



LIVE THE FUTURE

2020



*Live the Future* >>>

2013 Annual Report

**Fedders Lloyd Corporation Limited**



## Engineering Smiles. Enriching Lives.

Engineering smiles... Over the years, this passionate obsession with creating happiness has become the core of our existence. Global in vision and rooted in Indian values, the Group is driven by a performance ethic pegged on value creation for all its stakeholders. And that is how we wish to add a smile to every life we touch... our employees, enriching many a lives along the way.

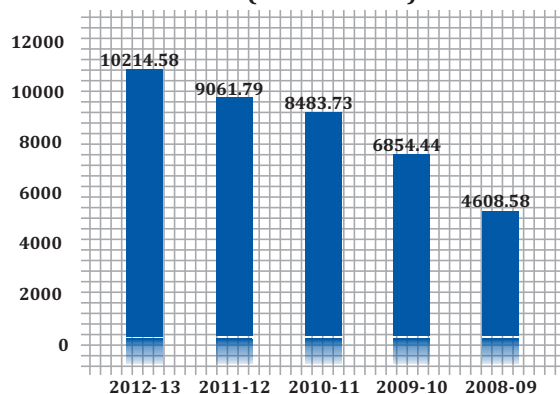


# Five Years Performance Highlights

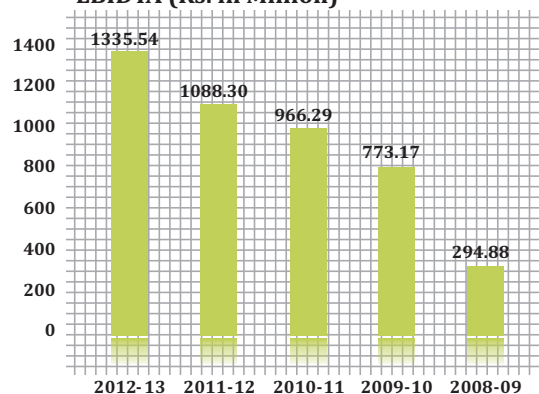
(Rs. in Million)

Particulars	2012 - 13	2011 - 12	2010 - 11	2009 - 10	2008 - 09
Total Income	10214.58	9061.79	8483.73	6854.44	4608.58
EBIDTA	1335.54	1088.30	966.29	773.17	294.88
Profit Before Tax	618.72	557.00	577.49	495.35	140.34
Profit After Tax	496.51	446.65	465.06	400.74	113.16
EPS (in Rs.)	16.14	14.52	15.11	13.02	3.68
Equity Share Capital	30.77	30.77	30.77	30.77	30.77
Reserve & Surplus	2883.89	2424.52	2015.16	1605.44	1242.47
Total Assets	9481.98	7965.84	6271.15	4577.09	3224.29

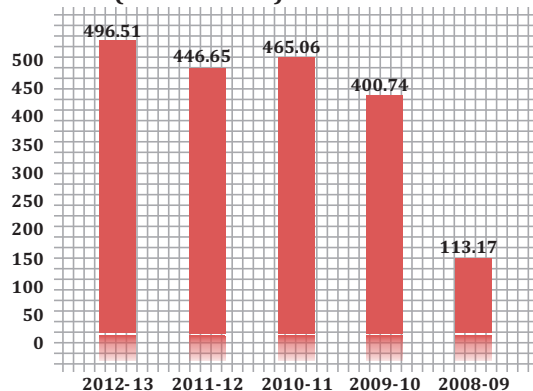
Total Income (Rs. in Million)



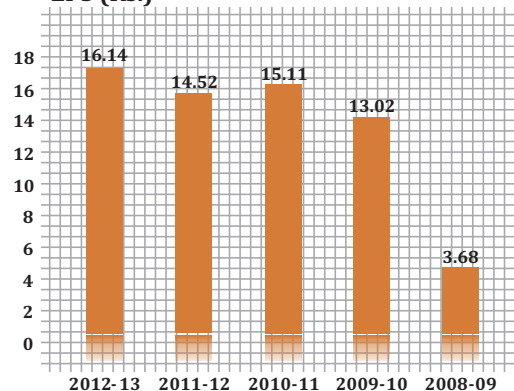
EBIDTA (Rs. in Million)



PAT (Rs. in Million)



EPS (Rs.)



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# Letter from the Chairman

**Brij Raj Punj**

*Chairman & Managing Director*



## **Dear Shareowners & Friends,**

I take pleasure in reaching you through this Annual Report.

During the year 2012-13, Fedders Lloyd maintained strength and momentum with healthy earnings, strong order intake book position and improved sales from its diversified business portfolio. This performance is even more promising given the challenging circumstances in the global economy and the slowdown in India. It also bears testimony to the robustness of your Company's strategy of pursuing multiple drivers of growth.

## **India's Economic Challenges**

Five years after the outbreak of the global financial crisis, the world economy continues to remain fragile. The Indian economy demonstrated remarkable resilience in the initial years of the contagion but finally lost ground last year. GDP growth slowed down to a 10-year low of 5%. There was a marked deceleration in agriculture, industry and services. Dampening sentiment led to a cut-back in investment as well as private consumption

expenditure, which are two principal drivers of economic growth. Inflation remained at high levels fuelled by the pressure from the food and fuel sectors. The large fiscal and current account deficits continued to cause grave concern. The rupee depreciation has been very steep since June 2013. The Government has announced several policy measures in recent times to tackle these challenges. It is hoped that investor and consumer sentiment would get re-ignited to put the country once again on a high growth path.

## **India's Economic Opportunities**

India is now the eleventh largest economy in the world, fourth in terms of purchasing power. It is poised to make tremendous economic strides over the next ten years, with significant development already in the planning stages. In recent years, India has emerged as one of the leading destinations for investors from developed countries. This attraction is partially due to the lower cost of manpower and good quality production. The expansion of investments has brought benefits of employment, development, and growth in the quality of life.

## **Financial Performance**

Going ahead, I reiterate that we are entering an exciting phase of growth. The total revenue of the Company grew by 12.72% from Rs. 9061.79 Million during the previous year to Rs. 10214.58 Million, this year. During the year 2012-13, Fedders Lloyd crossed the benchmark of Rs. 10000 Million in terms of total revenue.

During the year, the EBITDA grew by 22.71% and was recorded at Rs. 1335.54 Million as against Rs. 1088.30 Million during the previous year. This has resulted in higher earnings per share of Rs. 16.14 as compared to Rs. 14.52 in the previous year.

Among the business sectors, the net sales from Steel Structures & Engineering grew by 27.49%, while Power



Projects business grew by 29.87% as compared to the previous year. All business sectors of the Company have huge potential to grow and generate significant gains for the investors due to the huge market size available in each of the sectors. The government's efforts to some extent are paving way for the infrastructure business of the Company. The detailed segmental overview including Industry Structure, Development, Outlook and Performance is mentioned in the Management Discussion & Analysis Report, which is part of this Annual Report.

When we entered the financial year, the demand environment was very uncertain. As a Company, our priority was to capture growth opportunities. It is proud to mention that we have been able to capture growth opportunities during the year not only through our domain-intensive and customer centric approach but also through our continuous innovation and adaptability. We will continue to build long-term value and meet the evolving needs of our stakeholders through strategic investments in Future.

### Business Excellence & Quality Initiatives

An organisation is shaped by its values, its strategic and operational excellence, its business environment and also the acknowledgment that it receives from its stakeholders. We remain proud of Lloyd Group's heritage of remaining deeply committed to discharging its obligations to society. Your Company remains committed to core Lloyd values of giving back to the society. Your Company has embarked upon a number of initiatives in this regard. I would like to mention here that the Company's commitment towards this end is pursued with our flagship initiative Pandit Kanahaya Lal Punj (PKLP) Trust, which focuses on education, health and family welfare, infrastructure development and women empowerment.

As we move towards new horizons, I draw strength from the Team Fedders Lloyd and from their dedication to take your Company to even greater glory in the coming years.

The Lloyd Group's corporate statement is, "Live the Future". This statement expresses our commitment to continuously adapt and evolve in the untiring quest of excellence and stay ahead of the curve by building a long

term plan and vision to work on all issues in a comprehensive way, where Fedders Lloyd continues to grow as a major global presence by generating consistent value bringing together all stakeholders. I am of the firm belief that your Company having been put on a strong platform is ready to devise specific strategies to meet each of the challenges and emerge much stronger. With this assured, we can look forward to a bright and prosperous future.

At technological front, the Company is putting continuous efforts in acquisition, development, assimilation, and utilization of technological knowledge for building the future.

### Appreciation

I wish to take this opportunity to express my sincere gratitude to the members of the Board of Directors for their professionalism and dedicated contribution to steer the Company towards excellence. I express our sincere thanks to the Government of India, various State Governments and relevant authorities for their continued support, guidance and confidence in the Company. My thanks are also due to our customers, suppliers, bankers, financial institutions, and all our shareholders. My special thanks and appreciation go to the employees of the Company at all levels for their hard work, dedication and continued commitment.

As I conclude, may I on behalf of the Board and the employees of your Company once again thank you, our valued shareholders, for your continued support and encouragement.

I look forward to reporting to you on our successes and progress in 2013-14.

With warm regards,

Brij Raj Punj

**Chairman & Managing Director  
Fedders Lloyd Corporation Limited**

Dated: November 11, 2013

Place: New Delhi

# LIVE THE FUTURE



# Our Customised Engineering Solutions

## Steel Structures & Engineering Business



Automatic SAW Welding Machine



Automation through tech-welding Machine in fit up section



Boiler supporting structure for RRVUNL Chhabra project through L&T-MHI



Complete steel roofing system for Jaipur Metro



Supply & Erection of automatic shipyard door at Brazil



Complete fabrication and installation of 55m clear span Railway Over Bridge at Moradabad-Bareilly highway



Finishing of Major Bridge Structure

# Scaffolding & Form works



Lloyd safety platforms



Lloyd aluminum extrusion beam



Lloyd decking system



Lloyd cup lock system



Lloyd conventional scaffolding system



# Wind Turbine Tower, Heavy Fabrication & Machining



Inside view of the Plant at Bharuch, Gujarat



Wind Turbine Towers ready for Dispatch at Bharuch Plant



Spiral Fan Casing Assembly

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# Power Projects & Over Head Electrification



Snapshots of EHV (Extra High Voltage) Transmission Lines Projects



Snapshots of HVDS (High Voltage Distribution System) Projects



Railway Overhead Electrification



# International Projects



Supply of Distribution Transformers to EEPCO, Ethiopia



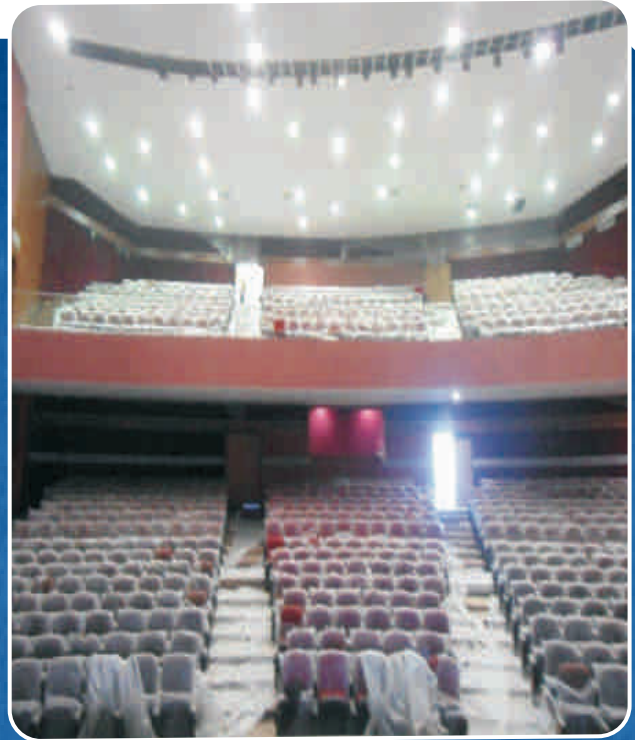
Impulse test of Distribution Transformers at National Test House Ghaziabad witnessed by EEPCO Ethiopia engineers



200kVA Transformers supplied to VRA, Ghana

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# Environment Control Systems



Air-Conditioning at seminar halls for 800 persons capacity



Commissioning of HVAC chiller plant of 600 ton at IIM-Noida



Air-Conditioning System for RMPUs for passenger coaches for railways





## ***Live the Future- Our Vision in Action***

*“We believe that our survival in the very long run is as dependent upon responsible corporate citizenship as it is on responsible technology, financial and operational performance.”*

**LIVE THE FUTURE**

# Corporate Social Responsibility

## -Live the future

The Lloyd Group's corporate statement **"Live the Future"** is equally applicable to its Corporate Social Responsibility (CSR) as it is applicable to its business philosophy. Lloyd Group's CSR initiatives work towards empowering people to build a sustainable future.

### CSR MISSION:

We are committed to operate our business with emphasis on CSR in all areas of our operation. We will integrate our business values and operations to meet the expectations of our shareholders, customers, employees, regulators, investors, suppliers, the community and take care of environment with best interest.

Each and every manufacturing plant has implemented CSR as a policy. We regularly promote awareness amongst our people to ensure that they adopt the CSR as a policy in every area of work. At Fedders Lloyd, we believe that Corporate Social Responsibility is an opportunity and a privilege to serve the community in which we live. Fedders Lloyd supports a wide range of initiatives based in the heart of communities. We identify and initiate projects that combine economic development, social progress and environmental protection. We place our responsibilities as a good corporate citizen at the core of our corporate management. As we contribute to the creation of a prosperous, comfortable and sustainable society, we're focusing on ethics and compliance, quality, environmental protection, philanthropy and improved communication.

We believe that a company culture based on core values not only helps the business to grow, but also defines the role that the company can and should play in society. Over the years of success, growth and expansion that we have seen, there is one important aspect to our business, i.e., to constantly portray ourselves as responsible citizens of the changing world.

**We are responsible Corporate Citizen:** We integrate corporate citizenship and social responsibility into every aspect of our Company:

- Responsibility to Customers
- Responsibility to Business Partners
- Responsibility to Shareholders & Investors
- Responsibility to Employees
- Responsibility to the Society

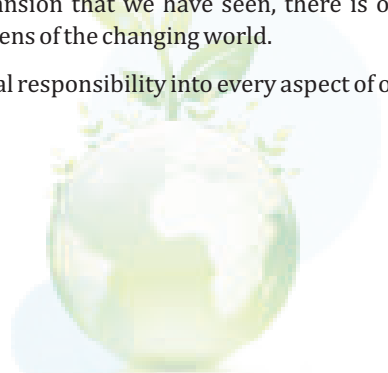
### **"Empowering people to build a sustainable future"**

We are committed to operate the business with involvement in the Corporate Social Responsibility in all the areas of operations through our Philanthropy Organisation within the Lloyd Group – **Pandit Kanahaya Lal Punj Trust– serving to the community and the environment.**

### **PANDIT KANAHAYA LAL PUNJ TRUST:**

Pandit Kanahaya Lal Punj (PKLP) Trust is the philanthropic arm of the Lloyd Group which was established to lead the CSR Initiatives of the Lloyd Group. The focus areas of the PKLP Trust are, to improve the life of underprivileged and contribute towards the betterment of the society with the focus on specific societal issues, including the environment, community economic development, support to the needy suffering from physical disabilities, employability, health, literacy, sanitation, community service to the aged and girl child. The PKLP Trust has undertaken following charitable initiatives during the year:

- **Education:** Your Company extends educational support to the institutions working towards community welfare and grant scholarships to encourage the poor and brilliant students for their bright future. During the year, the Company has supported Purkal Youth Development society. Your Company has supported the education and learning of the rural youth in the age group of 5-18 years through Purkal's programs- Shishu Shakti (Child Empowerment) and Yuva Shakti (Youth Empowerment).
- **Support to "Differently-abled":** The Company has continuously encouraged its employees to volunteer for Corporate Social Responsibility as their responsibility towards the society. During this year also, the Company continued to extend its support to the noble cause of "Muskaan NGO". Muskan NGO is one of those NGO that offers treatment, support and care to people who are affected by





mental illness, personality disorder or any emotional disorder that has disabled them to function normally. This year also, PKLP Trust invited Muskan NGO for an exhibition on the eve of Diwali to express compassion to the “Differently abled” individuals. This ‘Diwali Mela’ organised by Lloyd Group provided the opportunity to the mentally challenged children to put up and display their creative hand made products. This was well taken and encouraged by not only the employees and management of the Lloyd Group but also from the employees of various offices situated in the vicinity.



- **Extend the helping hand - Disaster Relief and support:** In June 2013, a multi-day cloudburst centered on the North Indian state of Uttarakhand caused devastating floods and landslides in the country’s worst natural disaster since the 2004 tsunami. Destruction of bridges and roads left about 100,000 pilgrims and tourists trapped in the valleys. In order to support the victims who have suffered the extensive devastation, Lloyd had joined with Goonj, NGO in their drive ‘RAHAT floods’ and had organised a material collection camp to provide immediate relief material for the flood hit people in Uttarakhand. Each employee of the Lloyd Group had come forward to support the people affected by the trauma caused by devastating floods and had contributed dry ration, blankets, woollens, basic, clothes and monetary contribution.



- **Healthcare & Wellness:** ‘Caring for other’s health and life is the best way to contribute towards the mankind’. With this humanitarian spirit and on the occasion of 121<sup>st</sup> Birth Anniversary of our founder – Late Shri Pandit Kanahaya Lal Punj; PKLP Trust had organised medical check-up, eye check-up and blood donation camp at Taluka Healthcare centre, in the district of Bharuch, Gujarat. A team of doctors from renowned hospitals had come to visit the patients. Nearly 1200 Patients / Donors attended the camp. The camp was inaugurated by our CMD- Mr.Brij Raj Punj and presided by Mr. Chattar Singh Mori, MLA from Jambusar, Gujarat.



- **Plantation Drive and Environmental Protection:** Environmental protection forms an intrinsic part of our Corporate Social Responsibility. With a view to reduce the impact of business process on the environment, we have undertaken sapling plantation this year also as we did in the previous year. All of our projects, undertaken in any part of the world, have a very specific relationship with the environment based on respect and sustainable management. Fedders Lloyd reiterates its commitment to renewable energy sources by considering them fundamental aspects in the fight against climate change, as well as being a real and efficient alternative for reducing energy dependence. We ensure that the Company is vigilant in protecting the environment across all of its operations world wide. At Fedders Lloyd, we encourage 3Rs- Reduce, Re-use, and Recycle.



- **Promotion of Equality and Respect:** We are promoting equality, cultural diversity and social integration. As a result, we pay special attention to undertaking actions which contribute to the equal treatment and opportunities for men and women in all our processes and activities.

#### ENVIRONMENT, HEALTH AND SAFETY (EHS):

At Fedders Lloyd, we remain committed to organise a system of work that is safe, protect the health of all involved, take due care for the protection of others likely to be effected by our activities. We regard the successful management of health and safety as equal in importance to the management of all other aspects of the business, and that includes the welfare of its employees by ensuring that all equipment, machinery, and facilities are kept in good safe working order. We regularly carry out risk assessments to ensure employees safety and health. We are committed to provide and maintain safe working conditions across all operations of the Company. All aspects of EHS are reviewed from time to time to ensure that it remains effective in the light of changing circumstances and legislation.

# Corporate Information

Visit us at: [www.fedderslloyd.com](http://www.fedderslloyd.com)

## BOARD OF DIRECTORS

### *Chairman & Managing Director*

MR. BRIJ RAJ PUNJ

### *Whole Time Directors*

MR. SHAM SUNDER DHAWAN

MR. NEMICHANDRA DHANYAKUMAR JAIN

### *Non-Executive Directors*

MS. BINDU DOGRA

MS. RITUSHRI SHARMA

MR. ARUN KUMAR JOSHI

### *Company Secretary &*

### *Compliance Officer*

MS. PURNIMA SHARMA

### *Statutory Auditors:*

M/s. Suresh C. Mathur & Co.

Chartered Accountants, New Delhi

### **Registered Office:**

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

### **Corporate Office:**

159, Okhla Industrial Estate,  
Phase-III, New Delhi - 110020  
Phone: +91-11-40627200/300  
Fax: +91-11-41609909

### *Share Transfer Agent*

M/s. Skyline Financials Services Pvt. Ltd.  
D-153/A, 1st Floor, Okhla Industrial Area,  
Phase-I, New Delhi- 110020  
Phone: +91-11-64732681-88,  
Fax: +91-11-26812682

### *Bankers*

1. State Bank of India
2. Central Bank of India
3. Standard Chartered Bank
4. State Bank of Patiala
5. State Bank of Hyderabad

6. State Bank of Bikaner & Jaipur
7. Axis Bank Ltd.
8. ING Vysya Bank Limited
9. The Karnataka Bank Ltd
10. Kotak Mahindra Bank Ltd.
11. ICICI Bank Ltd.
12. IndusInd Bank Ltd

### *Manufacturing Facilities:*

- A) C-4, Phase -II Noida  
Distt. Gautam Budh Nagar,  
U.P.-201305
- B) 836, 837, Jambusar - Bharuch Road,  
Village - Magnad,  
Dist - Bharuch, 392150, Gujarat
- C) Saketi Road, Industrial Area,  
Kala Amb, Tehsil Nahan,  
Distt. Sirmor, Himachal Pradesh
- D) Plot No. 24  
Sector 2, IIE Pantnagar  
Distt. Udham Singh Nagar, Uttarkhand
- E) Plot No-6, 6/1, UPSIDC  
Industrial Area,  
Sikanderabad, UP
- F) Ind. Area, Park-2,  
Salempur, Mehdood,  
Near SIDCUL, Haridwar, Uttarakhand
- G) S-23 & S-24, Phase-III,  
SIPCOT Industrial Complex,  
Mukundarayapuram, Ranipet 632 405

### **Overseas Subsidiary:**

Fedders Lloyd Trading FZE  
(Wholly Owned Subsidiary)  
P.O. Box 10559, Ras Al Khaimah,  
United Arab Emirates





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## Notice

Notice is hereby given that the 57<sup>th</sup> Annual General Meeting of Fedders Lloyd Corporation Limited will be held as under:

**Day : Wednesday**  
**Date : December 11, 2013**  
**Time : 9:00 A.M.**  
**Venue : C - 4, Phase - II, NOIDA,  
Distt. Gautam Budh Nagar,  
U.P.- 201305**

to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Annual Accounts for the year ended June 30, 2013 and the Auditors' and Directors' reports, thereon.
2. To declare dividend on equity shares as recommended by the Board of Directors for the year ended on June 30, 2013;
3. To appoint a Director in place of Mr. Sham Sunder Dhawan, who retires by rotation, and being eligible, offers himself for reappointment;
4. To re-appoint M/s Suresh C. Mathur & Co., Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration and in this connection, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** M/s. Suresh C. Mathur & Co., Chartered Accountants (Registration No: 000891N) be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as may be agreed by the Board of Directors/Committee thereof including out-of-pocket and travelling expenses incurred by them for the purpose of the statutory audit."

### **SPECIAL BUSINESS:**

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** the vacancy caused by the retirement of Mr. Krishan Lall, Director, who retires by rotation at this Annual General Meeting and who has not offered himself for reappointment, in view of the retirement policy of the Company, be not filled up.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 260 of the Companies Act, 1956 (“the Act”) including any statutory modification or re-enactment thereof, for the time being in force and Articles of Association of the Company, Mrs. Bindu Dogra, who was appointed by the Board of Directors of the Company as an Additional Director of the Company with effect from May 06, 2013 and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 260 of the Companies Act, 1956 (“the Act”) including any statutory modification or re-enactment thereof, for the time being in force and Articles of Association of the Company, Mrs. Ritushri Sharma, who was appointed by the Board of Directors of the Company as an Additional Director of the Company with effect from November 11, 2013 and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 260 of the Companies Act, 1956 (“the Act”) including any statutory modification or re-enactment thereof, for the time being in force and Articles of Association of the Company, Mr. Arun Kumar Joshi, who was appointed by the Board of Directors of the Company as an Additional Director of the Company with effect from November 11, 2013 and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (“the Act”) including any statutory modification or re-enactment thereof, for the time being in force and Articles of Association of the Company and such other approvals as may be required, and such modifications and conditions, if any, as any authority may impose while according such approval, which the Board of Directors is hereby authorized to accept, consent of the Company be and is hereby accorded for the re-appointment of Mr. Sham Sunder Dhawan as the Whole Time Director of the Company for a further period of three years w.e.f. 26.04.2013, on such terms and conditions including remuneration as stated in the Explanatory Statement with the power to the Board to alter or vary the terms and conditions including remuneration from time to time in accordance with law as may be desirable or necessary.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profit in any financial year during his tenure, the aforesaid remuneration shall be paid as minimum remuneration subject to compliance of provisions of Schedule XIII of the Act.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit.”



10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 260 of the Companies Act, 1956 (“the Act”) including any statutory modification or re-enactment thereof, for the time being in force and Articles of Association of the Company, Mr. Nemichandra Dhanyakumar Jain, who was appointed by the Board of Directors of the Company as an Additional Director of the Company with effect from May 06, 2013 and who holds office upto the date of this Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions of the Act including any statutory modification or re-enactment thereof, for the time being in force and Articles of Association of the Company and such other approvals as may be required, and such modifications and conditions, if any, as any authority may impose while according such approval, which the Board of Directors is hereby authorized to accept, consent of the Company be and is hereby accorded for the appointment of Mr. Nemichandra Dhanyakumar Jain as the Whole Time Director of the Company for a period of five years w.e.f. May 06, 2013, on such terms and conditions including remuneration as stated in the Explanatory Statement with the power to the Board to alter or vary the terms and conditions including remuneration from time to time in accordance with law as may be desirable or necessary.

**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profit in any financial year during his tenure, the aforesaid remuneration shall be paid as minimum remuneration subject to compliance of provisions of Schedule XIII of the Act.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be deemed necessary or desirable or to settle any question or difficulty that may arise, in such manner as it may deem fit.”

**By order of the Board of Directors**

**Date: November 11, 2013**

**Place: New Delhi**

**Purnima Sharma**

**Company Secretary**

## **NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A format of proxy is enclosed with the Annual Report. Member(s) / Proxy(s) desirous of attending the meeting are requested to bring the attendance slip and fill-in and sign the same and deliver it at the entrance of the meeting place.

2. As required under Section 173(2) of the Companies Act, 1956 and under Section 102 of the Companies Act 2013 including any statutory modification or re-enactment thereof, for the time being in force, Explanatory Statement in respect of the Special Business as set out in the notice is annexed hereto.
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Relevant documents referred to in the accompanying Notice are available for inspection at the Registered Office of the

Company on all working days, except Saturdays, between 2 P.M. to 5 P.M. up to the date of the ensuing Annual General Meeting. Members are requested to send queries, if any, so as to reach the Registered Office of the Company at least seven days before the meeting to enable the Company to have the relevant information ready.

5. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, December 06, 2013 to Wednesday, December 11, 2013 (both days inclusive).
6. The Board of Directors at their meeting held on August 29, 2013 has recommended the dividend of Re. 1/- per share on the equity shares of Rs. 10/- each as the final dividend for the year 2012-13. Dividend, if declared at the Annual General Meeting, will be paid on or after December 11, 2013 to those members whose names appears:
  - i) on the Register of Members of the Company as on Friday, December 06, 2013 after giving effect to all valid share transfers in physical form which would be received by the company up to closing hours of the business on Thursday, December 05, 2013.
  - ii) as beneficial owners as per list to be furnished by Depositories viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as at the closing hours of the business on Thursday, December 05, 2013.
7. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid/unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund of the Central Government. After such transfer, there shall lie no claim of the shareholders whatsoever on the said amount. Therefore, members are advised to encash their dividend warrants immediately on receipt.
8. Members holding shares in dematerialized form are requested to intimate changes with respect to change of address, bank details, ECS mandate, nomination etc., to their Depository Participants. Members holding shares in physical form are requested to advise these changes to the Company's Registrar and Share Transfer Agent- M/s Skyline Financial Services Private Limited.
9. Members who are holding equity shares in identical order of names in multiple folios are requested to write to the Registrar and Share Transfer Agent of the Company to consolidate their share holdings into a single folio.
10. For the convenience of the members and for proper conduct of the meeting, entry to the place of meeting will be regulated by the attendance slip, which is the part of the notice. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
11. Brief Resume of directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationship between directors inter-se as stipulated under clause 49 of the Listing Agreements with the Stock Exchanges, are appended hereto.

Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges, a statement containing details of directors seeking appointment/re-appointment at the ensuing Annual General Meeting of the Company is given below:

Particulars	Mr. Sham Sunder Dhawan	Mr. Nemichandra D. Jain
Date of Birth	15.04.1955	14.02.1950
Date of Appointment	26.04.2008	06.05.2013
Expertise in specific Functional Area	Possessing 40 years of experience in Sales, Marketing and business operations and development	Possessing over 40 years of experience in various fields- manufacturing technology, aeronautical engineering, structural steel & renewable energy
Qualifications	MBA, M.A. (Political Science)	B.E. (Mechanical) from University of Bangalore, Post Graduate Diploma in manufacturing technology from Cranfield Institute of Technology, U.K. and Certificate in Statistical Quality Control from Indian Statistical Institute
List of outside Directorships held in public companies	Nil	Nil
Chairmanship/membership of Committees of other public Companies	Nil	Nil
Number of shares held in the Company	Nil	Nil
Relationship between directors inter-se	Nil	Nil

Particulars	Mrs. Bindu Dogra	Mrs. Ritushri Sharma
Date of Birth	11.06.1947	05.04.1947
Date of Appointment	06.05.2013	11.11.2013
Expertise in specific Functional Area	She has corporate working experience in the field of general administration, control and imparting training to the staff. Prior to this, she was head mistress in Hardwicke High School, Mysore for over 5 years.	She had been participating in various social and welfare activities. She was senior teacher in a Public School in Delhi for over 5 years and also head mistress in a School at Air force Station for 2 years.
Qualifications	B. Sc. (Home Economics), B.Ed. and Indian School Certificate examination & University of Cambridge	M.A. (Philosophy), B.Ed., and Diploma in French language from Delhi University
List of outside Directorships held in public companies	Nil	Nil
Chairmanship/membership of Committees of other public Companies	Nil	Nil
Number of shares held in the Company	Nil	Nil
Relationship between directors inter-se	Nil	Nil



<b>Particulars</b>	<b>Mr. Arun Kumar Joshi</b>
<b>Date of Birth</b>	05.03.1954
<b>Date of Appointment</b>	11.11.2013
<b>Expertise in specific Functional Area</b>	Possessing wide experience of Business Management, Marketing and Exports.
<b>Qualifications</b>	Post graduate diploma in management
<b>List of outside Directorships held in public companies</b>	Nil
<b>Chairmanship/membership of Committees of other public Companies</b>	Nil
<b>Number of shares held in the Company</b>	Nil
<b>Relationship between directors inter-se</b>	Nil

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 AND FURTHER PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 INCLUDING ANY STATUTORY MODIFICATION OR RE-ENACTMENT THEREOF, FOR THE TIME BEING IN FORCE**

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**Item No. 5**

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Krishan Lall retires by rotation at this Annual General Meeting. As per the retirement policy for the Independent Directors of the Company, the Board of Directors does not recommend his reappointment. The Company does not propose to fill the vacancy at this Annual General Meeting. As required under Section 256 of the Companies Act, 1956, resolution is proposed not to fill up the vacancy caused by the retirement of Mr. Krishan Lall at this Meeting.

None of the directors, except Mr. Krishan Lall himself is interested or concerned in the resolution proposed at Item No. 5 of the Notice of the Meeting.

The Board recommends the resolution as an Ordinary Resolution for approval of the members.

**Item No. 6, 7 and 8**

The Board of Directors of the Company, at its meeting held on May 06, 2013, appointed Mrs. Bindu Dogra, as an Additional Director of the Company. Mrs. Ritushri Sharma and Mr. Arun Kumar Joshi were appointed as Additional Directors by the Board of Directors at its meeting held on November 11, 2013.

In terms of the provisions of Section 260 of the Companies Act, 1956 ("the Act") including any statutory modification or re-enactment thereof, for the time being in force and Articles of Association of the Company, Mrs. Bindu Dogra, Mrs. Ritushri Sharma and Mr. Arun Kumar Joshi hold office up to the date of this Annual General Meeting. Under the provisions of the Act, the Company has received notices in writing from members along with requisite deposits proposing the appointments of Mrs. Bindu Dogra, Mrs. Ritushri Sharma and Mr. Arun Kumar, respectively as Directors of the Company. When appointed, all of them shall be non-executive independent director on the Board. The vast and varied experience of the incumbents would help the Company to take corporate decisions effectively.

None of the directors, except Mrs. Bindu Dogra, Mrs. Ritushri Sharma and Mr. Arun Kumar Joshi are interested or concerned in these resolutions as regards the respective resolutions.

The Board recommends the resolutions as Ordinary Resolutions for approval of the members.

## Item No. 9

At the Annual General Meeting held on December 26, 2008, members of the Company had appointed Mr. Sham Sunder Dhawan as Whole Time Director of the Company for a period upto April 25, 2013. Considering the contributions of Mr. Sham Sunder Dhawan to the Company and on recommendation of the remuneration Committee, the Board of Directors of the Company in its meeting held on May 06, 2013, subject to the approval of Shareholders in the ensuing Annual General Meeting, had reappointed Mr. Sham Sunder Dhawan as Whole Time Director of the Company for a term of 3 years, w.e.f. April 26, 2013 on the following terms & conditions. Mr. Sham Sunder Dhawan holds Master Degree in Political Science and Business Administration. He has 40 years of experience in Sales, Marketing, Business Operations and Development.

The terms & conditions of remuneration payable to Mr. Sham Sunder Dhawan are as under:

1. Remuneration	Gross monthly remuneration of Rs. 6,66,000/- (in the scale of Rs. 6,00,000/- p.m. to Rs. 9,00,000 p.m.) with such annual increments as may be decided by the Board of Directors/Committee thereof, within the scale from time to time whether paid as salary, perquisites, allowances or a combination thereof.
2. Perquisites & Allowances	Perquisites & Allowances shall be given as per Rules of the Company and may include the following: <ol style="list-style-type: none"> <li>Accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof</li> <li>Leave Travel Concession for self and family</li> <li>Utility allowances</li> <li>Re-imbursement of expenses</li> <li>Club fees</li> <li>Medical Insurance</li> </ol>
3. Commission	As may be decided by the Board of Directors/Committee thereof from time to time, subject to the overall ceiling of 1% of the net profits of the Company, computed in the manner laid down in the Companies Act, 1956 ("the Act") including any statutory modification or re-enactment thereof, for the time being in force, for each Financial Year or part thereof.  Provided that total remuneration including salary, commission, perquisites and allowances shall not exceed 5% of the net profit individually and 10% of the net profit collectively payable to the Managing Directors / Whole Time Directors in any year computed in the manner laid down under Section 309(5) of the Act or as per any statutory modification or re-enactment thereof, for the time being in force.

In addition to the above, he shall also be entitled to the following benefits as per rules of the Company or as may be approved by the Board of Directors (including any committee, thereof) from time to time:

- Company's contribution to provident fund, superannuation fund or annuity fund.
  - Payment of Gratuity and other retirement benefits.
  - Encashment of leaves.

B. Out of pocket expenses incurred in course of the official duties shall be reimbursed and not considered as perquisites.

C. Other Benefits:

Any other benefits, facilities, allowances and expenses as may be allowed under the rules of the Company/ scheme and available to other employees.

None of the other directors except Mr. Sham Sunder Dhawan himself is concerned or interested in this resolution.

The Board of Directors accordingly recommends the resolution set out at Item No. 9 of the accompanying Notice for the approval of members of the Company by way of an Ordinary Resolution.

## Item No. 10

Mr. Nemichandra Dhanyakumar Jain had been acting as President in Wind Tower Division of the Company. Considering his valuable contributions to the Company and on recommendation of the Remuneration Committee, the Board of Directors inducted Mr. Jain on the Board in their meeting held on May 06, 2013 as an additional director. Being in whole time employment with the Company, Mr. Jain was designated as Whole Time Director of the Company. He has done B.E. (Mechanical) from University of Bangalore. He holds certificate in Statistical Quality Control from Indian Statistical Institute and Post Graduate Diploma in manufacturing technology from Cranfield Institute of Technology, U.K. He possess rich experience of over 40 years. The Board considers that Mr. Jain's appointment on the Board, would empower the Board of Directors to take strategic decisions of the Company.

The terms & conditions of remuneration payable to Mr. Nemichandra Dhanyakumar Jain are as under:

1. Remuneration	Gross monthly remuneration of Rs. 4,00,000/- (in the scale of Rs. 4,00,000/- p.m. to Rs. 9,00,000 p.m.) with such annual increments as may be decided by the Board of Directors/Committee thereof, within the scale from time to time whether paid as salary, perquisites, allowances or a combination thereof.
2. Perquisites & Allowances	Perquisites & Allowances shall be given as per Rules of the Company and may include the following: <ul style="list-style-type: none"> <li>a. Accommodation (furnished or otherwise) or House Rent Allowance in lieu thereof</li> <li>b. Leave Travel Concession for self and family</li> <li>c. Utility allowances</li> <li>d. Re-imbursement of expenses</li> <li>e. Club fees</li> <li>f. Medical Insurance</li> </ul>
3. Commission	As may be decided by the Board of Directors/Committee thereof from time to time, subject to the overall ceiling of 1% of the net profits of the Company, computed in the manner laid down in the Companies Act, 1956("the Act")including any statutory modification or re-enactment thereof, for the time being in force, for each Financial Year or part thereof.  Provided that total remuneration including salary, commission, perquisites and allowances shall not exceed 5% of the net profit individually and 10% of the net profit collectively payable to the Managing Directors / Whole Time Directors in any year computed in the manner laid down under Section 309(5) of the Act or as per any statutory modification or re-enactment thereof, for the time being in force.
In addition to the above, he shall also be entitled to the following benefits as per rules of the Company or as may be approved by the Board of Directors (including any committee, thereof) from time to time:	
A. a. Company's contribution to provident fund, superannuation fund or annuity fund. b. Payment of Gratuity and other retirement benefits. c. Encashment of leaves.	
B. Out of pocket expenses incurred in course of the official duties shall be reimbursed and not considered as perquisites.	
C. Other Benefits:	
Any other benefits, facilities, allowances and expenses as may be allowed under the rules of the Company/ scheme and available to other employees.	

Under the provisions of Section 257 of the Act, the Company has received a notice in writing from a member along with requisite deposit, proposing the appointment of Mr. Nemichandra Dhanya kumar Jain as a Director of the Company.

None of the other directors except Mr. Nemichandra Dhanyakumar Jain himself is concerned or interested in this resolution.

The Board of Directors recommends the resolution set out at Item No. 10 of the accompanying Notice for the approval of members of the Company by way of an Ordinary Resolution.





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# Directors' Report

**Dear Shareowners,**

Your Directors have pleasure to present the 57<sup>th</sup> Annual Report along with the Audited Annual Accounts for the financial year ended June 30, 2013.

## FINANCIAL RESULTS

(Rupees in Million)

Particulars	Current year 2012-13	Previous year 2011-12
Total Revenue	10214.58	9061.79
EBITDA	1335.54	1088.30
Profit Before Taxes	618.72	557.00
Tax Expenses:		
Current tax	125.00	112.76
Deferred tax	(2.78)	(2.40)
Profit after Tax	496.51	446.65
Balance brought forward from previous year	153.28	92.39
Total available for appropriations	649.79	539.04
Less: Appropriations:		
Proposed Dividend	30.77	30.77
Provision for tax on dividend	4.99	4.99
Transfer to General Reserve	350.00	350.00
Balance Carried forward	264.03	153.28
Equity Share Capital	307.70	307.70
Earnings Per Share (Rs.)	16.14	14.52

## OPERATING RESULTS AND BUSINESS PERFORMANCE

During the year ended June 30, 2013, your Company has recorded commendable growth in terms of sales and profitability. The total revenue increased from Rs. 9061.79 Million during the previous year to Rs. 10214.58 Million during the year under review, registering a growth of 12.72%. The EBITDA was recorded at Rs. 1335.54 Million as against Rs. 1088.30 Million during the previous year, registering a growth of 22.72%. The Company has set benchmarks in terms of operational and financial

performance. During the year 2012-13, the Company has crossed the benchmark of Rs. 10,000 Million of sales revenue. Your Company's commitment to innovation, consistency and integrity has strengthened your Company's position in all of its business spheres.

## SEGMENTAL REVIEW

Your Company has three business segments viz., Environment Control Systems, Steel Structure & Engineering and Power Projects. During the year under review, the total revenue generated from Environment Control Systems was Rs. 398.66 Million, while during the previous year, the revenue from Environment Control Systems was Rs. 1286.71 Million. During the year 2011-12, the Consumer Durable business was shifted to Lloyd Electric & Engineering Limited. Therefore, the years ended June 30, 2012 and June 30, 2013 are not comparable. Under this segment, the Company focuses on executing turnkey projects for customized applications.

During the year, the total revenue generated from Steel Structure & Engineering business was Rs. 5425.73 Million as compared to Rs. 4255.81 Million during the previous year registering a growth of 27.49%. The profit before tax generated was Rs. 466.45 Million as compared to Rs. 308.97 Million during the previous year, registering a growth of 50.97%.

The total Revenue generated from Power Projects was Rs. 4390.20 Million as compared to Rs. 3380.55 Million during the previous year registering a growth of 29.87%. The profit before tax generated was Rs. 522.08 Million as compared to Rs. 295.92 Million during the previous year, registering a growth of 76.43%.

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

## DIVIDEND

Based on the Company's Performance and dividend policy of the Company, the Board of Directors has recommended a dividend of Re 1/- per equity share of Rs. 10/- each (10% on the paid-up equity share capital of the Company) for the year ended June 30, 2013. The dividend, if approved at the ensuing Annual general Meeting, shall ingest a sum of Rs. 30.77 Million (exclusive of dividend distribution tax of Rs. 4.99 Million). Previous year, the Company had declared the same rate of dividend i.e., Re. 1 per equity share (10% on the paid-up equity share capital of the Company).

## SUBSIDIARY

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

## CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the Accounting Standard AS-21 issued by ICAI and Clause 41 of the Listing Agreement with Stock Exchanges, the consolidated financial statements given by the Company include financial information of its subsidiary, which is prepared in compliance with applicable Accounting Standards. The Consolidated Financial Statements are attached herewith and the same together with Auditors' Report thereon form part of the Annual Report of the Company.

## FIXED DEPOSITS

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

## DIRECTORS

After the last Annual General Meeting held, Mrs. Bindu Dogra was appointed as an additional director on May 06, 2013. Mrs. Ritushri Sharma and Mr. Arun Kumar Joshi were appointed as additional directors on November 11, 2013.

Mr. Nemichandra Dhanyakumar Jain was appointed by the Board of Directors of the Company subject to approval of the Members, as an additional and Whole Time Director of the Company with effect from May 06, 2013.

Mrs. Bindu Dogra, Mrs. Ritushri Sharma, Mr. Arun Kumar Joshi and Mr. Nemichandra Dhanyakumar Jain hold office upto the date of forthcoming Annual General Meeting of the Company. The Company has received notice along with the deposit prescribed under Section 257 of the Companies Act, 1956, signifying the intention to propose the appointments of the above mentioned directors in the forthcoming Annual General Meeting of the Company. The Board recommends the said appointments.

Pursuant to the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Krishan Lall and Mr. Sham Sunder Dhawan are liable to retire by rotation at the forthcoming Annual General Meeting of the Company. As per the retirement policy for the Independent Directors of the Company, the Board of Directors does not recommend re-appointment of Mr. Krishan Lall. Being eligible, Mr. Sham Sunder Dhawan has offered himself for re-appointment. The Board recommends his re-appointment.

Mr. Ajay Dogra and Mr. Surjit Krishan Sharma resigned from the Board w.e.f. May 06, 2013 and November 11, 2013, respectively.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

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

## AUDITORS AND AUDITORS' REPORT

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

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

## CORPORATE GOVERNANCE

Good corporate governance is essential for the integrity of corporations, financial institutions and markets. It ensures the health of our economies and their stability. Your Company is committed to maintain the high standard of Corporate Governance requirements as prescribed under Clause 49 of the Listing Agreement. A separate section on Corporate Governance together with a certificate from the Auditors of the Company regarding full compliance of conditions of Corporate Governance as



stipulated under Clause 49 of the Listing agreement with the Stock Exchange(s) forms part of the Annual Report.

## **CORPORATE SOCIAL RESPONSIBILITY**

Corporate Social Responsibility ("CSR") is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives, while at the same time addressing the expectations of shareholders and stakeholders.

We at, Fedders Lloyd believe passionately that good corporate citizenship and good business performance go hand in hand. We endeavor at improving the quality of life of the communities, we serve. Detailed information on the initiatives of the Company towards CSR activities is provided in the Corporate Social Responsibility section of the Annual Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

## **DISCLOSURE OF INFORMATION WITH REGARD TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO AND RESEARCH & DEVELOPMENT**

In accordance with the requirement 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 & Development activities undertaken by the Company are annexed hereto and form part of this report.

## **DISCLOSURE OF PARTICULARS OF EMPLOYEES**

In accordance with the requirement of Section 217(2A) of the Companies Act, 1956 read with the Companies (Disclosure of 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 provision of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report is being sent to all the 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.

## **LISTING OF EQUITY SHARES**

The Equity Shares of your Company continue to be listed on National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Ltd. (BSE). The Annual Listing Fees for the year 2013-14 have been paid to these stock exchanges.

## **HEALTH, SAFETY AND ENVIRONMENT (HSE)**

Your Company has identified excellence in health and safety in all its operations as a key business imperative. The Company has adopted and applied a range of programs and strong safety culture by inculcating safe behavior among its employees and contractors.

At Fedders Lloyd, HSE is the essential part of its operations; its main objective is to make the risk free environment for the entire employees at the work place.

## HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Your Company has created a favorable work environment which encourages innovation and meritocracy amongst the employees. Your Company ensures attracting best talents and provides for fostering of talents. HR initiatives provide continuous learning, sharpening the skills and talents of the people and leadership development through training programs, HR processes and systems. Industrial Relations were maintained cordial throughout the year.

## ACKNOWLEDGEMENTS

Your Directors place on record their deep appreciation to employees at all the levels for their hard work, dedication and commitment. Your Directors also take this opportunity to thank the customers, stakeholders, shareholders, Government and all other business associates including banks, financial institutions, etc.

**For and on behalf of the Board of Directors**

**Date: November 11, 2013**

**Place: New Delhi**

**Brij Raj Punj**

**Chairman & Managing Director**



LIVE THE FUTURE

# Annexure to the Directors' Report

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

## **A. CONSERVATION OF ENERGY**

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. Energy conservation measures have been implemented at all the plants and offices of the Company and special efforts are being made on undertaking specific energy conservation in all projects of the Company. The Company continues to envisage and implement energy conservation measures in its manufacturing operations leading to savings in quantitative consumption of power, fuel, oil, etc.

## **B. TECHNOLOGY ABSORPTION, ADAPTATION, INNOVATION AND BENEFITS**

Fedders Lloyd operates on the principle of always enhancing its technologies, services and methods. The Company has continued its endeavour to adopt technologies for its product range to meet the requirements of a globally competitive market. All Company products are compliant with the prevalent regulatory norms. The Company takes initiatives on technological changes with an emphasis on customer orientation. Such initiatives provide many benefits such as reduced labor costs and shorter project durations. On the other hand, the Company has taken up development work for new concepts such as switching over to eco-friendly refrigerant for railway air conditioning systems.

At Company's Wind Turbine Tower plant at Bharuch, the Company is using improved welding technology called Power Wave Technology wherein both AC & DC are varied to get a faster & better deposition on welding joint.

The Company has successfully installed state-of-the-art hi-tech machineries which have helped the Company to reduce process time and costs. This will reduce the process time and therefore resulting in reduction in Cost in Power usage.

These initiatives supported the Company's endeavour in bringing about improvements in existing products and developing new products. The Company was able to emphasize on value analysis / value engineering and innovative cost reduction ideas to cut down the cost.

## **FUTURE PLAN OF ACTION**

The Company continues its effort on developing new products and technologies to meet growing customer expectations. The existing products will be refreshed at regular intervals to suit upcoming trends.



## **C. EXPENDITURE INCURRED FOR RESEARCH & DEVELOPMENT**

Capital Expenditure: NIL

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

## **D. FOREIGN EXCHANGE EARNINGS AND OUTGO DURING THE YEAR 2012-13**

Foreign Exchange earned: Rs. 2524.71 Million

Foreign Exchange outgo: Rs. 766.57 Million

The Company is actively taking part in business promotion activities being organized globally. These efforts are expected to work in favour of enhancing the Company's image in the international arena in respect of the initiatives taken.



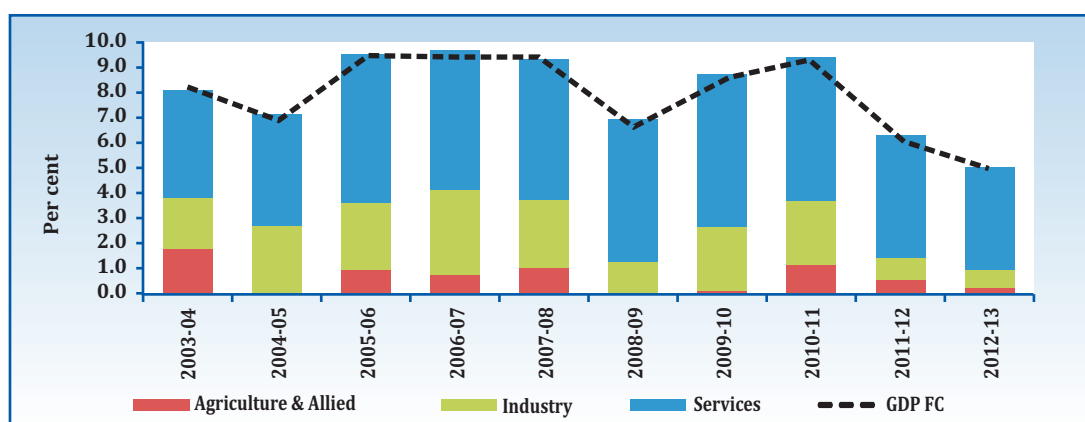
LIVE THE FUTURE

# Management Discussion & Analysis Report

## ECONOMIC FRONT

The Indian economy continued its downward slide throughout FY 2012-13, recording a lower GDP growth of 5% compared to 6.5% for FY 2011-12. The strong post-financial-crisis stimulus led to stronger growth in 2009-10 and 2010-11. However, the boost to consumption, coupled with supply-side constraints, led to higher inflation. Monetary policy was tightened, even as external headwinds to growth increased. The consequent slowdown, especially in 2012-13, has been across the board, with no sector of the economy unaffected. Falling savings without a commensurate fall in aggregate investment have led to a widening current account deficit (CAD). Wholesale price index (WPI) inflation has been coming down in recent months. However, food inflation, after a brief slowdown, continues to be higher than overall inflation. Given the higher weightage to food in consumer price indices (CPI), CPI inflation has remained close to double digits. Several measures announced in recent months are aimed at restoring the fiscal health of the government and shrinking the CAD as also improving the growth rate. With the global economy also likely to recover somewhat in 2013, these measures should help in improving the Indian economy's outlook for 2013-14.

Figure: GDP growth and point contribution of different sectors



Source: Data released by CSO.

## GLOBAL ECONOMIC IMPACTS

For the past half-decade, the emerging markets and developing economies have led the world's recovery accounting for three-quarters of the global growth. Despite a slowdown last year, these economies are bouncing back as domestic demand is rising on a turnaround in the inventory cycle and some pick-up in investment. At present, developing Asia and Sub-Saharan Africa are the two fastest-growing regions of the world. However, among BRICS countries, while growth accelerated in Brazil and South Africa, it persisted below trend in China, Russia and India. At the same time, many emerging

# Fedders Lloyd Corporation Ltd

Annual Report 2012-2013

markets are looking at the advanced countries with some serious concern. In the absence of demand pressures, inflation has remained benign in the advanced economies, and inflation expectations remain well-anchored. The emerging and developing economies, on the other hand, present a mixed picture.

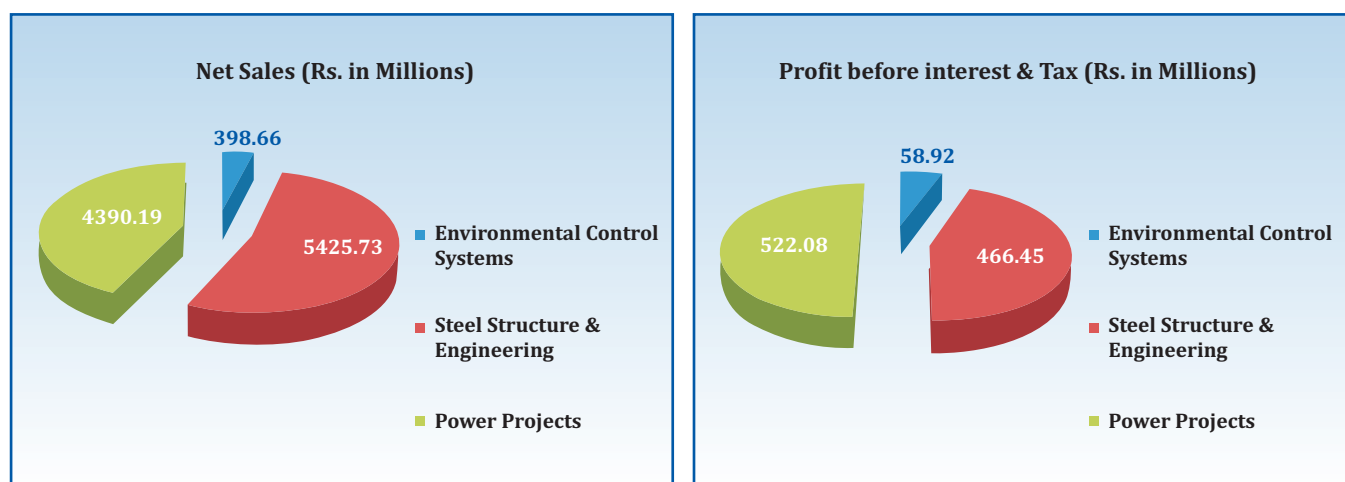
## COMPANY'S BUSINESS

**Fedders Lloyd** has large engineering experience and facilities. Fedders Lloyd has a strong track record of providing customized solution on turnkey basis to its customers in Railway, Defence, Telecom, Environmental Control and Infrastructure sectors. The Company is engaged in executing turnkey projects in the areas of **Infrastructure**, involving manufacturing, engineering, designing of Steel Structures for power plants, refineries, railways, pre-engineered buildings and manufacture and supply of towers for Wind Turbines; **Energy Sector** comprising of distribution and transmission of power and sub-stations, railway electrification work for Indian Railways; as well as **Environmental Control Systems** for industrial and customized application including manufacturing products for railway application such as HVAC for Passenger coaches/Locomotive/Metro rails.

## COMPANY'S PERFORMANCE

Crossing the benchmark of Rs. 10000 Million, during the year under review, the total revenue of the Company stood at Rs. 10214.58 Million while it was Rs. 9061.79 Million during the previous year. The Profit after tax stood at Rs. 496.51 Million, as against Rs. 446.65 Million in the previous year.

## SEGMENTAL OVERVIEW, RESULTS AND OPERATIONS



## INDUSTRY STRUCTURE, DEVELOPMENT, OUTLOOK AND PERFORMANCE

### SEGMENT-WISE ANALYSIS

#### ENVIRONMENTAL CONTROL SYSTEMS

The global HVAC equipment market is expected to exceed \$139 billion by 2018, growing at a compound annual growth rate (CAGR) of 8.9 percent from 2012 to 2018, according to a recent report on "HVAC Equipment Market" published by Transparency Market Research.

Factors such as changes in energy regulations, technological developments by manufacturers to meet these energy efficiency requirements, and growing demand across the commercial sector, especially in the Asia Pacific region, are some of the key growth drivers. However, the magnitude of the impact of these factors on the market varies on a regional basis. Asia Pacific in particular is experiencing high growth due to robust economic activities, resulting in increased urbanization and a rise in



consumer spending. Growth in the Air conditioning non-residential sector, particularly the industrial segment, is slow due to dormancy in industrial activities. The commercial segment for HVAC equipment, however, is growing at a healthy rate.

While analysts predict global demand for HVAC equipment will rise 6.2% this year and next, they say India's will range from 14% to 20% for each of the next five years. Increased disposable income, constant flow of foreign investment and technology innovation will drive purchasing, say the experts. At the same time, environmental regulations are pushing the need to develop efficient, environmentally friendly equipment, which requires heavy investment in research and development activities. In order to meet changing consumer needs, manufacturers are developing smart solutions which are incorporated in new equipment, so as to make them more efficient and responsive to consumer requirements. This has the dual impact of not only generating demand for new equipment but also replacement demand when obsolete, inefficient equipment reaches the end of its lifecycle.

Fedders Lloyd operates on the principle of always enhancing its technologies, services and methods. Fedders Lloyd is the first company to develop the Air-conditioning System for Eco-Friendly design of RMPUs for air-conditioning the Passenger Coaches for Railways, using eco-friendly refrigerants over two years back. After successful field trials for two years, this concept has now been implemented by Railways on 100 % basis. Fedders Lloyd is proud to be the fore runner in contributing towards this Eco-Friendly measure of saving the Environment for the Future.

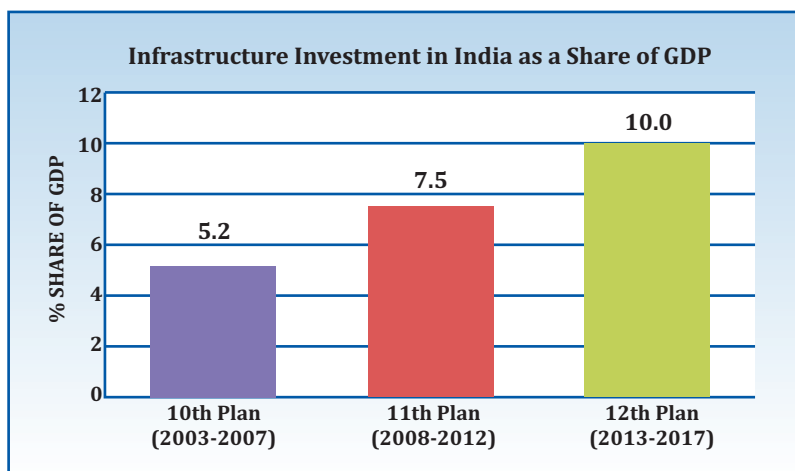
The Company has secured the pilot order this year for development and supply of the EMU Driver Cab Air-conditioning unit. We hope this will pave way for environmental control of EMU driver cab in EMUs operating in several railways for the suburban railway segment and help improve the productivity of EMU CAB drivers and also improve the performance and durability of instrumentation in EMUs.

During the year, the Company has crossed the figure of 100, having installed Air-conditioning and Heating system in over 100 nos. Armored Ambulance Tracked Military Vehicle. This facility is a boon in the war zone for best medical support and care for wounded soldiers under rescue and rehabilitation.

## STEEL STRUCTURES & ENGINEERING

The demand for steel structures is driven by Infrastructure sector. The need for infrastructure is becoming even more pressing as more of the world's population crowds into urban centers. But in order to function and sustain growth over the decades ahead, urban areas will require novel, new-age infrastructure and land use concepts that can foster mobility, limit congestion and pollution, deliver sufficient supplies of power and potable water, provide "smart" communications connectivity, and promote a desirable quality of life for tens of millions of people living and working there. In turn, prosperity for secondary and tertiary cities, agricultural regions, and manufacturing centers will depend on ever more time-saving links to nearby gateways, ports, and distribution hubs.

India also recognizes that modernizing its infrastructure should be a top priority. The country is striving to keep up with aspirations to become a global market heavy weight.



Source: Ernst & Young, India Infrastructure Summit, 2012

Structural Steel Market in India has been primarily driven by increased acceptance of structural steel and also large investments in construction sector.

The Steel Structure & Engineering business of the Company caters to Structural Steel Buildings having focus on turnkey solutions, i.e., design, fabrication, erection, supply & maintenance. Scaffolding & Form Works division within this business segment, provides versatile solution for forming structures in a cost effective and efficient manner for all types of projects i.e., Residential, Commercial, Mass Housing & Infrastructure projects. The accompanying market share provides an extremely comprehensive response to all of the requirements of the Indian Construction Industry.

The Company believes that there is a huge market available for the Company under this segment given growing domestic demand, upcoming high rise buildings.

## WIND TOWER DIVISION

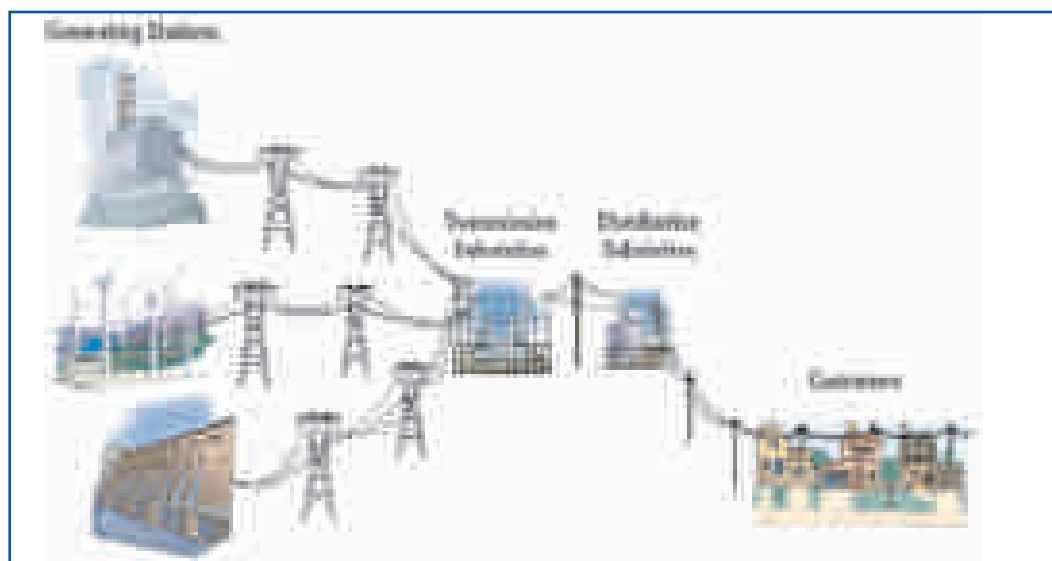
India is the 3rd largest annual wind power market in the world, and provides great business opportunities for both domestic and foreign investors. Diverse incentives supported by a long-term policy and regulatory framework at the central and state levels have played a crucial role in achieving this goal. Wind power is now increasingly accepted as a major complementary energy source for securing a sustainable and clean energy future for India.

Wind power is a mature and scalable clean energy technology where India holds a domestic advantage. India has an annual manufacturing capacity for over 9.5 GW of wind turbines today. The country is seeing about 3 GW in annual installations under the 12<sup>th</sup> Plan target. India is emerging as a major wind turbine-manufacturing hub today. Increased domestic demand and expansion of the in-house manufacturing capacity of the Indian wind industry has resulted in attracting many new manufacturers into the fray.

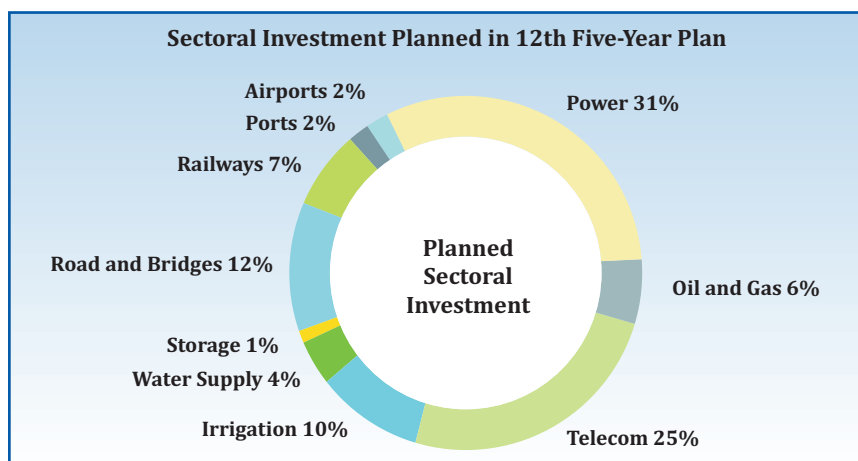
At Fedders Lloyd, the Plant is strategically located and well connected by sea port, railway & national highway with ample scope for expansion. The plant is so designed and equipped that capacity can be utilized irrespective of wind energy market as facilities are suitable for multi-product manufacturing like Wind Towers, heavy steel fabricated / machine components required for power producing equipment through gas, hydro, thermal & nuclear. During the year, the Company has successfully delivered more than 30 Towers during the Fiscal Year under review.

## POWER TRANSMISSION & DISTRIBUTION

Despite the global financial crisis, India's energy demand continues to rise. India consumes its maximum energy in residential, commercial and agricultural purposes in comparison to China, Japan, Russia, EU-27 and the US.



Factories across the country endure almost daily power outages—backup generators are a business necessity in the land. In India, a demand/supply mismatch for energy, with demand in urban areas soaring and inadequate supply, caused in part by inadequate coal supplies, caused the grid to collapse, where a summer 2012 blackout put 700 million people in the dark after a demand spike shorted three antiquated power grids. This event is spurring a call for privatized distribution.



Source: Ernst & Young, India Infrastructure Summit, 2012

***Power is and will remain the major sector for investment in India, accounting for one-third of total investment.***

Demand for power in the country is rapidly increasing at a significant rate. To tackle the same, state governments in co-operation with central and private players are devising various strategies to ensure that the power deficits can be reduced and growing power needs can be met accordingly. The rapidly increasing electricity consumption in India is also creating power demand in the country. Major portion of electricity is consumed by industrial sector, followed by domestic and agriculture sector.

Power Transmission & Distribution division of the Company provides turnkey Execution of Power Transmission Line & Substation Projects up to 400KV Class, at domestic front. The division focuses on the entire chain of Power Evacuation & Delivery till Secondary Power Distribution Networks. During the year, Fedders Lloyd has completed HVPNL project, REC - 099 (400KV D/C Quad-Moose Transmission Line, 77.534 KM). The Company is qualified to execute the line length upto 103 Kms. The Company also provides services of design, supply, erection, testing & commissioning of railway electrification work for Indian Railways.

## INTERNATIONAL PROJECTS DIVISION

The International Projects Division of the Company executes international projects on turnkey basis related to power, water, hospitality, infrastructure, education, chemicals and oil sector under multilateral and bilateral funding agencies such as World Bank, Asian Development Bank, African Development Bank, European Bank of Reconstruction and Development and Exim Bank of India. The Division of the Company has been executing various prestigious projects in Ethiopia, Myanmar, Nigeria, Uganda, Rwanda, Ghana and Kenya funded by the multilateral and bilateral funding agencies. The Company sees tremendous opportunity under this segment.

## RISKS AND CONCERNS

In India, “indisputable need” and “significant potential” collide with inefficiency, corruption, and unbridled population growth and urbanization. Economic uncertainty lead to delay in projects. Unpredictable volatility of Indian Currency with respect to US Dollar and other hard currencies and increasing interest rates in the domestic markets are another concern.



On the other hand, various kinds of statutory clearances from various authorities, is quite time taking procedure and cause delay in project execution. However, Company's strategic development of each project by proper project planning and project execution capabilities, streamlining of business processes and adoption of advance technologies would enable to overcome such hurdles to a large extent. There are enormous investment opportunities for private players across the various infrastructure projects. Therefore, the entry of more private players into the infrastructure projects has resulted in increased competition.

## INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of business. Regarding the execution of important business, the Company has established criteria for submitting matters to the Board of Directors for proper decision making by the Board. The Management Committees deliberate on important issues affecting the execution of business, among other matters. After deliberation at the Management Committees, some specific issues are put forward to the Board of Directors for further deliberation. The Company makes sure that its financial reports are appropriate by complying with relevant laws and regulations, as well as accounting standards, in its accounting treatment. In parallel with this, the Company makes sure that its financial reporting is reliable by carrying out evaluation and analysis of the impacts that management decision making and accounting facts have on financial reporting. Executive officers are responsible for ensuring compliance and management efficiency in their assigned areas of operations.

The internal control systems are supplemented by extensive audits by internal auditors. The regular internal audit and checks ensure that responsibilities are executed effectively across the organization.

## RISK MANAGEMENT SYSTEM

The Company has a multi-dimensional risk management system in which all executive officers participate. Under this system, executive officers are responsible for risk management in their assigned areas of operation. In addition, executive officers exchange information and participate in important management initiatives and decisions through regularly scheduled executive officers' meetings. Strictly adhering to the Risk Management System, the Company aims at minimizing business risks and detecting them at an early stage to fulfill its responsibilities towards its stakeholders.

Risk Management System of the Company focuses on sustaining and creation of shareholders' value, which is being reviewed on a regular basis.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Fedders Lloyd considers its human capital as a critical factor to its success, equally emphasising on code of conduct and fair business practices. The Company's Human Resource Strategy is designed in such a way that it identifies high performers. The Company has evaluated performance based compensation packages to attract and retain talent within the Company. The Company continuously upgrade the industry/function specific skills of its workforce by imparting comprehensive training to them. In line with the Human Resource strategy, the Company has implemented various initiatives in order to build organizational capability that will enable the Company to sustain competitiveness in the global market place.

The Company continues to maintain and enjoy a cordial relationship with its employees at all levels.

### **Cautionary Statement:**

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



LIVE THE FUTURE

# Report on Corporate Governance

In accordance with Clause 49 of the Listing Agreement with Stock Exchanges in India and some of the best practices followed internationally on Corporate Governance, a basic set of corporate values and beliefs have become a way of life in the Company and each employee contributes to strict adherence to these values. The report containing the details of corporate governance systems and processes at Fedders Lloyd Corporation Limited is as under:

## ***I. STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE***

Accountability and transparency are the basic credo of the Corporate Governance. We, at Fedders Lloyd feel proud to belong to a company whose visional initiator had established infrastructure for good governance long back and contrived it an essential principal of the business. The Company has made highest standards on the Corporate Governance principals and best practices by adopting the corporate governance policies and code of conduct. It is our belief that as we move closer towards our aspirations of becoming a global corporation, our Corporate Governance standards must be globally prototype. That gives us the confidence of having put in the right pedestal blocks for future growth and ensuring that we achieve our ambitions in a prudent and sustainable manner.

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures the fairness in all its transactions in the widest sense and meet its stakeholder's aspirations and societal expectations. At Fedders Lloyd we are committed to meeting the aspirations of all our stakeholders. This is demonstrated in sustained shareholder returns, governance processes and an entrepreneurial, performance focused work environment.

## ***II. BOARD OF DIRECTORS***

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company and has been vested with the requisite powers, authorities and duties.

### ***Composition & Category of Directors***

1. The Board of Directors of the Company comprises of Executive & Non- Executive Independent Directors. The Chairman is an Executive Director. As on June 30, 2013, the Board comprises of six(6) Directors, of which three are Non-Executive Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.
2. 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 June 30, 2013 have been made by the Directors.

## Board Meetings

During the year under review, Five (5) Board meetings were held on August 08, 2012, November 05, 2012, November 28, 2012, February 04, 2013 and May 06, 2013.

The requisite quorum was present in all the meetings. The gap between two Board Meetings was in accordance with the requirement of the Companies Act, 1956 and Clause 49 of the Listing Agreement entered with the Stock Exchanges.

**(A) 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 June 30, 2013 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	NIL	NIL
2	Mr. S.S. Dhawan DIN 00528056	Whole Time Director	5	Yes	NIL	NIL	NIL
3	Mr. N.D. Jain* DIN 03589109	Whole Time Director	NIL	No	NIL	NIL	NIL
4	Mr. Krishan Lall DIN 00555967	Non- Executive Independent Director	5	Yes	3	2	NIL
5	Mr. SK Sharma DIN 00058581	Non-Executive Independent Director	5	No	1	-	-
6	Mrs. Bindu Dogra* DIN 06580704	Non- Executive Independent Director	1	No	NIL	NIL	NIL

Notes:

1. Directorship held by directors as mentioned above, do not include directorship held in private companies, foreign companies, companies under section 25 of the Companies Act, 1956
2. Committee considered for the purpose of those prescribed under Clause 49 (1)(C)(ii) of the Listing agreement (s) viz. audit committee and shareholder/investor committee of Indian public Committee.
3. \*W.e.f. May 06, 2013, Mr. N.D. Jain and Mrs. Bindu Dogra were appointed on the Board and Mr. Ajay Dogra resigned from the Board of Directors of the Company.

During the year ended June 30, 2013 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 under review, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration and approval.

### **III. BOARD COMMITTEES**

The Board of Directors of the Company have constituted various committees to vest with the role, powers and duties in accordance with the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges. Currently the Board has four(4)Committees: the Committee of Board of Directors, the Audit Committee, the Remuneration Committee, and the Sharetransfer Cum Investors' Grievance Committee. The Chairperson of the Board, in consultation with the Company Secretary and Committee Members determine the frequency and duration of the meetings.

#### **1. AUDIT COMMITTEE**

The Audit Committee functions according to its scope of activities entrusted by the Board of Directors in accordance with requirement of the Listing Agreement and the Companies Act, 1956 and is reviewed from time to time. The Audit Committee comprises of 3 (Three) members, all of them are Independent Directors. The Chairman of the Audit Committee is Independent Director and He was present at the last Annual General Meeting of the Company.

The Audit Committee of the Company is responsible for the following:

- To review company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- To review the quarterly and annual financial results before placing them to the Board along with related disclosures and filing requirements;
- To review the adequacy of internal controls in the Company, including the plan, scope and performance of the internal audit function;
- To discuss with management, the Company's major policies with respect to risk assessment and risk management;
- To 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;
- To ensure compliance with accounting standards and with listing requirements with respect to the financial statements;
- To recommend the appointment and removal of external auditors and their fees;
- To recommend the appointment of cost auditors;
- To review the independence of auditors;
- To ensure that adequate safeguards have been taken for legal compliance both for the Company and its subsidiaries;
- To review related party transactions submitted by management;
- To review Management discussion and analysis of financial condition and results of operations;
- To review the report furnished by the internal auditors, discussions with internal auditors on any significant findings and ensuring suitable follow up thereon



## Fedders Lloyd Corporation Ltd

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During the year ended on June 30, 2013, Five (5) Audit Committee Meetings were held on August 08, 2012, November 05, 2012, November 28, 2012, February 04, 2013 and May 06, 2013. Adequate Quorum was present in all the meetings

As on June 30, 2013, 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. Krishan Lall	Chairman	Independent Non- Executive Director	5	5
Mr. Surjit Krishan Sharma	Member	Independent Non- Executive Director	5	5
*Mr. Ajay Dogra	Member	Independent Non- Executive Director	4	4
*Ms. Bindu Dogra	Member	Independent Non- Executive Director	-	-

\*Mr. Ajay Dogra resigned and Mrs. Bindu Dogra was inducted on the Board and Audit Committee of the Company w.e.f. May 06, 2013

The Company Secretary acts as the Secretary to the Audit Committee. All the members of the Audit Committee are financially literate and have accounting or related financial management expertise.

Adequate Quorum was present at all the meetings.

## 2. REMUNERATION COMMITTEE

The Remuneration Committee is empowered to review the remuneration of the Managing Director and the Executive Directors of the Company, performance linked incentives along with performance criteria, retirement benefits to be paid to them under the Retirement Benefit Guidelines or any compensation/benefit, approved by the Board.

The Remuneration Committee makes recommendations to the Board on the policy on Executive Directors' remuneration and specifically approves the detailed terms of service of the Executive Directors in accordance with such policy.

### Composition

The constitution of the Remuneration Committee and attendance of the members at the meetings during the year ended June 30, 2013 was as follows:

S. No.	Name of Directors	Status	Category of Director	No. of Meetings Held	No. of Meetings attended
1.	Mr. K. Lall	Chairman	Independent and Non- Executive	2	2
2.	Mr. S. K. Sharma	Member	Independent and Non- Executive	2	2
3.	*Mr. Ajay Dogra	Member	Independent and Non- Executive	1	1
4.	*Ms. Bindu Dogra	Member	Independent and Non- Executive	-	-

\*Mr. Ajay Dogra resigned and Mrs. Bindu Dogra was inducted on the Board and Remuneration Committee of the Company w.e.f. May 06, 2013

Company Secretary acts as the secretary to the Committee.

### Remuneration Policy

The Company disburses remuneration by way of salary, benefits, perquisites, allowances and commission to its Managing Director and the Executive Directors. Annual increments are decided by the Remuneration Committee within the salary scale approved by the members. During the year 2012-13, the Company paid sitting fees of Rupees 15,000/- per meeting to its Non-Executive Directors for attending meetings of the Board.

### The Details of Remuneration paid for the Year ended June 30, 2013

#### 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	48,00,000	24,03,500	5,76,000	77,79,500
2.	Mr. S.S. Dhawan	40,68,000	28,86,500	4,88,160	74,42,660
3.	Mr. N.D. Jain*	3,40,161	3,43,021	40,819	7,24,001

\* Mr. N.D. Jain was inducted on the Board of the Company w.e.f. May 6, 2013

#### Non-Executive Directors

The Non- Executive Directors have not drawn any remuneration from the Company, except sitting fees for attending meetings of the Board. During the year, following sitting fees was paid to the Non- Executive Directors:

Name of Director	Sitting Fees (Gross) (Rs.)	Total (Rs.)
Mr. K. Lall	75000	75000
Mr. S.K. Sharma	75000	75000
Mr. Ajay Dogra	60000	60000
Mrs. Bindu Dogra	15000	15000

### 3. SHARE TRANSFER CUM INVESTORS' GRIEVANCE COMMITTEE

The Share Transfer cum Investors' Grievance Committee of the Board is empowered to oversee the redressal of investors' complaints pertaining to share/debenture transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transmission of shares and other miscellaneous complaints. The Committee meets atleast thrice in a month. During the year ended June 30, 2013 the Committee met 36 times. The requisite quorum was present in all the meetings.

The composition of the Committee as on June 30, 2013 is as follows:

S.No.	Name of Directors	Status
1.	Mr. S.K. Sharma	Chairman
2.	Ms. Bindu Dogra	Member
3.	Mr. S.S. Dhawan	Member

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	23	23	NIL

## 4. COMMITTEE OF BOARD OF DIRECTORS

The Company has constituted a Committee of Board of Directors for taking some decision of routine nature confirming the smooth functioning with respect to day-to-day affairs of the Company. As on June 30, 2013, the committee consists of following members:

- Mr. Brij Raj Punj, Chairman & Managing Director
- Mr. Sham Sunder Dhawan, Whole Time Director
- Mr. Krishan Lall, Non- Executive Independent Director
- Mr. Surjit Krishan Sharma, Non- Executive Independent Director
- Ms. Bindu Dogra, Non- Executive Independent Director

The committee meets at regular intervals to decide upon matters of urgent and routine nature to support the functioning of the Board of Directors in an efficient way. The minutes of the Committee of the Board of Directors are placed before the Board of Directors in their next meeting for their consideration and ratification.

Company Secretary acts as the secretary to the Committee.

### Compliance Officer

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

## IV. GENERAL BODY MEETING

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

Year ended	Date & Time	Venue
2011-2012	December 27, 2012 at 9:00 A.M.	Regd. Office: C-4, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P.-201305
2010-2011	December 29, 2011 at 9:00 A.M.	Regd. Office: C-4, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P.-201305
2009-2010	December 29, 2010 at 9:00 A.M.	Regd. Office: C-4, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P.-201305

### Details of Special Resolution Passed for the year ended 2011-12

The Company Passed the resolution for the re-appointment of Mr. Brij Raj Punj as Managing Director of the Company for the term of Five Years w.e.f. December 24, 2012 including the remuneration as stated in the Explanatory Statement of the notice issued for the purpose.

## V. CODE OF CONDUCT

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

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

## VI. DISCLOSURES

### a) Basis of Related Party Transactions

During the year under review, besides the transactions reported in Notes forming part of the financial statements for the year ended June 30, 2013 in the Annual Report, there were no other related party transactions of the Company with its promoters, directors or the management or their relatives and subsidiaries and associates. 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 and before the Board.

### b) Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory Authorities on all matters related to capital markets during the last three years. No penalties and strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the financial year. The Company has complied with all Accounting standards issued by the Institute of Chartered Accountants of India.

### c) Risk Management Structure

A risk management structure will help an organization identify the risks and security issues associated with their business and assets. Once these threats have been established, the Risk Management Structure should endeavor to measure the risks and prepare strategies to minimize them. These strategies should be carried out and continuously monitored to ensure that they are effective and still required. Your Company maintains multi-dimensional risk management system in which all executive officers participate. Under this system, executive officers are responsible for risk management in their assigned areas of operations. In addition, they exchange information and participate in important management initiatives and decisions through regularly scheduled meetings.

### d) Reconciliation of Share Capital Audit

Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.

A qualified practicing Company Secretary carried out a Reconciliation of Share Capital Audit to reconcile the total admitted and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with Depositories).

### e) 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.

## VII. MANAGEMENT DISCUSSION AND ANALYSIS

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

## VIII. MEANS OF COMMUNICATION

The Company propagates information to all stakeholders through various channels:

Financial Results	Quarterly & Annual Results are published in prominent daily newspapers viz. The Pioneer (English) and Rashtriya Sahara (Hindi- Vernacular). The results are also posted on the Company's website: <a href="http://www.fedderslloyd.com">www.fedderslloyd.com</a>
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# Fedders Lloyd Corporation Ltd

Annual Report 2012-2013

News Releases	Official news releases are sent to stock exchanges as well as displayed on the Company's website: <a href="http://www.fedderslloyd.com">www.fedderslloyd.com</a>
Website	The Company's corporate website is <a href="http://www.fedderslloyd.com">www.fedderslloyd.com</a> , 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. The Section on 'Investors' Relation' serve to inform the shareholders by giving complete financial details, corporate benefits, information relating to stock exchanges and registrars & share transfer agents.
Annual Report	Annual Report is circulated to all the members and all others entitled thereto like auditors, equity analyst etc.
Management Discussion & Analysis Report	The MD&A Report forms a part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, segment/ products wise performance, outlook, risks and concerns, internal control and systems, etc. are discussed in the said report.
Whether Shareholder Information Section forms part of the Annual Report	Yes

## IX. GENERAL SHAREHOLDERS INFORMATION

**1. REGISTERED OFFICE** : C-4, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P-201305

**2. CORPORATE OFFICE** : 159, Okhla Industrial Estate, Phase-III, New Delhi- 110020

### 3. ANNUAL GENERAL MEETING

Date : Wednesday, December 11, 2013

Time : 9.00 A.M.

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

### 4. DATE OF BOOK CLOSURE/RECORD DATE:

The dates of book closure shall be from Friday, December 06, 2013 to Wednesday, December 11, 2013 (both days inclusive)

### 5. DIVIDEND PAYMENT

The Dividend of Re. 1.00 per equity share of Rs. 10/- each for the year 2012-2013, subject to the approval of the shareholders, has been recommended by the Board of Directors. Once approved by the shareholders, the same shall be paid on or after December 11, 2013 (but within the statutory time limit of 30 days).

### 6. LISTING OF EQUITY SHARES ON STOCK EXCHANGES:

The shares of the Company are listed at:

National Stock Exchange of India Limited & Bombay Stock Exchange Limited

The Company has paid the listing fees for the year 2012-2013 to the above Stock Exchanges.

## 7. CUSTODIAL FEES TO DEPOSITORIES

The Company has paid custodial fees for the year 2012-2013 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

## 8. STOCK CODE/ SYMBOL

### EQUITY SHARES

BSE : 500139

NSE : FEDDERLOYD

ISIN No. : INE2429C01011

## 9. UNCLAIMED DIVIDEND

Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the dividend which remains unclaimed/ unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government.

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:

Year	Date of declaration	Due date for transfer to IEPF
2005-2006 (Final)	December 30, 2006	December, 2013
2006-2007 (Final)	December 29, 2007	December, 2014
2008-2009 (Final)	December 29, 2009	December, 2016
2009-2010 (Final)	December 29, 2010	December, 2017
2010-2011 (Final)	December 29, 2011	December, 2018
2011-2012 (Final)	December 27, 2012	December, 2019

## 10. SHARE TRANSFER SYSTEM

Share Transfers in physical form is lodged with M/s. Skyline Financial Services Private Limited at the below mentioned address. The equity shares of the Company that are held in dematerialized form are transferred through the depositories without any involvement of the Company. Share lodged for transfer/ transmissions are registered and returned within stipulated time period.

In Compliance with Clause 47(c) of the listing agreements, a copy of certificates so received is submitted to both the Stock Exchanges, where the shares of the Company are listed.

The address of RTA is as follow:

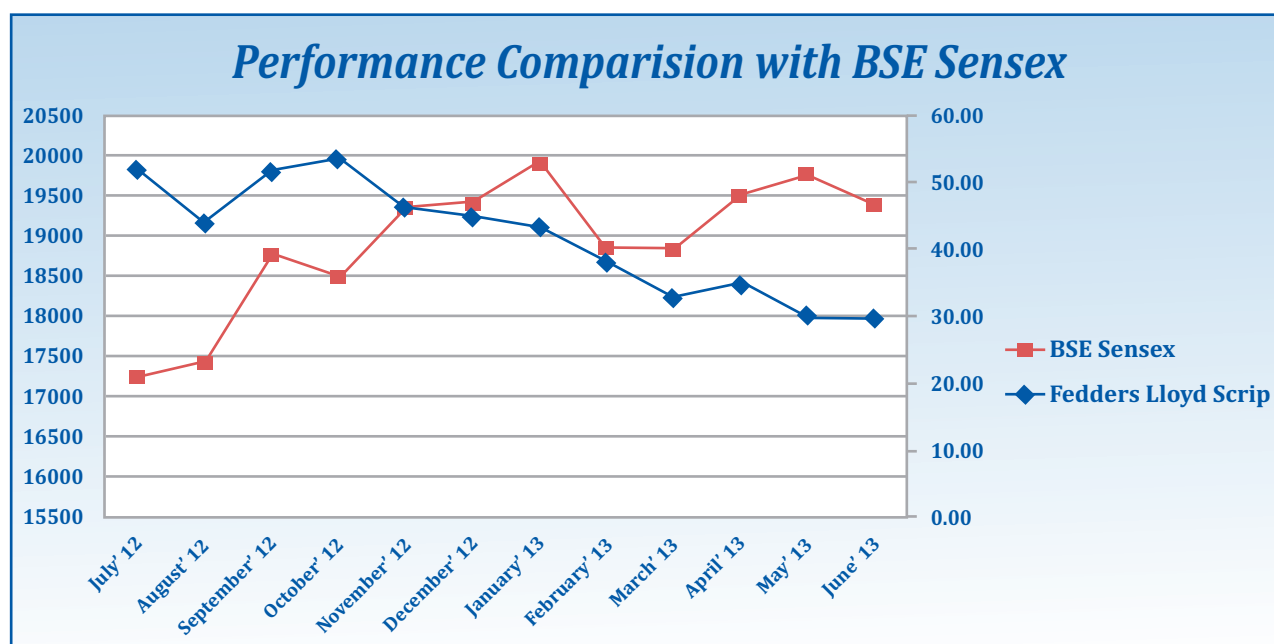
M/s Skyline Financial Service Private Limited  
(Unit: Fedders Lloyd Corporation Limited)  
D-153/A, 1st Floor, Okhla Industrial Area,  
Phase-1, New Delhi-110020  
Tel: +91-11-64732681, 26812681-83  
Fax: +91-11-26812682  
Email: grievances@skylinerta.com

## 11. MARKET PRICE DATA

Monthly high & low of the equity shares of the Company at BSE and NSE for the year ended June 30, 2013 are as follows:

Particulars	BSE		NSE	
Months	High (Rs./ per share)	Low (Rs./ per share)	High (Rs./ per share)	Low (Rs./ per share)
July 12	60.80	50.00	61.00	50.50
August 12	56.60	42.35	56.70	42.30
September 12	58.20	41.60	57.90	41.30
October 12	61.25	51.10	61.80	51.00
November 12	55.05	45.80	54.80	45.70
December 12	48.75	44.45	48.90	44.00
January 13	48.95	42.15	48.80	42.00
February 13	46.20	34.30	46.00	37.00
March 13	38.00	31.60	38.00	32.00
April 13	36.00	31.60	35.90	32.30
May 13	39.80	28.70	39.90	28.85
June 13	32.35	27.55	31.80	27.20

## 12. COMPARISON OF FEDDERS LLOYD CORPORATION LIMITED SCRIP MOVEMENT WITH SENSEX(BSE Index)



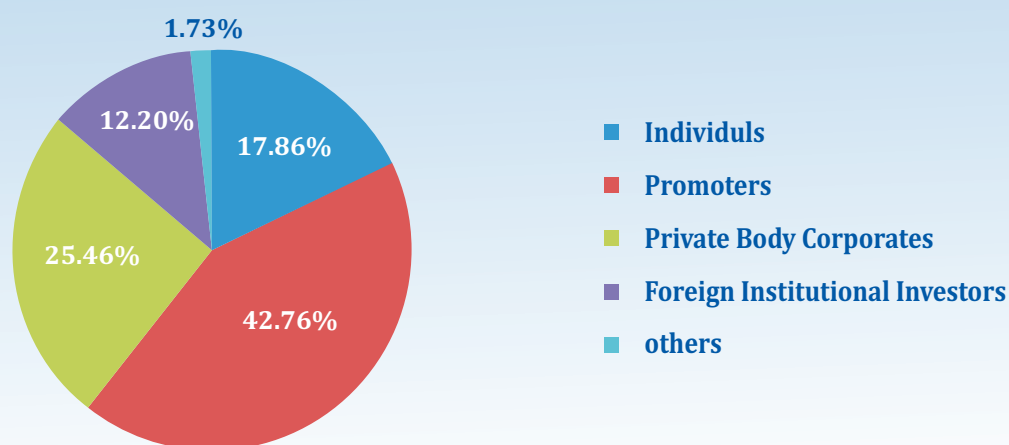
### 13. DISTRIBUTION OF SHAREHOLDING AS ON JUNE 30, 2013

No.ofShareheld ofRs.10 each	No.ofShareholders	%age of Total	No. of Shares	%age of Total
Up to 500	18867	90.23%	2617167	8.51%
501 - 1000	1118	5.35%	921613	3.00%
1001 - 2000	466	2.23%	710711	2.31%
2001 - 3000	163	0.78%	418534	1.36%
3001 - 4000	84	0.40%	302294	0.98%
4001 - 5000	61	0.29%	289251	0.94%
5001 - 10000	81	0.39%	583371	1.90%
10001 - & above	69	0.33%	24926759	81.01%
<b>Total</b>	<b>20909</b>	<b>100.00%</b>	<b>30769700</b>	<b>100.00%</b>

### 14. SHAREHOLDING PATTERN AS AT JUNE 30, 2013

Category	No. of Shares held	% of shareholding
Promoters	13156388	42.76%
Mutual funds & UTI	-	-
Banks, Financial Institutions, Insurance Companies	-	-
Central/ State Government	-	-
Foreign Institutional Investors	3752627	12.20%
Private Corporate Bodies	7833180	25.46%
Individuals	5496554	17.86%
Others	530951	1.73%
<b>Total</b>	<b>30769700</b>	<b>100%</b>

#### Shareholding Pattern Graphical view as on June 30, 2013



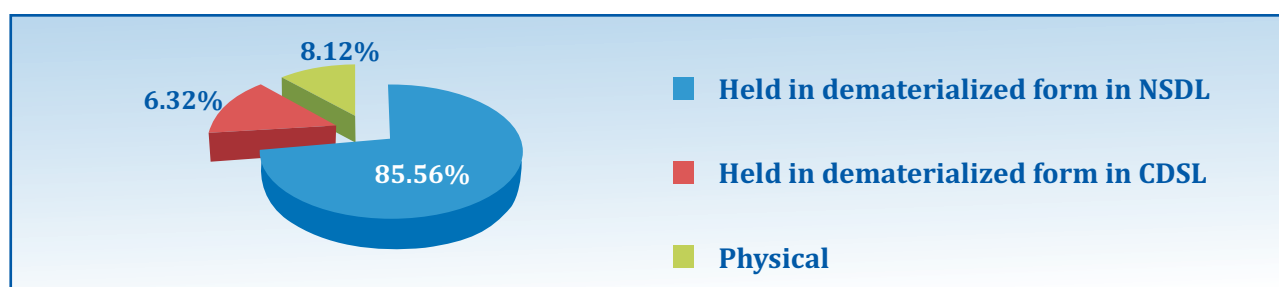


## 15. DEMATERIALIZATION OF SHARES AND LIQUIDITY

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).

The number of shares held in dematerialized and physical mode as on June 30, 2013 is as under:

	No. of shares	% of Capital issued
Held in dematerialized form in NSDL	26327431	85.56%
Held in dematerialized form in CDSL	1943855	6.32%
Physical	2498414	8.12%
<b>Total</b>	<b>30769700</b>	<b>100%</b>



## 16. "GREEN INITIATIVE IN THE CORPORATE GOVERNANCE"

As a responsible citizen, your Company strongly urges you to support the Green Initiative by giving positive consent by registering/updating your email addresses with the Depository Participants or the Registrar and Transfer Agent for the purpose of receiving soft copies of various communications including the Annual Reports.

### PLANT LOCATIONS:

The Company has its manufacturing plant at the following location:

- C-4, Phase -II Noida  
Distt. Gautam Budh Nagar,  
U.P-201305
- 836,837, Jambusar – Bharuch Road,  
Village – Magnad,  
Dist – Bharuch, 392150, Gujarat
- Saketi Road, Industrial Area,  
Kala Amb, Tehsil Nahan,  
Distt. Sirmor, Himachal Pradesh
- Plot No. 24  
Sector 2, IIE Pantnagar  
Distt. Udham Singh Nagar, Uttarkhand
- Plot No-6, 6/1, UPSIDC Industrial Area,  
Sikanderabad, UP

- f) Ind. Area, Park-2, Salempur, Mehdood,  
Near SIDCUL, Haridwar, Uttarakhand
- g) S-23 & S-24, Phase-III, SIPCOT Industrial Complex,  
Mukundarayapuram, Ranipet 632 405

#### ***REGISTRAR & TRANSFER AGENTS***

Skyline Financial Services Private Limited  
Unit: Fedders Lloyd Corporation Limited  
D-153 A, First Floor,  
Okhla Industrial Area, Phase-I  
New Delhi- 110020  
Tel : 91-11-26812682, 64732681-88  
Fax : 91-11-26812682  
Website: [www.skylinerta.com](http://www.skylinerta.com)

#### ***ADDRESS FOR CORRESPONDENCE***

Fedders Lloyd Corporation Limited  
Investor Relations Department  
159, Okhla Industrial Estate  
Phase-III, New Delhi-110020  
Tel : 91-11-40627200-40627300  
Fax: 91-11-41609909  
  
Email id: [investor.relations@fedderslloyd.com](mailto:investor.relations@fedderslloyd.com)

#### ***SUBSIDIARY COMPANY***

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

#### ***INVESTOR RELATIONS***

For the convenience of investors, the Company has designated exclusive email id viz. [investor.relations@fedderslloyd.com](mailto:investor.relations@fedderslloyd.com) to enable investors to register their complaints.

**CODE OF CONDUCT DECLARATION**

***Declaration Affirming Compliance of provisions of Code of Conduct***

**To**

**The Members of Fedders Lloyd Corporation Limited**

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

**For Fedders Lloyd Corporation Ltd.**

**Date: November 11, 2013**

**Brij Raj Punj**

**Place: New Delhi**

**Chairman & Managing Director**

**CEO/ CFO CERTIFICATION**

**The Board of Directors of Fedders Lloyd Corporation Limited**

Dear Sirs,

**Sub: CEO/CFO Certificate**

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

We have reviewed the financial statements, read with the cash flow statement of Fedders Lloyd Corporation Limited for the year ended June 30, 2013 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 2012-2013 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**

**Dated: November 11, 2013**

**A.A. Siddiqi**

**Brij Raj Punj**

**Place: New Delhi**

**A.V.P. (Finance)**

**Chairman & Managing Director**



## **Auditors' Certificate on compliance of conditions of Corporate Governance**

**To**

**The Members of Fedders Lloyd Corporation Limited**

We have examined the compliance of conditions of Corporate Governance by Fedders Lloyd Corporation Limited for the year ended on June 30, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock Exchanges.

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

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

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

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

**Date: November 11, 2013  
Place: New Delhi**

**Brijesh C. Mathur  
Partner  
M. No. : 083540  
(Firm Registration No. 000891N)**





LIVE THE FUTURE

# Independent Auditor's Report

**Members,**

**Fedders Lloyd Corporation Limited**

## **Report on the Financial Statements**

We have audited the accompanying financial statements of **FEDDERS LLOYD CORPORATION LIMITED** ("the Company") which comprise the Balance Sheet as at June 30, 2013, 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 referred to in Section 211(3C) of the Companies Act, 1956 ('the Act'). 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 mis-statements, 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 mis-statements.

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 mis-statement 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, the said account read with Note No. 3C to notes to accounts in the aforesaid financial statements 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 June 30, 2013.
- (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 the Accounting Standards referred to in Section 211(3C) of the Act.
  - e) On the basis of written representations received from the directors as on June 30, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2013 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)**

**Dated: November 11, 2013**  
**Place: New Delhi**

**(BRIJESH C. MATHUR)**  
**Partner**  
**Membership No. 083540**

## **Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date of Fedders Loyd Corporation Limited for the year ended June 30, 2013**

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

- 1.1 The company has maintained records showing full particulars including quantitative details and situation of the Fixed Assets.
- 1.2 A substantial portion of the Fixed Assets has been physically verified by the management during the year. In our opinion the frequency of verification is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
- 1.3 According to the information and explanations given to us and in our opinion that the disposal of the fixed assets has not affected the going concern status of the company.
2. The inventory has been physically verified during the year by the management and in our opinion the frequency of verification is reasonable. According to the information and explanations given to us, in our opinion, the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to the book records were not material and have been properly dealt with in the books of account.
3. According to the informations given to us the Company has not taken any loans, secured or unsecured from Companies, firms, or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. The Company has given a loan to its Foreign Subsidiary Company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit no major weakness has been noticed in the internal controls.
5. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts of arrangement entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakh in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public therefore the provision of Section 58A and 58AA of the Companies Act, 1956 are not applicable to the company.
7. In our opinion, the Company has internal audit system, commensurate with the size of the Company and the nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for its maintenance of cost records u/s 209(1) (d) of the Companies Act 1956 and are of the opinion that prime-facie, the prescribed accounts and records have been maintained. However, we have not made a detailed examination of the records.
9. According to the records of the company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.

10. The company does not have accumulated Losses at the end of the financial year and has not incurred any cash loss during the financial year covered by our audit and the immediate preceding financial year.
11. According to the records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues of financial institution or bank or debenture holders.
12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities
13. The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of Clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of Clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. The Company has not given guarantee according to the information and explanation given to us, the term & conditions of the guarantees given by the Company for loan taken by the associate companies from bank are prime facie not prejudicial to the interest of the Company.
16. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term, investment and no long-term funds have been used to finance short term assets.
17. According to the Cash Flow Statement and records examined by us and according to the information and explanations given to us, on overall basis, fund raised on short-term basis have, prima facie, not been used during the year for long-term investment and vice versa.
18. The Company has not raised any moneys by way of issue of debentures.
19. The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956 during the year.
20. The Company has not raised any money during the year way of public issue.
21. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

**(BRIJESH C. MATHUR)**

**Partner**

**Membership No. 083540**

**Dated: November 11, 2013**

**Place: New Delhi**



# Balance Sheet

as at 30<sup>th</sup> June, 2013

(Rs. in Million)

Particulars	Note	As at 30.06.2013	As at 30.06.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	307.70	307.70
(b) Reserves and Surplus	3	2883.89	2424.52
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	1334.02	1270.49
(b) Deferred tax liabilities	5	5.53	8.32
(c) Long term provisions	6	41.90	30.92
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	7	3593.04	2270.72
(b) Trade payables	8	751.45	851.04
(c) Other current liabilities	9	403.69	497.52
(d) Short-term provisions	10	160.76	304.61
<b>Total</b>		<b>9481.98</b>	<b>7965.84</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	2601.74	2531.11
(ii) Intangible assets		7.23	-
(iii) Capital work-in-progress		50.12	41.87
(iv) Project Under Development		178.24	178.24
(b) Non-current investments	12	10.32	10.32
(c) Long term loans and advances	13	200.58	481.66
(d) Other non-current assets	14	-	-
<b>(2) Current assets</b>			
(a) Inventories	15	2875.13	2111.41
(b) Trade receivables	16	2991.17	2009.42
(c) Cash and cash equivalents	17	58.48	130.23
(d) Short-term loans and advances	18	508.97	471.58
<b>Total</b>		<b>9481.98</b>	<b>7965.84</b>
<b>NOTES TO ACCOUNTS</b>			
Accompanying Notes are an integral part of the Financial Statements			

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

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

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

A. A. Siddiqi  
AVP Finance

S. S. Dhawan  
Director

K.Lall  
Director

Brij Raj Punj  
Chairman & Managing Director

Date : November 11, 2013  
Place : New Delhi

# Statement of Profit & Loss

## for the Year Ended 30<sup>th</sup> June, 2013

		(Rs. in Million)	
Particulars	Note	Year Ended 30.06.2013	Year Ended 30.06.2012
<b>I. Income</b>			
Revenue from operations (Gross):	19	10294.47	9012.51
Less:- Excise Duty		138.49	183.94
Revenue from operations (Net)		<b>10155.98</b>	<b>8828.57</b>
Sale of Logo		-	138.72
Other Income	20	58.60	94.50
<b>Total Revenue (I)</b>		<b>10214.58</b>	<b>9061.79</b>
<b>II. Expenses:</b>			
Cost of materials consumed	21	8714.12	7020.84
Purchase of Stock-in-Trade		103.51	559.49
Changes in inventories of Finished Goods, Work-in Progress and Stock-in-Trade	22	(743.13)	(391.89)
Employee Benefit Expenses	23	355.51	246.10
Other Expenses	24	449.03	538.95
<b>Total Expenses (II)</b>		<b>8879.04</b>	<b>7973.49</b>
<b>III. Profit before Interest, Depreciation / Amortisation and Tax (EBITDA)</b>	(I - II)	1335.54	1088.30
Finance Costs	25	439.43	355.18
Depreciation & Amortisation	26	277.39	176.12
<b>IV. Profit before Tax (V - VI)</b>		<b>618.72</b>	<b>557.00</b>
<b>V. Tax expense:</b>			
(1) Current tax		125.00	112.75
(2) Deferred tax		(2.78)	(2.40)
<b>VI. Profit(Loss) from the period from continuing operations</b>		<b>496.50</b>	<b>446.65</b>
<b>VII. Earning per equity share:</b>			
(1) Basic & Diluted (Rs.)		16.14	14.52

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

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

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

A. A. Siddiqi  
AVP Finance

S. S. Dhawan  
Director

K.Lall  
Director

Brij Raj Punj  
Chairman & Managing Director

Date : November 11, 2013  
Place : New Delhi

# Cash Flow Statement

## for the Year Ended 30<sup>th</sup> June 2013

(Rs. in Million)

Particulars	Year Ended 30.06.2013	Year Ended 30.06.2012
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit before tax	618.72	557.00
<b>Adjustments for :</b>		
Add : Depreciation	277.39	172.61
Preliminary Expenses written off	-	3.50
Provision for Gratuity	10.99	6.44
Interest Paid	368.27	292.18
Less: Profit on sale of fixed assets	(0.04)	-
Interest Income	(8.72)	(41.83)
Gratuity Paid	(0.45)	(2.31)
Export Incentives	-	(52.28)
Dividend Income	(0.06)	(0.09)
<b>Operating profit before working capital changes</b>	<b>1266.10</b>	<b>935.22</b>
Trade & other receivables	(981.75)	(238.31)
Inventories	(763.73)	(185.35)
Loans & Advances	(91.72)	(461.09)
Short term borrowings	1322.32	316.00
Other Current Liability	(93.83)	241.63
Trade & other payable	(99.59)	185.84
<b>Cash generated from operations</b>	<b>557.80</b>	<b>793.94</b>
Direct tax paid	148.08	78.00
<b>Net Cash Flow from Operating Activities</b>	<b>705.88</b>	<b>715.94</b>
<b>B Cash Flow from Investing Activities:</b>		
Purchase of fixed assets	(365.14)	(1378.08)
Purchase of investments	-	(0.50)
Sale of fixed assets	0.31	-
Interest received	8.72	41.83
Dividend received	0.06	0.09
<b>Net Cash Flow from Investing Activities</b>	<b>(356.05)</b>	<b>(1336.66)</b>
<b>C Cash Flow from Financial Activities:</b>		
Long Term Loans and Advances	(81.07)	
Proceeds from Long Term Borrowing	63.52	601.96
Dividend Paid	(30.77)	(46.15)
Dividend Tax	(4.99)	(7.49)
Interest paid	(368.27)	(292.18)
<b>Net Cash Flow from Financing Activities</b>	<b>(421.58)</b>	<b>256.14</b>
<b>Net increase/decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>(71.75)</b>	<b>(364.58)</b>
Opening Balance of Cash and Cash Equivalents	130.23	493.01
Closing Balance of Cash and Cash Equivalents	58.48	128.43
<b>Net increase/ decrease in Cash and Cash Equivalents</b>	<b>(71.75)</b>	<b>(364.58)</b>

Refer to our Report of even date  
For Suresh C. Mathur & Co.  
Chartered Accountants  
(Firm Registration No. 000891N)

(Brijesh C. Mathur)  
Partner  
M. No. : 083540

Purnima Sharma  
Company Secretary

A. A. Siddiqi  
AVP Finance

S. S. Dhawan  
Director

K.Lall  
Director

Brij Raj Punj  
Chairman & Managing Director

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

### AUDITOR'S REPORT

We have examined the above Cash Flow Statement of Fedders Lloyd Corporation Limited for the year ended 30th June 2013. The statement has been prepared by the company in accordance with the requirements of clause 32 of the listing agreement entered into with Stock Exchanges and is based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the company.

for Suresh C. Mathur & Co.  
Chartered Accountants,

Brijesh C. Mathur  
Partner

M.No.:083540

(Firm Registration No. 000891N)

Dated : November 11, 2013  
Place : New Delhi

# Notes to Financial Statements

## for the Year Ended 30<sup>th</sup> June 2013

### NOTES:-1

#### 1.1 CORPORATE INFORMATION

Fedders Lloyd Corporation 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 and well diversified in the field of Environment Control Systems (ECS), Fabrication of steel structures for Power, commercial and industrial construction projects and implementation of high power transmission lines. The Company has also been into export of power equipment's / components to various funded projects by multilateral agencies like World Bank etc. in African countries.

The Company has been generating revenues mainly from three segments:-

1. Environmental Control Systems
2. Steel structures & Engineering
3. Power Transmission & Distribution and Overhead Electrification (OHE)

#### 1.2 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.

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.

#### 1.3 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 (other than land) is provided on written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- ii) Revaluation reserve has been utilized to the extent of amount needed to set-off depreciation on addition to fixed assets on a/c revaluation of assets.

## **d) Intangible Assets**

Intangible Assets are stated at cost of acquisition .

## **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 net of modvat as per the FIFO method after providing for cost of obsolescence value.
- ii) Stock in process is valued at direct cost, i.e., cost of materials and variable manufacturing expenses.
- iii) Finished goods are valued at lower of cost or net realizable value.
- iv) Stock in transit lying in customs warehouse is valued at cost but does not include custom duty payable, however, non-provision of duty does not affect the profit for the year.

## **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) Sales and service include excise duty and adjustments made towards liquidated damages and price variation, wherever applicable. Escalation and other claims, which are not ascertainable / acknowledged by customers, are not taken into account.
- v) Revenue from project related activity is recognized on the basis of running bills raised on the basis of completion of the project activities.
- vi) 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 and the diminution if any in the value of these investments is temporary in nature.

## **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.

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

PARTICULARS	AMOUNT (Rs. in Million)
<b>Deferred Tax Liabilities</b>	
Depreciation Difference	1.82
<b>Deferred Tax Assets</b>	
Other Provisions	3.71
<b>Net Deferred Tax Assets</b>	<b>5.53</b>

**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**

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

**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 June 30, 2013 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 Notes to financial statement.

**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.

# Fedders Lloyd Corporation Ltd

Annual Report 2012-2013

(Rs. in Million)

Particulars	As at 30.06.2013	As at 30.06.2012
<b>NOTE:- 2</b>		
<b>SHARE CAPITAL</b>		
<b>1. Authorized Capital</b>		
7,00,00,000 Equity Share of Rs. 10/- each (Previous year 7,00,00,000 Equity Share of Rs. 10/- each)	700.00	700.00
<b>Total Authorized Share Capital</b>	<b>700.00</b>	<b>700.00</b>
<b>2. Issued &amp; Subscribed Capital</b>		
3,07,69,700 Equity Shares of Rs. 10/- each	307.70	307.70
<b>3. Paid up Capital</b>		
3,07,69,700 Equity Shares of Rs. 10/- each fully paid up (Previous Year 3,07,69,700 equity shares of Rs. 10/- each)	307.70	307.70
<b>Total Issued, Subscribed and Fully Paid-up Share Capital</b>	<b>307.70</b>	<b>307.70</b>

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

(Rs. in Million)

Particulars	30 JUNE, 2013		30 June, 2012	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares</b>				
Shares outstanding at the beginning of the year	30769700	307.70	30769700	307.70
Shares Issued during the year	-	-	-	-
<b>Shares outstanding at the End of the year</b>	<b>30769700</b>	<b>307.70</b>	<b>30769700</b>	<b>307.70</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.

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

Particulars	30 JUNE, 2013		30 JUNE, 2012	
	No. of Shares	% of holding	No. of Shares	% of holding
<b>Equity Shares of Rs. 10 each fully paid-up</b>				
Zenith Impex Pvt Ltd	3510800	11.41	3510800	11.41
Rajul Estates Pvt Ltd	3003544	9.76	1903294	6.19
Copthall Mauritius Investment Ltd	1841087	5.98	1841087	5.98
Deutsche Securities Mauritius Ltd	-	-	1691286	5.50
Lloyd Sales Pvt Ltd	4110821	13.76	4110821	13.36
Perfect Radiators & Oil Coolers Pvt Ltd	3324348	10.48	3224348	10.48
Mr. Brij Raj Punj	1630129	5.30	1630129	5.30

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 Million)

Particulars	As at 30.06.2013	As at 30.06.2012
<b>NOTE:- 3</b>		
<b>RESERVES AND SURPLUS</b>		
<b>1) Capital Reserve</b>		
Revaluation Reserve 109.31		
Less: Set off depreciation 1.38	107.93	109.31
<b>2) Securities Premium Account:</b>	256.40	256.40
<b>3) General Reserve:</b>		
Opening balance	1905.53	1555.53
Add: Transfer from Profit & Loss a/c	350.00	350.00
	2255.53	1905.53
<b>4) Profit &amp; Loss Account:</b>		
Profit for the Year	496.51	446.65
Balance Brought Forward from Previous year	153.28	92.39
	649.79	539.04
<b>Less:- Appropriations</b>		
Proposed Dividend	30.77	30.77
Provision for tax on Dividend	4.99	4.99
Transfer to General Reserve	350.00	350.00
<b>Balance Carried To Balance Sheet</b>	264.03	153.28
<b>TOTAL</b>	<b>2883.89</b>	<b>2424.52</b>



(Rs. in Million)

Particulars	As at 30.06.2013	As at 30.06.2012
<b>NOTE:- 4</b>		
<b>LONG TERM BORROWINGS</b>		
1. <b>Term Loans</b>		
<b>From Schedule Banks</b>		
Foreign Currency loan	983.52	1030.08
Indian Currency Loan	350.50	240.41
<b>TOTAL</b>	<b>1334.02</b>	<b>1270.49</b>

**Note:-**

1. Indian rupee loan of Rs. 25.00 Crores from State Bank of Hyderabad carries interest @ 12.50%. The loan is repayable in 16 quarterly installment of Rs. 1.5625 crores each after monotorium of 1 year from the date of loan i.e. 24.03.2011.
2. Indian rupee loan of Rs. 15.76 Crores from Karnataka Bank carries interest @ 12.5% P.A. The loan is repayable in equal monthly instalment of Rs. 26.76 lacs, with last instalment due on January'16.
3. Foreign Currency Loan (ECB)-1 of USD 7.32 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4% . The loan is repayable in 22 quarterly installments starting from 18 months from the date of first draw-down i.e.3rd Oct'11.
4. Foreign Currency Loan (ECB)-2 of USD 3.3 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4 % . The loan is repayable in 22 quarterly Installment starting from 18 months from the date of first draw-down i.e. 1st June'11
5. Foreign Currency Loan (ECB)-3 of USD 4 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4 % . The loan is repayable in 22 quarterly Installment starting from 18 months from the date of first draw-down i.e.29th April'11
6. Foreign Currency Loan(ECB) of USD 5.5 Million from Standard Chartered Bank carries interest @ LIBOR plus 2.90%. The loan is repayable in 16 equal quarterly instalments beginning from 15th month from the date of first draw-down i.e. 3rd Oct'11
7. Indian rupee loan of Rs. 25.00 Crores from State Bank of India carries interest @ 12.50%. The loan is repayable in 16 quarterly installment of Rs. 1.5625 crores each after monotorium of 1 year from the date of loan i.e. 28.09.2012.

(Rs. in Million)

Particulars	As at 30.06.2013	As at 30.06.2012
<b>NOTE - 5</b>		
<b>DEFERRED TAX LIABILITIES</b>		
<b>Opening Balance</b>	<b>8.31</b>	<b>10.72</b>
Deferred Tax Liability on account of Depreciation	-	-
Less: transferred from Deferred Tax Asset	2.78	2.40
<b>Net Deferred Tax Liability</b>	<b>5.53</b>	<b>8.32</b>
<b>NOTE - 6</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for Gratuity	41.90	30.92
<b>TOTAL</b>	<b>41.90</b>	<b>30.92</b>

(Rs. in Million)

Particulars	As at 30.06.2013	As at 30.06.2012
<b>NOTE:- 7</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>1. Working Capital Loans:</b>		
From Banks	3593.04	2270.72
<b>TOTAL</b>	<b>3593.04</b>	<b>2270.72</b>
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.		
<b>NOTE - 8</b>		
<b>TRADE PAYABLES</b>		
Sundry Creditors	751.45	851.04
<b>TOTAL</b>	<b>751.45</b>	<b>851.04</b>
<b>NOTE - 9</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Interest Accrued but not due on Term Loan	2.59	5.09
Other Liabilities	113.96	102.00
Unclaimed Dividend	5.67	5.59
Unsecured Loan	-	200.00
<b>Current maturity of Long Term Borrowings</b>		
Foreign Currency loan	139.03	89.30
Indian Currency Loan	141.49	94.65
Loan against Vehicles (secured by hypothecation of vehicle financed)	0.95	0.89
<b>TOTAL</b>	<b>403.69</b>	<b>497.52</b>
<b>NOTE - 10</b>		
<b>CURRENT PROVISIONS</b>		
Provision for Income Tax	125.00	268.85
Provision for Dividend	30.77	30.77
Provision for Tax on Dividend	4.99	4.99
<b>TOTAL</b>	<b>160.76</b>	<b>304.61</b>

**NOTE - 11**
**FIXED ASSETS:**

(Rs. In Million)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As At 01.07.2012	Additions	Transfer/ Adjustment	As At 30.06.2013	Up To 30.06.2012	For The Year	Adjustment	Total
Land	520.04	0.24	-	520.28	-	-	-	-
Building Factory	936.58	96.14	-	1,032.72	139.82	88.41	-	228.23
Office Premises	24.41	-	-	24.41	16.27	0.41	-	16.68
Temporary Shed	35.24	-	-	35.24	31.86	3.38	-	35.24
Furniture & Fixtures	34.74	0.32	-	35.05	7.34	4.97	-	12.31
Plant & Machinery	1,422.11	230.81	-	1,652.92	379.45	152.71	-	532.16
Dies	200.75	-	-	200.75	130.87	9.72	-	140.59
Generator	11.12	-	-	11.12	4.99	0.85	-	5.85
Computer	39.56	7.26	-	46.82	30.46	7.08	-	37.54
Office Equipments	12.91	1.86	-	14.77	5.43	1.22	-	6.65
Electric Equipments	20.20	-	-	20.20	7.81	1.72	-	9.54
Air-conditioners	6.39	-	-	6.39	3.60	0.39	-	3.99
Refrigerators	0.28	-	-	0.28	0.26	0.00	-	0.26
Fan	0.61	-	-	0.61	0.52	0.01	-	0.54
Motor Car	23.08	2.69	1.16	24.61	15.03	2.72	0.89	16.86
Scooter & Motor Cycle	1.03	-	-	1.03	0.44	0.15	-	0.59
Fork Lifter	1.34	-	-	1.34	0.81	0.07	-	0.89
Tools	22.74	8.19	-	30.92	7.03	2.79	-	9.82
Intangible Assets	-	9.39	-	9.39	-	2.16	-	2.16
<b>TOTAL</b>	<b>3,313.11</b>	<b>356.89</b>	<b>1.16</b>	<b>3,668.84</b>	<b>781.99</b>	<b>278.77</b>	<b>0.89</b>	<b>1,059.88</b>
(Previous Year)	1,935.02	1,378.08	-	3,313.11	607.85	174.15	-	781.99
Total Depreciation during the year					278.77			
Less: Revaluation Reserve W/back to the extent of dep. On addition on a/c of Revaluation					1.38			
Depreciation charged to Profit & Loss Account					<u>277.39</u>			

(Rs. in Million)

Particulars	Face Value	Number of Shares	AS AT 30.06.2013	Number of Shares	AS AT 30.06.2012
<b>NOTE:- 12</b>					
<b>INVESTMENTS</b>					
<b>Quoted Shares</b>					
Lloyd Electric & Engineers Ltd (M.V Rs.32.15 Per Share)	10	100	-	100	-
State Bank of Bikaner & Jaipur (M.V. Rs. 407.50 Per Share)	100	375	0.21	375	0.21
<b>Sub-Total (A) Rs.</b>			<b>0.21</b>		<b>0.21</b>
<b>Unquoted Shares</b>					
Lloyd Credits Ltd.	10	300000	3.00	300000	3.00
State Bank Of India PSU			0.50		0.50
SBI Mutual Fund (Gold Fund)			0.50		0.50
Vicinity Rfid Solution P ltd	10	55500	0.67	55500	0.67
<b>Subsidiary Company</b>					
Fedders Lloyd Trading FZE	100000AED	5	5.45	5	5.45
<b>Sub-Total (B) Rs.</b>			<b>10.11</b>		<b>10.11</b>
<b>Total (A+B)</b>			<b>10.32</b>		<b>10.32</b>
Additional Information :					
1) Aggregate amount of Company's -					
a) Market value of Quoted Investments			0.16		0.15
b) Unquoted Investments			10.11		10.11

(Rs. in Million)

Particulars	As at 30.06.2013	As at 30.06.2012
<b>NOTE:- 13</b>		
<b>LONG TERM LOAN &amp; ADVANCES</b>		
Security Deposits	32.87	12.14
Retention Money Recoverable	149.66	451.47
Loan to subsidiary Company	18.05	18.05
<b>TOTAL</b>	<b>200.58</b>	<b>481.66</b>
<b>NOTE - 14</b>		
<b>OTHER NON CURRENT ASSETS</b>		
<b>DEFERRED REVENUE EXPENSES</b>		
Opening balance	-	3.50
Addition during the year	-	-
Total	-	3.50
Less: Written off During the year	-	3.50
	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

# Fedders Lloyd Corporation Ltd

Annual Report 2012-2013

(Rs. in Million)

Particulars	As at 30.06.2013	As at 30.06.2012
<b>NOTE:- 15</b>		
<b>INVENTORIES</b>		
Raw-materials, Consumables and Components	870.64	850.05
Stock in Process	1615.30	1053.56
Finished Goods	389.19	207.80
<b>TOTAL</b>	<b>2875.13</b>	<b>2111.41</b>
<b>NOTE - 16</b>		
<b>TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from the date they are due for payment	117.77	69.81
Other Receivables	2873.40	1939.61
<b>TOTAL</b>	<b>2991.17</b>	<b>2009.42</b>
<b>NOTE - 17</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
<b>CASH AND BANK BALANCES</b>		
Cash balance in hand	9.86	3.69
<b>Balances with Scheduled banks</b>		
In Current Accounts	5.79	7.42
Dividend with Bank	5.67	5.59
In fixed deposits	34.44	111.74
Interest accrued on fixed deposit	2.72	1.79
<b>TOTAL</b>	<b>58.48</b>	<b>130.23</b>
<b>NOTE - 18</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
Advances recoverable in cash or in kind or for value to be recovered	264.91	265.50
Pre payments	-	-
Deposits	-	-
Advances to employees	22.75	18.88
Balances with Customs, Excise & Service Tax	50.02	41.70
Excise /Custom Duty Service tax Recoverable	0.65	4.07
VAT Input Credit	107.45	23.91
Advance Income Tax & TDS	63.19	117.52
<b>TOTAL</b>	<b>508.97</b>	<b>471.58</b>



(Rs. in Million)

Particulars	Year Ended 30.06.2013	Year Ended 30.06.2012
<b>NOTE:-19</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Projects/Manufacturing Goods	10294.47	9012.51
<b>TOTAL</b>	<b>10294.47</b>	<b>9012.51</b>
<b>NOTE - 20</b>		
<b>OTHER INCOME</b>		
Interest Income	8.72	41.83
Profit On Sale Of Fixed Assets	0.04	-
Export Incentive	-	52.28
Rent Received	-	0.30
Dividend Income	0.06	0.09
Gain on Foreign Exchange	45.92	-
Other Income	3.86	-
<b>TOTAL</b>	<b>58.60</b>	<b>94.50</b>
<b>NOTE - 21</b>		
<b>COST OF MATERIAL CONSUMED</b>		
Raw materials, consumables & component consumed		
Opening stocks	850.04	1056.58
Add: Purchases	8716.03	6796.14
Carriage Inwards	18.69	18.16
Less: Closing stocks	(870.64)	(850.04)
<b>Cost Of Raw Material, Consumables &amp; Components Consumed</b>	<b>8714.12</b>	<b>7020.84</b>
<b>NOTE - 22</b>		
<b>CHANGES IN INVENTORY</b>		
<b>1) Decrease/(Increase) in stocks in Progress</b>		
Opening stock	1053.56	336.05
Less : Closing stock	1615.30	1053.56
<b>Decrease/ (increase) in Stock in Progress</b>	<b>(561.74)</b>	<b>(717.51)</b>
<b>2) Decrease/(Increase) in finished goods:</b>		
Opening stock	207.80	533.42
Less : Closing stock	389.19	207.80
<b>Decrease/ (increase) in Finished Goods</b>	<b>(181.39)</b>	<b>325.62</b>
<b>Total</b>	<b>(743.13)</b>	<b>(391.89)</b>

# Fedders Lloyd Corporation Ltd

Annual Report 2012-2013

(Rs. in Million)

Particulars	Year Ended 30.06.2013	Year Ended 30.06.2012
<b>NOTE:- 23</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Wages (Workes)	69.47	39.63
Labour Welfare	5.52	4.72
Salary Account	232.62	164.44
Employer contribution in PF	18.81	17.81
Employer contribution in ESI	1.31	1.53
Gratuity	11.44	6.44
Bonus	1.76	2.11
Leave Encashment	0.17	0.23
Staff Welfare	14.41	9.19
<b>Total</b>	<b>355.51</b>	<b>246.10</b>
<b>NOTE - 24</b>		
<b>OTHER EXPENSES</b>		
Repair and Maintenance		
- Plant & Machinery	5.09	3.76
- Building & Office	0.39	0.19
- Others	0.46	0.82
Electricity Charges	41.41	31.91
Factory Overheads	13.03	14.13
Insurance	7.14	6.11
Rent Rate & Taxes	23.58	39.21
Postage & Courier & Telephone Expenses	14.64	14.57
Printing and stationery	6.98	6.59
Tender Fees	2.42	2.75
Newspapers & Periodicals	0.16	0.09
Audit Fee (including service tax)	1.11	0.99
Legal & Professional Expenses	15.34	20.41
Travelling & Conveyance Expenses	24.57	29.81
Utilities	-	-
Motor Car Expenses	6.98	5.47
Misc. Expenses	2.39	6.32
Loss on sale of Fixed Assets	-	-
Loss on foreign exchange fluctuation	1.86	23.57
Advertisement Expenses	1.68	1.90
Discount	5.65	2.98
Service charges	6.62	1.64
Selling expenses	154.75	232.39
Commission	53.10	36.93
Exhibition Expenses	0.23	4.13
Research & Development Expenses	11.08	11.42
Watch & Ward	12.26	10.22
Computer /Software Expenses	10.30	5.43
Donation	1.07	0.93
Taxes Gain & Loss	2.24	2.08
Fees & Taxes(including club fee)	6.98	5.22
Director Remuneration & Sitting Fees	15.06	16.12
Warranty Expenses	0.46	0.86
<b>Total</b>	<b>449.03</b>	<b>538.95</b>

(Rs. in Million)

Particulars	Year Ended 30.06.2013	Year Ended 30.06.2012
<b>NOTE:-25</b>		
<b>FINANCIAL COSTS</b>		
Interest Paid	368.27	292.18
Bank charges	71.16	63.00
<b>Total</b>	<b>439.43</b>	<b>355.18</b>
<b>NOTE - 26</b>		
<b>DEPRECIATION AND AMORTISATION</b>		
Depreciation on Tangible Assets	277.39	172.62
Deffered Revenue Expenses Written off during the year	-	3.50
<b>Total</b>	<b>277.39</b>	<b>176.12</b>

# Fedders Lloyd Corporation Ltd

Annual Report 2012-2013

## NOTE - 27

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

#### a) Related Companies :-

	Nature of relationship (Associated co./subsidiary co./directors interested)
Airserco Pvt. Ltd	Directors Interested
Lloyd Electric & Engg. Ltd.	Directors Interested
Perfect Radiators and Oil Coolers Pvt. Ltd.	Directors Interested
PSL Engineering Pvt. Ltd.	Directors Interested
Regal Information Technology Pvt. Ltd.	Directors Interested
Lloyd Aircon Pvt. Ltd.	Directors Interested
Lloyd Credit Ltd.	Directors Interested
Lloyd IT Technology Pvt. Ltd.	Directors Interested
Lloyd Sales Pvt. Ltd.	Directors Interested
Lloyd Manufacturing Pvt. Ltd.	Directors Interested
Himalayan Mineral Water Pvt. Ltd.	Directors Interested

#### FOREIGN SUBSIDIARY COMPANY

Fedders Lloyd Trading FZE	100% Subsidiary
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#### b) Key Management Personnel

Mr. Brij Raj Punj	Chairman and Managing Director
Mr. Sham Sunder Dhawan	Whole Time Director
Mr. Nemichandra Dhanyakumar Jain	Whole Time Director

#### c) Transaction with related Companies

	(Rs. In Million)
Purchase of Goods	36.76
Sales of Goods	385.09

## NOTE - 28

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

Particulars	(Rs. In Million)
i) Raw Materials Components & Parts	642.48
ii) Capital Goods	4.15

## NOTE - 29

### VALUE OF RAW MATERIAL CONSUMED

Particulars	Percentage(%)	Value (In Million)
Imported	9.14	796.49
Indigenous	90.86	7917.63
<b>Total</b>	<b>100.00</b>	<b>8714.12</b>

## NOTE -30

### FOREIGN EXCHANGE OUTGO

PARTICULARS	(Rs. In Million)
Remittance in Foreign Currency on account of Import Raw Materials Component & Parts	642.48
Plant & Machinery/Tools	4.15
Travelling Expenses	15.17
Other Expenses:	104.76

## NOTE - 31

### EARNINGS IN FOREIGN EXCHANGE

Export Sales	2524.71
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## NOTE - 32

### PAYMENT TO AUDITORS

Audit Fees	0.89
Tax Audit fee	0.10
Add Service Tax	0.12
<b>TOTAL</b>	<b>1.11</b>

## NOTE - 33

### PAYMENT TO DIRECTORS

Remuneration & Perks	14.83
Provident Fund	1.10
Bonus	-

## NOTE - 34

Company as policy obtains balance confirmation from Sundry Debtors, Sundry Creditors and other advances on monthly/ quarterly/ half yearly basis depending upon quantum of transactions made with the parties. Considering the same, the Company does not have all balance confirmation as at June 30, 2013 the effect of the same, if any which is not likely to be material will be adjusted at the time of confirmation.

## NOTE - 35

Excise duty of Rs. 1384.89 includes charged on Sales and Stock transfer.



**NOTE- 36**
**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED**
**Rs. In Million**
**Format for Reporting of Segment wise Revenue, Results and Capital Employed**

Particulars	Standalone	
	For the year ended	
	30.06.2013 (Audited)	30.06.2012 (Audited)
<b>1. Segment Revenue</b>		
(a) Segment –ENVIRONMENTAL CONTROL SYSTEM	398.66	1286.71
(b) Segment – STEEL STRUCTURE & ENGINEERING	5425.73	4255.81
(c) Segment – POWER PROJECTS	4390.20	3380.55
<b>Total</b>	<b>10214.59</b>	<b>8923.07</b>
Less: Inter Segment Revenue	-	-
<b>Net sales/Income From Operations</b>	<b>10214.59</b>	<b>8923.07</b>
<b>2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)</b>		
(a) Segment –ENVIRONMENTAL CONTROL SYSTEM	58.92	136.72
(b) Segment – STEEL STRUCTURE & ENGINEERING	466.46	308.97
(c) Segment – POWER PROJECTS	522.08	295.92
<b>Total</b>	<b>1047.46</b>	<b>741.61</b>
Less: (i) Interest	368.27	292.18
(ii) Other Un-allocable Expenditure net off	60.47	31.15
(iii) Un-allocable income	-	138.72
<b>Total Profit Before Tax</b>	<b>618.72</b>	<b>557.00</b>
<b>3. Capital Employed</b>		
(Segment assets – Segment Liabilities)		
(a) Segment –ENVIRONMENTAL CONTROL SYSTEM	846.34	793.78
(b) Segment – STEEL STRUCTURE & ENGINEERING	2790.60	2532.58
(c) Segment – POWER PROJECTS	1123.04	736.71
(d) Unallocated	46.14	123.60
<b>Total</b>	<b>4806.12</b>	<b>4186.67</b>

**NOTE – 37**

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

## NOTE - 38

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

## NOTE - 39

### CONTINGENT LIABILITIES NOT PROVIDED FOR

(Rs. In Million)

Bank Guarantees	2679.00
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## NOTE - 40

The previous year figures have been regrouped or reclassified as and where found necessary.

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

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

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

A. A. Siddiqi  
AVP Finance

S. S. Dhawan  
Director

K.Lall  
Director

Brij Raj Punj  
Chairman & Managing Director

Date : November 11, 2013

Place : New Delhi

## Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Company as on 30<sup>th</sup> June, 2013

(In AED)

1	Name of Subsidiary Company	Fedders Lloyd Trading FZE (Ras Al Khaimah, United Arab Emirates)
2	Financial Year of the Subsidiary Company	01st July, 2012 to 30th June, 2013
3	Holding Company's Interest as on the above	
	a) Number of Shares	5 shares
	b) Face Value	AED 1,00,000/-
	c) Extent of Share holding in the subsidiary	100%
4	Net aggregate amount of the subsidiary's Profit/Loss so far as it concern members of Holding Company and not dealt with in the Holding Company's Accounts:	
	i) For Subsidiary's financial year ended as above	AED (13,218)
	ii) For Subsidiary's previous financial year since it became subsidiary.	AED (1,602,246)
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
	ii) For Subsidiary's previous financial year since it became Subsidiary.	Nil
6	Additional information u/s 212(5)	N.A

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

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

**A. A. Siddiqi**  
**AVP Finance**

**S. S. Dhawan**  
**Director**

**K. Lall**  
**Director**

**Brij Raj Punj**  
**Chairman & Managing Director**

**Date : November 11, 2013**  
**Place : New Delhi**

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



**LIVE THE FUTURE**

## Consolidated Financial Statement 2012 - 2013



LIVE THE FUTURE

## Consolidated Independent Auditor's Report

To the Board of Directors of Fedders Lloyd Corporation Ltd.

We have audited the accompanying consolidated financial statements of Fedders Lloyd Corporation Ltd. ("the Company") which comprise the **consolidated Balance Sheet as at June 30, 2013** and the consolidated statements of Profit & Loss and consolidated 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

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with 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 consolidated financial statements that give a true and fair view and are free from material mis-statement, whether due to fraud or error.

### Auditor's 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 of Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material mis-statement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material mis-statement 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 our 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, associated and joint ventures as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the consolidated Balance Sheet, of the state of affairs as at June 30, 2013;
- b) In the case of the consolidated statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) In the case of the consolidated Cash Flow statement, of the cash flows for the year ended on that date

## Other Matters

In respect of the financial statements of certain 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, insofar 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 Revenues (Rs.)	Net Cash inflows/(outflows) (Rs.)
1.	Fedders Lloyd Trading FZE	13,65,688	3,35,963	1,10,197

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 June 30, 2013, which were complied 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 Revenues (Rs.)	Net Cash inflows/(outflows) (Rs.)
1.	Foreign Subsidiaries	13,65,688	3,35,963	1,10,197

Our opinion is not qualified in respect of these matters.

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

(BRIJESH C. MATHUR)

Partner

Membership No. 083540

Dated: November 11, 2013

Place: New Delhi



# Consolidated Balance Sheet

as at 30<sup>th</sup> June, 2013

(Rs. in Million)

Particulars	Note	As at 30.06.2013	As at 30.06.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	307.70	307.70
(b) Reserves and Surplus	3	2867.25	2404.72
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	1334.02	1270.50
(b) Deferred tax liabilities	5	5.53	8.31
(c) Long term provisions	6	41.90	30.91
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	7	3593.04	2270.72
(b) Trade payables	8	751.57	851.04
(c) Other current liabilities	9	403.80	497.67
(d) Short-term provisions	10	160.76	304.60
<b>Total</b>		<b>9465.57</b>	<b>7946.17</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	2601.74	2531.11
(ii) Intangible assets		7.23	-
(iii) Capital work-in-progress		50.12	41.88
(iv) Project Under Development		178.25	178.24
(b) Non-current investments	12	4.87	4.87
(c) Long term loans and advances	13	182.53	463.60
(d) Other non-current assets	14	-	-
<b>(2) Current assets</b>			
(a) Inventories	15	2876.67	2112.84
(b) Trade receivables	16	2992.91	2009.94
(c) Cash and cash equivalents	17	61.54	131.42
(d) Short-term loans and advances	18	509.71	472.27
<b>Total</b>		<b>9465.57</b>	<b>7946.17</b>
<b>NOTES TO ACCOUNTS</b>			
Accompanying Notes are an integral part of the Financial Statements			

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

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

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

A. A. Siddiqi  
AVP Finance

S. S. Dhawan  
Director

K.Lall  
Director

Brij Raj Punj  
Chairman & Managing Director

Date : November 11, 2013  
Place : New Delhi

# Consolidated Statement of Profit & Loss

## for the Year Ended 30<sup>th</sup> June, 2013

		(Rs. in Million)	
Particulars	Note	Year Ended 30.06.2013	Year Ended 30.06.2012
<b>I. Income</b>			
Revenue from operations (Gross):	19	10279.42	9020.26
Less:- Excise Duty		138.49	183.94
Revenue from operations (Net)		10140.93	8836.32
Sale of Logo		-	138.72
Other Income	20	58.60	94.50
<b>Total Revenue (I)</b>		<b>10199.53</b>	<b>9069.54</b>
<b>II. Expenses:</b>			
Cost of materials consumed	21	8714.12	7031.40
Purchase of Stock-in-Trade		87.61	559.50
Changes in inventories of Finished Goods, Work-in Progress and Stock-in-Trade	22	(743.13)	(391.90)
Employee Benefit Expenses	23	355.51	246.10
Other Expenses	24	449.02	540.75
<b>Total Expenses (II)</b>		<b>8863.13</b>	<b>7985.85</b>
<b>III. Profit before Interest, Depreciation / Amortisation and Tax (EBITDA)</b>	(I - II)	1336.40	1083.69
Finance Costs	25	439.42	355.19
Depreciation & Amortisation	26	277.39	176.12
<b>IV. Profit before Tax (V - VI)</b>		<b>619.58</b>	<b>552.38</b>
<b>V. Tax expense:</b>			
(1) Current tax		125.00	112.76
(2) Deferred tax		(2.78)	(2.40)
<b>VI. Profit(Loss) from the period from continuing operations</b>		<b>497.36</b>	<b>442.02</b>
<b>VII. Earning per equity share:</b>			
(1) Basic & Diluted (Rs.)		16.16	14.37

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

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

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

A. A. Siddiqi  
AVP Finance

S. S. Dhawan  
Director

K.Lall  
Director

Brij Raj Punj  
Chairman & Managing Director

Date : November 11, 2013  
Place : New Delhi

# Consolidated Cash Flow Statement

for the Year Ended 30<sup>th</sup> June 2013

(Rs. in Million)

Particulars	Year Ended 30.06.2013	Year Ended 30.06.2012
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit before tax	619.58	552.37
<b>Adjustments for :</b>		
Add : Depreciation	277.39	172.62
Preliminary Expenses written off	-	3.50
Provision for Gratuity	10.98	6.43
Interest Paid	368.27	292.19
Less: Profit on sale of fixed assets	(0.04)	(41.83)
Interest Income	(8.72)	(2.31)
Gratuity Paid	(0.45)	(52.28)
Export Incentive	-	(0.09)
Dividend Income	(0.06)	-
<b>Operating profit before working capital changes</b>	<b>1266.95</b>	<b>930.60</b>
Trade & other receivables	(982.97)	(244.78)
Inventories	(763.83)	(181.36)
Loans & Advances	(91.77)	(461.22)
Short Term Borrowings	1322.32	315.99
Other current Liabilities	(93.87)	241.80
Trade & other payable	(99.47)	188.14
<b>Cash generated from operations</b>	<b>557.36</b>	<b>789.17</b>
Exchange Fluctuation	(6.24)	3.06
Direct tax paid	156.63	(78.00)
<b>Net Cash Flow from Operating Activities</b>	<b>707.75</b>	<b>714.23</b>
<b>B Cash Flow from Investing Activities:</b>		
Purchase of fixed assets	(365.13)	(1378.08)
Purchase of investments	-	(0.5)
Sale of fixed assets	0.31	41.83
Interest received	8.72	-
Dividend received	0.06	0.09
<b>Net Cash Flow from Investing Activities</b>	<b>(356.04)</b>	<b>(1336.66)</b>
<b>C Cash Flow from Financial Activities:</b>		
Long Term Loans and Advances	(81.07)	601.98
Proceeds from Long Term Borrowing	63.51	(46.15)
Dividend Paid	(30.77)	(7.47)
Dividend Tax	(4.99)	(292.18)
Interest paid	(368.22)	256.18
<b>Net Cash Flow from Financing Activities</b>	<b>(421.54)</b>	<b>256.18</b>
<b>Net increase/decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>(69.83)</b>	<b>(366.25)</b>
Opening Balance of Cash and Cash Equivalents	131.42	495.88
Closing Balance of Cash and Cash Equivalents	61.53	129.62
<b>Net increase/ decrease in Cash and Cash Equivalents</b>	<b>(69.83)</b>	<b>(366.25)</b>

Refer to our Report of even date  
For Suresh C. Mathur & Co.  
Chartered Accountants  
(Firm Registration No. 000891N)

(Brijesh C. Mathur)  
Partner  
M. No. : 083540

Purnima Sharma  
Company Secretary

A. A. Siddiqi  
AVP Finance

S. S. Dhawan  
Director

K.Lall  
Director

Brij Raj Punj  
Chairman & Managing Director

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

## AUDITOR'S REPORT

We have examined the above Cash Flow Statement of Fedders Lloyd Corporation Limited for the year ended 30th June 2013. The statement has been prepared by the company in accordance with the requirements of clause 32 of the listing agreement entered into with Stock Exchanges and is based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the company.

for Suresh C. Mathur & Co.  
Chartered Accountants,

Brijesh C. Mathur  
Partner

M. No.:083540

(Firm Registration No. 000891N)

Dated : November 11, 2013

Place : New Delhi

# Consolidated Notes to Financial Statements

## for the Year Ended 30<sup>th</sup> June 2013

### NOTES:-1

#### 1.1 CORPORATE INFORMATION

Fedders Lloyd Corporation 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 and well diversified in the field of Environment Control Systems (ECS), fabrication of steel structures for Power, commercial and industrial construction projects and implementation of high power transmission lines. The Company has also been into export of power equipment's / components to various funded projects by multilateral agencies like World Bank etc. in African countries.

The Company has been generating revenues mainly from three segments:-

1. Environmental Control Systems
2. Steel structures & Engineering
3. Power Transmission & Distribution and Overhead Electrification (OHE)

#### 1.2 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.

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.

#### 1.3 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 (other than land) is provided on written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- ii) Revaluation reserve has been utilized to the extent of amount needed to set-off depreciation on addition to fixed assets on a/c revaluation of assets.

## **d) Intangible Assets**

Intangible Assets are stated at cost of acquisition .

## **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 net of modvat as per the FIFO method after providing for cost of obsolescence value.
- ii) Stock in process is valued at direct cost, i.e., cost of materials and variable manufacturing expenses.
- iii) Finished goods are valued at lower of cost or net realizable value.
- iv) Stock in transit lying in customs warehouse is valued at cost but does not include custom duty payable, however, non-provision of duty does not affect the profit for the year.

## **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) Sales and service include excise duty and adjustments made towards liquidated damages and price variation, wherever applicable. Escalation and other claims, which are not ascertainable / acknowledged by customers, are not taken into account.
- v) Revenue from project related activity is recognized on the basis of running bills raised on the basis of completion of the project activities.
- vi) 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 and the diminution if any in the value of these investments is temporary in nature.

## **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.

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

PARTICULARS	AMOUNT (Rs. in Million)
<b>Deferred Tax Liabilities</b>	
Depreciation Difference	1.82
<b>Deferred Tax Assets</b>	
Other Provisions	3.71
<b>Net Deferred Tax Assets</b>	<b>5.53</b>

**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**

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

**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 June 30, 2013 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 Notes to financial statement.

**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 Million)

Particulars	As at 30.06.2013	As at 30.06.2012
<b>NOTE:- 2</b>		
<b>SHARE CAPITAL</b>		
<b>1. Authorized Capital</b>		
7,00,00,000 Equity Share of Rs. 10/- each (Previous year 7,00,00,000 Equity Share of Rs. 10/- each)	700.00	700.00
<b>Total Authorized Share Capital</b>	<b>700.00</b>	<b>700.00</b>
<b>2. Issued &amp; Subscribed Capital</b>		
3,07,69,700 Equity Shares of Rs. 10/- each	307.70	307.70
<b>3. Paid up Capital</b>		
3,07,69,700 Equity Shares of Rs. 10/- each fully paid up (Previous Year 3,07,69,700 equity shares of Rs. 10/- each)	307.70	307.70
<b>Total Issued, Subscribed and Fully Paid-up Share Capital</b>	<b>307.70</b>	<b>307.70</b>

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

(Rs. in Million)

Particulars	30 JUNE, 2013		30 June, 2012	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares</b>				
Shares outstanding at the beginning of the year	30769700	307.70	30769700	307.70
Shares Issued during the year	-	-	-	-
<b>Shares outstanding at the End of the year</b>	<b>30769700</b>	<b>307.70</b>	<b>30769700</b>	<b>307.70</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.

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

Particulars	30 JUNE, 2013		30 JUNE, 2012	
	No. of Shares	% of holding	No. of Shares	% of holding
<b>Equity Shares of Rs. 10 each fully paid-up</b>				
Zenith Impex Pvt Ltd	3510800	11.41	3510800	11.41
Rajul Estates Pvt Ltd	3003544	9.76	1903294	6.19
Copthall Mauritius Investment Ltd	1841087	5.98	1841087	5.98
Deutsche Securities Mauritius Ltd	0	-	1691286	5.50
Lloyd Sales Pvt Ltd	4110821	13.36	4110821	13.36
Perfect Radiators & Oil Coolers Pvt Ltd	3324348	10.48	3224348	10.48
Mr. Brij Raj Punj	1630129	5.30	1630129	5.30

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 Million)

Particulars	As at 30.06.2013	As at 30.06.2012
<b>NOTE:- 3</b>		
<b>RESERVES AND SURPLUS</b>		
<b>1) Capital Reserve</b>		
Revaluation Reserve Rs. 109.31		
Less: Set off depreciation Rs. 1.38	107.93	109.31
<b>2) Securities Premium Account</b>	256.40	256.40
<b>3) General Reserve</b>		
Opening balance	1905.53	1555.53
Add: Transfer from Profit & Loss a/c	350.00	350.00
	2255.53	1905.53
<b>3A) Exchange Fluctuation Difference on Consolidation</b>	(0.76)	(3.07)
<b>4) Profit &amp; Loss Account</b>		
Profit for the Year	497.36	442.03
Balance Brought Forward from Previous year	136.55	80.28
	633.91	522.31
<b>Less: Appropriations</b>		
Proposed Dividend	30.77	30.77
Provision for tax on Dividend	4.99	4.99
Transfer to General Reserve	350.00	350.00
<b>Balance Carried To Balance Sheet</b>	248.15	136.55
<b>TOTAL</b>	<b>2867.25</b>	<b>2404.72</b>

(Rs. in Million)

Particulars	As at 30.06.2013	As at 30.06.2012
<b>NOTE:- 4</b>		
<b>LONG TERM BORROWINGS</b>		
1. <b>Term Loans</b>		
Loan from FLCL	-	
<b>From Schedule Banks:-</b>		
Foreign Currency loan	983.52	1030.09
Indian Currency Loan	350.50	240.41
<b>TOTAL</b>	<b>1334.02</b>	<b>1270.50</b>

**Note:-**

1. Indian rupee loan of Rs. 25.00 Crores from State Bank of Hyderabad carries interest @ 12.50%. The loan is repayable in 16 quarterly installment of Rs. 1.5625 crores each after monotorium of 1 year from the date of loan i.e. 24.03.2011.
2. Indian rupee loan of Rs. 15.76 Crores from Karnataka Bank carries interest @ 12.5% P.A. The loan is repayable in equal monthly instalment of Rs. 26.76 lacs, with last instalment due on January'16.
3. Foreign Currency Loan (ECB )-1 of USD 7.32 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4% . The loan is repayable in 22 quarterly installments starting from 18 months from the date of first draw-down i.e.3rd Oct'11.
4. Foreign Currency Loan (ECB)-2 of USD 3.3 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4 %. The loan is repayable in 22 quarterly Installment starting from 18 months from the date of first draw-down i.e. 1st June'11
5. Foreign Currency Loan (ECB)-3 of USD 4 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4 %. The loan is repayable in 22 quarterly Installment starting from 18 months from the date of first draw-down i.e.29th April'11
6. Foreign Currency Loan(ECB) of USD 5.5 Million from Standard Chartered Bank carries interest @ LIBOR plus 2.90%. The loan is repayable in 16 equal quarterly instalments beginning from 15th month from the date of first draw-down i.e. 3rd Oct'11
7. Indian rupee loan of Rs. 25 Crores from State Bank of India carries interest @ 12.50%. The loan is repayable in 16 quarterly installment of Rs. 1.5625 crores each after monotorium of 1 year from the date of loan i.e. 28.09.2012.

(Rs. in Million)

Particulars	As at 30.06.2013	As at 30.06.2012
<b>NOTE - 5</b>		
<b>DEFERRED TAX LIABILITIES</b>		
<b>Opening Balance</b>	8.31	10.71
Deferred Tax Liability on account of Depreciation	-	
Less: transferred from Deferred Tax Asset	2.78	2.40
<b>Net Deferred Tax Liability</b>	<b>5.53</b>	<b>8.31</b>
<b>NOTE - 6</b>		
<b>LONG TERM PROVISIONS</b>		
Provision for Gratuity	41.90	30.91
<b>TOTAL</b>	<b>41.90</b>	<b>30.91</b>

(Rs. in Million)

Particulars	As at 30.06.2013	As at 30.06.2012
<b>NOTE:- 7</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>1. Working Capital Loans</b>		
From Banks	3593.04	2270.72
<b>TOTAL</b>	<b>3593.04</b>	<b>2270.72</b>
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.		
<b>NOTE - 8</b>		
<b>TRADE PAYABLES</b>		
Sundry Creditors	751.57	851.04
<b>TOTAL</b>	<b>751.57</b>	<b>851.04</b>
<b>NOTE - 9</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Interest Accrued but not due on Term Loan	2.69	5.09
Other Liabilities	113.96	102.15
Unclaimed Dividend	5.67	5.59
Unsecured Loan	-	200.00
<b>Current maturity of Long Term Borrowings</b>		
Foreign Currency loan	139.03	89.30
Indian Currency Loan	141.49	94.65
Loan against Vehicles (secured by hypothecation of vehicle financed)	0.96	0.89
<b>TOTAL</b>	<b>403.80</b>	<b>497.67</b>
<b>NOTE - 10</b>		
<b>CURRENT PROVISIONS</b>		
Provision for Income Tax	125.00	268.84
Provision for Dividend	30.77	30.77
Provision for Tax on Dividend	4.99	4.99
<b>TOTAL</b>	<b>160.76</b>	<b>304.60</b>



**NOTE - 11**

**FIXED ASSETS:**

(Rs. In Million)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As At 01.07.2012	Additions	Transfer/ Adjustment	As At 30.06.2013	Up To 30.06.2012	For The Year	Adjustment	Total
Land	520.04	0.24	-	520.28	-	-	-	-
Building Factory	936.58	96.14	-	1032.72	139.82	88.41	-	228.23
Office Premises	24.41	-	-	24.41	16.27	0.41	-	16.68
Temporary Shed	35.24	-	-	35.24	31.86	3.38	-	35.24
Furniture & Fixtures	34.74	0.32	-	35.05	7.34	4.97	-	12.31
Plant & Machinery	1422.11	230.81	-	1652.92	379.45	152.71	-	532.16
Dies	200.75	-	-	200.75	130.87	9.72	-	140.59
Generator	11.12	-	-	11.12	4.99	0.85	-	5.85
Computer	39.56	7.26	-	46.82	30.46	7.08	-	37.54
Office Equipments	12.91	1.86	-	14.77	5.43	1.22	-	6.65
Electric Equipments	20.20	-	-	20.20	7.81	1.72	-	9.54
Air-conditioners	6.39	-	-	6.39	3.60	0.39	-	3.99
Refrigerators	0.28	-	-	0.28	0.26	0.00	-	0.26
Fan	0.61	-	-	0.61	0.52	0.01	-	0.54
Motor Car	23.08	2.69	1.16	24.61	15.03	2.72	0.89	16.86
Scooter & Motor Cycle	1.03	-	-	1.03	0.44	0.15	-	0.59
Fork Lifter	1.34	-	-	1.34	0.81	0.07	-	0.89
Tools	22.74	8.19	-	30.92	7.03	2.79	-	9.82
Intangible Assets	-	9.39	-	9.39	-	2.16	-	2.16
<b>TOTAL</b>	<b>3313.11</b>	<b>356.89</b>	<b>1.16</b>	<b>3668.84</b>	<b>781.99</b>	<b>278.77</b>	<b>0.89</b>	<b>1059.88</b>
(Previous Year)	1935.02	1378.08	-	3313.11	607.85	174.15	-	781.99
Total Depreciation during the year					278.77			
Less: Revaluation Reserve W/back to the extent of dep. On addition on a/c of Revaluation					1.38			
Depreciation charged to Profit & Loss Account					277.39			

(Rs. in Million)					
Particulars	Face Value	Number of Shares	AS AT 30.06.2013	Number of Shares	AS AT 30.06.2012
<b>NOTE:- 12</b>					
<b>INVESTMENTS</b>					
<b>Quoted Shares</b>					
Lloyd Electric & Engineers Ltd (M.V. Rs.32.15 Per share)	10	100	-	100	-
State Bank of Bikaner & Jaipur (M.V. Rs.407.50 Per Share)	100	375	0.20	375	0.20
<b>Sub-Total (A) Rs.</b>			<b>0.20</b>		<b>0.20</b>
<b>Unquoted Shares</b>					
Lloyd Credits Ltd.	10	300,000	3.00	300,000	3.00
State Bank Of India PSU			0.50		0.50
SBI Mutual Fund (Gold Fund)			0.50		0.50
Vicinity Rfid Solution P Ltd	10	55,500	0.67	55,500	0.67
<b>Subsidiary Company</b>					
<b>Sub-Total (B) Rs.</b>			<b>4.67</b>		<b>4.67</b>
<b>Total (A+B)</b>			<b>4.87</b>		<b>4.87</b>
Additional Information					
1) Aggregate amount of Company's -					
a) Market value of Quoted Investments			0.15		0.14
b) Unquoted Investments			4.66		4.66

(Rs. in Million)		
Particulars	As at 30.06.2013	As at 30.06.2012
<b>NOTE:- 13</b>		
<b>LONG TERM LOAN &amp; ADVANCES</b>		
Security Deposits	32.87	12.14
Retention Money Recoverable	149.66	451.46
Loan to subsidiary Company	-	
<b>TOTAL</b>	<b>182.53</b>	<b>463.60</b>
<b>NOTE - 14</b>		
<b>OTHER NON CURRENT ASSETS</b>		
<b>DEFERRED REVENUE EXPENSES</b>		
Opening balance	-	3.50
Addition during the year		
Total	-	3.50
Less: Written off During the year	-	3.50
	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

# Fedders Lloyd Corporation Ltd

Annual Report 2012-2013

(Rs. in Million)

Particulars	As at 30.06.2013	As at 30.06.2012
<b>NOTE:- 15</b>		
<b>INVENTORIES</b>		
Raw-materials, Consumables and Components	870.64	850.04
Stock in Process	1615.30	1053.56
Finished Goods	389.19	207.80
Trading Goods	1.54	5.76
Less: Allowance for slow moving inventories	-	(4.32)
<b>TOTAL</b>	<b>2876.67</b>	<b>2112.84</b>
<b>NOTE - 16</b>		
<b>TRADE RECEIVABLES</b>		
Outstanding for a period exceeding six months from the date they are due for payment	117.76	69.81
Other Receivables	2875.15	1940.13
<b>TOTAL</b>	<b>2992.91</b>	<b>2009.94</b>
<b>NOTE - 17</b>		
<b>CASH &amp; CASH EQUIVALENTS</b>		
<b>CASH AND BANK BALANCES</b>		
Cash balance in hand	12.92	3.69
<b>Balances with Scheduled banks</b>		
In Current Accounts	5.79	8.61
Dividend with Bank	5.67	5.59
In fixed deposits	34.44	111.74
Interest accrued on fixed deposit	2.72	1.79
<b>TOTAL</b>	<b>61.54</b>	<b>131.42</b>
<b>NOTE -18</b>		
<b>SHORT TERM LOANS &amp; ADVANCES :</b>		
Advances recoverable in cash or in kind or for value to be recovered	264.92	265.50
Pre payments	0.68	0.64
Deposits	0.05	0.05
Advances to employees	22.76	18.89
Balances with Customs, Excise & Service Tax	50.02	41.70
Excise /Custom Duty Service tax Recoverable	0.65	4.07
VAT Input Credit	107.44	23.91
Advance Income Tax & TDS	63.19	117.51
<b>TOTAL</b>	<b>509.71</b>	<b>472.27</b>

(Rs. in Million)

Particulars	Year Ended 30.06.2013	Year Ended 30.06.2012
<b>NOTE:-19</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Projects/Manufacturing Goods	10279.42	9020.26
<b>TOTAL</b>	<b>10279.42</b>	<b>9020.26</b>
<b>NOTE - 20</b>		
<b>OTHER INCOME</b>		
Interest Income	8.72	41.83
Profit On Sale Of Fixed Assets	0.04	-
Export Incentive	-	52.28
Rent Received	-	0.30
Dividend Income	0.06	0.09
Gain on Foreign Exchange	45.93	-
Other Income	3.85	-
<b>TOTAL</b>	<b>58.60</b>	<b>94.50</b>
<b>NOTE - 21</b>		
<b>COST OF MATERIAL CONSUMED</b>		
Raw materials, consumables & component consumed		
Opening stocks	851.34	1061.37
Add: Purchases	8714.73	6803.20
Carriage Inwards	18.69	18.17
Less: Closing stocks	(870.64)	(851.34)
<b>Cost Of Raw Material, Consumables &amp; Components Consumed</b>	<b>8714.12</b>	<b>7031.40</b>
<b>NOTE - 22</b>		
<b>CHANGES IN INVENTORY</b>		
<b>1) Decrease/(Increase) in stocks in Progress</b>		
Opening stock	1053.56	336.05
Less : Closing stock	1615.30	1053.56
<b>Decrease/ (increase) in Stock in Progress</b>	<b>(561.74)</b>	<b>(717.51)</b>
<b>2) Decrease/(Increase) in finished goods:</b>		
Opening stock	207.80	533.41
Less : Closing stock	389.19	207.80
<b>Decrease/ (increase) in Finished Goods</b>	<b>(181.39)</b>	<b>325.61</b>
<b>Total</b>	<b>(743.13)</b>	<b>(391.90)</b>

# Fedders Lloyd Corporation Ltd

Annual Report 2012-2013

(Rs. in Million)

Particulars	Year Ended 30.06.2013	Year Ended 30.06.2012
<b>NOTE:- 23</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Wages (Workes)	69.47	39.63
Labour Welfare	5.52	4.72
Salary Account	232.62	164.43
Employer contribution in PF	18.81	17.81
Employer contribution in ESI	1.32	1.53
Gratuity	11.43	6.43
Bonus	1.75	2.12
Leave Encashment	0.18	0.23
Staff Welfare	14.41	9.20
<b>Total</b>	<b>355.51</b>	<b>246.10</b>
<b>NOTE - 24</b>		
<b>OTHER EXPENSES</b>		
Repair and Maintenance		
- Plant & Machinery	5.09	3.76
- Building & Office	0.39	0.19
- Others	0.46	0.82
Electricity Charges	41.41	31.90
Factory Overheads	13.03	14.13
Insurance	7.14	6.11
Rent Rate & Taxes	23.57	39.80
Postage & Courier & Telephone Expenses	14.64	14.57
Printing and stationery	6.98	6.59
Tender Fees	2.42	2.75
Newspapers & Periodicals	0.16	0.09
Audit Fee (including service tax)	1.11	1.08
Legal & Professional Expenses	15.34	20.61
Travelling & Conveyance Expenses	24.57	29.82
Utilities	-	0.03
Motor Car Expenses	6.98	5.46
Misc. Expenses	2.39	6.83
Loss on sale of Fixed Assets	-	-
Loss on foreign exchange fluctuation	1.86	23.61
Advertisement Expenses	1.68	1.90
Discount	5.65	2.98
Service charges	6.62	1.64
Selling expenses	154.75	232.47
Comission	53.09	37.17
Exhibition Expenses	0.23	4.13
Research & Development Expenses	11.08	11.42
Watch & Ward	12.26	10.22
Computer /Software Expenses	10.30	5.43
Donation	1.07	0.92
Taxes Gain & Loss	2.25	2.07
Fees & Taxes(including club fee)	6.98	5.21
Director Remuneration & Sitting Fees	15.06	16.12
Warranty Expenses	0.46	0.86
<b>Total</b>	<b>449.02</b>	<b>540.75</b>

(Rs. in Million)

Particulars	Year Ended 30.06.2013	Year Ended 30.06.2012
<b>NOTE:-25</b>		
<b>FINANCIAL COSTS</b>		
Interest Paid	368.26	292.18
Bank charges	71.16	63.01
<b>Total</b>	<b>439.42</b>	<b>355.19</b>
<b>NOTE - 26</b>		
<b>DEPRECIATION AND AMORTISATION</b>		
Depreciation on Tangible Assets	277.39	172.62
Deffered Revenue Expenses Written off during the year	-	3.50
<b>Total</b>	<b>277.39</b>	<b>176.12</b>



# Fedders Lloyd Corporation Ltd

Annual Report 2012-2013

## NOTE - 27

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

#### a) Related Companies :-

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

Airserco Pvt. Ltd	Directors Interested
Lloyd Electric & Engg. Ltd.	Directors Interested
Perfect Radiators and Oil Coolers Pvt. Ltd.	Directors Interested
PSL Engineering Pvt. Ltd.	Directors Interested
Regal Information Technology Pvt. Ltd.	Directors Interested
Lloyd Aircon Pvt. Ltd.	Directors Interested
Lloyd Credit Ltd.	Directors Interested
Lloyd IT Technology Pvt. Ltd.	Directors Interested
Lloyd Sales Pvt. Ltd.	Directors Interested
Lloyd Manufacturing Pvt. Ltd.	Directors Interested
Himalayan Mineral Water Pvt. Ltd.	Directors Interested

#### FOREIGN SUBSIDIARY COMPANY

Fedders Lloyd Trading FZE	100% Subsidiary
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#### b) Key Management Personnel

Mr. Brij Raj Punj	Chairman and Managing Director
Mr. Sham Sunder Dhawan	Whole Time Director
Mr. Nemichandra Dhanyakumar Jain	Whole Time Director

#### c) Transaction with related Companies

#### (Rs. In Million)

Purchase of Goods	36.76
Sales of Goods	370.04

## NOTE - 28

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

Particulars	(Rs. In Million)
i) Raw Materials Components & Parts	642.48
ii) Capital Goods	4.15

## NOTE - 29

### VALUE OF RAW MATERIAL CONSUMED

Particulars	Percentage(%)	Value (In Million)
Imported	9.14	796.50
Indigenous	90.86	7917.62
<b>Total</b>	<b>100.00</b>	<b>8714.12</b>

## NOTE - 30

### FOREIGN EXCHANGE OUTGO

PARTICULARS	(Rs. In Million)
Remittance in Foreign Currency on account of Import Raw Materials Component & Parts	642.48
Plant & Machinery/Tools	4.15
Travelling Expenses:	15.17
Other Expenses:	104.76

## NOTE - 31

### EARNINGS IN FOREIGN EXCHANGE

Export Sales	2524.70
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## NOTE - 32

### PAYMENT TO AUDITORS

Audit Fees	0.90
Tax Audit fee	0.09
Add Service Tax	0.12
<b>TOTAL</b>	<b>1.11</b>

## NOTE - 33

### PAYMENT TO DIRECTORS

Remuneration & Perks	14.83
Provident Fund	1.10
Bonus	0.00

## NOTE - 34

Company as policy obtains balance confirmation from Sundry Debtors, Sundry Creditors and other advances on monthly/ quarterly/ half yearly basis depending upon quantum of transactions made with the parties. Considering the same, the Company does not have all balance confirmation as at June 30, 2013 the effect of the same, if any which is not likely to be material will be adjusted at the time of confirmation.

## NOTE - 35

Excise duty of Rs.1384.89 includes charged on Sales and Stock transfer.

**NOTE- 36**
**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED**
**Rs. In Million**
**Format for Reporting of Segment wise Revenue, Results and Capital Employed**

Particulars	Consolidated	
	For the year ended	
	30.06.2013 (Audited)	30.06.2012 (Audited)
<b>1. Segment Revenue</b>		
(a) Segment –ENVIRONMENTAL CONTROL SYSTEM	398.65	1286.71
(b) Segment – STEEL STRUCTURE & ENGINEERING	5425.73	4255.81
(c) Segment – POWER PROJECTS	4390.19	3380.55
<b>Total</b>	<b>10214.58</b>	<b>8923.07</b>
Less: Inter Segment Revenue	-	-
<b>Net sales/Income From Operations</b>	<b>10214.58</b>	<b>8923.07</b>
<b>2. Segment Results (Profit)(+)/ Loss (-) before tax and interest from Each segment)</b>		
(a) Segment –ENVIRONMENTAL CONTROL SYSTEM	58.92	136.72
(b) Segment – STEEL STRUCTURE & ENGINEERING	466.45	308.97
(c) Segment – POWER PROJECTS	522.08	295.92
<b>Total</b>	<b>1047.45</b>	<b>741.61</b>
Less: (i) Interest	368.26	292.18
(ii) Other Un-allocable Expenditure net off	59.61	35.77
(iii) Un-allocable income		138.72
<b>Total Profit Before Tax</b>	<b>619.58</b>	<b>552.38</b>
<b>3. Capital Employed</b>		
(Segment assets – Segment Liabilities)		
(a) Segment –ENVIRONMENTAL CONTROL SYSTEM	846.34	793.78
(b) Segment – STEEL STRUCTURE & ENGINEERING	2790.60	2532.58
(c) Segment – POWER PROJECTS	1123.03	736.70
(d) Unallocated	47.00	121.08
<b>Total</b>	<b>4806.97</b>	<b>4184.14</b>

**NOTE – 37**

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

## NOTE - 38

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

## NOTE -39

### CONTINGENT LIABILITIES NOT PROVIDED FOR:

(Rs. In Million)

Bank Guarantees	2679.60
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## NOTE - 40

The Previous figures have been regrouped or reclassified as and where found necessary

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

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

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

A. A. Siddiqi  
AVP Finance

S. S. Dhawan  
Director

K.Lall  
Director

Brij Raj Punj  
Chairman & Managing Director

Date : November 11, 2013

Place : New Delhi

## NOTES

[illegible]

## Important Communications to shareholders

### "Green Initiative in the Corporate Governance"



Ministry of Corporate Affairs, vide its circular no 17/95/2011 CL-V dated April 21, 2011 and subsequent to clarification issued on April 29, 2011, has announced "green initiatives in the Corporate Governance" by allowing paperless compliances by companies stating that the service of documents to shareholders by a Company can be made through electronic mode.

Keeping in view the underlying theme by the Ministry that will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment and ensuring prompt receipt of communication and to avoid loss in postal transit and to be a part of "Green Initiative in the Corporate Governance" in the right spirit members who hold share in electronic mode and who have not registered their email addresses, so far, are requested to register their email address and changes therein from time to time, with the Depository through their concerned depository Participants. 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, by filling appropriate details in the below mentioned Form or register their e-mail addresses with Company's Registrar & Share Transfer Agent, SKYLINE FINANCIAL SERVICES PRIVATE LIMITED, giving their consent to receive the Notice calling the general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form. The said form is also available on the Company's website - **www.fedderslloyd.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.

We look forward to your support in this initiative towards a Greener Environment.

#### Email Address Registration Form (For members who hold shares in physical Form)

### FEDDERS LLOYD CORPORATION LIMITED

Corporate Office: 159, Okhla Industrial Estate, Phase-III, New Delhi- 110020



Ledger Folio No. ....

No. of Shares Held: .....

Full Name of the Shareholder/ Joint Holder.....

Email Id to be registered: .....

Contact No. ....

I hereby give my/our consent to receive the Notices calling general meetings, audited financial statements, auditors' report, directors' report, explanatory statement and all other documents required by law to be attached thereto or any other communication in electronic mode at my/our above mentioned email ID.

Signed this .....day of.....20.....

.....  
Signature of the shareholder





## FEDDERS LLOYD CORPORATION LIMITED

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



LIVE THE FUTURE

### ATTENDANCE SLIP

57<sup>th</sup> Annual General Meeting – December 11, 2013

Regd. Folio No / DP Client ID

No. of Shares held

Name & Address of the Shareholder

I hereby record my presence at the 57<sup>th</sup> Annual General Meeting of the Company at the registered office at C-4, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P. - 201305 on Wednesday, December 11, 2013 at 9:00 A.M.

If Shareholder, please sign here

If Proxy, please sign here

Members are requested to fill up the attendance slip and hand it over at the venue. Members are requested to bring their copy of Annual Report to the meeting as no copies will be distributed at the venue.

## FEDDERS LLOYD CORPORATION LIMITED

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



LIVE THE FUTURE

### PROXY FORM

57<sup>th</sup> Annual General Meeting – December 11, 2013

Regd. Folio No. / DP Client ID

I/We ..... of .....  
in the district of .....being a member(s) of Fedders Lloyd Corporation  
Limited hereby appoint.....of.....  
in district of.....or failing him / her .....of  
..... in district of.....as my / our proxy to vote  
for me / us on my / our behalf at the 57<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, December 11, 2013 at C-4, Phase-II, Noida, Distt. Gautam Budh Nagar, U.P. – 201305 at 9:00 A.M. and at its adjournment thereof.

Signed this ..... day of ....., 2013

Signature : .....

Affix  
Revenue  
Stamp  
Rs. 1/-

**Note:** The proxy in order to be effective must be deposited at the Registered Office of the Company at the above mentioned address not less than 48 hours before the time for holding the aforesaid meeting and should be duly stamped, completed and signed.







LIVE THE FUTURE

## FEDDERS LLOYD CORPORATION LIMITED

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

Ph. : 91-11-40627200 / 300 Fax : 91-11-41609909

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Website : [www.fedderslloyd.com](http://www.fedderslloyd.com)