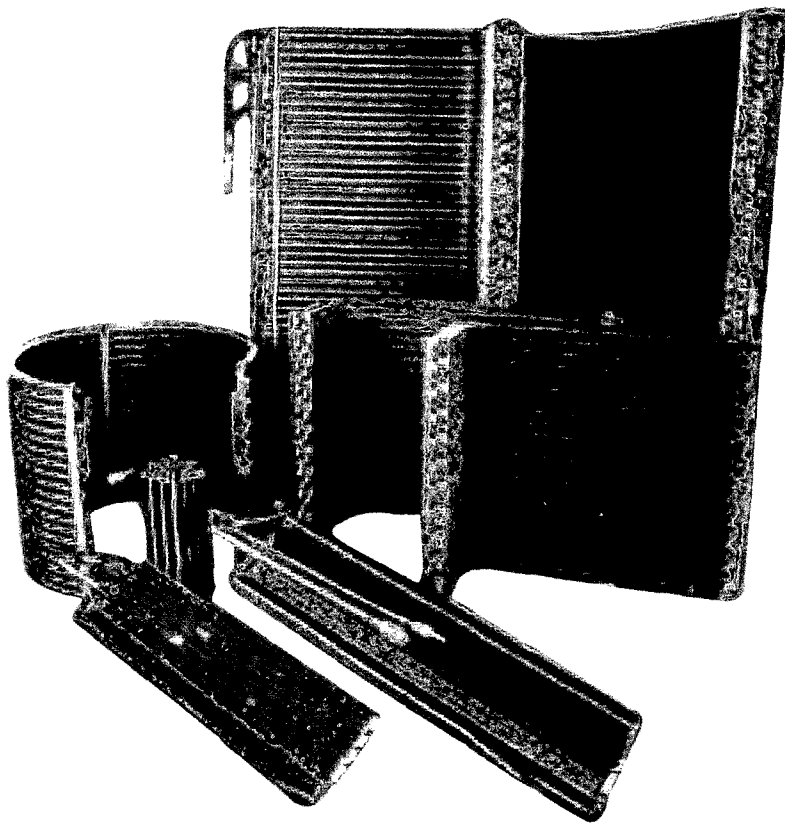
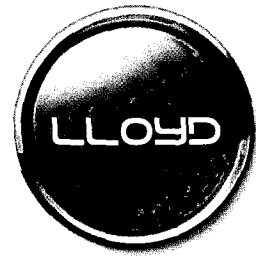




LIVE THE FUTURE



*At the cutting edge of
heat transfer technology*



*Highlights
2008-2009*

*Total Income
Rs. 58790 Lacs*

*Operating Profit
Rs. 4835 Lacs*

*Profit before tax
Rs. 2477 Lacs*

*Profit after tax
Rs. 2037 Lacs*

*Earning Per Share
Rs. 6.57*

Board of Directors

Brij Raj Punj

Chairman & Managing Director

A.K. Roy

Whole Time Director

K. Lall

S.K. Sharma

Rashmi Sachdev

Registered Office:

A-146, (B&C), RIICO Industrial Area
Bhiwadi Distt: Alwar, Rajasthan-301 019
Ph.: 01493-220724, 222521, 221348
Fax: 01493-220543

Corporate Office

159, Okhla Industrial Estate, Phase-III,
New Delhi-110 020.
Ph: 011-40627200-300 Fax: 011-41609909

Statutory Auditors

M/s. Suresh C. Mathur & Co.,
Chartered Accountants,
New Delhi

Bankers

State Bank of Bikaner & Jaipur
State Bank of India
Axis Bank
Standard Chartered Bank

Share Transfer Agent

Skyline Financial Services Private Limited,
246, First Floor, Sant Nagar,
Main ISKCON Temple Road, East of Kailash
New Delhi-110 065
Ph: 011 26292682, 83
Fax: 011 26292681

Manufacturing Plants

Domestic

A-146, (B & C),
RIICO Industrial Area
Bhiwadi Distt. Alwar,
Rajasthan-301 019

Industrial Area,
Kala-Amb, Trilokpur Road,
Sirmour, Nahan
Himachal Pradesh

C-1/1, Industrial Area,
Selakui Dehradun
Uttanchal

Overseas

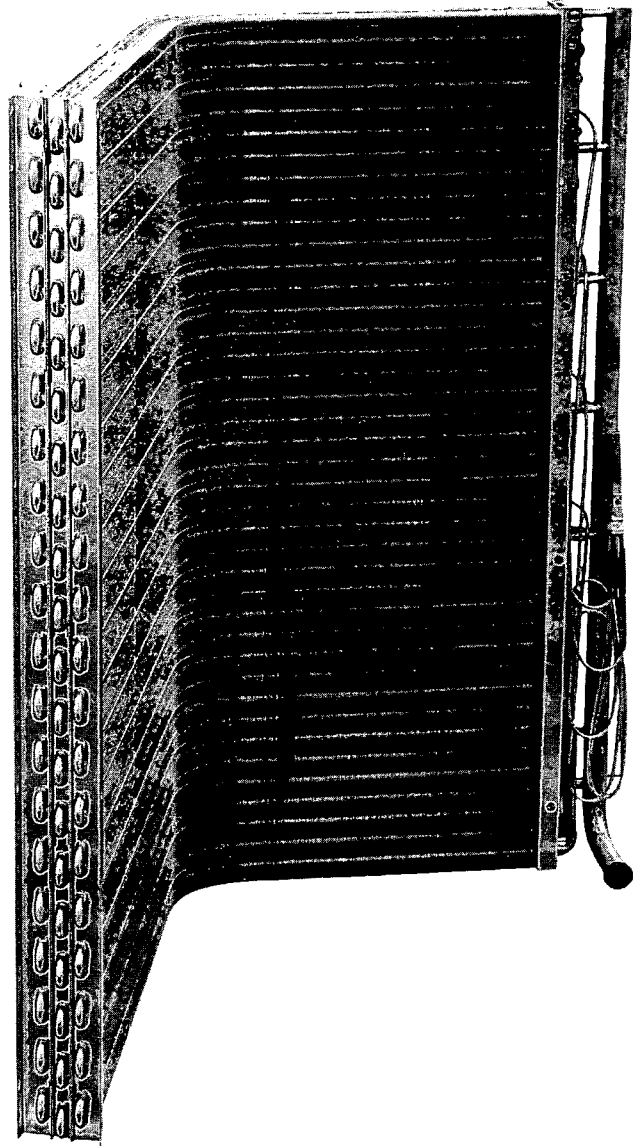
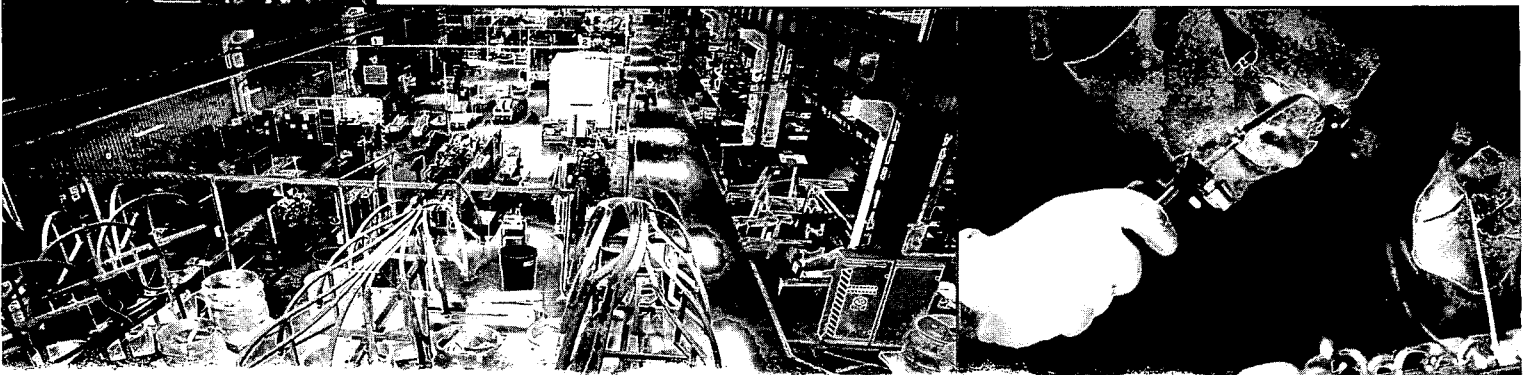
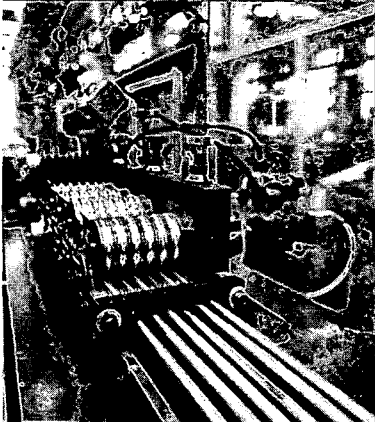
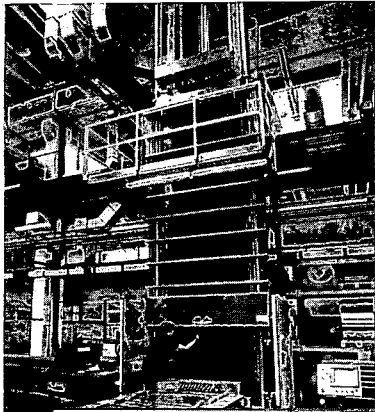
(owned by Subsidiary)

Lloyd Coils Europe s.r.o.
Prague-5, Radotin
Vrazaska 143
Postal Code 15300

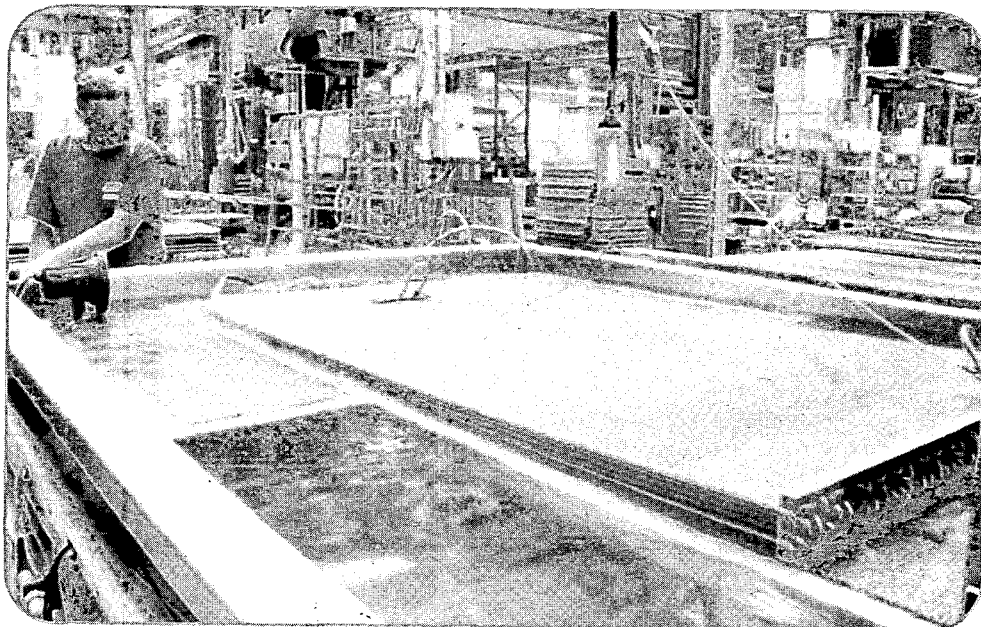
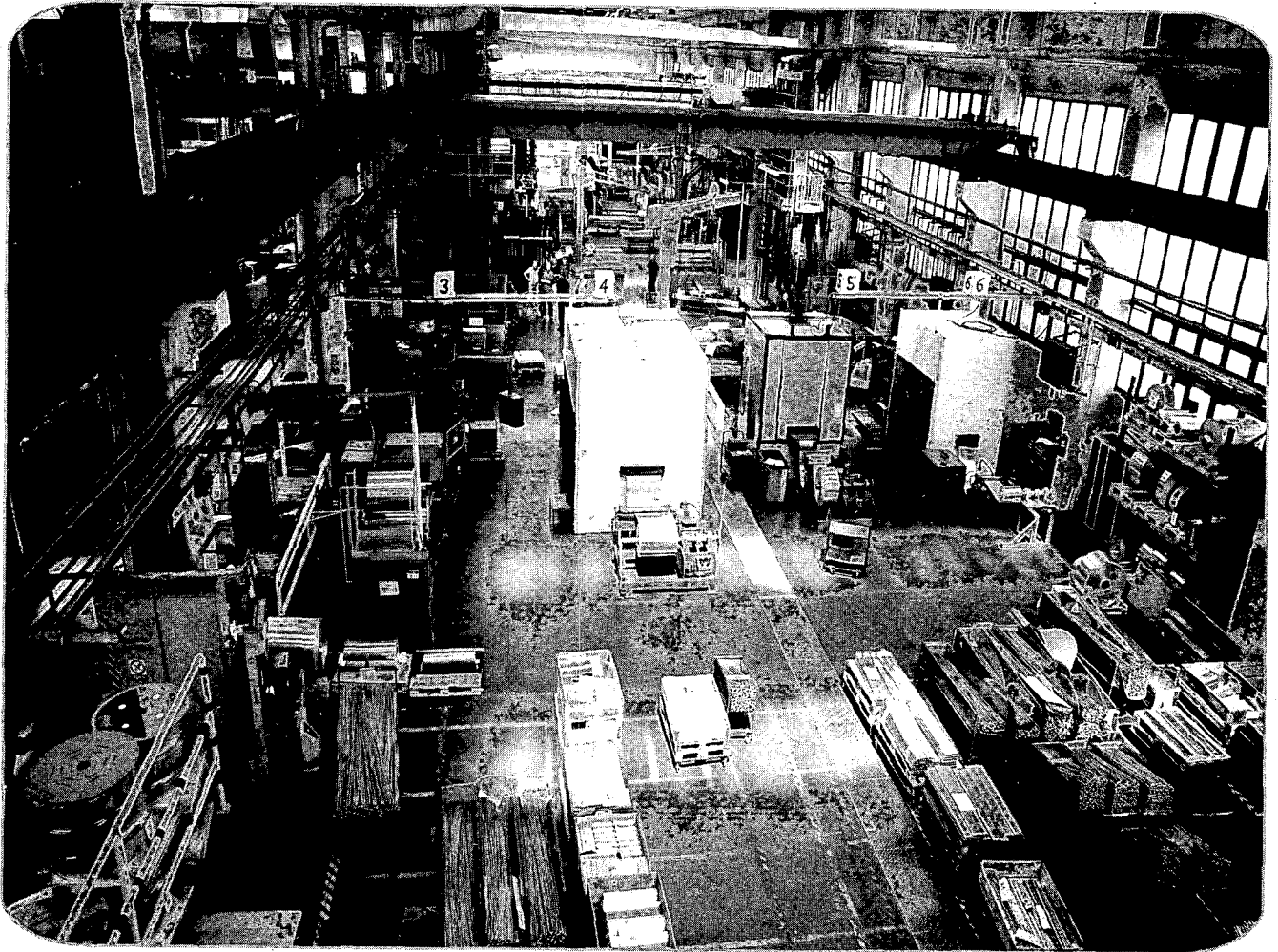
Lloyd Electric FZE
P.O.Box: 10559
Ras Al Khaimah
United Arab Emirates

Anita K. Sharma
Company Secretary

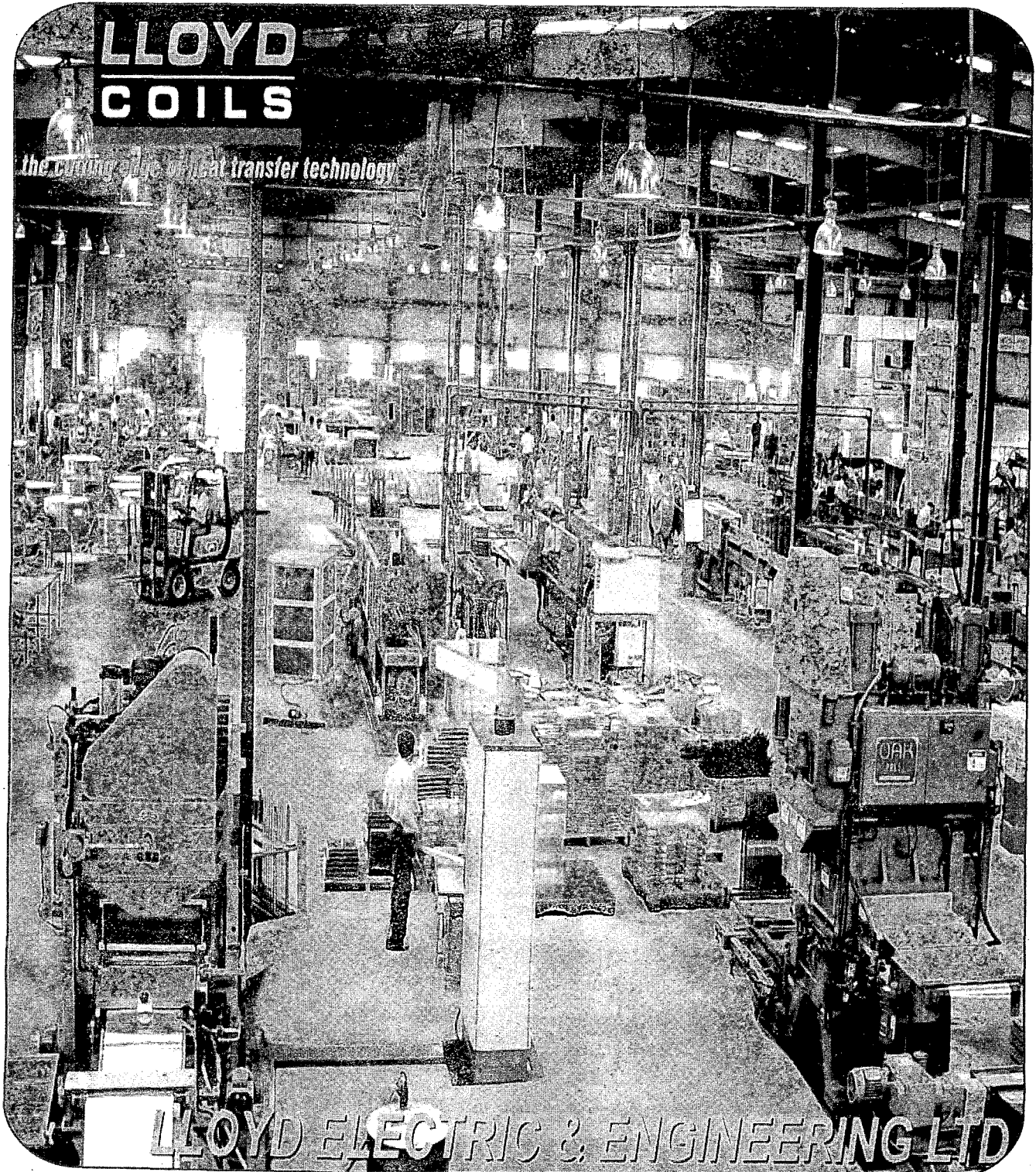
Overseas Manufacturing

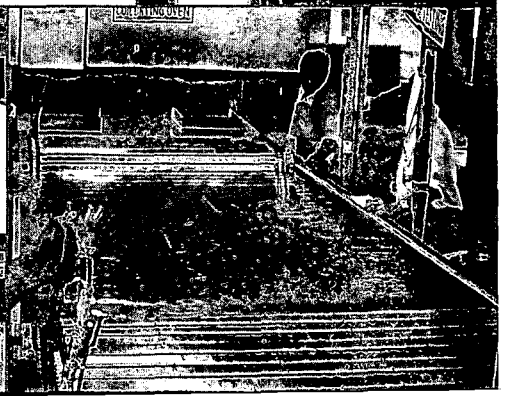
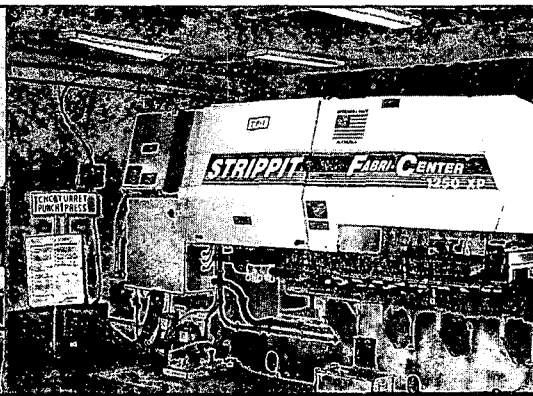
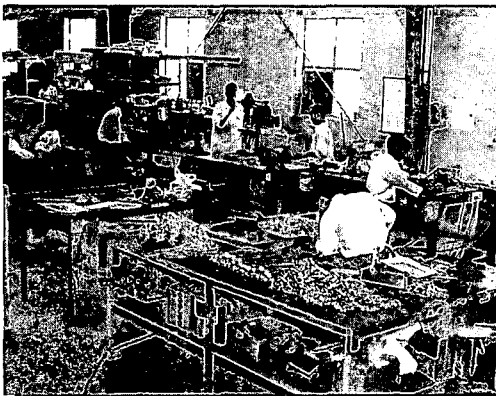
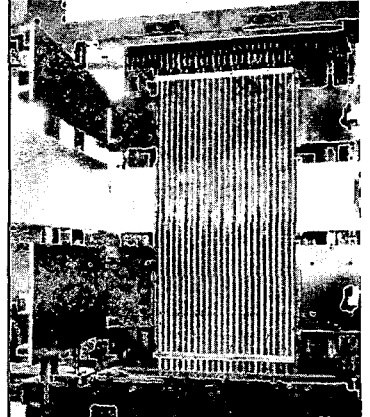
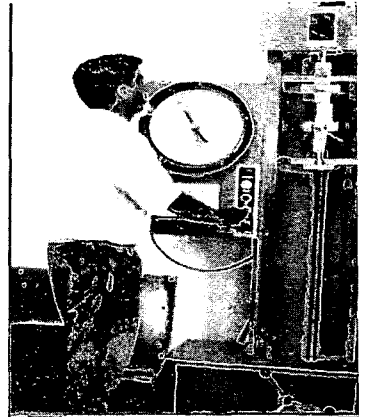
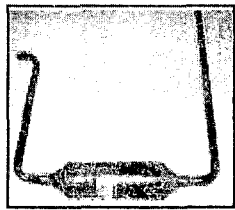
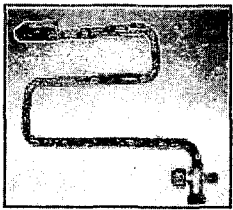
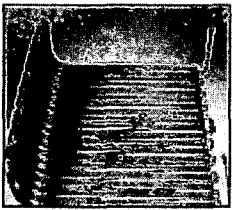
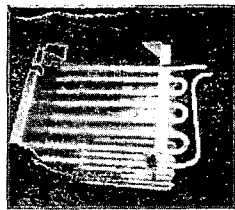
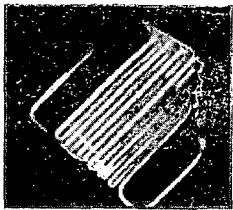
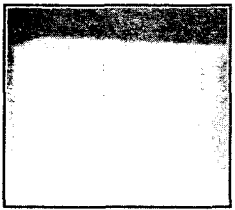
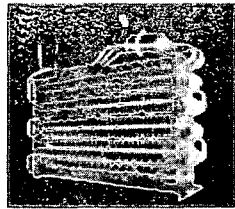
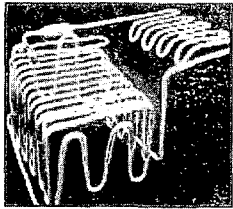
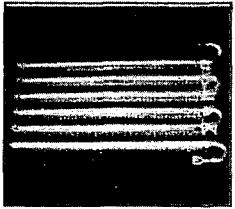
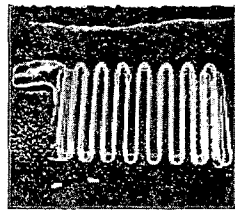
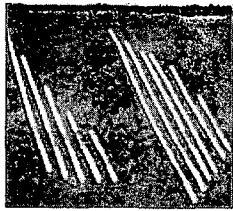
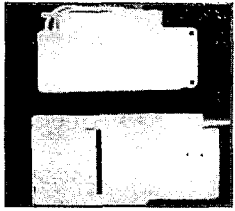


Facility at Prague, Czech Republic



Domestic Manufacturing Facilities





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NOTICE

Registered Office:
A-146 (B & C)
RIICO Industrial Area,
Bhiwadi Distt., Alwar,
Rajasthan-301 019

NOTICE is hereby given that the 22nd Annual General Meeting of Lloyd Electric & Engineering Limited will be held on Friday, September 25, 2009 at 9:00 A.M. at the Registered Office of the Company situated at A-146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan for transacting the following business(s):

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2009 and the Profit and Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S.K. Sharma who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. A.K. Roy who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an "Ordinary Resolution":

"RESOLVED THAT M/s Suresh C. Mathur & Co., Chartered Accountants, the Statutory Auditors of the Company, who retire at the conclusion of this meeting, be and are hereby re-appointed as Statutory Auditors of the Company for the Financial Year 2009 - 10, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed by the Board of Directors/ Committee thereof, including out-of-pocket and traveling expenses."

By order of the Board of Directors

Sd/-
Anita K. Sharma
Company Secretary

Dated: July 30, 2009
Place: New Delhi

Annual Report 2008-2009

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing the proxy must be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
3. Members/ Proxies should bring duly filled Attendance Slip sent herewith to attend the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 21, 2009 to Friday, September 25, 2009 (both days inclusive).
5. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
6. Members holding shares in physical mode are requested to intimate the Registrar and Share Transfer Agent M/s. Skyline Financial Services Private Limited, if there is any change in their registered address and members whose share holding is in the electronic mode are requested to intimate their respective Depository participants regarding the same.
7. Members are requested to send their Queries, if any, on the Accounts and Operations of the Company to the Company Secretary at least 10 days before the date of the Annual General Meeting.
8. Pursuant to the provisions of Section 205 A(5) and 205 C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends up till the financial years 1996-97 to the Investor Education and Protection Fund (the IEPF) established by the Central Government.

Dividends for the financial year ended March 31, 2006 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date they became due for payment will be transferred by the Company to IEPF. Members who have not so far encashed dividend warrant(s) for the aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the Company or Registrar and Share Transfer Agent M/s. Skyline Financial Services Private Limited immediately.

9. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's Registrar and Share Transfer Agent, for consolidation into a single folio.
10. The relevant details as required by Clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking re-appointment as Directors under Item no. 2 and 3 are appended herewith.



Details of Directors seeking re-appointment at the forthcoming Annual General Meeting

(Pursuant to clause 49 of the Listing Agreement)

Name of Director	Mr. S.K. Sharma	Mr. A.K. Roy
Date of Birth	01.10.1944	31.05.1950
Date of Appointment	31.01.2005	28.04.2007
Qualification & Expertise	Mr. S.K. Sharma holds a Master degree in Engineering in Electrical Communication from the Indian Institute of Science, Bangalore. He is a retired officer from the Indian Air Force following a carrier of 35 years in the service. He posses vast experience in the field of planning, controlling and executing technical projects/ activities of communication, electrical and air conditioning system. He also posses vast experience in management, human resources and administrative fields.	Mr. A.K. Roy is a graduate in Mechanical Engineering with specialization in areas of industrial engineering, sales, marketing and management. Prior to his appointment as Whole Time Director, Mr. A.K. Roy was associated with the Company in the capacity of Chief Executive Officer. He posses vast experience of over 37 years in engineering automobile and consumer durable industry.
Shareholding in the Company	NIL	1000 Equity shares
List of Other public Limited companies in which directorship held	Fedders Lloyd Corporation Limited, Non-Executive and Independent Director	NIL
Membership/Chairmanship of Committees of other public companies	Fedders Lloyd Corporation Limited, Member of Audit Committee	NIL
Relationships between directors inter se	NIL	NIL

By order of the Board of Directors

Sd/-
Anita K. Sharma
Company Secretary

Dated: July 30, 2009
Place: New Delhi

Annual Report 2008-2009

DIRECTORS' REPORT

To the Members

Your Directors have pleasure to present the 22nd Annual Report along with the Audited Accounts for the financial year ended March 31, 2009.

Rs. In Lacs

FINANCIAL RESULTS	2008-2009	2007-2008
Total Income	58790.22	66989.80
Profit before Interest, depreciation and taxation	4834.92	8145.40
Interest	1272.85	1003.98
Depreciation	1085.05	923.37
Profit before tax	2477.02	6218.05
Provision for taxation	300.00	787.50
Deferred Tax for the year	127.00	145.00
Fringe Benefit Tax	12.80	13.82
Profit after tax for the year	2037.22	5271.73
Balance brought forward from previous year	51.76	72.71
Amount transferred from General Reserve	-	1229.53
Less: Tax for earlier years	-	30.00
Less: Short provision for Restructured liability	-	1229.53
Amount available for appropriation	2088.98	5314.44
Proposed Dividend	-	310.00
Tax on proposed dividend	-	52.68
Transfer to General Reserve	350.00	4900.00
Balance carried over to Balance Sheet	1738.98	51.76

OPERATING RESULTS

The year 2008-09 was a challenging year with global recession casting its shadow on the Indian economy, resulting in sharp contraction of demand, pressures on liquidity and adverse consumer sentiments. Investment in capital goods saw a substantial decline and with early rains, the demand for air conditioners came under pressure during the peak season.

During the year ended March 31, 2009, total income was Rs. 58790.22 lacs as against Rs. 66989.80 Lacs, a decline of 12.24%. The operating profit before interest, depreciation and taxation was Rs. 4834.92 Lacs as against Rs. 8145.40 Lacs during the previous year, recording a decline of 40.64%. The decline in revenue and profitability was impacted by global recession and overall slow down in the economy.

SUBSIDIARY COMPANIES

During the year under review, your company acquired **Luvata Czech s.r.o.**, a leading manufacturer of customized finned pack heat exchangers coils in Prague, Czech Republic through its special purpose vehicle (SPV) namely Lloyd Coils Europe s.r.o. (formerly named Lloyd Coils Czech s.r.o.), a subsidiary company, wherein the Company held ownership interest equivalent to 99.968% in the equity capital. The acquisition of Luvata Czech s.r.o. was



funded with the combination of debt and equity. The company contributed CZK 62,720,000 towards ownership interest in the equity capital of Lloyd Coils Europe s.r.o. and extended shareholders loan of CZK 65,529,081 to its special purpose vehicle, Lloyd Coils Europe for acquiring Iuvata Czech s.r.o..

On July 1, 2008, the newly acquired Iuvata Czech s.r.o. merged with Lloyd Coils Europe s.r.o., the surviving entity. The merger was recorded in the commercial register of Czech Republic as at December 1, 2008. On December 24, 2008, your company acquired the balance shareholding of Lloyd Coils Europe s.r.o., thereby making it 100% subsidiary.

In June 2008, your company incorporated a subsidiary company by the name of Lloyd Electric FZE, a free trade zone establishment in Ras Al Khaimah, United Arab Emirates for undertaking import/ export and trading activities in air conditioners, heat exchangers and other allied products. Your Company acquired 100% ownership interest in the free trade zone establishment in December 2008 by investing AED 500,000 in the equity share capital. The Commercial license was granted to the subsidiary on December 25, 2008.

Pursuant to the Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial information of its subsidiary company, namely Lloyd Coils Europe s.r.o. (formerly named Lloyd Coils Czech s.r.o.). As on March 31, 2009, Lloyd Electric FZE is yet to commence operations and hence the financial statements of the said subsidiary is not included in Consolidated financial statements presented by the Company.

As required by Section 212 of the Companies Act, 1956, audited accounts of the Subsidiary Companies along with the statement pursuant to Section 212 of the Companies Act, 1956 form part of the Annual Report.

CONSOLIDATED PERFORMANCE

The consolidated sales of the Company and its newly acquired subsidiary, namely Lloyd Coils Europe s.r.o. was recorded at Rs. 72335.16 Lacs and consolidated net profit after tax of Rs. 340.27 Lacs during the period ended March 31, 2009. During the period under review, the performance of the subsidiary Company namely Lloyd Coils Europe s.r.o. was adversely affected by recession in Europe and related drop of customer demand. Profitability of the Company was negatively impacted by the sudden drop of volume in the last quarter, unfavourable exchange rate of Czech Koruna to Euro as well as extra-ordinary expenses related to integration and re-branding actions.

CAPITAL STRUCTURE

Your company had on September 11, 2007 allotted 50,00,000 warrants on preferential basis to promoters/ non-promoters at a price of Rs. 225/- per warrant convertible into equal no. of equity shares of Rs. 10/- each at a premium of Rs. 215/- per share, pursuant to SEBI (Disclosure & Investor Protection) Guidelines, 2000. The applicants did not exercise the option to convert the warrants into equity shares within 18 months from the date of allotment i.e. on or before March 10, 2009. Therefore the warrants stand lapsed and the upfront payment of 10% equivalent to Rs. 1125 lacs received by the Company from the warrant holders has been forfeited and credited to capital reserve.

DIVIDEND

In order to conserve the resources to meet the Company's future needs, your directors do not recommend any dividend for the financial year ended March 31, 2009. However, the Company had declared the dividend @ 10% for the previous financial year.

RESERVES

In accordance with statutory provisions, your Company has transferred a sum of Rs. 350.00 Lacs to the General Reserves.

Annual Report 2008-2009

GLOBAL DEPOSITORY RECEIPTS (GDRs)

396000 Global Depository Receipts underlying 792000 equity shares are outstanding for conversion as on March 31, 2009. The GDRs are listed and traded on Professional Securities Market (PSM) of London Stock Exchange.

FIXED DEPOSITS

During the year under review, your Company has not accepted any deposits from public as per Section 58A or 58AA of the Companies Act, 1956 and Rules made there under.

CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance is based on the fair and transparent disclosures relating to Company's business, financial performance, and other matters of stakeholders' interest. Your directors adhere to the requirements set out by the practices of Securities and Exchange Board of India (SEBI) on Corporate Governance practices as per Clause 49 of the Listing Agreement and have implemented all the stipulations prescribed.

A separate section on Corporate Governance is provided as a part of the Annual Report alongwith the Auditors' certificate on its compliance.

DIRECTORS

Since the last Annual General Meeting, Mr. Sandeep Sethi resigned from the Board. Your Directors take this opportunity to place their gratitude for services rendered by him as Non Executive Independent Director on the Board of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. S.K. Sharma and Mr. A.K. Roy retire by rotation and being eligible, offer themselves for re-appointment. Brief profile of these Directors is given in the notice of the ensuing AGM.

INDUSTRIAL RELATIONS

Industrial Relations remained cordial throughout the period under review. IR initiatives are continuously undertaken to enhance productivity, maintain harmonious relations and improve the quality of the workforce.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2) AA of the Companies Act, 1956, your directors hereby confirm that:

- a) in preparation of the annual accounts for the year ended March 31, 2009, the applicable accounting standards have been followed and that there are no material departures;
- b) they have, in selection of the accounting policies, consulted the Statutory Auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the affairs of the Company at the end of the financial year, and of the profits of the Company for that period;
- c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, and for providing and detecting frauds and other irregularities;
- d) they have prepared the annual accounts on a going concern basis.



AUDITORS

M/s Suresh C. Mathur & Co., Chartered Accountants, New Delhi retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Your Company has received a certificate from the proposed Auditors stating that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

AUDITORS' OBSERVATION

The Auditors' report read with notes to accounts forming part of the Balance Sheet as at March 31, 2009 and the Profit and Loss Accounts for the year ended on that date are self explanatory and therefore do not call for any further comment U/s 217(3) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as per section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure forming part of this report.

DISCLOSURE OF PARTICULARS OF EMPLOYEES

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars of Employees) Rules, 1975 are set out in the Annexure to this Report and forms part of the Report.

LISTING OF EQUITY SHARES/ GDRs

The equity shares of your Company are listed at Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The GDRs are listed on the London Stock Exchange. The Annual Listing Fees for the 2009-10 have been paid to the above Stock Exchanges.

ACKNOWLEDGMENTS

Your Directors express their gratitude to Shareholders, Customers, Suppliers, Dealers, Financial Institutions, Banks, Regulatory and Government authorities for their continued support and cooperation.

The Board further wishes to record their deep sense of appreciation for the contribution made by every member of the Lloyd family.

For and on behalf of the Board

Date: July 30, 2009
Place: New Delhi

Sd/-
Brij Raj Punj
Chairman & Managing Director

Annual Report 2008-2009

ANNEXURE TO DIRECTORS' REPORT

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 relating to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are as follows:

A. CONSERVATION OF ENERGY

The Company has taken several steps to conserve energy. Energy Conservation continues to be high priority for existing as well as new projects. Improvement in energy efficiency is a continuous process at Lloyd and conservation of energy is given a high priority in all plants and offices. Monitoring and Operating air conditioner plants, water pumps and other accessories, optimum utilization of Distribution and Test Bed Transformers, installation of load managers for monitoring energy consumption etc. are some of the important measures which are being adopted on a regular basis.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a) Efforts made towards technology absorption, adaptation and innovation

Efforts continued in strengthening the R&D facilities in order to provide wider range of products to suit the customer needs. This also enabled provision of energy efficient equipment, widening the export opportunities, import substitution and adaptation of imported technology to suit the Indian market. Training was imparted to the technical staff as an ongoing process.

b) Benefits derived as a result of above efforts

Availability of energy efficient, environment friendly air-conditioning systems and equipment, wider range of products, improved quality and product designs and cost reduction were amongst the benefits derived.

c) Imported technologies have been successfully absorbed resulting in improved quality, reduction in rejections and better value to its customers. The Company is monitoring the process of technology adoption on a regular basis. Infact it is an ongoing process and the Company endeavors to adopt innovative measures for technology absorption and adaptation in the years to come.

EXPENDITURE INCURRED FOR RESEARCH AND DEVELOPMENT

Capital Expenditure : Taken as Fixed Assets and depreciation is provided accordingly.

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

C. FOREIGN EXCHANGE EARNING AND OUTGO

Foreign Exchange earned : Rs. 540.94 Lacs

Foreign Exchange Outgo : Rs. 3597.90 Lacs

D. STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 FOR THE FINANCIAL YEAR ENDED MARCH 31, 2009

Name of Employee	Age	Designation	Gross Remuneration (Rs.)	Qualification	Experience (No. of years)	Date of Joining	Last Employment
Mr. B.R. Punj	63 years	Managing Director	16,70,000	B.E. from Brunell University (U.K.)	38	21.09.1987	-
Mr. A.K. Roy	59 years	Whole Time Director	37,08,400	B.E. (Mechanical)	37	6.09.1996	Escorts Tractor Ltd.



MANAGEMENT DISCUSSION AND ANALYSIS 2008

Industry & Market Overview

In the midst of global recession, India's growth, despite its intrinsic strengths has not remained untouched. Economic woes across the world, prompted by the sub-prime crisis in the USA, have contributed to a slowdown which has had a far reaching impact. More than an actual ground level impact, public sentiments has been hit and there is a general wariness in capital spending both at the personal level as well as the institutional level. Consequently, India's GDP growth for the year 2008-09 dropped to 6.7% against the growth of about 9% during the past years.

The Indian room air conditioner industry, after a promising start, met with major set backs. The early rains, cut into the peak summer sales followed by the global economic downturn. The latter has resulted in greater risk-aversion among banks, a slowdown in credit disbursement to industry and trade and higher interest rates on borrowings. Consumers, affected by the crash in stock and property values, deferred purchases of high ticket consumer durables. Consequently, the industry witnessed a slowdown in growth, from 28% in the previous year to 6% in the year under review, resulting in high inventory levels, with most companies during the year under review.

Overall Company's overview and performance

Backed by a wide-range of product mix, which includes Heat Exchangers, Rail Coach Air Conditioning Units, split and window air conditioners, your Company has emerged as India's leading manufacturer of fin and tube type heat exchangers for air conditioning and refrigeration systems and an end-to-end solutions provider within the air-conditioning Industry.

Your Company incessantly priorities achieving quality at all organizational levels to ensure that its products meet global standards, owning the status of fully integrated ISO 9000 accredited facility and possessing UL Certification. Your Company has emerged as OEM supplier with its reputed clients such as Samsung, LG Electronics, Carrier, Haier, Voltas, Blue Star and Indian Railways, etc..

Consequent upon global recession, the manufacturing and capital goods sectors were adversely impacted due to low demands across the globe resulting in lower growth in GDP which posed significant challenges for the engineering and manufacturing segment. Countering the adverse macro and micro economic conditions, the demand for air conditioners came under pressure during peak season. There was a severe curtailment in the demand for engineering and capital goods therefore your Company was also not untouched by the economic slowdown and thereby encompassing a decline in turnover by approx. 12% during the year 2008-09 registering total sales of Rs. 58532.13 Lacs as against Rs. 66501.45 Lacs during the previous year.

During the year 2008-09, your Company acquired Luvata Czech s.r.o., through its special purpose vehicle (SPV) Lloyd Coils Europe, a Prague based manufacturer of customized finned pack Heat Exchangers serving the requirements of its customers across Europe in heating ventilation air conditioning & refrigeration (HVAC&R) segment. With this acquisition, your Company has established a global presence leading to significant business synergies especially in controlling costs, technology absorption and direct access to European markets.

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Risks, Concerns & Outlook

The year 2008-09 was very volatile, with unprecedented economic conditions throwing up many challenges.

During the year under review, there were concerns on the profitability being adversely affected by the likely sharp increase in manpower and commodity prices. As the year progressed, while these risks disappeared, there arose some other challenges in terms of the tightness of liquidity in the markets, large fluctuations in the currency markets. Sharp increase in interest rates, dwindling demand for various products impacting inventory levels and higher credit risks. However, your Company managed to address most of these issues well. Some of these risks still persist and the company would watch developments carefully.

Difficult economic conditions and their consequent impact on customer's demand will be the major concern and challenge for the Company during the fiscal year 2009-10. However, the Company has started taking pro-active actions to strengthen and enhance its customer base across all segments, products and regions through its varied and strong organizational capabilities.

Internal Control Systems and their Adequacy

Your Company has proper and adequate internal control systems commensurate with the size and nature of the business and covering all financial and operating functions.

Material Development in Human Resources/Industrial Relations

During the year under review, your Company successfully met the challenges of its business environment with the support of its dedicated, competent and committed employees. Company appreciates the contribution made by all employees in ensuring good performance and achievements.

Industrial relations at all the Company's work and plants remained cordial throughout the year.

Disclaimer

Statement in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectation or predictions may have "forward looking statement" within the meaning of applicable securities laws and regulations. Actual Performance may differ substantially and materially from those express or implied.



CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

Your Company's philosophy on corporate governance is based on the fair and transparent disclosure of issues related with the Company's business, financial performance, and other matters of stakeholders' interest. The principles of corporate governance emerge as the cornerstone of the Company's governance philosophy. This ensures efficient conduct of the affairs of the business, which, in turn, helps the Company achieve its goal of maximizing value for its shareholders, customers, employees, other associated persons and the society at large.

The Company's core values are based on integrity, respect for the law and compliance thereof, emphasis on product quality and a caring spirit. In Lloyd, we believe that good governance is a systemic process which enables the Company to operate in a manner that meets with the ethical, legal and business expectations and at the same time fulfils its social responsibilities. It also focuses on the need to provide a sustainable competitive return for its investors.

The management team is fully empowered to take the Company forward within the framework of effective accountability, which in turn enables the conversion of opportunities into achievements for the betterment of the Company and its Stakeholders. In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchanges, the details are set out below;

BOARD OF DIRECTORS

The Board of Directors plays a key role in implementing the corporate governance philosophy of the Company. It continuously endeavors to improve these aspects on an ongoing basis. The Company's management team is dedicated in adhering to the highest standards in corporate governance.

Composition

Your Company is managed and guided by a professional Board comprising five directors of which 3 are Independent Directors, constituting more than half of the Board's total strength. Your Company's Board comprises of eminent persons with considerable professional expertise and experience. The Independent directors of the company meet all the criteria stipulated under clause 49 of the listing agreement.

The composition of the Board of Directors is in conformity with the stipulation laid down in the code of Corporate Governance recommended by SEBI (Securities and Exchange Board of India) through clause 49 of the Listing agreement of the stock exchanges.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 (c) (ii)) across all Companies in which he is a director. The necessary disclosure regarding directorship and committee positions have been made by the Directors who are on the board of the Company as on March 31, 2009.

Board Meetings

The Board of Directors met 5 times during the financial year 2008-09 on the following dates:

April 26, 2008

July 29, 2008

August 27, 2008

October 31, 2008

January 30, 2009

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The gap between any two meetings never exceeded four months as per the requirements of clause 49 of the listing agreement. The required information was suitably placed before the Board to the extent possible at the Board Meetings.

The composition of the Board of Directors, their attendance at Board Meetings during the year 2008-09 and at the last Annual General Meeting held on September 29, 2008 and also number of other Directorship and Committee Membership/ Chairmanship as on March 31, 2009 are as follows:

Name	Category	Attendance		Particulars of Other directorships/ Committee Memberships/ Chairmanships		
		Board Meeting	Last AGM	***Directorships	Committee Memberships@	Committee Chairmanships@
Mr. Brij Raj Punj	Chairman & Managing Director	4	Yes	2	1	-
Mr. A.K. Roy	Whole Time Director	5	Yes	-	-	-
Mr. K.Lall	Non- Executive Independent Director	5	Yes	2	-	2
Mr. S.K. Sharma	Non- Executive Independent Director	5	No	-	1	-
Ms. Rashmi Sachdev*	Nominee-IFCI	5	No	-	-	-

Ceased to be director:

Mr. Sandeep Sethi **	Non- Executive Independent Director	-	No			-
Mr. Sanjay Behari *	Nominee-IFCI	-	No			

* IFCI Ltd. has nominated Ms. Rashmi Sachdev as director of the Company in place of Mr. Sanjay Behari w.e.f. April 26, 2008.

** Resigned from Directorship of the Company w.e.f. January 29, 2009

*** Other directorships do not include private companies, section 25 companies and companies incorporated outside India.

@ includes only Audit Committee and Shareholders'/Investors' Grievance Committee of Public Limited Companies.

During the Financial Year ended March 31, 2009, the Company has not entered into any transaction with its Non Executive Directors, which establishes any pecuniary relationship with them. Thus the requirement of Clause 49, pertaining to independence of Non Executive Directors has been duly complied with.

AUDIT COMMITTEE

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee was constituted. The Audit Committee has been constituted in accordance with Section 292A of the Companies Act, 1956 and the guidelines set out in the listing agreement with the Stock Exchanges. The committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the company and its compliance with the legal and regulatory requirements.

The composition of the Audit Committee as on March 31, 2009 are as detailed below;

Sl No.	Name	Chairman/ Member	Designation
1.	Mr. K.Lall	Chairman	Independent Non-Executive Director
2.	Mr. S.K. Sharma	Member	Independent Non-Executive Director
3.	Mr. A.K.Roy*	Member	Whole Time Director

* appointed in place of Mr. Sandeep Sethi who resigned from directorship w.e.f. January 29, 2009

The Company Secretary acts as the Secretary to the Audit Committee.

Terms of Reference

The Audit Committee has been entrusted with the following responsibilities:

- ◆ Supervision of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- ◆ Recommending the appointment and termination of statutory auditors, fixation of audit fee and also approval for payment for any other services.
- ◆ Discussion with the external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- ◆ Reviewing the financial statements and draft audit report, including quarterly/half yearly financial information.
- ◆ Reviewing, with the management, the annual financial statements before submission to the Board focusing primarily on:
 - o Changes, if any in accounting policies and practices;
 - o major accounting entries based on exercise of judgment by management;
 - o Qualifications in the draft audit report;
 - o Significant adjustments arising out of audit findings;
 - o the going concern assumption;
 - o Compliance with accounting standards;
 - o Compliance with stock exchange and legal requirements concerning financial statements;
 - o any related party transactions as per Accounting Standard 18.
- ◆ Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- ◆ Reviewing with the management, the performance of statutory and internal auditors and adequacy of the internal control systems.
- ◆ Discussion with internal auditors on any significant findings and follow up thereon.
- ◆ Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- ◆ Reviewing the Company's financial and risk management policies.
- ◆ Carrying out such other function as may be specifically referred to the committee by the Board of Directors and / or other Committees of Directors of the Company.

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Meeting and Attendance

Five Audit Committee Meetings were held during the year under review on the following dates;

- ◆ April 26, 2008
- ◆ July 29, 2008
- ◆ August 27, 2008
- ◆ October 31, 2008
- ◆ January 30, 2009

Adequate quorum was present at all meetings.

Attendance of each Member at the Audit Committee meetings held during the year ended March 31, 2009:

Name	No. of Meetings during the year	
	Held	Attended
Mr. K. Lall	5	5
Mr. Sandeep Sethi*	4	-
Mr. S.K. Sharma	5	5
Mr. A.K.Roy **	1	1

* Resigned from the Directorship of the company w.e.f. 29.01.2009 subsequently ceased to be a member of the committee.

** Appointed as member of the committee w.e.f. 30.01.2009

REMUNERATION COMMITTEE

The Remuneration Committee has been constituted by the Board to recommend/ review remuneration of the Managing Director and Whole Time Director based on Company's policy and financial status, industry trends, performance and past remuneration.

Terms of Reference

- ◆ to appraise the performance of Managing Director and Executive Director and
- ◆ to determine and recommend to the Board, compensation payable to Managing and executive director.

During the financial year 2008-09, 2 (two) Remuneration Committee meeting were held.

Composition and Attendance

Sl No.	Name	Chairman/ Member	Designation	No. of Meetings attended out of total meetings held during the year
1.	Mr. S.K. Sharma	Chairman	Independent Non-Executive Director	2
2.	Mr. K.Lall	Member	Independent Non-Executive Director	2
3.	Mr. Sandeep Sethi*	Member	Independent Non-Executive Director	1
4.	Mr. A.K.Roy**	Member	Whole Time Director	1

* Mr. Sandeep Sethi ceased to be member of the committee subsequent upon his resignation from the Directorship of the company w.e.f. January 29, 2009.

** Appointed as Member of the Committee w.e.f. January 30, 2009.



Remuneration Policy

Executive Director

The Company pays remuneration to its Managing Director and Whole Time Directors by way of salary, perquisites and allowances (a fixed component) and commission (a variable component). Salary is paid within the overall limits approved by the members of the Company and regulated in terms of the applicable provisions of the Companies Act, 1956.

Non-Executive Directors

Independent Non-Executive Directors are not paid anything over and above the sitting fees. The Company has not paid any fixed component and performance linked incentives to the Directors during the year.

Name of Director	Sitting Fees(Gross)(Rs.)	Total(Rs.)
Mr. K. Lall	25,000	25,000
Mr. Sandeep Sethi*	-	-
Mr. S.K. Sharma	25,000	25,000
Ms. Rashmi Sachdev Nominee-IFCI	25,000	25,000

* Resigned from directorship w.e.f. January 29, 2009.

The Company does not have any stock option scheme.

SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE

The Board had constituted the Share Transfer & Investors Grievance Committee. The Board reconstituted this committee on January 30, 2009. Mr. Sandeep Sethi was ceased to be a member subsequent upon his resignation from the directorship of the company w.e.f. January 29, 2009 and Mr. A.K. Roy and Mr. S.K. Sharma were inducted as members of the committee w.e.f. January 30, 2009. The committee expedite the process of redressal of complaints relating to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc.

The committee meets atleast thrice a month to consider all matters concerning transfers/ transmission of shares, issue of duplicate share certificates and new certificates on split/ consolidation etc. During the year ended March 31, 2009, the committee met Twenty Seven (27) times.

Composition and Attendance

The Share Transfer & Investor Grievance Committee comprise of 4 directors, two being Non-Executive Independent Director. The Chairman of the committee is an Independent Non-Executive Director. As on March 31, 2009, the Share Transfer –cum- Investors' Grievance Committee consists of the following

Name of Members	Status
Mr. K. Lall	Chairman, Independent Non-Executive
Mr. Brij Raj Punj	Member, Executive
Mr. A.K. Roy*	Member, Executive
Mr. S.K. Sharma*	Member, Independent Non-Executive

* Inducted as Member of the Committee w.e.f. 30.012009

The Company Secretary, Ms. Anita K. Sharma acts as Secretary to the committee.

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During the financial year 2008-2009, the company received 41 complaints from various Investors'/ Shareholders' relating revalidation of Dividend Warrants/ Change of bank account details/ Annual Report/ Transfer of Shares/ Dematerialisation etc. The complaints were duly attended to the satisfaction of the Investors. No investor complaint was pending as on March 31, 2009.

SUB-COMMITTEE OF DIRECTORS

The Company has constituted a Sub-Committee of Board of Directors for taking some decision of routine nature. The committee consists of three directors namely, Mr. Brij Raj Punj as its Chairman and Mr. K.Lall and Mr. S.K. Sharma as members. The committee meets at regular intervals to decide upon matters of urgent and routine nature to support the functioning of the Board of Directors in an efficient way. The proceedings of the committee are placed before the Board of Directors in their next meeting for noting and ratification.

GENERAL BODY MEETING

Location, date and time of Annual General Meetings held during the last 3 years

Financial Year	Date & Time	Venue
2007-2008	September 29, 2008 at 4.00 p.m.	Regd. Office : A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar,Rajasthan.
2006-2007	September 29, 2007 at 9.00 a.m.	Regd. Office : A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar,Rajasthan.
2005-2006	September 30, 2006 at 9.00 a.m.	Regd. Office : A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar,Rajasthan.

No Special Resolution was passed in the last three Annual General Meeting.

During the Financial year 2008-09, following resolutions were passed through Postal Ballot:

1. Increase in the borrowing powers of the Company under Section 293(1)d) of the Companies Act, 1956.
2. Creation of Charge /Hypothecation/ Pledge/ Mortgage on the assets of the Company under Section 293(1) (a) of the Companies Act, 1956.

DISCLOSURES

a) Related Party Transactions

No transactions of a material nature have been entered into by the company with its promoters, directors or management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company. Further, details of the related party transactions are given in the Balance Sheet.

b) Compliance by the Company

The Company has complied with the requirements of the Stock Exchanges/ SEBI and Statutory Authority(ies) on all matters related to capital market during the last three years. There are no penalties or strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority(ies) on the above.

c) Disclosure of Accounting Treatment

The financial statements have been prepared in accordance with the applicable Accounting Standards and relevant provisions of the Companies Act, 1956 and are based on historical cost convention.

d) Risk Management

The company has formulated risk management in its procedures itself. It regularly analysis the risks and takes corrective action for managing/mitigating the same.



e) Proceeds from Public Issues, Right Issues, Preferential Issues etc.

During the year under review, the Company did not raise funds through public/ rights/ preferential issue.

The proceeds of "GDR issue 2005" parked in fixed deposit had been utilized towards the strategic acquisition of Luvata Czech s.r.o. and other approved end-uses.

The Company had on September 11, 2007 allotted 50,00,000 warrants to promoters/non-promoters at a price of Rs. 225/- per warrant convertible into equal no. of equity shares of Rs. 10/- each at a premium of Rs. 215/- per share, pursuant to SEBI guidelines. The applicants did not exercise the option to acquire the equity shares within 18 months from the date of allotment i.e. on or before 10th March 2009, therefore the warrants stand lapsed and the upfront payment of Rs. 1125 lacs received by the company from the warrant holders has been forfeited and credited to capital reserve.

NON MANDATORY REQUIREMENT

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance. Few non-mandatory requirements such as constitution of a Remuneration Committee have been adopted by the Company.

CODE OF CONDUCT

The Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The code of conduct is available on the web-site of the Company (www.lloydengg.com)

All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by Chairman and Managing Director to this effect is enclosed at the end of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms the part of the Annual Report and is given separately.

MEANS OF COMMUNICATION

Half yearly report sent to each householdshareholders	No. Company is publishing the results in National & Regional newspapers.
Quarterly results are normally Published in	Quarterly Results are published in Pioneer (Delhi), Adhikar (Jaipur)
Any web-site, where displayed	Results are uploaded on www.sebiedifar.nic.in and results are sent to all the Stock Exchanges where the shares of the Company are listed for uploading on their own web-site.
Whether it also displays official newsreleases and the presentations made to Institutional Investors or to the analysts	Not Applicable
Whether Management Discussion & Analysis report is a part of AnnualReport or Not	Yes
Whether Shareholder InformationSection forms part of the Annual Report	Yes

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GENERAL SHAREHOLDER'S INFORMATION

a) Annual General Meeting

Date	September 25, 2009
Time	9.00 AM
Venue	Regd. Office : A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.

b) Financial Calendar (Tentative)

Financial Reporting for the quarter ending June 30, 2009	Before the end of July 2009
Financial Reporting for the quarter ending September 30, 2009	Before the end of October 2009
Financial Reporting for the quarter ending December 31, 2009	Before the end of January 2010
Financial Reporting for the quarter ending March 31, 2010	Before the end of April 2010
Financial Reporting for the year ending March 31, 2010	Before the end of August 2010
Annual General Meeting for the year ended March 31, 2010	Before the end of September 2010

c) Listing of Equity Shares on Stock Exchanges

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). Shares underlying GDRs are listed on London Stock Exchange (LSE).

d) Listing Fees to Stock Exchanges

The Company had paid listing fees for the year 2009-2010 to all the Stock Exchanges where the securities of the Company are listed.

e) Custodial Fees to Depositories

The Company has paid custodial fees for the year 2009-2010 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the basis of number of beneficial accounts maintained by them as on March 31, 2009.

f) Stock Code/ Symbol

BSE : 517518

NSE : LLOYDELENG

LSE : LLD

ISIN No. : INE245C01019

Overseas Depository (for GDRs) : The Bank of New York

Domestic Custodian (for GDRs) : ICICI Bank Limited

Dividend

The Board of Directors of the Company has not recommended any dividend for the Financial Year 2008-09 (Dividend paid previous year 10%).



Date of Book Closure

The dates of book closure shall be from Monday, September 21, 2009 to Friday, September 25, 2009 (both days inclusive)

Stock Market Price Data at BSE for the year 2008-2009

Months for the financial year 2008-09	High	Low
April' 08	120.45	94.00
May' 08	131.00	105.50
June' 08	110.40	75.50
July' 08	94.45	75.15
August' 08	95.65	78.15
September' 08	83.80	50.10
October'08	58.30	26.20
November'08	35.50	20.75
December'08	30.45	21.30
January'09	29.40	20.15
February'09	23.00	17.50
March'09	20.95	13.60

Share Transfer System

The Company's Shares are required to be compulsorily traded on the Stock Exchanges in dematerialized mode. Shares in physical mode which are lodged for transfer are processed and returned within the stipulated time.

Physical Shares received for dematerialization are processed and completed within a period of 21 days from the date of receipts provided, they are in order in every respects. Bad deliveries are immediately returned to the Depository Participants under intimation to the shareholders.

Distribution of shareholding as on March 31, 2009

DISTRIBUTION OF SHAREHOLDINGS As on 31st March, 2009

No. of Share held of Rs.10 each	No. of Shareholders	%age of Total	No. of Shares	%age of Total
Upto 500	17093	89.25%	2300441	7.42%
501 - 1000	1044	5.45%	842898	2.72%
1001 - 2000	537	2.80%	826609	2.67%
2001 - 3000	145	0.76%	368617	1.19%
3001 - 4000	80	0.42%	281750	0.91%
4001 - 5000	62	0.32%	290632	0.94%
5001 - 10000	76	0.40%	546581	1.76%
10001 - & above	115	0.60%	25542732	82.40%
Total	19152	100.00%	31000260	100.00%

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Shareholding Pattern as on March 31, 2009

Category	No. of shares Held	Percentage of shareholding
A.) Promoter's holding		
Promoters		
- Indian Promoters	10245910	33.05%
- Foreign Promoters	0	0%
Sub-total :	10245910	33.05%
B.) Non-Promoters Holding		
1.) Institutional Investors		
Mutual Funds and UTI	1669150	5.38%
Banks, Financial Institutions, Insurance Companies	4410	0.01%
Foreign Institutional Investor	7247893	23.38%
Sub-total :	8921453	28.78%
2.) Non-Institutional Investors		
Private Corporate Bodies	4448655	14.35%
Indian Public	6281544	20.27%
NRIs/OCBs	287919	0.93%
Any Other (clearing members)	22779	0.07%
Shares held by Custodians & Against which Depository Receipts have been issued.	792000	2.55%
Sub-total :	11832897	38.17%
GRAND TOTAL :	31000260	100.00%

Compliance Officer

Ms. Anita K. Sharma, Company Secretary is the Compliance Officer of the Company.

Dematerialisation of shares and liquidity

The Shares of the Company are compulsorily traded in dematerialized form and are available for trading on both the Depository Systems in India- National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2009 approximately 72.30% shares have been dematerialized.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity.

The outstanding GDRs are backed by underlying equity shares which are part of the existing paid-up capital of the Company. 396000 GDRs underlying 792000 equity shares of the Company are outstanding as on March 31, 2009. Each GDR represents two underlying equity shares.



Plant Locations

The Company has its manufacturing plant at the following location:

1. A – 146, (B & C),
RIICO Industrial Area,
Bhiwadi, Distt. Alwar,
Rajasthan – 301 019
2. Industrial Area,
Kala-Amb, Trilokpur Road,
Sirmour, Nahan
Himachal Pradesh
3. C-1/1, Industrial Area,
Selakui, Dehradun,
Uttranchal

Subsidiaries

Lloyd Coils Europe s.r.o.

Prague-5, Radotin
Vrazaska 143
Postal Code 15300

Lloyd Electric FZE

P.O. Box: 10559
Ras Al Khaimah
United Arab Emirates

Address of the Registrar & Share Transfer Agent

Skyline Financial Services Private Limited
246, First Floor, Sant Nagar,
Main ISKCON Temple Road, East of Kailash
New Delhi - 110 065
Ph.: 011-26292682, 83
Fax: 011-26292681

Dedicated email id for the investors

For the convenience of our investors, the Company has designated an exclusive email id for investors i.e. investor.relation@lloydengg.com.

Address for Correspondence

159, Okhla Industrial Estate, Phase-III
New Delhi- 110 020
Tel No.: 011- 40627200-300
Fax No.:011- 41609909

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DECLARATION

To the Shareholders of Lloyd Electric & Engineering Limited

Sub: Compliance with the Code of Conduct

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company, which is posted on the Website of the Company. The Board Members and Senior Management have affirmed compliance with the Code of Conduct.

Date: July 30, 2009

Place: New Delhi

Sd/-

Brij Raj Punj

Chairman & Managing Director

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

The Board of Directors of Lloyd Electric & Engineering Ltd.

Dear Sirs,

Sub: CEO/CFO Certificate

(Issued in accordance with the provisions of Clause 49 of the Listing Agreement)

We have reviewed the financial statements, read with the cash flow statement of Lloyd Electric & Engineering Limited for the year ended March 31, 2009 and that to the best of our knowledge and belief, we state that;

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2008-2009 which are fraudulent, illegal or violate the Company's code of conduct.
4. We accept responsibilities for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.

We further certify that:

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

Yours sincerely

Sd/-

Mukat Sharma

Chief Financial Officer

Sd/-

Brij Raj Punj

Chairman & Managing Director

Date: July 30, 2009

Place: New Delhi



Auditors' Certificate on Corporate Governance

To,

The Members of Lloyd Electric & Engineering Limited

We have examined the compliance of conditions of Corporate Governance by Lloyd Electric & Engineering Limited for the year ended on March 31, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that as per the records maintained by the Company, there were no investor grievances remaining unattended / pending for more than 30 days.

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

**For Suresh C. Mathur & Co.
Chartered Accountants**

**Date: July 30, 2009
Place: New Delhi**

**Sd/-
Brijesh C. Mathur
Partner**

AUDITORS' REPORT

To the Members,

Lloyd Electric & Engineering Limited.

We have audited the attached Balance Sheet of **LLOYD ELECTRIC & ENGINEERING LIMITED** as at 31st March, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in the Paragraph 2 above we report that -
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

for **SURESH C. MATHUR & CO.**
Chartered Accountants,

Sd/-
(BRIJESH C. MATHUR)
PARTNER
M. No.: 83540

PLACE: NEW DELHI
DATED: JUNE 29, 2009



ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITORS' REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009 OF LLOYD ELECTRIC & ENGINEERING LIMITED

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:

1. The company has maintained records showing full particulars including quantitative details and situation of the Fixed Assets. As per information given to us, the management has verified the Fixed Assets physically. We understand that no discrepancies were noticed on such physical verification.
2. The inventory has been physically verified during the year by the management and in our opinion the frequency of verification is reasonable. According to the information and explanations given to us, in our opinion, the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to the book records were not material and have been properly dealt with in the books of account.
3. According to the informations given to us the Company has not taken any loans, secured or unsecured from Companies, firms, or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. The Company has granted net Rs. 2033.95 lakhs to Company, Firms listed in the register maintained u/s 301 of the Companies Act.

During the year, the Company has given loans of Rs. 1169.40 lakhs to Lloyd Coils Europe s.r.o. a wholly owned foreign subsidiary company. In respect of the said loan, the interest amount is repayable on 1st May 2009 and Principal amount due on 1st November 2012.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit no major weakness has been noticed in the internal controls.
5. In our opinion and according to the information and explanations given to us, there are transactions made in pursuance of contracts and arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakh in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public therefore the provisions of Section 58A and 58AA of the Companies Act, 1956 are not applicable to the company.
7. In our opinion, the Company has internal audit system, commensurate with the size of the Company and the nature of its business.
8. The Central Government has not prescribed maintenance of cost records u/s 209(1) (d) of the Companies Act, 1956 for the products of the company.
9. According to the records of the company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.

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10. The company does not have accumulated Losses at the end of the financial year and has not incurred any cash loss during the financial year covered by our audit and the immediate preceding financial year.
11. The company has not defaulted in repayment of dues of financial institution / bank. The Company does not have any outstanding debenture.
12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. In our opinion and according to the information and explanation given to us, the terms & conditions of the guarantees given by the Company for loan taken by the associate Companies from bank are prima facie not prejudicial to the interest of the company.
16. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term, investment and no long-term funds have been used to finance short term assets.
17. According to the Cash Flow Statement and records examined by us and according to the information and explanations given to us, on overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa.
18. During the year, since the Company has not issued any debentures, paragraphs 4(xix) of the order is not applicable.
19. The Company had on September 11, 2007 allotted 50,00,000 warrants on preferential basis to promoters and non-promoters companies at a price of Rs. 225/- per warrant convertible into equal no. of equity shares of Rs. 10 each at a premium of Rs. 215/- each within 18 months from the date of allotment i.e. on or before March 10, 2009. The warrant holders had paid Rs. 1125 lacs as advance pursuant to SEBI guidelines but did not subscribe to equity shares within the prescribed period. Accordingly, the warrants stand lapsed and the advance payment of Rs. 1125 lacs made by the warrant holders had been forfeited pursuant to the SEBI (Disclosure & Investor Protection) Guidelines 2000 and credited to Capital Reserve.
20. On 13th May 2008, the company acquired Luvata Czech s.r.o. through its Special Purpose Vehicle, namely Lloyd Coils Europe s.r.o (formerly named Lloyd Coils Czech s.r.o.), subsidiary company wherein the Company held ownership interest equivalent to 99.968% in equity Capital, which was on December 24, 2008 enhanced to 100%, thereby making it as a wholly owned subsidiary of the Company. On July 1, 2008 the newly acquired Luvata Czech merged with Lloyd Coils Europe s.r.o., the surviving entity. The merger was recorded in the Commercial Register of Czech Republic on December 1, 2008. Post merger the Registered equity capital of Lloyd Coils Europe, the surviving entity was increased to CZK 70000000.

The acquisition of Luvata Czech s.r.o. was funded with the combination of debt and equity. The company contributed CZK 62,720,000 towards ownership interest in the equity capital of Lloyd Coils Europe s.r.o. and extended shareholders loan of CZK 65,529,081(out of which CZK 26,334,000 has been repaid during the year under review) to its subsidiary company , i.e. Lloyd Coils Europe, a special purpose vehicle for funding



the acquisition cost of Luvata Czech s.r.o. Lloyd Coils Europe raised bank loan equivalent to Euro 12 Million in its books which was backed by irrevocable and unconditional corporate guarantee to the extent of Euro 15 Million from the Company i.e. Lloyd Electric & Engineering Limited.

The aggregate purchase price for acquiring the 100% ownership interest in Luvata Czech s.r.o. through its special purpose vehicle , Lloyd Coils Europe s.r.o. (formerly named Lloyd Coils Czech s.r.o.) was Euro 14.850. Million.

The details of shareholders loan outstanding as on March 31, 2009 is mentioned elsewhere in the notes to account.

In June 17, 2008, the company incorporated a Free Trade Zone Establishment in in Ras Al Khaimah, Free Trade Zone, United Arab Emirates for undertaking import, export and trading activities in Air-conditioning, Heat Exchangers and other allied products. The Company acquired 100% ownership interest in the free trade zone establishment on December 25, 2008 by investing AED 500,000 in the equity share capital of the establishment. The Financial Year of the subsidiary is the calendar year January to December. The subsidiary is yet to commence operations, and hence the financial of the said subsidiary is not included in consolidated financial statements as on 31st March, 2009.

21. During the year, the Company has not raised any money by way of public issue.
22. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

for SURESH C. MATHUR & CO.
Chartered Accountants,

Sd/-
(BRIJESH C. MATHUR)
PARTNER
M. No.: 83540

PLACE: NEW DELHI
DATED: JUNE 29, 2009

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BALANCE SHEET AS AT 31ST MARCH, 2009

(Rs. in Lacs)

Particulars	Schedule	As at 31.03.2009	As at 31.03.2008
SOURCES OF FUNDS:			
SHAREHOLDERS FUNDS			
Share Capital	A	3,100.67	3,100.67
Equity Share Warrant		-	1,125.00
Reserves & Surplus	B	<u>34,040.10</u>	<u>30,877.88</u>
		37,140.77	35,103.55
LOAN FUNDS			
Secured Loans	C	15,361.49	15,359.29
Unsecured Loans		<u>2,000.00</u>	-
		17,361.49	15,359.29
DEFERRED TAX LIABILITY			
		457.05	330.05
TOTAL		<u>54,959.31</u>	<u>50,792.89</u>
APPLICATIONS OF FUNDS:			
FIXED ASSETS			
Gross Block	D	25,330.09	22,445.10
Less: Depreciation		<u>6,337.96</u>	<u>5,261.85</u>
Net Block		18,992.13	17,183.25
Capital Work in Progress		975.43	2,209.50
		19,967.56	19,392.75
INVESTMENTS			
	E	1,974.92	483.87
CURRENT ASSETS, LOAN & ADVANCES			
Inventories	F	12,757.15	11,838.53
Sundry Debtors	G	17,460.74	16,134.92
Cash and Bank Balances	H	3,249.96	7,101.49
Loan and Advances	I	6,108.66	3,588.78
		<u>39,576.52</u>	<u>38,663.71</u>
Less :			
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	J	4,851.75	5,524.17
Provisions	K	2,185.49	2,223.26
		<u>7,037.24</u>	<u>7,747.44</u>
NET CURRENT ASSETS		32,539.28	30,916.27
MISCELLANEOUS EXPENDITURE	L	477.55	-
(To the extent not written off or adjusted)			
TOTAL		<u>54,959.31</u>	<u>50,792.89</u>

NOTES TO ACCOUNTS

S

Schedules A to S annexed form an integral part of accounts & are duly authenticated.

As per our Report Attached
For Suresh C. Mathur & Co.
Chartered Accountants

For and on behalf of the Board

(Brijesh C. Mathur)
Partner
M.No. 83540

Brij Raj Punj
Chairman & Managing Director

Place: New Delhi
Date: June 29, 2009

Mukat Sharma
Chief Financial Officer

Anita K. Sharma
Company Secretary

A. K. Roy
Whole Time Director

K.Lall
Director



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009

(Rs. in Lacs)

Particulars	Schedule	Year ended 31.03.2009	Year ended 31.03.2008
INCOME:			
Sales		59,058.68	67,216.48
Less: Excise Duty		<u>526.56</u>	<u>715.02</u>
Other Income	M	258.09	488.35
Total		<u>58,790.22</u>	<u>66,989.80</u>
EXPENDITURE:			
Materials Cost	N	51,801.91	56,392.23
Manufacturing Expenses	O	479.86	469.81
Administrative Expenses	P	1,376.77	1,653.17
Selling Expenses	Q	122.23	177.09
Finance Charges	R	1,447.39	1,141.07
Misc. Expenditure Written Off		-	15.00
Depreciation		1,085.05	923.37
Total		<u>56,313.20</u>	<u>60,771.75</u>
PROFIT BEFORE TAXATION		2,477.02	6,218.05
Less:			
Provision for Taxation		300.00	787.50
Deferred Tax for the year		127.00	145.00
Fringe Benefit Tax		<u>12.80</u>	<u>13.82</u>
PROFIT FOR THE YEAR AFTER TAX		<u>2,037.22</u>	<u>5,271.73</u>
Balance brought forward from previous year		51.76	72.71
Amount transferred from General Reserve		-	1,229.53
Less:		<u>2,088.98</u>	<u>6,573.97</u>
Tax for earlier year		-	30.00
Short provision for restructured liability		-	1,229.53
AMOUNT AVAILABLE FOR APPROPRIATION		<u>2,088.98</u>	<u>5,314.45</u>
APPROPRIATIONS			
Proposed Dividend		-	310.00
Tax on Proposed Dividend		-	52.68
Transfer to General Reserve		350.00	4,900.00
Balance carried to Balance Sheet		<u>1,738.98</u>	<u>51.76</u>
Basic & Diluted Earnings Per Share		6.57	17.01

Notes forming part of the Accounts S

Schedules A to S annexed form an integral part of accounts & are duly authenticated.

As per our Report Attached
For Suresh C. Mathur & Co.
Chartered Accountants

For and on behalf of the Board

(Brijesh C. Mathur)
Partner
M.No. 83540

Brij Raj Punj
Chairman & Managing Director

Place: New Delhi
Date: June 29, 2009

Mukat Sharma
Chief Financial Officer

Anita K. Sharma
Company Secretary

A. K. Roy
Whole Time Director

K.Lall
Director

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SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rs. in Lacs)

	As at 31.03.2009	As at 31.03.2008
SCHEDULE - A		
SHARE CAPITAL:		
1) Authorised Capital: 5,00,00,000 Equity Shares of Rs.10/- each (Previous year 5,00,00,000 Equity Shares of Rs.10/- each)	5,000.00	5,000.00
2) Issued & Subscribed Capital: 3,10,13,160 equity shares of Rs. 10/- each	3,101.32	3,101.32
3) # Paid up Capital: 3,10,00,260 equity shares of Rs. 10/- each fully paid up (Previous year 3,10,00,260 equity shares of Rs. 10 each)	3,100.03	3,100.03
Add: Equity Shares forfeited (amount originally paid up)	0.65	0.65
TOTAL	3,100.67	3,100.67

Notes:

1. Out of the above equity shares
 - a) Include 40,00,000 Equity Shares allotted in the year 2006-07 on conversion of warrants issued on preferential basis during the year 2005-06
 - b) Includes 92,00,000 underlying Equity Shares representing 46,00,000 Global Depository Receipts issued during the year 2005-06.
 - c) In the year 2006-2007 the Company had forfeited 13,300 equity shares due to the non-payment of allotment money. The Board of Directors had annulled the forfeiture of 400 equity shares on receipt of payment advise by the shareholders and accordingly 400 equity shares had been restored back. Subsequent to the annulification of forfeiture, the paid-up capital stands increased to Rs. 310002600 i.e. 31000260 equity shares of Rs. 10/- each fully paid-up.



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rs. in Lacs)

	As at 31.03.2009	As at 31.03.2008
SCHEDULE - B		
RESERVES AND SURPLUS:		
1) Capital Reserve (subsidy received against fixed assets)	15.00	15.00
2) Capital Reserve (Share Warrants forfeited by the Company)	1,125.00	-
3) Revaluation Reserve (land revalued as on 31st March, 1993)	35.00	35.00
4) Securities Premium Account	17,583.74	17,583.74
5) General Reserve:		
Opening balance	13,192.38	9,136.80
Add: Deferred Tax Liability Written off	-	385.11
	13,192.38	9,521.91
Less: Amount transferred to Profit & Loss A/c	-	1,229.53
	13,192.38	8,292.38
Add: Transfer from Profit & Loss a/c	350.00	4,900.00
	13,542.38	13,192.38
6) Profit & Loss Account: As per Profit & Loss Appropriation A/c	1,738.98	51.76
TOTAL	34,040.10	30,877.88
SCHEDULE - C		
SECURED LOANS:		
1. Term Loans:		
From Financial Institution/ Banks	1,685.51	4,070.88
From Scheduled Banks	1,320.55	1,570.83
	3,006.06	5,641.71
2. Working Capital Loans:		
From Banks	12,302.05	9,595.89
3. Loan against Vehicles (Secured by hypothecation of Vehicle Financed)	53.38	121.68
TOTAL	15,361.49	15,359.29
UNSECURED LOANS:		
Short term Loan from Bank	2,000.00	-
TOTAL	2,000.00	-

Note:

1. Terms Loans secured by the creation of first mortgage and charge on all the immovable and movable assets, present and future of the Company. (subject to the charge on specified movable assets created/to be created in favour of the Company's bankers by way of security for working capital requirements.)
2. The working capital loans, fund based as well as non fund based availed from Scheduled Banks are secured by way of first hypothecation charge on the stocks/ book debts, both present and future and second charge on pari-passu basis on the fixed assets of the Company.

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SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE- D

FIXED ASSETS:

(Rs. in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2008	Additions	Deductions	As At 31.03.2009	Up To 31.03.2008	For the year	Adjustment	up to 31.03.2009	As At 31.03.2009	As At 31.03.2008
1) Leasehold Land	63.65	169.58	-	233.23	-	-	-	-	233.23	63.65
2) Temporary Constructions	11.97	-	-	11.97	11.97	-	-	11.97	-	-
3) Buildings	1,012.42	14.58	-	1,027.00	181.03	34.05	-	215.08	811.92	831.39
4) Plant & Machinery	20,710.14	2,702.09	-	23,412.23	4,808.45	997.75	-	5,806.20	17,606.03	15,901.69
5) Office Equipments	170.97	7.39	-	178.35	118.99	8.92	-	127.91	50.45	51.98
6) Vehicles	427.62	4.00	13.18	418.44	131.90	41.26	8.94	164.22	254.22	295.72
7) Furniture & Fixtures	48.33	0.53	-	48.86	9.50	3.08	-	12.59	36.27	38.82
TOTAL	22,445.10	2,898.18	13.18	25,330.09	5,261.85	1,085.05	8.94	6,337.96	18,992.13	17,183.25
(Previous Year)	17,114.83	5,330.26	-	22,445.10	4,338.48	923.37	-	5,261.85	17,183.25	12,776.36



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rs. in lacs)

	Face Value	Number of Shares	As at 31.03.2009	Number of Shares	As at 31.03.2008
SCHEDULE- E					
INVESTMENTS: (LONG TERM)					
Quoted Shares					
Blue Star Ltd.	2	375	0.13	375	0.13
Blue Star Info. Ltd.	10	25	0.04	25	0.04
Castrol (India) Ltd.	10	5	0.01	5	0.01
Chambal Fertilizers & Chem. Ltd.	10	1,000	0.20	1,000	0.20
D.B. International Brokers Ltd.	10	16,600	1.66	16,600	1.66
Dot Com. Global Ltd.	10	24,200	0.16	24,200	0.16
Shardul Securities Ltd.	10	25,600	7.68	25,600	7.68
ACE India Ltd.	10	16,900	1.69	16,900	1.69
Fortis Financial Services Ltd.	10	400	0.04	400	0.04
Glaxo Smith Kline Pharmaceuticals Ltd.	10	125	0.76	125	0.76
HDFC Bank Ltd.	10	25	0.09	25	0.09
Hindustan Unilever Ltd.	1	3,850	4.63	3,850	4.63
JSW Steel Ltd.	10	5,124	11.12	5,124	11.12
(in lieu of Shares held in Jindal Vijay Nagar Steel Limited)					
Lumax Industries Ltd.	10	4,600	2.68	4,600	2.68
Panasonic Battery India Ltd.	10	500	0.21	500	0.21
SRG Infotech Ltd.	10	200	0.00	200	0.00
Sterlite Opticals Ltd.	5	210	0.05	210	0.05
Subros Ltd.	10	30	0.03	30	0.03
Tata Chemicals Ltd.	10	50	0.06	50	0.06
Tata Consultancy Services Ltd.	1	2,458	20.89	2,458	20.89
Vishesh Infotecnics Ltd.	10	100	0.00	100	0.00
Voltas Ltd.	1	500	0.06	500	0.06
GHCL Ltd.	10	125,000	190.93	1,25,000	190.93
Archies Ltd.	10	30,000	32.17	30,000.00	32.17
Sub-Total (A)			275.29		275.29
Less: Provision for diminution in value of Investments			172.10		-
			103.19		275.29
Unquoted Shares:					
Lloyd Credits Ltd.	10	300,000	30.00	300,000	30.00
Lloyd Aircon (P) Ltd.	10	350	0.04	350	0.04
Lloyd Manufacturing (P) Ltd.	100	5	0.01	5	0.01
Carrier Aircon Ltd.	10	100	0.09	100	0.09
Advance for investment in share: Lloyd Coils LP (USA)		-	178.44	-	178.44
Subsidiary Company:					
Lloyd Coils Europe s.r.o.			1,595.00		-
Lloyd Electric FZE (5 equity shares of AED 100000 each)	100000AED	5	68.15	-	-
Sub-Total (B) Rs.			1,871.73		208.57
Total (A+B)			1,974.92		483.87
Additional Information :					
1) Aggregate amount of Company's -					
a) Market value of Quoted Investments			103.19		303.40
b) Unquoted Investments			1,871.73		208.57

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SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rs. in Lacs)

	As at 31.03.2009	As at 31.03.2008
SCHEDULE - F		
INVENTORIES:		
(Refer Note No.- 1 (e) of Schedule-S)		
1) Raw-materials	11,425.71	9,483.81
2) Consumables	48.35	46.49
3) Stock in Process	148.58	258.49
4) Finished Goods	536.34	258.28
5) Stock in Transit (At Cost)	598.17	1,791.46
TOTAL	12,757.15	11,838.53
SCHEDULE - G		
SUNDRY DEBTORS:		
(Unsecured considered good by the Management)		
1) Debts outstanding for a period exceeding six months	242.03	80.71
2) Other Debts	17,218.71	16,054.21
TOTAL	17,460.74	16,134.92
SCHEDULE - H		
CASH AND BANK BALANCES:		
1) Cash balance in hand	24.87	24.60
2) Balances with scheduled banks		
a) in current accounts	86.99	124.67
b) in fixed deposits	2.12	1.81
c) in Fixed Deposit in Foreign A/c	3,112.79	6,727.74
d) Receipt pledged with Bank for margin money (Including Interest)	-	213.20
e) interest accrued on above accounts	23.20	9.46
TOTAL	3,249.96	7,101.49



SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rs. in Lacs)

	As at 31.03.2009	As at 31.03.2008
SCHEDULE - I		
LOAN & ADVANCES :		
1) Security Deposits	64.38	58.99
2) Advances recoverable in cash or in kind or for value to be recovered	879.26	187.14
3) Loan to subsidiary company - Lloyd Coils Europe s.r.o.	1,169.40	-
4) Advance Taxes & TDS	1,961.67	1,020.72
5) Intra Group Accounts (Net)	2,033.95	2,321.93
TOTAL	6,108.66	3,588.78
SCHEDULE - J		
CURRENT LIABILITIES:		
1) Sundry Creditors	4,432.34	5,046.75
2) Bank Overdraft	-	4.62
3) Unclaimed Dividend	15.66	12.20
4) Other Liabilities	403.74	408.37
5) Interest accrued but not due	-	52.24
TOTAL	4851.75	5,524.17
SCHEDULE - K		
PROVISIONS:		
1) Provision for Income Tax	2,077.32	1,777.32
2) Provision for Fringe Benefit Tax	37.62	24.82
3) Provision for proposed dividend	-	310.00
4) Provision for tax on proposed dividend	-	52.68
5) Provision for gratuity & leave encashment	70.56	58.44
TOTAL	2,185.49	2,223.26
SCHEDULE - L		
MISCELLANEOUS EXPENDITURE:		
(to the extent not written off or adjusted)		
Deferred Revenue Expenses:		
Opening balance	-	15.00
Addition during the year	477.55	-
Less: Written off during the year	-	15.00
TOTAL	477.55	-

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SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

(Rs. in Lacs)

	Year ended 31.03.2009	Year ended 31.03.2008
SCHEDULE - M		
OTHER INCOME:		
1) Job Work	0.02	2.90
2) Interest Income	12.70	11.22
3) Interest on Foreign Currency Deposit	99.54	445.76
4) Interest from Lloyd Coils Europe s.r.o.	89.72	-
5) Misc. Income	52.42	18.58
6) Dividend Income	3.69	9.90
TOTAL	258.09	488.35
SCHEDULE - N		
MATERIALS COST:		
1) Raw materials, consumables and components consumed:		
a) Opening stock	9,530.30	6,915.15
b) Purchases	53,859.32	58,869.23
c) Carriage Inwards	54.50	114.05
	<u>63,444.12</u>	<u>65,898.43</u>
d) Less: Closing stock	11,474.06	9,530.30
2) Decrease/(Increase) in stock in process:	51,970.06	56,368.13
a) Opening stock	258.49	125.41
b) Less : Closing stock	<u>148.58</u>	<u>109.90</u>
	258.49	(133.08)
3) Decrease/(Increase) in finished goods:		
a) Opening stock	258.28	415.45
b) Less : Closing stock	<u>536.34</u>	<u>258.28</u>
	(278.06)	157.17
TOTAL	51,801.91	56,392.23
SCHEDULE - O		
MANUFACTURING EXPENSES:		
1) Wages	123.34	102.37
2) Labour Welfare	25.87	42.033
3) Repair and Maintenance	43.62	20.93
4) Power and Fuel	139.61	136.20
5) Factory Overheads	52.39	78.80
6) Factory Rent	72.72	66.01
7) Insurance	22.07	23.48
8) Other Charges	0.24	-
TOTAL	479.86	469.81

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

(Rs. in Lacs)

	Year ended 31.03.2009	Year ended 31.03.2008
SCHEDULE- P		
ADMINISTRATIVE EXPENSES:		
1) Salary and Allowances	441.46	380.73
2) Contribution to Provident Fund	22.42	30.72
3) Staff Welfare	20.49	20.75
4) Rent, Rates & Taxes	1.06	9.69
5) Postage,Telegram and Telephones	25.20	28.66
6) Printing and Stationery	11.79	7.80
7) Audit Fee (including service tax)	11.58	8.43
8) Legal and professional charges	82.72	66.24
9) Office maintenance	15.26	15.40
10) Travel and Conveyance	72.40	80.79
11) Motor Car Expenses	37.22	25.60
12) General Expenses	66.48	53.08
13) Loss on sale of Fixed Assets	2.04	-
14) Loss on foreign exchange fluctuation	394.55	718.74
15) Diminution in the value of investment	172.10	-
15) Loss on sale of Investment	-	206.54
TOTAL	1,376.77	1,653.17
SCHEDULE - Q		
SELLING & MARKETING EXPENSES:		
1) Advertisement and publicity	5.48	89.75
2) Business Promotion	10.33	15.43
3) Carriage outwards	77.31	65.38
4) Discount	6.92	1.93
5) Commission & Incentive	1.61	3.27
6) Bad debts	8.84	1.00
7) Foreign Exhibition Expenses	10.17	-
8) Free Samples	1.57	0.33
TOTAL	122.23	177.09
SCHEDULE - R		
FINANCE CHARGES:		
1) Interest on term loans/working capital & Others	1,272.85	1,003.98
2) Bank charges	174.54	137.09
TOTAL	1,447.39	1,141.07

SCHEDULE-S

NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

1. SIGNIFICANT ACCOUNTING POLICIES:

a) **Basis of Preparation of Financial statements:**

The financial statements are prepared under the historical cost convention in accordance with generally accepted accounting principles and the provisions of Companies Act, 1956.

b) **Revenue Recognition:**

- i) Income and Expenditure are recognized on accrual basis.
- ii) Sales are accounted on dispatch of products and sales value includes excise duty.
- iii) Export sales are accounted on the basis of date of bill of lading.

c) **Fixed Assets:**

Fixed assets except leasehold land are stated at cost less accumulated depreciation. The cost includes freight, duties, taxes and other incidental expenses related to acquisition and installation. CENVAT claim, if any, on capital goods is reduced from the cost.

d) **Depreciation:**

- i) Depreciation on fixed assets is provided on straight-line basis at the rates prescribed in schedule XIV to the Companies Act, 1956.
- ii) Depreciation on assets added during the year, is calculated on pro-rata basis with reference to the date of installation.

e) **Inventory Valuation:**

- i) Raw materials and consumables are valued at cost as per the First in First Out (FIFO) method and include customs duty wherever paid, and are net of credit availed under CENVAT scheme.
- ii) Stock in process is valued at direct cost, i.e., cost of materials and variable manufacturing expenses.
- iii) Finished goods are valued at lower of cost or net realizable value.
- iv) Stock in transit lying in customs warehouse is valued at cost but does not include custom duty payable, However, non-provision of duty does not affect the profit for the year.

f) **Investments:**

Long term Investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long-term investments. Investments in subsidiary company are of long-term strategic value and the diminution if any in the value of these investments is temporary in nature.



SCHEDULE-S (Contd.....)

g) Foreign currency transactions:

- Income and Expenses in foreign exchange are accounted at the average rate prevailing during the month of transaction.
- Income and expenses on foreign projects are accounted at average rate for the year.
- Assets purchased are capitalized at rates prevailing on date of purchase.
- Balances in foreign bank accounts, Exchange Earners Foreign Currency Account are translated into Indian Rupees at rates prevailing at the year-end.

h) Retirement Benefits:

The company's contribution to the provident fund is charged to profit and loss account.

The company's liability in respect of payment of gratuity is provided on accrual basis as per actuarial valuation.

Leave Encashment: The Company has provided an adhoc provision as accrued liability during the year which is subject to actuarial valuation.

i) Borrowing Cost:

Borrowing cost that is directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

j) Taxation:

Current Tax:

The tax expenses for the year, comprising current tax and fringe benefit tax is included in determining the net profit for the year.

A Provision is made for the current tax and fringe benefit tax based on tax liability computed in accordance with relevant tax rates and tax laws.

Deferred Tax:

Deferred tax liabilities represent the tax effect of temporary differences substantially on account of differences in the written down value of Fixed Assets on account of differing depreciation methods and rates and other timing differences.

k) Expenditure during construction and on new projects

In the case of new industrial units and substantial expansion of existing units, all pre operating expenditure specifically for the project, incurred upto the date of installation, is capitalized and added pro rata to the cost of fixed assets.

l) Management Estimation:

The financial statements are prepared in conformity with generally accepted accounting principles and applicable accounting standards, which may require management to make estimates and assumptions. These may affect the reported amount of assets and liabilities and disclosures of contingent liabilities on the date of financial statements and the reported amount of the revenue and expenses during the reporting period. Actual report later could differ from these estimates.

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SCHEDULE-S (Contd.....)

m) Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

n) Segment Reporting:

The Company is engaged in the manufacturing and sale of Air-conditioning parts. The geographical segmentations are insignificant, as exports are less 5% of total turnover.

o) Earning Per Share:

The earnings considered in ascertaining the Company's Earnings per Share (EPS) comprise the net profits after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares.

p) Cash Flow Statement:

The Cash Flow statement is prepared by the indirect method set out in Accounting Standard –3 issued by the Institute of Chartered Accountants of India on Cash Flow Statement and presents cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the cash flow statement consists of cash in hand and demand deposits with banks as on the Balance Sheet date.

q) Sundry Debtors/Loans & Advances:

Sundry Debtors, Creditors and other advances are subject to confirmation. The effect of the same, if any which is not likely to be material, will be adjusted at the time of conformation.

r) Provisions/Contingencies:

A provision is recognized when there is a present obligation as a result of past event 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 are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date.

Contingent liabilities are not recognized and are disclosed in the Notes on Accounts.

s) Derivative Instruments:

The Company has not entered into the derivative instruments. Forward Contract other than those entered into, to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly. Exchange difference arising on such contracts is recognized in the period in which they arise and premium paid/received is accounted as expenses/income over the period of the contract.

t) Deferred Revenue Expenditure:

Cost of traveling & Consultancy fees related to Lloyd Coils Europe s.r.o are considered as deferred revenue expenditure.



SCHEDULE-S (Contd.....)

II) NOTES TO ACCOUNTS:

1) Contingent liability outstanding as not provided for:

Particulars	Current Year (Rs. In lacs)	Previous Year (Rs. In lacs)
a) Bank Guarantees	73.00	263.80
b) Corporate Guarantees given against loan taken by related parties.	7240.00	5240.00
c) Irrevocable & un-conditional corporate guarantee of 15 million Euro given by the Company for 12 million Euro Loan availed by Lloyd Coils Europe s.r.o. a wholly owned subsidiary (as at March 31, 2009)	10122.00	Nil

2) **Contracts remaining to be executed on capital account and not provided for** 500.00 2700.00

3) Micro and Small Scale Business Entities:

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Accordingly, there were no interest due on the principal amount not there was necessity to pay interest for delayed payment in terms of section 16 of the Micro, Small and Medium Enterprises Development Act.

4) Unquoted investment in subsidiary Company:

Unquoted investment in subsidiary companies is of long-term strategic value. In the opinion of the management, the current diminution in the value of these investments is temporary in nature considering the inherent value and nature of investee's business proposal and hence no provision is required.

5) Disclosure as per clause 32 of the Listing Agreement:

Loan given to Subsidiary:

Name of the Company	Relationship		Amount Outstanding As on 31.03.2009 (Rs. In lacs)
Lloyd Coils Europe	Subsidiary	Loan	1079.70
		Add: Interest	89.70
			<u>1169.40</u>

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SCHEDULE-S (Contd.....)

6) Capital work in progress:

Capital work in progress amounting to Rs. 975.42 Lacs.

7) Related Party Disclosures: (in which some Directors are interested)

A. Related Companies: -

Name of Company	Nature of Relationship (Associate Co/ Subsidiary Co/Directors Interested)
Airserco Pvt. Ltd.	Directors Interested
Fedders Lloyd Corporation Ltd	Director Interested
Perfect Radiators & Oil Coolers Pvt. Ltd.	Director Interested
PSL Engineering Pvt. Ltd.	Director Interested
Regal Information Technology Pvt. Ltd.	Director Interested
Foreign Subsidiary Company: (as at 31.03.2009)	
Lloyd Coils Europe s.r.o.	100% Subsidiary
Lloyd Electric FZE	100% Subsidiary

B. Key Management Personnel-

Mr. Brij Raj Punj	Chairman and Managing Director
Mr. A. K. Roy	Whole Time Director

C. Transactions with Related Companies

Transactions	Amount (Rs. In Lacs)
Sale of goods	2037.54
Reimbursement of Expenses (in Lac)	0.11
Advances	2033.95

8) The break up of deferred tax assets and liabilities into major components as at the year ended 31.03.09 is stated below:

a) Deferred Tax Liability:	(Rs. in Lacs)
Depreciation difference	349.10
b) Deferred Tax Asset:	
Gratuity & other Provisions	222.10
Net Deferred Tax Liability	<u>127.00</u>



SCHEDULE-S (Contd.....)

9) Additional information pursuant to Part II of schedule VI of the Companies Act, 1956:

	Current Year Amount	Previous Year Amount (Rs. In lacs)
a) Payment to Auditors-Audit fee, Service Tax & Cess	11.58	8.43
b) Expenditure in foreign currency:		
Raw Material	3577.47	3072.63
Foreign Traveling	10.26	30.53
Exhibition & other Expenses	10.17	1.97
c) Earning in foreign currency (Export of goods on FOB basis)	441.40	727.68
d) Interest on Fixed Deposit in Foreign Currency	99.54	445.76
e) Capacity Utilization		
i) Licensed Capacity	Current Year Quantity (Nos.)	Previous Year Quantity (Nos.)
1. Condensing & Evaporator Coil Set	12,25,000	12,25,000
2. Fan coil units /Cooling Unit	10,000	10,000
3. All types of air conditioners up to 15 ton capacity	4,02,000	4,02,000
4. Sheet Metal (for mfg. coil)	3,00,000	3,00,000
5. Parts of air conditioner/cooling	10,000	10,000
ii) Installed Capacity (As certified by the Management)	Current Year Quantity (Nos.)	Previous Year Quantity (Nos.)
1. Condensing & Evaporator Coil Set	12,25,000	12,25,000
2. Fan coil units /Cooling Unit	10,000	10,000
3. All types of air conditioners up to 15 ton capacity	4,02,000	4,02,000
4. Sheet Metal (for mfg. coil)	3,00,000	3,00,000
5. Parts of air conditioner/cooling	10,000	10,000
iii) Actual production	Current Year Quantity (Nos.)	Previous Year Quantity (Nos.)
1. Condenser Coil	521,225	553,941
2. Evaporator Coil	286,913	373,641
3. Air conditioners (RMPU/WAC/IDU/ODU)	272,223	262,396

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SCHEDULE-S (Contd.....)

f) Quantitative Information:

Sale Items

	Current Year		Previous Year	
	Qty. (Nos.)	Value (Rs. In Lacs)	Qty. (Nos.)	Value (Rs. In Lacs)
Condensing Coil	509,857	2466.77	559,549	3200.51
Evaporator Coil	283,707	1457.65	380,022	2059.48
Air conditioners (RMPU/WAC/IDU/ODU)	271,616	21500.66	262,805	20810.30
Sheet Metal (P & C in Mt)	74,110.28	30382.59	142,232.4	39945.70
Parts, Components, Spares & Others	-	3251.01	-	485.46

All the values mentioned above are without excise duty. The excise duty charged on sale (including captive consumption) amounts to Rs. 526.56 lacs. Quantities of condenser coils and evaporator coils are in tonnage for production and sale.

g) Closing Stock:

Name of Items

	Current Year		Previous Year	
	Qty. (Nos.)	Value (Rs. In Lacs)	Qty. (Nos.)	Value (Rs. In Lacs)
Condensing Coil	17,287	314.45	5,919	106.03
Evaporator Coil	7,207	103.50	4,001	81.74
Air conditioners	1088	112.55	481	39.65
Others	-	5.84	-	-
Sheet Metal (P&C in Mt)	31.49	13.43	13,779	30.87

h) Consumption of Raw Materials, Components, Spares & Consumables (Used in Manufacturing) and others.

Name of Items

	Current Year		Previous Year	
	Qty. (Kg.)	Value (Rs. In Lacs)	Qty. (Kg.)	Value (Rs. In Lacs)
Copper Tube	849171	2980.25	982212	3455.06
Aluminum Foil	845593	1265.01	944225	1636.36
Compressors	272383	5394.21	247087	6450.38
Others	-	42330.59	-	44826.33

i) Consumption of Raw Material, Components, Consumables, Spare Parts & others

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Indigenous	42656.41 (82.08%)	47317.98 (83.94%)
Imported	9313.65 (17.92%)	9050.15 (16.06%)



SCHEDULE-S (Contd.....)

- j) Value of Import of Raw Material, Components, spares & Consumables made during the year on CIF basis:

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Condenser Coil	521,225	553,941
Raw Material (Including HI – Sea Purchase)	4199.75	9324.69
Capital Goods	102.12	575.41

- k) Managerial remuneration paid to Managing Director and Whole Time Director:

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Salary	48.53	38.47
Value of Perquisites	3.85	12.45
P.F.	2.88	-
Total	55.26	50.92

- l) Balances of sister concerns are subject to reconciliation & confirmation

- m) Basic & Diluted Earnings per Share:

Earnings per share has been computed as under:

	Current Year	Previous Year
Profit after Taxation (Rs. Lacs)	2037.21	5271.70
Number of Ordinary Shares	31000260	31000260
Basic and Diluted Earnings per share (Face Value Rs. 10/-per share)	6.57	17.01

10) Previous year figures have been regrouped and recast wherever necessary.

11) In the opinion of the Board, the current assets are approximately of the value as stated, if realized in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably considered necessary. Income accrued has been accounted for in the books.

12) Schedules "A" to "S" form an integral part of accounts and are duly authorized.

Refer to our Report of even date.

As per our Report Attached
For Suresh C. Mathur & Co.
Chartered Accountants

(Brijesh C. Mathur)
Partner
M.No. 83540

For and on behalf of the Board of Directors
LLOYD ELECTRIC & ENGINEERING LIMITED

Brij Raj Punj
Chairman & Managing Director

Place: New Delhi
Date: June 29, 2009

Mukat Sharma
Chief Financial Officer

Anita K. Sharma
Company Secretary

A. K. Roy
Whole Time Director

K.Lall
Director

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CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2009

(Rs. in Lacs)

	Year ended 31st March, 2009	Year ended 31st March, 2008
A. Cash Flow from Operating Activities:		
Net Profit before tax & Extra-ordinary items	2,477.02	4,958.53
Adjustments:		
Add:		
Depreciation	1,085.05	923.37
Misc. Expenses written off	-	15.00
Interest Paid	1,272.85	1,003.98
Loss/ (Diminution) on sale (in value) of Investment	172.10	206.54
Loss on sale of fixed assets	2.04	-
	<u>2,532.04</u>	<u>2,148.90</u>
	5,009.06	7,107.43
Less:		
Interest Income	(201.96)	(456.97)
Dividend Income	(3.69)	(9.90)
Profit on sale of Investment	-	-
	<u>(205.65)</u>	<u>(466.87)</u>
Operating profit before working capital changes	4,803.41	6,640.55
Adjustments for :		
Inventories	(918.62)	(3,644.76)
Trade & other receivables	(2,904.76)	(5,294.54)
Trade & other payables	(660.31)	1,385.97
	<u>(4,483.70)</u>	<u>(7,553.34)</u>
Cash generated from operations	319.71	(912.78)
Direct tax paid	(940.95)	(637.08)
	<u>(621.24)</u>	<u>(1,549.87)</u>
B Cash Flow from Investing Activities:		
Purchase of fixed assets	(1,664.10)	(5,533.85)
Deferred Revenue in respect of acquisition	(477.55)	-
Sale of fixed assets	2.20	-
Net Purchase of Investments	(1,663.15)	(223.10)
Loss on sale of Investment	-	(206.54)
Dividend Received	3.69	9.90
Interest received	201.96	456.97
	<u>(3,596.95)</u>	<u>(5,496.61)</u>
C Cash Flow from Financial Activities:		
Proceeds from Borrowing	2,002.20	4,336.20
Proceeds from Issue of Share capital	-	0.02
Proceeds from Issue of Share warrant	-	1,125.00
Interest paid	(1,272.85)	(1,003.98)
Dividend paid	(310.00)	(620.01)
Dividend tax	(52.68)	(105.37)
	<u>366.66</u>	<u>3,731.86</u>
Net Cash Flow from Financing Activities	366.66	3,731.86
Net increase in Cash and Cash Equivalents (A+B+C)	(3,851.53)	(3,314.62)
Net increase/ decrease in Cash and Cash Equivalents	(3,851.53)	(3,314.62)
Opening Balance of Cash and Cash Equivalents	7,101.49	10,416.11
Closing Balance of Cash and Cash Equivalents	<u>3,249.96</u>	<u>7,101.49</u>

Refer to our Report of even date

For Suresh C. Mathur & Co.

Chartered Accountants,

Mukat Sharma
Chief Financial Officer

Anita K. Sharma
Company Secretary

A. K. Roy
Whole Time Director

K. Lall
Director

Brij Raj Punj
Chairman & Managing Director

For and on Behalf of the Board of Directors

LLOYD ELECTRIC & ENGINEERING LIMITED

AUDITOR'S REPORT

We have examined the above Cash Flow Statement of Lloyd Electric & Engineering Limited for the year ended 31st March, 2009. The statement has been prepared by the company in accordance with the requirements of clause 32 of the listing agreement entered into with Stock Exchanges and is based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company.

for Suresh C. Mathur & Co.
Chartered Accountants,

(Brijesh C. Mathur)
(Partner)
M.No.: 83540

Place: New Delhi
Dated: June 29, 2009



**Statement Pursuant to Part IV of Schedule VI to the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile.**

I. REGISTRATION DETAILS	State Code	<input type="text" value=""/>																		
Registration No.	<input type="text" value=""/>																			
Balance Sheet	<input type="text" value=""/>																			
Date	Day		Month		Year															
II. CAPITAL RAISED DURING THE YEAR (AMOUNT RS. IN THOUSANDS)																				
Public Issue.	<input type="text" value=""/>	Rights Issue.	<input type="text" value=""/>																	
Bonus Issue.	<input type="text" value=""/>	Private Placement.	<input type="text" value=""/>																	
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT RS. IN THOUSANDS)																				
Total Liabilities.	<input type="text" value="5"/>	Total Assets.	<input type="text" value="5"/>																	
SOURCES OF FUNDS																				
Paid Up Capital.	<input type="text" value=""/>	Reserves and Surplus.	<input type="text" value="3"/>																	
Deferred Tax	<input type="text" value=""/>	Secured Loans	<input type="text" value="1"/>																	
Unsecured Loans	<input type="text" value=""/>																			
APPLICATION OF FUNDS																				
Net Fixed Assets (Including Capital Work in Progress).	<input type="text" value="1"/>	Investments.	<input type="text" value=""/>																	
Net Current Assets.	<input type="text" value="3"/>	Misc. Expenditure.	<input type="text" value=""/>																	
Accumulated Losses/Profit.			N		I		L													
IV. PERFORMANCE OF THE COMPANY (AMOUNT RS. IN THOUSANDS)																				
Turnover and other Income.	<input type="text" value="5"/>	Total Expenditure	<input type="text" value="5"/>																	
+ Profit/- Loss Before Tax.	<input type="text" value=""/>	+ Profit/- Loss After Tax.	<input type="text" value=""/>																	
Earning per Share (in Rs.).	<input type="text" value=""/>	6		5		7	Dividend Rate (%).	<input type="text" value=""/>	N		I		L							
V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY. (AS PER MONETARY TERMS)																				
Item Code No. (ITC Code).	<input type="text" value="8"/>	1		5		9		0		0		0		Product Description.	Condenser, Evaporators, coils, Air-conditioner & parts there of					

As per our Report Attached
For Suresh C. Mathur & Co.
Chartered Accountants

(Brijesh C. Mathur)
Partner
M.No. 83540

For and on behalf of the Board

Brij Raj Punj
Chairman & Managing Director

Place: New Delhi
Date: June 29, 2009

Mukat Sharma
Chief Financial Officer

Anita K. Sharma
Company Secretary

A. K. Roy
Whole Time Director

K.Lall
Director

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Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies As on 31st March, 2009

1	Name of Subsidiary Companies	Lloyd Coils Europe s.r.o. (Prague, Czech Republic)	Lloyd Electric FZE (Ras Al khaimah, United Arab Emirates)
2	Financial year of the Subsidiary Company ended on	March 31, 2009	December 31, 2008
3	Holding Company's Interest as on the above date a) Total equity held (Rs. in Lacs) b) Number of shares c) Face Value d) Extent of share holdings in the subsidiary company	1595.00 - - 100%	68.15 5 shares AED: 100,000/- 100%
4	Net aggregate amount of the Subsidiary's Profit/ Loss so far as it concerns members of Holding Company and not dealt with in the Holding Company's Accounts: i) For Subsidiary's financial year ended as above (Rs. in Lacs) ii) For Subsidiary's previous financial years since it became Subsidiary	(1667.60) N.A.	*Nil (No Transaction) N.A.
5	Net aggregate amount of the Subsidiary's Profit/ Loss so far as it concerns members of Holding Company and dealt with in the Holding Company's Accounts: i) For Subsidiary's financial year ended as above ii) For Subsidiary's previous finan	Nil	Nil
6	Additional information u/s 212(5)	N.A.	Nil

*Note:

1. Lloyd Electric FZE is yet to commence its business. Hence there are no reportable transactions.

As per our Report Attached
For Suresh C. Mathur & Co.
Chartered Accountants

(Brijesh C. Mathur)
Partner
M.No. 83540

For and on behalf of the Board of Directors
LLOYD ELECTRIC & ENGINEERING LIMITED

Brij Raj Punj
Chairman & Managing Director

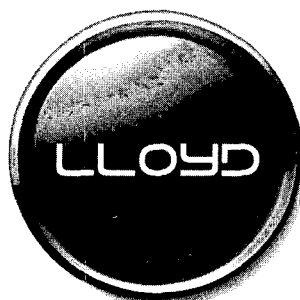
Place: New Delhi
Date: June 29, 2009

Mukat Sharma
Chief Financial Officer

Anita K. Sharma
Company Secretary

A. K. Roy
Whole Time Director

K.Lall
Director



Consolidated Financial Statements:

- *Auditors' Report on Consolidated Accounts*
- *Consolidated Balance Sheet*
- *Consolidated Profit & Loss Account*
- *Consolidated Cash Flow Statement*

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Auditors' Report on Consolidated Financial Statements of "Lloyd Electric & Engineering Ltd." and its Subsidiary "Lloyd Coils Europe s.r.o."

To

The Board of Directors

Lloyd Electric & Engineering Limited

We have audited the attached Consolidated Balance Sheet of Lloyd Electric & Engineering Limited ("the Company") and its subsidiaries as at 31st March, 2009, and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statements of Lloyd Coils Europe s.r.o., the subsidiary Company. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditor.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on subsidiaries, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of Consolidated Balance Sheet, of the Consolidated state of affairs of the Company and its subsidiary as at 31st March, 2009,
- (b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiary for the year then ended and
- (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the company and its subsidiary for the year then ended.

For Suresh C. Mathur & Co.
Chartered Accountants,

Brijesh C. Mathur
Partner
M.No.: 83540

Place: New Delhi

Dated: June 29, 2009



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2009

(Rs. in Lacs)

Particulars	Schedule		As at 31.03.2009
SOURCES OF FUNDS:			
SHAREHOLDERS FUNDS			
Share Capital	A	3,100.67	
Equity Share Warrant		-	
Reserves & Surplus	B	33,692.18	36,792.86
LOAN FUNDS			
Secured Loans	C	23,682.29	
Unsecured Loans		2,000.00	25,682.29
DEFERRED TAX LIABILITY			1,229.00
TOTAL			63,704.15
APPLICATIONS OF FUNDS:			
FIXED ASSETS			
Gross Block	D	34,327.87	
Less: Depreciation		6,985.09	
Net Block		27,342.79	
Capital Work in Progress		975.43	28,318.21
INVESTMENTS			
	E		379.92
CURRENT ASSETS, LOAN & ADVANCES			
Inventories	F	14,324.60	
Sundry Debtors	G	20,776.87	
Cash and Bank Balances	H	3,844.92	
Loan and Advances	I	5,307.38	
		44,253.78	
Less :			
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	J	7,493.31	
Provisions	K	2,231.99	
		9,725.31	
NET CURRENT ASSETS			34,528.47
MISCELLANEOUS EXPENDITURE	L		477.55
(To the extent not written off or adjusted)			
TOTAL			63,704.15
NOTES TO ACCOUNTS			
Schedules A to S annexed form an integral part of accounts & are duly authenticated.	S		

As per our Report Attached
For Suresh C. Mathur & Co.
Chartered Accountants

For and on behalf of the Board

(Brijesh C. Mathur)
Partner
M.No. 83540

Brij Raj Punj
Chairman & Managing Director

Place: New Delhi
Date: June 29, 2009

Mukat Sharma
Chief Financial Officer

Anita K. Sharma
Company Secretary

A. K. Roy
Whole Time Director

K.Lall
Director

Annual Report 2008-2009

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH, 2009 (Rs. in Lacs)

Particulars	Schedule		As at 31.03.2009
INCOME:			
Sales		72,861.72	
Less: Excise Duty		526.56	72,335.16
Other Income	M		1,444.16
Total			73,779.32
EXPENDITURE:			
Materials Cost	N		62,519.39
Manufacturing Expenses	O		2,465.43
Administrative Expenses	P		2,305.47
Selling Expenses	Q		124.99
Finance Charges	R		3,987.34
Misc. Expenditure Written Off			-
Depreciation			1,732.18
Total			73,134.79
PROFIT BEFORE TAXATION			644.53
Less:			
Provision for Taxation		329.06	
Deferred Tax for the year		(37.60)	
Fringe Benefit Tax		12.80	304.26
PROFIT FOR THE YEAR AFTER TAX			340.27
Balance brought forward from previous year			51.76
Amount transferred from General Reserve			-
Less:			392.03
Tax for earlier year			-
Short provision for Restructured liability			-
AMOUNT AVAILABLE FOR APPROPRIATION			392.03
APPROPRIATIONS			
Proposed Dividend			-
Tax on Proposed Dividend			-
Transfer to General Reserve			350.00
Balance carried to Balance Sheet			42.03
Basic & Diluted Earnings Per Share			1.10

Notes forming part of the Accounts
Schedules A to S annexed form an integral
part of accounts & are duly authenticated.

S

As per our Report Attached
For Suresh C. Mathur & Co.
Chartered Accountants

For and on behalf of the Board

(Brijesh C. Mathur)
Partner
M.No. 83540

Brij Raj Punj
Chairman & Managing Director

Place: New Delhi
Date: June 29, 2009

Mukat Sharma
Chief Financial Officer

Anita K. Sharma
Company Secretary

A. K. Roy
Whole Time Director

K.Lall
Director

**CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009**

(Rs. in Lacs)

As at
31.03.2009**SCHEDULE - A****SHARE CAPITAL:**

1) Authorised Capital: 5,00,00,000 Equity Shares of Rs.10/- each (Previous year 5,00,00,000 Equity Shares of Rs.10/- each)	5,000.00
2) Issued & Subscribed Capital: 3,10,13,160 equity shares of Rs. 10/- each	3,101.32
3) # Paid up Capital: 3,10,00,260 equity shares of Rs. 10/- each fully paid up (Previous year 3,10,00,260 equity shares of Rs. 10 each)	3,100.03
Add: Equity Shares forfeited (amount originally paid up)	0.65
TOTAL	3,100.67

Notes:

1. Out of the above equity shares
 - a) Include 40,00,000 Equity Shares allotted in the year 2006-07 on conversion of warrants issued on preferential basis during the year 2005-06
 - b) Includes 92,00,000 underlying Equity Shares representing 46,00,000 Global Depository Receipts issued during the year 2005-06.
 - c) In the year 2006-2007 the Company had forfeited 13,300 equity shares due to the non-payment of allotment money. The Board of Directors had annulled the forfeiture of 400 equity shares on receipt of payment advise by the shareholders and accordingly 400 equity shares had been restored back. Subsequent to the annulification of forfeiture, the paid-up capital stands increased to Rs. 310002600 i.e. 31000260 equity shares of Rs. 10/- each fully paid-up.

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CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rs. in Lacs)

		As at 31.03.2009
SCHEDULE - B		
RESERVES AND SURPLUS:		
1) Capital Reserve (subsidy received against fixed assets)		15.00
2) Capital Reserve (Share Warrants forfeited by the Company)		1,125.00
3) Revaluation Reserve (land revalued as on 31st March, 1993)		35.00
4) Securities Premium Account:		17,583.74
5) Statutory Reserve Czech		172.41
6) General Reserve:		
Opening balance	14,294.01	
Add:Deferred Tax Liability Written off	-	
	<u>14,294.01</u>	
Less: Amount transferred to Profit & Loss A/c	-	
	<u>14,294.01</u>	
Add: Transfer from Profit & Loss a/c	350.00	14,644.01
7) Exchange Difference on Consolidation		75.00
8) Profit & Loss Account: As per Profit & Loss Appropriation A/c		42.03
TOTAL		<u>33,692.18</u>
SCHEDULE - C		
SECURED LOANS:		
1. Term Loans		
From Financial Institution	1,685.51	
From Scheduled Banks	7,389.87	9,075.38
2. Working Capital Loans:		
From Banks		14,553.52
3. Loan against Vehicles (Secured by hypothecation of Vehicle Financed)		53.38
TOTAL		<u>23,682.29</u>
UNSECURED LOANS:		
1. Short term Loan from Bank		2,000.00
TOTAL		<u>2,000.00</u>

Note:

1. Terms Loans secured by the creation of first mortgage and charge on all the immovable and movable assets, present and future of the Company. (subject to the charge on specified movable assets created/to be created in favour of the Company's bankers by way of security for working capital requirements.)
2. The working capital loans, fund based as well as non fund based availed from Scheduled Banks are secured by way of first hypothecation charge on the stocks/ book debts, both present and future and second charge on pari-passu basis on the fixed assets of the Company.



CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE- D

FIXED ASSETS:

(Rs. in Lacs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 01.04.2008	Additions	Deductions	As At 31.03.2009	Up To 31.03.2008	For the year	Adjustment	up to 31.03.2009	As At 31.03.2009	As At 31.03.2008
1) Leasehold Land	63.65	1,102.29	-	1,165.95	-	-	-	-	1,165.95	63.65
2) Temporary Constructions	11.97	-	-	11.97	11.97	-	-	11.97	-	-
3) Buildings	1,012.42	1,782.33	349.38	2,445.37	181.03	64.10	-	245.12	2,200.24	831.39
4) Plant & Machinery	20,710.14	8,130.54	3,868.86	24,971.82	4,808.45	1,322.62	-	6,131.07	18,840.76	15,901.69
5) Office Equipments	170.97	315.71	203.03	283.65	118.99	54.53	-	173.52	110.13	51.98
6) Vehides	427.62	4.00	13.18	418.44	131.90	41.26	8.94	164.22	254.22	295.72
7) Furniture & Fixtures	48.33	0.53	-	48.86	9.50	3.08	-	12.59	36.27	38.82
8) Intangible fixed assets	-	57.81	56.18	1.63	-	-	-	-	1.63	-
9) Other Tangible Assets	-	1.45	-	1.45	-	-	-	-	1.45	-
10) Fixed Assets under Construction	-	49.53	-	49.53	-	-	-	-	49.53	-
11) Adjust. to acquired Fixed Assets	-	4,929.20	-	4,929.20	-	246.60	-	246.60	4,682.61	-
TOTAL	22,445.10	16,373.40	4,490.62	34,327.87	5,261.85	1,732.18	8.94	6,985.09	27,342.79	17,183.25

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CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rs. in Lacs)

	Face Value	Number of Shares	As at 31.03.2009
SCHEDULE - E			
INVESTMENTS:			
Quoted Shares			
Blue Star Ltd.	2	375	0.13
Blue Star Info. Ltd.	10	25	0.04
Castrol (India) Ltd.	10	5	0.01
Chambal Fertilizers & Chem. Ltd.	10	1,000	0.20
D.B. International Brokers Ltd.	10	16,600	1.66
Dot Com. Global Ltd.	10	24,200	0.16
Shardul Securities Ltd.	10	25,600	7.68
ACE India Ltd.	10	16,900	1.69
Fortis Financial Services Ltd.	10	400	0.04
Glaxo Smithkline Pharmaceuticals Ltd.	10	125	0.76
HDFC Bank Ltd.	10	25	0.09
Hindustan Unilever Ltd.	1	3,850	4.63
JSW Steel Ltd	10	5,124	11.12
(in lieu of Shares held in Jindal Vijay Nagar Steel Limited)			
Lumax Industries Ltd.	10	4,600	2.68
Panasonic Battery India Ltd.	10	500	0.21
SRG Infotech Ltd	10	200	0.00
Sterlite Optical Ltd.	5	210	0.05
Subros Limited	10	30	0.03
Tata Chemicals Ltd	10	50	0.06
Tata Consultancy Services Ltd	1	2,458	20.89
Vishesh Infotec Ltd	10	100	0.00
Voltas Ltd	1	500	0.06
GHCL Ltd.	10	125,000	190.93
Archies Ltd.	10	30,000	32.17
Sub-Total (A)			275.29
Less: Provision for diminution in value of shares			172.10
			103.19
Unquoted Shares:			
Lloyd Credits Ltd.	10	300,000	30.00
Lloyd Aircon (P) Ltd.	10	350	0.04
Lloyd Manufacturing (P) Ltd.	100	5	0.01
Carrier Aircon Ltd.	10	100	0.09
Advance for investment in share:			
Lloyd Coils LP (USA)		-	178.44
Subsidiary Company:			
Lloyd Electric FZE	100000 AED	5	68.15
(5 equity shares of AED 100000 each)			
Sub-Total (B)			276.72
			379.92
Additional Information :			
1) Aggregate amount of Company's -			
a) Market value of Quoted Investments			103.19
b) Unquoted Investments			276.72



CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rs. in Lacs)

	As at 31.03.2009
--	---------------------

SCHEDULE - F

INVENTORIES:

1) Raw-materials	12,321.92
2) Consumables	48.35)
3) Stock in Process	278.06
4) Finished Goods	1,078.11
5) Stock in Transit (At Cost)	598.17
TOTAL	14,324.60

SCHEDULE - G

SUNDRY DEBTORS:

(Unsecured considered good by the Management)

1) Debts outstanding for a period exceeding six months	242.03
2) Other Debts	20,534.84
TOTAL	20,776.87

SCHEDULE - H

CASH AND BANK BALANCES:

1) Cash balance in hand	26.12
2) Balances with scheduled banks	
a) in current accounts	680.70
b) in fixed deposits	2.12
c) in Fixed Deposit in Foreign A/c	3,112.79
d) Receipt pledged with Bank for margin money (Including Interest)	-
e) interest accrued on above accounts	23.20
TOTAL	3,844.92

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CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

(Rs. in Lacs)

	As at 31.03.2009
SCHEDULE - I	
LOAN & ADVANCES :	
1) Security Deposits	64.38
2) Advances recoverable in cash or in kind or for value to be recovered	1,118.61
3) Advance Taxes & TDS	2,090.44
4) Intra Group Accounts (Net)	2,033.95
TOTAL	5,307.38
SCHEDULE - J	
CURRENT LIABILITIES:	
1) Sundry creditors	6,327.82
2) Bank Overdraft	-
3) Unclaimed Dividend	15.66
4) Other Liabilities	1,145.67
5) Accrued Interest	-
6) Accrued Expenses	4.16
TOTAL	7,493.31
SCHEDULE - K	
PROVISIONS:	
1) Provision for Income Tax	2,077.32
2) Provision for Fringe Benefit Tax	37.62
3) Provision for proposed dividend	-
4) Provision for tax on proposed dividend	-
5) Provision for gratuity & leave encashment	117.06
TOTAL	2,231.99
SCHEDULE - L	
MISCELLANEOUS EXPENDITURE:	
(to the extent not written off or adjusted)	
Deferred Revenue Expenses	-
Opening balance	-
Addition during the year	477.55
Less: Written off during the year	-
TOTAL	477.55



**CONSOLIDATED SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT
FOR THE PERIOD ENDED 31ST MARCH, 2009**

(Rs. in Lacs)

	As at 31.03.2009
SCHEDULE - M	
OTHER INCOME:	
1) Job Work	0.02
2) Interest Income	913.54
3) Interest on Foreign Currency Deposit	99.54
4) Misc. Income	256.80
5) Dividend Income	3.69
6) Profit on Sale of Fixed Assets	9.29
7) Profit on Sale of Scrap	161.28
TOTAL	1,444.16

SCHEDULE - N

MATERIALS COST:

1) Raw materials, consumables and components consumed:		
a) Opening stock	10,559.56	
b) Purchases	61,915.23	
c) Carriage Inwards	2,361.00	
	<u>74,835.80</u>	
d) Less: Closing stock	12,370.27	62,465.53
2) Decrease/(Increase) in stock in process:		
a) Opening stock	465.08	
b) Less : Closing stock	278.06	187.02
3) Decrease/(Increase) in finished goods:		
a) Opening stock	944.94	
b) Less : Closing stock	1,078.11	(133.16)
TOTAL		62,519.39

SCHEDULE - O

MANUFACTURING EXPENSES:

1) Wages	1,366.25
2) Social Security and Health Insurance Exp.	691.27
3) Labour Welfare	25.87
4) Repair and Maintenance	43.62
5) Power and Fuel	139.61
6) Factory Overheads	52.39
7) Factory Rent	72.72
8) Insurance	73.47
9) Other Charges	0.24
TOTAL	2,465.43

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CONSOLIDATED SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2009

(Rs. in Lacs)

	As at 31.03.2009
SCHEDULE- P	
ADMINISTRATIVE EXPENSES:	
1) Salary and Allowances	1,171.07
2) Contribution to Provident Fund	27.05
3) Staff Welfare	74.77
4) Rent, Rates & Taxes	10.03
5) Postage, Telegram and Telephones	25.20
6) Printing and stationery	11.79
7) Audit Fee (including service tax)	11.58
8) Legal and professional charges	82.72
9) Office maintenance	15.26
10) Travel and Conveyance	73.61
11) Motor Car Expenses	37.22
12) General Expenses	196.48
13) Loss on sale of Fixed Assets	2.04
14) Loss on foreign exchange fluctuation	394.55
15) Diminution in the value of investment	172.10
16) Loss on sale of Investment	-
TOTAL	2,305.47
SCHEDULE - Q	
SELLING & MARKETING EXPENSES:	
1) Advertisement and publicity	5.48
2) Business Promotion	10.33
3) Carriage outwards	77.31
4) Discount	6.92
5) Commission & Incentive	1.61
6) Bad debts	11.60
7) Foreign Exhibition Expenses	10.17
8) Free Samples	1.57
TOTAL	124.99
SCHEDULE - R	
FINANCE CHARGES:	
1) Interest on term loans/working capital & Other	1,907.86
2) Bank charges	174.54
3) Other Financial Expenses	1,904.94
TOTAL	3,987.34



SCHEDULE-S

CONSOLIDATED NOTES ON ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH, 2009

1. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Preparation of Financial statements:

The Consolidated financial statements are prepared under the historical cost convention, on accrual basis, in accordance with generally accepted accounting principles in India, the Accounting Standard issued by Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

b) Principles of consolidation:

The Consolidated financial statements relate to Lloyd Electric & Engineering Limited ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra-group transactions in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements".
 - ii) The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's separate financial statements.
 - iii) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in exchange fluctuation reserve.
 - iv) The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the parent company i.e. year ended 31st March 2009.
 - v) All material inter-company balances and transactions are eliminated on consolidation.
- c) Investment other than in subsidiaries have been accounted as per Accounting Standard (AS) Accounting for Investment
- d) The Subsidiary company considered in the preparation of these consolidated financial statements is:

Name of Subsidiary	Country of incorporation	Proportion of ownership Interest as at 31.03.09
Lloyd Coils Europe s.r.o.	Czech Republic	100%

- e) On 13 May 2008 Lloyd Coils Europe s.r.o bought 100% of the ownership interest of Luvata Czech s.r.o. The management decided on July 1, 2008 on the upstream merger of Luvata Czech s.r.o. with Lloyd Coils Europe s.r.o. with Lloyd Coils Europe s.r.o. as surviving entity as at 1 July 2008. The merger was recorded in the Commercial Register as at 1st December 2008.

The financial statements of Lloyd Coils Europe s.r.o., which comprise the balance sheet as of 31st March 2009, and the Income Statement, which comprise of the results of Lloyd Coils Europe s.r.o. for the period from 1st January 2008 to 31st March 2009 and Luvata Czech s.r.o. for the period from 14th May 2008 to

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SCHEDULE-S (Contd.....)

30th June 2008. Lloyd Coils Europe s.r.o. is a successor entity of the merger with Luvata Czech s.r.o. with effective date of the merger being 1st July 2008. The merger was recorded in the commercial register on December 01, 2008. Due to the 15 months results of Lloyd Coils Europe, the figures are not comparable.

f) In June 17, 2008, the company incorporated a Free Trade Zone Establishment in Ras Al Khaimah, Free Trade Zone, United Arab Emirates for undertaking import, export and trading activities in Air-conditioning, Heat Exchangers and other allied products. The Company acquired 100% ownership interest in the free trade zone establishment on December 25, 2008 by investing AED 500,000 in the equity share capital of the establishment. The Financial Year of the subsidiary is the calendar year January to December. The subsidiary is yet to commence operations, and hence the financials of the said subsidiary is not included in consolidated financial statements as on 31st March, 2009.

g) **Revenue Recognition:**

- i) Income and Expenditure are recognized on accrual basis.
- ii) Sales are accounted on dispatch of products and sales value includes excise duty.
- iii) Export sales are accounted on the basis of date of bill of lading.

h) **Fixed Assets:**

- i) Fixed assets except leasehold land are stated at cost less accumulated depreciation. The cost includes freight, duties, taxes and other incidental expenses related to acquisition and installation. CENVAT claim, if any, on capital goods is reduced from the cost.
- ii) Intangible Assets: In Lloyd Coils Europe, intangible fixed assets are recorded at cost and amortised on a straight line basis over their estimated lives. Software is being written off over a period of two years.
- iii) Capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

i) **Depreciation:**

- i) Depreciation on fixed assets is provided on straight-line basis at the rates prescribed in schedule XIV to the Companies Act, 1956.
- ii) Depreciation on assets added during the year, is calculated on pro-rata basis with reference to the date of installation.

j) **Inventory Valuation:**

- i) Raw materials and consumables are valued at cost as per the First in First Out (FIFO) method and include(s) customs duty wherever paid, and are net of credit availed under CENVAT scheme.
- ii) Stock in process is valued at direct cost, i.e., cost of materials and variable manufacturing expenses.
- iii) Finished goods are valued at lower of cost or net realizable value.
- iv) Stock in transit lying in customs warehouse is valued at cost but does not include custom duty payable, however, non-provision of duty does not affect the profit for the year.
- v) In Lloyd Coils Europe, a provision for slow-moving and obsolete inventory is based on an analysis of the turnover and individual evaluation of the inventory.

SCHEDULE-S (Contd.....)

k) Investments:

Long term Investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long-term investments. Investments in subsidiary company are of long-term strategic value and the diminution if any in the value of these investments is temporary in nature.

l) Foreign currency transactions:

- Income and Expenses in foreign exchange are accounted at the average rate prevailing during the month of transaction.
- Income and expenses on foreign projects are accounted at average rate for the year.
- Assets purchased are capitalized at rates prevailing on date of purchase.
- Balances in foreign bank accounts, Exchange Earners Foreign Currency Account are translated into Indian Rupees at rates prevailing at the year-end.
- On consolidation non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in exchange fluctuation reserve.

m) Retirement Benefits:

The company's contribution to the provident fund is charged to profit and loss account.

The company's liability in respect of payment of gratuity is provided on accrual basis as per actuarial valuation.

Leave Encashment: The Company has provided an adhoc provision as accrued liability during the year which is subject to actuarial valuation.

n) Borrowing Cost:

Borrowing cost that is directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

o) Taxation:

Current Tax:

Current tax is the amount of tax payable on the taxable income for the years as determined in accordance with the provisions of the Income Tax Act, 1961, except for the overseas subsidiary where current tax provisions is determined based on the local tax laws.

Deferred Tax:

Deferred tax liabilities represent the tax effect of temporary differences substantially on account of differences in the written down value of Fixed Assets on account of differing depreciation methods and rates and other timing differences.

p) Expenditure during construction and on new projects

In the case of new industrial units and substantial expansion of existing units, all pre operating expenditure specifically for the project, incurred upto the date of installation, is capitalized and added pro rata to the cost of fixed assets.

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SCHEDULE-S (Contd.....)

q) Management Estimation:

The financial statements are prepared in conformity with generally accepted accounting principles and applicable accounting standards, which may require management to make estimates and assumptions. These may affect the reported amount of assets and liabilities and disclosures of contingent liabilities on the date of financial statements and the reported amount of the revenue and expenses during the reporting period. Actual report later could differ from these estimates.

r) Impairment of Assets:

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

s) Segment Reporting:

The Company is engaged in the manufacturing and sale of Air-conditioning parts. The geographical segmentations are insignificant, as exports are less 5% of total turnover.

t) Earning Per Share:

The earnings considered in ascertaining the Company's Earnings per Share (EPS) comprise the net profits after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares.

u) Cash Flow Statement:

The Cash Flow statement is prepared by the indirect method set out in Accounting Standard -3 issued by the Institute of Chartered Accountants of India on Cash Flow Statement and presents cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the cash flow statement consists of cash in hand and demand deposits with banks as on the Balance Sheet date.

v) Sundry Debtors/Loans & Advances:

Sundry Debtors, Creditors and other advances are subject to confirmation. The effect of the same, if any which is not likely to be material, will be adjusted at the time of conformation.

w) Provisions/Contingencies:

A provision is recognized when there is a present obligation as a result of past event 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 are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date.

Contingent liabilities are not recognized and are disclosed in the Notes on Accounts.



SCHEDULE-S (Contd.....)

x) Derivative Instruments:

The Company has not entered into the derivative instruments. Forward Contract other than those entered into, to hedge foreign currency risk on unexecuted firm commitments or of highly probable forecast transactions are treated as foreign currency transactions and accounted accordingly. Exchange difference arising on such contracts is recognized in the period in which they arise and premium paid/received is accounted as expenses/income over the period of the contract.

y) Deferred Revenue Expenditure:

Cost of traveling & Consultancy fees related to Lloyd Coils Europe are considered as deferred revenue expenditure.

II) NOTES TO ACCOUNTS:

a) Contingent liability not provided for:

Particulars	Current Year (Rs. In lacs)	Previous Year (Rs. In lacs)
a) Bank Guarantees	Nil	263.80
b) Corporate Guarantees given against loan taken by related parties.	7240.00	5240.00
c) Irrevocable & un-conditional corporate guarantee of 15 million Euro given by the Company for 12 million Euro Loan availed by Lloyd Coils Europe s.r.o. a wholly owned subsidiary (as at March 31, 2009)	10122.00	Nil

b) Contracts remaining to be executed on capital account and not provided for

	500.00	2700.00
--	--------	---------

c) Related Party Disclosures: (in which some Directors are interested)

A. Related Companies: -

Name of Company (Associate Co/ Subsidiary Co/Directors Interested)	Nature of Relationship
Airserco Pvt. Ltd.	Director Interested
Fedders Lloyd Corporation Ltd	Director Interested
Perfect Radiators & Oil Coolers Pvt. Ltd.	Director Interested
PSL Engineering Pvt. Ltd.	Director Interested
Regal Information Technology Pvt. Ltd.	Director Interested
Foreign Subsidiary Company	
Ownership Interest as at March 31, 2009	
Lloyd Coils Europe s.r.o.	100%-Subsidiary
Lloyd Electric FZE	100% Subsidiary

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SCHEDULE-S (Contd.....)

B. Key Management Personnel-

Mr. Brij Raj Punj	Chairman and Managing Director
Mr. A. K. Roy	Whole Time Director
Mr. Mukat Sharma	Chief Financial Officer

C. Transactions with Related Companies

Transactions	Amount (Rs. In Lacs)
Sale of goods	2037.54
Reimbursement of Expenses	0.11
Advances	2033.95

d) Unquoted investment in subsidiary Company:

Unquoted investment in subsidiary companies is of long-term strategic value. In the opinion of the management, the current diminution in the value of these investments is temporary in nature considering the inherent value and nature of investee's business proposal and hence no provision is required.

e) Loan given to Subsidiary:

Name of the Company	Relationship		Amount Outstanding As on 31.03.2009 (Rs. In lacs)
Lloyd Coils Europe s.r.o.	Subsidiary	Loan	1079.70
		Add: Interest	89.70
			<u>1169.40</u>

f) Capital work in progress:

Capital work in progress amounting to Rs. 975.42 Lacs.

g) Micro and Small Scale Business Entities:

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Accordingly, there were no interest due on the principal amount not there was necessity to pay interest for delayed payment in terms of section 16 of the Micro, Small and Medium Enterprises Development Act.

h) Share Warrants:

The Company had on September 11, 2007 allotted 50,00,000 warrants on preferential basis to promoter and non-promoters companies at a price of Rs. 225/- per warrant convertible into equal no. of equity shares of Rs. 10 each at a premium of Rs. 215/- each within 18 months from the date of allotment i.e. on or before March 10, 2009. The warrant holders had paid Rs. 1125 lacs as advance pursuant to SEBI guidelines but did not subscribe to equity shares within the prescribed period. Accordingly, the warrants stand lapsed and the advance payment of Rs. 1125 lacs made by the warrant holder had been forfeited pursuant to the SEBI (Disclosure & Investor Protection) Guidelines 2000 and credited to Capital Reserve.



SCHEDULE-S (Contd.....)

i) **Managerial Remuneration Paid to Managing Director and Whole Time Director:**

Salary
 Value of Perquisites
 P.F.
Total

(Parent Company)	
Current Year	
(Rs. In Lacs)	
	48.53
	3.85
	2.88
	<hr/>
	55.26
	<hr/>

j) Balances of sister concerns are subject to reconciliation & confirmation.

k) **Basic & Diluted Earnings per Share:**

Profit after Taxation (Rs. Lacs)
 Number of Ordinary Shares
 Basic and Diluted Earnings per share
 (Face Value Rs.10/-per share)

Current Year	
	340.27
	31000260
	<hr/>
	1.10

l) In the opinion of the Board, the current assets are approximately of the value as stated, if realized in the ordinary course of business. The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably considered necessary. Income accrued has been accounted for in the books.

m) Schedules "A" to "S" form an integral part of accounts and are duly authorized.

Refer to our Report of even date.

As per our Report Attached
 For Suresh C. Mathur & Co.
 Chartered Accountants

(Brijesh C. Mathur)
 Partner
 M.No. 83540

For and on behalf of the Board of Directors
LLOYD ELECTRIC & ENGINEERING LIMITED

Brij Raj Punj
 Chairman & Managing Director

Place: New Delhi
 Date: June 29, 2009

Mukat Sharma
 Chief Financial Officer

Anita K. Sharma
 Company Secretary

A. K. Roy
 Whole Time Director

K.Lall
 Director

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CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED ON 31ST MARCH, 2009

(Rs. in Lacs)

	Year ended 31st March, 2009
Cash Flow from Operating Activities:	
Net Profit before tax & Extra-ordinary items	644.53
Adjustments:	
Add:	
Depreciation	1,732.18
Misc. Expenses written off	-
Interest Paid	3,812.80
Loss/ (Diminution) on sale (in value) of Investment	172.10
Loss on sale of fixed assets	2.04
	5,719.12
	6,363.65
Less:	
Interest Income	(1,013.08)
Dividend Income	(3.69)
Profit on sale of fixed assets	(9.29)
	(1,026.06)
Operating profit before working capital changes	5,337.59
Adjustments for :	
Inventories	(2,486.08)
Trade & other receivables	(5,290.84)
Trade & other payables	1,998.70
	(5,778.22)
Cash generated from operations	(440.63)
Exchange fluctuation	75.00
Direct tax paid	(1,069.72)
	(1,435.35)
Net Cash Flow from Operating Activities	
B Cash Flow from Investing Activities:	
Purchase of fixed assets	(15,139.32)
Deferred Revenue in respect of acquisition	(477.55)
Sale of fixed assets	4,488.92
Net Purchase of Investments	(68.15)
Purchase of Business	2,210.59
Dividend Received	3.69
Interest received	1,013.08
	(7,968.73)
Net Cash Flow from Investing Activities	(7,968.73)
C Cash Flow from Financial Activities:	
Proceeds from Borrowing	10,323.00
Proceeds from Issue of Share capital	-
Proceeds from Issue of Share warrant	-
Interest paid	(3,812.80)
Dividend paid	(310.00)
Dividend tax	(52.68)
	6,147.52
Net Cash Flow from Financing Activities	6,147.52
Net increase in Cash and Cash Equivalents (A+B+C)	(3,256.57)
	(3,256.57)
Net increase/ decrease in Cash and Cash Equivalents	
Opening Balance of Cash and Cash Equivalents	7,101.49
Closing Balance of Cash and Cash Equivalents	3,844.92

Refer to our Report of even date
For Suresh C. Mathur & Co.
Chartered Accountants,

For and on Behalf of the Board of Directors
LLOYD ELECTRIC & ENGINEERING LIMITED

Mukat Sharma
Chief Financial Officer

Anita K. Sharma
Company Secretary

A. K. Roy
Whole Time Director

K.Lall
Director

Brij Raj Punj
Chairman & Managing Director

AUDITOR'S REPORT

We have examined the above Consolidated Cash Flow Statement of Lloyd Electric & Engineering Limited and its subsidiary-Lloyd Coils Europe s.r.o. for the period ended 31st March, 2009. The statement has been prepared by the company in accordance with the requirements of clause 32 of the listing agreement entered into with Stock Exchanges and is based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company.

for Suresh C. Mathur & Co.
Chartered Accountants,

(Brijesh C. Mathur)
(Partner)
M.No.: 83540

Place: New Delhi
Dated: June 29, 2009



Subsidiary Financial Statements

Lloyd Coils Europe s.r.o.

Independent Auditors' Report

To

The Members

LLOYD COILS EUROPE s.r.o.

We have audited the accompanying financial statements of LLOYD COILS EUROPE s.r.o., which comprise the Balance Sheet as of 31 March 2009, and the Income Statement which comprise of the results of LLOYD COILS EUROPE s.r.o. for the period from 1 January 2008 to 31 March 2009 and Luvata Czech s.r.o. for the period from 13 May 2008 to 30 June 2008. LLOYD COILS EUROPE s.r.o. is a successor entity of the merger with Luvata Czech s.r.o. with effective date of the merger being 1 July 2008.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements of LLOYD COILS EUROPE s.r.o. in accordance with Czech accounting legislation. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the relevant guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.

Opinion

Luvata Czech s.r.o. has changed the assessment of recoverability of deferred tax asset as at 13 May 2008. In our opinion there was no significant change in the operation of the Company that would require the change of the method. The deferred tax asset would have increased by TCZK 6,381 and equity would have increased by TCZK



6,381. Consequently, the income statement for the period from 13 May 2008 to 30 June 2008 would have then decreased by TCZK 6,381.

In our opinion, except for the effects on the financial statements of the matter referred to in the preceding paragraph, the financial statements present fairly in all material respects the assets, liabilities and the financial position of LLOYD COILS EUROPE s.r.o. as of 31 March 2009, and its expenses, revenues and financial performance for the period from 1 January 2008 to 31 March 2009 and expenses, revenues and financial performance of Luvata Czech s.r.o. for the period from 13 May 2008 to 30 June 2008 in accordance with Czech accounting legislation.

Prague
14 May 2009

Sd/-
Petr Skoda
Partner
KPMG Ceska republika, s.r.o.

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BALANCE SHEET

as at 31st March, 2009
(in thousands of Czech crowns ' TCZK')

("TCZK")

Ident. a	ASSETS b	Line c	Current Period			Prior Period 4
			Gross 1	Adjust. 2	Net 3	
	TOTAL ASSETS (L.02+03+31+63)	001	793233	-215239	577994	
A.	Receivables for subscribed registered capital	002				
B.	Fixed assets (L.04+13+23)	003	546072	-207028	339044	
B.I.	Intangible fixed assets (L.05 to 12)	004	13831	-11342	2489	
B.I. 1.	Incorporation expenses	005	1247	-1247		
2.	Research and development	006				
3.	Software	007	12518	-10095	2423	
4.	Royalties	008				
5.	Goodwill	009				
6.	Other Intangible fixed assets	010				
7.	Intangible fixed assets under construction	011	66		66	
8.	Advance payments for Intangible fixed assets	012				
B.II.	Tangible fixed assets (L.14 to 22)	013	532241	-195686	336555	
B.II. 1.	Land	014	37869		37869	
2.	Buildings	015	71772	-15405	56367	
3.	Plant & Equipment	016	220400	-170269	50131	
4.	Cultivated areas	017				
5.	Adult livestock	018				
6.	Other Tangible fixed assets	019	59		59	
7.	Tangible fixed assets under construction	020	1282		1282	
8.	Advance payments for Tangible fixed assets	021	729		729	
9.	Adjustments to acquired fixed assets	022	200130	-10012	190118	
B.III.	Long-term investments (L.24 to 30)	023				
B.III.1.	Investments in group undertakings	024				
2.	Investments in associated companies	025				
3.	Other long-term securities and ownership interests	026				
4.	Loans-group undertakings, associated companies	027				
5.	Other Long-term investments (provisional value)	028				
6.	Long-term investments (provisional value)	029				
7.	Advance payments for Long-term investments	030				



("TCZK")

Ident. a	ASSETS b	Line c	Current Period			Prior Period 4
			Gross 1	Adjust. 2	Net 3	
C.	Current Assets (L.32+39+48+58)	031	239471	-8211	231260	
C.I.	Inventories (L.33 to 38)	032	66222	-2582	63640	
1.	Raw materials	033	36684	-297	36387	
2.	Work in progress and semi finished product	034	5257		5257	
3.	Finished goods	035	24274	-2285	21989	
4.	Young and other livestock	036				
5.	Goods for resale	037	7		7	
6.	Advance payments for inventories	038				
C.II.	Long-term receivables (L.40 to 47)	039	36		36	
C.II.1.	Trade receivables	040				
2.	Receivables- group undertakings	041				
3.	Receivables-associated companies	042				
4.	Receivables from shareholders/ owners and alliance partners	043				
5.	Long-term advance paid	044	36		36	
6.	Estimated receivables	045				
7.	Other receivables	046				
8.	Deferred Tax asset	047				
C.III.	Short-term receivables (L.49 to 57)	048	149057	-5629	143428	
C.III.1.	Trade receivables	049	138381	-5629	132752	
2.	Receivables- group undertakings	050				
3.	Receivables-associated companies	051				
4.	Receivables from shareholders/ owners and alliance partners	052				
5.	Social security and health	053				
6.	Tax receivables	054	5228		5228	
7.	Short-term advances paid	055		1992		1992
8.	Estimated receivables	056	3456		3456	
9.	Other receivables	057				
C.IV.	Short-term financial assets (L.59 to 62)	058	24156		24156	
C.IV.1.	Cash	059	51		51	
2.	Bank accounts	060	24105		24105	
3.	Short-term securities and ownership interests	061				
4.	Short-term investments (provisional value)	062				
D.I.	Deferrals (L. 64+65+66)	063	7690		7690	
D.I.1.	Prepaid expenses	064	7690		7690	
2.	Complex prepaid expenses	065				
3.	Accrued revenues	066				

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("TCZK")

Ident. a	Liabilities b	Line c	Current Period 5	Prior Period 6
	TOTAL LIABILITIES AND EQUITY (L.68+85+118)	067	577994	
A.	Equity (L.69+73+78+81+84)	068	52841	
A.I.	Registered capital (L.70+71+72)	069	70000	
1.	Registered capital	070	70000	
2.	Own shares and Ownership interests (-)	071		
3.	Change in registered capital	072		
A.II.	Capital contributions (L.74 to 77)	073		
A.II.1.	Share premium	074		
2.	Other capital contributions	075		
3.	Revaluation of assets and liabilities	076		
4.	Revaluation reserve on transformations	077		
A.III.	Reserve funds, un distributable fund and other funds from profit (L.79+ 80)	078	7000	
A.III.1.	Statutory Reserve funds/ un distributable fund	079	7000	
2.	Statutory and other funds	080		
A.IV.	Retained earnings (L.82+83)	081	44727	
A.IV.1.	Retained profits	082	44727	
2.	Accumulated losses	083		
A.V.	Profit (loss) for the current period (+/-)	084	-68886	
B.	Liabilities (L.86+91+102+114)	085	524984	
B.I.	Provisions (L.87 to 90)	086	1888	
B.I.1.	Tax-deductible Provisions	087		
2.	Provision for pensions and other similar payables	088		
3.	Income tax Provisions	089		
4.	Other Provisions	090	1888	
B.II	Long-term liabilities (L.92 to 101)	091	70537	
B.II.1.	Trade payables	092		
2.	Liabilities- group undertakings	093	39195	
3.	Liabilities- associated companies	094		
4.	Liabilities- shareholders/ owners and alliance partners	095		
5.	Long-term advances received	096		
6.	Debentures and bonds issued	097		
7.	Long-term bills of exchange payable	098		
8.	Estimated payables	099		
9.	Other Long-term payables	100		
10.	Deferred tax liability	101	31342	



("TCZK")

Ident.	Liabilities	Line	Current Period	Prior Period
a	b	c	5	6
B.III.	Short-term liabilities (L.103 to 113)	102	114727	
B.III.1.	Trade payables	103	80961	
2.	Liabilities- group undertakings	104	3643	
3.	Liabilities- associated companies	105		
4.	Liabilities- shareholders/ owners and alliance partners	106		
5.	Payables to employees	107	5646	
6.	Payables to Social security and health insurance	108	4333	
7.	Tax liabilities and subsidies	109	3665	
8.	Short term advances received	110	3033	
9.	Debentures and bonds issued	111		
10.	Estimated payables	112	8434	
11.	Other Long-term payables	113	5012	
B.IV.	Bank loans and overdrafts (L.115 +116+117)	114	337832	
B.IV.1.	Long-term Bank loans	115	246420	
2.	Short-term Bank loans	116	91412	
3.	Short-term financial liabilities	117		
C.I.	Accruals (L.119+120)	118	169	
C.I. 1.	Accrued expenses	119	169	
2.	Deferred revenues	120		

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PROFIT AND LOSS ACCOUNT

for the period ended 31 March 2009
(in thousands of Czech crowns "TCZK")

("TCZK")

Ident a	TEXT b	Line c	Accounting period	
			Current 1	Prior 2
I.	Revenue from goods	01	5	
A.	Cost of goods sold	02	11	
+	Gross profit (L.01-02)	03	- 6	
II.	Revenue from production (L.05+06+07)	04	551 971	
II.1.	Revenue from own products and services	05	560 985	
II.2.	Change in inventory of own production	06	- 9 014	
II.3.	Own work capitalized	07		
B.	Cost of sales (L.09+10)	08	426 677	
B.1.	Materials and consumables	09	333 031	
B.2.	Services	10	93 646	
+	Added value (L.03+04-08)	11	125 288	
C.	Personnel expenses (L.13 to 16)	12	110 544	
C.1.	Wages and salaries	13	80 274	
C.2.	Remuneration of board members	14		
C.3.	Social security and health insurance expenses	15	28 066	
C.4.	Social expenses	16	2 204	
D.	Taxes and charges	17	364	
E.	Depreciation of intangible and tangible fixed assets	18	26 274	
III.	Proceeds from disposals of fixed assets and raw material (L.20+21)	19	11 217	
III.1	Proceeds from disposals of fixed assets	20	2 394	
III.2	Proceeds from disposals of raw material	21	8 823	
F.	Net book value of fixed assets and raw material sold (L.23+24)	22	4 292	
F.1.	Net book value of fixed assets sold	23	2 017	
F.2.	Raw materials sold	24	2 275	
G.	Change in provisions and adjustments relating to operating activity and change in complex prepaid expenses	25	- 551	
IV.	Other operating revenues	26	7 747	
H.	Other operating expenses	27	7 526	
V.	Transfer of operating revenues	28		
I.	Transfer of operating expenses	29		
*	Operating profit (loss) (L.11-12-17-18+19-22-25+26-27+28-29)	30	- 4 197	



**Profit and loss account
for the year ended 31st March 2009**

("TCZK")

Ident a	TEXT b	Line c	Accounting period	
			Current 1	Prior 2
VI.	Proceeds from sale of securities and ownership interests	31		
J.	Securities and ownership interests sold	32		
VII.	Revenue from long-term investments (L.34+35+36)	33		
VII.1.	Revenue from investments in group undertakings and associated companies	34		
VII.2.	Revenue from other long-term securities and ownership interests	35		
VII.3.	Revenue from other long-term investments	36		
VIII.	Revenue from short-term financial investments	37		
K.	Financial assets expenses	38		
IX.	Revenue from revaluation of securities and derivatives	39		
L.	Expenses for revaluation of securities and derivatives	40		
M.	Change in provisions and adjustments relating to financial activity	41		
X.	Interest revenue	42	565	
N.	Interest expense	43	25 782	
XI.	Other financial revenues	44	36 010	
O.	Other financial expenses	45	80 985	
XII.	Transfer of financial revenues	46		
P.	Transfer of financial expenses	47		
*	Profit (loss) from financial operations (L.31-32+33+37-38+39-40+41+42-43+44-45+46-47)	48	- 70 192	
Q.	Income tax on ordinary profit (loss) (L.50+51)	49	- 5 503	
Q.1.	- current	50	1 180	
Q.2.	- deferred	51	- 6 683	
**	Profit (loss) on ordinary activities after tax (L.30+48-49)	52	- 68 886	
XIII.	Extraordinary revenue	53		
R.	Extraordinary expenses	54		
S.	Income tax on extraordinary profit (loss) (L.56+57)	55		
S.1.	- current	56		
S.2.	- deferred	57		
*	Extraordinary profit (loss) (L.53-54-55)	58		
T.	Transfer of profit or loss to partners	59		
***	Profit (loss) for the accounting period (L.52+58-59)	60	- 68 886	
****	Profit (loss) before tax (L.30+48+53-54)	61	- 74 389	

NOTES TO THE REPORTING PACKAGE

For the 15 months period ended 31 March, 2009

(in thousands of Czech crowns "TCZK")

1. GENERAL INFORMATION

LLOYD COILS EUROPE s.r.o. ("the Company") was incorporated on 19 March 2007.

On 13 May 2008 LLOYD COILS EUROPE s.r.o. bought 100% of the shares in Luvata Czech s.r.o. The management decided on the merger with Luvata Czech s.r.o. as at 1 July 2008. The merger was recorded in the Commercial Register as at 1 December 2008.

As a consequence of the merger, Luvata Czech s.r.o. was dissolved without going into liquidation. All assets and liabilities of Luvata Czech s.r.o. were passed to the successor company. Under the merger, the new company took over the fixed assets, inventories, receivables, short-term financial assets, liabilities, loans and accruals.

The Company's principal activity is the production, installation and repair of refrigerators, air-conditioning and heat pumps.

Ownership structure

LLOYD ELECTRIC AND ENGINEERING LIMITED	100 %
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Foreign branch

On 22 December 2008 the permanent establishment of LLOYD COILS EUROPE s.r.o. was recorded in the Commercial Register in France under registration number 509 652 962 RCS Vienne.

Registered office

LLOYD COILS EUROPE s.r.o.
Vrášská 143
153 00 Prague 5 – Radotín
Czech Republic

Identification number

278 72 475

The statutory representative as at 31 March 2009

Mukat Behari Sharma

The statutory representative acts independently on behalf of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES APPLIED BY THE COMPANY

a) Intangible fixed assets

Acquired intangible fixed assets are recorded at cost and amortised on a straight-line basis over their estimated useful lives. Depreciation is provided as follows:

Software	2 years
----------	---------

Intangible assets with a useful life longer than one year and a unit cost of less than CZK 60 000 are expensed upon acquisition.

b) Tangible fixed assets

Acquired tangible fixed assets are recorded at cost, which includes costs incurred in bringing the assets to their present location and condition, such as transport costs, duties and installation costs. The internally produced assets are valued at own cost, such as the cost of direct material, wages and overheads directly related to production of the asset until it is put into use.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives. Depreciation is provided over the periods stated:

Buildings and constructions	30 years
Plant, machinery and equipment (above MCZK 3)	10 years
Plant, machinery and equipment (less than MCZK 3)	8 years
Personal computers and office equipment	2 years
Low value fixed assets	2 years
Adjustment to acquired fixed assets	15 years

Repair and maintenance costs relating to tangible assets are expensed as incurred. Property improvements exceeding CZK 40 000 per item per year are capitalised to the acquisition price of the asset and depreciated over their remaining useful lives.

Tangible assets with a useful life longer than one year and a unit cost of less than CZK 40 000 are depreciated over two accounting periods.

Where the carrying value of an asset is greater than its estimated recoverable amount, a provision is established to adjust the carrying value of the asset to this recoverable amount.

Leasehold improvements are depreciated on the straight-line basis over the shorter of the period of the lease contract or their estimated useful lives.

Adjustment to acquired fixed assets arose from revaluation of equity due to the merger with Luvata Czech s.r.o. at the effective date of merger as of 1 July 2008.

c) Inventories

Inventories are stated at the lower of cost and net realisable amount. Cost includes appropriate overheads incurred to bring the inventory to its present state and location (mainly acquisition cost, transport costs and customs duty). The cost of disposals is determined using the weighted average method.

Inventories generated from own production, i.e. work in progress and finished goods, are stated at cost decreased by a provision. Production cost includes direct and indirect materials, direct and indirect wages and production overheads based on the percentage of completion. Own costs are applied for disposals of work in progress and finished goods.

A provision for slow-moving and obsolete inventory is established based on an analysis of the turnover and an individual evaluation of the inventory.

d) Receivables

Receivables are stated at nominal value less a provision for doubtful debts. A provision for bad debts is established on the basis of an ageing analysis and individual evaluation of the solvency of the customers.

e) Foreign currency transaction

Transactions denominated in a foreign currency are translated and recorded at the fixed rate of exchange stated by the Company for a one-month period and derived from the rate published by the Czech National Bank on the second Wednesday in a month. Such rate is used for entries made in the following month. During the year, exchange gains and losses are only recognised when realised at the time of settlement.

At the balance sheet date, assets and liabilities denominated in foreign currencies are translated at the exchange rate published by the Czech National Bank. Unrealised foreign exchange gains and losses are recognised in the profit and loss account.

f) Revenue recognition

Sales are recognised when products are delivered and the ownership is passed to the customer and are stated net of discounts and value added tax.

g) Leases

Lease payments are expensed on a straight-line basis over the lease term. Where an asset is purchased at the end of the lease, it is recorded at its purchase price.

h) Derivative financial instruments

The Company revalues derivatives and assets being hedged by derivatives at the balance sheet date to fair value based on the market value or an expert appraisal.

The Company designates certain derivatives as hedging instruments in accordance with its risk management strategy. However, the company opted not to use hedge accounting for these derivatives, and all derivatives are therefore classified as held for trading.

Changes in the fair value of derivatives held for trading are included in other financial revenues or expenses.

i) Provisions

The Company creates provisions when there is an existing liability, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

A provision is established for social security and health insurance relating to the estimated cost of untaken holiday, bonuses unpaid to employees as at the balance sheet date and other business risks.

j) Income tax

Corporate income tax on the profit for the year comprises current income tax and the change in deferred tax.

Current income tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rate valid as at the balance sheet date and any adjustment to the tax payable for previous years.

Deferred tax is provided on all temporary differences between the carrying amounts of assets and liabilities, eventually other temporary differences (tax loss), where it is used expected income tax rate for the period, in which the tax liability or asset is utilised.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which this asset can be utilised.

k) Classification of liabilities

The Company classifies as short-term any part of long-term liabilities, bank loans and overdrafts that is due within one year of the balance sheet date.

l) Related parties

The Company's related parties are considered to be the following:

- companies that form a Group of companies with the Company,
- shareholders, of which the Company is a subsidiary or an associate, directly or indirectly, and subsidiaries and associates of these shareholders,
- members of the Company's statutory bodies and management and parties related to such members, including the subsidiaries and associates of the members and their related parties,
- companies with the same management members.

Outstanding transactions with related parties are described in Note 19.

3. COMPARABILITY OF ACCOUNTING PERIODS

On 13 May 2008 LLOYD COILS EUROPE s.r.o. bought 100% of the shares of Luvata Czech s.r.o. The management decided on the merger with Luvata Czech s.r.o. as at 1 July 2008. The merger was recorded in the Commercial Register as at 1 December 2008.

Previous period balance sheet balances are balances as stated in the pro-forma balance sheet for the effective date of the merger on 1 July 2008, i.e. issued on 8 September 2008. Due to the limited comparability of the data, the profit and loss account balances have not been stated.

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4. INTANGIBLE FIXED ASSETS

	Establishment	Software cost	Intangible fixed assets under constr.	Total
Acquisition cost				
Balance at 1/7/2008	1 247	11 404	2 281	14 932
Additions	—	429	66	495
Disposals	—	-1 596	—	-1 596
Transfers	—	2 281	2 281	—
Balance at 31/3/2009	1 247	12 518	66	13 831
Accumulated depreciation				
Balance at 1/7/2008	1 247	10 189	—	11 436
Depreciation expense	—	1 502	—	1 502
Disposals	—	-1 596	—	-1 596
Transfers	—	—	—	—
Balance at 31/3/2009	1 247	10 095	—	11 342
Net book value 1/7/2008	—	1 215	2 281	3 496
Net book value 31/3/2009	—	2 423	66	2 489

In the period from 1 January 2008 to 31 March 2009 the Company acquired directly expensed intangible fixed assets totalling amount of TCZK 280.

5. TANGIBLE FIXED ASSETS

	Land	Buildings	Machin. and equip.	Individ. tangible assets	Work of art and collection	Fixed assets under constr.	Adjust. to acquired fixed assets	Total
Acquisition cost								
Balance at 1/7/2008	37 869	70 170	220 094	14 328	59	3 940	200 130	546 590
Additions	—	—	1 819	829	—	2 011	—	4 659
Disposals	—	—	-18 717	-291	—	—	—	-19 008
Transfers	—	1 602	2 034	304	—	-3 940	—	—
Balance at 31/3/2009	37 869	71 772	205 230	15 170	59	2 011	200 130	532 241
Accum. depreciation								
Balance at 1/7/2008	—	14 185	164 088	12 192	—	—	—	190 465
Depreciation expense	—	1 220	9 596	1 384	—	—	10 012	22 212
Disposals	—	—	-16 700	-291	—	—	—	-16 991
Transfers	—	—	—	—	—	—	—	—
Balance at 31/3/2009	—	15 405	156 984	13 285	—	—	10 012	195 686
Net book value 1/7/2008	37 869	55 985	56 006	2 136	59	3 940	200 130	356 125
Net book value 31/3/2009	37 869	56 367	48 246	1 885	59	2 011	190 118	336 555

In the period from 1 January 2008 to 31 March 2009, the major addition to fixed assets was extension of the collectors office and warehouse of acetylene in the amount of TCZK 1 601 and technical improvement of the collector hall of TCZK 1 663.

Pledged assets are listed in the Note 17.

6. LEASEHOLD ASSETS

Operating lease

The Company has an operating lease for buildings for an indefinite period of time, with a notice period of 18 months. The total cost of this lease in the period from 1 January 2008 to 31 March 2009 amounted to TCZK 6 906.

In the period from 1 January 2008 to 31 March 2009 machinery and equipment leases amounted to TCZK 1 152 and leases in respect of cars amounted to TCZK 1 584. The lease contracts were concluded for a definite period of time, with the possibility of the lease term being extended.

7. INVENTORIES

	31 March 2009	1 July 2008
Raw materials	36 684	42 823
Work in progress and semi-finished products	5 257	8 388
Finished goods	24 274	32 124
Goods for resale	7	13
Total	66 222	83 348
Provision for reduction in value - raw materials	-297	-1 034
Provision for reduction in value - finished goods	-2 285	-1 492
Net book amount	63 640	80 822

8. RECEIVABLES AND PAYABLES

- (a) Short-term trade receivables total TCZK 138 381 as at 31 March 2009 (1 July 2008 – TCZK 219 820), of which TCZK 32 553 (1 July 2008 – TCZK 29 140) is overdue. An adjustment for doubtful accounts of TCZK 5 629 (1 July 2008 – TCZK 2 596) has been set up at 31 March 2009 to adjust for receivables which may be uncollectible. Approximately 40% of overdue receivables are covered by insurance.
- (b) Short-term trade accounts payable total TCZK 80 961 as at 31 March 2009 (1 July 2008 – TCZK 142 503), of which TCZK 9 276 (1 July 2008 – TCZK 13 865) is overdue.

9. DEFERRED EXPENSES

Deferred expenses comprise primarily of the balance of bank loan arrangement Fee of TCZK 6 494 which is released to the profit and loss account over the period of bank loan.

10. ADJUSTMENTS

	Adjustment to inventories	Adjustment to receivables	Total
Balance as at 1/7/2008	2 526	2 596	5 122
Additions/-release	56	3 033	3 089
Balance at 31/3/2009	2 582	5 629	8 211

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11. DERIVATIVES

As at the balance sheet date the Company held the financial derivatives totalling TEUR 1 398 with a maturity date of 2 April 2009-2 July 2009. At 31 March 2009, derivatives with a positive fair value totalled TCZK 0 (1 July 2008 – TCZK 2 414) and derivatives with a negative fair value totalled TCZK -4 250 (1 July 2008 – TCZK -527).

12. REGISTERED CAPITAL

The registered capital amounts to TCZK 70 000 (1 July 2008 – TCZK 70 000).

13. CHANGES IN EQUITY

	Registered capital	Revaluation reserve on transform	Reserve fund	Losses	Profit (loss) of current period	Total
Balance at 1/7/2008	70 000	—	7 000	44 727	—	121 727
Loss 7/2008 – 3/2009	—	—	—	—	-66 716	-66 716
Balance as at 31/3/2008	70 000	—	7 000	44 727	-66 716	55 011

Management of the Company presume that the loss of the current period will be transferred to retained losses.

14. PROVISIONS

	Provision for untaken holidays	Provision for bounces	Provision for claims	Total
Balance as at 1/7/2008	529	498	866	1 893
Additions	393	—	1 495	1 888
Utilisation	-529	-498	-866	-1 893
Balance at 31/3/2009	393	—	1 495	1 888

15. TAXATION

a) Deferred tax

In accordance with the accounting policy described in note 2 (j), deferred tax was calculated using the tax rates valid for the periods in which the tax asset is expected to be utilised, i.e. 20% for 2009 and 19% for 2010 (1 July 2008 – 21% for 2008, 20% for 2009 and 19% for 2010).

The deferred tax asset and liability can be analysed as follows:

	Asset / -liability 31 March 2009	Asset / -liability 1 July 2008
Difference between accounting and tax net book value of fixed assets	-4 188	
Other provisions and adjustments	1 880	
Tax losses carried forward	7 222	
Valuation differences from revaluation of conversions	-36 256	-38 025
Net deferred tax liability	-31 342	-38 025

The Company did not record a deferred asset, amounting to TCZK 11 099, from tax losses because the utilisation of tax losses is unlikely.

16. SEGMENT INFORMATION

The Company produces one type of product, cooling devices. The sales per segment were as follows:		
1//2008 – 3/2009		
Sales from own products and services		
Revenue from sale of cooling devices	Foreign	505 787
	Domestic	53 454
Total cooling devices		559 241
Revenue from services	Foreign	1 669
	Domestic	75
Total services		1 744
Total revenues from own products and services		560 985
Sales of material and fixed assets	Foreign	2 842
	Domestic	8 375
Total sales of material and fixed assets		11 217
Sales of goods	Foreign	5
	Domestic	—
Total sales of goods		5
Total		572 207

17. BANK LOANS

The Company has following bank loan balance:

	Balance as at	
	31 March 2009	1 July 2008
State Bank of India - due within one year	91 412	3 160
- due in 1- 5 years	246 420	286 740
Total	337 832	289 900

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Interest liability of TCZK 9 272 due as of 6 May 2009 (1 July 2008 – TCZK 3 160 due as of 6 November 2008) and principal repayment of TCZK 82 140 (1 July 2008 – TCZK 0) due within one year are stated as short-term part of long-term bank loan. The bank loan bears interest rate of 6M LIBOR + 2.20%. The bank loan is due in eight semi-annual repayments starting from 6 May 2009.

The loan is secured as follows:

- guarantee from LLOYD ELECTRIC AND ENGINEERING LIMITED
- pledge by LLOYD ELECTRIC AND ENGINEERING LIMITED as the pledgor, of 100% ownership interest in LLOYD COIL EUROPE s.r.o.
- lien on movable and immovable property of the Company by agreement signed on 6 May 2009. The net book value of the pledged movable assets at 31 March 2009 is TCZK 35 894 and the net book value of the pledged immovable assets at 31 March 2009 is TCZK 56 933.

18. EMPLOYEE ANALYSIS

Employee numbers	As at 31 March 2009	As at 30 June 2008
Average number of members of the management	9	8
Average number of other staff	223	222
Total	232	230

Management includes general manager and 7 department managers and a statutory representative.

1/7/2008 – 31/3/2009	Management	Employees	Total
Wages and salaries	7 131	71 958	79 089
Management bonuses	1 185	—	1 185
Social security and health insurance costs	1 397	26 669	28 066
Other social costs	82	2 122	2 204
Total	9 795	100 749	110 544

No loans have been provided to the statutory representative or to members of the management.

Company cars are made available for use by management. The total cost of cars was TCZK 2 421 (1 July 2008 – TCZK 2 279).

Besides the above stated remuneration and benefits, no other remuneration was provided to the statutory representative or to the management of the Company in the period from 1 January 2008 to 31 March 2009.

19. RELATED PARTY TRANSACTIONS

The Company has not concluded a controlling agreement with its shareholder. A report on relations between related parties will be part of the annual report. The Company was part of the LLOYD ELECTRIC AND ENGINEERING LIMITED group.



(a) The following related party balances were outstanding:

	Receivables as at		Payables as at	
	31 March 2009	1 July 2008	31 March 2009	1 July 2008
LLOYD ELECTRIC&ENGINEERING LTD.	4 064	—	238	—
Total	4 064	—	238	—

(b) The Company carried out the following related party transactions:

	Sales for the period 7/2008 - 3/2009	Purchases for the period 7/2008 - 3/2009
LLOYD ELECTRIC&ENGINEERING LTD..	3 068	315
Total	3 068	315

All significant transactions were realised at the arm's length price.

(c) The Company had loans with the following related parties:

	Balance as at	
	31 March 2009	1 July 2008
LLOYD ELECTRIC&ENGINEERING LTD.		
- due within one year	3 643	9 281
- due in 1-5 years	39 195	57 338
Total	42 838	66 619

For the above mentioned loan a payment schedule was agreed. The maturity of the loan is on 1 November 2012. Based on the above payment schedule, the loan is classified as a long-term. Interest liability of TCZK 3 643 due on 1 May 2009 (1 July 2008 – TCZK 1 090 and principal repayment of TCZK 8-191 due on 1 May 2009) were classified as a short-term at 31 March 2009. The loan bears interest 6M EURIBOR + 330 bps.

20. Social security and health insurance liabilities

As at 31 March 2009, social security and health insurance liabilities total TCZK 4 333 (1 July 2009 – TCZK 3 049). No social security or health insurance liabilities are overdue.

21. Tax liabilities and subsidies

Tax liabilities amount to TCZK 1 495 (1 July 2008 – TCZK 2 034), none of which are overdue. The company records a value added tax receivable of TCZK 5 228 as at 31 March 2009 (1 July 2008 – TCZK 6 114).

22. ECONOMIC DEPENDANCY

The Company depends on the financial support of its parent company LLOYD ELECTRIC AND ENGINEERING LIMITED. The parent company has confirmed in writing its intention to provide funds as and when required to enable the Company to continue as a going concern for at least 12 months from the date of approval of the financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

23. MATERIAL SUBSEQUENT EVENT

On 6 May 2009 the Lien on Property Agreement was signed between LLOYD COILS EUROPE s.r.o. (pledgor) and the STATE BANK OF INDIA (pledgee). The agreement is signed by virtue of a loan Agreement in foreign currency amounting to TEUR 12 000 and signed on 2 May 2008.

LLOYD ELECTRIC & ENGINEERING LIMITED

Regd. Office: A-146 (B&C), RIICO Industrial Area, Bhiwadi, Distt.Alwar, Rajasthan - 301 019



ATTENDANCE SLIP

(For attending the 22nd Annual General Meeting)

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE METTING HALL

NO. OF SHARE HELD.....

Folio No.....

I/we record my/our presence at the 22nd **Annual General Meeting** of the Company held on Friday, September 25, 2009 at 9:00 A.M. at A-146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan-301 019.

Name and Address of the Shareholder

NAME OF THE PROXY.....

(to be filled only when Shareholder is appointing proxy)

SIGNATURE OF THE SHAREHOLDER / PROXY

LLOYD ELECTRIC & ENGINEERING LIMITED

Regd. Office: A-146 (B&C), RIICO Industrial Area, Bhiwadi, Distt.Alwar, Rajasthan - 301 019



PROXY FORM

I/We of.....

in the district of being a member/members of the Company, hereby

appoint..... of.....

in the district of..... or failing him.....

in the district of.....

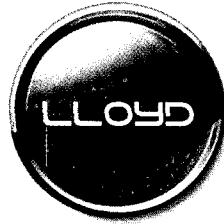
as my/our proxy to attend and vote for me/us on my/ our behalf at the 22nd **Annual General Meeting** of the Company to be held on Friday, September 25, 2009 at 9:00 A.M. at A-146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan-301 019.

Signed this day of 2009.

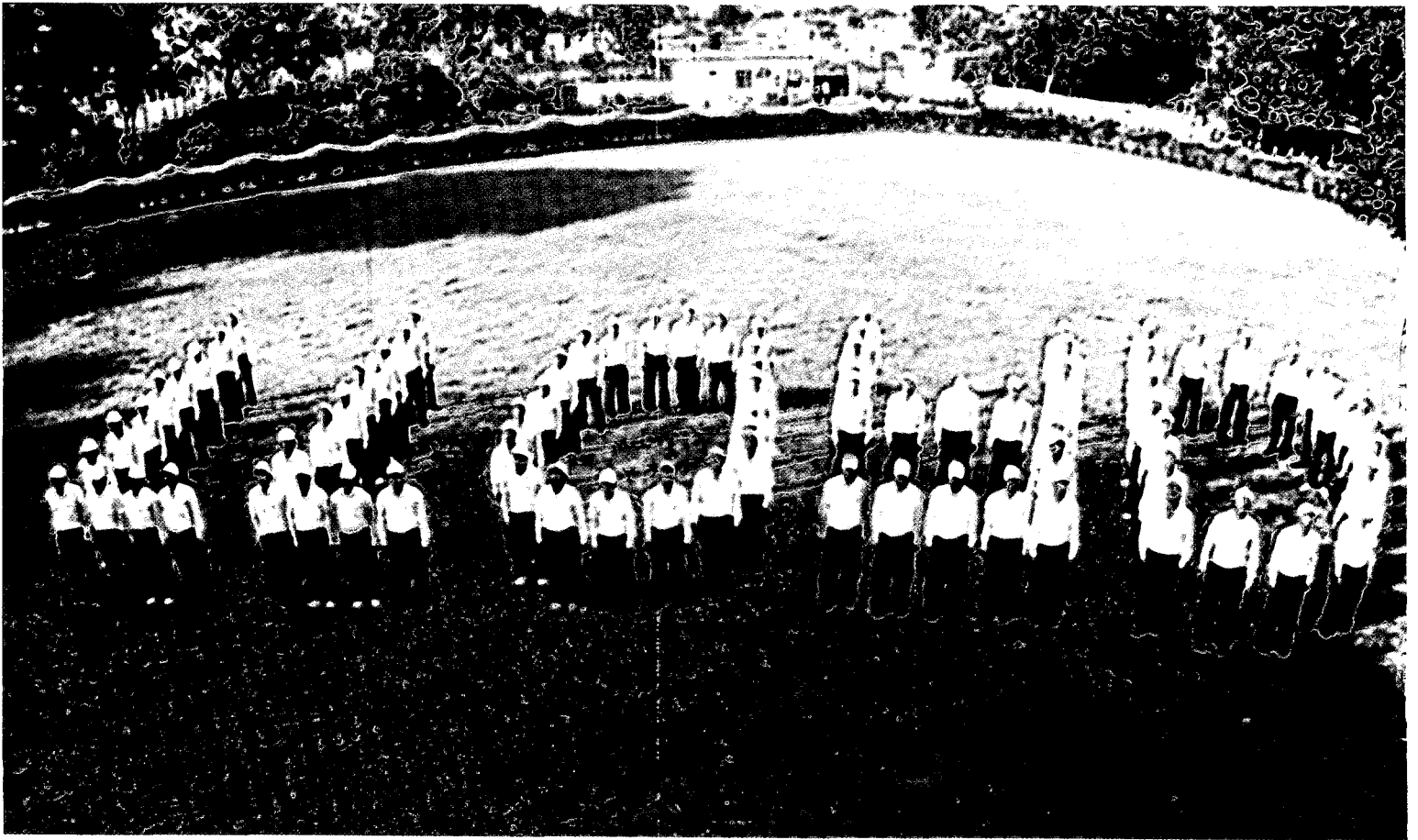
Signature.....

Affix a
Re. 1/-
Revenue
Stamps

Note : The proxy in order to be effective should be duly stamped, complete and signed and must be deposited at the Regd. office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.



LIVE THE FUTURE





LIVE THE FUTURE

LLOYD ELECTRIC & ENGINEERING LIMITED

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