

LLOYD



Annual Report 2013-14

LLOYD ELECTRIC & ENGINEERING LIMITED

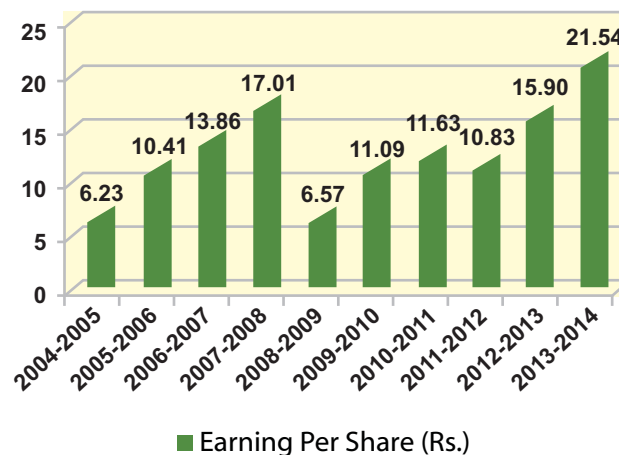
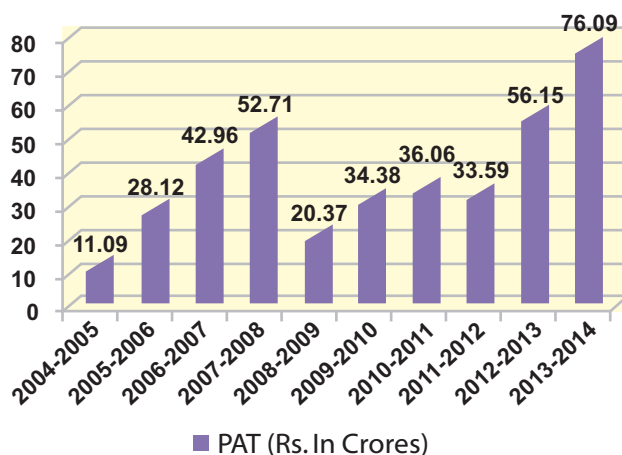
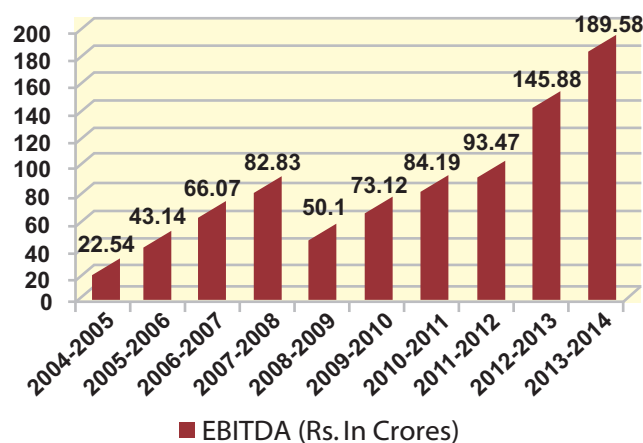
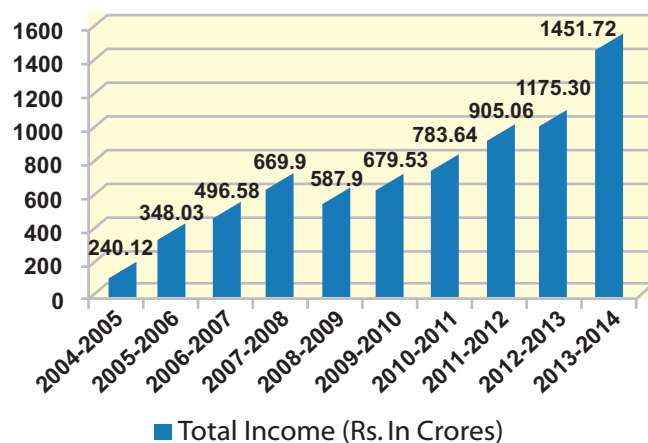
Key Financial Highlights



Rs. in crores

	Standalone										Consolidated	
	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2013-14	2012-13
Total Income	1451.72	1175.30	905.06	783.64	679.53	587.90	669.90	496.58	348.03	240.12	1825.02	1479.33
Operating Profit (EBIDTA)	189.58	145.88	93.47	84.19	73.12	50.10	82.83	66.07	43.14	22.54	214.30	155.88
Profit Before Tax	81.77	72.87	45.28	48.66	45.28	24.77	62.18	50.82	31.83	13.03	97.03	71.56
Profit After Tax	76.09	56.15	33.59	36.06	34.38	20.37	52.71	42.96	28.12	11.09	89.12	52.80
Financial Position												
Paid up Capital	35.32	31.00	31.00	31.00	31.00	31.00	31.00	31.00	27.00	17.79	35.32	31.00
Share Capital Suspense	-	4.32	4.32	-	-	-	-	-	-	-	-	4.32
Total Paid up												
Share Capital	35.32	35.32	35.32	31.00	31.00	31.00	31.00	31.00	27.00	17.79	35.32	35.32
Reserves & Surplus	599.49	526.15	442.53	401.04	371.16	340.40	320.03	268.43	191.73	48.90	604.57	515.69
Shareholder's fund	634.81	561.48	473.54	432.05	402.17	371.40	351.04	299.44	218.73	66.69	639.89	551.01
Performance Indicator												
EPS	21.54	15.90	10.83	11.63	11.09	6.57	17.01	13.86	10.41	6.23	25.23	14.95

Standalone Financial Trends



Chairman's Address



Dear Fellow Shareowners,

The Fiscal Year 2013 was another challenging year for the Indian economy as the slowdowns continued with expected recovery not materializing. While the global economy showed some signs of stabilization, most of the emerging economies, including India faced multiple challenges of capital outflows, rising current account deficit and depreciation of the local currency. Stabilizing these parameters was one of the key challenges for the Indian economy.

Amidst this slowdown, your Company was able to effectively navigate the domestic turmoil through its sound business strategies and robust business model. This enabled your Company to deliver a sound performance in a difficult business environment. The Consolidated Revenue of the Group grew by 20% over the previous year to **Rs. 1776 crores**, while profits (PBT) expanded by 35% to touch at record high of **Rs. 97 crores**.

Positioning itself for long term success, your Company continued to expand its capabilities in technology, expanding existing

product portfolio by developing new range of environment friendly air conditioners meeting with new star rating norms rolled out by BEE (Bureau of energy efficiency). New products developed includes inverter split air conditioners for the OEM market, Heat and Cool products for export market with R-410A refrigerant , development of commercial AC -24K & 48K Cassette/ Floor standing, among others.

Our strong distribution network and differentiated manufacturing process make us the preferred supplier to key players across industries we cater to, enabling us to capture value from healthy demand in the domestic and international markets.

The year also saw the exponential rise in exports with increasing market presence in Middle-East, Africa and CIS countries indicating growing acceptability of our value-added products meeting with international quality standards and certifications.

In the Commercial Air-conditioning business, your company has developed Roof Mounted HVAC unit for Metro Rail using eco-friendly refrigerants. Being IRIS compliant, your company has bagged its first prestigious order from Bombardier Transportation for the supply of Roof Mounted Ventilation Units for EMU coaches. This has opened avenues for the company to bid for international jobs in Railways.

With the integration of the heat exchanger business with the existing line of coil business, your company has expanded its existing product base by offering wide range of heat exchangers including copper and aluminium brazed radiators, charge air coolers and condensers for railways, automobiles and industrial application.

We have expanded our "LLOYD" brand portfolio to include products like star-rated Air-Conditioners, Washing Machines, LED television, Chest Freezers, including others. Our endeavor is to lead the transformation in the Consumer goods industry in India by launching products with cutting edge technology, so as to position the brand as a one amongst the top players in the fast growing Consumer Durable sector. Lloyd is committed to fulfilling the vision of every Home, everywhere by marketing well-differentiated products not only of high quality, technology or service but also giving consumers the ultimate satisfaction guarantee phrased as-"Khushiyon ki Guarantee"!

We have the expertise in leveraging our ever expanding capacities to face challenges, transform them into opportunities and ultimately evolve as a market leader. We are positive and confident of making further strides even in the current challenging economic environment & sustain the growth momentum demonstrated over the last decade.



In Europe, Operations of the subsidiaries were significantly impacted by the flood that hit Prague, Czech Republic in June 2013, causing total damage of Euro 6 Million, which was fully indemnified by insurance. Though it impacted the sales of Lloyd Coils Europe (LCE) by 10% down to Euro 33.37 Million, LCE reported all time high EBITDA of Euro 3.9 Million. This was primarily the result of improved product portfolio, customer management and focus on new product segment like heat pumps, display cabinets and large bespoke coils with better quality and value additions. At Janka Engineering, the year was a turnaround in sales and profitability. Although Janka too was affected by the flood, the volume loss has been more than compensated by additional revenue generated from the new segment of Railway HVAC unit and supply of special coolers to Nuclear power plant Mochovce. This resulted in pushing the sales to all time high of Euro 12 Million, up by 16% over the previous year, with EBITDA margin touching to all time high of Euro 0.40 Million, as against previous year loss of Euro-1 Million. Janka has also developed condensing unit for retro-fitted coaches of local train operator Regiojet and is in advanced talks to provide similar solutions to Czech Railways.

The Indian HVAC&R market is poised for rapid growth due to a number of changes that are taking place in the Indian economy as well as easier availability of A/C products, which constitutes the bulk of the HVAC&R segment, in the market. The potential demand from the construction sector (both conventional and green buildings), coupled with the potential to save energy from air-conditioning (especially through efficient technologies), will usher a boom period for the HVAC&R market, with support from the Government to promote energy-efficient standards, practices, and technologies.

Going forward, your Company is well placed to capitalize on the opportunities arising out of this improved market conditions. We are investing in augmenting our manufacturing, research and marketing base in order to pursue strong and sustained growth.

Caring for the community has always been a cornerstone of your company. While delivering value to our clients, we make sure that we do not lose focus of the need to give back to society. Under the aegis of Pandit Kanahya Lal Punj Trust, we continue to expand our reach and make difference to society by empowering people and communities at the bottom of the pyramid and providing opportunities in the field of education, health and community development. I am glad to inform you that under the flagship of PKLP Trust, we have set-up a school in Tauru, Haryana for imparting education to the under-privileged section of our society.

Over the past year, Lloyd has built on its core strengths and leveraged its growth drivers to ensure a profitable future for your Company. As we move forward, we will continue to enhance our brand equity in domestic markets and in select emerging markets.

Building on our human capital has always been a priority and during the year we undertook various activities that assisted in enhancing leadership capabilities through specially designed programs.

It is with great sadness that I share with you the news of the demise of Mr. Krishan Lall, Non-Executive Director and Chairman of the Audit Committee, who left for his heavenly abode on 9th March 2014. Mr. Lall joined the Board in 2002 and played a key role in building high standards of Corporate Governance for your Company. His contribution and commitment to Lloyd will be cherished for years to come. On behalf of my Board and all my colleagues, we express our deepest condolences to his wife and family.

We are confident that Lloyd's pace of growth will continue on its strong path as we derive benefits from the strategic foundation we have put in place. As we enter into the next fiscal year, we stay committed to improving operational efficiencies, building and strengthening alliances, deriving value from group synergies and continuing to reward stakeholders with a shared commitment towards profitability and sustainability.

We hope that the new Government at the Centre with clear majority will push reforms and spur economic growth of India. We look forward to implementation of growth oriented policies particularly in the areas of infrastructure and manufacturing sectors. Your Company is well placed to capitalize on the opportunities arising out of the improved market conditions.

Lastly, I would like to express my appreciation to all our colleagues for their commitment and contribution towards the growth of your company. I would like to thank each and every one of our customers, business associates, vendors, supporters and the shareholders for their continued trust in building Lloyd for this exciting future.

Very sincerely

A handwritten signature in blue ink, appearing to read "Brij Raj Punj".

Brij Raj Punj
Chairman & Managing Director

Consumer Durable and Home Appliance Segment

Widening product range....



Ghar le aao

LLOYD



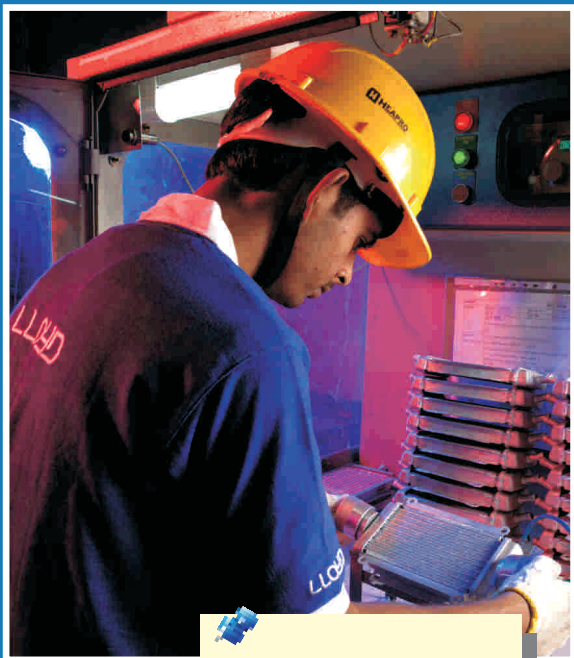
• ACs • LED TVs • Refrigerator • Washing Machines • Chest Freezers • Water Dispensers • Induction Cookers • Room Heaters



Continuing the thrust to expand Lloyd's market footprint through extensive marketing Strategy...



With Cutting Edge Technology....



Pneumatic and Hydraulic Leak Testing




Red Brass Tube mill for MB Radiator




State of Art Manufacturing facility at Pant Nagar




 **Brazing Furnance for Micro-Channel Coils**



 **Roof Mounted Package Units (RMUP'S)
for Railways and Metro**



 **Heat Exchangers and Coils having wide range of
applications in Commercial Air Conditioners,
Refrigeration, Automobile, Telecom and Railway
Air Conditioning**

Lloyd's Engine for Growth - Overseas Manufacturing Facilities




Production Process at Janka Engineering- latest software and equipments to create true and exact 3D models of the products




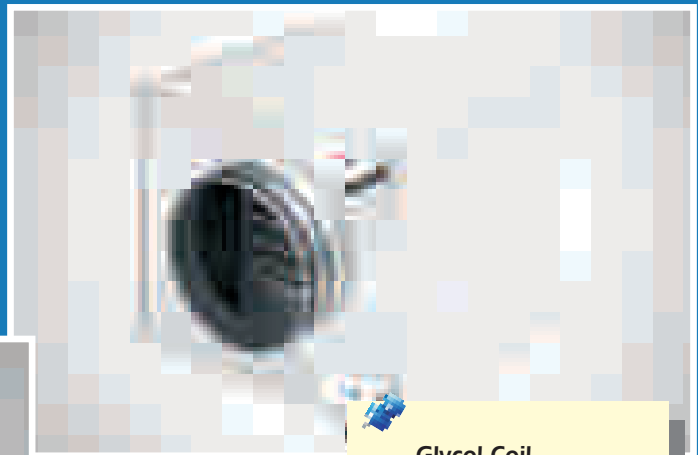
Development of HVAC Units for Railways




 HVAC System
for Tram Rail car




 Water Laser
Cutting



 Glycol Coil



 Water Coils

Corporate Sustainability

WE RESPECT PEOPLE, COMMUNITIES AND THE ENVIRONMENT

“Sustainability is as much about securing a balance between economic priorities and environmental protection as promoting inclusion and empowerment in society. At Lloyd, we have always believed in making sustainability an intrinsic part of our business agenda.”



Lloyd continues to demonstrate outstanding financial performance year-on-year. But “Performance” is more than just financial strength – it is our commitment to grow the business with innovative, more sustainable products that make the lives of consumers healthier and more enjoyable.

Anchored deeply into its business strategy, sustainability and corporate social responsibility are fundamental to Lloyd’s business commitments and initiatives. For Lloyd, sustainability is about a responsible business approach that creates long-term stakeholder value by taking into consideration every dimension of how business operates in the social, cultural and economic environment. Your Company strongly believes that its approach will help create a long-term shared value for its customers, employees, suppliers, shareholders and the community.

Through its pioneering initiatives and innovations, Lloyd has continuously quested to bring a transformational change by delivering societal development and a positive environmental footprint. Over the years, the Company has invested in initiatives that proactively nurture the environment. Various divisions of the Company have passionately contributed to this effort.

Acutely conscious of the challenges facing a 24X7 energy dependent sector like ours, we are continuously in search of opportunities to reduce our energy consumption and consequent emissions. We are committed to usher in new green initiatives. Over the last few years, we have been working on initiatives focused on energy efficiency and alternate energy use. By-products are not always easily recyclable – and thus the Company invests substantially in R&D efforts to enhance yield and maximize utilization of raw material. Reduce, reuse and recycle is the mantra that the LLOYD Group follows. Our philosophy of corporate sustainability is founded on three pillars of our people, processes and products and environment.



EMBEDDING SUSTAINABILITY

Lloyd's commitment to sustainable development and responsible business practice is complementary to its mainstream business agenda. Our commercial success depends on offering widely accessible, innovative and efficient products and services that our customers value. In doing this, we see opportunities to improve the lives of our customers and employees and benefit society. This business and sustainability co dependence is embedded in our core brand essence of "enriching lives".

Since its inception, Lloyd has felt a responsibility to be an exemplary corporate citizen while pursuing the profit motive. This approach has helped shape every business decision that we have made. Today, a comprehensive and structured Sustainability plan is in place that defines our corporate citizenship and how we aspire to act globally. It is our endeavor to use our business for the larger good and catalyze change in the community so that everyone we touch can endure and thrive.

In the changing times, energy and climate change has been demanding our strategic and operational attention. Lloyd is committed to minimizing the negative fallout of its products, process and services on the environment. Reducing the carbon footprint, working towards a sustained decline in our infrastructure GHG emissions, reliance on alternate green sources of energy and increasing resource efficiency are other ways that Lloyd is addressing this issue.

ENVIRONMENT, HEALTH & SAFETY

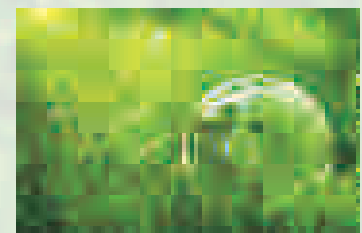
Your Company has always been environmentally conscious and believes in resource conservation. Environment, Health and Safety (EHS) is one of the primary values for your Company. The policy entails ensuring compliance to statutory EHS requirements as the minimum performance standard and commitment to go beyond and adopt stricter standards wherever appropriate. Your Company focuses on pollution abatement, resource optimization and waste minimization, which leads to sustainable development.

Priority and attention is given to the health and safety of employees. Training is imparted to all the employees to work as per the prescribed procedures meeting all EHS requirements. Time and again your Company has taken various initiatives to improve the work organization, working environment, health and well being of people at work more than simply meeting the legal requirements on health and safety. Your Company also endeavors to educate its customers and the public on safe use of its products.

We have pioneered environmentally sustainable processes in terms of raw material acquisition, vendor management, manufacturing, and recycling. Our care for the environment is also visible from the fact that we plant a substantial number of trees each year in the vicinity of our factories and offices. In keeping with its vision of 'Engineering Solutions for a Greener Tomorrow', the Company pursues the development of eco-friendly products and appropriate engineering solutions. Other environment-related initiatives include discharge of effluents, recycling of waste water, disposal of solid and hazardous waste, rain water harvesting, vermiculture, use of solar energy for water heating and use of environment-friendly refrigerants. Across all facilities of the Company, targeted emission parameters are monitored. All manufacturing sites have implemented Environment Management Systems. Regular audits and reviews ensure that continual improvement is achieved and wherever required, corrective actions are taken.

Our initiatives would go a long way towards conservation and enrichment of environment while ensuring greater prosperity of the Community. We still strive to fix and meet more stringent goals for ourselves while progressing on the road to establishing a more socially meaningful enterprise.

Acting today to assure a better tomorrow.....



Corporate Social Responsibility

We value diversity in the workplace and strive to be a responsible corporate citizen to all of our stakeholders in the communities where our products are manufactured



Building a bright, strong & self-reliant India



Making a difference for children- Promoting Girl child education



Ushering in a bright future

“Embodied in the value system of Lloyd is a vision to give millions the power to shape their destiny, the means to realize their full potential and a commitment to being a socially responsible entity”



Education and social inclusion through Lloyd Play School

“Lloyd leverages its reach and accessibility to foster sustainable community development”



A caring touch- Our unwavering support to noble cause of MUSKAAN NGO



Healthcare-Medical Checkup Camps and Blood Donation Camps for the welfare of fellow beings in need



Sponsoring the education and learning of students at Purkal Youth Development Society



Winning Smiles Touching Heart.... the joy of giving

Lloyd recognizes and embraces its commitment to the communities in which it operates. We believe the private sector plays a vital role in creating a level playing field, driving innovation and building an environment that enhances education and entrepreneurship to foster economic growth. Our social investment strategy is based on our vision to help the world run better and improving people's lives. Our CSR initiatives stems from the belief that corporations are socio-economic citizens and their objectives have to be congruent with society's goals. Today, they wield significant capacity to influence social issues, i.e. "power to do good". This is a responsibility and must manifest in thoughtful and deliberate set of initiatives, not in charity. These must reflect the same level of rigor & strategic thinking as in business initiatives. We believe we must try to, and can make some lasting impact, towards creating a just, equitable, humane & sustainable society.

Our community development initiatives evolved to fulfill the most pressing needs of the community that are regularly assessed in consultation with various internal and external stakeholder groups. Over the years, Company's CSR activities are carried out under the Flagship initiative "Pandit Kanahaya Lal Punj Trust", the philanthropic arm of the Lloyd Group. The primary objectives of the Trust are to support the developmental needs of marginalized and the underprivileged communities. We have four core areas of work - education, health care, environment and disaster rehabilitation. Apart from these core areas, as part of the long term process we also do our bit for the girl child welfare and community service for the aged and the physically/mentally challenged to make a difference to the lives of the disabled sections.

Lloyd has always endeavored to promote education. Your Company believes that education is a basic human right that must be provided to all. The vision is the force behind the group's involvement in a number of educational programs. Well-rounded holistic development of children today is essential for building the leaders of the next generation. In recognition of this, Lloyd concentrates most of its sustainability / CSR efforts by actively supporting the education and social initiatives of the PKLP Trust.

The Girl child in India lives an unenviable life with societal imposed 'traditions' like early marriage leading to dowry harassment, early maternity and death. Added to this is female foeticide that skews gender ratios. Education is therefore the best way of empowering the girl child. It is with this intent and to pursue its objects for imparting education to the poor and underprivileged girls for development of the society, the Trust had taken significant initiatives towards this noble cause and has set up the first "Lloyd Play School" at Village- Khorikalan, Tehsil- Tauru, Haryana. Lloyd play school aims at delivering free of cost quality education to underprivileged children in rural India with a focus on the girl child. The programme attempts to enhance the learning levels of students by providing them with exposure especially in English, life skills and communication. As a start up, the School has enrolled 30 students and your Company intends to expand this humble endeavor in the years to come. The attention is given comprehensively to nutrition, health and to learning. The curriculum administered is holistic and encompasses physical, emotional, intellectual and social health. The objective is to develop them into self-reliant individuals with deep sense of social commitment.

Lloyd continued its association with Purkal Youth Development Society (PYDS) by sponsoring the education and learning of Class VII students for the new academic year. During the year under review, your Company has extended its unwavering support to the noble cause of "MUSKAAN NGO and GOONJ NGO. Besides education, environment and disaster management, your company actively contributes to the well being of the society where it serves and endeavors to provide access to the best possible healthcare to the needy and deprived people. Lloyd is helping healthcare facilities make better use of scarce resources, support personalized treatments and build children's healthcare facility. Company organizes Medical checkup camps for the destitute to ensure early diagnose of deficiencies and timely corrective actions for their healthy lives. Blood donation camps are organized for the welfare of the fellow beings in need.

Employee Volunteering is integrated with the Lloyd's CSR framework and focuses on selfless voluntary service offered by employees with enabling support, motivation and facilitation from the company. Our Board of Directors, management and all our employees subscribe to the philosophy of compassionate care and for the betterment of our societies.

Corporate Information

BOARD OF DIRECTORS

Brij Raj Punj

Chairman & Managing Director

Bharat Raj Punj

Executive Director

Achin Kumar Roy

Whole Time Director

Mukat B. Sharma

Whole Time Director & Chief Financial Officer

Nipun Singhal

Whole Time Director

Surjit Krishan Sharma

Non-Executive Independent Director

Geeta Ajit Tekchand

Non-Executive Independent Director

Ramesh Kumar Vasudeva

Non-Executive Independent Director

Ajay Dogra

Non-Executive Independent Director

Gopal Kacker

Non-Executive Independent Director

COMPANY SECRETARY

Anita K. Sharma

STATUTORY AUDITORS

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

BANKERS

State Bank of Bikaner & Jaipur

State Bank of India

Axis Bank

Standard Chartered Bank

IDBI Bank

ING Vysya Bank

Exim Bank

Indusind Bank

Karnataka Bank

HDFC Bank

Societe Generale

SHARE TRANSFER AGENT

Skyline Financial Services Private Limited

D-153A, Okhla Industrial Area

Phase- I, New Delhi- 110 020

Tel: 011-26812682, 83

Fax: 011-26812684

REGISTERED OFFICE

A-146, (B&C), RIICO Industrial Area

Bhiwadi Distt. Alwar,

Rajasthan- 301019

Ph: 01493-220724, 222521, 221348

CORPORATE OFFICE

159, Okhla Industrial Estate,

Phase-III, New Delhi- 110020

Ph: 011-40627200-300

Fax: 011-41609909

MANUFACTURING PLANTS

DOMESTIC

1. A-146, (B&C),
RIICO Industrial Area
Bhiwadi Distt.
Alwar, Rajasthan- 301 019
2. Industrial Area Kala-Amb,
Trilokpur Road,
Sirmour, Nahan
Himachal Pradesh
3. Plot No. 24 Sector 2, IIE
SIDCUL Pantnagar,
Uttarakhand
4. Plot No. S 21 & S 22, NON SEZ, Phase III
Sipcot Road, Mugundarayapuram
Ranipet, Vellore District, Tamilnadu
5. Bahadarabad, Mehdood
Industrial Park, 2 Salempur
SIDCUL, Haridwar, Uttrakhand
6. Village Nizampur
Tauru- Rewari Road
Tehsil- Tauru,
District Mewat
Haryana- 122105

OVERSEAS

(Owned by subsidiaries)

1. Lloyd Coils Europe s.r.o
Prague-5, Radotin,
Vrazska 143, Czech
Republic
Postal Code 15300
2. Janka Engineering s.r.o
Prague-5, Radotin,
Vrazska 143,
Czech Republic
Postal Code 15300

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Directors' Report

To
The Members

Your Directors are pleased to present the 27th Annual Report on the business and operations of your company along with the Standalone and Consolidated Audited Accounts for the financial year ended 31st March, 2014.

SUMMARISED FINANCIAL RESULTS

Rs. in Crores

PARTICULARS	STANDALONE for the year ended		CONSOLIDATED for the year ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Revenue from Operations	1439.69	1169.38	1775.97	1474.31
Operating Profit (EBIDTA)	189.58	145.88	214.29	155.87
Finance Expenses	84.02	50.75	85.50	52.70
Depreciation	23.79	22.26	31.76	31.62
Profit before tax	81.77	72.87	97.03	71.56
Less: Current Tax	17.50	14.72	21.40	15.52
Deferred Tax	(11.82)	2.00	(13.49)	3.24
Profit for the year	76.09	56.16	89.12	52.80
Add: Balance brought forward	155.32	110.45	142.75	101.23
Add: Excess FBT provision adjusted	0.02	-	0.02	-
Add: MAT credit receivable	1.36	1.85	1.36	1.85
Amount available for appropriation	232.79	168.45	233.23	155.88
Less: Proposed Dividend	3.53	3.53	3.53	3.53
Corporate Dividend Tax	0.60	0.60	0.60	0.60
General Reserve	23.00	1.50	23.00	1.50
Debenture Redemption Reserve	-	7.50	-	7.50
Balance carried forward	205.66	155.33	206.10	142.75

DIVIDEND

Keeping in view the Company's long-standing history of stable dividend payouts, your Directors are pleased to recommend payment of dividend of Re 1/- per equity share of Rs. 10/- each for the financial year 2013-2014 subject to the approval of the shareholders. (Previous year Re. 1/- per equity share of Rs. 10/- each).

The total dividend payout would be Rs. 4.13 crores, including dividend distribution tax of Rs. 0.6 crores.

PERFORMANCE HIGHLIGHTS

The financial year 2013-2014 witnessed another year of sluggish and challenging market conditions. India's domestic strength was tested by intensifying global uncertainties. Declining economic growth, high inflation, declining fiscal discipline, a widening external deficit and diminishing business confidence are hampering India's economic outlook. The volatile exchange rate and sharp depreciation of rupees further augmented the economic conditions and business performances.



In the view of this challenging environment, your Company managed to record a decent performance. On standalone basis, revenue of the Company stood at Rs. 1439.69 crores as against Rs. 1169.38 crores during the previous year, registering an increase of 23%. Earnings before Interest, tax, depreciation and amortization (EBITDA) was Rs. 189.58 crores as against Rs. 145.88 crores, higher by 30%. The Net Profit before tax was Rs. 81.77 crores as against Rs. 72.87 crores in the previous year, registering a growth of 12%.

On consolidated basis, revenue from operations for the financial year 2013-14 at Rs. 1775.97 crores was higher by 20% over last year (Rs. 1474.31 crores for FY 12-13). Earnings before Interest, tax, depreciation and amortization (EBITDA) was Rs. 214.29 crores as against Rs. 155.87 crores, higher by 37%. The Net Profit before tax was Rs. 97.03 crores as against Rs. 71.56 crores in the previous year, registering a growth of 36%.

OPERATIONS

This year was full of challenges for the HVAC& R Industry. The Forex was at the record high rendering most products to become un-competitive and curbing the ultimate demand. Metal Prices (LME) was relatively stable. The Room Air Conditioners market in India has experienced a negative to lower growth rates in last 3 years due to weak economy and significant rise in prices. However, market is expected to grow at a healthy pace of CAGR 10-12 % in between FY 2014-15 to 2018-19. Lower market penetration, rising income levels, increasing number of households, high temperatures & humidity, urbanization are strong growth drivers for this air conditioning industry.

Your Company has invested significantly for technology up gradation, new product development and localization to sustain its market leadership in future years. New products meeting with higher energy efficiency norms of BEE has been developed during the year in the room air-conditioning segment with R-410A refrigerants. The Company has also developed innovative and energy efficient range of products for the residential and commercial segments like inverter air conditioners with environment friendly refrigerants for the OEM market, 24 K and 48K Cassette/ Floor Standing air conditioners.

The year also saw tremendous rise in the export market of its Heat & Cool products to Middle East, CIS countries, meeting with international standards like CB/ESMA certification

With the IRIS certification, the Company has been able to bagged its first prestigious order from Bombardier Transportation for the supply of Roof Mounted ventilation units for EMU coaches

During the year, your company has further strengthen its LLOYD brand product portfolio by adding wide range of room air-conditioners with star ratings, Washing Machine, LED Televisions, Water Dispensers, Chest freezers etc. Your Company has expanded its branch network to 44 branches and 280 service centres to cope with the growing demand and this has resulted in a much deeper penetration where almost 85% of districts in India have Lloyd product dealers thus expanding the dealer base to 6000 dealers encompassing Tier 2,3 and rural towns.

SUBSIDIARY COMPANIES

Pursuant to the Accounting Standard AS-21 issued by ICAI, Consolidated Financial Statements presented by the Company includes the financial information of subsidiary Companies namely, Lloyd Coils Europe s.r.o and Janka Engineering s.r.o.

The Central Government vide Notification no.2/2011 dated 8th February, 2011 granted general exemption to Companies from dispensing with the requirement of attaching the accounts of the subsidiary companies, subject to certain conditions. As the Company has complied with all the conditions, the annual accounts and other documents of the subsidiary Companies are not attached with the Balance Sheet of the Company. The Annual Accounts of the subsidiary

Lloyd Electric & Engineering Limited

Companies are open for inspection by any member/investor and also available on the website of the Company- www.lloydengg.com. The Company will make the documents/details available, upon request by any member of the Company or its subsidiaries interested in obtaining the same.

The Economic condition in Europe continued to be rather unclear with different developments across the regions. Central Europe showed some signs of recovery and is finally getting out of long lasting recession. Germany remains to be the engine of EU economy, benefiting mostly from growing exports.

The operations of both the overseas subsidiaries were significantly impacted by the flood that hit Prague in June 2013, resulting in production and sales loss for nearly one month. The total damage caused by flood was Euro 6 Million in both the subsidiaries, - Euro 2 Million in Lloyd Coils Europe (LCE) and Euro 4 Million in Janka Engineering (Janka), which were fully indemnified by the insurance company.

On the Operational front, LCE reported Sales of Euro 33.4 Million for the financial year ended March 31, 2014, which was nearly 10% down from the previous year. The main reason for the decline in Sales was apparently the flood. Whereas the improved product mix, increased labour productivity and favourable currency exchange rate, boosted the profit to the record high level in the Company's history. EBITDA touched all time high of Euro 3.9 Million, higher by 16% over previous year and PBT increased significantly to Euro 2.3 Million.

For Janka, the year was a turnaround in sales and profit margins. Central Europe had gradually improved from the recession and construction industry showed few signs of recovery. Janka entered into new segment of development of HVAC unit for rolling stock manufacturer, which resulted in increase in sales not only in domestic market but also in Russia, Germany and Hungary. The Sales of Janka touched all time high of Euro 12 Million and delivered positive EBITDA of Euro 0.40 Million as against the previous year loss of Euro - 1 Million. During the fiscal year, it has also developed condensing unit for retro-fitted coaches of local train operator RegioJet and is in advance stage to provide similar solutions to the Czech Railways.

NON CONVERTIBLE DEBENTURES

During the year, Company has fully redeemed 500 nos. of 11.25%, Secured Redeemable Non Convertible Debentures ('NCD') of the face value of Rs. 1,000,000/- each issued by the Company on private placement basis in the financial year 2010-2011 by making prepayment of Rs. 50 crores. Pursuant to the said redemption, the Company had fully complied with the requirements pertaining to extinguishment of securities and de-listing of the same from Bombay Stock Exchange (BSE).

GLOBAL DEPOSITORY RECEIPTS (GDRs)

96,000 Global Depository Receipts underlying 1,92,000 equity shares were outstanding for conversion as on March 31, 2014. The GDRs are listed on the Professional Securities Market of London Stock Exchange. The Bank of New York acts as the Depository and ICICI Bank as the domestic custodian in respect of GDRs issued.

FIXED DEPOSITS

During the year under review, your Company has not accepted any deposits from public as per the provisions of the Companies Act and Rules made there under.

LISTING ARRANGEMENT

The equity shares of the company are listed at Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE)

The GDR'S are listed on London Stock Exchange.

Annual Listing fees to above Exchanges for the Financial Year 2014-15, as applicable have been paid before the due date.



CORPORATE GOVERNANCE

Your Company fully subscribes to the principles and spirit of good Corporate Governance and endorses the ideologies and ethics of independence, integrity, accountability and transparency into the value system driving the Company. We keep our governance practices under continuous review and benchmark ourselves to the best governed Companies across the globe.

A detailed report on Corporate Governance with respect to compliance with the provisions of Clause 49 of the Listing Agreement forms a part of this Annual Report.

DIRECTORS

Mr. Krishan Lall, has ceased to be a director of the Company w.e.f. 9th March 2014, due to his death which has been taken on record by the Board of Directors at their meeting held on 29th May 2014. The Board of Directors condole the untimely demise of Mr. Lall and took on record the invaluable contributions made by Mr. K. Lall towards the progress of the Company.

Mr. Gopal Kacker was appointed as an Additional Director to be designated as Non Executive Independent Director on the Board of the Company w.e.f. May 29, 2014 and he holds office upto the date of the ensuing Annual General Meeting. The company has received requisite notice in writing from the member proposing appointment of Mr. Kacker as Independent Director.

Mr. Brij Raj Punj was re-appointed as the Managing Director of the Company for a period of five years effective from October 31, 2013 subject to the approval of the shareholders at the ensuing Annual General Meeting.

Mr. Achin Kumar Roy was re-appointed as Whole Time Director of the Company for a period of two years effective April 28, 2014 subject to the approval of the shareholders at the ensuing Annual General Meeting.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Mukat Behari Sharma retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Brief profile of the Directors seeking appointment and re-appointment is given in the notice of the ensuing Annual General Meeting.

AUDITORS & AUDITORS' REPORT

Statutory Auditor

M/s Suresh C. Mathur & Co., Chartered Accountants, (Membership no.: 083540 and Firm registration no. 000891N) retires as statutory Auditors at the forthcoming Annual general Meeting and has given their consent for re-appointment. Pursuant to the provisions of the Companies Act, 2013, the Company has obtained a written certificate from M/s Suresh C. Mathur & Co., Chartered Accountants, to the effect that their appointment, if made, would be in conformity with the limits specified in the said Act. The Board recommends their re-appointment as Statutory Auditors for a period of three years from the conclusion of ensuing Annual General Meeting up till the conclusion of Thirtieth Annual General Meeting, subject to ratification by the shareholders of the Company at each Annual General Meeting.

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

Cost Auditor

In pursuance to the provisions of Section 148(2) of the Companies Act 2013 (corresponding to Section 233B of the companies Act, 1956) and with the approval of the Central Government, M/s Jain Sharma & Associates, Cost Accountants, (Membership no.: 18592 and Firm registration no. 000270) has been re-appointed as the Cost Auditor of the Company to conduct Audit of the Cost records for the financial year 2014-2015.

The Cost Audit Report for the financial year 2012-2013 was filed with the Ministry of Corporate Affairs within the prescribed time limit and Cost Audit Report for the year 2013-2014 will be submitted on or before due date i.e. September 30, 2014.

CORPORATE SOCIAL RESPONSIBILITY

Driven by the desire to create a meaningful difference in society; at Lloyd we make conscious efforts to achieve higher socio-economic goals. Over the years, we have aligned our business processes and goals to make a more deep-rooted impact on the society directly. There is an absolute belief that the transformational projects undertaken by us are contributing towards strengthening trust of all our stakeholders. We believe that bringing the benefits of education, basic healthcare, sustainable livelihood, infrastructure and espousing social reform, support to the needy suffering from physical disabilities, employability, community service for the aged and girl child welfare will make a difference to the lives of the poor.

Details on the initiatives taken by the Company towards CSR activities are provided in the Corporate Social Responsibility section of the Annual Report.

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

In accordance with the requirements of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, statement showing particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo and Research and Development activities undertaken by the Company are annexed hereto (Annexure to Director's Report) and form part of this report.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are to be set out in the Directors' Report as an addendum thereto. However, in line with the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report is being sent to all members of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Corporate Office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

The Audited Accounts for the financial year ended March 31, 2014 are in conformity with the requirements of the Companies Act, 2013 (to the extent notified) and the Companies Act, 1956 (to the extent applicable). Pursuant to Section 217(2AA), your directors hereby confirm that:

1. In preparation of the annual accounts for the year ended March 31, 2014, the applicable accounting standards have been followed;



2. The accounting policies are consistently applied and reasonable, prudent judgment and estimates are made 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 profits of the Company for that period;
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, and for providing and detecting frauds and other irregularities;
4. The Directors have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation for the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

We also place on record deep appreciation to various statutory authorities, Central and State Governments and Government of various countries where we operate for their continued assistance, co-operation and encouragement they have extended to the Company and look forward to their continued support in future.

For and on behalf of the Board of Directors

Date: May 29, 2014

Place: New Delhi

Brij Raj Punj

Chairman & Managing Director

Annexure to Directors' Report

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

A. CONSERVATION OF ENERGY

Sustainability at Lloyd involves the awareness that a greener, healthier planet is the best legacy we can leave for our future generations and for our business. Company has embedded a policy of reduce, reuse and recycle across all its processes. Company's technical staff and engineers are trained to identify energy-saving opportunities and consistent efforts to improve performances have resulted in considerable reduction in the use of energy and natural resources. Your Company has taken appropriate measures for environment protection by adopting green and clean technologies and designing pollution control infrastructure to achieve discharge and emissions within the statutory limits.

A few initiatives taken by your Company towards energy conservation during the year under review:

- Use of high masks light of 250w to CFL of 85 W.
- Use of electrical equipment's with high energy efficiency and low anti environment emissions
- Enhancement of Paint facility automatic reciprocator installed to improve powder paint quality, save wastages of powder paint and save on human resources
- Transparent FRP Roofing sheets for better lighting during day time for energy conservation.
- Planned use CFL/ LED bulbs in shop floor and use of street lights.
- Use of energy efficient welding machines for TIG welding to reduce power consumption.
- Switch off utility machines during off times.
- Use of portable air compressor during partial load condition to conserve energy.
- Rain water harvesting continues to be a focused activity at our manufacturing plants.
- Reduced carbon footprints and initiatives taken to continuously monitor waste generation and constantly improve effluent waste treatment plants across all our manufacturing units.

Benefits derived as a result of above efforts:

Your company has taken few significant steps to reduce energy consumption to ensure lesser impact on the environment and as a consequence of these measures, your company is able to reduce electrical and fuel consumption and curb the impact of increase in cost of energy thereby savings in the cost of production of the goods to that magnitude. Company is progressing well towards its key goal of carbon dioxide emission reduction.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Technology and innovation continue to be one of the key focus areas to drive growth of Lloyd group besides ensuring sustainability and helping the Company take a leap in transformation. Consistent with Lloyd's aspiration to become a best in class technology 'Lloyd Technology Team' is working as a focal point to integrate Research and Technology initiatives across the Organization. In addition to developing new products and technologies for



existing businesses/ manufacturing facilities, the group is also working on building capabilities to develop breakthrough technologies that will create new business for Lloyd. Training is imparted to technical staff as an ongoing process.

C. RESEARCH AND DEVELOPMENT

In order to meet with the growing demand for latest technology products, and to compete in the market place, your Company continued its efforts in strengthening the R&D activities. Efforts continued to enhance the in-house capabilities to bring in operational efficiencies and product up-gradation to meet the customer needs at both domestic and international front.

Specific areas in which R & D carried out by the Company

To bring innovation and improve upon its area of operation to be at par with International Standards during the year under review, Our R&D team has contributed to design optimization of standard range of products for several customers.

Highlights of products and processes developed by your Company during the year under review include:

- Development of energy efficient models ranging from 2/3/5 star rated split air conditioners as per the new BEE standards.
- Development of 24K & 48K Cassette/ Floor standing AC
- Development of DC inverter air conditioner for OEM market.
- Developed and qualified Window AC product with CB certification for UAE market
- Development of new generation PLC based controllers for metro rail HVAC units
- Roof Mounted Ventilation unit for EMU coaches of MRVC II project, for Bombardier
- Switch Board Cabinet for LHB Coaches
- Oil Cooling Unit for electric loco engines of CLW
- Development of Heat Exchangers (condensers) using micro channel technology.
- Development of Heat and Cool Split AC with R-410A refrigerant for CIS countries
- Development of Split AC with scroll compressor
- Up gradation of Ac test lab standards as per ISO 17025
- Development of Roof Mounted packaged Units with environment friendly refrigerants for LHB and conventional coaches of Indian Railways.

Benefits derived as a result of above R&D

The development of new products has helped the company to remain at the top of cutting edge technology and has resulted in continuity of our relationship with key customers. Having a diverse product portfolio with star rated products; helped the Company in improving the market share. Your Company enhanced its customer base with some of the leading Indian and Overseas brands.

Future Plan of Action

Towards optimizing energy consumption, your Company continues its efforts to enhance the in-house capabilities to bring in operational efficiencies and product up-gradation to meet the customers' need. We will continue to focus on and collaborate with leading national and international universities, product vendors and technology start up companies.

Expenditure incurred on Research and Development

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

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

D. FOREIGN EXCHANGE EARNING AND OUTGO

- a. Activities relating to exports, initiatives taken to increase exports; development of new export markets for products and services and export plans:

Discussed in detail in the 'Management Discussion and Analysis Report'

- b. Total Foreign Exchange used and earned:

Rs. in Crores

	2013-2014	2012-2013
Foreign Exchange Earnings	185.18	90.16
Foreign Exchange Outgo	623.90	423.89



Management Discussion & Analysis

ECONOMIC SCENARIO AND OUTLOOK

The world economy has experienced subdued growth for another year in 2013, unable to meet even the modest projections made for the year by many institutional forecasters. Despite improved global financial conditions and reduced short-term risks, the world economy continues to expand at a submissive pace. The economies of the developed countries still face strong headwinds in their struggle to return to sustained growth. The great recession left a host of troublesome legacies: continued deleveraging by households and firms, which is holding back consumption and investment demand; still fragile banking sectors whose lending to the private sector is not yet normalized; depressed housing markets that had put additional strains on the banking system; and substantially deteriorated fiscal balances and rising public indebtedness that Governments are trying to redress through fiscal austerity, but which, in already depressed economic situations, is further pushing up unemployment rates and slowing economic recovery. Underperformance in the world economy was observed across almost all regions and major economic groups. However, after a marked down-turn over the past two years, global economic activity had slowly gained momentum in the second half of 2013 and 2014. The Euro area is turning the corner from recession to recovery. Few regions saw a moderate pick-up, but growth continued to be below potential and employment gains, especially developed economies, remained weak at best. The short-term risks associated with the situation in the euro area, the fiscal adjustments in the United States and the economic slowdown in large developing countries have diminished, but not disappeared.

Fiscal year 2013 has been tumultuous for India. For the first time in a decade, India's economic growth fell below 5 percent, growing 4.6 percent year over year in the first half of FY 2013–2014 relative to last year. Unfortunately, growth is not India's only challenge. The economy is burdened with persistently high inflation, rising fiscal deficit, and excessive imbalance in its current account, exposing internal challenges that are affecting investors' confidence in the economy's ability to grow. Global economic uncertainties are aggravating India's internal troubles. India was among the worst hit of the emerging economies whose currency, stock, and bond markets experienced extreme volatility this past summer due to the US Federal Reserve's (Fed's) tapering signal. Its currency depreciated more than 20 percent because of heavy capital outflows. India's ability to overcome its adversities lies in its inherent strengths and potential. India has gone through difficult times even before, which makes it resilient and better able to overcome economic challenges. It is one of the few major emerging economies to make a strong comeback after the Fed announced that it was deferring tapering.

INDUSTRY STRUCTURE AND DEVELOPMENT

The HVAC&R industry have seen down-swing due to economic crisis and the market has shifted paradigm in recent years. The old systems were basic analog based electrical systems and these still make up the majority of the installed systems. The newer systems are more energy efficient and environment friendly. Shift to the newer systems is leaving a positive impact on the markets and bringing an upsurge in the markets.

The economic slowdown did not have much impact on the market for consumer goods particularly air conditioners; which has remained buoyant over the years. The demand for ACs has grown manifold over a decade. Air conditioners market in India is forecasted to double its market revenues in next five years. The demand for Split air conditioners is followed by Window and Portable air conditioners. The metropolitan cities of Delhi, Mumbai, Kolkata have shown remarkable rise in demand for air conditioners in past few years, where Delhi and its suburbs contribute the largest volume sales. Reason can be attributed to its hot temperature and population, which is gradually increasing every year. Indian air conditioners market is expected to grow at the CAGR of around 13% during 2013-18. Currently, as per industry sources, the annual size of the Indian AC industry is estimated to be around 4.5 million units per year and is valued at Rs 75-80 billion. A striking development in the AC market has been demand and supply side shift towards split ACs as compared to window ACs. Over the years split AC has surpassed demand for window AC dramatically and Split ACs, at present, dominates the AC industry with more than 69% of the total units sold last year.

Lloyd Electric & Engineering Limited

One big structural change in the AC market has been brought by Bureau of Energy Efficiency (BEE) through its new energy norms. According to the new norms, existing ratings assigned to ACs have been upgraded with effect from January 1, 2014. The consumers seem to be focusing more on energy efficient products that have valued proposition and also have a differentiated features. The up gradation in rating would entail a price hike in Split as well as window ACs, adding to the woes and curbing profit margins.

BUSINESS OVERVIEW

Lloyd Electric & Engineering Limited is a well recognized and diversified engineering corporation with a history in business excellence. It is an acknowledged name in Heating Ventilation Air Conditioning and Refrigeration (HVAC&R) industry and Consumer Durable goods segment. Lloyd is a leading manufacturer of heat exchanger and evaporator coils serving the entire spectrum of HVAC&R industry. The Company is an original equipment manufacturer (OEM) to major AC giants in India and exporters to leading brands in the rapidly growing markets of Africa, Middle East and North America. The Company also provides customized AC solutions for institutional clients like railways, defense and metro rails and has also made a mark in the transport segment. Lloyd is a premier name in the air conditioning and consumer durable goods segment. Company has a well integrated and consolidated Heat Exchanger Business, offering in its product portfolio Copper and brass heat exchangers, shell & tube heat exchanger for industrial application, oil coolers for railways, and heavy automobile and tube mill for MB radiators.

FINANCIAL HIGHLIGHTS

On standalone basis, revenue of the Company stood at Rs. 1439.69 crores as against Rs. 1169.38 crores during the previous year, registering an increase of 23%. Earnings before Interest, tax, depreciation and amortization (EBITDA) was Rs. 189.58 crores as against Rs. 145.88 crores, higher by 30%. The Net Profit before tax was Rs. 81.77 crores as against Rs. 72.87 crores in the previous year, registering a growth of 12%.

On consolidated basis, revenue from operations for the financial year 2013-14 at Rs. 1775.97 crores was higher by 20% over last year (Rs. 1474.31 crores for FY 12-13). Earnings before Interest, tax, depreciation and amortization (EBITDA) was Rs. 214.29 crores as against Rs. 155.87 crores, higher by 37%. The Net Profit before tax was Rs. 97.03 crores as against Rs. 71.56 crores in the previous year, registering a growth of 36%.

EXPANSION & FUTURE PROSPECTS

The growth of a Company is invariably determined not just by its strategy, but on how it responds to the challenges it encounters. Over the decades, Lloyd has successfully countered several challenges that have come its way with innovative responses and continuous improvement which have enabled it to remain stable and even convert some of these challenges into opportunities. It is this culture of endurance that has accorded Lloyd the insight and focus to deal with the current economic environment. Drawing from its inner strength and beliefs, Lloyd responded by launching several initiatives across all its operations in various geographies that are helping the Group to achieve sustainable growth even in the current times. It is also this very culture that will propel Lloyd to continue on its growth trajectory in the years to come.

During the year under review, your Company has undertaken several proactive initiatives and strategic expansions to secure better quality, more productivity and less wastage. Company has added a new Assembly Line at the Pant Nagar manufacturing facility to cater to the increased demand of LED television. Automatic Data logger in testing facility has been done to avoid human intervention and maintain highest level of Quality. In compliance with the stringent BEE norms and new energy standards for 2014, during the year under review, your Company had developed wide range of energy efficient Air Conditioners ranging 2/3/5 star rated for domestic and export markets.

Lloyd remains alert to every opportunity and to cater to the demand offered by the metro segment, the Company has developed new generation PLC based controllers for metro rail HVAC units for a world renowned supplier of controllers for metro applications.



India's consumer durable market is riding the crest of the country's economic boom. During the year, Lloyd has introduced the all new range of Washing Machines, Water Dispensers, Induction Cookers and Room Heaters. Company has also launched several new models in LED TV at very aggressive price which was possible due to the in house manufacturing at our Pant Nagar facility. Lloyd came up with a special Guarantee to delight its customers – 'Khushiyon Ki Guarantee!' to fulfill the daily yet special needs of the customers. Despite tough economic conditions, Lloyd brand had posted an enormous growth in sales which was a result of widespread and extensive marketing strategy adopted by the Company. With the potential growth in the consumer durable products, the Company aims to diversify its product portfolio to include other home appliances.

EXPORTS

With its vision to be a global player in HVAC & R industry, Lloyd is expanding its horizons to tap the overseas market and at present its product portfolio is being exported to the Middle East markets, African markets, Europe and North America. Your Company has concentrated its efforts on exports which are expected to yield considerable results in the years to come. Company offers products such as room air conditioners, condenser and evaporator coils, Heat Exchangers for HVAC & R industry. During the year under review, extensive steps have been taken by the Company to boost its export performances including recruitment of professionals abroad to captivate business from the U.S. market. Company has successfully developed Heat and Cool Models of AC with R-410A refrigerant for CIS countries, Nepal and Saudi Arab and has further taken steps to develop AC models for U.A.E and Iraq markets.

OPPORTUNITIES & OUTLOOK, THREAT & CONCERNS

India is expected to become the fifth largest consumer durable market in the world; the market is expected to reach US\$ 12.5 billion by FY 2015 from US\$ 7.3 billion in FY 2012. Urban markets account for the major share (65%) of the total revenues in the consumer durables sector in India. Demand for consumer electronics and durables is driven by a young demographic population, coupled with rising disposable incomes amid skilled and highly educated workforce. Besides, low penetration levels, easy availability of finance options, growing prominence of consumer electronics' retail stores and online retail industry is also fuelling the demand in this industry. The consumer durables industry does well when the economy grows. This is more so in an emerging country such as India where access to consumer durables is still very limited.

In order to suitably seize these opportunities, your Company has made strategic plans for growth intended to match up to the customer's requirements with suitable products and service offering, leverage in-house R&D capabilities for developing new differentiated products and providing customized solutions.

On the one hand there is substantial scope for expansion as the favorable demographics of India are a positive for the sector. On the other hand there are factors like increasingly expensive raw materials especially of Aluminium, Copper and Sheet Metal leading to erosion of margins as well as competition that will have a detrimental effect on the sector. But there are issues that the sector will have to face and the rising interest rate regimen is one of the first. Consumer durables are slightly interest rate sensitive. So, with the current high interest rate scenario some sluggishness in demand can be expected. Another factor that is going to affect the sector is competition. There is intense competition among players leading to higher advertisement spends and lesser pricing power, thereby lowering margins. While market leaders in the various categories are emerging, the other companies are finding that it is a tough going. The global economic slowdown continues to impact all facets of business. Increasing Tax, freight cost and operational cost are some other factors that have led to increase in cost. With growth slowing and high inflation eating into household savings, the industry has been facing rough weather. Rising interest rates and import costs due to rupee depreciation have added to the industry's woes.

RISK MANGEMENT

Risk management is a part of the strategic business planning and review and has assumed increased importance in the volatile times. Your Company was able to navigate successfully through the volatile business environment and has been able to generate higher profits year after year because of the strong Risk Management practices. The Risk Management of the Company is overseen by the Senior Management and the Board at various levels. The Company is actively engaged in assessing and monitoring the risk of each of the businesses and overall for the Company as a whole and undertake various timely and effective measures for mitigating the risk.

Liquidity and exchange risks have received increased attention during the year. In both these areas, the Company has adopted conservative measures to ensure that the risk mitigation exercises do not result in increase in indirect exposures. Increasing competition, escalating input costs, inflation and execution of technically challenging projects are some of the other risks which have assumed significance in the recent past and they are receiving close attention from the Management.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

An independent Internal Audit function is an important element of the Company's internal control system. The Company has in place adequate internal control systems and procedures commensurate with the size, nature and complexity 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 and All internal policies and statutory guidelines are complied with.

The Department conducts audit based on an annual risk-based internal audit plan covering key areas of operations. The adequacy and effectiveness of internal controls are reviewed and evaluated, ensuring adherence to operating guidelines and systems, recommending improvements for monitoring and strengthening economy and efficiency of operations and ensuring reliability of financial and operational information. The Company has put in place a Risk Assessment and Mitigation process across all its business operations, which is periodically reviewed by the Management. Significant Audit findings and suggestions along with the 'Action Taken Reports' are reported to the Board Audit Committee. The Board Audit Committee monitors and reviews the significant internal audit observations, compliance with accounting standards, risk management and control systems, profitability and risk ratings of overseas contracts and the status of outstanding and inventory levels.

The composition and competencies of the audit team and effectiveness of internal controls is continuously reviewed by the Audit Committee. The scope of internal audit extends to all functions and locations of the company.

ENVIRONMENT, HEALTH & SAFETY

Undeterred by the economic crisis, the best working practices in health, safety and corporate citizenship continue to be of the utmost importance to us. We have maintained our focus and introduced specific initiatives in all these areas. Safety at the workplace continues to be an area of critical importance. Time and again your Company has taken various initiatives to improve the work organization, working environment, health and wellbeing of people at work more than simply meeting the legal requirements on health and safety. Armed with the objective of protecting the health and safety of its employees and others associated with the business processes, safeguarding the environment and creating a long lasting positive impact on the communities where it operates, the HR team conducts EHS programs to educate employees about safety programs, make them aware of the Company's health and safety policy and conduct formal safety trainings for all. Lloyd works with the community members to prevent accidents, report unsafe conditions and protect the environment.



Your Company carries out its business activities in ways that seek to enhance the Earth's resources rather than deplete them, thereby helping create a sustainable world for the future generations to inherit

HUMAN RESOURCES

Lloyd Group recognizes people as the primary source of its competitiveness and continues to focus on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfill their aspirations. The Company was successful in meeting the challenges and realizing the opportunities of its business environment during the year under review, with the support of its dedicated, competent and committed employees. Your Company continued to implement best practices and innovative initiatives. We strongly believe that a company is its people. As a result, we invest in nurturing our employees and in shaping an environment in which they can develop to full potential. Our diverse training programs are overseen by the Human Resource Development Center.

We aim to work smart. We insist on a transparent work culture and consistently emphasize the quality of results rather than the quantity of time or effort. Also, we are actively pursuing Build Trust communications so every employee, from the Chief Executive to the shop floor worker, can efficiently and easily communicate and share information. The working atmosphere we foster emphasizes creativity, innovation and productivity so every employee moves toward unified goals. Lloyd will continue to invest in respecting employee differences and sensibilities.

CAUTIONARY STATEMENT

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

Report on Corporate Governance

Corporate Governance may be defined as a set of systems, processes and principles, which ensure that a company is governed in the best interest of all stakeholders. It is an ethically driven business process that is committed to values aimed at enhancing an organization's wealth generating capacity. Good Governance is about upholding fairness, independence, transparency and accountability. At Lloyd, it is imperative that your company's affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

In accordance with Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE), voluntary guidelines of Ministry of Corporate Affairs and some of the best practices followed internationally on Corporate Governance, the following report on governance lays down the ethos of Lloyd Electric & Engineering Limited and its commitment to conduct business in accordance with sound Corporate Governance practices. We adhere to the highest levels of ethical business practices as articulated by our Code of Conduct so as to achieve our performance with integrity.

I. STATEMENT OF COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance goes beyond the practices enshrined in the laws and is imbibed in the basic business ethics and values that needs to be adhered to in letter and spirit. However a transparent, ethical and responsible Corporate Governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the organization. The recent global phenomenon like financial melt-down, mega corporate failures and frauds of high-profile scandals involving abuse of corporate power and in some cases, alleged criminal activity by corporate officers have made sound governance practices indispensable to build and sustain trust of all its stakeholders.

At Lloyd, Corporate Governance practices aim to adhere to the highest governance standards through continuous evaluation and benchmarking. Hence, they are based on the following broad principles:

- Our corporate governance framework ensures effective engagement with our stakeholders and helps us evolve with changing times;
- We believe that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. At Lloyd, the Board of Directors is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of our stakeholders;
- We adopt transparent procedures and practices and our decisions are based on adequate information;
- We ensure compliance with regulatory and fiduciary requirements in letter and spirit;
- We offer high levels of disclosures to disseminate corporate, financial and operational information to all stakeholders;
- Various committees are constituted, such as Audit Committee, Remuneration Committee, Investor Grievance Committee to ensure compliance with statutory provisions and efficient and transparent functioning of Board of Directors.
- We ensure complete and timely disclosure of relevant financial and operational information to enable the Board to play an effective role in the guiding strategy.



- We keep in place a well-defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organization, though the Board remains in effective control of affairs at all times.

Good governance is about doing the right things in the right way for the Company and its Stakeholders. This has always been our priority.

II. BOARD OF DIRECTORS

Board of Directors is the apex body constituted by the shareholders and entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company. The Board provides and evaluates strategic direction to the Company, management policies and their effectiveness and ensures that the long-term interests of the shareholders are being served. Your Board of Directors ('the Board') comprises of eminent persons with considerable professional experience and expertise in diverse fields.

Composition

1. With profound grief members are informed that Mr. Krishan Lall, Non Executive Independent Director of the Company left for his heavenly abode on March 9, 2014.
2. The Board of Directors of the Company comprises of optimum combination of Executive & Non-Executive Independent Directors. The Chairman is an Executive Director. During the Financial Year 2013-2014, the Board comprised of Ten Directors, of which five were Non-Executive Independent Directors. The composition of the Board had been in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges. However, as on March 31, 2014 the casual vacancy arose subsequent to the demise of Mr. Krishan Lall on March 9, 2014, has been filled up by the Board of Directors in their meeting held on May 29, 2014 by way of appointment of Mr. Gopal Kacker (DIN: 01047554), as Additional Director to be designated as Non Executive Independent Director.
3. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding directorship and Committee positions in other public companies as on March 31st, 2014 have been made by the Directors.

Board Meeting

During the year under review, five (5) board meetings were held on the following dates:

- 1) May 30, 2013
- 2) July 27, 2013
- 3) August 29, 2013
- 4) November 11, 2013
- 5) February 7, 2014

The necessary quorum was present for all the meetings. The intervening period between two Board Meetings was well within the maximum time gap of four months, as prescribed under Code of Corporate Governance.

Lloyd Electric & Engineering Limited

Composition, Category and Attendance of Directors at Board Meetings, Last Annual General Meeting and number of other Directorships and chairmanships/memberships of Committees of each director in various companies as on March 31, 2014 are as follows:

S.No	Name of the Directors	Category of Directorship	No. of Board Meetings attended	Last AGM attended	No. of Directorships in other Public Companies #	No. of Committees Positions held in other Public Companies@	
						Chairman	Member
1.	Mr. Brij Raj Punj DIN 00080956	Chairman and Managing Director	5	Yes	2	-	-
2.	Mr. Bharat Raj Punj DIN 01432035	Executive Director	4	No	1	-	-
3.	Mr. A. K. Roy DIN 01475456	Whole Time Director	5	Yes	-	-	-
4.	Mr. Mukat Behari Sharma DIN 02942036	Whole Time Director & Chief Financial Officer	4	Yes	-	-	-
5.	Mr. Nipun Singhal DIN 02026825	Whole Time Director	3	No			
6.	Mr. S. K. Sharma DIN 00058581	Non-Executive Independent Director	5	No	-	-	-
7.	Dr. Geeta Ajit Tekchand DIN 02937277	Non-Executive Independent Director	5	No	-	-	-
8.	Mr. Ramesh Kumar Vasudeva DIN 06368045	Non-Executive Independent Director	4	No	-	-	-
9.	Mr. Ajay Dogra DIN 02430117	Non-Executive Independent Director	5	No			
Mr. K. Lall, ceased to be a Director of the Company w.e.f. March 9, 2014 due to his demise							
10.	Mr. K. Lall DIN 00555967	Non-Executive Independent Director	5	Yes	-	-	-

Notes:

Other directorships do not include directorships in private companies, foreign companies, companies under section 25 of the Companies Act, 1956

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

Mr. Gopal Kacker (DIN 01047554) is appointed as Additional Director to be designated as Non Executive Independent Director on the Board of the Company w.e.f. May 29, 2014.

During the Financial year ended March 31, 2014 none of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company. Thus the requirement of clause 49, pertaining to the independence of Non Executive Directors has been duly complied with. During the year 2013-14, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.



III. Audit Committee

Audit Committee of the Company has been established with an aim of enhancing confidence in the integrity of your Company's processes and procedures relating to internal control including financial reporting. The Company has a multi disciplinary Audit Committee which is responsible for effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and compliance with established policies and procedures including overseeing all the transactions that have monetary implications on the functioning of the Company. Audit Committee provides an 'Independent' reassurance to the Board through its oversight and monitoring role. The nomenclature, constitution and terms of reference of the Audit Committee are in accordance with the requirements mandated under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement executed with the Stock Exchanges.

The terms of reference of the Audit Committee are broadly as under:

1. Supervise the financial reporting process;
2. Review the quarterly and annual financial results before placing them to the Board along with related disclosures and filing requirements;
3. Review the adequacy of internal controls in the Company, including the plan, scope and performance of the internal audit function;
4. Discuss with management the Company's major policies with respect to risk assessment and risk management;
5. Hold discussions with statutory auditors on the nature and scope of audits and any views that they have about the financial control and reporting processes;
6. Ensure compliance with accounting standards and with listing requirements with respect to the financial statements;
7. Recommend the appointment and removal of external auditors and their fees;
8. Recommend the appointment of cost auditors;
9. Review the independence of auditors;
10. Ensure that adequate safeguards have been taken for legal compliance both for the Company as well as foreign subsidiaries;
11. Review related party transactions;
12. As per the requirement of the Listing Agreement, to review the Financial Statements, in particular the investments made by the unlisted subsidiary Company

During the year under review Audit Committee comprised of 4 members, out of which 3 were Independent Directors. Ms. Anita K. Sharma, Company Secretary acts as the secretary to the Committee.

Mr. K. Lall, the Chairman of the Audit Committee was present at the last AGM.

However, subsequent to the demise of Mr. K. Lall, the Audit Committee comprises of 3 members, out of which 2 are Independent Directors.

Lloyd Electric & Engineering Limited

During the year under review, five (5) board meetings were held on the following dates:

- 1) May 30, 2013
- 2) July 27, 2013
- 3) August 29, 2013
- 4) November 11, 2013
- 5) February 7, 2014

Adequate Quorum was present at all the meetings

As on March 31, 2014, the Composition and attendance of the members at the meetings were as follows:

Name of Director	Designation	Category of Director	No. of Meetings Held	No. of Meetings attended
Mr. S. K. Sharma	Member	Non- Executive Independent Director	5	5
Mr. A. K. Roy	Member	Whole Time Director	5	5
Dr. Geeta Ajit Tekchand	Member	Non- Executive Independent Director	5	5
Mr. K. Lall, Chairman of the Audit Committee ceased to be a Director of the Company w.e.f. March 9, 2014 due to his demise				
Mr. Krishan Lall	Chairman	Non- Executive Independent Director	5	5

IV. REMUNERATION COMMITTEE

In compliance with the provisions of the Companies Act, 1956, Listing Agreement executed with the Stock Exchanges and keeping in view its philosophy of voluntary transparency in operations, the Company has in place a Remuneration Committee comprising of Independent Directors. Remuneration Committee reviews and recommends the payment of annual salaries, commission and finalizes service agreements and other employment conditions of the Executive Directors. The guiding principle of the Committee is that the remuneration and the other terms of employment for the Executives shall be Competitive in order to ensure that the Lloyd group can attract and retain competent Executives and the rewards shall commensurate with their contributions towards the growth of your Company.

The broad terms of reference of the Remuneration Committee are as under:

1. Review the performance of the Managing Director and Whole Time Directors, after considering the Company's performance.
2. Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Managing Director and other Executive Directors within the overall ceiling fixed by the Board.
3. Recommend to the Board, retirement benefits to be paid to the Managing Director and Whole-time Directors under the Retirement Benefit Guidelines adopted by the Board.
4. Review the Remuneration Policy followed by the Company and recommend relevant changes therein to make it competent with the industry standards.
5. Such other matters as the Board may from time to time authorize Remuneration Committee to examine and recommend/approve.



Composition

In terms of clause 49 of the listing agreement, the Committee comprises of three (3) Directors, all of them being Independent & Non- Executive Directors. The composition of this Committee as at March 31, 2014 was as follows:

Name of Directors	Status	Category of Director
Mr.S.K.Sharma	Chairman	Non- Executive Independent Director
Dr.Geeta Ajit Tekchand	Member	Non- Executive Independent Director
Mr.K.Lall, ceased to be a Director of the Company w.e.f. March 9, 2014 due to his demise		
Mr.KrishanLall	Member	Non- Executive Independent Director

Company Secretary acts as the secretary to the Committee.

Meetings and Attendance during the year

The Remuneration Committee meets as and when deemed necessary and at least once a year to carry out the responsibilities delegated to the Committee.

The Remuneration Committee met 3 times during the year 2013-2014 on April 8, 2013, May 30, 2013, and March 21, 2014. The necessary quorum was present for the meeting

Members	Meetings Held	Meetings Attended
Mr. S K Sharma	3	3
Mr. K Lall	3	2
Dr. Geeta Ajit Tekchand	3	3

Remuneration Policy

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

At the Board meeting, only the Non-Executive Independent Directors participate in approving the remuneration paid to the Executive Directors. The remuneration is fixed considering various factors such as experience, expertise, industry benchmarks, Company's performance and the responsibilities shouldered by them. The remuneration structure comprises of Basic Salary, Commission, Perquisites and allowances, Contribution to provident fund and other funds. Annual salary increment, incentive remuneration or commission is decided by the Remuneration Committee within the overall ceilings prescribed under the Companies Act, 1956 and in line with the terms and conditions approved by the shareholders. During the year 2013-14, the Company paid sitting fees of Rupees 15,000/- per meeting to its Non-Executive Directors for attending meetings of the Board of Directors.

Details of Remuneration for the Year ended 31 March, 2014

Executive Director

S.No.	Name of the Directors	Salary(Rs.)	Perquisites and other benefits (Rs.)	Provident Fund(Rs.)	Total(Rs.)
1.	Mr.Brij Raj Punj	73,50,000.00	71,44,200.00*	-	1,44,94,200.00
2.	Mr.Bharat Raj Punj	42,00,000.00	-	3,24,000.00	45,24,000.00
3.	Mr.A.K.Roy	74,40,000.00	5,23,400.00	7,20,000.00	86,83,400.00
4.	Mr.Mukat Behari Sharma	33,36,000.00	2,02,000.00	2,69,280.00	38,07,280.00
5.	Mr.Nipun Singhal	42,00,000.00	14,66,404.00	3,60,000.00	60,26,404.00

*Benefit of Key Man insurance Policy for an amount of Rs. 71,44,200/- has been assigned to Mr. Brij Raj Punj. The said amount forms a part of the salary of Mr. Brij Raj Punj and has been approved by the shareholders of the Company in their meeting held on 31st October, 2003.

Non-Executive Directors

The Non- Executive Directors have not drawn any remuneration from the Company, except sitting fees for attending meetings of the Board.

Name of Director	Sitting Fees(Gross)(Rs.)	Total(Rs.)
Mr.K.Lall	75,000	75,000
Mr.S.K.Sharma	75,000	75,000
Dr.GeetaAjitTekchand	75,000	75,000
Mr.Ramesh Kumar Vasudeva	60,000	60,000
Mr.Ajay Dogra	75,000	75,000

V. SHARE TRANSFER & INVESTOR GRIEVANCE COMMITTEE

In compliance with the requirements of the Listing Agreement and provisions of the Companies Act, 1956, the Company has constituted Share Transfer and Investor Grievance Committee. The Committee comprised of four members out of which three are Non- Executive Directors. The Committee deals with various matters relating to redressal of shareholders and investor grievances, including but not limited to:

1. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of requests received from the shareholders from time to time.
2. Redressal of shareholders and investor grievances regarding transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc.
3. Approve, register, and refuse to register transfer / transmission of shares and other securities.
4. Issue duplicate share certificate in lieu of original share certificate.
5. Dematerialize and Rematerialize share certificates.
6. Delegate all or any of the power to any other employee(s), officer(s), consultant(s), professional or agent(s).

Share Transfer and Investor Grievance Committee focuses primarily on strengthening investor relations and ensuring the rapid resolution of the shareholder or investor concerns.

Composition and meetings of the Committee during the year:

The composition of the Committee as at March 31, 2014 was as follows:

Name of Director	Designation	Category of Director
Mr.S.K.Sharma	Member	Non- Executive Independent Director
Mr.A.K.Roy	Member	Whole Time Director
Dr.GeetaAjitTekchand	Member	Non- Executive Independent Director
Mr. K. Lall, Chairman of the Committee ceased to be a Director of the Company w.e.f. March 9, 2014 due to his demise		
Mr.KrishanLall	Chairman	Non- Executive Independent Director

All the requests pertaining to Share transfers/transmission, issue of duplicate share certificate, received are being approved by Shareholders and Investors Grievance Committee, which meets at least thrice in a month. During the year ended March 31, 2014 the Committee met 36 times.

Ms.Anita K.Sharma, Company Secretary acts as the secretary to the Committee.



Details of investors Complaints\requests received & redressed during the year:

Opening Balance	Received During the year	Resolved During the year	Closing Balance
Nil	15	14	1

VI. COMMITTEE OF DIRECTORS

To cater to various day-to day requirements and to facilitate seamless operations, the Company has formed a functional Committee known as Committee of Directors. The Committee meets as and when deemed necessary to take decision of routine nature confirming to the smooth functioning of affairs of the company. The Committee is authorized to transact all the businesses which the Board of Directors of the Company are empowered to transact except for the transactions that are mandated to be dealt in at the Board Meeting and have been specifically barred pursuant to the provisions of the Companies Act, 1956 from being delegated to Committee.

As on March 31, 2014 the committee consists of two directors namely,

1. Mr. Brij Raj Punj, as Chairman,
2. Mr. S.K. Sharma as member

Mr. K. Lall, member of the Committee ceased to be a director w.e.f. March 9, 2014 due to his demise

The proceedings of the committee are placed before the Board of Directors in their meeting for noting and ratification.

Company Secretary acts as the secretary to the Committee.

VII. 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
2012-2013	Annual General Meeting	28 th September, 2013 at 9.00 a.m.	Regd. Office: A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.	No special resolution passed
2012-2013	Extra Ordinary General meeting- (Postal Ballot)	17 th September, 2013	Regd. Office: A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.	The Special Resolution under Section 17 of the Companies Act, 1956 for alteration in Main object Clause of Memorandum of Association has been passed by the shareholders of the Company with requisite majority by way of Postal Ballot process.
2011-2012	Court Convened Meeting	24 th November, 2012	Regd. Office: A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.	Approval under Section 391-394 of the Companies Act, 1956 to approve the Scheme of Arrangement between Perfect Radiators and Oil Coolers Private Limited (Transferor Company) and Lloyd Electric & Engineering Limited (Transferee Company)
2011-2012	Annual General meeting	8 th September, 2012 at 9.00 a.m	Regd. Office: A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.	Approval under Section 198, 269, 309, 310, 311 read with Schedule XIII and Section 314(1B) read with Director Relatives (Office or Place of Profit) Rules, 2003 for appointment of Mr. Bharat Raj Punj, son of Mr. Brij Raj Pun, Chairman and Managing Director of the Company as an Executive Director
2010-2011	Annual General Meeting	30 th September, 2011 at 9.00 a.m	Regd. Office: A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.	No special Resolution passed

Resolution proposed to be passed by way of Special Resolution at the ensuing Annual General Meeting

Re-appointment of Mr. Brij Raj Punj as Chairman and Managing Director of the Company at the ensuing Annual General Meeting requires shareholders' approval by way of Special Resolution.

VII. CODE OF CONDUCT

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

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

IX. DISCLOSURES

- a) **Related Party Transactions:** During the year under review, besides the transactions reported in Notes forming part of the financial statements for the year ended 31st March 2014 in the Annual Report, there were no other related party transactions of the Company with its Directors or Key Managerial Personnel or their relatives. These transactions do not have any potential conflict with the interest of the Company at large. The material related party transactions are placed before the Audit Committee of the Board periodically and also placed before the Board.
- (b) **Disclosure of Accounting Treatment:** The Company follows Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and / or by the Institute of Chartered Accountants of India in the preparation of financial statements and has not adopted a treatment different from that prescribed in any Accounting Standard.
- (c) **Risk Management:** The Risk Management of the Company is overseen by the Senior Management and the Board at various levels.

The Company is actively engaged in assessing and monitoring the risks of each of the businesses and overall for the Company as a whole. The top tier of risks for the Company is captured by the operating management after serious deliberations on the nature of the risk and thereafter in a prioritized manner presented to the Board for their inputs on risk mitigation/management efforts.

- (d) **Disclosure by Senior Management:** Senior Management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.
- (e) **CEO / CFO Certification:** The Managing Director (CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended March 31, 2014, which is annexed hereto.
- (f) **Non Mandatory Requirements:** The Company has adopted the non-mandatory requirements with respect to the Remuneration Committee, details in respect of which have already been given in this report.

X. MANAGEMENT DISCUSSION AND ANALYSIS

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



XI. MEANS OF COMMUNICATION

The Company disseminates information to all stakeholders through various channels:

Financial Results	Quarterly & Annual Results are published in prominent daily newspapers viz. The Pioneer (Delhi), Adhikar (Jaipur). The results are sent to stock exchanges as well as posted on the Company's website:www.lloydengg.com
News Releases	Official news releases are sent to stock exchanges as well as displayed on the Company's website:www.lloydengg.com
Website	The Company's corporate website is www.lloydengg.com , which provides comprehensive information about the Company.The Annual Report of the Company is available on the website.The same is also sent to all the Stock Exchanges where the shares of the Company are listed, for uploading on their own web-site.
Annual Report	Annual Report is circulated to all the members and all others entitled thereto like auditors,equity analyst etc.
Whether Management Discussion & Analysis report is a part of Annual Report or Not	Yes
Whether Shareholder Information Section forms part of the Annual Report	Yes

XII. GENERAL SHAREHOLDERS INFORMATION

1. **Registered Office** : A-146 (B&C),RIICO Industrial Area, Bhiwadi, Distt.Alwar,Rajasthan-301019
2. **Corporate Office** : 159,Okhla Industrial Estate Phase-III,New Delhi- 110020
3. **Annual General Meeting**
 - Date : 21st July,2014
 - Time : 9.30 A.M.
 - Venue : A-146(B&C),RIICO Industrial Area, Bhiwadi, Distt.Alwar,Rajasthan-301019

4. **Financial Year:**

The details furnished in the Annual Report pertain to the financial year 2013-2014.

5. **Date of Book Closure/Record Date:**

The dates of book closure shall be from Monday, 14th July, 2014 to Monday, 21st July, 2014 (both dates inclusive)

6. **Dividend Payment**

Subject to the approval of the shareholders in the ensuing Annual General Meeting, the Dividend of Re. 1 per equity share of Rs. 10/- each for the financial year 2013-2014 has been recommended by the Board of Directors. The same shall be paid on or after July 25, 2014 but within the statutory time limit.

7. Listing of equity shares/shares underlying GDR's on Stock Exchanges:

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

GDR's are listed on London Stock Exchange

The Company has paid the listing fees for the year 2014-2015 to the above Stock Exchanges.

8. Custodial Fees to Depositories

The Company has paid custodial fees for the year 2014-2015 to National Securities Depository Limited (NSDL) and Central Depository Services (Indian) Limited (CDSL)

9. Stock Code/Symbol

Corporate Identification Number (CIN) : L29120RJ1987PLC012841

Equity Shares

BSE : 517518

NSE : LLOYDELENG

ISIN No. : INE245C01019

GDR's

LSE : LLD

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

Domestic Custodian (for GDRs) : ICICI Bank Limited

10. Unclaimed Dividend:

Under the Companies Act, 1956, dividends 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 unclaimed dividend up to the financial year 2005-2006 had been transferred to the IEPF and hence no claim shall lie with the Company in respect of the same.

The dividend for the following years remaining unclaimed for seven years will be transferred by the Company to IEPF according to the schedule given below. Shareholders who have not so far encashed their dividend warrant(s) or have not received the same are requested to seek issue of duplicate warrant(s) to the company confirming non-encashment/non receipt of dividend warrant(s). Once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect of the same from the Company.

Financial Year	Date of declaration	Due date for transfer to IEPF
2006-2007 (Final)	September 29, 2007	October, 2014
2007-2008 (Final)	September 29, 2008	October, 2015
2009-2010 (Final)	September 28, 2010	October, 2017
2010-2011 (Final)	September 30, 2011	October, 2018
2011-2012 (Final)	September 8, 2012	October, 2019
2012-2013 (Final)	September 28, 2013	October, 2020



11. Share Transfer System:

The Board has constituted the share transfer Committee and delegated the power of share transfer to the Committee. The Committee holds its meeting thrice a month to consider all matters concerning transfer and transmission of shares.

As on March 31, 2014, 98.59% of the equity shares of the Company are in electronic form. Transfer of physical shares in to electronic shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Skyline Financial Services Pvt. Limited (Registrar & Transfer Agent) of the Company at the address as provided in the Annual Report. Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects.

XIII. FINANCIAL CALENDAR FOR THE YEAR 2014-2015 (PROVISIONAL):

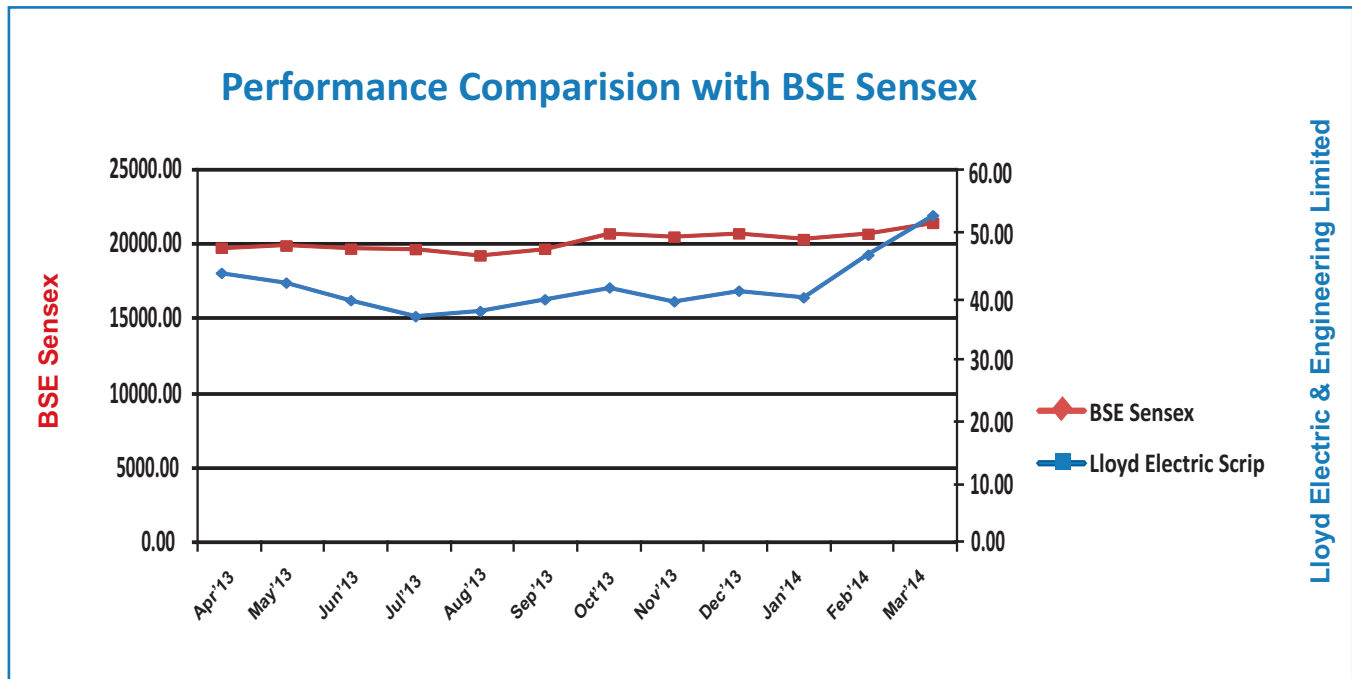
Declaration of Results for the Quarter ended on	Tentative Date
Financial Reporting for the quarter ending June 30, 2014	On or before August 15, 2014
Financial Reporting for the quarter ending September 30, 2014	On or before November 15, 2014
Financial Reporting for the quarter ending December 31, 2014	On or before February 15, 2015
Financial Reporting for the quarter and year ending March 31, 2015	On or before May 30, 2015
Annual General Meeting for the year ended March 31, 2015	Before the end of September 2015

XIV. MARKET PRICE DATA

Monthly high & low of the equity shares of the Company at BSE and NSE for the year ended March 31, 2014 are as follows

Particulars	BSE		NSE	
	High (Rs./share)	Low (Rs./share)	High (Rs./share)	Low (Rs./share)
April'13	44.00	38.60	43.10	38.20
May'13	42.40	34.35	40.70	34.25
June'13	37.90	30.90	38.20	30.40
July'13	36.00	26.75	35.55	26.55
August'13	30.00	24.60	30.50	24.50
September'13	39.50	29.35	39.60	30.00
October'13	38.40	31.60	36.50	31.80
November'13	39.00	30.50	38.85	30.10
December'13	36.55	30.00	36.45	29.70
January'14	38.75	32.10	38.70	32.05
February'14	49.50	32.10	49.75	31.60
March'14	59.60	43.20	59.50	43.30

The performance comparison of Lloyd Electric & Engineering Limited’s Closing Share Price in each month with BSE Sensex



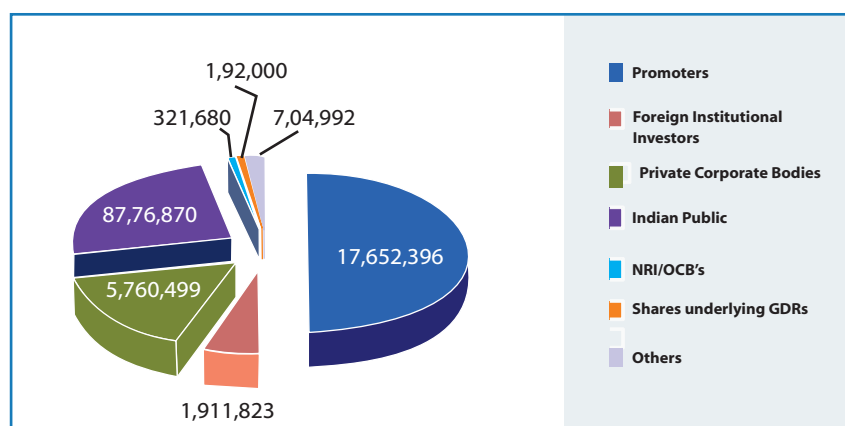
Lloyd Electric & Engineering Limited

XV. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2014

No. of Share held of Rs.10 each	No. of Shareholders	%age of Total	No. of Shares	%age of Total
Up to 500	17953	85.84%	2610319	7.39%
501 – 1000	1457	6.97%	1201999	3.40%
1001 - 2000	713	3.41%	1093716	3.10%
2001 - 3000	258	1.23%	665986	1.89%
3001 - 4000	115	0.55%	412879	1.17%
4001 - 5000	104	0.50%	488175	1.38%
5001 - 10000	165	0.79%	1221254	3.46%
10001 - & above	150	0.72%	27625932	78.22%
Total	20915	100.00%	35320260	100.00%

XVI. SHAREHOLDING PATTERN AS AT MARCH 31, 2014

Category	No. of Shares held	% of shareholding
Promoters	17,652,396	49.98%
Foreign Institutional Investors	1,911,823	5.41%
Private Corporate Bodies	5,760,499	16.31%
Indian Public	8776870	24.85%
NRI/OCB's	321,680	0.91%
Shares underlying GDRs	192000	0.54%
Others	704992	2.00%
Total	35,320,260	100.00%

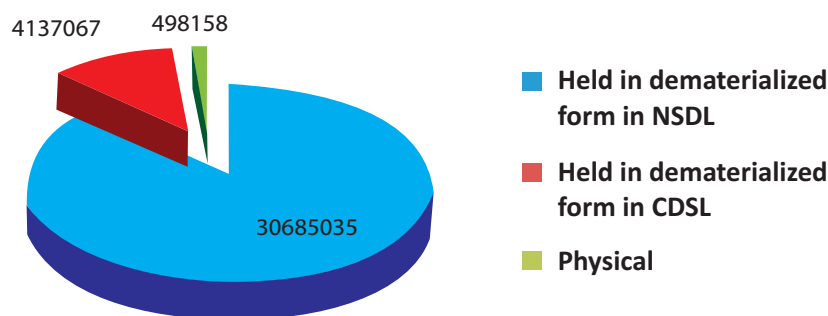


XVII. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2014, 34,822,102 equity shares of the Company, forming 98.59% of the shareholding stand dematerialized.

The number of shares held in dematerialized and physical mode as on March 31, 2014 is as under:

	No. of shares	% of Capital issued
Held in dematerialized form in NSDL	3,06,85,035	86.88 %
Held in dematerialized form in CDSL	41,37,067	11.71%
Physical	4,98,158	1.41%
Total	3,53,20,260	100%



XVIII. OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The outstanding GDRs are backed by underlying equity shares which are part of the existing paid-up capital of the company. 96,000 GDRs underlying 1,92,000 equity shares of the company are outstanding as on March 31, 2014. Each GDR represents two underlying equity shares.

XIX. GREEN INITIATIVE IN CORPORATE GOVERNANCE:

As a continuing endeavor towards the 'Go Green' initiative, the Company proposes to send future correspondence and documents like the notice calling the general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form, to the email address provided by the Members and made available to us by the Depositories.

Members who hold shares in physical form are requested to register their e-mail addresses and intimate any change in e-mail id, with the Company or with the Registrars & Share Transfer Agents, SKYLINE FINANCIAL SERVICES PRIVATE LIMITED. In respect of electronic holdings members are requested to register their e-mail addresses with the Depository through their concerned Depository Participants. However, in case you desire to receive Company communication and documents in physical form, you are requested to intimate us through e-mail at investor.relation@lloydengg.com. You may kindly note that as a Member of the Company, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you, at any time.

Members are advised to convert their shares from Physical mode to Dematerialized mode. Dematerialization of shares provides several benefits to the shareholders. The transaction of shares can be carried out quickly and in an easy way. Holding securities in Demat form helps the investors to get immediate transfer of securities. No stamp duty is payable on transfer of shares held in Demat form and the brokerage involved is also lowest. The incidence of non-delivery or bad delivery and the risks associated such as forged transfers that occurs for the shares when held in physical format is totally avoided. Shareholders are not required to hold saleable set of shares for trading.



XX. PLANT LOCATIONS:

Domestic Manufacturing Locations:

The Company has its manufacturing plant at the following location:

DOMESTIC MANUFACTURING LOCATIONS:

- | | |
|---|--|
| a) A – 146, (B & C),
RIICO Industrial Area,
Bhiwadi, Distt. Alwar,
Rajasthan – 301 019 | d) Plot No. S 21 & S 22, Non SEZ, Phase III
Sipcot Road, Mugundarayapuram
Ranipet, Vellore District (Tamilnadu) |
| b) Industrial Area,
Kala-Amb, Trilokpur Road,
Sirmour, Nahan
Himachal Pradesh | e) Village Nizampur, Taura- Rewari Road
Tehsil- Tauru, Distt.- Mewat
Haryana-122 105 |
| c) Plot No.24
Sector 2, IIE
Sidcul, Pantnagar | f) Khasra No. 1511-1512
Village Salempur Mehdoon
Industrial Park-II, SIDCUL
Bahadradab Bypass Road
Distt. Haridwar, Uttarakhand- 249 402 |

OVERSEAS MANUFACTURING LOCATIONS:

- | | |
|--|--|
| a) Lloyd Coils Europe s.r.o
Prague-5, Radotin
Vrazaska 143
Postal Code 153000 | b) Janka Engineering s.r.o
Vrazsja 143
15300 Praha Radotin
Czech Republic |
|--|--|

XXI. ADDRESS FOR CORRESPONDENCE:

Corporate Office

INVESTOR RELATION DEPARTMENT
LLOYD ELECTRIC & ENGINEERING LIMITED
159, Okhla Industrial Estate
Phase-III, New Delhi- 110020
Tel :91-11-40627200, 40627300
Fax: 91-11-41609909
e-mail id- investor.relation@lloydengg.com
Website: www.lloydengg.com

COMPLIANCE OFFICER

ANITA K. SHARMA
Company Secretary

Registrar & Transfer Agents

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
D-153 A, First Floor,
Okhla Industrial Area, Phase-I
New Delhi- 110020
Tel :91-11-26812682, 26812683,84
Fax: 91-11-26292681
Website: www.skylinerta.com
e-mail id- admin@skylinerta.com

CODE OF CONDUCT DECLARATION

To

The Members of Lloyd Electric & Engineering Limited

This is to confirm that the Company has adopted Lloyd Code of Conduct for its Board Members and Senior Management Personnel. The Code is posted on Company's website.

As provided under Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE), the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the financial year ended March 31, 2014.

For Lloyd Electric & Engineering Ltd.

Date: May 29, 2014

Place: New Delhi

Brij Raj Punj

Chairman & Managing Director

CEO/ CFO CERTIFICATION

The Board of Directors of Lloyd Electric & Engineering 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 Lloyd Electric & Engineering Limited for the year ended March 31, 2014 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 2013-2014 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

Mukat B. Sharma

Chief Financial Officer & Whole Time Director

Brij Raj Punj

Chairman & Managing Director

Dated : May 29, 2014

Place : New Delhi



COMPLIANCE CERTIFICATE

TO THE MEMBERS OF

LLOYD ELECTRIC & ENGINEERING LIMITED

We have examined the compliance of conditions of Corporate Governance by **LLOYD ELECTRIC & ENGINEERING LIMITED** ("the Company") for the year ended on March 31, 2014 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 has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. 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 Clause 49 of 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
Firm Registration No. 000891N**

**Date: May 29, 2014
Place: New Delhi**

**Brijesh C. Mathur
Partner
M. No. : 83540**

Independent Auditor's Report

Members,

Lloyd Electric & Engineering Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of **LLOYD ELECTRIC & ENGINEERING LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss Account and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under The Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of The Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of the information and according to the explanations given to us, give the information required by the Act in the manner so required and give 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 31 March, 2014.
- (ii) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and
- (iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



2. As required by Section 227 (3) of the Act, 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, the statement of Profit & Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the statement of Profit & Loss and the Cash Flow Statement comply with Accounting Standards notified under The Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of The Companies Act, 2013.
 - e) On the basis of written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act..

For **Suresh C. Mathur & Co.**,
Chartered Accountants,
(Firm Registration No. 000891N)

(BRIJESH C. MATHUR)
PARTNER
Membership No. 083540

Place : New Delhi
Dated : 29th May 2014

REFERRED TO IN PARAGRAPH 1 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE OF LLOYD ELECTRIC & ENGINEERING LIMITED FOR THE YEAR ENDED 31ST MARCH, 2014

1.
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of the Fixed Assets.
 - b) Fixed Assets have been physically verified by the management during the year.

In our opinion the frequency of such verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such physical verification.
 - c) The fixed assets disposed off during the year were not substantial. According to the information and explanation given to us, we are of the opinion that the disposal of the fixed assets has not affect the going concern status of the Company.
2.
 - a) The inventory has been physically verified during the year by the management at reasonable intervals.
 - b) The procedures of the physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of the Business.
 - c) The Company is maintaining proper records of the inventory. The discrepancies noticed on physical stocks and the book records were not material.
3.
 - a) The Company has not taken loans secured or unsecured to/from Companies, firms and other parties covered in the register maintained u/s 301 of the Companies Act, 1956.
 - b) Further, the Company has given loans to its two wholly owned subsidiaries. In respect to the said loans, Lloyd Coils Europe has repaid shareholders loan of Euro 5.58 million (equivalent to INR 41.66 crores) and interest of Rs.1.23 crores. And Janka Engineering s.r.o has repaid shareholders loan of Euro 0.04 million (equivalent to INR 2.17 crores) and interest of Rs.0.03 crores.
 - c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company to its wholly owned subsidiaries, are not prima facie prejudicial to the interest of the Company.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weakness in the internal controls system.
5. In respect of Contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of the knowledge and belief and according to the information and explanation given to us:
 - a) The particulars of Contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered in the Register maintained under the said Section have been so entered.
 - b) Where each of such transaction is in excess of Rupees five lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market price at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the Company has an internal audit system, commensurate with its size and the nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
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. The disputed matter pending before authority is as under:

Particulars	Financial Year	Amount (Rs.in Lacs)	Dispute Pending
Excise Duty	2006-2007	21.75	Appellate Tribunal
Income-tax	2006-2007	46.06	CIT (Appeals), N. Delhi
Income-tax	2009-2010	40.33	CIT (Appeals), N. Delhi
Income-tax	2010-2011	25.31	CIT (Appeals), N. Delhi
HP State Electricity Board	2009-2010	10.55	Supreme Court
Sales Tax Authority	2009-2010	83.88	High Court

10. The company does not have accumulated Losses at the end of the financial year. The Company has not incurred any cash loss during the financial year covered by our audit and the immediate preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues of financial institutions, banks and debenture holders.
12. In our opinion and according to the information and explanations given 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. The Company is not a chit fund/nidhi/mutual benefit fund. Therefore the provision of the clause 4(xiii) of the Companies (Auditors report) Order, 2003 (as amended) are not applicable to the company.
14. In our opinion the Company is not dealing or trading in shares/securities, debentures and other investments. Accordingly the provision of the clause 4(xiv) of the Companies (Auditors report) Order, 2003 (as amended) are not applicable to the company.
15. In our opinion and according to the information and explanation given to us, the terms & conditions of the guarantees given by the Company for loan taken by the subsidiary Companies from bank are prima facie not prejudicial to the interest of the company.
16. In our opinion and according to the information and explanation given to us, the term loans have been applied for the purposes for which they were obtained.
17. According to the information and explanation 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 investments.
18. 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.
19. The Company has not issued any Debentures during the year.
20. During the year the Company has not raised any money by way of public issue. Further, on 14 June, 2013, 43,20,000 number of equity shares of Rs. 10 each were allotted in favour of erstwhile Perfect Radiator and Oil Coolers Private Limited (PROC) on account the consideration of merger of heat exchanger business of PROC with the Company retrospectively since 01.04.2011.
21. As per information and explanation given to us 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 : 29th May, 2014

(BRIJESH C. MATHUR)
PARTNER
Membership No.-083540

Balance Sheet as at 31st March, 2014

(Rs. In Crores)

Particulars	Note	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	35.33	35.33
(b) Reserves and Surplus	4	599.49	526.15
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	124.63	94.66
(b) Deferred tax liabilities (Net)	6	3.43	15.26
(c) Long term provisions	7	2.57	2.07
(3) Current Liabilities			
(a) Short-term borrowings	8	456.97	336.37
(b) Trade payables	9	173.98	103.40
(c) Other current liabilities	10	63.67	66.97
(d) Short-term provisions	11	23.71	25.77
Total (Rs.)		1,483.78	1,205.98
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	318.47	294.12
(ii) Intangible assets		6.29	9.06
(iii) Capital work-in-progress		6.14	6.04
(b) Non-current investments	13	85.42	86.34
(c) Long term loans and advances	14	2.71	48.65
(d) Other non-current assets	15	16.35	16.90
(2) Current assets			
(a) Inventories	16	564.69	444.84
(b) Trade receivables	17	331.82	229.63
(c) Cash and cash equivalents	18	50.99	13.97
(d) Short-term loans and advances	19	85.69	39.33
(e) Other current assets	20	15.21	17.10
Total (Rs.)		1,483.78	1,205.98

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

(Brijesh C. Mathur)

Partner

Membership No.083540

Firm Registration No.000891N

For and on behalf of the Board**Brij Raj Punj****Chairman & Managing Director**

Place: New Delhi

Date: 29th May, 2014**Anita K. Sharma**
Company Secretary**Mukat B. Sharma**
CFO & Whole Time Director**A. K. Roy**
Whole Time Director



Statement of Profit & Loss for the year ended on 31st March, 2014

(Rs. In Crores)

Particulars	Note	Year Ended 31.03.2014	Year Ended 31.03.2013
I. Revenue from operations (Gross):	21	1,467.84	1,186.63
Less:- Excise Duty		(28.15)	(17.25)
Revenue from operations (Net)		1,439.69	1,169.38
Other Income	22	12.03	5.92
Total Revenue (I)		1,451.72	1,175.30
II. Expenses:			
Cost of materials consumed	23	1,221.33	962.13
Purchase of Stock-in-Trade		44.92	40.35
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(138.54)	(76.18)
Employee benefit expense	25	39.00	34.44
Other expenses	26	95.43	68.68
Total Expenses (II)		1,262.14	1,029.42
III. Profit before Interest, Depreciation/ Amortisation and Tax (EBITDA)	(I - II)	189.58	145.88
Finance Costs	27	84.02	50.75
Depreciation & Amortisation	28	23.79	22.26
IV. Profit before Tax		81.77	72.87
V. Tax expense:			
(1) Current tax		17.50	14.72
(2) Deferred tax		(11.82)	2.00
VI. Profit(Loss) from the period from continuing operations		76.09	56.15
VII. Earning per equity share:			
(1) Basic & Diluted		21.54	15.90

As per our Report of even date attached

For Suresh C. Mathur & Co.

Chartered Accountants

(Brijesh C. Mathur)

Partner

Membership No.083540

Firm Registration No.000891N

Place: New Delhi

Date: 29th May, 2014

Anita K. Sharma
Company Secretary

Mukat B. Sharma
CFO & Whole Time Director

A. K. Roy
Whole Time Director

For and on behalf of the Board

Brij Raj Punj
Chairman & Managing Director

Cash Flow Statement For the year ended 31st March 2014

(Rs. In Crores)

	Year Ended 31st March, 2014	Year Ended 31st March, 2013
A. Cash Flow from Operating Activities:		
Net Profit before tax & Extra-ordinary items	81.78	72.86
Adjustments:		
Add:		
Depreciation	21.89	20.35
Provision no longer required	1.91	1.91
Interest Paid	69.30	42.38
Loss/ (Diminution) on sale (in value) of Investment	0.92	-
Loss on sale of fixed assets	0.29	-
	94.31	64.64
	176.09	137.51
Less:		
Interest Income	(2.50)	(3.46)
Dividend Income	(8.51)	(0.07)
Gain on Foreign Exchange Fluctuation	(0.84)	-
Profit on sale of Investment	-	(2.09)
	(11.85)	(5.61)
Operating profit before working capital changes	164.24	131.90
Adjustments for :		
Inventories	(119.86)	(109.41)
Trade & other receivables	(100.71)	(70.30)
Trade & other payables	68.91	(17.74)
	(151.66)	(197.45)
Cash generated from operations	12.58	(65.55)
Direct tax paid	14.72	15.71
Net Cash Flow from Operating Activities	(2.14)	(49.84)
B Cash Flow from Investing Activities:		
Purchased of fixed assets	(43.57)	(32.72)
Net Purchase of Investments	-	0.48
Dividend Received	8.51	0.07
Interest received	2.50	3.46
Net Cash Flow from Investing Activities	(32.56)	(28.71)
C Cash Flow from Financial Activities:		
Proceeds from Borrowing	145.16	98.01
Proceeds from Issue of Share capital	-	13.33
Interest paid	(69.30)	(42.38)
Dividend paid	(3.53)	(3.10)
Dividend tax	(0.60)	(0.50)
Net Cash Flow from Financing Activities	71.72	65.37
Net increase in Cash and Cash Equivalents (A+B+C)	37.02	(13.19)
Net increase/ decrease in Cash and Cash Equivalents	37.02	(13.19)
Opening Balance of Cash and Cash Equivalents	13.97	27.15
Closing Balance of Cash and Cash Equivalents	50.99	13.97

As per our Report of even date attached

For Suresh C. Mathur & Co.

Chartered Accountants

Firm Registration No.000891N

(Brijesh C. Mathur)

Partner

Membership No.083540

**For and on behalf of the Board of Director of
Lloyd Electric & Engineering****Anita K. Sharma**
Company Secretary**Mukat Sharma**
CFO & Whole Time Director**A. K. Roy**
Whole Time Director**Brij Raj Punj**
Chairman & Managing Director**AUDITOR'S REPORT**

We have examined the above Cash Flow Statement of Lloyd Electric & Engineering Limited for the year ended 31st March, 2014, 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,
Firm Registration No.000891N

(Brijesh C. Mathur)
(Partner)
Membership No.083540

Place: New Delhi

Dated: 29th May, 2014



Notes to Financial Statements for the year ended 31st March 2014

1. CORPORATE INFORMATION

Lloyd Electric & Engineering Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE) in India. The company is the largest manufacturer of heat exchangers coils in India. It manufactures air conditioners for various brands as OEM / ODM including its own brand of LLOYD. It is also engaged in trading of Air-conditioner and consumer durable products like LCD / LED, Chest freezers etc under "LLOYD" Brand. The company caters to both domestic and international markets.

2. BASIS OF PREPARATION

The Financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention, except for land acquired before 1st April, 1993 which are carried at revalued amounts.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities, at the date of the financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

b) Tangible Fixed Assets:

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

Capital Work-in-Progress

Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

c) Depreciation on tangible fixed assets

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

iii) Depreciation rates applied for calculating depreciation on various categories of assets are as follows:

Type of Assets	Rates (SLM)	Schedule XIV Rates (SLM)
Building	3.34%	3.34%
Plant & Machinery	4.75%	4.75%
Office Equipments	4.75%	4.75%
Vehicles	9.50%	9.50%
Furniture & Fixtures	6.33%	6.33%

d) Intangible Assets

Intangible Assets are stated at cost of acquisition. Following intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The following are the acquired intangible assets :

i) LOGO OF BRAND "LLOYD"

Cost of logo is amortized over its useful life of 5 years.

ii) PRODUCT DEVELOPMENT EXPENSES

Cost of Product Development expenses will be amortized over its useful life of 5 Years.

e) GRANT

Grants are recognized when there is reasonable assurance that the grant will be received and conditions attached to them are complied with.

f) Research and development

Research costs are expensed as incurred.

g) Impairment of Assets:

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

h) Inventory Valuation:

- i) Raw materials and consumables are valued at cost as per the Weighted Average Method and include(s) customs duty wherever paid, and are net of credit availed under CENVAT scheme.
- ii) Stock in process is valued at direct cost, i.e., cost of materials and variable manufacturing expenses.
- iii) Finished goods are valued at lower of cost on the basis of Weighted average method or net realizable value.



- iv) Stock in transit lying in customs warehouse is valued at cost but does not include custom duty payable, however, non-provision of duty does not affect the profit for the year.

i) Revenue Recognition:

- i) Income and Expenditure are recognized on accrual basis.
- ii) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects central sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

- iii) Export sales are accounted on the basis of date of bill of lading.
- iv) Dividend income is recognized when the right to receive the dividend is established.

j) Investments:

Long term Investments are stated at cost. Investments in subsidiary company are of long-term strategic value. The diminution in value of these investments has been provided.

k) Foreign currency transactions:

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

iv. Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the

statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the year.

l) Retirement Benefits:

Provident Fund:-

Retirement benefit in form of provident fund is a defined contribution scheme and the contributions are charged to the profit and Loss account of the year when the contributions to the respective funds are due.

Gratuity:-

The company's liability in respect of payment of gratuity is provided on accrual basis as per actuarial valuation. The company is in process of having arrangement with Insurance co. to administer its Superannuation & Gratuity Fund.

Leave Encashment:-

Leave Encashment are valued at cost to company basis without considering any discounting and salary increase and provided on the basis of actual valuation.

m) Taxation:

Current Tax:

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.

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 is 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.



n) Borrowing Cost:

Cost in connection with the borrowing of funds to the extent not directly related to the acquisition of fixed assets are amortized and charged to the Profit and Loss Account, over the tenure of the loan. Borrowing cost to the extent directly attributable to acquisition of fixed assets are added to the cost of fixed assets.

o) Segment Reporting:

i. Business Segment

The Company's Operations predominantly comprise of only one segment i.e. Electronic Goods. In view of the same separate segmental information is not required to be given as per the requirements of Accounting Standard 17.

ii. Geographical Segment

The analysis of geographical segment is based on the geographical location of the customers. The Company operates primarily in India and has presence in international markets as well. Its business is accordingly aligned geographically, catering to two markets. The Company has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows;

- Sales within India represent sales made to customers located within India.

- Sales outside India represent sales made to customers located outside India.

p) 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.

q) 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 equivalents presented in the cash flow statement consists of cash in hand and demand deposits with banks as on the Balance Sheet date.

r) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

s) Sundry Debtors/Loans & Advances:

Company as a policy obtains balance confirmation from Sundry Debtors, Creditors and other advances on monthly / quarterly / half yearly basis depending upon quantum of transaction made with the parties. Considering the same company does not have all balance confirmations as at 31st March 2014 the effect of the same, if any which is not likely to be material will be adjusted at the time of confirmation.

t) Provisions /Contingencies:

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date.

Contingent liabilities are not recognized and are disclosed in the Note No.29

u) Derivative Instruments:

The Company has entered into derivative contracts in the nature of interest rate swaps and forward contracts with intention to hedge its requirements and firm commitments. The contracts are mark to market and losses are recognized in the profit and loss account. Gains arising on the same are not recognized on ground of prudence.

v) Deferred Revenue Expenditure:

Cost of traveling, Consultancy fees and other expenses related to IRIS Certification are considered as deferred revenue expenditure. 1/5 of the expenditures have been charged to Profit and Loss account.



(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE:- 3		
SHARE CAPITAL:-		
1. Authorized Capital		
5,00,00,000 Equity Share of Rs. 10/- each (Previous year 5,00,00,000 Equity Share of Rs. 10/- each)	50.00	50.00
Total Authorized Share Capital	50.00	50.00
2. Issued & Subscribed Capital		
3,53,33,160 Equity Shares of Rs. 10/- each	35.33	31.01
3. Paid up Capital		
3,53,20,260 Equity Shares of Rs. 10/- each fully paid up (Previous Year 3,10,00,260 equity shares of Rs. 10/- each)	35.32	31.00
Add:- Equity Shares forfeited (amount originally paid up)	0.01	0.01
4. Share Capital Suspense Account	-	4.32
TOTAL (RS.)	35.33	35.33

NOTES:-

1. Out of the above Equity Shares

- a) Includes 40,00,000 Equity Shares allotted in the year 2006-07 on conversion of warrants issued on preferential basis during the year 2005-06
- b) Includes 92,00,000 underlying Equity Shares representing 46,00,000 Global Depository Receipts issued during the year 2005-06
- c) In the year 2006-07 the Company had forfeited 13,300 equity shares due to the non-payment of allotment money. The Board of Directors had annulled the forfeiture of 400 Equity shares on receipt of payment advice by the shareholders and accordingly 400 Equity Shares had been restored back. Subsequent to the annulment of forfeiture, the paid-up Equity Share Capital stands increased to Rs. 31,00,02,600 i.e. 3,10,00,260 Equity Shares of Rs. 10/- each fully paid-up.
- d) 4320000 no. of Equity Shares of Rs. 10/- each were allotted during the financial year 2013-14 in favour of shareholders of erstwhile Perfect Radiators & Oil Coolers Pvt. Ltd. (PROC) on account of merger of PROC with the company retrospectively since 01.04.2011.

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

Particulars	31 March, 2014		31 March, 2013	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Shares outstanding at the beginning of the year	31000260	31.00	31000260	31.00
Shares Issued during the year	4320000	4.32	-	-
Shares outstanding at the End of the year	35320260	35.32	31000260	31.00

(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.

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

Particulars	31 March, 2014		31 March, 2013	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares of Rs. 10 each fully paid-up				
PSL Engineering Pvt. Ltd.	3,713,520	10.51	3,713,520	11.98
Zenith Impex Pvt. Ltd.	3,009,567	8.52	2,975,418	9.60
Airserco Pvt. Ltd.	3,304,133	9.35	1,956,800	6.31
Morgan Stanley Mauritius Company Ltd.	1,744,828	4.94	1,744,828	5.63
Lloyd Sales Private Limited	3,315,005	9.35	1,645,005	5.31

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.



(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE:- 4		
RESERVES AND SURPLUS		
1) Capital Reserve	0.44	0.44
(subsidy received against fixed assets)		
2) Capital Reserve	11.25	11.25
(Share Warrants forfeited by the Company)		
3) Revaluation Reserve	0.35	0.35
(land revalued as on 31st March, 1993)	-	
4) Securities Premium Account:	199.07	175.06
Add:- Premium of Issue of Shares	-	31.80
Add:- Adjustment for Depreciation on Fixed Assets	-	1.22
	199.07	208.08
Less:- Adjustment for Merger	-	9.01
	199.07	199.07
5) General Reserve:		
Opening balance	147.22	145.72
Add: Transfer from Debenture Redemption Reserve	12.50	-
Add: Transfer from Profit & Loss A/c	23.00	1.50
	182.72	147.22
6) Debenture Redemption Reserve	-	12.50
7) Profit & Loss Account:		
Profit for the Year	76.09	56.15
Balance Brought Forward from Previous year	155.32	110.45
MAT Credit Receivable Booked in current Year	1.36	1.85
Excess FBT provision adjusted	0.02	-
	232.79	168.45
Appropriations		
Proposed Dividend	3.53	3.53
Tax on Proposed Dividend	0.60	0.60
Transfer to Debenture Redemption Reserve	-	7.50
Transfer to General Reserve	23.00	1.50
Balance Carried to Balance Sheet	205.66	155.32
TOTAL (Rs.)	599.49	526.15

(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE - 5		
LONG TERM BORROWINGS		
1. Term Loans		
From Schedule Banks:-		
Foreign Currency loan	4.07	12.12
Indian Currency Loan	120.56	49.21
2. Debentures	-	33.33
500 Nos 11.25% secured redeemable Non-Convertible Debentures @ Rs.10,00,000/- each		
TOTAL (Rs.)	124.63	94.66

Note:-

- Indian rupee loan for Rs. 35.00 Crores from IDBI Ltd. carries interest @ 12.25% P.A on Rs. 17.50 Crores and @ 11.50% P.A. on Rs. 17.50 Crores. The Loan is repayable in 16 quarterly installment of Rs. 2.19 crores each after moratorium of 12 Months from the date of loan i.e. 31st March, 2013. Company has taken disbursement of Rs. 31.50 Crores.
- Foreign currency loan for USD 20,38,382.07 from EXIM Bank carries interest LIBOR + 4.50% p.a. The loan is repayable in 17 quarterly installment of Rs. USD 3,39,729.00 after moratorium of 12 months from the date of loan i.e. 14.07.2010.
- Indian rupee loan for Rs. 120.00 Crores from SBI carries interest @ 11.00% P.A. The Loan is repayable in 24 quarterly installment of Rs. 5.00 crores each after moratorium of 12 Months from the date of loan i.e. 30.06.2013
- The above loans are Secured by way of first charge on Pari-Passu basis on the fixed assets of the Company and second hypothecation charge on the Stock/Book Debts
- As per Resolution of Committee of Board of Directors dated 25.06.2013, the Company has fully redeemed 500 Nos of 11.25% Secured Redeemable Non-Convertible Debentures of face value of Rs. 10,00,000 each issued by the Company in two tranches on 14th March, 2011 and 29th March, 2011 by making prepayment of Rs. 50 Crores, being the amount due to the Debenture holders.

(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE - 6		
DEFERRED TAX LIABILITIES		
Opening Balance	15.25	13.26
Add/(Less):- During the Year	(11.82)	2.00
	-	-
Net Deferred Tax Liability	3.43	15.26



(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE - 7		
LONG TERM PROVISIONS		
Provision for Gratuity	2.57	2.07
TOTAL (Rs.)	2.57	2.07

NOTE - 8
SHORT TERM BORROWINGS

1. Working Capital Loans:		
From Banks	456.97	336.37
TOTAL (Rs.)	456.97	336.37

1. The working capital loans, fund based as well as non fund based 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 - 9
TRADE PAYABLES

Sundry Creditors	173.98	103.40
TOTAL (Rs.)	173.98	103.40

NOTE - 10
OTHER CURRENT LIABILITIES

Statutory dues payable	15.37	10.87
Interest Accrued but not due	2.02	1.29
Others Liability	8.89	12.03
Unclaimed Dividend	0.26	0.26
Current maturity of Long Term Borrowings		
Foreign Currency Loan	8.14	6.35
Indian Currency Loan	28.75	19.31
11.25% Non-convertible Debenture	-	16.67
Loan against Vehicles	0.24	0.20
(secured by hypothecation of vehicle finances)		
TOTAL (Rs.)	63.67	66.97

(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE - 11		
CURRENT PROVISIONS		
Provision for Income Tax	18.35	20.45
Provision for Fringe Benefit Tax	-	0.26
Provision for proposed dividend	3.53	3.53
Provision for tax on proposed dividend	0.60	0.60
Leave Encashment Payable	1.23	0.93
TOTAL (Rs.)	23.71	25.77

NOTE :- 12
FIXED ASSETS:

(Rs. In Crores)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.2013	Additions	Deduction	As at 31.3.2014	Up to 31.3.2013	For the Year	Adjustment	Up to 31.3.2014	As at 31.03.2014	As at 31.03.2013
(i) Tangible assets										
1) Leasehold Land	2.33	-	-	2.33	-	-	-	-	2.33	2.33
2) Temporary Constructions	0.12	-	-	0.12	0.12	-	-	0.12	-	-
3) Buildings	54.96	3.32	-	58.28	5.65	1.84	-	7.49	50.79	49.31
4) Plant & Machinery	350.66	40.22	0.86	390.02	113.62	16.49	0.21	129.90	260.12	237.05
5) Office Equipments	4.06	0.24	-	4.30	2.18	0.22	-	2.40	1.89	1.88
6) Vehicles	4.87	0.19	0.00	5.06	2.83	0.45	-	3.28	1.78	2.04
7) Furniture & Fixtures	1.91	0.16	-	2.07	0.40	0.12	-	0.52	1.55	1.51
Total (Tangible Assets)	418.91	44.13	0.86	462.18	124.80	19.12	0.21	143.71	318.47	294.12
(ii) Intangible assets										
1) Intangible Fixed Assets	13.87	-	-	13.87	5.55	2.77	-	8.32	5.55	8.32
2) Product Development Expenses	0.74	-	-	0.74	-	-	-	-	0.74	0.74
Total (Intangible Assets)	14.61	-	-	14.61	5.55	2.77	-	8.32	6.29	9.06
TOTAL Rs..	433.53	44.13	0.86	476.79	130.35	21.89	0.21	152.03	324.75	303.18
(Previous Year)	390.08	43.45	-	433.53	111.22	20.35	1.22	130.35	303.18	-



(Rs. In Crores)

Particulars	Face Value	Number of Shares	As At 31.03.2014	Number of Shares	As At 31.03.2013
NOTE:- 13					
INVESTMENTS:					
Quoted Shares - (A)					
Blue Star Ltd.	2	375	0.00	375	0.00
Blue Star Info. Ltd.	10	25	0.00	25	0.00
Castrol (India) Ltd.	10	5	0.00	5	0.00
Castrol (India) Ltd. (bonus share)	10	15	-	15	-
Chambal Fertilizers & Chem. Ltd.	10	1000	0.00	1000	0.00
D.B. International Brokers Ltd.	2	13000	0.00	13000	0.00
Dot Com. Global Ltd.	10	24200	0.00	24200	0.00
Shardul Securities Ltd.	10	25600	0.08	25600	0.08
ACE Edutrend Ltd. (Formerly known as ACE India Ltd.)	10	16900	0.02	16900	0.02
Dion Global Solutions	10	320	0.00	320	0.00
Healthfore Technologies Ltd. (Formerly known as Religare Technologies Ltd)	10	80	0.00	80	0.00
Glaxo Sithkline Pharmaceuticals Ltd.	10	125	0.01	125	0.01
HDFC Bank Ltd.	2	125	0.00	125	0.00
Hindustan Uinliver Ltd.	1	1350	0.02	1350	0.02
JSW Steel Limited	10	1124	0.02	1124	0.02
Lumax Industries Limited	10	4600	0.03	4600	0.03
Panasonic Energy India Co. Ltd	10	500	0.00	500	0.00
Pan India Corpn Ltd (formerly known SRG Infotech Limited)	10	200	0.00	200	0.00
Sterlite Opticals Limited	2	525	0.00	525	0.00
Subros Limited	2	150	0.00	150	0.00
Tata Chemicals Limited	10	50	0.00	50	0.00
Tata Consultancy Services Limited	1	832	0.07	832	0.07
Visesh Infotecnics Limited	1	1100	0.00	1100	0.00
Voltas Limited	1	500	0.00	500	0.00
GHCL Ltd.	10	125000	1.91	125000	1.91
Archies Ltd.	2	50000	0.11	50000	0.11
Investment in SBI Mutual Fun			0.10		0.10
Sub-Total Rs.			2.37		2.37
Less:- Diminution in Value of Investments			0.92		-
Sub-Total (A) Rs.			1.45		2.37
Unquoted Shares - (B)					
Lloyd Credits Ltd.	10	300000	0.30	300000	0.30
Lloyd Aircon (P) Ltd.	10	350	0.00	350	0.00
Carrier Aircondition & Refrigeration Ltd.	10	400	0.00	400	0.00
Subsidiary Company			-		-
Lloyd Coils Europe s.r.o			45.01		45.01
Janka Engineering s.r.o			38.66		38.66
Sub-Total (B) Rs.			83.97		83.97
Total (A+B)			85.42		86.34
Additional Information :					
1) Aggregate amount of Company's -					
a) Market value of Quoted Investments			1.45		1.27
b) Unquoted Investments			83.97		83.97

(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE - 14		
LONG TERM LOAN & ADVANCES		
Security Deposits	2.55	4.25
Loan to subsidiary Company	0.16	43.84
Capital Advance	-	0.57
TOTAL (Rs.)	2.71	48.65

NOTE - 15
OTHER NON CURRENT ASSETS

MAT Credit Entitlement		
Opening	13.07	11.22
Add:- During the year	1.36	1.85
	14.43	13.07
Deferred Revenue Expenses		
Opening balance	3.83	5.74
Addition during the year	-	-
	3.83	5.74
Less: 1/5 Written off During the year	1.91	1.91
	1.92	3.83
TOTAL (Rs.)	16.35	16.90

NOTE - 16
INVENTORIES:

(As certified by the Management)		
Raw-materials, Consumables & Components	147.32	176.29
Stock in Process	21.01	20.91
Finished Goods	354.21	215.77
Stock in Transit (At Cost)	42.15	31.87
TOTAL (Rs.)	564.69	444.84

NOTE - 17
TRADE RECEIVABLES

Outstanding for a Period exceeding six months from the date they are due for payment	3.63	1.62
Other Receivables	328.19	228.01
TOTAL (Rs.)	331.82	229.63



(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE - 18		
CASH & CASH EQUIVALENTS		
CASH AND BANK BALANCES:		
Cash balance in Hand	0.19	0.26
Balances with Schedule banks		
In Current Accounts	49.69	12.93
Dividend Account	0.26	0.26
In Fixed Deposits	0.03	0.22
Receipt pledged with Bank for margin money (Including Interest)	0.78	0.26
Interest accrued on fixed deposit	0.04	0.05
TOTAL (Rs.)	50.99	13.97
NOTE - 19		
SHORT TERMS LOANS & ADVANCES :		
Advance recoverable in cash or in kind or for value to be recovered	3.00	7.20
Advance to Employees	1.02	0.85
Balance with Statutory/Government Authorities	9.08	7.30
Prepaid Exp.	17.41	7.47
Advance tax/TDS Recoverable	8.63	16.51
Interest Receivable on NSC	0.00	0.00
Insurance Claims Receivables	46.54	-
TOTAL (Rs.)	85.69	39.33
NOTE - 20		
OTHER CURRENT ASSETS		
Security Deposit to group Company	15.21	17.10
TOTAL (Rs.)	15.21	17.10

(Rs. In Crores)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
NOTE -21		
REVENUE FROM OPERATIONS		
Sale of Products		
Manufacturing Goods	1,418.71	1,117.22
Traded Goods	48.16	69.36
Other Operating Income	0.97	0.05
Total (Rs.)	1,467.84	1,186.63

NOTE - 22**OTHER INCOME:**

1) Interest Income	1.24	0.52
2) Interest from subsidiary companies	1.26	2.94
3) Profit/ Loss on sale of investment	-	2.09
4) Misc. Income	0.18	0.30
5) Dividend Income	0.04	0.07
6) Gain on Foreign Exchange Fluctuation	0.84	-
7) Dividend received from Subsidiary Companies	8.47	-
Total (Rs.)	12.03	5.92

NOTE - 23**COST OF MATERIAL CONSUMED**

Raw materials, consumables and components consumed:-		
Opening Stock	176.29	143.81
Add:-Purchases	1,171.36	988.52
Carriage Inward	21.00	6.09
	1,368.65	1,138.42
Less:- Closing Stock	147.32	176.29
Cost of Raw Material, Consumables & Components Consumed	1,221.33	962.13

NOTE - 24**CHANGES IN INVENTORY**

Decrease/(Increase) in stocks in Progress		
Opening Stock	20.91	8.66
Less:- Closing Stock	21.01	20.91
Decrease/(Increase) in stocks in Progress	(0.10)	(12.25)
2) Decrease/(Increase) in finished goods:		
Opening Stock	215.77	151.84
Less:- Closing Stock	354.21	215.77
Decrease/(Increase) in Finished Goods	(138.44)	(63.93)
Total (Rs.)	(138.54)	(76.18)



(Rs. In Crores)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
NOTE - 25		
EMPLOYEE BENEFIT EXPENSES		
Wages	6.28	5.34
Labour Welfare	1.36	0.92
Salaries	28.96	25.94
Employer contribution in PF/ESIC	1.78	1.59
Staff Welfare	0.62	0.65
TOTAL (Rs.)	39.00	34.44

NOTE - 26

OTHER EXPENSES

Repair and Maintenance		
-Plant & Machinery	2.20	0.82
-Building & Office	0.20	1.53
Electricity Charges	5.40	4.68
Factory Overheads	9.16	5.20
Insurance	1.21	1.07
Rent Rate & Taxes	2.95	2.85
Postage & Courier & Telephone Expenses	1.94	2.01
Printing and stationery	0.60	0.57
Audit Fee (including service tax)	0.20	0.18
Legal & Professional Exp.	3.04	3.42
Travelling & Conveyance Expenses	5.33	4.98
Motor Car Expenses	0.58	0.51
Misc. Expenses	2.27	2.31
Loss on sale of Fixed Assets	0.29	-
Loss on foreign exchange fluctuation	-	1.82
Dimunation in Value of Investments	0.92	-
Advertisement Exp.	18.50	12.27
Business Promotion	0.43	1.04
Octroi & Carriage outwards	9.70	8.77
Discount	24.89	9.35
Service Contract charges	4.59	4.57
Comission and incentive	0.49	0.38
Foreign Exhibition Expenses	0.36	0.25
Free Samples	0.18	0.10
TOTAL (Rs.)	95.43	68.68

(Rs. In Crores)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
NOTE - 27		
FINANCIAL COSTS		
Interest Paid	69.30	42.38
Bank Charges	14.72	8.37
TOTAL (Rs.)	84.02	50.75

NOTE - 28**DEPRECIATION AND AMORTISATION**

Depreciation on Tangible Assets	19.11	17.58
Amortization of Intangible Assets	2.77	2.77
Deffered Revenue Expenses Written off during the year	1.91	1.91
Total (Rs.)	23.79	22.26



II) NOTES TO ACCOUNTS:

29. Contingent liability not provided for:

Particulars	Current Year (Rs. In Crores) 2013-14	Previous Year (Rs. In Crores) 2012-13
i) Bank Guarantees	5.94	5.80
ii) Stand by Line of Credit of Euro 3.785 million from IndusInd Bank Limited given by the Company for Euro 4.00 million Term Loan facility availed by Lloyd Coils Europe s.r.o.a wholly owned subsidiary from SBI Paris during the year.Outstanding as on 31.03.2014 is Euro 3.785 million .	31.17	-
iii) Stand by Line of Credit of Euro 2.00 Million from ING Vysya Bank given by the company for Euro 2 million working capital facility availed by Janka Engineering s.r.o.a wholly owned subsidiary from ING Czech Republic.(Euro 1.50 Million as at March 31,2013)	16.47	10.50
iv) Stand by Line of Credit of Euro 1.25 Million from Standard Chartered Bank given by the company for Euro 1 million working capital facility availed by Janka Engineering s.r.o.a wholly owned subsidiary from Komerční Bank Czech Republic.(Euro 1.50 Millions as at March 31,2013)	10.25	10.50
(v) Corporate Guarantee of Euro 4.3 Million issued by the Company in favour of ING Bank, Prague, Czech Republic to secure the working capital facility extended to Lloyd Coils Europe s.r.o.	35.26	-

30. Contracts remaining to be executed on capital account and not provided for

NIL

NIL

31. Micro and Small Scale Business Entities:

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

32. Investment in Subsidiary Company:

During the year under review, the wholly owned subsidiary, Lloyd Coils Europe has repaid shareholders loan of Euro 5.58 million (equivalent to INR 41.66 crores) and interest of Rs.1.23 crores. Wholly owned subsidiary, Janka Engineering s.r.o has repaid shareholders loan of Euro 0.04 million (equivalent to INR 0.29 crores) and interest of Rs.0.03 crores

33. Unquoted investment in subsidiary Company:

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

34. Disclosure as per clause 32 of the Listing Agreement:

Loan given to Subsidiaries and outstanding as on 31.03.2014

Transaction (Subsidiary Loan)	Amount (Rs.in crores)
a. Lloyd Coils Europe s.r.o	NIL
b. Janka Engineering s.r.o	0.16

35. Capital work in progress:

Capital work in progress amounting to Rs.6.14 Crores

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

A. Related Companies:-

Name of Company	Nature of Relationship (Associate Co/ Subsidiary Co/Directors Interested)
Airserco Pvt.Ltd.	Director Interested
Fedders Lloyd Corporation Ltd	Director Interested
Perfect Radiators & Oil Coolers Pvt.Ltd.	Director Interested
PSL Engineering Pvt.Ltd.	Director Interested
Regal Information Technology Pvt.Ltd.	Director Interested
Lloyd Aircon Pvt.Ltd.	Director Interested
Lloyd Credit Ltd.	Director Interested
Lloyd IT Technology Pvt.Ltd.	Director Interested
Lloyd Sales Pvt.Ltd.	Director Interested
Lloyd Manufacturing Pvt.Ltd.	Director Interested
Himalayan Mineral Water Pvt.Ltd.	Director Interested
Punj Engineering Private Ltd.	Director Interested
Punj Services Pvt.Ltd/	Director Interested
Punj Technology Pvt.Ltd.	Director Interested
Lloyd Infotech(I) Pvt.Ltd.	Director Interested
Lloyd Stock & Investment Pvt.Ltd.	Director Interested
Fedders Lloyd Trading FZE	Director Interested
Foreign Subsidiary Company:	
Lloyd Coils Europe s.r.o.	100% Subsidiary
Janka Engineering s.r.o.	100% Subsidiary



B. Key Management Personnel-

Mr.Brij Raj Punj	Chairman and Managing Director
Mr.Bharat Raj Punj	Executive Director
Mr.A.K.Roy	WholeTime Director
Mr.Mukut B.Sharma	Chief Financial Officer and WholeTime Director
Mr.Nipun Singhal	WholeTime Director

C. Transactions with Related Companies

Transactions	Amount (Rs. In Crores)
Sale of goods	3.15
*Security Deposit	15.21
Purchase of Goods	31.06

*Security Deposit given to Fedders Lloyd Corporation Limited for the development of dies and moulds used in manufacturing of Air conditioners body to be amortized over a period of material supplied by the Company.

D. Remuneration Paid to Key Management Personnel :

Particulars	Current Year (Rs. In Crores)	Previous Year (Rs. In Crores)
Salary	2.65	1.31
Value of Perquisites	0.93	0.37
P.F.	0.17	0.05
Total	3.75	1.73

37. Additional Information :-

a) Earnings & Expenditures in Foreign Currency:-

Particulars	Current Year Amount (Rs. In Crores) 2013-14	Previous Year Amount (Rs. In Crores) 2012-13
a) Expenditure in foreign currency:		
1. Raw Material & Trade Goods	622.36	422.70
2. Foreign Traveling	1.38	1.06
3. Exhibition & other Expenses	0.16	0.13
b) Earning in foreign currency:		
1. Export of goods on FOB basis	183.92	87.22
2. Interest received from wholly owned subsidiary	1.26	2.94

b.) Sale:-

Sale Items	Current Year Value (Rs. In Crores) 2013-14	Previous Year Value (Rs. In Crores) 2012-13
Heat Exchangers & Radiators	244.46	271.54
Air conditioners (RMPU/WAC/SAC/ODU)	934.70	822.79
Electronics & Other Appliances (Traded goods)	48.16	69.36
LED	203.86	0.00
Parts,Components & Spares & Others	8.50	5.69
TOTAL	1439.69	1169.38

All the values mentioned above are without excise duty.The excise duty charged on sale amounts to Rs.28.15 Crores.

c) Consumption of Raw Material,Components Consumables,Spares Parts & others

Particulars	Current Year (Rs. In Crores)	Previous Year (Rs. In Crores)
Indigenous	636.89 (50.30%)	612.62 (61.11%)
Imported	629.36 (49.70%)	389.87 (38.89%)

d) Basic & Diluted Earnings per Share:

Earnings per share has been computed as under:

Particulars	Current Year	Previous Year
Profit after Taxation	76.09	56.15
Number of Ordinary Shares	35320260	35320260
Basic and Diluted Earnings per share (Face Value Rs.10/-per share)	21.54	15.90

e) Information pertaining to Geographical Segment:

Sale of Products	(Rs. In Crores)	
Particulars	31.03.2014	31.03.2013
Within India	1255.76	1082.16
Outside India	183.92	87.22
Total	1439.69	1169.38

Fixed Assets as per Geographical Locations

The Company has common fixed assets, other assets and liabilities for domestic as well as overseas market. Hence, separate figures for assets and liabilities have not been furnished.



38. During the year on 24th August 2013, fire broke out at the adjoining warehouse of the company located at Gate No.3, Plot No. - 2 Kalkaji Industrial Area, New Delhi-110 019 and soon spread burning down the company's warehouse, resulting in loss of stocks and warehouse. However, there was no casualty arising out of the fire. This had resulted in loss of inventory of Rs. 46.44 crores while the same was fully insured. The company had filed the claim with the United India Insurance Co. Limited. United India appointed their surveyor for verification of the claim and surveyor has physically verified the residuals of the stock and the same is reconciled with the records of the company. Surveyor is preparing their report for recommending the release of the claim. The matter is pending with Insurance Company.

39. Financial Statements and Derivatives Instruments

Derivative contracts entered into by the Company and outstanding as on 31st March 2014

(i) For hedging Currency and Interest rate related risks:

Nominal amount of derivative contracts entered into by the Company and outstanding as on 31st March 2014, amounts to Rs. 0.20 Crores (Previous year Rs. 0.34 Crores). Category wise breakup is given below:

(Rs. In Crores)

S.No.	Particulars	As at 31.03.2014	As at 31.03.2013
1	Forward Contract	NIL	NIL
2	Currency Swap	NIL	NIL
3	Interest Rate Swap	0.2	0.34
4	Option	NIL	NIL

(ii) For hedging Commodity related risks: NIL

40. Previous year figures have been regrouped and rearranged wherever necessary.

41. Notes "1" to "40" form an integral part of accounts and are duly authorized.

As per our Report of even date attached
For Suresh C. Mathur & Co.
 Chartered Accountants

(Brijesh C. Mathur)
 Partner
 Membership No. 083540
 Firm Registration No. 000891N

For and on behalf of the Board

Brij Raj Punj
 Chairman & Managing Director

Place: New Delhi
 Date: 29th May, 2014

Anita K. Sharma
 Company Secretary

Mukat B. Sharma
 CFO & Whole Time Director

A. K. Roy
 Whole Time Director

Consolidated Auditor's Report

Consolidated Financial Statements 2013-14

Independent Auditors' Report

Members,

Lloyd Electric & Engineering Limited.

We have audited the accompanying consolidated financial statements of **LLOYD ELECTRIC & ENGINEERING LIMITED** ("the Company") which comprise the consolidated Balance Sheet as at 31st March, 2014, the consolidated Statement of Profit and Loss Account and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements:

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ('the Act') (which continue to be applicable in respect of section 133 of the Companies Act, 2013 in the term of general circular 15/2013 dated 13 september, 2013 of ministry of corporate affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion and to the best of the information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) In the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31 March, 2014.
- (ii) In the case of the consolidated Statement of Profit and Loss, of the profit of the Company for the year ended on that date and



(iii) In the case of the consolidated Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Other Matters:

In respect of the financial statements of the subsidiaries, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the reports of the other auditors. The details of assets, revenues and net cash flows in respect of these subsidiaries to the extent to which they are reflected in the consolidated financial statements are given below:

Audited by Other Auditors:

Sl. No.	Particulars	Total Assets (Rs.)	Total Revenue (Rs.)	Net Cash Inflow/ (Outflows) (Rs.)
1.	Janka Engineering s.r.o.	800,455,211	992,272,833	(1,029,405)
2.	Lloyd Coils Europe s.r.o.	1,747,859,085	2,959,069,725	(30,321,360)

These financial statements have been certified by management and have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, are based solely on these certified financial statements.

Since the financial statements for the financial year ended 31st March, 2014, which were compiled by management of these Companies, were not audited, any adjustments to their balance could have consequential effects on the attached consolidated financial statements. However, the size of these subsidiaries, in the consolidated position is not significant in relative terms.

Certified by Management:

Sl. No.	Particulars	Total Assets (Rs.)	Total Revenue (Rs.)	Net Cash Inflow/ (Outflows) (Rs.)
1.	Foreign Subsidiaries	2,548,314,296	3,951,342,558	(31,350,765)

Our opinion is not qualified in respect of these matters.

For Suresh C. Mathur & Co.
Chartered Accountants
(Firm Registration No. 000891N)

Place : New Delhi
Dated : 29th May 2014

(BRIJESH C. MATHUR)
PARTNER
Membership No. 083540

Consolidated Balance Sheet as at 31st March, 2014

(Rs. In Crores)

Particulars	Note	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	35.33	35.33
(b) Reserves and Surplus	4	604.57	515.69
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	146.69	94.67
(b) Deferred tax liabilities (Net)	6	9.42	22.91
(c) Long term provisions	7	2.57	12.84
(3) Current Liabilities			
(a) Short-term borrowings	8	499.58	351.89
(b) Trade payables	9	225.51	148.56
(c) Other current liabilities	10	86.98	91.98
(d) Short-term provisions	11	30.34	26.51
Total		1,640.99	1,300.38
II. Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	12	415.35	386.06
(ii) Intangible assets		8.15	9.57
(iii) Capital work-in-progress		6.14	6.04
(iv) Intangible assets under development		-	0.03
(b) Non-current investments	13	1.75	2.67
(c) Long term loans and advances	14	3.81	4.86
(d) Other non-current assets	15	16.34	16.90
(2) Current assets			
(a) Inventories	16	617.94	490.31
(b) Trade receivables	17	409.18	303.17
(c) Cash and cash equivalents	18	55.34	21.45
(d) Short-term loans and advances	19	91.78	42.22
(e) Other current assets	20	15.21	17.10
Total		1,640.99	1,300.38

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

(Brijesh C. Mathur)

Partner

Membership No.083540

Firm Registration No.000891N

For and on behalf of the Board

Brij Raj Punj

Chairman & Managing Director

Place: New Delhi

Date: 29th May, 2014

Anita K. Sharma
Company Secretary

Mukat B. Sharma
CFO & Whole Time Director

A. K. Roy
Whole Time Director



Consolidated Statement of Profit & Loss for the year ended on 31st March, 2014 (Rs. In Crores)

Particulars	Note	Year Ended 31.03.2014	Year Ended 31.03.2013
I. Income			
Revenue from operations (Gross):	21	1,804.12	1,491.56
Less:- Excise Duty		(28.15)	(17.25)
Revenue from operations (Net)		1,775.97	1,474.31
Other Operating Income	22	49.05	5.03
Total Revenue (I)		1,825.02	1,479.34
II. Expenses:			
Cost of materials consumed	23	1,438.11	1,136.28
Purchase of Stock-in-Trade		44.92	40.35
Changes in inventories of Finished Goods, Work-in Progress and Stock-in-Trade	24	(145.62)	(82.50)
Employee Benefit Expenses	25	108.84	99.81
Other Expenses	26	164.48	129.52
Total Expenses (II)		1,610.73	1,323.46
III. Profit before Interest, Depreciation / Amortisation and Tax (EBITDA)	(I - II)	214.29	155.88
Finance Costs	27	85.50	52.70
Depreciation & Amortisation	28	31.76	31.62
IV. Profit before Tax		97.03	71.56
V. Tax expense:			
(1) Current tax		21.40	15.52
(2) Deferred tax		(13.49)	3.24
VI. Profit(Loss) from the period from continuing operations		89.12	52.80
VII. Earning per equity share:			
(1) Basic & Diluted		25.23	14.95

As per our Report of even date attached
For Suresh C. Mathur & Co.
 Chartered Accountants

(Brijesh C. Mathur)
 Partner
 Membership No. 083540
 Firm Registration No. 000891N

Place: New Delhi
 Date: 29th May, 2014

Anita K. Sharma
 Company Secretary

Mukat B. Sharma
 CFO & Whole Time Director

A. K. Roy
 Whole Time Director

For and on behalf of the Board

Brij Raj Punj
 Chairman & Managing Director

Consolidated Cash Flow Statement For the year ended 31st March 2014

(Rs. In Crores)

	Year Ended 31st March, 2014		Year Ended 31st March, 2013	
A. Cash Flow from Operating Activities:				
Net Profit before tax & Extra-ordinary items		97.03		71.56
Adjustments:				
Add:				
Depreciation	31.76		31.62	
Provision no longer required			-	
Interest Paid	70.70		43.62	
Loss/ (Diminution) on sale (in value) of Investment	0.92		-	
Loss on sale of fixed assets	0.36	103.74	0.01	75.26
		200.77		146.81
Less:				
Interest Income	2.43		0.52	
Dividend Income	0.04		0.07	
Profit on sale of Fixed Assets	0.00		0.05	
Profit on sale of Investment	-	2.47	2.09	2.73
Operating profit before working capital changes		198.30		144.08
Adjustments for :				
Inventories	(127.63)		(114.08)	
Trade & other receivables	(147.90)		(51.81)	
Trade & other payables	70.52	(205.02)	36.35	(129.54)
Cash generated from operations		(6.72)		14.54
Exchange Fluctuation		4.26		
Debtenture Issue Expenses				-
Direct tax paid		20.53		(22.64)
Net Cash Flow from Operating Activities		(31.51)		(8.10)
B Cash Flow from Investing Activities:				
Purchased of fixed assets		(61.49)		(37.08)
Deferred Revenue in respect of acquisition				
Sale of fixed assets		3.80		0.00
Net Purchase of Investments				0.48
Purchase of Business				-
Dividend Received		0.04		0.07
Profit on sale Of fixed assets				
Profit on sale of investment		-		2.09
Interest received		2.43		0.52
Net Cash Flow from Investing Activities		(55.22)		(33.92)
C Cash Flow from Financial Activities:				
Proceeds from Borrowing		199.70		80.82
Exchange Flucutation		(4.26)		-
Proceeds from Issue of Share capital				-
Interest paid		(70.70)		(43.62)
Dividend paid		(3.53)		(3.10)
Dividend tax		(0.60)		(0.50)
Net Cash Flow from Financing Activities		120.62		33.60
Net increase in Cash and Cash Equivalents (A+B+C)		33.89		(8.42)
Net increase/ decrease in Cash and Cash Equivalents		33.89		(8.42)
Opening Balance of Cash and Cash Equivalents		21.45		29.86
Closing Balance of Cash and Cash Equivalents		55.34		21.45

As per our Report of even date attached

For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No.000891N

(Brijesh C. Mathur)
Partner
Membership No.083540

Anita K. Sharma
Company Secretary

Mukat Sharma
CFO & Whole Time Director

A. K. Roy
Whole Time Director

Brij Raj Punj
Chairman & Managing Director

**For and on behalf of the Board of Director of
Lloyd Electric & Engineering**

AUDITOR'S REPORT

We have examined the above Cash Flow Statement of Lloyd Electric & Engineering Limited for the year ended 31st March, 2014. 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,
Firm Registration No.000891N
(Brijesh C. Mathur)
(Partner)
Membership No.083540

Place: New Delhi
Dated: 29th May, 2014



Notes to the Consolidated Financial Statements for the year ended 31st March 2014

1. CORPORATE INFORMATION

Lloyd Electric & Engineering Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE) in India. The company has also issued GDR's, which are listed on London Stock Exchange. The company is the largest manufacturer of heat exchangers coils in India and is an OEM / ODM supplier of air conditioners to major brands in the country. It is also engaged in manufacturing and trading of Air-conditioner and consumer durables product like LCD / LED, Chest Freezer and manufacturing of locomotive and utility vehicle radiators. The company caters to both domestic and international markets.

2. BASIS OF PREPARATION

The Consolidated Financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956. The Consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for land acquired before 1st April, 1993 which is carried at revalued amounts.

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1. Principles of consolidation:

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

- i) The financial statements of the company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra-group transactions in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements". The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship come in to existence.
- ii) The difference between the cost to the group of investment in subsidiaries and the proportionate share in equity of the investee company as the date of acquisition of stake is recognized in the consolidated financial statements as goodwill or capital reserve as the case may be.
- iii) The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company's standalone financial statements.
- iv) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in exchange fluctuation reserve.
- v) The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent company i.e. year ended 31st March 2014.
- vi) All material Inter Company Balances & Transactions are eliminated on consolidation

2.2. THE SUBSIDIARY COMPANIES CONSIDERED IN THE PREPARATION OF THESE CONSOLIDATED FINANCIAL STATEMENTS ARE:

Name of the Subsidiary	Country Of Incorporation	Remarks
Lloyd Coils Europes s.r.o	Czech Republic	100% ownership
Janka Engineering s.r.o.	Czech Republic	100% ownership

2.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a) Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities, at the date of the financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

b) Tangible Fixed Assets:

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

Capital Work-in-Progress

Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

c) Depreciation on tangible fixed assets

Depreciation policy of Indian company

- i) Depreciation on fixed assets is provided on straight-line basis at the rates prescribed in schedule XIV to the Companies Act, 1956.
- ii) Depreciation on assets added during the year, is calculated on pro-rata basis with reference to the date of installation.
- iii) Depreciation rates applied for calculating depreciation on various categories of assets are as follows:

Type of Assets	Rates (SLM)	Schedule XIV Rates (SLM)
Building	3.34%	3.34%
Plant & Machinery	4.75%	4.75%
Office Equipments	4.75%	4.75%
Vehicles	9.50%	9.50%
Furniture & Fixtures	6.33%	6.33%

Depreciation policy of Foreign Subsidiary company

Acquired tangible fixed assets are recorded at cost, which includes costs incurred in bringing the assets to their present location and condition, such as transport costs, duties and installation costs. The cost of internally produced assets including direct material, wages and overheads directly related to the



creation of the asset until it is put into use.

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

Building and constructions	30 Years
Plant, machinery and equipment (above MCZK 3) (Equivalent to Rs. 75 lacs)	10 Years
Plant, machinery and equipment (less than MCZK 3) (Equivalent to Rs. 75 lacs)	8 Years
Personal computers and office equipment	2 Years
Adjustment to acquired fixed assets	15 Years

Property improvements over CZK 40 000 (Equivalent to Rs.1 lacs) per item per year are capitalized to the acquisition price of the asset and depreciated over their remaining useful lives.

Tangible assets with unit cost up to CZK 40 000 (Equivalent to Rs.1 lacs) are charged to profit and loss account in the year these are acquired.

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

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

d) **Intangible Assets**

Depreciation policy of Indian company

Intangible Assets are stated at cost of acquisition. Following intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The following are the acquired intangible assets:

i) LOGO OF BRAND "LLOYD"

Cost of logo is amortized over its useful life of 5 years.

Cost of Product Development Expenses will be amortized over its useful life of 5 years.

Depreciation policy of Foreign Subsidiary company

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

Software	4 Years
----------	---------

Intangible assets with unit cost up to CZK 60 000 (Equivalent to Rs. 1.25 lacs) are charged to the profit and loss account in the year that they are acquired.

e) **Inventory Valuation:**

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

f) Revenue Recognition:

i) Income and Expenditure are recognized on accrual basis.

ii) Sale of Goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects central sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

iii) Export sales are accounted on the basis of date of bill of lading.

iv) Dividend income is recognized when the right to receive the dividend is established.

g) Investments:

Long Term Investment are stated at Cost.

h) Foreign currency transactions:

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange Difference

Exchange difference arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

iv. Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the year.

i) Retirement Benefits:

Provident Fund:-

Retirement benefit in form of provident fund is a defined contribution scheme and the contributions are charged to the profit and Loss account of the year when the contributions to the respective funds are due.

Gratuity:-

The company's liability in respect of payment of gratuity is provided on accrual basis as per actuarial valuation. The company is in process of having arrangement with Insurance co. to administer its Superannuation & Gratuity Fund.



Leave Encashment:-

Leave Encashment are valued at cost to company basis without considering any discounting and salary increase and provided on the basis of actual valuation.

j) Taxation:

Current Tax:

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.

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 is 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.

k) Impairment of Assets:

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

l) Borrowing Cost:

Cost in connection with the borrowing of funds to the extent not directly related to the acquisition of fixed assets are amortized and charged to the Profit and Loss Account, over the tenure of the loan. Borrowing cost to the extent directly attributable to acquisition of fixed assets is added to the cost of fixed assets.

m) Segment Reporting:

i. Business Segment

The Company's Operations predominantly comprise of only one segment i.e. Electronic Goods. In view of the same separate segmental information is not required to be given as per the requirements of Accounting Standard 17.

ii. Geographical Segment

The analysis of geographical segment is based on the geographical location of the customers. The Company operates primarily in India and has presence in international markets as well. Its business is accordingly aligned geographically, catering to two markets. The Company has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows;

- Sales within India represent sales made to customers located within India.
- Sales outside India represent sales made to customers located outside India.

n) 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.

o) 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 equivalents presented in the cash flow statement consists of cash in hand and demand deposits with banks as on the Balance Sheet date.

p) Sundry Debtors/Loans & Advances:

Company as a policy obtains balance confirmation from Sundry Debtors, Creditors and other advances on monthly / quarterly / half yearly basis depending upon quantum of transaction made with the parties. Considering the same company does not have all balance confirmations as at 31st March 2014 the effect of the same, if any which is not likely to be material will be adjusted at the time of confirmation.

Sundry Debtors Policies of Foreign Subsidiaries:

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

q) Provisions /Contingencies:

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date.

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

r) Derivative Instruments:

The Company has entered into derivative contracts in the nature of interest rate swaps and forward contracts with intention to hedge its requirements and firm commitments. The contracts are mark to market and losses are recognized in the profit and loss account. Gains arising on the same are not recognized on ground of prudence.

s) Deferred Revenue Expenditure:

Cost of traveling, Consultancy fees and other expenses related to IRIS Certification are considered as deferred revenue expenditure. 1/5 of the expenditures have been charged to Profit and Loss account.



(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE:- 3		
SHARE CAPITAL:-		
1. Authorized Capital		
5,00,00,000 Equity Share of Rs. 10/- each (Previous year 5,00,00,000 Equity Share of Rs. 10/- each)	50.00	50.00
Total Authorized Share Capital	50.00	50.00
2. Issued & Subscribed Capital		
3,53,33,160 Equity Shares of Rs. 10/- each	35.33	31.01
3. Paid up Capital		
3,53,20,260 Equity Shares of Rs. 10/- each fully paid up (Previous Year 3,10,00,260 equity shares of Rs. 10/- each)	35.32	31.00
Add:- Equity Shares forfeited (amount originally paid up)	0.01	0.01
4. Share Capital Suspense Account	-	4.32
TOTAL (RS.)	35.33	35.33

NOTES:-

1. Out of the above Equity Shares

- Includes 40,00,000 Equity Share allotted in the year 2006-07 on conversion of warrants issued on preferential basis during the year 2005-06
- Includes 92,00,000 underlying Equity Shares representing 46,00,000 Global Depository Receipts issued during the year 2005-06
- In the year 2006-07 the Company had forfeited 13,300 equity shares due to the non-payment of allotment money. The Board of Directors had annulled the forfeiture of 400 Equity shares on receipt of payment advice by the shareholders and accordingly 400 Equity Shares had been restored back. Subsequent to the annulment of forfeiture, the paid-up Equity Share Capital stands increased to Rs. 310002600 i.e. 31000260 Equity Shares of Rs. 10/- each fully paid-up.
- 4320000 no of Equity Shares of Rs. 10/- each were allotted during the financial year 2013-14 in favour of shareholders of erstwhile Perfect Radiators & Oil Coolers Pvt. Ltd. (PROC) on account of merger of PROC With the company retrospectively since 01.04.2011.

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

Particulars	31 March, 2014		31 March, 2013	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Shares outstanding at the beginning of the year	31000260	31.00	31000260	31.00
Shares Issued during the year	4320000	4.32	-	-
Shares outstanding at the End of the year	35320260	35.32	31000260	31.00

(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.

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

Particulars	31 March, 2014		31 March, 2013	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares of Rs. 10 each fully paid-up				
PSL Engineering Pvt. Ltd.	3,713,520	10.51	3,713,520	11.98
Zenith Impex Pvt. Ltd.	3,009,567	8.52	2,975,418	9.60
Airserco Pvt. Ltd.	3,304,133	9.35	1,956,800	6.31
Morgan Stanley Mauritius Company Ltd.	1,744,828	4.94	1,744,828	5.63
Lloyd Sales Private Limited	3,315,005	9.35	1,645,005	5.31

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.



(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE:- 4		
RESERVES AND SURPLUS		
1) Capital Reserve (subsidy received against fixed assets)	0.44	0.44
2) Capital Reserve (Share Warrants forfeited by the Company)	11.25	11.25
3) Revaluation Reserve (land revalued as on 31st March, 1993)	0.35	0.35
4) Securities Premium Account:	199.06	175.06
Add: Premium of Issue of Share		31.80
Add: Adjustment for Deprecation on Fixed Assets		1.22
	199.06	208.08
Less: Adjustment for Merger		9.01
	199.06	199.07
5) Statutory Reserve	2.10	1.94
6) General Reserve:		
Opening balance	147.22	145.72
Add: Transfer from Debenture Redemption Reserve	12.50	1.50
Add: Transfer from Profit & Loss a/c	23.00	-
	182.72	147.22
7) Debenture Redemption Reserve	-	12.50
8) Exchange Difference on Consolidation	2.52	0.17
9) Profit & Loss Account:		
Profit for the Year	89.12	52.80
Balance Brought Forward from Previous year	142.75	101.23
MAT Credit Receivable Booked in current Year	1.36	-
Excess FBT provision adjusted	0.02	1.85
	233.25	155.88
Less:- Appropriations		
Proposed Dividend	3.53	3.53
Tax on Proposed Dividend	0.60	0.60
Transfer to Debenture Redemption Reserve		7.50
Transfer to General Reserve	23.00	1.50
Balance Carried to Balance Sheet	206.10	142.75
TOTAL	604.57	515.69

(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE - 5		
LONG TERM BORROWINGS		
1. Term Loans		
From Schedule Banks:-		
Foreign Currency loan	26.13	12.12
Indian Currency Loan	120.56	49.21
2. Debentures	-	33.33
500 Nos 11.25% secured redeemable Non Convertible Debentures @ Rs. 10,00,000/- each)		
3. Loan against Vehicles		
TOTAL	146.69	94.67

Note:-

- Indian rupee loan for Rs. 35.00 Crores from IDBI Ltd. carries interest @ 12.25% P.A on Rs. 17.50 Crores and @ 11.50% P.A. on Rs. 17.50 Crores. The Loan is repayable in 16 quarterly installment of Rs. 2.19 crores each after monotorium of 12 Months from the date of loan i.e. 31st March, 2013. Company has taken disbursement of Rs. 31.50 Crores.
- Foreign currency loan for USD 2038382.07 from EXIM Bank carries interest LIBOR + 4.50% p.a. The loan is repayable in 17 quarterly installment of Rs. 1.59 Crores after monotorium of 12 months from the date of loan i.e. 14.07.2010.
- Indian rupee loan for Rs. 120.00 Crores from SBI carries interest @ 11.00% P.A. The Loan is repayable in 24 quarterly installment of Rs. 5.00 crores each after monotorium of 12 Months from the date of loan i.e. 30.06.2013
- Foreign currency loan for EURO 4000000 from State Bank of India. The loan is repayable in 6 installments.
- As per Resolution of Committee of Board of Directors dated 25.06.2013 the Company has fully redeemed 500 Nos of 11.25% Secured Redeemable Non-Convertible Debentures of face value of Rs. 10,00,000 each issued by the Company in two tranches on 14th March, 2011 and 29th March, 2011 by making prepayment of Rs. 50 Crores, being the amount due to the Debenture holders.

(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE - 6		
DEFERRED TAX LIABILITIES		
Opening Balance	22.90	19.66
Deferred Tax Liability on account of Depreciation	-	3.35
Deferred Tax Asset on account of Statutory Dues	(13.49)	(0.11)
Net Deferred Tax Liability	9.42	22.91

NOTE - 7**LONG TERM PROVISIONS**

Other Provisions	-	1.84
Provision for gratuity & leave encashment	2.57	2.07
Provision for Bad Debts	-	8.03
Provision for Warranty	-	0.90
TOTAL	2.57	12.84



(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE - 8		
SHORT TERM BORROWINGS		
1. Working Capital Loans:		
From Banks	499.58	351.89
TOTAL (Rs.)	499.58	351.89

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 - 9
TRADE PAYABLES

Sundry Creditors	225.51	148.56
TOTAL (Rs.)	225.51	148.56

NOTE - 10
OTHER CURRENT LIABILITIES

Salary Payable	18.72	2.79
F.P.F. Payable (Employees)	2.16	0.69
Other Statutory dues payable	0.36	12.03
Other expenses payable	4.68	6.90
Audit Fees Payable	-	-
Interest Accrued but not due	2.02	1.29
Others Liability	10.47	12.39
Taxes Payable	0.86	0.43
Current maturity of Long Term Borrowings		
Foreign Currency loan	17.26	17.19
Indian Currency Loan	28.75	19.31
11.5% Non Convertible Debenture		16.67
Loan against Vehicles	0.24	0.20
(secured by hypothecation of vehicle financed)		
Advances From Customer	1.21	1.84
Unclaimed Dividend	0.26	0.26
TOTAL	86.98	91.98

(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE - 11		
CURRENT PROVISIONS		
Provision for Income Tax	22.82	21.18
Provision for Fringe Benefit Tax	-	0.26
Provision for proposed dividend	3.53	3.53
Provision for tax on proposed dividend	0.60	0.60
Leave Encashment Payable	3.40	0.93
TOTAL	30.34	26.51

NOTE :- 12**FIXED ASSETS:**

(Rs. In Crores)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.2013	Additions	Deduction	As at 31.3.2014	Up to 31.3.2013	For the Year	Adjustment	Up to 31.3.2014	As at 31.03.2014	As at 31.03.2013
(i) Tangible assets										
1) Leasehold Land	16.10	-	-	16.10	-	-	-	-	16.10	16.10
2) Temporary Constructions	0.12	-	-	0.12	0.12	-	-	0.12	-	-
3) Buildings	90.81	4.09	-	94.90	12.03	2.77	-	14.80	80.10	78.78
4) Plant & Machinery	418.06	52.49	3.24	467.31	165.66	20.34	2.35	183.65	283.65	252.40
5) Office Equipments	7.19	0.24	-	7.43	5.34	0.22	-	5.56	1.87	1.86
6) Vehicles	5.83	0.21	0.01	6.03	3.17	0.63	0.01	3.79	2.24	2.65
7) Furniture & Fixtures	1.92	0.16	-	2.08	0.40	0.12	-	0.52	1.56	1.51
8) Capital Work in Progress	1.63	1.49	0.40	2.72	0.20	-	-	0.20	2.52	1.44
9) Adjustment to Assets	47.68	-	-	47.68	16.36	4.01	-	20.37	27.31	31.32
10) Other Assets	-	-	-	-	-	-	-	-	-	-
Total (Tangible Assets)	589.34	58.68	3.65	644.37	203.28	28.09	2.36	229.01	415.35	386.06
(ii) Intangible assets										
1) Intangible Fixed Assets	17.21	2.75	0.16	19.80	7.65	4.12	-	11.77	8.04	9.57
2) Intangible Fixed Assets under Progress	0.15	0.08	-	0.23	0.12	-	-	0.12	0.11	0.03
Total (Intangible Assets)	17.36	2.83	0.16	20.03	7.77	4.12	-	11.89	8.15	9.60
TOTAL Rs..	606.70	61.51	3.81	664.40	211.05	32.21	2.36	240.90	423.51	395.66
(Previous Year)	568.36	47.91	9.56	606.71	181.82	29.79	0.48	211.65	396.66	387.80



(Rs. In Crores)

Particulars	Face Value	Number of Shares	As At 31.03.2014	Number of Shares	As At 31.03.2013
NOTE:- 13					
INVESTMENTS:					
Quoted Shares-(A)					
Blue Star Ltd.	2	375	0.00	375	0.00
Blue Star Info. Ltd.	10	25	0.00	25	0.00
Castrol (India) Ltd.	10	5	0.00	5	0.00
Castrol (India) Ltd. (bonus share)	10	15	-	15	-
Chambal Fertilizers & Chem. Ltd.	10	1000	0.00	1000	0.00
D.B. International Brokers Ltd.	2	13000	0.00	13000	0.00
Dot Com. Global Ltd.	10	24200	0.00	24200	0.00
Shardul Securities Ltd.	10	25600	0.08	25600	0.08
ACE Edutrend Ltd. (Formerly known as ACE India Ltd.)	10	16900	0.02	16900	0.02
Dion Global Solutions	10	320	0.00	320	0.00
Healthfore Technologies Ltd. (Formerly known as Religare Technologies Ltd)	10	80	0.00	80	0.00
Glaxo Sithkline Pharmaceuticals Ltd.	10	125	0.01	125	0.01
HDFC Bank Ltd.	2	125	0.00	125	0.00
Hindustan Uinliver Ltd.	1	1350	0.02	1350	0.02
JSW Steel Limited	10	1124	0.02	1124	0.02
Lumax Industries Limited	10	4600	0.03	4600	0.03
Panasonic Energy India Co. Ltd	10	500	0.00	500	0.00
Pan India Corpn Ltd (Formerly known SRG Infotech Limited)	10	200	0.00	200	0.00
Sterlite Opticals Limited	2	525	0.00	525	0.00
Subros Limited	2	150	0.00	150	0.00
Tata Chemicals Limited	10	50	0.00	50	0.00
Tata Consultancy Services Limited	1	832	0.07	832	0.07
Visesh Infotecnics Limited	1	1100	0.00	1100	0.00
Voltas Limited	1	500	0.00	500	0.00
GHCL Ltd.	10	125000	1.91	125000	1.91
Archies Ltd.	2	50000	0.11	50000	0.11
Investment in SBI Mutual Fund			0.10		0.10
Sub-Total Rs.			2.37		2.37
Less:- Diminution in Value of Investments			0.92		-
Sub-Total (A) Rs.			1.45		2.37
Unquoted Shares:-(B)					
Lloyd Credits Ltd.	10	300000	0.30	300000	0.30
Lloyd Aircon (P) Ltd.	10	350	0.00	350	0.00
Carrier Aircondition & Refrigeration Ltd.	10	400	0.00	400	0.00
Sub-Total (B) Rs.			0.30		0.30
Total (A+B)			1.75		2.67
Additional Information :					
1) Aggregate amount of Company's -					
a) Market value of Quoted Investments					
b) Unquoted Investments					

(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE - 14		
LONG TERM LOAN & ADVANCES		
Security Deposits	3.65	4.25
Other Advances	-	0.62
Loan to subsidiary Company	0.16	-
TOTAL	3.81	4.86

NOTE - 15**OTHER NON CURRENT ASSETS**

MAT Credit Entitlement		
Opening	13.07	11.22
Add:- during the year	1.36	1.85
	14.43	13.07
Deferred Revenue Expenses		
Opening balance	3.83	5.64
Addition during the year	0	0.10
Total	3.83	5.74
Less: Written off During the year	1.91	1.91
	1.91	3.83
TOTAL	16.34	16.90

NOTE - 16**INVENTORIES:**

Raw-materials, Consumables and Components	172.82	198.16
Stock in Process	33.05	27.65
Finished Goods	368.74	228.61
Stock for Resale	0.55	0.47
Stock in Transit (At Cost)	42.78	35.42
TOTAL	617.94	490.31

NOTE - 17**TRADE RECEIVABLES**

Outstanding for a period exceeding six months from the date they are due for payment		
	21.24	1.62
Other Receivables	387.94	301.55
TOTAL	409.18	303.17



(Rs. In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE - 18		
CASH & CASH EQUIVALENTS		
CASH AND BANK BALANCES:		
Cash balance in hand	0.26	0.35
Balances with Schedule banks		
In Current Accounts	53.97	20.31
HDFC Bank (Dividend A/c)	0.26	0.26
In fixed deposits	0.03	0.22
Receipt pledged with Bank for margin money (Including Interest)	0.78	0.26
Interest accrued on fixed deposit	0.04	0.05
TOTAL	55.34	21.45

NOTE - 19

SHORT TERMS LOANS & ADVANCES :

Advances recoverable in cash or in kind or for value to be recovered	3.00	7.20
Advance to Employees	1.02	1.07
Other Advances	3.22	0.88
Prepaid Exp.	18.27	7.47
Balance with Statutory/Government Authorities	9.08	7.30
Advance tax/ TDS Recoverable	8.63	16.51
Interest receivable on NSC	0.00	0.00
Insurance Claims Receivables	46.54	-
VAT Account	2.02	1.80
TOTAL	91.78	42.22

NOTE - 20

OTHER CURRENT ASSETS

Security Deposit to group Company	15.21	17.10
TOTAL	15.21	17.10

(Rs. In Crores)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
NOTE -21		
REVENUE FROM OPERATIONS		
Manufacturing Goods	1,754.99	1,415.83
Traded Goods	48.16	75.73
Other Operating Income	0.97	-
TOTAL	1,804.12	1,491.56

NOTE - 22**OTHER INCOME:**

Income from scrap	8.04	0.94
Interest Income	2.43	0.52
Interest on Foreign Currency Deposit	-	-
Misc. Income *	38.55	1.37
Profit on sale of investment	-	2.09
Profit on Sale of Fixed Assets	0.00	0.05
Dividend Income	0.04	0.07
TOTAL	49.05	5.03

* Misc. Income includes the insurance claim received against loss from flood for Lloyd coils Europe and Janka Engineering s.r.o of Rs.15.46 crores and Rs.9.63 Crores Respectively.

NOTE - 23**COST OF MATERIAL CONSUMED**

Cost of Material Consumed		
Raw materials, consumables & component consumed		
Opening stocks	198.16	169.41
Add:-Purchases	1,391.76	1,158.94
Carriage Inwards	21.00	6.09
Less: Closing stocks	172.82	198.16
TOTAL	1,438.11	1,136.28

NOTE - 24**CHANGES IN INVENTORY**

Changes In Inventory		
Decrease/(Increase) in stocks in Progress		
Opening stock	27.65	15.72
Less : Closing stock	33.05	27.65
Decrease/ (increase) in Stock in Progress	(5.41)	(11.93)
2) Decrease/(Increase) in finished goods:		
Opening stock	229.08	158.51
Less : Closing stock	369.29	229.08
Decrease/ (increase) in Finished Goods	(140.21)	(70.57)
Total	(145.62)	(82.50)



(Rs. In Crores)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
NOTE - 25		
EMPLOYEE BENEFIT EXPENSES		
Wages (Workers)	25.12	23.32
Labour Welfare	1.36	0.98
Salary Account	60.28	55.56
Employer contribution in PF	1.78	1.59
Staff Welfare	2.00	1.61
Social security and health insurance expenses	18.31	16.75
Total	108.84	99.81

NOTE - 26

OTHER EXPENSES

Repair and Maintenance		
- Plant & Machinery	3.93	3.91
- Building & Office	0.69	1.53
Electricity Charges	5.40	8.47
Factory Overheads	34.94	19.43
Lease Charges	4.59	7.15
Insurance	2.36	2.81
Rent Rate & Taxes	3.16	2.73
Postage & Courier & Telephone Expenses	2.79	2.73
Printing and stationery	0.60	0.76
Audit Fee (including service tax)	0.50	0.45
Legal & Professional Expenses	4.33	6.06
Travelling & Conveyance Expenses	6.75	5.96
Motor Car Expenses	0.58	1.02
Misc. Expenses	18.37	6.02
Loss on sale of Fixed Assets	0.36	0.01
Loss on Investments in Subsidiary Co	-	-
Loss on foreign exchange fluctuation	4.26	6.89
Diminution in Value of Investments	0.92	-
Advertisement Expenses	18.75	12.38
Sales Promotion Expenses	0.85	4.32
Business Promotion	0.43	2.00
Octroi & Carriage outwards	18.73	18.92
Discount	24.89	9.35
Service Contract charges	4.59	4.57
Commission and incentive	0.65	0.64
Foreign Exhibition Expenses	0.36	0.54
Free Samples	0.18	0.10
Bad debts & Provision	0.53	0.76
Total	164.48	129.52

(Rs. In Crores)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
NOTE - 27		
FINANCIAL COSTS		
Interest Paid	70.70	43.62
Bank charges	14.81	9.07
Total	85.50	52.70
NOTE - 28		
DEPRECIATION AND AMORTISATION		
Depreciation on Tangible Assets	25.73	25.81
Amortization of Intangible Assets	4.12	3.90
Deferred Revenue Expenses Written off during the year	1.91	1.91
Total	31.76	31.62



OTHER SIGNIFICANT DETAILS:

29) Contingent liability not provided for:

Particulars	Current Year (Rs. In Crores) 2013-14	Previous Year (Rs. In Crores) 2012-13
i) Bank Guarantees	5.94	5.80
ii) Stand by Line of Credit of Euro 3.785 million from IndusInd Bank Limited given by the Company for Euro 4.00 million Term Loan facility availed by Lloyd Coils Europe s.r.o.a wholly owned subsidiary from SBI Paris during the year.Outstanding as on 31.03.2014 is Euro 3.785 million .	31.17	-
iii) Stand by Line of Credit of Euro 2.00 Million from ING Vysya Bank given by the company for Euro 2 million working capital facility availed by Janka Engineering s.r.o.a wholly owned subsidiary from ING Czech Republic.(Euro 1.50 Million as at March 31,2013)	16.47	10.50
iv) Stand by Line of Credit of Euro 1.25 Million from Standard Chartered Bank given by the company for Euro 1 million working capital facility availed by Janka Engineering s.r.o.a wholly owned subsidiary from Komerčni Bank Czech Republic.(Euro 1.50 Millions as at March 31,2013)	10.25	10.50
(v) Corporate Guarantee of Euro 4.3 Million issued by the Company in favour of ING Bank, Prague, Czech Republic to secure the working capital facility extended to Lloyd Coils Europe s.r.o.	35.26	-

30. Contracts remaining to be executed on capital account and not provided for

NIL

NIL

31. Micro and Small Scale Business Entities:

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

32. Disclosure as per clause 32 of the Listing Agreement:

Loan given to Subsidiaries and outstanding as on 31.03.2014

Transaction (Subsidiary Loan)	Amount (Rs.in crores)
a. Lloyd Coils Europe s.r.o	NIL
b. Janka Engineering s.r.o	0.16

33. Capital work in progress:

Capital work in progress amounting to Rs.6.14 Crore.

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

A. Related Companies:-

Name of Company

Nature of Relationship

(Associate Co/ Subsidiary Co/Directors Interested)

Airserco Pvt. Ltd.	Director Interested
Fedders Lloyd Corporation Ltd	Director Interested
Perfect Radiators & Oil Coolers Pvt. Ltd.	Director Interested
PSL Engineering Pvt. Ltd.	Director Interested
Regal Information Technology Pvt. Ltd.	Director Interested
Lloyd Aircon Pvt. Ltd.	Director Interested
Lloyd Credit Ltd.	Director Interested
Lloyd IT Technology Pvt. Ltd.	Director Interested
Lloyd Sales Pvt. Ltd.	Director Interested
Lloyd Manufacturing Pvt. Ltd.	Director Interested
Himalayan Mineral Waters Pvt. Ltd.	Director Interested
Punj Engineering Private Ltd.	Director Interested
Punj Services Pvt. Ltd	Director Interested
Punj Technology Pvt. Ltd.	Director Interested
Lloyd Infotech(I) Pvt. Ltd.	Director Interested
Lloyd Stock & Investment Pvt. Ltd.	Director Interested
Fedders Lloyd Trading FZE	Director Interested

Foreign Subsidiary Company:

Lloyd Coils Europe s.r.o.	100% Subsidiary
Janka Engineering s.r.o.	100% Subsidiary

B. Key Management Personnel-

Mr. Brij Raj Punj Chairman and Managing Director	
Mr. Bharat Raj Punj	Executive Directors
Mr. A. K. Roy	Whole Time Director
Mr. Mukut Sharma	Chief Financial Officer and Whole Time Director
Mr. Nipun Singhal	Whole Time Director

**C. Transactions with Related Companies
Transactions**

Amount (Rs. In Crores)

Sale of goods	15.66
*Security Deposit	15.21
Purchase of Goods	43.57

*Security Deposit given to Fedders Lloyd Corporation Limited for the development of dies and moulds used in manufacturing of Air conditioners to be amortized over a period of material supplied by the Company.

**d. Remuneration Paid to Key Managerial Personnel:**

Particulars	Current Year (Rs. In Crores)	Previous Year (Rs. In Crores)
Salary	2.65	1.34
Value of Perquisites	0.93	0.37
Commission	Nil	NIL
P.F.	0.17	0.05
Total	3.75	1.76

35. Additional Information:-

a. Balances of sister concerns are subject to reconciliation & confirmation

b. Basic & Diluted Earnings per Share:

Earnings per share has been computed as under:

Particulars	Current Year	Previous Year
Profit after Taxation (Rs. Crore)	89.12	52.80
Number of Ordinary Shares	35320260	35320260
Basic and Diluted Earnings per share (Face Value Rs.10/-per share)	25.23	14.95

c. Information pertaining to Geographical Segment:

Particulars	Sale of Products (Rs. In Crores)	
	31.03.2014	31.03.2013
Within India	1255.76	1082.16
Outside India	183.92	87.22
Total	1439.68	1169.38

36. During the year on 24th August 2013, fire broke out at the adjoining warehouse of the company located at Gate No.3, Plot No. - 2 Kalkaji Industrial Area, New Delhi-110 019 and soon spread burning down the company's warehouse, resulting in loss of stocks and warehouse. However, there was no casualty arising out of the fire. This had resulted in loss of inventory of Rs. 46.44 crores while the same was fully insured. The company had filed the claim with the United India Insurance Co. Limited. United India appointed their surveyor for verification of the claim and surveyor has physically verified the residuals of the stock and the same is reconciled with the records of the company. Surveyor is preparing their report for recommending the release of the claim. The matter is pending with Insurance Company.

37. Financial Statements and Derivatives Instruments

Derivative contracts entered into by the Company and outstanding as on 31st March 2014

(i) For hedging Currency and Interest rate related risks:

Nominal amount of derivative contracts entered into by the Company and outstanding as on 31st March 2014, amounts to Rs. 0.20 Crores (Previous year Rs. 0.34 Crores). Category wise breakup is given below:

(Rs. In Crores)

S.No.	Particulars	As at 31.03.2014	As at 31.03.2013
1	Forward Contract	NIL	NIL
2	Currency Swap	NIL	NIL
3	Interest Rate Swap	0.2	0.34
4	Option	NIL	NIL

(ii) For hedging Commodity related risks: NIL

38. Notes "1" to "38" form an integral part of accounts and are duly authorized.

As per our Report of even date attached
For Suresh C. Mathur & Co.
 Chartered Accountants

(Brijesh C. Mathur)
 Partner
 Membership No. 083540
 Firm Registration No. 000891N

Place: New Delhi
 Date: 29th May, 2014

Anita K. Sharma
 Company Secretary

Mukat B. Sharma
 CFO & Whole Time Director

A. K. Roy
 Whole Time Director

For and on behalf of the Board

Brij Raj Punj
 Chairman & Managing Director



Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies As on 31st March, 2014

1	Name of Subsidiary Companies	Lloyd Coils Europe s.r.o. (Prague, Czech Republic)	Janka Engineering s.r.o (Prague, Czech Republic)
2	Financial Year of the Subsidiary Company ended on	March 31, 2014	March 31, 2014
3	Holding Company's Interest as on the above date		
	a) Total equity held (Rs. In Crores)	45.01	38.66
	b) Number of shares	-	-
	c) Face Value	-	-
	d) Extent of share holding in the subsidiary	100%	100%
4	Net aggregate amount of the Subsidiary's Profit/Loss so far as it concerns members of Holding Company and not dealt with in the Holding Company's Accounts:		
	i) For Subsidiary's financial year ended as above (Rs. In Crores)	13.78	5.36
	ii) For Subsidiary's previous financial years since it became Subsidiary (Rs. In Crores)	5.71	(23.78)
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	Nil	Nil
	ii) For Subsidiary's previous financial years since it became Subsidiary		
6	Additional information u/s 212(5)	N.A.	N.A.

As per our Report of even date attached
For Suresh C. Mathur & Co.
Chartered Accountants

(Brijesh C. Mathur)
Partner
Membership No. 083540
Firm Registration No. 000891N

Place: New Delhi
Date: 29th May, 2014

Anita K. Sharma
Company Secretary

Mukat B. Sharma
CFO & Whole Time Director

A. K. Roy
Whole Time Director

For and on behalf of the Board

Brij Raj Punj
Chairman & Managing Director

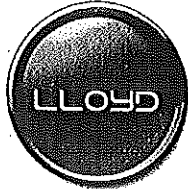
LLOYD ELECTRIC & ENGINEERING LIMITED

159, Okhla Industrial Estate, Phase – III, New Delhi – 110020 (INDIA)

Ph: 91-11-40627200-300, Fax: 91-11-41609909

Email: investor.relation@lloydengg.com

Website: www.lloydengg.com

**LLOYD ELECTRIC & ENGINEERING LIMITED**

159, Okhla Industrial Estate, Phase - III, New Delhi-110 020 (INDIA)



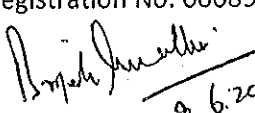
Phone : +91-11-40627200, 40627300 Fax : +91-11-41609909

Website : www.lloydengg.com

CIN : L29120RJ1987PLC012841

Form A

Pursuant to clause 31(a) of the Listing Agreement

S. No.	Particulars	Details
1.	Name of the Company	Lloyd Electric & Engineering Limited
2.	Annual Standalone and Consolidated financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	NIL
5.	To be signed by- <ul style="list-style-type: none"> • Chairman and Managing Director • Whole Time Director and Chief Financial Officer • Audit Committee Chairman • Auditors of the Company 	<p style="text-align: right;">Signatures</p> <p>Mr. Brij Raj Punj ★</p> <p>Mr. Mukat B. Sharma </p> <p>Mr. Surjit Krishan Sharma </p> <p>Refer our Audit Report of even date May 29, 2014 On the Standalone and Consolidated financial statements of the Company</p> <p>For Suresh C. Mathur & Co. Chartered Accountants (Firm Registration No. 000891N)</p> <p> 9.6.2014</p> <p>Brijesh C. Mathur Partner Membership No. 083540 New Delhi, June 9, 2014</p>



For Lloyd Electric & Engineering Limited

Anita K. Sharma
Company Secretary

New Delhi

June 9, 2014

* Please note that due to non-availability of Managing Director in the town, Form A is uploaded without his signatures. We shall e-mail across a duly signed copy of Form A by the Managing Director as soon as possible.