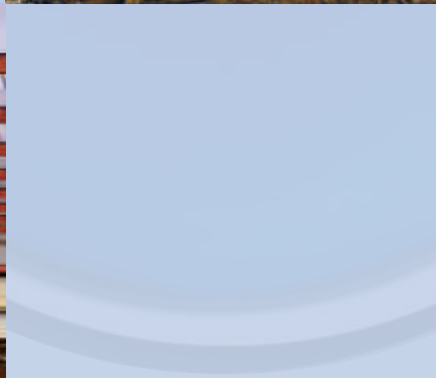




LIVE THE FUTURE

56th Annual Report
2011-2012

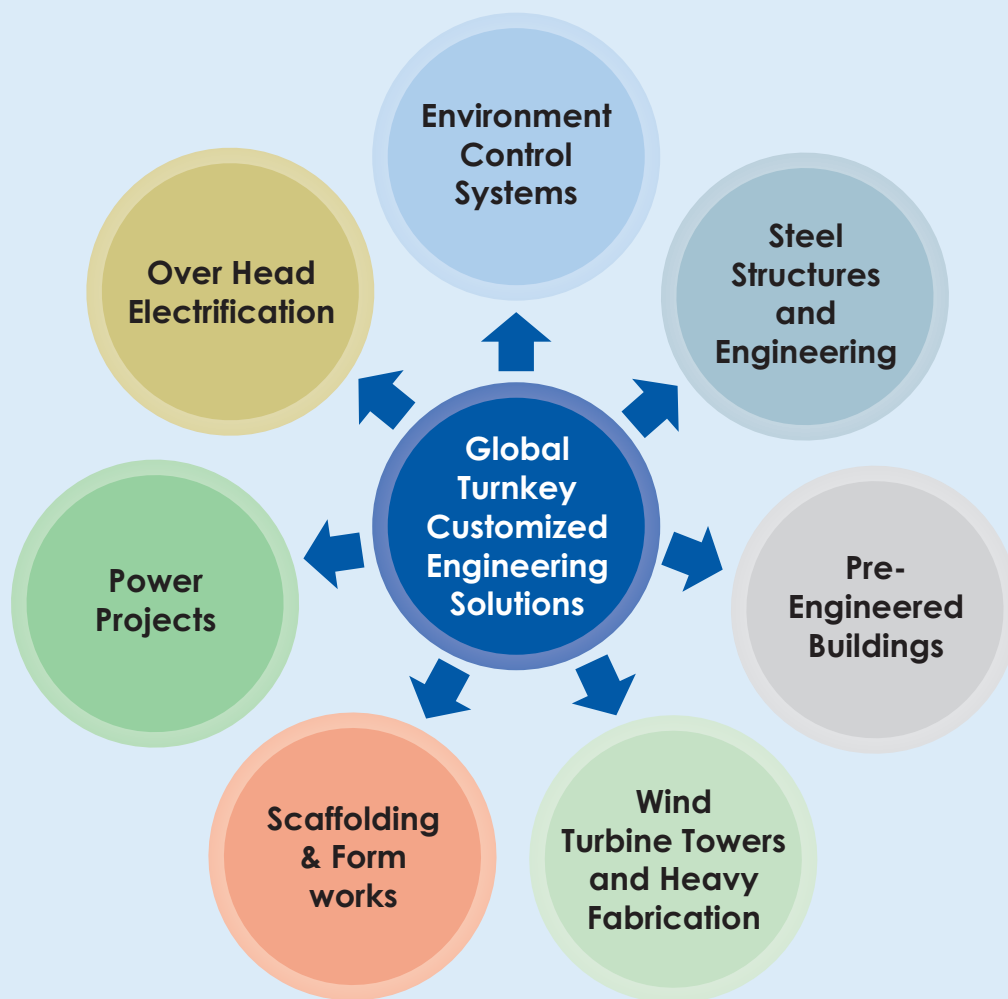
Customized Engineering Solutions



Fedders Lloyd Corporation Limited

The Year 2011-12

**Consolidating the
inherent strength and the deep potential
to run the business in more focused way
with the vision to become
a global engineering enterprise**





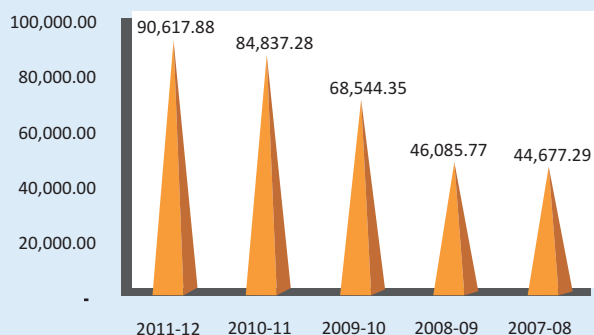
LIVE THE FUTURE

Five Years Performance Highlights

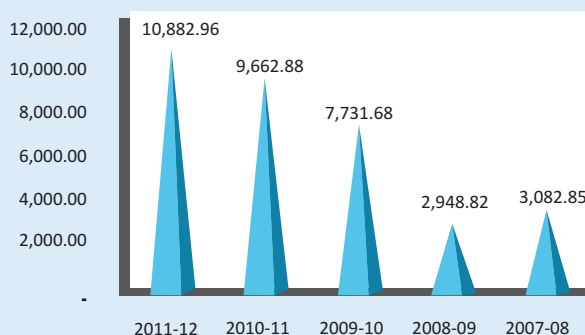
(Rs. in Lacs)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Total Income	90,617.88	84,837.28	68,544.35	46,085.77	44,677.29
EBIDTA	10,882.96	9,662.88	7,731.68	2,948.82	3,082.85
Profit Before Tax	5,570.01	5,774.95	4,953.54	1,403.40	2,063.68
Profit after Tax	4,466.47	4,650.64	4,007.43	1,131.57	1,926.48
EPS(In Rs.)	14.52	15.11	13.02	3.68	6.26
Equity Share Capital	3,076.97	3,076.97	3,076.97	3,076.97	3,076.97
Reserve & Surplus	24,245.21	20,151.65	16,054.42	12,424.67	11,674.07
Total Assets	79,658.41	62,711.55	45,770.95	32,242.18	26,851.82

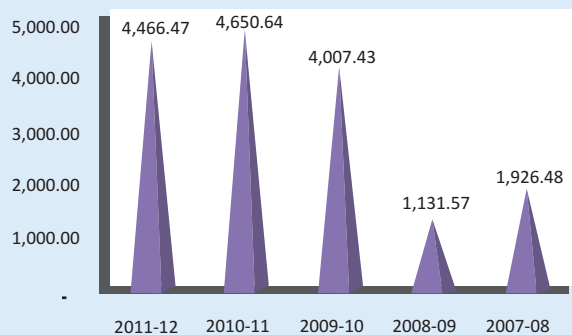
Total Income (Rs. in Lacs)



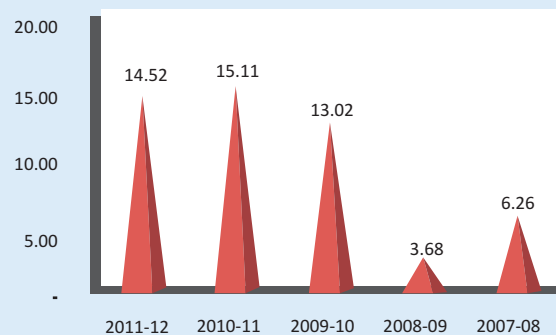
EBIDTA (Rs. in Lacs)



PAT (Rs. in Lacs)



EPS (Rs.)



Letter from the Chairman



Brij Raj Punj

Chairman & Managing Director

Dear Shareholders,

A range of business and economic factors made the year gone by among the most challenging in recent times. The global economy is seeking to recover from uncertainties centred on the European Union. Domestically, a deterioration in macroeconomic indicators and a marked deceleration in the investment momentum aggravated bearish sentiments in the capital markets. Infrastructure sectors have been hampered by resource constraints and other issues. However, that the intrinsic strengths and embedded characteristics of the Indian economy still remain positive. GDP growth, at 6.5%, though sharply down from the levels that prevailed a couple of years back, still has the potential to revive.

Performance during the year

I am very pleased to report back that we ended the year on a positive note, when the global and country's economy remained adversely affected; Fedders Lloyd continued to maintain its growth strides. Your Company posted total revenue of Rs. 9061.79 Million, registering a growth of 6.81% over the previous year. The Net Profit, however, was lower by 3.96% at Rs. 446.65 Million, due to higher interest and depreciation for the investments made by your Company to secure its future. Our business has three business segments – Environment Control Systems, Steel Structure & Engineering and Power Projects. Our all business divisions have performed well during the year. For Environment Control Systems business, both these years are not comparable as Intangible Rights, Title and Interest in the 'LLOYD' Blue Logo for Consumer Durable business was strategically assigned to Lloyd Electric & Engineering Limited during the year. Under this segment, your Company focuses on executing turnkey projects for customized applications distinguishing itself from the retail segment. The revenue generated from Steel Structure & Engineering business registered a growth of 150% while the Profit before Tax from this business grew by 84.26% as compared to the Previous Year. During the year, the Total Revenue generated from Power Projects business registered a growth of 67.20% while Profit before Tax from this business registered a growth of 63.40% as compared to the Previous Year. On the operational front, our focus during the year remained to drive excellence across all aspects of the business to improve profitability.



Our Scaling-up of operations

The year 2011-12 was a land mark year for Fedders Lloyd. As a part of our focussed Business Strategy, during the year, your Company achieved a major milestone forward with the Company's presence in the State of Gujarat with a grand inauguration of its integrated state-of-art manufacturing facility for manufacture of Wind Turbine Towers and Heavy Precision Fabrication and machining facility in Bharuch District, Gujarat. The new facility was inaugurated on April 13, 2012 by the Hon'ble Chief Minister of Gujarat, Shri Narendra Modi in the presence of guest of honour, Hon'ble Minister, Forest & Environment, Gujarat, Shri Kiritsinh Rana. I'm pleased to inform that it is indeed a remarkable achievement that the plant was set-up in a record time of 9 months, which clearly reflects our clear strategic focus and the Company's philosophy of 'timely execution and implementation', to meet the evolving needs of markets, customers and other stake holders. The plant has an initial annual production capacity to manufacture upto 250 nos. of Wind Turbine Towers upto 3 MW and Heavy Precision Fabrication of components upto 80 MT weight and is one of the biggest Precision Machine Shop equipped with floor boring (21 mtrs travel) & vertical turret lathe (8.5 Mtrs diameter) sourced from UK & USA. The new facility is equipped with high end CNC plate cutting & CNC plate rolling machine (75 mm thick) imported from Germany & Italy and the facility is designed to meet with international specifications and produce components meeting with highest world-wide quality standards. Renewal energy represents the next big frontier in the technology industry and wind power is one of the fastest growing energy sources in the world. Our new facility is a testament to Fedders Lloyd's commitment to contribute towards India's growing energy revolution and empowered nation. The facility is ideally placed to serve the growing energy needs of India's booming economy. We will continue to invest prudently in

capacity expansion while driving excellence in our offerings to our customers through cost competitiveness and excellence in quality. We are reasonably confident that our initiatives will help drive sustainable profitable growth in the years to come.

While global markets reverberated from developments in the Eurozone, and the Rupee depreciated significantly, we acted both quickly and decisively to position our business domestically as well as in high growth, developing geographies across the globe. Your Company's performance in the international markets was noteworthy with bagging of various prestigious contracts in Ethiopia, Myanmar, Nigeria, Uganda, Rwanda, Ghana and Kenya funded by various multilateral and bilateral funding agencies.

Information Technology Integration

We are living today in an era of a rapidly evolving market where technology advancement and globalization strongly impacts business strategy. During the year, we have successfully completed SAP ERP Application implementation enabling the Company to improve planning and monitoring across the organization. Our all production facilities and locations are connected with each other through video conferencing and thus, the distance is no bar in planning, controlling and discussing important matters at various levels and locations, face to face. This has improved the controlling and also has strengthened the processes through timely execution & effective communication.

Our guiding principles

As we forge ahead, our guiding principles remain:

- Higher customer satisfaction
- Greater employee engagement - Leveraging our Team Capability
- Speedy and Effective Execution

Corporate Social Responsibility

An organizational thrust that gained momentum over the last decade is our Sustainability Initiatives. Sustainable growth means that organizations have to look beyond financial performance. Our sustainability reporting initiatives gives us a longer term view of our business and a stakeholder perspective that helps us keep our feet on the ground at all times. At Fedders Lloyd, we hold sustainable development at the core of our identity and purpose. This embraces all parts of our business, including interface with the individuals and communities that we live and work with. The Lloyd Group implements its Corporate Social Responsibility initiatives through the Pandit Kanhaya Lal Punj Trust, a philanthropic, non-profit body within Lloyd group.

2012-13 –Outlook

Continuing to build on the strengths and ever endeavouring to be customer-centric, your Company is confident to address the opportunities that the new financial year offers and overcome the challenges. In the unfolding market evolution in our country and elsewhere, we see technological convergence, rising customer demands and fierce competition. We are well prepared to satisfy these demands.

At Fedders Lloyd, we are driving a focused strategy to develop technology, products and solutions that are ahead of the curve and positioned to meet emerging demands of the market. All our efforts are directed towards positioning Fedders Lloyd to leverage emerging opportunities in the market place to accelerate our growth in the future.

Acknowledgments

To conclude, the energy in our leadership team and the high passion levels in our employees give us the confidence that we are well on our way to building a strong and sustainable business. I seek their continued efforts in the future. I gratefully acknowledge the confidence and faith reposed by you in the Board and the Management of your Company. I would also like to thank each and every one of our customers, employees, partners and supporters for their continued trust in building Fedders Lloyd for this exciting future.

Yours Sincerely,



Brij Raj Punj

Chairman & Managing Director

Date: November 28, 2012

Place: New Delhi

Grand Inauguration of Wind Turbine Tower Plant, Heavy Fabrication & Machining Facility at Bharuch, Gujarat

By
Shri Narendra Modi
Hon'ble Chief Minister of Gujarat
on
Friday, April 13, 2012



We remain focused on building an organization that is future



ready and is designed to win

....the Grand Inauguration



Our Customized Engineering Solutions

**Environment Control Systems-
Production shop for Environment Control Units**



Steel Structures & Engineering Worksfew glimpses



RITES-IGNOU-Maidangarhi



NATRIP-Pithampur, Vehicle Dynamics Lab



Toll Plaza, Agra



Toll Plaza, Mathura

Our Customized Engineering Solutions

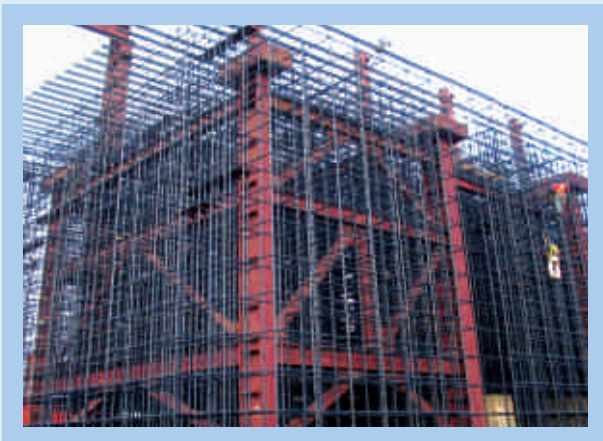
Scaffolding & Form works-few glimpses



Tunnel Assembly, Pawar Patkar Nashik



Koradi Power Plant, Nagpur



Casting of TG Deck



Form Work System for Lift



Wind Turbine Tower, Heavy Fabrication & Machining Facility at Bharuch, Gujarat



Inside view of the Plant



Painted & Fabricated Tower Sections

Our Customized Engineering Solutions

Power Projects & Over Head Electrification

.....few glimpses



HVPNL'S Work Sites



HVDS Jobs for MPKVV, Bhopal & Indore



Power Transmission work for HVPNL



Over Head Electrification for Railways

International Projects- Reaching out across the Indian boundariesfew glimpses



161/34.5 KV Mallam Sub Station-Ghana



5MVA Power Transformer Installed at Kumasi Sub Station- Ghana



Supply of Mobile Sub Station- PHCN, Nigeria

Our Customized Engineering Solutions

Corporate Social Responsibility- Doing Businesses with Conscience



**Let us join hands
and work together for
inclusive growth**

The Corporate Social Responsibility (CSR) has been endorsed by the top management as a policy statement on the underlying principle that the Company is a committed Corporate Citizen fully alive to the need of building synergy between business and CSR as an integral part of its business strategy. At Fedders Lloyd, we hold sustainable development at the core of our identity and purpose. This embraces all parts of our business, including our interface with the individuals and communities that we live and work with and the environment.



Lloyd Group's CSR initiatives-through the Pandit Kanahaya Lal Punj Trust

The Group implements its Corporate Social Responsibility initiatives through the Pandit Kanahaya Lal Punj Trust, a philanthropic non-profit organisation. In the year gone by, the Trust supported various social initiatives in the diversified areas like Education, Employment, Girl Child welfare, Health, Environment Enrichment, Afforestation, Water Conservation, Community services for the physical/mentally challenged and aged people.



During the year, the Company in association with Purkal Youth Development Society has supported the education and care for approx. 50 students in the age group of 6-18 years in rural areas. During the year, the Goonj Volunteers have organised the awareness cum collection camp at the Corporate Office of the Company for the cause of victims of floods at Assam. Every

employee of the Company had come forward to encourage and support the cause and had contributed materials like clothes, medicines, eatables, ration, utensils and monetary contribution. The Goonj Volunteers had displayed the different recycled articles such as bags, cards, toys made up of used products which were sold at our Corporate Office. This year also, your Company has organised 'Diwali Mela' in association with





“Muskan NGO”, for welfare of mentally challenged children providing them an opportunity to put up and display their creative products. This was also well taken and encouraged by all employees of the group. The Company has also contributed by way of donation to Muskaan for their DERA Residential Project for Disabled people.

We believe in doing business with conscience. While making socially responsible products, we believe in providing the best of services to the society as well. As the Lloyd group strives to reach

greater heights, the Company places great emphasis on ‘value creation through sustainability’, for all its stakeholders and aims to contribute positively to the community.

Environment, Health and Safety (EHS)

At Fedders Lloyd, we are committed to ensure safe working conditions and safe behaviour of our all employees, contractors, suppliers, clients as well as to take care of their health and protect the environment in which we operate. Across our all manufacturing facilities, we continuously strive for identification of hazards, assessment and elimination or control of EHS risks associated with our activities. Looking forward towards a



greener tomorrow every member of the Lloyd group at various levels actively participates in the Tree plantation activities initiated by the Company. At our plant in Bharuch, Gujarat, we have planted 300 trees and we have plan to plant another 5000 trees all around plant to arrest rain water and to protect environment. In its endeavour to address environment related matters, the Company continues to strengthen its process and action plans. In addition, the Company continues to develop eco-friendly products and appropriate Engineering solutions.



The core elements of our CSR initiatives include ethical functioning, respect for all stake-holders, protection of human rights, and care for the environment. The CSR guidelines of Lloyd group are based on inclusive growth, sustainable development and capacity building, with due attention to the socioeconomic needs of the marginalized society. The Pandit Kanahaya Lal Punj Trust has given donations to various Institutions/NGOs from time to time to strengthen their various community welfare activities and charitable objectives of welfare of general public utility. Your Company is committed to continue the CSR initiatives on ongoing basis.

Corporate Information



LIVE THE FUTURE

Board of Directors

Chairman & Managing Director

Mr. Brij Raj Punj

Whole Time Director

Mr. Sham Sunder Dhawan

Non-Executive Directors :

Mr. Krishan Lall

A.V.M. Surjit Krishan Sharma (retd.)

Mr. Ajay Dogra

Company Secretary & Compliance Officer

Ms. Purnima Sharma

Statutory Auditors

M/s Suresh C. Mathur & Co.

Chartered Accountants

New Delhi

Registered Office

C-4, Phase – II, NOIDA, Distt. Gautam Budh Nagar, U.P. - 201305

Corporate Office

159, Okhla Industrial Estate, Phase-III, New Delhi - 110020

Phone: +91-11- 40627200-300, Fax: +91-11- 41 609909

Share Transfer Agent

M/s Skyline Financial Services Pvt. Ltd.

D-153/A, 1st Floor, Okhla Industrial Area,

Phase-1, New Delhi – 110020

Phone: +91-11- 64732681-88

Fax: +91-11- 26812682

Bankers

State Bank of India
State Bank of Patiala
State Bank of Hyderabad
Axis Bank

Standard Chartered Bank
Kotak Mahindra Bank
ING Vysya Bank
Karnataka Bank

Central Bank of India
ICICI Bank
State Bank of Bikaner & Jaipur

Manufacturing Facilities

C-4, Phase-II, NOIDA
Distt. Gautam Budh Nagar
U.P. - 201305

Saketi Road Industrial Area
Kala-amb, Tehsil Nahan
Distt. Sirmor, Himachal Pradesh

Shed No. 77, Annai Anjugam Nagar
Kundrathur-Somangallam Road,
Nandapallam, Post, Chennai - 600069

Plot No. 6, 6/1, UPSIDC
Industrial Area, Sikandarabad,
Distt. Bulandshahar (U.P.)

Plot No. 24, Sector 2, IIE Pantnagar
Distt. Udham Singh Nagar
Uttarakhand

Industrial Area, Part - 2,
Salempur, Mehdood, Near SIDCUL,
Haridwar, Uttarakhand

836, 837, Jambusar – Bharuch road
Village – Magnad,
Dist – Bharuch, 392150, Gujarat

Overseas Subsidiary

(Wholly owned subsidiary)
Fedders Lloyd Trading FZE
P.O. 10055, Ras Al Khaimah,
United Arab Emirates

Visit us at: www.fedderslloyd.com

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Directors' Report



LIVE THE FUTURE

Dear Members,

Your Directors are pleased to present the 56th Annual Report of your Company together with the Audited Annual Accounts for the year ended June 30, 2012.

FINANCIAL RESULTS

Your Company's standalone operating performance for the year ended June 30, 2012 as compared to the previous year ended June 30, 2011 is summarized herein below:

(Rupees in Million)

Particulars	Current year 2011-12	Previous year 2010-11
Net Sales	8828.57	8458.73
Other Income	233.22	25.00
Total Revenue	9061.79	8483.73
EBITDA	1088.30	966.29
Profit before Taxes	557.00	577.49
Tax Expenses	110.35	112.43
Profit after Tax	446.65	465.06
Proposed Dividend	30.77	46.15
Corporate dividend Tax	4.99	7.49
Reserves & Surplus	2424.52	2015.16
Equity Share Capital	307.70	307.70
Earnings per Share (Rs.)	14.52	15.11

OPERATIONAL HIGHLIGHTS

During the year ended June 30, 2012, total revenue of the Company has been increased from Rs. 8483.73 Million during the previous year to Rs. 9061.79 Million, registering a growth of 6.81%. The EBITDA was recorded at Rs. 1088.30 Million during the year under review; however, it was Rs. 966.29 Million during the previous year ended June 30, 2011, registering an increase of 12%. Due to the increased finance cost, inflationary pressure and depreciation cost, the Profit after tax has been declined by 3.96% from Rs. 465.06 Million during the previous year against Rs. 446.65 Million during the year under review.

STRATEGIC FOCUS ON EXECUTING TURNKEY PROJECTS & DISTINGUISHING ITSELF FROM RETAIL BUSINESS

Your Company has successfully established and is further strengthening its business operations for turnkey projects in the areas of Infrastructure, Energy Sector and Environmental Control Systems for Industrial and Customized applications. Considering various aspects and strategic view point to put greater focus on the business of executing turnkey projects in the areas of Infrastructure, Energy Sector and Environmental Control Systems for Industrial and Customized applications and distinguishing itself from the retail business of Consumer Durable Products, your Company has strategically assigned the Intangible Rights, Title and Interest in the 'LLOYD' Blue Logo and Distribution Network pertaining to Consumer Durable Products including other HVAC Products to M/s Lloyd Electric and Engineering Limited w.e.f. September 08, 2011. The rights, title and interest in the said 'LLOYD' Blue Logo in respect of all other goods/business and services except for the assigned products have been retained by the Company. Your Company has taken approval of shareholders by way of an Ordinary Resolution through Postal Ballot process.

SCALING UP OF BUSINESS:

GRAND INAUGURATION OF WIND TOWER MANUFACTURING FACILITY AT BHARUCH, GUJARAT BY HON'BLE CHIEF MINISTER OF GUJARAT, SHRI NARENDRA MODI AND COMMENCEMENT OF OPERATIONS

Your Company has achieved a major milestone forward in the Company's presence in the State of Gujarat by establishing its integrated state-of-art manufacturing facility for manufacture of Wind Turbine Towers and Heavy Precision Fabrication and machining facility in Bharuch District, Gujarat. The new facility was inaugurated on April 13, 2012 by the Hon'ble Chief Minister of Gujarat, Shri Narendra Modi in the presence of guest of honour, Hon'ble Minister, Forest & Environment, Gujarat, Shri Kiritsinh Rana. The initial annual production capacity of plant to manufacture is upto 250 nos. of Wind Turbine Towers upto 3 MW and Heavy Precision Fabrication of components upto 80 MT weight and is one of the biggest Precision Machine Shop equipped with floor boring (21 mtrs travel) and vertical turret lathe (8.5 Mtrs diameter) sourced from UK and USA. The new facility is equipped with high end CNC plate cutting and CNC plate rolling machine (75 mm thick) imported from Germany & Italy and the facility is designed to meet with international specifications and produce components meeting with highest world-wide quality standards. The new facility is a testament to Fedders Lloyd's commitment to contribute towards India's Growing Energy revolution and empowered nation.

SEGMENTAL REVIEW

Your Company has three business segments viz., Environment Control Systems, Steel Structure & Engineering and Power Projects. During the year under review, the total revenue generated from Environment Control Systems was Rs. 1286.71 Million, while during the previous year, the revenue from Environment Control Systems was Rs. 4731.53 Million. For Environment Control Systems business, both these years are not comparable as Consumer Durable business was shifted to Lloyd Electric & Engineering Limited during the year under review. Under this segment, your company focuses on executing turnkey projects for customized applications, where during the year, your Company has maintained its pace of growth.

During the year, the total revenue generated from Steel Structure & Engineering business was Rs. 4255.81 Million as compared to Rs. 1705.37 Million during the previous year registering a growth of 150%. The profit before tax generated was Rs. 308.97 Million as compared to Rs. 167.68 Million during the previous year registering a growth of 84.26%.

The total Revenue generated from Power Projects was Rs. 3380.55 Million as compared to Rs. 2021.82 Million during the previous year registering a growth of 67.20%. The profit before tax generated was Rs. 295.92 Million as compared to Rs. 181.10 Million during the previous year registering growth of 63.40%.



A detailed discussion on the segmental review and performance and future outlook is provided in Management Discussion and Analysis Report.

DIVIDEND

Having due regard to the profit of the year and on careful review of the Company's ways and means position, the Directors had recommended a dividend of Re. 1/- per equity share of Rs. 10/- each (i.e., 10% on the paid-up equity share capital of the Company) for the year ended June 30, 2012. The dividend, if approved at the ensuing Annual general Meeting, shall absorb a sum of Rs. 30.77 Million (exclusive of dividend distribution tax of Rs. 4.99 Million). Last year, the Shareholders in last Annual General Meeting declared a dividend of 15% on the paid-up equity share capital of the Company.

The dividend payout for the year under review has been formulated in accordance with the Company's policy to pay, sustainable dividend linked to long term growth objectives of the Company which includes sustainable development of the Company along with maximization of Shareholders' Wealth.

SUBSIDIARY COMPANY

The Company has a subsidiary namely, Fedders Lloyd Trading FZE in Ras Al Khaimah Free Trade Zone, U.A.E.. In terms of the General Circular No. 2/2011 dated February 8, 2011, issued by Ministry of Corporate Affairs, Government of India under Section 212(8) of the Companies Act, 1956, granting general exemption to companies from attaching financial statements of subsidiaries, subject to fulfillment of conditions stated in the Circular, Financial Statement of the Subsidiary is not attached to the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary to any of the member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary will also be kept open for inspection at the Registered Office of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

As required by Clause 41 of the Listing Agreement with the Stock Exchanges, Consolidated Financial Statements of the Company and its subsidiary as prepared in accordance with Accounting Standard AS-21 on 'Consolidated Financial Statements', as issued by the Institute of Chartered Accountants of India, is attached herewith and the same together with Auditors' Report thereon forms part of the Annual Report of the Company.

FIXED DEPOSITS

During the year under review, your Company has not invited or accepted / renewed any fixed deposits from public pursuant to the provisions of Section 58A or 58AA of the Companies Act 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

DIRECTORS

The Board comprises of Five (5) Directors with two (2) Executive Directors one of whom is Managing Director and three (3) are Non Executive Independent Directors.

During the year, there was change in composition of the Board. Mr. Tulsi Vansh Prakash Punj, Non-Executive Non Independent Director has resigned with effect from May 11, 2012 due to his health reasons and Mr. Sham Sunder Kumar, Non-Executive Independent Director ceased to be director with effect from June 06, 2012 due to his sad demise. The Directors place on record their sincere appreciation of the valuable services rendered by Mr. TVP Punj and Late Mr. Kumar during their long tenure on the Board.

In terms of Articles of Association of the Company read with Section 256 of the Companies Act, 1956, AVM (retd.) Surjit Krishan Sharma, will retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board of Directors of the Company commends his re-appointment. His brief resume including expertise, shareholding in the Company and details of other directorships as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Notice of the ensuing Annual General Meeting.

The Board of Directors recommends his re-appointment for approval of Shareholders in the ensuing Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, it is hereby confirmed that:

- a. in the preparation of the annual accounts for the year under review, the applicable accounting standards had been followed.
- b. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year.
- c. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. that the directors had prepared the annual accounts on a going concern basis.

AUDITORS AND AUDITORS' REPORT

M/s Suresh C. Mathur & Co., Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. The Company has received letter from the said auditors to the effect that their appointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956. Based on the recommendations of the Audit Committee, the Board of Directors of the Company proposes their re-appointment for approval of Shareholders in the ensuing Annual General Meeting.

The observations made in the Auditors' Report are self-explanatory and do not call for any further comments under section 217 (3) of the Companies Act, 1956.

CORPORATE GOVERNANCE

Enhancing Corporate Governance is on highest priority of your Company. Your Company is committed to maintain the high standard of Corporate Governance requirements as prescribed under clause 49 of the Listing Agreement. A separate section on Corporate Governance together with a certificate from the Auditors of the Company regarding full compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing agreement with the Stock Exchange(s) forms part of the Annual Report.



CORPORATE SOCIAL RESPONSIBILITY

While the Government undertakes extensive developmental initiatives through a series of sectoral programmes, the business sector also needs to take the responsibility of exhibiting socially responsible business practice that ensures the distribution of wealth and well-being of the communities in which the business operates. Your Company is already taking part in CSR activities through its various programmes through Pandit Kanahaya Lal Punj Trust, a philanthropic organization of LLOYD Group to lead the CSR initiatives. The detail on CSR measures taken at Company's end is provided in the Corporate Social Responsibility Section of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, a detailed Management Discussion and Analysis Report on financial conditions and results of operations for the year under review forms part of the Annual Report and is presented in a separate section forming part of the Annual Report.

DISCLOSURE OF INFORMATION WITH REGARD TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo in terms of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report Board of Directors) Rules, 1988 is given as annexure to this report.

DISCLOSURE OF PARTICULARS OF EMPLOYEES

Information as per the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars of Employees) Rules, 1975 is set out in the Annexure to the Directors' Report.

LISTING OF EQUITY SHARES

The Equity Shares of your Company continue to be listed on National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Ltd. (BSE). The Annual Listing Fees for the year 2011-12 have been paid to these stock exchanges.

QUALITY, HEALTH, SAFETY AND ENVIRONMENT

At Fedders Lloyd, Quality, Health, Safety and Environmental(QHSE) responsibilities are integral to operations as a part of its objective to improve quality, health, safety and environment in the work place.

Successfully managing Health, Safety & Environment (HSE) issues is an essential component of our operations. Through observance and encouragement of this policy, your Company assist in protecting the environment and the overall well-being of all stakeholders. To drive performance improvement, make progress and contribute to sustainable development, your Company works in an integrated manner across the areas of HSE. To emphasize our continuing commitment to HSE issues, we adhere to HSE Principles. These Principles are the cornerstone of HSE culture and address issues such as accountability, training, communication, resources, engineering design, performance measurement, and sustainable development.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Committed to good Corporate Governance practices, your Company fully conforms to the standards set out by the Securities and Exchange Board of India and other regulatory authorities and has implemented and complied with all

the regulatory stipulations. The Report on Corporate Governance along with the Compliance Certificate in line with Clause 49 of the Listing Agreement validating our claim and the Report on Management Discussion and Analysis are annexed and forms part of this Annual Report.

Your Company in compliance with the requirements of the Listing Agreement has also formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company, who have affirmed their compliance thereto.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has a proper, efficient & adequate internal control system. It ensures that all the assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

An effective programme of internal audit and management review supplements the process of internal control. Properly documented policies, guidelines and procedures are laid down for this purpose. The internal control system has been designed so as to ensure that the financial and other records of the Company are reliable for preparing the financial and other statements and for maintaining accountability of assets of the Company.

The Company has also constituted an Audit Committee comprising of 3 (Three) directors having relevant experience and expertise, who regularly interact with the Auditors in dealing with the matters specified within its terms of reference. The Committee mainly deals with accounting matters, financial reporting and internal controls.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Your Company enjoyed a cordial Human Resource and Industrial relationship for the FY 11-12. The Company lays strong emphasis on attracting and retaining the best talent. Personal developmental initiatives including training, both technical and managerial, are regularly conducted to enhance human potential. The management is committed to providing an empowered, performance oriented and stimulating work environment to its employee to enable them realize their full potential.

ACKNOWLEDGEMENTS

Your Directors are highly grateful for all the guidance, support and assistance received from the Government of India, Government of various states, Financial Institutions and Banks. Your Directors thank all shareholders, esteemed customers, suppliers, business associates and employees of the Fedders Lloyd for their faith, trust and confidence reposed in the Company. Your Directors wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.

Your Directors would need this continued support to achieve the goals they set for your Company in the years ahead.

For and on behalf of the Board of Directors

Place: New Delhi
Date: November 28, 2012

Brij Raj Punj
Chairman & Managing Director



ANNEXURE TO THE DIRECTORS' REPORT

Disclosure of Information with regard to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

A. Conservation of energy

Your Company believes that energy is vital for economic growth and social development, and must therefore be conserved and used judiciously. During the year, your Company took adequate measures to optimize use of energy through improved operational methods. Our Energy efficiency drive includes:

- Energy Efficient Lighting in all buildings, office space and factory premises of the Company.
- Continuous Energy Conservation measures are being taken at all plants and sites by continuous monitoring of all processes to prevent energy wastage on an ongoing basis like switching off of machineries and equipments during idle hours, time adjustments of plant as per load shedding plans, power factor monitoring with capacitive controls.
- To conserve energy we have started using more sophisticated Machinery which can do more work in lesser time and thereby reducing the requirement of equipment that programmes to maximize saving in two specific areas of Electric Energy and Fuel oil consumption.
- Using 5 star rated Air Conditioners to reduce power consumption.

B. Technology absorption, adaptation and innovation

Your Company understands the importance of R&D in augmenting its customers' businesses and is committed to providing the world-class services to them. The technology can help to drive business outcomes by improving operations, build customer relationships and partnerships and drive innovation.

We are committed to undertake continuous improvement and innovation in the areas of new material, new technology and alternate sourcing to be applied in development of products. Our dedicated R&D team provides our customers with fully-tested solutions that increase their performance and make them more competitive while complying with more stringent environmental regulations. On-going R&D ensures that our customers benefit from:

- Latest developments in emissions control technologies
- Increasingly efficient processes
- operational flexibility

In R&D, we work closely with our customers to deliver reliable, sustainable, high-quality Engineering solutions at a competitive cost/performance ratio.

Benefits derived as a result of the above R&D:

- i. Competing with Global Companies in the global market.
- ii. Wastage control, reduction in manufacturing cost.

- iii. The Company is able to meet the stringent customer specifications thus capturing the market.
- iv. Achievement of newer process and product improvements level to develop the products eco-friendly and competitive.

Future Plan of action:

The Company will continue its efforts in improving the quality standard of products to meet the local and global challenges.

C. Expenditure incurred for Research & Development

Capital Expenditure : NIL

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

D. Foreign exchange earnings and outgo:

Your Company continued to focus on emerging market globally. Each business division of the Company dedicatedly work for giving impetus to exports. The Company has representative offices in various countries to explore new markets and expand the reach of its products and services globally. Your Company regularly participates in prestigious international exhibitions. The Company continuously strives to develop new export markets for its products and services. During the year, the Company has following foreign exchange earnings and outgo:

Foreign Exchange earned:Rs. 1817.98 Millions

Foreign Exchange outgo:Rs. 870.46 Millions

E. 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 June 30, 2012

S. No.	Name of Employee	Age	Designation	Gross Remuneration (Rs.)	Qualification	Experience	Date of Joining	Last Employment
1.	Mr. Brij Raj Punj	67	Managing Director	77,79,500	B.E.	41 years	02.06.1980	-
2.	Mr. S.S. Dhawan	57	Whole Time Director	91,88,460	MBA	39 years	10.02.2000	Western Foods Ltd.

Note: Remuneration includes Salary, allowances, taxable perquisites, commission payable and Company's contribution to provident fund.



Management Discussion & Analysis Report



LIVE THE FUTURE

INDIAN ECONOMIC SCENARIO

The overall GDP growth for the year 2011-12 was 6.5 per cent as compared with 8.4 per cent in 2010-11 and 8 per cent in 2009-10. CRISIL recently lowered India's GDP growth forecast for 2012-13 to 6.5% from its March 2012 estimate of 7.0%. The forecast has been scaled down in view of rising downside risks from recession in the Eurozone, muted domestic investment demand, a domestic policy logjam, and limited fiscal and monetary space to stimulate the economy.

Persistently high inflation has dogged India's economy for a number of years now and even with monthly increase in the country's key interest rates, increase in fuel prices continued to be a significant thorn in the side of India's economy and its quest for stabilisation and increased growth. The value of the rupee against the dollar has also played a material part in the destabilisation of India's economy over the last few months in particular. As reported by the BBC, since July last year, the Indian rupee has seen one of the biggest declines among Asian currencies against the dollar – dropping by more than 27%.

While India's government has attempted to introduce new policies to help battle the country's economic decline, many analysts feel there is a major lack of impetus as well as a clear, realistic growth plan. In addition, some important new economic reforms particularly those which will allow greater foreign investment in India, have been delayed, for over a year.

In spite of all these adverse factors, India remains among the fastest growing economies globally. Government is aiming for 8.2 per cent growth rate in the 12th Plan Period (2012-2017). According to Mr Ben Bernanke, Chairman, US Federal Reserve "India is clearly becoming a more and more important player on the world stage in G20 context, in terms of its role in the global economy. It is very useful for us to exchange ideas and build the basis for future collaboration".

GLOBAL ECONOMIC CONDITIONS AND IMPACTS

Global growth remains historically low for the second year running with major centers of economic activity—particularly large emerging economies and key advanced economies—expected to slow in 2012-13, confirming the belief that the global economy is troubled by a slow and weak recovery. As in previous years, growth remains unequally distributed. Emerging and developing countries are growing faster than advanced economies, steadily closing the income gap.

The economic crisis over the advanced economies is still looming large, especially in Europe. The slow rates of growth in US and Europe have an adverse impact on India's exports both of goods and services.

“India remains among the fastest growing economies globally.”

Countries	2007	2008	2009	2010	2011
India	9.8	3.9	8.2	9.6	6.9
USA	1.9	-0.4	-3.5	3	1.7
China	14.2	9.6	9.2	10.4	9.3
Japan	2.2	-1	-5.5	4.4	-0.7
Brazil	6.1	5.2	-0.3	7.5	2.7
Russia	8.5	5.2	-7.8	4.3	4.3

Source: World Bank

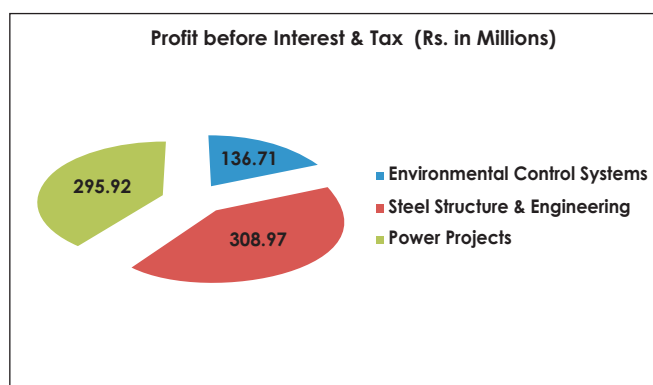
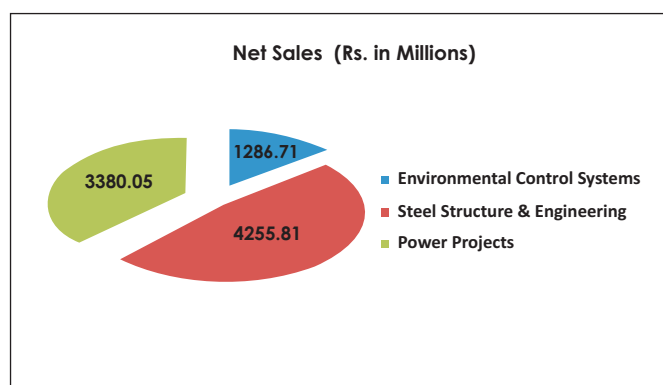
OVERVIEW ABOUT THE COMPANY

Fedders Lloyd Corporation Limited has a strong track record of providing customized solution on turnkey basis to its customers in Railway, Defence, Telecom, Environmental Control and Infrastructure sectors. The Company is engaged in executing turnkey projects in the areas of Environmental Control Systems for industrial and customized application including manufacturing products for railway application such as HVAC for Passenger coaches / Locomotive / Metro rails; Infrastructure, involving manufacturing, engineering, designing of Steel Structures for power plants, refineries, railways, pre-engineered buildings and supply of towers for Wind Turbines; and Energy Sector comprising of distribution and transmission of power and sub-stations, manufacture, railway electrification work for Indian Railways. During the year, the Company has strategically assigned the Intangible Rights, Title and Interest in the 'LLOYD' Blue Logo and Distribution Network pertaining to Consumer Durable Products including other HVAC Products to M/s Lloyd Electric and Engineering Limited to focus on the business of executing turnkey projects in the areas of Infrastructure, Energy Sector and Environmental Control Systems for Industrial and Customized applications and distinguishing itself from the retail business of Consumer Durable Products.

COMPANY'S PERFORMANCE

Volatility exchange, high interest rates and inflation continued to be an enormous challenge. The Company's total revenue was Rs. 9061.79 Million as compared to Rs. 8483.73 Million in the last year. In view of this difficult situation, the Profit after tax was marginally lower at Rs. 446.65 Million, as against Rs. 465.06 Million in the previous year.

SEGMENTAL OVERVIEW, RESULTS AND OPERATIONS



INDUSTRY STRUCTURE, DEVELOPMENTS, OUTLOOK AND PERFORMANCE

SEGMENT-WISE ANALYSIS

ENVIRONMENTAL CONTROL SYSTEMS

Global demand for HVAC equipment is forecast to rise 6.1 per cent yearly through 2016 to \$107 billion. Economic recovery and the corresponding improvement in construction activity in several key markets, particularly the large US market, through 2016 will boost gains. Demand growth in the Asia/Pacific region will also outpace the global average, increasing 7.1 percent per year through 2014. China will be the fastest growing national market and comprise about 40 per cent of the growth in global demand. Above-average growth will also occur in India due to solid gains in building construction expenditures, a growing number of households and rising per capita incomes.

During the year, the Environmental Control Systems Division further consolidated its position in the market in respect of Air Conditioners for Locomotive Driver Cabs for Railways with repeat orders for the same. The supply in respect of another mega project for supply of Environmental Control Systems for BMP ICVs was concluded and the necessary fitment programme in various user locations was commenced. Repeat order for Air Conditioning Systems for BMP Ambulance was taken up for production.

The division has taken up development work for new concepts such as switching over to eco-friendly refrigerant for railway air conditioning systems and also for new concept of reverse cycle cooling/heating system of rail coaches have been consolidated with successful field trials.

In spite of reduced investments in the Railways, Defense and Telecom segments, the Division has applied competitive strategy to retain significant level of share in its favour. The Division is actively taking part in business promotion activities being organized globally. These efforts are expected to work in favour of enhancing the company image in the international arena in respect of the initiatives taken.

STEEL STRUCTURES & ENGINEERING

The steel structures (SS) market in India is in excess of 4.5 Mn. MT, growing at a rapid pace of more than 10% p.a. over the past few years. This market has experienced a higher growth compared to both Indian steel industry as well as Indian construction GDP. Overall construction sector accounts for majority (greater than 80%) of the steel structures market (volume terms) in India, which is further classified in the following three segments:

- Industry - Accounts for more than 50% of demand, primarily driven by steel industry.
- Infrastructure - With an overall focus on development of infrastructure, a high demand for steel structures is seen within this segment. Power sector remains the key demand driver considering the Indian Government's ambitious target of adding ~140,000 MW of additional generation capacity in 11th and 12th plan.
- Buildings - Steel structures (especially PEBs) have a strong presence in factory / warehouse buildings segment. Future potential in high rise buildings could be significant, considering the fast pace of construction desired and scarcity of land in large metropolitan areas.

With continued focus by the government towards development of core infrastructure such as power, airports, railways, etc., early indications of revival in industrial sector and probable shift in preference from concrete towards steel structures in the buildings segment, the structural steel demand in India is likely to be robust over next few years despite global economic slowdown. Oil and gas, petrochemicals, cement and fertilizers are also responsible for boosting demand for structural steel, which also remains the default material within the power sector, driven by huge investment and capacity additions in new power plants and transmission towers. Increased government spending in the

infrastructure segment, estimated to the tune of \$1 trillion over the next five years is expected to result in massive demand, especially from air- and sea ports, railway stations and bridges, and metro rail. Private sector investments in telecom towers and shipyards are some of the other drivers for structural steel demand within the infrastructure segment.

Besides the above, the construction sector is a major employment driver, being the second largest employer in the country after agriculture. It also has extensive backward and forward linkages with other sectors of the economy. Therefore, Infrastructure growth is necessary for the growth of the overall economy and the Government policies and budgets have been progressively geared to promote infrastructure development.

The Steel Structure & Engineering business of the Company caters to Structural Steel Buildings having focus on turnkey solutions, i.e., design, fabrication, erection, Supply & maintenance. The division provides complete Steel Structure & Engineering solutions in:

- Field Erection of Structural Steel
- Shop Drawings and Detailing
- Design, Fabrication and Erection of Pre-Engineered and Pre-fabricated Steel Building Structures for clients as per their technical specifications
- On Site Fabrication & Erection Works

The Steel Structures & Engineering business of the Company is equipped with highly experienced engineers for designing any Prefabricated Structure with latest design and technology.

During the year, the Company had shifted the Sikandrabad Steel Structure & Fabrication facility from leased premises to Company's owned premises. The plant was made operational during the year with installed capacity of 24000 MT annually. During the year, the Company has also installed Modern Manufacturing Facility at Ranipet, Tamil Naidu with capacity of 10000 MT Annually.

SCAFFOLDING & FORM WORKS

Fedders Lloyd Corporation Limited (Formwork & Scaffolding Div.) is actively engaged in providing solution to the construction sector. The accompanying market share provides an extremely comprehensive response to all of the requirements of the Indian Construction Industry.

The Formwork & Scaffolding Division of the Company has come up with versatile systems to serve all type of construction and current business demand which includes Cup lock System, Decking System, Composite Recovery System, Column Formwork System, Wall Formwork System, Lift Formwork System, Tunnel Formwork System. Fedders Lloyd provides one of the best staging structures being used in construction industry, which relies on securing nodes with two cups rather than with wedges, nuts and bolts. It provides a fast, multifarious and streamlined system of commissioning projects related to this field of work. It offers a fast solution for securing up to four horizontals at a time through a reliable top cup that makes the joint firm and stiff. All incorporated systems used by the Company are easy to erect and dismantle, and requires minimal maintenance, labour and uses no components like nuts, bolts and wedges. It is best for access or formwork support and has high load bearing capacities.

WIND TOWER DIVISION

Despite serious macro-economic turbulence in the year 2011-12, the wind market continued its strong growth momentum. Wind energy business is growing at 30% in India and is poised to grow at 40% in next few years due to the target fixed by Planning Commission in 12th Five year plan; secondly there will be huge demand for MW series turbines in replacement market.



India stands 4th in the World for production of power through renewable energy. Recently Planning Commission has fixed target of 20000MW energy production by wind alone during 12th five year plan. The present production rate of wind turbines is to be tripled to achieve this target. Volume of business generated will be about 28 billion USD. In addition, Government of India offers several initiatives like abolishing of income tax on income generated from wind energy, generator based incentive of 50 paisa per unit. Hence wind industry business will be more vibrant for next 25 years.

While on the one hand global economic turmoil has precipitated a slowdown in investment across the board, long-term factors such as energy security concerns, climate change mitigation, global treaties like the Kyoto Protocol and national / regional targets, and - most important - the increasingly competitive cost of wind energy, will continue to drive considerable positive momentum in the sector. 2012 is projected by industry analysts to be one of the strongest years for the sector, with installations independently estimated to grow by over 20 per cent year-on-year. Markets are expected to grow at a rate of over seven per cent CAGR in the next four year period, between 2012 and 2016; and the share of wind power in global electricity generation is projected to increase to nearly eight per cent by 2020, up from the current 2.3 per cent.

Fedders Lloyd's newly established Wind Tower plant is setup on a sprawling 40 acres land, well connected by sea port, railway & national highway with ample scope for expansion and has commenced its operations during the last quarter of the year. The plant was inaugurated by Shri. Narendra Modi, Honourable Chief Minister, Gujarat on 13th April 2012. Main products of the plant are wind turbine towers up to 3MW & heavy steel fabricated components for oil & gas exploration, power producing equipments (thermal, gas, hydro, nuclear), infrastructure & other allied engineering industries.

Since the entire world is encouraging renewable energy to arrest global warming, the present economic depression has no effect on Wind Energy business and plant production capacity is already booked for 2013-2014. Wind Tower Plant of Fedders Lloyd is so designed and equipped that the plant is suitable for multi-product manufacturing like Wind Towers, heavy steel fabricated / machine components required for power producing equipment through gas, hydro, thermal & nuclear.

POWER TRANSMISSION & DISTRIBUTION

An efficient power supply system is a key requirement for a nation's economic growth and good quality life of its citizens. Assured availability of quality power at a reasonable cost will not only act as a catalyst in the socio-economic development of the country, but also enhance the global competitiveness of the industrial sector. It will also lead to enhanced employment generation and per capita income levels. Supporting the complete value chain in power generation, transmission and distribution, is not only crucial for the economy, but is also of strategic importance for India.

Global electricity consumption is expected to reach ~29000 TWh by 2030, growing at an average rate of 2.4% per annum. To fulfil this demand, US\$ 13.7 trillion worth of investments are required in the power sector — US\$ 7.2 trillion in generation, US\$ 2 trillion in transmission and US\$ 4.5 trillion in distribution. India is not far behind with significant impetus being given to the power sector. In the Twelfth Five Year Plan, around 78 GW of power generation capacity is expected to be added, while another 100 GW is expected in the Thirteenth Five Year Plan. During the Twelfth Five Year Plan, investments are expected to be worth around US\$ 85 bn in generation, US\$ 45 bn in transmission and US\$ 70 bn in distribution.

Transmission segment plays a key role in transmitting power to various distribution entities across India. However, the investment in transmission infrastructure has been half of that on generation, leading to major inadequacies in the transmission system.

The Ministry of Power has implemented the following initiatives to improve the overall performance of the transmission sector:

- Private sector participation in transmission
- Development of National Power Grid

Investment in new technology and modernization, such as the smart grids, is expected to pave way for energy efficient transmission and distribution in the coming years. Distribution of electricity in India is largely operated by states, with only 5–7% being distributed by private players. The following are key initiatives that the Indian government has taken to improve distribution:

- Restructured Accelerated Power Development Reform Programme (R-APDRP): This programme focuses on actual, demonstrable performance in terms of sustained loss reduction. It aims to establish reliable and automated systems for sustained collection of accurate base line data. It also adopts IT in areas of energy accounting before implementing distribution-strengthening projects, consumer attitude surveys, etc.
- Franchise model: This model offers public and private partnership (PPP) opportunities, in which the franchisee does not need to have a separate distribution license. The licensee supplies electricity to the franchisee at a predetermined price according to the franchisee agreement. The franchisee retains a pre-defined portion of the revenue as —"charge."

Lack of adequate T&D infrastructure and the need to modernise the existing infrastructure calls for significant funding and business potential in this sector. India's power market is the fifth largest in the world, possessing a vast opportunity for growth in the field of power generation, transmission and distribution. This has called for some strategic initiatives by the government like Ultra Mega Power Projects (UMPPs) initiative, development of hydro power, national grid for power transmission, rural electrification. Our team of engineers, planners and environmental specialists provides a full set of services required within the Power T&D Industry.

At Fedders Lloyd, we provide the full range of services related to the planning, design and construction management of high and very high voltage alternating and direct current electric power transmission systems, as well as with medium and low voltage distribution networks and supervisory control systems.

At domestic front, Power Transmission & Distribution division of the Company provides turnkey Execution of Power Transmission Line & Substation Projects up to 400KV Class. The division focuses on the entire chain of Power Evacuation & Delivery till Secondary Power Distribution Networks. The Company has established design, engineering and project management teams to undertake EPC contracting of Transmission and Distribution infrastructure with Utilities/State Transmission Companies/ Independent Power Producers covering:-

- A. EHV Transmission Lines upto 765 kV.
- B. EHV Substations upto 400 kV
- C. Sub Transmission and Distribution Projects
- D. Rural Electrification Projects covered under APDRP/WB-ADB funded Plans.

INTERNATIONAL PROJECTS DIVISION

The International Projects Division of the Company undertakes Global Infrastructure Projects on Turnkey basis from concept to commissioning state in Power, infrastructure and other industrial projects undertaken through International Competitive bidding against various projects funded by multilateral and bilateral funding agencies i.e., World Bank, Asian Development Bank, African Development Bank, European Bank of Reconstruction and Development and Exim Bank of India Line of Credit.



During the year, the International Projects Division of the Company has been awarded various prestigious contracts in Ethiopia, Myanmar, Nigeria, Uganda, Rwanda, Ghana and Kenya funded by the multilateral and bilateral funding agencies.

RISKS AND CONCERNS

Inflation and rise in commodity prices have been major concerns for most part of the last fiscal year and continues to be a concern. The worsening Eurozone recession could threaten the fragile economic recovery in the US, and create downside risks to our baseline GDP growth forecast (6.5%) for India in 2012-13. However, with sound policies, improved governance and faster implementation of critical projects, the economy would be able to overcome the challenges. The uppermost priority is to re-gain the confidence of the investors by improving the investment climate. The business depends on policies adopted by Government of India and country's economic conditions. There are enormous investment opportunities for private players across the various infrastructure projects. Therefore, the entry of more private players into the Industry has resulted in increased competition. Due to more competition, the profit margins are shrinking. With well-trained employees & dedicated engineers, the Company is capable of overcoming the risks & concerns for the business.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of business. These procedures are designed to ensure that:

- All assets and resources are acquired economically, used efficiently and are adequately protected;
- Significant financial, managerial and operating information is accurate, reliable and is provided timely;
- All internal policies and statutory guidelines are complied with.

The internal control systems are supplemented by extensive audits by internal auditors. The regular internal audit and checks ensure that responsibilities are executed effectively across the organization. The audit Committee of the Board of Directors reviews the adequacy and effectiveness of the internal control systems and also suggest improvements for strengthening the same.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company continues to lay emphasis on people, its most valuable resource. In an increasingly competitive market for human resources, it focuses on attracting and retaining the right talent. In line with changing market requirements, the knowledge and skills of employees are continuously upgraded. The Company firmly believes that motivated and empowered employees are the cornerstone of competitive advantage. The Company's employee value proposition is based on a strong focus on employee development, providing a satisfying work environment, performance appraisal and counselling and appropriate empowerment. Processes such as performance improvement, talent management and competency management are platforms for individual development.

The Company continues to maintain and enjoy a cordial relationship with its employees, providing positive environment to improve efficiency with regular investments in upgrading the knowledge and skills of the employees.

Cautionary Statement:

Statements in 'Management Discussion and Analysis' describing Company's objectives, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. These statements describe our objectives, plans and goals and are subject to certain risks and uncertainties, which are already, mentioned in the report itself. Actual results could therefore differ materially from those expressed or implied.

Report on Corporate Governance



LIVE THE FUTURE

1. THE COMPANY'S GOVERNANCE PHILOSOPHY

Corporate Governance is about commitment to values and ethical business conduct and striking an appropriate balance of accountability and initializing an effective mechanism for good transparency and corrective action for bad decisions and safeguarding the integrity. Corporate governance involves a set of relationships between a Company's management, its Board, its shareholders and other stakeholders. It provides structure to set the objectives, the means to attain them and monitor the performance. It is a commitment to the business ethics and values and not limited to compliances and transparency. Sound corporate governance helps companies in taking informed business decisions together with earning trust of all stakeholders. Your Company subscribes fully to the best management practices, compliance of law and adherence to ethical standards and thereby embeds the principles of integrity, accountability, transparency, professionalization, trusteeship and corporate social responsibility in their system. It ensures compliance to applicable laws, rules, regulations and guidelines - in letter and spirit. It benchmarks, evaluates, updates its governance principles and guidelines from time-to-time in order to maintain transparency and trustworthiness.

We at Fedders Lloyd Corporation Limited believe that sound corporate governance is critical to enhance and retain the investors trust and confidence and accordingly we endeavour to enhance the long term shareholder value. As responsible corporate citizen, Fedders Lloyd encourages and recognizes employee participation that contributes to organizational sustainability.

2. BOARD OF DIRECTORS

2.1 COMPOSITION AND CATEGORY OF DIRECTORS

The Company's Board is an optimum combination of Executive, Non-Executive and Independent Directors presenting the judicious mix of professionalism, knowledge and experience. The Board comprises of Five (5) Directors, among them Three (3) Non-Executive Independent Directors, Two (2) Executive Directors, one of whom is Managing Director. The Independent Directors do not have any pecuniary relationship or transactions with the Company, promoters, and management, which may affect independence or judgment of the Directors in any manner. The members of our Board are from diverse back-grounds with skills and experience in critical areas like engineering, technology, finance, entrepreneurship and general management. The Board reviews its strength and composition from time to time to ensure that it remains aligned with the statutory as well as business requirements. The composition of the Board of Directors of the Company is in conformity with the provisions of the Companies Act, 1956 as well as Clause 49 of the Listing Agreements with the Stock Exchanges.

2.2 BOARD FUNCTIONING AND PROCEDURE

The Board of Directors oversees the overall functioning of the Company and take the strategic decision and define the management policies in the best interest of the Company and its stakeholders. The information as required under



LIVE THE FUTURE

Clause 49 of the Listing Agreement is being made available to the Board in their respective meetings. The members of the Board express their opinion and decisions are taken on the basis of consensus arrived at after detailed discussion. They are also free to bring up any matter for discussion at the Board Meetings. During the financial year ended June 30, 2012, the Board met Six (6) times i.e. on August 11, 2011, September 08, 2011, November 10, 2011, December 01, 2011, February 06, 2012 and May 14, 2012. Requisite information as per the requirement of Clause 49 of the Listing Agreement is provided in the following table:

Name of the Director	Director Identification Number	Category	No. of Directorship in other Public Companies ³	No. of Committees Positions held in Other Public Companies ⁴		No. of Board Meeting held	No. of Board Meeting attended	Whether attended last AGM
				Chairman	Member			
Mr. Brij Raj Punj	00080956	Non-Independent and Executive Director	2	NIL	NIL	6	6	YES
Mr. Sham Sunder Dhawan	00528056	Non-Independent and Executive Director	NIL	NIL	NIL	6	6	YES
Mr. Tulsi Vansh Prakash Punj ¹	00080792	Non-Independent and Non- Executive Director	NIL	NIL	NIL	6	0	NO
Mr. Krishan Lall	00555967	Independent and Non- Executive Director	3	2	NIL	6	6	YES
Mr. Sham Sunder Kumar ²	00641539	Independent and Non- Executive Director	NIL	NIL	NIL	6	0	NO
Mr. Surjit Krishan Sharma	00058581	Independent and Non- Executive Director	1	NIL	2	6	6	NO
Mr. Ajay Dogra	02430117	Independent and Non- Executive Director	NIL	NIL	NIL	6	4	NO

Notes:

1. Mr. Tulsi Vansh Prakash Punj, Non-Independent and Non- Executive Director resigned from directorship w.e.f. May 11, 2012.
2. Mr. Sham Sunder Kumar, Independent and Non- Executive Director has passed away on June 06, 2012.
3. Directorships held by directors as mentioned above, do not include directorship held in foreign companies, private limited companies and companies under Section 25 of the Companies Act, 1956.
4. Committees considered for the purpose are those prescribed under Clause 49(I)(C)(ii) of the listing agreement(s) viz. audit Committee and shareholders/investors grievance Committee of Indian public limited companies.

3. BOARD COMMITTEE

In compliance with the listing Agreements and to focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted various committees with specific terms of reference and scope. The Committees operate as empowered representation of the Board as per their charter/terms of reference. Constitution and charter of the Board Committees are given herein below.

3.1 AUDIT COMMITTEE

(a) CONSTITUTION AND TERMS OF REFERENCE

The Audit Committee comprises of three (3) Non-Executive Directors. The Chairman as well as all other Audit Committee members are Independent Directors. The Company Secretary acts as the Secretary to the Audit Committee. The terms of reference and scope of the activities of the Audit Committee are as set out in Clause 49 of the Listing Agreement with the Stock Exchanges, as well as in Section 292A of the Companies Act, 1956. The Audit Committee provides directions to and reviews functions of the Company's audit department. The Committee evaluates internal audit policies, plans procedures and performance and reviews the other functions through various internal audit reports. Quarterly and annual accounts are placed before the Audit Committee, prior to being presented to the Board along with the recommendations of the Audit Committee. All the members of the Audit Committee are financially literate and have accounting or related financial management expertise.

The Audit Committee of the Company is responsible for:

- Effective supervision of the financial reporting process, ensuring financial, accounting and compliance with established policies and procedures to ensure that the financial statements are correct, sufficient and credible.
- Reviewing the quarterly financial statements with the management before submission to the Board for approval.
- Reviewing the annual financial statements with primary focus on matters required to be included in the Directors' Responsibility Statement, accounting policies and practices, compliance with the accounting standards and guidelines of Stock Exchange(s), major accounting entries & related party transactions.
- Appointment/ re-appointment of the statutory auditors, fixation of audit fee and also approving payment for any other services.
- Evaluating the adequacy of internal controls and internal audit function and its effectiveness.
- Reviewing the Company's financial and risk management policies.
- The reports furnished by the internal auditors, discussions with internal auditors on any significant findings and ensuring suitable follow up thereon.
- Discussing with external auditors before the audit commences, the nature and scope of audit. Also post audit discussion to ascertain any area of concern.
- Looking into reasons for substantial defaults in the payments to the shareholders and creditors.

(b) COMPOSITION, MEETING AND ATTENDANCE

During the financial year ended June 30, 2012, the Audit Committee met Five (5) times i.e. on August 11, 2011, November 10, 2011, December 01, 2011, February 06, 2012 and May 14, 2012. The composition and the attendance of members at the meetings held during the financial year ended June 30, 2012, are given below:

Name	Designation	Number of Meeting held	Number of Meeting Attended
Mr. Krishan Lall	Chairman	5	5
Mr. Surjit Krishan Sharma	Member	5	5
Mr. Sham Sunder Kumar ¹	Member	5	0
Mr. Ajay Dogra	Member	5	3
Mr. Tuls Vansh Prakash Punj ²	Member	5	0

Notes:

1. Mr. Sham Sunder Kumar, Independent and Non- Executive Director has passed away on June 06, 2012.
2. Mr. Tuls Vansh Prakash Punj, Non-Independent and Non- Executive Director resigned from directorship w.e.f. May 11, 2012.



3.2 REMUNERATION COMMITTEE

(a) CONSTITUTION AND TERMS OF REFERENCE

The Remuneration Committee is a non- mandatory requirement of Clause 49 of the Listing Agreement. The Remuneration Committee was constituted keeping in view its philosophy of voluntary transparency in operations and to review and recommend the payment of annual salaries, commission, vary and/ or modify the terms and conditions of the appointment/ re-appointment including remuneration and perquisites, commission etc. payable to Managing Director and Whole Time Director. The Committee takes into consideration the best remuneration practices being followed in the industry and the overall performance of the Company and the performance of the concerned Director while fixing appropriate remuneration packages.

(b) COMPOSITION, MEETING AND ATTENDANCE

During the financial year ended June 30, 2012, 1 (one) meeting was held during the financial year. The composition of the Committee during financial year ended 30th June, 2012 is given below:

Name of Directors	Designation	Number of Meeting held	Number of Meeting Attended
Mr. Krishan Lall	Chairman	1	1
Mr. Surjit Krishan Sharma	Member	1	1
Mr. Ajay Dogra	Member	1	1
Mr. Sham Sunder Kumar ¹	Member	1	0
Mr. Tulsi Vansh Prakash Punj ²	Member	1	0

The Company Secretary acts as the secretary to the Committee.

1. Mr. Sham Sunder Kumar, Independent and Non- Executive Director has passed away on June 06, 2012.
2. Mr. Tulsi Vansh Prakash Punj, Non-Independent and Non- Executive Director resigned from directorship w.e.f. May 11, 2012.

REMUNERATION POLICY

Remuneration paid to Executive Directors

The remuneration paid to the Executive Director is recommended by the Remuneration Committee and approved by the Board of Directors in the Board Meeting, subject to the subsequent approval by the shareholders at the general meeting and such other authorities, as the case may be.

The remuneration is fixed considering various factors such as qualification, experience, expertise prevailing remuneration in the industry and financial position of the Company. The details of remuneration paid to Executive Directors during the financial year ended June 30, 2012 is as under:

The details of remuneration paid to Executive Directors during the financial year ended June 30, 2012

S. No.	Name of the Directors	Salary (Rs.)	Perquisites and other benefits (Rs.)	Provident Fund (Rs.)	Total (Rs.)
1.	Mr. Brij Raj Punj	48,00,000	24,03,500	5,76,000	77,79,500
2.	Mr. Sham Sunder Dhawan	35,70,000	51,90,060	4,28,400	91,88,460

Remuneration paid to Non-Executive Directors

The Non- Executive directors are paid sitting fees of Rs 15,000 for each meeting of the Board attended by them. The sitting fees paid to the Non- Executive directors was increased from Rs 10,000 to Rs 15,000/- in the Board Meeting held on May 14, 2012.

During the year under review, following sitting fees was paid to the Non –Executive Directors:

Name of Director	Sitting Fees(Gross)(Rs.)	Paid (Rs.)
Mr. Krishan Lall	65,000	65,000
Mr. Surjit Krishan Sharma	65,000	65,000
Mr. Sham Sunder Kumar	65,000	NIL
Mr. Ajay Dogra	65,000	45,000
Mr. Tulsi Vansh Prakash Punj	65,000	NIL

3.3 SHARE TRANSFER CUM INVESTORS' GRIEVANCE COMMITTEE

(a) CONSTITUTION AND TERMS OF REFERENCE

The Company has a Share Transfer Cum Investors Grievance Committee to specifically look into grievances arising out of issues regarding share transfer, dividends, dematerialization, rematerialization, duplicate share certificates and other allied matters of investor services. The Company has an efficient system of dealing with the investors grievances. The Company Secretary being the Compliance officer takes personal interest in all the matters of concern for investors and carefully looks into each issue and reports the same to the Committee. The Committee oversees performance of the Registrar and Transfer Agents of the Company, and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of the Company's code of conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulation, 1992. To expedite the process of share transfers, the Board has delegated the power of share transfer to Skyline Financial Services Private Limited viz. Registrar and Share Transfer Agent who attends to the share transfer formalities. As on June 30, 2012 no investor complaint is pending.

b) COMPOSITION, MEETING AND ATTENDANCE

As on June 30th, 2012, The Composition of Share Transfer Cum Investor's Grievance Committee is as follows:

S. No.	Name of Directors	Status
1.	Mr. Krishan Lall	Chairman
2.	Mr. Surjit Krishan Sharma	Member
3.	Mr. Ajay Dogra	Member

Notes:

1. The Share Transfer Cum Investor's Grievance Committee was re-constituted in the meeting of Board of Directors held on May 14, 2012,

The Committee meets at least 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 June 30, 2012 the Committee met 36 times.



Company Secretary acts as the secretary to the Committee as well as the Compliance Officer pursuant to Clause 47(a) of the Listing Agreement with the Stock Exchanges.

3.4 COMMITTEE OF BOARD OF DIRECTORS

Apart from these Committees, the Board has constituted a Committee of Directors for taking decisions of routine nature confirming the smooth functioning with respect to day to day affairs of the Company. The Committee consists of five directors namely,

Name	Designation
Mr. Brij Raj Punj	Chairman & Managing Director
Mr. Sham Sunder Dhawan	Whole Time Director
Mr. Krishan Lall	Independent Non-Executive Director
Mr. Surjit Krishan Sharma	Independent Non-Executive Director
Mr. Ajay Dogra	Independent Non-Executive Director

Notes: The Committee was re-constituted in the meeting of Board of Directors held on May 14, 2012.

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 minutes of the Committee of the Board of Directors are placed before the Board of Directors in their next meeting for their consideration and ratification. The Matters referred to the Committee of Board of Directors are:

- To issue Special Power of Attorney to execute various work Contracts of the Company.
- To open/close accounts and change/addition/deletion of the signatories with various banks on behalf of the Company.
- To approve to obtain loan & various Fund based & Non Fund based credit facilities from the Banks & Financial Institutions.
- To execute various Joint venture agreements, lease deeds and other agreements/deeds/contracts on behalf of the Company.
- To obtain Licenses/permissions/sanctions from various statutory/Government authorities' for carrying out smooth operations of the Company.
- To invest surplus funds of the Company in short term investments/loans e.g. bank deposits, inter corporate loans/ deposits, units or shares of other body corporate or to do in any other manner in the best interest of the Company including providing corporate guarantee to other group associate companies and to provide Corporate Guarantee to the Bank to secure the credit facilities granted by the Bank to the subsidiaries/group companies, and that the same are reported to the Board subsequently.
- To enter into Financial Transactions with the Bank including derivative transactions in rupee or any other currency and all foreign exchange transactions.
- To approve risk management policy including risk limits for various risk exposures.

- To authorize officials of the Company to represent on behalf of the Company before regulatory bodies/Governmental or semi governmental authorities etc.
- To carry out day to day business operation of the Company.

The Company Secretary acts as the secretary to the Committee.

Compliance Officer

Ms. Purnima Sharma, Company Secretary acts as Compliance Officer of the Company for complying with the requirements of the listing agreement with the Stock Exchanges and requirements of SEBI(Prohibition of Insider Trading) Regulations, 1992.

GENERAL BODY MEETING

Details of the last three Annual General Meetings of the Company are as follows:

Financial Year	Type of Meeting	Date & Time	Venue	Special Resolution passed thereat
2010-11	AGM	December 29, 2011	Regd. Office: C-4, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P.-201305	Nil
2009-10	AGM	December 29, 2010	Regd. Office: C-4, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P.-201305	Nil
2008-09	AGM	December 29, 2009	Regd. Office: C-4, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P.-201305	Approval u/s 81(1A) of the Companies Act, 1956 for the issue of FCCBs/GDRs/ ADRs and other securities Approval u/s 31 of the Companies Act, 1956 for alteration of the Article of Association for increase in the Authorized Share Capital of the Company.

POSTAL BALLOT

The details of ordinary resolutions passed through postal ballot during the financial year ended June 30, 2012.

Date of Passing	Ordinary Resolution Passed
11.05.2012	The Company conducted the postal ballot during the year to seek approval of shareholders under Section 293(1)(a) of the Companies Act, 1956 to strategically assign all Intangible Rights, Title and Interest in 'LLOYD' Blue Logo and Distribution Network pertaining to Consumer Durable Products including Other HVAC Products to M/s. Lloyd Electric and Engineering Limited



Mr. Sanjay Chugh, Practicing Company Secretary was appointed as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner. He scrutinized the postal ballot forms and submitted his report in following manner:

Particulars	Resolution under Section 293(1)(a) of the Companies Act, 1956
Number of valid postal ballot forms received	20
Votes in favour in resolution	17,760,820
Votes against the resolution	Nil
Number of invalid postal ballot forms received	Nil

The vote cast 'FOR' the Resolution was 100% of the total valid votes cast and vote cast 'AGAINST' the Resolution was Nil of the total valid votes cast.

CODE OF CONDUCT

The Company has adopted a Code of Conduct for all Board Members and Senior Employees of the Company. The Code of Conduct has already been posted on the website of the Company for general viewing. (www.fedderslloyd.com)

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct on annual basis. The Annual Report contains a declaration to this effect signed by the Chairman & Managing Director.

DISCLOSURES

- a) The Board has received disclosures from key managerial personnel relating to material, financial and commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
- a) No penalties were imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority in any matters related to the capital markets during the last three years.
- b) The Company remains committed to the cause of maintaining fair dealing in all its transactions. In furtherance of this philosophy, the Company has constantly ensured that any immoral or unethical activity could be reported by any of its employees directly to the members of the senior management or the Audit Committee, with adequate safeguards against victimizing the whistle-blower.
- c) Your Company has complied with all the mandatory requirements of Clause 49 of the listing Agreement, as applicable. Of the Non mandatory requirements of Clause 49, the Company has adopted the requirement of a Remuneration Committee. Your Company is committed towards complying with Clause 49 as a whole and will take suitable measures as and when possible.
- d) Business is done with a social measure of social accountability and the concept of giving backing fair measure to the society. Your Company has always been conscious of the development in its environment and is taking small but sure steps towards fulfilling its Corporate Social Responsibility (CSR) such as cutting down wasteful expenditure, an environmentally friendly working environment and encouraging innovation in all areas of operation.

MEANS OF COMMUNICATION

Financial Results	Quarterly & Annual Results are published in prominent daily newspaper viz., The Pioneer (English) and Rashtriya Sahara (Hindi-Vernacular). The results are also posted on the Company's website: www.fedderslloyd.com
Management Discussion & Analysis Report	The MD&A Report forms a part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/product wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.
Website	The Company's website is a comprehensive reference on Fedder's Lloyd vision, mission, policies, corporate governance, corporate sustainability, investor relations, updates and news. The section on 'Investors' serves to inform the shareholders by giving complete financial details, corporate benefits, information relating to stock exchanges and registrars & share transfer agents.
Annual Report	Annual Report is circulated to all the members and all others entitled thereto like auditors, equity analyst etc.
Whether Shareholder Information Section forms part of the Annual Report	Yes

GENERAL SHAREHOLDERS INFORMATION

a) **Registered Office** : C-4, Phase-II, Noida,
Distt. Gautam Budh Nagar, U.P-201305

b) **Annual General Meeting**

Day & Date : Thursday, December 27, 2012

Time : 9.00 A. M.

Venue : Regd. Office, C-4, Phase-II, Noida,
Distt. Gautam Budh Nagar, U.P.- 201305

c) **Dates of Book Closure**

The dates of book closure shall be from Saturday, December 22, 2012 to Thursday, December 27, 2012 (both dates inclusive)

d) **Dividend Payment**

The dividend of Re. 1 per equity share for the financial year 2011-12, subject to the approval of the shareholders, has been recommended by the Board of Directors. The same shall be paid on or after December 27, 2012 but within the statutory time limit.



e) Dividend Pay-out date:

On or after December 27, 2012 (within the statutory time limit of 30 days i.e. up to January 26, 2012, subject to the approval of shareholders.

f) Financial Year : 1st July, 2011 to 30th June, 2012

g) Listing of equity shares on Stock Exchanges:

The shares of the Company are listed on The Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

h) Listing Fees to Stock Exchanges:

The Company has paid the listing fees for the year 2011-2012 to the above Stock Exchanges.

i) Custodial Fees to Depositories

The Company has paid custodial fees for the year 2011-2012 to National Securities Depository Limited (NSDL) and Central Depository Services (Indian) Limited (CDSL).

j) Stock Code/ Symbol

Stock Exchange	Stock codes/symbols	ISIN
Bombay Stock Exchange Limited	500139	INE2429C01011
National Stock Exchange Limited	FEDDERLOYD	

k) Unclaimed Dividend

Under the provision of the Companies Act, 1956, dividend unclaimed for a period of seven years statutorily gets transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government, and therefore cannot be claimed by the investors.

The dividend for the following year remaining unclaimed for seven years will be transferred by the Company to IEPF according to the schedule given below:

Financial Year	Date of Declaration	Due date of transfer for IEPF
2005-06 (Interim Dividend)	February 10, 2006	February, 2013
2005-06 (Final Dividend)	December 30, 2006	December, 2013
2006-07 (Final Dividend)	December 29, 2007	December, 2014
2008-09 (Final Dividend)	December 29, 2009	December, 2016
2009-10 (Final Dividend)	December 29, 2010	December, 2017
2010-11 (Final Dividend)	December 29, 2011	December, 2018

Members, who have not so far encashed their dividend warrant(s) or have not received the same, are requested to immediately write to the Company to seek issue of duplicate warrant(s) confirming non encashment/non receipt of dividend warrant(s).

l) Market Price Data

The details of monthly highest and lowest closing price of the equity of the Company and its comparison to broad based indices Sensex (BSE) and Nifty (NSE) during financial year 2011-12 are as under:

Particulars	BSE		NSE	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
July,2011	77.70	70.15	77.80	70.00
August, 2011	81.80	60.15	81.80	59.65
September,2011	73.65	61.10	72.90	63.05
October, 2011	67.95	59.00	72.90	63.05
November, 2011	64.40	48.00	64.40	50.00
December, 2011	62.50	49.00	60.85	50.00
January, 2012	61.00	50.95	62.90	51.05
February, 2012	68.85	56.00	71.00	57.00
March ,2012	73.00	50.55	65.45	50.40
April, 2012	68.00	52.00	63.80	52.50
May, 2012	57.00	48.65	56.50	48.30
June, 2012	53.00	47.00	51.90	47.15

m) Share Transfer System

The equity shares of the Company that are held in dematerialized form are transferred through the depositories without any involvement of the Company. Transfers of shares in physical form of Shares are processed by Share Transfer agent of the Company- M/s. Skyline Financial Services Private limited. Shares lodged for transfer/transmissions are registered and returned within stipulated time period.

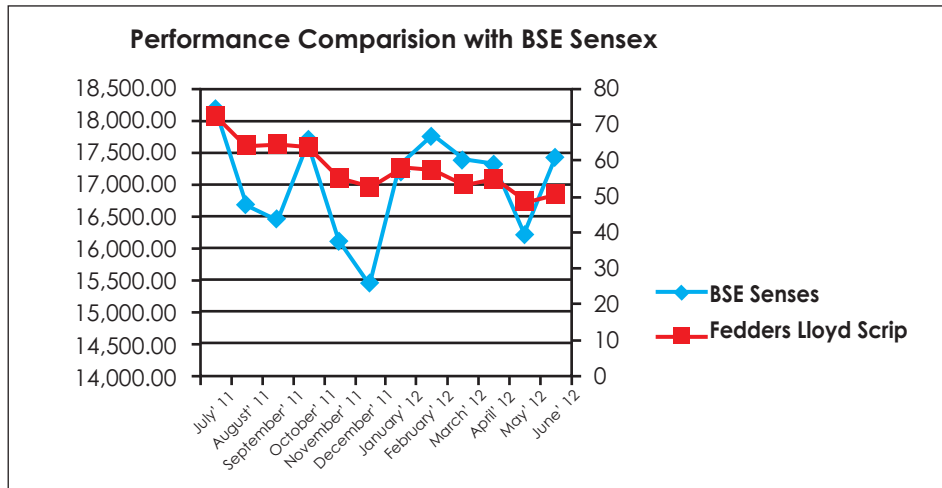
The Company obtains a certificate from a practicing Company Secretary on half-yearly basis to the effect that all the transfers are completed in the statutorily stipulated period. In compliance with Clause 47(c) of the Listing Agreements, a copy of the certificates so received is submitted to both stock exchanges, where the shares of the Company are listed.

The address of RTA is as follow:

M/s Skyline Financial Services Private limited
(Unit: Fedders Lloyd Corporation Limited)
D-153/A, 1st Floor, Okhla Industrial Area,
Phase-1, New Delhi-110020
Tel: +91-11-64732681 to 64732688
Fax: +91-11-26812682
Email:grievances@skylinerta.com



n) Comparison of Fedders Lloyd Corporation Limited scrip movement with SENSEX (BSE Index).



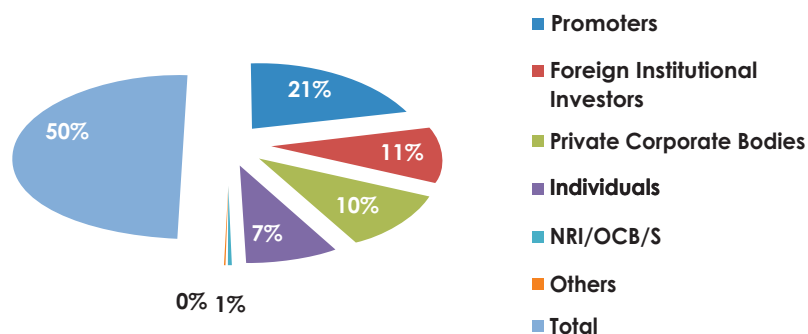
o) Distribution of shareholding as on June 30, 2012

Range of Shares	No. of Shareholders	% of Shareholders	No. of shares held	% of shareholding
Upto - 500	18279	92.30	2440172	7.93
501 - 1000	883	4.46	731025	2.38
1001 - 2000	336	1.70	513860	1.67
2001 - 3000	110	0.56	284741	0.93
3001 - 4000	50	0.25	178200	0.58
4001 - 5000	37	0.19	175064	0.57
5001 - 10000	53	0.27	395470	1.29
10001 and above	56	0.28	26051168	84.67
Total	19804	100.00	30769700	100.00

p) Shareholding Pattern as at June 30, 2012

Category	No. of Shares held	% of shareholding
Promoters	12,906,588	41.95
Mutual funds & UTI	-	-
Banks, Financial Institutions, Insurance Companies	-	-
Central/ State Government	-	-
Foreign Institutional Investors	6,727,019	21.86
Private Corporate Bodies	6,334,163	20.59
Individuals	4,540,597	14.76
NRI/OCB's	249,847	0.81
Others	11,486	0.04
Total	30,769,700	100.00

Shareholding Pattern Graphical view as on June 30, 2012



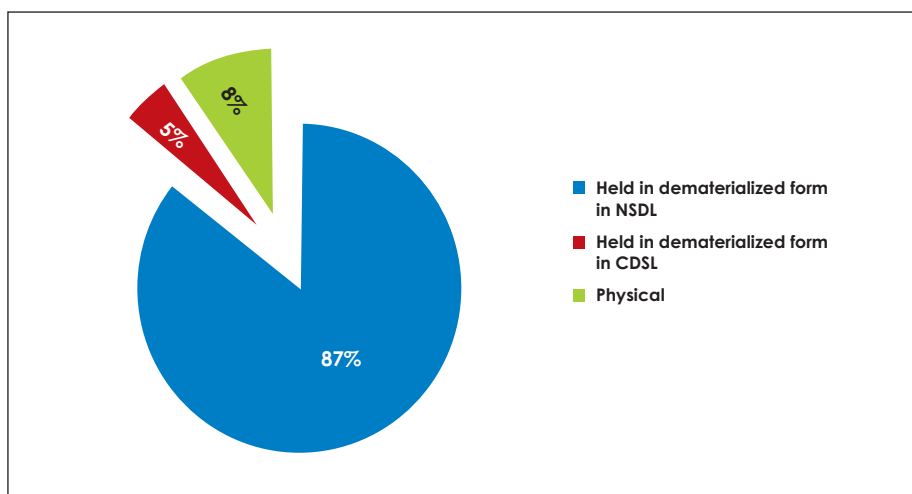
q) Dematerialization of shares and liquidity

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)

The number of shares held in dematerialized and physical mode as on June 30, 2012 is as under:

Particulars	No. of shares	% of Capital issued
Held in dematerialized form in NSDL	26751192	86.94%
Held in dematerialized form in CDSL	1501594	4.88%
Physical	2516914	8.18%
Total	30769700	100.00%

The Company's Shares are regularly traded in Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd.



LIVE THE FUTURE

Plant Locations:

The Company has its manufacturing plant at the following location:

- a) C-4, Phase-II Noida
Distt Gautam Budh Nagar,
U.P-201305
- b) 836, 837, Jambusar – Bharuch road,
Village – Magnad,
Dist – Bharuch, 392150, Gujarat
- c) Saketi Road, Industrial Area,
Kala Amb, Tehsil Nahan,
Distt. Sirmor, Himachal Pradesh
- d) Shed No. 77
Annai Anjugam Nagar
Kundrathur Somaangallam Road
Nandambakkam post, Chennai -600069
- e) Plot No. 24
Sector 2, IIE Pantnagar
Distt. Udham Singh Nagar, Uttarkhand
- f) Plot No-6, 6/1, UPSIDC Industrial Area,
Sikanderabad, UP
- g) Ind. Area, Park-2, Salempur, Mehdood,
Near SIDCUL, Haridwar, Uttarakhand

Subsidiary:

Fedders Lloyd Trading FZE
P.O.:10055, Ras Al Khaimah, United Arab Emirates
Warehouse No. WH 11, Shed No. 18
Industrial Park, Ras Al Khaimah Free Trade Zone Authority

Investor Relations:

For the convenience of our investors, the Company has designated exclusive email id viz. investor.relations@fedderslloyd.com to enable investors to register their complaints.

Certification under Clause 49 of the Listing Agreement:

As required under Clause 49 of the Listing Agreement, required certificates are annexed hereinafter verifying the compliance of conditions of the Corporate Governance by the Company:-

CODE OF CONDUCT DECLARATION

Declaration Affirming Compliance of provisions of Code of Conduct

To

The Members of Fedders Lloyd Corporation Limited

Pursuant to Clause 49 I (D) of the Listing Agreement entered into with the Stock Exchanges, I hereby declare that the Company has obtained affirmative compliance with the Code of Conduct from all the Board members and Senior Management personnel of the Company.

For Fedders Lloyd Corporation Ltd.

Place: New Delhi

Date: November 28, 2012

Brij Raj Punj

Chairman & Managing Director

CEO/ CFO CERTIFICATION

The Board of Directors of Fedders Lloyd Corporation Limited

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 Fedders Lloyd Corporation Limited for the year ended June 30, 2012 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 2011-2012 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:

- a) There have been no significant changes in internal control during the year.
- b) There have been no significant changes in accounting policies during the year
- c) 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

Place: New Delhi

Dated: November 28, 2012

A.A. Siddiqi

A.V.P. (Finance)

Brij Raj Punj

Chairman & Managing Director



Auditors' Certificate on compliance of conditions of Corporate Governance

To

The Members of Fedders Lloyd Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Fedders Lloyd Corporation Limited for the year ended on June 30, 2012 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.

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**

**Brijesh C. Mathur
Partner**

M. No. : 083540

(Firm Registration No. 000891N)

Place: New Delhi

Date: November 28, 2012

Auditor's Report

To the Members,

Fedders Lloyd Corporation Ltd.

We have audited the attached Balance Sheet of **FEDDERS LLOYD CORPORATION LIMITED** as at 30th June 2012 and the related Statement of Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the 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 30th June, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 30th June, 2012 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 financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, 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 30th June, 2012;
 - 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
(Firm Registration No. 000891N)

Place: New Delhi
Dated: 28.11.2012

(BRIJESH C. MATHUR)
Partner
Membership No. 083540



ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2012 OF FEDDERS LLOYD CORPORATION LIMITED

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

- 1.1 The company has maintained records showing full particulars including quantitative details and situation of the Fixed Assets.
- 1.2 A substantial portion of the Fixed Assets has been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- 1.3 According to the information and explanation given to us and in our opinion that the disposal of the fixed assets has not affected the going concern status of the company.
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.
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 and services. 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, the transactions made in pursuance of contracts of 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 provision 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. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for its maintenance of cost records u/s 209(1) (d) of the Companies Act 1956 and are of the opinion that prime-facie, the prescribed accounts and records have been maintained. However, we have not made a detailed examination of the records.
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.
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. According to the records examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues of financial institution or bank or debenture holders.
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 Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
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, fund raised on short-term basis have, prima facie, not been used during the year for long-term investment and vice versa.
18. The Company has not raised any moneys by way of issue of debentures.
19. The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
20. The Company has not raised any money during the year way of public issue.
21. 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
(Firm Registration No. 000891N)

Place: New Delhi
Dated: 28.11.2012

(BRIJESH C. MATHUR)
Partner
Membership No. 083540



Balance Sheet as at 30th June, 2012

(Rs. in Lacs)

Particulars	Note	As at 30.06.2012	As at 30.06.2011
SOURCES OF FUNDS			
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	3,076.97	3,076.97
(b) Reserves and Surplus	2	24,245.21	20,151.65
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	12,704.97	6,685.30
(b) Deferred tax liabilities (Net)	4	83.17	107.20
(c) Long term provisions	5	309.18	267.93
(3) Current Liabilities			
(a) Short-term borrowings	6	22,707.20	19,547.22
(b) Trade payables	7	8,510.41	6,651.95
(c) Other current liabilities	8	4,975.20	2,558.90
(d) Short-term provisions	9	3,046.10	3,664.41
Total		79,658.41	62,711.53
II. Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	10	25,311.12	13,271.75
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		418.74	678.26
(iv) Project Under Development		1,782.45	1,782.45
(b) Non-current investments	11	103.16	98.16
(c) Long term loans and advances	12	4,816.58	951.74
(d) Other non-current assets	13	-	35.01
(2) Current assets			
(a) Inventories	14	21,114.05	19,260.52
(b) Trade receivables	15	20,094.21	17,722.31
(c) Cash and cash equivalents	16	1,302.29	4,941.60
(d) Short-term loans and advances	17	4,715.80	3,969.73
Total		79,658.41	62,711.53

NOTES TO ACCOUNTS

Accompanying Notes are an integral part of the Financial Statements

As per our Report of even date Attached

For Suresh C. Mathur & Co.

Chartered Accountants

Firm Registration No. 000891N

(Brijesh C. Mathur) Purnima Sharma A. A. Siddiqi
Partner Company Secretary AVP Finance

M. No.: 083540

Place : New Delhi

Date : November 28, 2012

For and on behalf of the Board of Directors
of Fedders Lloyd Corporation Ltd.

K.Lall Brij Raj Punj
Director Chairman & Managing Director

Profit & Loss Statement For The Year Ended 30th June, 2012

(Rs. in Lacs)

Particulars	Note	Year Ended 30.06.2012	Year Ended 30.06.2011
I. Income			
Revenue from operations (Gross):	18	90,125.12	86,278.66
Less:- Excise Duty		1,839.41	1,691.35
Revenue from operations (Net)		88,285.71	84,587.31
Sale of Logo		1,387.20	-
Other Income	19	944.97	249.96
Total Revenue (I)		90,617.88	84,837.27
II. Expenses:			
Cost of materials consumed	20	70,208.37	53,848.61
Purchase of Stock-in-Trade		5,594.94	16,225.97
Changes in inventories of Finished Goods, Work-in Progress and Stock-in-Trade	21	(3,918.92)	(1,427.80)
Employee Benefit Expenses	22	2,460.96	2,156.64
Other Expenses	23	5,389.57	4,370.97
Total Expenses (II)		79,734.92	75,174.39
III. Profit before Interest, Depreciation /Amortisation and Tax (EBITDA)	(I - II)	10,882.96	9,662.88
Finance Costs	24	3,551.77	2,867.37
Depreciation & Amortisation	25	1,761.18	1,020.56
IV. Profit before Tax (V - VI)		5,570.01	5,774.95
V. Tax expense:			
(1) Current tax		1,127.57	1,270.49
(2) Deferred tax		(24.03)	(146.18)
VI. Profit(Loss) from the period from continuing operations		4,466.47	4,650.64
VII. Earning per equity share:			
(1) Basic & Diluted		14.52	15.11

As per our Report of even date Attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

For and on behalf of the Board of Directors
of Fedders Lloyd Corporation Ltd.

(Brijesh C. Mathur) Purnima Sharma
Partner Company Secretary

A. A. Siddiqi
AVP Finance

S. S. Dhawan
Director

K.Lall
Director

Brij Raj Punj
Chairman & Managing Director

M. No. : 083540

Place : New Delhi

Date : November 28, 2012



Cash Flow Statement for the Year Ended 30th June 2012

(Rs. in Lacs)

Particulars	Year Ended 30.06.2012		Year Ended 30.06.2011	
A. Cash Flow from Operating Activities:				
Net Profit before tax		5,570.01		5,774.95
Adjustments for :				
Add : Depreciation	1,726.17		985.55	
Preliminary Expenses written off	35.01		35.01	
Provision for Gratuity	64.38			
Interest Paid	2,921.83	4,747.39	2,398.69	3,419.25
Less: Profit on sale of fixed assets	-		(167.64)	
Interest Income	(418.32)		(66.83)	
Gratuity Paid	(23.14)		-	
Export Incentives	(522.76)		-	
Dividend Income	(0.89)	(965.11)	-	(234.47)
Operating profit before working capital changes		9,352.29		8,959.73
Trade & other receivables	(2,383.16)		(5,971.42)	
Inventories	(1,853.52)		(3,432.32)	
Loans & Advances	(4,610.91)		1,594.06	
Short term borrowings	3,159.98		-	
Other Current Liability	2,416.30		-	
Trade & other payable	1,858.46	(1,412.85)	2,070.43	(5,739.25)
Cash generated from operations		7,939.44		3,220.48
Direct tax paid	(780.00)	(780.00)	(1,124.90)	(1,124.90)
Net Cash Flow from Operating Activities		7,159.44		2,095.58
B Cash Flow from Investing Activities:				
Purchase of fixed assets	(13,780.83)		(6,357.19)	
Purchase of investments	(5.00)		(11.66)	
Sale of fixed assets	-		820.35	
Interest received	418.32		66.83	
Dividend received	0.89	(13,366.62)	-	(5,481.67)
Net Cash Flow from Investing Activities		(13,366.62)		(5,481.67)
C Cash Flow from Financial Activities:				
Proceeds from Long Term Borrowing	6,019.67		9,471.01	
Dividend Paid	(461.55)		(307.70)	
Dividend Tax	(74.87)		(51.10)	
Interest paid	(2,921.83)	2,561.42	(2,398.69)	6,713.52
Net Cash Flow from Financing Activities		2,561.42		6,713.52
Net increase/decrease in Cash and Cash Equivalents (A+B+C)		(3,645.76)		3,327.43
Opening Balance of Cash and Cash Equivalents		4,930.11		1,602.68
Closing Balance of Cash and Cash Equivalents		1,284.35		4,930.11
Net increase/ decrease in Cash and Cash Equivalents		(3,645.76)		3,327.43

Refer to our Report of even date

For Suresh C. Mathur & Co.

Chartered Accountants

(Firm Registration No. 000891N)

(Brijesh C. Mathur)

Partner

M. No. : 083540

Purnima Sharma

Company Secretary

A. A. Siddiqi

AVP Finance

S. S. Dhawan

Director

K.Lall

Director

Brij Raj Punj

Chairman & Managing Director

For and on behalf of the Board of Directors

Fedders Lloyd Corporation Ltd.

AUDITOR'S REPORT

We have examined the above Cash Flow Statement of Fedders Lloyd Corporation Limited for the year ended 30th June 2012. 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.:083540

(Firm Registration No. 000891N)

Place : New Delhi

Dated: November 28, 2012

Notes to Financial Statements for the year ended 30th June 2012

ANNEXURE:-1

SIGNIFICANT ACCOUNTING POLICES AS PER FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE, 2012

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- a) The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles, and the Provisions of the Companies Act, 1956 as adopted consistently by the Company.
- b) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the Company.

B. BASIS OF ACCOUNTING

- a) All income and expenditure are recognized on accrual basis.
- b) Sales tax is not passed through Profit & Loss a/c and is therefore not included in sales.
- c) Excise duty & Custom duty are passed through Profit & Loss a/c.
- d) Modvat availed on purchases of raw material and other inputs is reduced from its purchases and accordingly purchase of raw material are stated at net of cost.

C. FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost less accumulated depreciation. The cost including freight & other incidental expenses related to acquisition and installation .

D. DEPRECIATION :

- a) Depreciation on fixed assets (other than land) is charged on written down value method at the rates and in the manner prescribed in schedule XIV of the Companies Act 1956.
- b) Revaluation reserve has been utilised to the extent of amount needed to set-off depreciation on addition to fixed assets on a/c revaluation of assets.

E. ACCOUNTING FOR FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions other than fixed Assets are recorded at exchange rate prevailing at the time of transaction and realized gains and losses on this account are recognized in Profit and Loss Account. There is no foreign currency liability against acquisition of fixed assets at the year end.

F. INVESTMENTS

Investments are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary in the opinion of the management.

G. INVENTORIES

- a) Raw materials, stores and spares and stock-in-transit are valued at cost net of modvat as per the FIFO method after providing for cost of obsolescence value.
- b) Work in progress is valued at cost including related overheads.
- c) Finished goods are valued at lower of cost or net realizable value.
- d) Stock in transit lying in warehouse is valued at cost and does not include custom duty payable.

H. EMPLOYEES RETIREMENT BENEFITS

- a) The company's contribution to the provident fund are charged to profit and loss account.



- b) The Company is taking effective step to get the liability for retirement benefits evaluated from Actuary and to take the LIC Employees Gratuity Scheme Policy.
- c) As per past practice of the company, leave encashment is given as per rules of the company. No Liability is provided.

I. RESEARCH AND DEVELOPMENTS

Revenue expenditure is charged to profit & loss account of the year in which they are incurred.

J. EXCISE DUTY

Excise duty is accounted for as and when the same is paid on the dispatch of goods from factory premises. No provision is made for excise duty in respect of finished products lying in the factory premises.

K. SEGMENT REPORTING:

As per Accounting Standard 17 on segment reporting of ICAI, the Company has reportable segments viz Environmental Control System, Steel Structural & Engineering and Power Projects during the year under review. Accordingly the reporting is done segment wise.

The Company's operations predominantly comprise of manufacturing and sale of Air-conditioning and parts thereof. Sale of Consumer Durable products other than Air-conditioners are insignificant. The geographical segmentations are also insignificant.

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.

M. IMPAIRMENT OF ASSETS

In the opinion of the Company management there is no impairment to the assets to which Accounting Standard - 28 "Impairment of Assets" applied requiring any revenue recognition.

N. TAXATIONS

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act 1961, except for the overseas subsidiaries and joint ventures where current tax provisions is determined based on the local tax laws. Deferred tax is recognized for all timing differences, subject to the consideration of prudence applying the tax rates that have been substantively enacted by the Balance sheet date.

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.

THE BREAKUP OF DEFERRED TAX ASSETS AND LIABILITIES INTO MAJOR COMPONENTS AT THE YEAR ENDED AS BELOW:-

PARTICULARS	AMOUNT (Rs. In Lacs)
Deferred Tax Liabilities	
Depreciation Difference	62.28
Deferred Tax Assets:	
Other Provisions	20.89
Net Deferred Tax Assets	83.17

O. MINIMUM ALTERNATE TAX

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal Income tax during the specified period i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset will be created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

P. BORROWING COSTS:

Borrowing cost that are 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.

Q. 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.

R. DERIVATIVE INSTRUMENTS.

The Company has not entered in to the derivative instruments, Forward contracts 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 and accounted accordingly. Exchange difference arising on such contracts are recognised in the period in which they arise and premium paid/received is accounted as expense/income over the period of the contract.

S. 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 as required by the SEBI on Cash Flow Statement and presents cash flows by operating , investing and financing activities of the Company. Cash and cash equivalent presented in the cash flow statement consists of cash in hand and demand deposits with banks as on the Balance Sheet date.



Notes to Financial Statements for the year ended 30th June 2012

(Rs. in Lacs)

Particulars	As at 30.06.2012	As at 30.06.2011
NOTE:- 1		
SHARE CAPITAL:-		
1. Authorized Capital		
7,00,00,000 Equity Share of Rs. 10/- each (Previous year 7,00,00,000 Equity Share of Rs. 10/- each)	7,000.00	7,000.00
Total Authorized Share Capital	7,000.00	7,000.00
2. Issued & Subscribed Capital		
3,07,69,700 Equity Shares of Rs. 10/- each	3,076.97	3,076.97
	-	-
3. Paid up Capital		
3,07,69,700 Equity Shares of Rs. 10/- each fully paid up (Previous Year 3,07,69,700 equity shares of Rs. 10/- each)	3,076.97	3,076.97
	-	-
	-	-
	-	-
Add:- Equity Shares forfeited (amount originally paid up)	-	-
Total Issued, Subscribed and Fully Paid-up Share Capital	3,076.97	3,076.97

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	30 JUNE, 2012		30 June, 2011	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Shares outstanding at the beginning of the year	30769700	3076.97	30769700	3076.97
Shares Issued during the year	-	-	-	-
Shares outstanding at the End of the year	30769700	3076.97	30769700	3076.97

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to Financial Statements for the year ended 30th June 2012

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	30 JUNE, 2012		30 JUNE, 2011	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares of Rs. 10 each fully paid-up				
Zenith Impex Pvt Ltd	3,510,800	11.41	3,023,476	9.83
Rajul Estates Pvt Ltd	1,903,294	6.19	1,676,416	5.45
Copthall Mauritius Investment Ltd	1,841,087	5.98	1,841,087	5.98
Deutsche Securities Mauritius Ltd	1,691,286	5.50	1,691,286	5.50
Lloyd Sales Pvt Ltd	4,110,821	13.36	4,110,821	13.36
Perfect Radiators & Oil Coolers Pvt Ltd	3,224,348	10.48	3,224,348	10.48
Mr. Brij Raj Punj	1,630,129	5.30	-	-
Citigroup Global Market Mauritius Pvt Ltd	-	-	2,328,570	7.57
Morgan Stanley Mauritius Limited	-	-	1,723,897	5.60

As per the records of the company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Particulars	(Rs. in Lacs)	
	As at 30.06.2012	As at 30.06.2011
NOTE:- 2		
RESERVES AND SURPLUS:		
1) Capital Reserve		
Revaluation Reserve Rs. 1108.40		
Less: Set off depreciation Rs. 15.29	1,093.11	1,108.40
2) Securities Premium Account:	2,563.99	2,563.99
Less: Debenture issue Expenses		
3) General Reserve:		
Opening balance	15,555.31	12,155.31
Add: Transfer from Profit & Loss a/c	3,500.00	3,400.00
	19,055.31	15,555.31
4) Profit & Loss Account:		
Profit for the Year	4,466.47	4,650.64
Balance Brought Forward from Previous year	923.95	209.73
	5,390.42	4,860.37
Less:- Appropriations		
Proposed Dividend	307.70	461.55
Provision for tax on Dividend	49.92	74.87
Transfer to General Reserve	3,500.00	3,400.00
Balance Carried To Balance Sheet	1,532.80	923.96
TOTAL	24,245.21	20,151.65



Notes to Financial Statements for the year ended 30th June 2012

(Rs. in Lacs)

Particulars	As at 30.06.2012	As at 30.06.2011
NOTE - 3		
LONG TERM BORROWINGS:		
1. Term Loans		
From Schedule Banks:-		
Foreign Currency loan	10,300.89	3,247.99
Indian Currency Loan	2,404.08	3,437.31
TOTAL	12,704.97	6,685.30

Note:-

1. Indian rupee loan from State Bank of Hyderabad carries interest @ 12.50%. The loan is repayable in 16 quarterly installment of Rs. 1.5625 crores each after moratorium of 1 year from the date of loan i.e. 24.03.2011.
2. Indian rupee loan from Karnataka Bank carries interest @ 12.5% P.A. The loan is repayable in equal monthly instalment of Rs. 26.76 lacs, with last instalment due on January' 16.
3. Foreign Currency Loan (ECB)-1 of USD 7.32 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4%. The loan is repayable in 22 quarterly installments starting from 18 months from the date of first draw-down i.e. 3rd Oct' 11.
4. Foreign Currency Loan (ECB)-2 of USD 3.3 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4%. The loan is repayable in 22 quarterly installment starting from 18 months from the date of first draw-down i.e. 1st June' 11
5. Foreign Currency Loan (ECB)-3 of USD 4 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4%. The loan is repayable in 22 quarterly installment starting from 18 months from the date of first draw-down i.e. 29th April' 11
6. Foreign Currency Loan (ECB) of USD 5.5 Million from Standard Chartered Bank carries interest @ LIBOR plus 2.90%. The loan is repayable in 16 equal quarterly instalments beginning from 15th month from the date of first draw-down i.e. 3rd Oct' 11

NOTE - 4

DEFERRED TAX LIABILITIES

Opening Balance

Deferred Tax Liability on account of Depreciation

Less: transferred from Deferred Tax Asset

Net Deferred Tax Liability

	107.20	253.38
	-	-
	24.03	146.18
	83.17	107.20

NOTE - 5

LONG TERM PROVISIONS

Provision for Gratuity

TOTAL

	309.18	267.93
	309.18	267.93

Notes to Financial Statements for the year ended 30th June 2012

(Rs. in Lacs)

Particulars	As at 30.06.2012	As at 30.06.2011
NOTE - 6		
SHORT TERM BORROWINGS:		
1. Working Capital Loans:		
From Banks	22,707.20	19,547.22
TOTAL	22,707.20	19,547.22
1. The working capital loans, fund based as well as non fund based from 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.		
NOTE - 7		
TRADE PAYABLES		
Sundry Creditors	8,510.41	6,651.95
TOTAL	8,510.41	6,651.95
NOTE - 8		
OTHER CURRENT LIABILITIES		
Interest Accrued but not due on Term Loan	50.89	50.51
Other Liabilities	1,019.97	772.49
Unclaimed Dividend	55.87	31.57
Unsecured Loan	2,000.00	-
Current maturity of Long Term Borrowings		
Foreign Currency loan	892.98	-
Indian Currency Loan	946.55	1,702.32
Loan against Vehicles (secured by hypothecation of vehicle financed)	8.94	2.01
TOTAL	4,975.20	2,558.90
NOTE - 9		
SHORT TERM PROVISIONS		
Provision for Income Tax	2,688.48	3,128.00
Provision for Dividend	307.70	461.54
Provision for Tax on Dividend	49.92	74.87
TOTAL	3,046.10	3,664.41



Notes to Financial Statements for the year ended 30th June 2012

NOTE - 10

FIXED ASSETS:

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As At 01.07.2011	Additions	Transfer/ Adjustment	As At 30.06.2011	Up To 30.06.2010	For The Year	Adjustment	Total	As At 30.06.2011	As At 30.06.2010
	(Rs. In Lacs)									
Land	4,867.88	332.51	-	5,200.40	-	-	-	-	5,200.40	4,867.88
Building Factory	3,198.89	6,166.90	-	9,365.79	1,033.21	365.02	-	1,398.23	7,967.56	2,165.68
Office Premises	244.08	-	-	244.08	158.41	4.28	-	162.69	81.38	85.67
Temporary Shed	296.84	55.55	-	352.38	296.26	22.33	-	318.59	33.79	0.57
Furniture & Fixtures	127.26	220.11	-	347.37	57.83	15.54	-	73.37	274.00	69.42
Plant & Machinery	7,562.60	6,658.46	-	14,221.06	2,699.09	1,095.41	-	3,794.50	10,426.56	4,863.51
Dies	1,723.99	283.53	-	2,007.52	1,224.44	84.24	-	1,308.67	698.85	499.55
Generator	111.20	-	-	111.20	40.03	9.90	-	49.93	61.27	71.16
Computer	372.66	22.96	-	395.62	249.32	55.24	-	304.56	91.07	123.34
Office Equipments	117.82	11.29	-	129.12	42.99	11.30	-	54.29	74.83	74.84
Electric Equipments	201.95	-	-	201.95	58.12	20.01	-	78.13	123.83	143.83
Air-conditioners	63.85	-	-	63.85	31.55	4.49	-	36.04	27.81	32.30
Refrigerators	2.76	-	-	2.76	2.56	0.03	-	2.59	0.18	0.20
Fan	6.14	-	-	6.14	5.11	0.14	-	5.25	0.89	1.03
Motor Car	201.24	29.51	-	230.75	125.02	25.25	-	150.27	80.48	76.22
Scooter & Motor Cycle	10.27	-	-	10.27	2.33	2.06	-	4.38	5.89	7.94
Fork Lifter	13.43	-	-	13.43	7.29	0.85	-	8.14	5.29	6.14
Tools	227.37	-	-	227.37	44.92	25.38	-	70.30	157.07	182.45
TOTAL	19,350.23	13,780.84	-	33,131.07	6,078.48	1,741.47	-	7,819.94	25,311.12	13,271.75
(Previous Year)	15,131.03	4,872.07	652.87	19,350.23	5,076.08	1,002.55	0.16	6,078.48	13,271.75	10,054.95

Total Depreciation during the year

1,741.47

Less: Revaluation Reserve W/back to the extent of dep.

On addition on a/c of Revaluation

15.29

Depreciation charged to Profit & Loss Account

1,726.18

Notes to Financial Statements for the year ended 30th June 2012

(Rs. in Lacs)

Particulars	Face Value	Number of Shares	AS AT 30.06.2012 Rs.	Number of Shares	AS AT 30.06.2011 Rs.
NOTE:- 11					
NON CURRENT INVESTMENTS					
Quoted Shares					
Lloyd Electric & Engineering Ltd	10	100	0.02	100	0.02
State Bank of Bikaner & Jaipur	10	375	2.02	375	2.02
Sub-Total (A) Rs.			2.04		2.04
Unquoted Shares:					
Lloyd Credits Ltd.	10	300,000	30.00	300,000	30.00
State Bank Of India PSU			5.00		5.00
SBI Mutual Fund (Gold Fund)			5.00		-
Vicinity Rfid Solution P Ltd	10	55,500	6.66	55,500	6.66
Subsidiary Company					
Fedders Lloyd Trading FZE	100000AED	5	54.46	5	54.46
Sub-Total (B) Rs..			101.12		96.12
Total (A+B)			103.16		98.16
Additional Information :					
1) Aggregate amount of Company's -					
a) Market value of Quoted Investments					
			1.48		1.93
b) Unquoted Investments					
			101.12		96.12

(Rs. in Lacs)

Particulars	As at 30.06.2012	As at 30.06.2011
NOTE - 12		
LONG TERM LOAN & ADVANCES		
Security Deposits	121.43	701.00
Retention Money Recoverable	4,514.64	70.23
Loan to subsidiary Company	180.51	180.51
TOTAL	4,816.58	951.74
NOTE - 13		
OTHER NON CURRENT ASSETS		
DEFERRED REVENUE EXPENSES		
Opening balance	35.01	70.01
Addition during the year	-	-
Total	35.01	70.01
Less: Written off During the year	35.01	35.00
	-	35.01
TOTAL	-	35.01



Notes to Financial Statements for the year ended 30th June 2012

(Rs. in Lacs)

Particulars	As at 30.06.2012	As at 30.06.2011
NOTE - 14		
<u>INVENTORIES:</u>		
Raw-materials, Consumables and Components	8,500.44	10,565.83
Stock in Process	10,535.59	3,360.48
Finished Goods	2,078.02	5,334.21
TOTAL	21,114.05	19,260.52
NOTE - 15		
<u>TRADE RECEIVABLES</u>		
Outstanding for a period exceeding six months from the date they are due for payment	698.09	452.31
Other Receivables	19,396.12	17,270.00
TOTAL	20,094.21	17,722.31
NOTE - 16		
<u>CASH & CASH EQUIVALENTS</u>		
<u>CASH AND BANK BALANCES:</u>		
Cash balance in hand	36.88	25.32
<u>Balances with Scheduled banks</u>		
In Current Accounts	74.16	566.77
Dividend with Bank	55.87	31.57
In fixed deposits	1,117.44	4,306.45
Interest accrued on fixed deposit	17.94	11.49
TOTAL	1,302.29	4,941.60
NOTE - 17		
<u>SHORT TERM LOANS & ADVANCES :</u>		
Advances recoverable in cash or in kind or for value to be recovered	2,655.02	1,640.96
Pre payments	-	-
Deposits	-	-
Advances to employees	188.82	236.64
Balances with Customs, Excise & Service Tax	416.98	233.09
Excise /Custom Duty Service tax Recoverable	40.72	116.22
VAT Input Credit	239.13	175.73
Advance Income Tax & TDS	1,175.13	1,567.09
TOTAL	4,715.80	3,969.73

Notes to Financial Statements for the year ended 30th June 2012

(Rs. in Lacs)

Particulars	As at 30.06.2012	As at 30.06.2011
NOTE - 18		
<u>REVENUE FROM OPERATIONS</u>		
Sale of Products		
Projects/Manufacturing Goods	90,125.12	86,278.66
TOTAL	90,125.12	86,278.66
NOTE - 19		
<u>OTHER INCOME:</u>		
Interest Income	418.32	66.83
Profit On Sale Of Fixed Assets	-	167.63
Export Incentive	522.76	-
Rent Received	3.00	15.50
Dividend Income	0.89	-
TOTAL	944.97	249.96
NOTE - 20		
<u>COST OF MATERIAL CONSUMED</u>		
Raw materials, consumables & component consumed		
Opening stocks	10,565.83	6,204.26
Add:-Purchases	67,961.40	58,075.98
Carriage Inwards	181.58	134.20
Less: Closing stocks	(8,500.44)	(10,565.83)
Cost Of Raw Material, Consumables & Components Consumed	70,208.37	53,848.61
NOTE - 21		
<u>CHANGES IN INVENTORY</u>		
1) Decrease/(increase) in Stocks in Progress		
Opening stock	3,360.48	537.83
Less : Closing stock	10,535.59	3,360.48
Decrease/ (increase) in Stock in Progress	(7,175.11)	(2,822.65)
2) Decrease/(Increase) in finished goods:		
Opening stock	5,334.21	6,729.06
Less : Closing stock	2,078.02	5,334.21
Decrease/ (increase) in Finished Goods	3,256.19	1,394.85
Total	(3,918.92)	(1,427.80)



Notes to Financial Statements for the year ended 30th June 2012

(Rs. in Lacs)

Particulars	As at 30.06.2012	As at 30.06.2011
NOTE - 22		
<u>EMPLOYEE BENEFIT EXPENSES</u>		
Wages (Workes)	396.26	360.88
Labour Welfare	47.25	21.33
Salary Account	1,644.36	1,436.31
Employer contribution in PF	178.06	166.98
Employer contribution in ESI	15.28	17.46
Gratuity	64.38	10.15
Bonus	21.16	30.55
Leave Encashment	2.31	14.76
Staff Welfare	91.90	98.22
Total	2,460.96	2,156.64
NOTE - 23		
<u>EXPENSES</u>		
Repair and Maintanance		
- Plant & Machinery	37.61	11.06
- Building & Office	1.97	0.64
- Others	8.22	7.96
Electricity Charges	319.05	265.17
Factory Overheads	141.27	21.74
Insurance	61.14	59.45
Rent Rate & Taxes	392.06	341.55
Postage & Courier & Telephone Expenses	145.70	112.74
Printing and stationery	65.90	69.58
Tender Fees	27.48	22.07
Newspapers & Periodicals	0.89	0.84
Audit Fee (including service tax)	9.93	9.93
Legal & Professional Expenses	204.13	181.02
Traveling & Conveyance Expenses	298.15	345.41
Motor Car Expenses	54.65	38.37
Misc. Expenses	63.24	25.45
Loss on sale of Fixed Assets	-	0.35
Loss on foreign exchange fluctuation	235.67	101.83
Advertisement Expenses	19.02	696.41
Discount	29.81	32.73
Service charges	16.43	0.45
Selling expenses	2,323.90	1,275.56
Commission	369.27	368.82
Exhibitions Expenses	41.26	7.94
Research & Development Expenses	114.21	86.34
Watch & Ward	102.23	60.12
Computer /Software Expenses	54.32	30.24
Donation	9.27	29.00
Taxes Gain & Loss	20.77	19.33
Fees & Taxes(including club fee)	52.18	4.69
Director Remuneration & Sifting Fees	161.22	127.84
Warranty Expenses	8.62	16.34
Total	5,389.57	4,370.97

Notes to Financial Statements for the year ended 30th June 2012

(Rs. in Lacs)

Particulars	As at 30.06.2012	As at 30.06.2011
NOTE - 24		
<u>FINANCIAL COSTS</u>		
Interest Paid	2,921.83	2,398.69
Bank charges	629.94	468.68
Total	3,551.77	2,867.37
NOTE - 25		
<u>DEPRECIATION AND AMORTISATION</u>		
Depreciation on Tangible Assets	1,726.17	985.55
Deferred Revenue Expenses Written off during the year	35.01	35.00
Total	1,761.18	1,020.56



Notes to Financial Statements for the year ended 30th June 2012

NOTE - 26

RELATED PARTY DISCLOSURES:- (In which some directors are interested)

a) Related Companies :-

Airserco Pvt. Ltd
Lloyd Electric & Engg. Ltd.
Fedders Lloyd Trading FZE

Nature of relationship (Associated co./subsidiary co./directors interested)

Directors Interested
Directors Interested
Directors Interested

b) Key Management Personnel:

Mr. Brij Raj Punj

Managing Director

c) Transaction with related Companies

Purchase of Goods
Sales of Goods
Sale of Logo

Amounts (Rs. in Lacs)

754.58
15984.84
1387.20

NOTE - 27

VALUE OF IMPORT (C.I.F) VALUE:

i) Raw Materials Components & Parts	6206.06
ii) Capital Goods	805.19

NOTE - 28

VALUE OF RAW MATERIAL CONSUMED

Particulars	Percentage(%)	Value (In Lacs.)
Imported	8.83	6206.06
Indigenous	91.17	64002.31
Total	100.00	70208.37

NOTE - 29

Remittance in Foreign Currency on account of Import Raw Materials Component & Parts	6206.06
Plant & Machinery	2,422.03
Travelling Expenses:	76.47

NOTE - 30

EARNINGS IN FOREIGN EXCHANGE:

Export Sales	18179.87
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Notes to Financial Statements for the year ended 30th June 2012

NOTE – 31

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Rs (In Lacs)

Particulars	For the year ended	
	30.06.2012	30.06.2011
	(Audited)	(Audited)
1. Segment Revenue		
(a) Segment –Environmental Control System	12,867.11	47,315.35
(b) Segment –Steel Structure & Engineering	42,558.11	17,053.72
(c) Segment –Power Projects	33,805.46	20,218.24
Total	89,230.68	84,587.31
Less: Inter Segment Revenue	-	-
Net Sales/Income From Operations	89,230.68	84,587.31
2. Segment Results (Profit)(+)/Loss(-) before tax and Interest from Each Segment)		
(a) Segment –Environmental Control System	1,367.17	5,051.58
(b) Segment –Steel Structure & Engineering	3,089.74	1,676.83
(c) Segment –Power Projects	2,959.20	1,811.00
Total	7,416.11	8,539.41
Less: (i) Interest	2,921.83	2,398.70
(ii) Other Un-allocable Expenditure net off	311.47	615.73
(iii) Un-allocable Income	1,387.20	249.97
Total Profit Before Tax	5,570.01	5,774.95
3. Capital Employed		
(Segment Assets-Segment Liabilities)		
(a) Segment-Envoirmental Control System	7,937.83	25,707.88
(b) Segment-Steel Structure & Engineering	25,325.79	4,028.16
(c) Segment- Power Projects	7,367.08	339.10
(d) Un-allocated	1,235.98	1,541.10
Total	41,866.68	31,616.24

NOTE – 32

PAYMENT TO AUDITORS:

PARTICULARS	(Rs. In Lacs)
Audit Fees	8.10
Tax Audit fee	0.90
Add Service Tax	0.93
TOTAL	9.93



Notes to Financial Statements for the year ended 30th June 2012

NOTE – 33

PAYMENT TO DIRECTORS:

Remuneration & Perks/Consultancy	159.56
Provident Fund	10.04
Bonus	0.07

NOTE – 34

Sundry Debtors, Sundry Creditors and sister concern accounts are subject to confirmation

NOTE – 35

Excise duty of Rs.1839.41 includes charged on Sales and Stock transfer.

NOTE – 36

In the opinion of the Board the current assets are approximately of the value stated, if realized in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

NOTE – 37

The payment against the supplies from small scale industrial and ancillary undertaking are generally made in accordance with agree terms and to the extent ascertained from available information.

NOTE – 38

CONTINGENT LIABILITIES :

Bank Guarantees	26420.90
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NOTE – 39

The financial statements for the year ended 30th June 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the companies Act 1956, the financial statements for the year ended 30th June 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification

Certified correct as per Books & Vouchers

Produced to us

As per our Report of even date Attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

(Brijesh C. Mathur) Purnima Sharma
Partner Company Secretary
M. No. : 083540

A. A. Siddiqi
AVP Finance

S. S. Dhawan
Director

K.Lall
Director

Brij Raj Punj
Chairman & Managing Director

Place : New Delhi

Date : November 28, 2012

Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Company as on 30th June, 2012

(In AED)

1	Name of Subsidiary Company	Fedders Lloyd Trading FZE (Ras Al Khaimah, United Arab Emirates)
2	Financial Year of the Subsidiary Company	June 30,2012
3	Holding Company's Interest as on the above a) Number of Shares b) Face Value c) Extent of Share holding in the subsidiary	5 shares AED 1,00,000/- 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 ii) For Subsidiary's previous financial year since it became subsidiary.	AED (184,871) AED (1,589,028)
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 financial year since it became Subsidiary.	Nil Nil
6	Additional information u/s 212(5)	N.A

As per our Report of even date Attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

(Brijesh C. Mathur) Purnima Sharma
Partner Company Secretary
M. No.: 083540

A. A. Siddiqi
AVP Finance

S. S. Dhawan
Director

K.Lall
Director

Brij Raj Punj
Chairman & Managing Director

Place : New Delhi

Date : November 28, 2012

For and on behalf of the Board of Directors
of Fedders Lloyd Corporation Ltd.



Auditors' Report on Consolidated Financial Statements

To The Members

Fedders Lloyd Corporation Limited

We have audited the attached Consolidated Balance Sheet of Fedders Lloyd Corporation Limited ("the Company") and its subsidiaries as at 30th June, 2012, 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 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 Fedders Lloyd Trading FZE (100% subsidiary of Fedders Lloyd Corporation Limited). 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 the Consolidated Balance Sheet, of the Consolidated state of affairs of the Company and its subsidiary as at 30th June, 2012;
- (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
(Firm Registration No. 000891N)

(BRIJESH C. MATHUR)

Partner

Membership No. 083540

Place: New Delhi

Dated: 28.11.2012

Consolidated Balance Sheet as at 30th June, 2012

(Rs. in Lacs)

Particulars	Note	As at 30.06.2012	As at 30.06.2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	3,076.97	3,076.97
(b) Reserves and Surplus	2	24,047.20	19,988.82
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	12,704.97	6,685.30
(b) Deferred tax liabilities (Net)	4	83.17	107.20
(c) Long term provisions	5	309.18	267.94
(3) Current Liabilities			
(a) Short-term borrowings	6	22,707.20	19,547.22
(b) Trade payables	7	8,510.41	6,661.96
(c) Other current liabilities	8	4,976.71	2,558.90
(d) Short-term provisions	9	3,046.09	3,664.41
Total		79,461.90	62,558.72
II. Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	10	25,311.12	13,271.75
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		418.74	678.26
(iv) Project Under Development		1,782.45	1,782.45
(b) Non-current investments	11	48.70	43.70
(c) Long term loans and advances	12	4,636.07	771.65
(d) Other non-current assets	13	-	35.01
(2) Current assets			
(a) Inventories	14	21,128.44	19,308.43
(b) Trade receivables	15	20,099.44	17,722.31
(c) Cash and cash equivalents	16	1,314.22	4,970.30
(d) Short-term loans and advances	17	4,722.72	3,974.86
Total		79,461.90	62,558.72

NOTES TO ACCOUNTS

Accompanying Notes are an integral part of the Financial Statements

As per our Report of even date Attached

For Suresh C. Mathur & Co.

Chartered Accountants

Firm Registration No. 000891N

(Brijesh C. Mathur) Purnima Sharma
Partner Company Secretary
M. No.: 083540

A. A. Siddiqi
AVP Finance

S. S. Dhawan
Director

For and on behalf of the Board of Directors
of Fedders Lloyd Corporation Ltd.

K.Lall Brij Raj Punj
Director Chairman & Managing Director

Place : New Delhi

Date : November 28, 2012



Consolidated Profit & Loss Statement for the year ended 30th June, 2012

(Rs. in Lacs)

Particulars	Note	Year Ended 30.06.2012	Year Ended 30.06.2011
I. Income			
Revenue from operations (Gross):	18	90,202.61	86,278.66
Less:- Excise Duty		1,839.41	1,691.35
Revenue from operations (Net)		88,363.19	84,587.31
Sale of Logo		1,387.19	-
Other Income	19	944.97	257.88
Total Revenue (I)		90,695.36	84,845.19
II. Expenses:			
Cost of materials consumed	20	70,313.97	53,848.61
Purchase of Stock-in-Trade		5,594.94	16,225.97
Changes in inventories of Finished Goods, Work-in Progress and Stock-in-Trade	21	(3,918.92)	(1,427.80)
Employee Benefit Expenses	22	2,460.96	2,156.87
Other Expenses	23	5,407.58	4,379.02
Total Expenses (II)		79,858.52	75,182.67
III. Profit before Interest, Depreciation /Amortisation and Tax (EBITDA)	(I - II)	10,836.83	9,662.52
Finance Costs	24	3,551.87	2,867.41
Depreciation & Amortisation	25	1,761.18	1,020.56
IV. Profit before Tax (V - VI)		5,523.78	5,774.55
V. Tax expense:			
(1) Current tax		1,127.57	1,270.49
(2) Deferred tax		(24.03)	(146.18)
VI. Profit(Loss) from the period from continuing operations		4,420.24	4,650.24
VII. Earning per equity share:			
(1) Basic & Diluted		14.37	15.11

As per our Report of even date Attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

For and on behalf of the Board of Directors
of Fedders Lloyd Corporation Ltd.

(Brijesh C. Mathur) Purnima Sharma A. A. Siddiqi
Partner Company Secretary AVP Finance

S. S. Dhawan K.Lall Brij Raj Punj
Director Director Chairman & Managing Director

Place : New Delhi
Date : November 28, 2012

Consolidated Cash Flow Statement for the year ended 30th June 2012

(Rs. in Lacs)

Particulars	Year Ended 30.06.2012		Year Ended 30.06.2011	
A. Cash Flow from Operating Activities:				
Net Profit before tax		5,523.78		5,774.55
Adjustments for :				
Add : Depreciation	1,726.17		985.56	
Preliminary Expenses written off	35.01		35.01	
Provision for Gratuity	64.38		-	
Interest Paid	2,921.83	4,747.40	2,398.70	3,419.27
Less: Profit on sale of fixed assets	-		(167.60)	
Interest Income	(418.32)		(66.83)	
Gratuity Paid	(23.14)		-	
Export Incentive	(522.76)		-	
Dividend Income	(0.89)	(965.11)	-	(234.43)
Operating profit before working capital changes		9,306.07		8,959.39
Trade & other receivables	(2,447.76)		(6,009.60)	
Inventories	(1,813.60)		(3,430.29)	
Loans & Advances	(4,612.28)		1,594.16	
Short Term Borrowings	3,159.98		-	
Other current Liabilities	2,417.81		-	
Trade & other payable	1,881.49	(1,414.36)	2,061.02	(5,784.71)
Cash generated from operations		7,891.71		3,174.68
Exchange Fluctuation	30.66		35.66	
Direct tax paid	(780.00)	(749.34)	(1,124.90)	(1,089.24)
Net Cash Flow from Operating Activities		7,142.37		2,085.44
B Cash Flow from Investing Activities:				
Purchase of fixed assets	(13,780.83)		(6,357.19)	
Purchase of investments	(5.00)		(11.66)	
Sale of fixed assets	-		820.35	
Interest received	418.32		66.83	
Dividend received	0.89	(13,366.62)	-	(5,481.67)
Net Cash Flow from Investing Activities		(13,366.62)		(5,481.67)
C Cash Flow from Financial Activities:				
Proceeds from Long Term Borrowing	6,019.97		9,471.01	
Dividend Paid	(461.55)		(307.70)	
Dividend Tax	(74.87)		(51.10)	
Interest paid	(2,921.83)	2,561.72	(2,398.70)	6,713.51
Net Cash Flow from Financing Activities		2,561.72		6,713.51
Net increase/decrease in Cash and Cash Equivalents (A+B+C)		(3,662.53)		3,317.28
Opening Balance of Cash and Cash Equivalents		4,958.81		1,641.53
Closing Balance of Cash and Cash Equivalents		1,296.28		4,958.81
Net increase/ decrease in Cash and Cash Equivalents		(3,662.53)		3,317.28

Refer to our Report of even date

For Suresh C. Mathur & Co.

Chartered Accountants

(Firm Registration No. 000891N)

(Brijesh C. Mathur)

Partner

M. No. : 083540

Purnima Sharma

Company Secretary

A. A. Siddiqi

AVP Finance

S. S. Dhawan

Director

K.Lall

Director

Brij Raj Punj

Chairman & Managing Director

For and on behalf of the Board of Directors

Fedders Lloyd Corporation Ltd.

AUDITOR'S REPORT

We have examined the above Cash Flow Statement of Fedders Lloyd Corporation Limited for the year ended 30th June 2012. 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.:083540

(Firm Registration No. 000891N)

Place : New Delhi

Dated: November 28, 2012



Consolidated Notes to Financial Statements for the year ended 30th June 2012

CONSOLIDATED ANNEXURE:- 1

SIGNIFICANT ACCOUNTING POLICES AS PER FINANCIAL STATEMENT FOR THE YEAR ENDED 30th JUNE, 2012

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- a) The financial statements have been prepared under the historical cost convention in accordance with generally accepted accounting principles, and the Provisions of the Companies Act, 1956 as adopted consistently by the Company.
- b) Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles followed by the Company.

B. BASIS OF ACCOUNTING

- a) All income and expenditure are recognized on accrual basis.
- b) Sales tax is not passed through Profit & Loss a/c and is therefore not included in sales.
- c) Excise duty & Custom duty are passed through Profit & Loss a/c.
- d) Modvat availed on purchases of raw material and other inputs is reduced from its purchases and accordingly purchase of raw material are stated at net of cost.

C. FIXED ASSETS AND DEPRECIATION

Fixed Assets are stated at cost less accumulated depreciation. The cost including freight & other incidental expenses related to acquisition and installation.

D. DEPRECIATION :

- a) Depreciation on fixed assets (other than land) is charged on written down value method at the rates and in the manner prescribed in schedule XIV of the Companies Act 1956.
- b) Revaluation reserve has been utilised to the extent of amount needed to set-off depreciation on addition to fixed assets on a/c revaluation of assets.

E. ACCOUNTING FOR FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions other than fixed Assets are recorded at exchange rate prevailing at the time of transaction and realised gains and losses on this account are recognised in Profit and Loss Account. There is no foreign currency liability against acquisition of fixed assets at the year end.

F. INVESTMENTS

Investments are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary in the opinion of the management.

G. INVENTORIES

- a) Raw materials, stores and spares and stock-in-transit are valued at cost net of modvat as per the FIFO method after providing for cost of obsolescence value.
- b) Work in progress is valued at cost including related overheads.
- c) Finished goods are valued at lower of cost or net realisable value.
- d) Stock in transit lying in warehouse is valued at cost and does not include custom duty payable.

H. EMPLOYEES RETIREMENT BENEFITS

- a) The company's contribution to the provident fund are charged to profit and loss account.
- b) The Company is taking effective step to get the liability for retirement benefits evaluated from Actuary and to take the LIC Employees Gratuity Scheme Policy.

c) As per past practice of the company, leave encashment is given as per rules of the company. No Liability is provided.

I. RESEARCH AND DEVELOPMENTS

Revenue expenditure is charged to profit & loss account of the year in which they are incurred.

J. EXCISE DUTY

Excise duty is accounted for as and when the same is paid on the dispatch of goods from factory premises. No provision is made for excise duty in respect of finished products lying in the factory premises.

K. SEGMENT REPORTING:

As per Accounting Standard 17 on segment reporting of ICAI, the Company has reportable segments viz Environmental Control System, Steel Structural & Engineering and Power Projects during the year under review. Accordingly the reporting is done segment wise.

The Company's operations predominantly comprise of manufacturing and sale of Air-conditioning and parts thereof. Sale of Consumer Durable products other than Air-conditioners are insignificant. The geographical segmentations are also insignificant.

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 revenue and expenses during the reporting period. Actual report later could differ from these estimates.

M. IMPAIRMENT OF ASSETS

In the opinion of the Company management there is no impairment to the assets to which Accounting Standard - 28 "Impairment of Assets" applied requiring any revenue recognition.

N. TAXATIONS

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act 1961, except for the overseas subsidiaries and joint ventures where current tax provisions is determined based on the local tax laws. Deferred tax is recognized for all timing differences, subject to the consideration of prudence applying the tax rates that have been substantively enacted by the Balance sheet date.

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.

THE BREAKUP OF DEFERRED TAX ASSETS AND LIABILITIES INTO MANOR COMPONENTS AT THE YEAR ENDED AS BELOW:-

PARTICULARS	AMOUNT (Rs. In Lacs)
Deferred Tax Liabilities	
Depreciation Difference	62.28
Deferred Tax Assets:	
Other Provisions	20.89
Net Deferred Tax Assets	83.17



O. MINIMUM ALTERNATE TAX

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal Income tax during the specified period i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset will be created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

P. BORROWING COSTS:

Borrowing cost that are 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.

Q. 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.

R. DERIVATIVE INSTRUMENTS.

The Company has not entered in to the derivative instruments, Forward contracts 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 and accounted accordingly. Exchange difference arising on such contracts are recognised in the period in which they arise and premium paid/received is accounted as expense/income over the period of the contract.

S. 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 as required by the SEBI on Cash Flow Statement and presents cash flows by operating , investing and financing activities of the Company. Cash and cash equivalent presented in the cash flow statement consists of cash in hand and demand deposits with banks as on the Balance Sheet date.

Consolidated Notes to Financial Statements for the year ended 30th June 2012

(Rs. in Lacs)

Particulars	As at 30.06.2012	As at 30.06.2011
NOTE:- 1		
SHARE CAPITAL:-		
1. Authorized Capital		
7,00,00,000 Equity Share of Rs. 10/- each	7,000.00	7,000.00
(Previous year 7,00,00,000 Equity Share of Rs. 10/- each)		
Total Authorized Share Capital	7,000.00	7,000.00
2. Issued & Subscribed Capital		
3,07,69,700 Equity Shares of Rs. 10/- each	3,076.97	3,076.97
	-	-
3. Paid up Capital		
3,07,69,700 Equity Shares of Rs. 10/- each fully paid up	3,076.97	3,076.97
(Previous Year 3,07,69,700 equity shares of Rs. 10/- each)		
	-	-
	-	-
	-	-
Add:- Equity Shares forfeited		
(amount originally paid up)	-	-
Total Issued, Subscribed and Fully Paid-up Share Capital	3,076.97	3,076.97

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	30 JUNE, 2012		30 June, 2011	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Shares outstanding at the beginning of the year	30769700	3076.97	30769700	3076.97
Shares Issued during the year	-	-	-	-
Shares outstanding at the End of the year	30769700	3076.97	30769700	3076.97

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



Consolidated Notes to Financial Statements for the year ended 30th June 2012

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	30 JUNE, 2012		30 JUNE, 2011	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares of Rs. 10 each fully paid-up				
Zenith Impex Pvt Ltd	3,510,800	11.41	3,023,476	9.83
Rajul Estates Pvt Ltd	1,903,294	6.19	1,676,416	5.45
Copthall Mauritius Investment Ltd	1,841,087	5.98	1,841,087	5.98
Deutsche Securities Mauritius Ltd	1,691,286	5.50	1,691,286	5.50
Lloyd Sales Pvt Ltd	4,110,821	13.36	4,110,821	13.36
Perfect Radiators & Oil Coolers Pvt Ltd	3,224,348	10.48	3,224,348	10.48
Mr. Brij Raj Punj	1,630,129	5.30	-	-
Citigroup Global Market Mauritius Pvt Ltd	-	-	2,328,570	7.57
Morgan Stanley Mauritius Limited	-	-	1,723,897	5.60

As per the records of the company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Particulars	(Rs. in Lacs)	
	As at 30.06.2012	As at 30.06.2011
NOTE:- 2		
RESERVES AND SURPLUS:		
1) Capital Reserve		
Revaluation Reserve Rs. 1108.40		
Less: Set off depreciation Rs. 15.29	1,093.11	1,108.40
2) Securities Premium Account:	2,563.99	2,563.99
Less: Debenture issue Expenses		
3) General Reserve:		
Opening balance	15,555.31	12,155.31
Add: Transfer from Profit & Loss a/c	3,500.00	3,400.00
	19,055.31	15,555.31
4) Exchange Fluctuation Difference on Consolidation	(30.65)	(41.70)
5) Profit & Loss Account:		
Profit for the Year	4,420.24	4,650.24
Balance Brought Forward from Previous year	802.82	89.00
	5,223.06	4,739.24
Less:- Appropriations		
Proposed Dividend	307.70	461.55
Provision for tax on Dividend	49.92	74.87
Transfer to General Reserve	3,500.00	3,400.00
Balance Carried To Balance Sheet	1,386.46	802.82
TOTAL	24,047.20	19,988.82

Consolidated Notes to Financial Statements for the year ended 30th June 2012

(Rs. in Lacs)

Particulars	As at 30.06.2012	As at 30.06.2011
NOTE - 3		
LONG TERM BORROWINGS:		
1. Term Loans		
From Schedule Banks:-		
Foreign Currency loan	10,300.89	3,247.99
Indian Currency Loan	2,404.08	3,437.31
TOTAL	12,704.97	6,685.30

Note:-Note:-

- Indian rupee loan from State Bank of Hyderabad carries interest @ 12.50%. The loan is repayable in 16 quarterly installment of Rs. 1.5625 crores each after monotorium of 1 year from the date of loan i.e. 24.03.2011.
- Indian rupee loan from Karnataka Bank carries interest @ 12.5% P.A. The loan is repayable in equal monthly instalment of Rs. 26.76 lacs , with last instalment due on January' 16.
- Foreign Currency Loan (ECB)-1 of USD 7.32 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4% . The loan is repayable in 22 quarterly installments starting from 18 months from the date of first draw-down i.e.3rd Oct' 11.
- Foreign Currency Loan (ECB)-2 of USD 3.3 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4 %. The loan is repayable in 22 quarterly Installment starting from 18 months from the date of first draw-down i.e. 1st June' 11
- Foreign Currency Loan (ECB)-3 of USD 4 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4 %. The loan is repayable in 22 quarterly Installment starting from 18 months from the date of first draw-down i.e. 29th April' 11
- Foreign Currency Loan(ECB) of USD 5.5 Million from Standard Chartered Bank carries interest @ LIBOR plus 2.90%. The loan is repayable in 16 equal quarterly instalments beginning from 15th month from the date of first draw-down i.e. 3rd Oct' 11

NOTE - 4

DEFERRED TAX LIABILITIES

Opening Balance

Deferred Tax Liability on account of Depreciation
Less: transferred from Deferred Tax Asset

Net Deferred Tax Liability

107.20	253.38
-	-
24.03	146.18
83.17	107.20

NOTE - 5

LONG TERM PROVISIONS

Provision for Gratuity

TOTAL

309.18	267.93
309.18	267.93



Consolidated Notes to Financial Statements for the year ended 30th June 2012

(Rs. in Lacs)

Particulars	As at 30.06.2012	As at 30.06.2011
NOTE - 6		
SHORT TERM BORROWINGS:		
1. Working Capital Loans:		
From Banks	22,707.20	19,547.22
TOTAL	22,707.20	19,547.22
1. The working capital loans, fund based as well as non fund based from 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.		
NOTE - 7		
TRADE PAYABLES		
Sundry Creditors	8,510.41	6,661.96
TOTAL	8,510.41	6,661.96
NOTE - 8		
OTHER CURRENT LIABILITIES		
Interest Accrued but not due on Term Loan	50.89	50.51
Other Liabilities	1,021.48	772.49
Unclaimed Dividend	55.87	31.57
Unsecured Loan	2,000.00	-
Current maturity of Long Term Borrowings		
Foreign Currency loan	892.98	-
Indian Currency Loan	946.55	1,702.32
Loan against Vehicles (secured by hypothecation of vehicle financed)	8.94	2.01
TOTAL	4,976.71	2,558.90
NOTE - 9		
SHORT TERM PROVISIONS		
Provision for Income Tax	2,688.47	3,128.00
Provision for Dividend	307.70	461.54
Provision for Tax on Dividend	49.92	74.87
TOTAL	3,046.09	3,664.41

Consolidated Notes to Financial Statements for the year ended 30th June 2012

NOTE - 10

FIXED ASSETS:

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At 01.07.2011	Additions	Transfer/ Adjustment	As At 30.06.2011	Up To 30.06.2010	For The Year	Adjustment	Total	As At 30.06.2011	As At 30.06.2010
	(Rs. In Lacs)									
Land	4,867.88	332.51	-	5,200.40	-	-	-	-	5,200.40	4,867.88
Building Factory	3,198.89	6,166.90	-	9,365.79	1,033.21	365.02	-	1,398.23	7,967.56	2,165.68
Office Premises	244.08	-	-	244.08	158.41	4.28	-	162.69	81.38	85.67
Temporary Shed	296.84	55.55	-	352.38	296.26	22.33	-	318.59	33.79	0.57
Furniture & Fixtures	127.26	220.11	-	347.37	57.83	15.54	-	73.37	274.00	69.42
Plant & Machinery	7,562.60	6,658.46	-	14,221.06	2,699.09	1,095.41	-	3,794.50	10,426.56	4,863.51
Dies	1,723.99	283.53	-	2,007.52	1,224.44	84.24	-	1,308.67	698.85	499.55
Generator	111.20	-	-	111.20	40.03	9.90	-	49.93	61.27	71.16
Computer	372.66	22.96	-	395.62	249.32	55.24	-	304.56	91.07	123.34
Office Equipments	117.82	11.29	-	129.12	42.99	11.30	-	54.29	74.83	74.84
Electric Equipments	201.95	-	-	201.95	58.12	20.01	-	78.13	123.83	143.83
Air-conditioners	63.85	-	-	63.85	31.55	4.49	-	36.04	27.81	32.30
Refrigerators	2.76	-	-	2.76	2.56	0.03	-	2.59	0.18	0.20
Fan	6.14	-	-	6.14	5.11	0.14	-	5.25	0.89	1.03
Motor Car	201.24	29.51	-	230.75	125.02	25.25	-	150.27	80.48	76.22
Scooter & Motor Cycle	10.27	-	-	10.27	2.33	2.06	-	4.38	5.89	7.94
Fork Lifter	13.43	-	-	13.43	7.29	0.85	-	8.14	5.29	6.14
Tools	227.37	-	-	227.37	44.92	25.38	-	70.30	157.07	182.45
TOTAL	19,350.23	13,780.84	-	33,131.07	6,078.48	1,741.47	-	7,819.95	25,311.12	13,271.75
(Previous Year)	15,131.03	4,872.07	652.87	19,350.23	5,076.08	1,002.55	0.16	6,078.48	13,271.75	10,054.95

Total Depreciation during the year 1,741.47

Less: Revaluation Reserve W/back to the extent of dep.

On addition on a/c of Revaluation 15.29

Depreciation charged to Profit & Loss Account 1,726.18



Consolidated Notes to Financial Statements for the year ended 30th June 2012

(Rs. in Lacs)

Particulars	Face Value	Number of Shares	AS AT 30.06.2012 Rs.	Number of Shares	AS AT 30.06.2011 Rs.
NOTE:- 11					
<u>NON CURRENT INVESTMENTS</u>					
<u>Quoted Shares</u>					
Lloyd Electric & Engineering Ltd	10	100	0.02	100	0.02
State Bank of Bikaner & Jaipur	10	375	2.02	375	2.02
Sub-Total (A) Rs.			2.04		2.04
<u>Unquoted Shares:</u>					
Lloyd Credits Ltd.	10	300,000	30.00	300,000	30.00
State Bank Of India PSU			5.00		5.00
SBI Mutual Fund (Gold Fund)			5.00		-
Vicinity Rfid Solution P Ltd	10	55,500	6.66	55,500	6.66
Sub-Total (B) Rs.			46.66		41.66
Total (A+B)			48.70		43.70
Additional Information :					
1) Aggregate amount of Company's -					
a) Market value of Quoted Investments					
			1.48		1.93
b) Unquoted Investments					
			46.66		41.66

(Rs. in Lacs)

Particulars	As at 30.06.2012	As at 30.06.2011
NOTE - 12		
<u>LONG TERM LOAN & ADVANCES</u>		
Security Deposits	121.43	701.00
Retention Money Recoverable	4,514.64	70.23
Loan to subsidiary Company	-	-
TOTAL	4,636.07	771.65
NOTE - 13		
<u>OTHER NON CURRENT ASSETS</u>		
<u>DEFERRED REVENUE EXPENSES</u>		
Opening balance	35.01	70.01
Addition during the year	-	-
Total	35.01	70.01
Less: Written off During the year	35.01	35.00
	-	35.01
TOTAL	-	35.01

Consolidated Notes to Financial Statements for the year ended 30th June 2012

(Rs. in Lacs)

Particulars	As at 30.06.2012	As at 30.06.2011
NOTE - 14		
<u>INVENTORIES:</u>		
Raw-materials, Consumables and Components	8,500.44	10,565.83
Stock in Process	10,535.59	3,360.48
Finished Goods	2,078.02	5,382.12
Trading Goods	57.58	-
Less : Allowance for slow moving inventories	(43.19)	-
TOTAL	21,128.44	19,308.43
NOTE - 15		
<u>TRADE RECEIVABLES</u>		
Outstanding for a period exceeding six months from the date they are due for payment	698.09	452.31
Other Receivables	19,401.35	17,270.00
TOTAL	20,099.44	17,722.31
NOTE - 16		
<u>CASH & CASH EQUIVALENTS</u>		
<u>CASH AND BANK BALANCES:</u>		
Cash balance in hand	36.88	25.32
<u>Balances with Scheduled banks</u>		
In Current Accounts	86.09	597.47
Dividend with Bank	55.87	31.57
In fixed deposits	1,117.44	4,306.45
Interest accrued on fixed deposit	17.94	11.49
TOTAL	1,314.22	4,970.30
NOTE - 17		
<u>SHORT TERM LOANS & ADVANCES :</u>		
Advances recoverable in cash or in kind or for value to be recovered	2,655.02	1,646.09
Pre payments	6.40	-
Deposits	0.52	-
Advances to employees	188.82	236.64
Balances with Customs, Excise & Service Tax	416.98	233.09
Excise /Custom Duty Service tax Recoverable	40.72	116.22
VAT Input Credit	239.13	175.73
Advance Income Tax & TDS	1,175.13	1,567.09
TOTAL	4,722.72	3,974.86



Consolidated Notes to Financial Statements for the year ended 30th June 2012

(Rs. in Lacs)

Particulars	As at 30.06.2012	As at 30.06.2011
NOTE - 18		
<u>REVENUE FROM OPERATIONS</u>		
Sale of Products		
Projects/Manufacturing Goods	90,202.60	86,278.66
TOTAL	90,202.60	86,278.66
NOTE - 19		
<u>OTHER INCOME:</u>		
Interest Income	418.32	66.83
Profit On Sale Of Fixed Assets	-	167.63
Export Incentive	522.76	-
Rent Received	3.00	15.50
Dividend Income	0.89	-
Other Income	-	7.92
TOTAL	944.97	257.88
NOTE - 20		
<u>COST OF MATERIAL CONSUMED</u>		
Raw materials, consumables & component consumed		
Opening stocks	10,613.74	6,252.17
Add:-Purchases	68,032.03	58,075.98
Carriage Inwards	181.58	134.20
Less: Closing stocks	(8,513.38)	(10,613.74)
Cost Of Raw Material, Consumables & Components Consumed	70,313.97	53,848.61
NOTE - 21		
<u>CHANGES IN INVENTORY</u>		
1) Decrease/(increase) in Stocks in Progress		
Opening stock	3,360.48	537.83
Less : Closing stock	10,535.59	3,360.48
Decrease/ (increase) in Stock in Progress	(7,175.11)	(2,822.65)
2) Decrease/(Increase) in finished goods:		
Opening stock	5,334.20	6,729.06
Less : Closing stock	2,078.01	5,334.21
Decrease/ (increase) in Finished Goods	3,256.19	1,394.85
Total	(3,918.92)	(1,427.80)

Consolidated Notes to Financial Statements for the year ended 30th June 2012

(Rs. in Lacs)

Particulars	As at 30.06.2012	As at 30.06.2011
NOTE - 22		
EMPLOYEE BENEFIT EXPENSES		
Wages (Workes)	396.26	360.88
Labour Welfare	47.25	21.33
Salary Account	1,644.36	1,436.31
Employer contribution in PF	178.06	166.98
Employer contribution in ESI	15.28	17.46
Gratuity	64.38	10.15
Bonus	21.16	30.55
Leave Encashment	2.31	15.00
Staff Welfare	91.90	98.22
Total	2,460.97	2,156.87
NOTE - 23		
OTHER EXPENSES		
Repair and Maintenance		
- Plant & Machinery	37.61	11.06
- Building & Office	1.97	0.64
- Others	8.22	7.96
Electricity Charges	319.05	265.17
Factory Overheads	141.27	21.74
Insurance	61.14	59.45
Rent Rate & Taxes	398.01	346.77
Postage & Courier & Telephone Expenses	145.71	112.93
Printing and stationery	65.90	69.58
Tender Fees	27.48	22.07
Newspapers & Periodicals	0.89	0.84
Audit Fee (including service tax)	10.81	9.93
Legal & Professional Expenses	206.18	183.66
Traveling & Conveyance Expenses	298.15	345.41
Utilities	0.36	-
Motor Car Expenses	54.65	38.37
Misc. Expenses	68.27	25.45
Loss on sale of Fixed Assets	-	0.35
Loss on foreign exchange fluctuation	236.07	101.83
Advertisement Expenses	19.02	696.41
Discount	29.81	32.73
Service charges	16.43	0.45
Selling expenses	2,324.73	1,275.56
Commission	371.77	368.82
Exhibition Expenses	41.26	7.94
Research & Development Expenses	114.21	86.34
Watch & Ward	102.23	60.12
Computer /Software Expenses	54.32	30.24
Donation	9.27	29.00
Taxes Gain & Loss	20.77	19.33
Fees & Taxes(including club fee)	52.18	4.69
Director Remuneration & Sitting Fees	161.22	127.84
Warranty Expenses	8.62	16.34
Total	5,407.60	4,379.02



Consolidated Notes to Financial Statements for the year ended 30th June 2012

(Rs. in Lacs)

Particulars	As at 30.06.2012	As at 30.06.2011
NOTE - 24		
<u>FINANCIAL COSTS</u>		
Interest Paid	2,921.82	2,398.70
Bank charges	630.05	468.71
Total	3,551.86	2,867.41
NOTE - 25		
<u>DEPRECIATION AND AMORTISATION</u>		
Depreciation on Tangible Assets	1,726.17	985.55
Deferred Revenue Expenses Written off during the year	35.01	35.01
Total	1,761.18	1,020.56

Consolidated Notes to Financial Statements for the year ended 30th June 2012

NOTE - 26

RELATED PARTY DISCLOSURES:- (In which some directors are interested)

a) Related Companies :-

Airserco Pvt. Ltd
Lloyd Electric & Engg. Ltd.
Fedders Lloyd Trading FZE

Nature of relationship (Associated co./subsidiary co./directors interested)

Directors Interested
Directors Interested
Directors Interested

b) Key Management Personnel:

Mr. Brij Raj Punj

Managing Director

c) Transaction with related Companies

Purchase of Goods
Sales of Goods
Sale of Logo

Amounts (Rs. in Lacs)

754.58
15942.66
1387.20

NOTE - 27

VALUE OF IMPORT (C.I.F) VALUE:

i) Raw Materials Components & Parts	6206.06
ii) Capital Goods	805.19

NOTE - 28

VALUE OF RAW MATERIAL CONSUMED

Particulars	Percentage(%)	Value (In Lacs.)
Imported	8.83	6206.06
Indigenous	91.17	64,107.92
Total	100.00	70,313.98

NOTE - 29

Remittance in Foreign Currency on account of Import Raw Materials Component & Parts	6206.06
Plant & Machinery	2,422.03
Travelling Expenses:	76.47

NOTE - 30

EARNINGS IN FOREIGN EXCHANGE:

Export Sales	18179.87
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Consolidated Notes to Financial Statements for the year ended 30th June 2012

NOTE-31

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Rs (In Lacs)

Particulars	For the year ended	
	30.06.2012	30.06.2011
	(Audited)	(Audited)
1. Segment Revenue		
(a) Segment –Environmental Control System	12,867.11	47,315.35
(b) Segment –Steel Structure & Engineering	42,558.11	17,053.72
(c) Segment –Power Projects	33,805.46	20,218.24
Total	89,230.68	84,587.31
Less : Inter Segment Revenue	-	-
Net Sales/Income From Operations	89,230.68	84,587.31
2. Segment Results (Profit)(+)/Loss(-) before tax and Interest from Each Segment)		
(a) Segment –Environmental Control System	1,367.17	5,051.58
(b) Segment –Steel Structure & Engineering	3,089.74	1,676.83
(c) Segment –Power Projects	2,959.20	1,811.00
Total	7,416.11	8,539.41
Less: (i) Interest	2,921.83	2,398.70
(ii) Other Un-allocable Expenditure net off	357.70	615.77
(iii) Un-allocable Income	1,387.20	249.97
Total Profit Before Tax	5,523.78	5,774.91
3. Capital Employed		
(Segment Assets-Segment Liabilities)		
(a) Segment-Envoirmental Control System	7,937.83	25,707.88
(b) Segment-Steel Structure & Engineering	25,325.79	4,028.16
(c) Segment- Power Projects	7,367.08	339.10
(d) Un-allocated	1,210.78	1,541.06
Total	41,841.48	31,616.20

NOTE-32

PAYMENT TO AUDITORS:

PARTICULARS	(Rs. In Lacs)
Audit Fees	8.98
Tax Audit fee	0.90
Add Service Tax	0.93
TOTAL	10.81

Consolidated Notes to Financial Statements for the year ended 30th June 2012

NOTE – 33

PAYMENT TO DIRECTORS:

Remuneration & Perks/Consultancy	159.56
Provident Fund	10.04
Bonus	0.07

NOTE – 34

Sundry Debtors, Sundry Creditors and sister concern accounts are subject to confirmation

NOTE – 35

Excise duty of Rs. 1839.41 includes charged on Sales and Stock transfer.

NOTE – 36

In the opinion of the Board the current assets are approximately of the value stated, if realized in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

NOTE – 37

The payment against the supplies from small scale industrial and ancillary undertaking are generally made in accordance with agree terms and to the extent ascertained from available information.

NOTE – 38

CONTINGENT LIABILITIES :

Bank Guarantees	26420.90
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NOTE – 39

The financial statements for the year ended 30th June 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the companies Act 1956, the financial statements for the year ended 30th June 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to confirm to this year's classification

Certified correct as per Books & Vouchers

Produced to us

As per our Report of even date Attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

(Brijesh C. Mathur) Purnima Sharma A. A. Siddiqi
Partner Company Secretary AVP Finance

M. No. : 083540
Place : New Delhi
Date : November 28, 2012

For and on behalf of the Board of Directors
of Fedders Lloyd Corporation Ltd.

S. S. Dhawan K.Lall Brij Raj Punj
Director Director Chairman & Managing Director



“Business has a responsibility to give back to the community”



FEDDERS LLOYD CORPORATION LIMITED

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