



LIVE THE FUTURE

ANNUAL REPORT 2011-2012

LLOYD ELECTRIC & ENGINEERING LIMITED



LIVE THE FUTURE



Nominated as India's most
promising brand for 2011
by 4P's Business and Marketing Magazine

*Lloyd, unveiling its brand
new vision of becoming an
international technology
major touching every corner
of the globe. The Company is
bringing in the right
combination of knowledge,
experience and innovation.
Adding world class products,
growing sales volume and
enhancing its engineering
capability day in and day
out, the Company is well on
the path of realizing its
vision to be amongst the top
Global players in the
HVAC&R industry*

Strategic Brand Acquisition

Foray into Consumer Durable Goods Segment



LIVE THE FUTURE





Marketing Outreach Initiatives for Brand Building

Karan Johar as
our Brand Ambassador



Bringing the best of
Cricket to India



LLOYD
mall activity



Ghazal Symphony
by Jagjit Singh



Domestic Manufacturing Facilities

Helium Leak Test



Amada Turret Punch



Coil Shop- Bhiwadi





CAB Furnace for PFC Coil



PFC Assembly Line



Fin Machine for PFC Coil

Overseas Manufacturing Facilities

Bird's eye view of Plants at Czech Republic-Prague





Smoke free environmental braze technology in Czech facility



Air Handling Units (AHU'S)
Panel Manufacturing in Czech facility



Coil Bending



**World's most versatile
Fin Press from Buroak - USA**

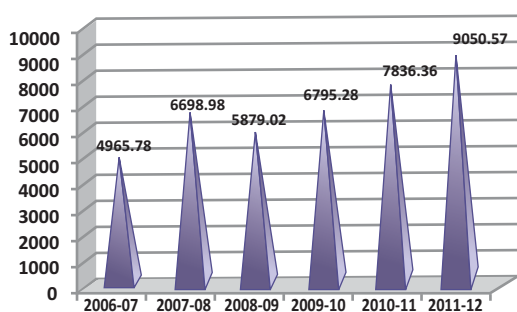


Key Financial Highlights

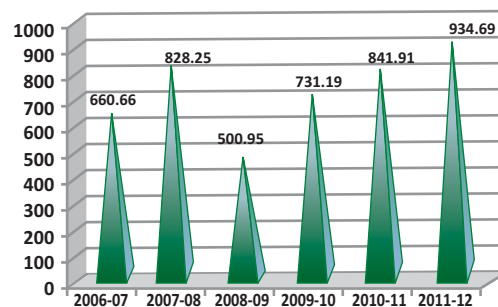
(Rs. in Million)

	Standalone						Consolidated	
	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2011-2012	2010-2011
Operating Results								
Total Income	9050.57	7836.36	6795.28	5879.02	6698.98	4965.78	12060.67	10158.39
Operating Profit(EBIDTA)	934.69	841.91	731.19	500.95	828.25	660.66	1048.16	934.57
Profit Before Tax	452.76	486.56	452.78	247.70	621.80	508.12	425.79	472.45
Profit After Tax	335.86	360.56	343.78	203.72	527.17	429.56	293.73	375.71
Financial Position								
Paid up Capital	310.07	310.07	310.07	310.07	310.07	310.07	310.07	310.07
Reserves	4425.34	4107.85	3711.64	3404.01	3200.28	2684.32	4378.57	3981.02
Shareholder's fund	4735.41	4417.92	4021.70	3714.08	3510.35	2994.39	4688.64	4291.09
Performance Indicator								
EPS (in Rs.)	10.83	11.63	11.09	6.57	17.01	13.86	9.48	12.12

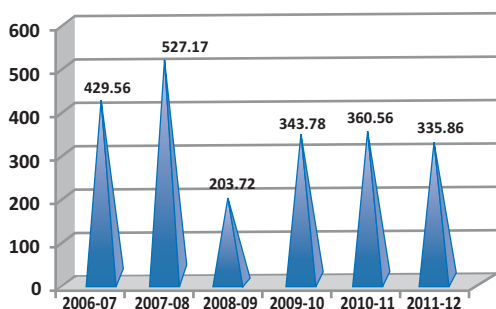
STANDALONE



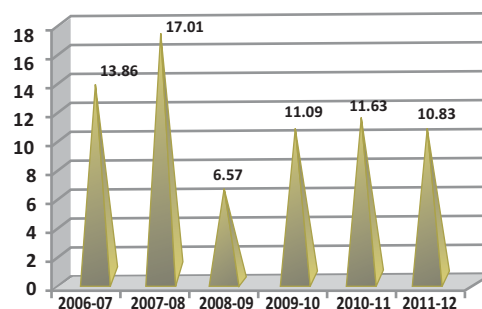
■ Total Income (Rs. In Millions)



■ EBITDA (Rs. In Millions)



■ PAT (Rs. In Millions)



■ Earning Per Share (Rs.)

Message from the Chairman

Dear Shareholders

The year 2011-12 has been a challenging year with unprecedented economic uncertainty in Europe, geographical upheaval in Middle East and slowing down of economic growth across Asia. This has led to tapering of the economic curve as reflected in the estimated 6.5% GDP growth for 2011-12, after having grown at 8.4% in preceding years. Delay in policy implementation, persistent double digit inflation, high interest rate scenario and unfavorable currency movement were only a few of the roadblocks faced by the Indian economy. The year also saw AC industry experiencing a downward trend in business. Indian room AC industry witnessed a negative growth close to 14%, according to market estimates. None of these challenges are new. They have stayed with us in some form through the past couple of years.

Despite adversities in the market, your Company recorded a consolidated revenue growth of 18% over the previous year. The consolidated revenue of your Company stood at Rs. 11961.20 Million as against Rs. 10148.76 Million, during the previous year. That was one of the few positive developments in an extremely challenging year. The Company was affected by a no. of external factors like high interest rates and currency depreciation which squeezed the margins adversely resulting in decline of the Profit after tax by 7% on standalone basis and 21% on consolidation basis.

We have identified organic growth as a significant building block to create value for you over the long term. In line with our acquisition philosophy of participating in our focused categories where we believe we can add value, we have undertaken acquisition by demerger & transfer of the heat exchangers line of business of Perfect Radiators & Oil Coolers Pvt. Ltd. (referred as PROC) a leading manufacturer in India engaged in the designing and manufacture of copper & aluminum brazed heat exchangers, shell and tube heat exchangers for industrial and automotive sector and vesting into the Company with effect from 1st April 2011 or such other date as approved by the Hon'ble High court. The said scheme of arrangement under section 391-394 of the Companies Act, 1956 is subject to necessary approvals and consents including approval of Hon'ble High courts. The acquisition of Heat Exchangers Business of PROC would be in line with our existing line of Coils business and would add significant value by integrating and consolidating the business globally. The product range of PROC has strong synergies with our existing product range in heat exchangers line of business. This would provide new technologies and depth to the Heat Exchangers



product range of the Company, thereby expanding the customer's base and adding new products with latest state-of-art technology.

Another significant development during the year was the acquisition of the intangible rights, title and interest in the 'Lloyd' blue logo and registered trade mark and distribution network in the consumer durable goods segment from Fedders Lloyd Corporation limited, which marks an entry of the Company into rapidly growing consumer durable industry with diversified product portfolios. In line with our vision to be amongst the top Global players in HVAC&R industry, we now have the technological expertise, extended product range and global reach to support our customers with more value added products across the globe. The integration of the Consumer Durable Products Divisions acquired in later part of the year 2011 through acquisition of intangible rights in the brand 'Lloyd' along with distribution network has been growing at a very healthy rate and is gaining



market share in the consumer durable goods segment.

We have added leading brands in our OEM's category in Indian, African and Gulf Countries for the supply of room air conditioners and have launched new products for residential room air-conditioning with superior technology that offers energy efficiency models and suits T3 operating conditions in Gulf Countries.

It is a matter of pride to announce that your Company has been awarded with IRIS certification for design & manufacture of HVAC&R based cooling system including condenser and evaporators. This sets forth a major milestone enabling the company to bid for international jobs in railways and penetrate in European and Asian markets.

Despite continuing stagnation of the European economy, Lloyd Coils Europe s.ro., (LCE) the wholly-owned subsidiary of the Company in Czech Republic, managed to deliver double digit growth, thereby increasing its market share and adding top OEM's in their customer portfolio like Carrier, GEA, Bosch. LCE achieved all time high sales of Euro 35.10 Million and EBITDA of Euro 2.38 Million, highest in the history of the plant. For Janka engineering s.r.o, the year was yet another downward year affected due to the acute decline in the domestic construction market, coupled with economic uncertainty in Europe, which has negatively impacted the subsidiary's operations. To overcome these adversities, the management has chalked out revival plans by introducing by the end of calendar year 2012 complete new range of air handling units (AHU) to cater to new market segments and customers. Mochovce Nuclear Power Project in Slovakia and Tram air conditioning from Skoda Transport are 2 new projects bagged by Janka.

Your Company has traversed the entire spectrum of the Corporate journey, emerging today as a conglomerate with global footprints along with its subsidiaries. We continue to focus on manufacturing excellence through technological innovations, productivity and capacity utilization improvements to take us through the challenging years ahead. We have persisted with our mission of building strengths and capabilities for the future which will help us to service long term market growth and further consolidate our leadership position.

Success of any business enterprise can only be possible because of its employees and associates who put in unrelenting efforts to rise to excellence. I would like to reiterate that your Company's employees are its greatest assets and it is due to their hard work, perseverance, commitment and dedication that your company has been able to deliver growth and value creation with every passing year. During the year, we have also initiated structured Leadership Development programmes for our senior management as means to create global managers - people who

can operate across borders with confidence, deal with diversity of cultures, and be highly analytical and result oriented.

Sustainability has been a core value at 'Lloyd', which we interpret as growing our business in a socially and environmentally responsible way, while meeting the legitimate interests of our stakeholders. A vision to create wealth for society, to work and improve the lives of our communities and other stakeholders, and an inherent respect for the environment has guided our business ethos. We, at Lloyd, believe that financial performance and sustainability go hand in hand and can never be separated. Lloyd continues to place a strong emphasis on societal needs, while addressing environmental and climate change issues with increased significance. We also believe in taking an active role and responsibility in empowering local communities to achieve their ambitions.

A major development is the appointment of Bharat Raj Punj as Additional Director designated as the "Executive Director" on the board of Lloyd Electric & Engineering Limited w.e.f. 8th August, 2012. Bharat has over 15 years of experience in building and growing businesses in US, Europe and emerging markets and has been instrumental in strategizing and execution of cross border acquisitions that the Company has undertaken in Czech Republic. He has deep exposure across industries such as HVAC&R, infrastructure development, and CAD industry.

Looking forward to 2013, we remain committed to operate our business efficiently. Global macro-economic challenges persist. The world is witnessing slower GDP growth with Indian economy being under pressure due to high interest rates, inflation, and currency depreciation over global economic uncertainty. However, these are difficult times and your company will have to strive even harder to do well in FY 2013. We hope that you continue to support us in the same way that you have stood by us over the years.

I am grateful to the Board of Directors for their unwavering support and guidance. I take this opportunity to place on record that the strength of 'Lloyd' lies in our valued shareholders and other stakeholders including customers, suppliers, dealers, bankers who represent the Lloyd family for the loyalty, confidence and trust they have reposed in the Company over the years. I am convinced that with your valuable support, we would further build upon our vision and successfully accomplish our mission chalked out.

With Best Wishes

Sincerely,
Brij Raj Punj
Chairman & Managing Director



Corporate Sustainability

Towards a sustainable future

WE RESPECT PEOPLE, COMMUNITIES AND THE ENVIRONMENT

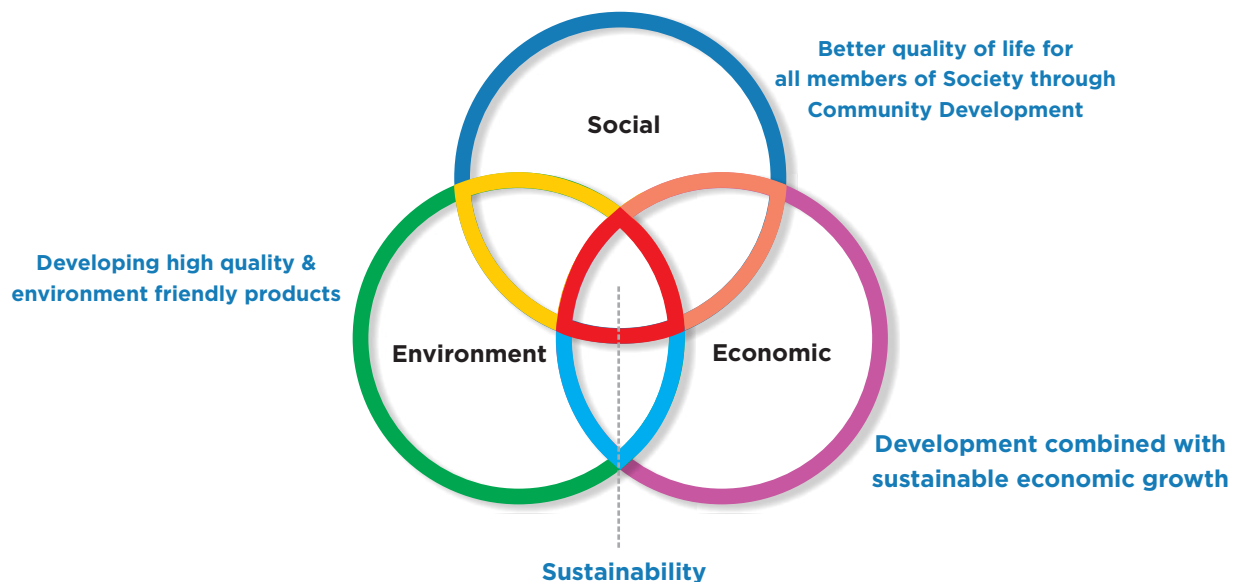


At 'Lloyd', sustainability means that we manage our business responsibly and sensitively and ensuring we include social, economic and development factors in the decisions we make to ensure long-term business success. We believe it is our duty to our customers, investors and employees to foster an ethical, responsible and sustainable corporate philosophy.

Undeterred by the economic turbulence, the Company continued to place emphasis on working practices in health, safety and corporate citizenship. The Company carries out its business activities in ways that seek to enhance the Earth's resources rather than deplete them, thereby helping create a sustainable world for future generations to inherit. This is achieved by focusing on a number of initiatives and principles that are consistently applied across the Group.

Our goal is to be one of the world's leading brands in corporate sustainability. At Lloyd, Sustainability encompasses economic viability, environment integrity & social equity with a long term view of a sustainable business.

SUSTAINABLE DEVELOPEMENT



ENVIRONMENT, HEALTH & SAFETY (EHS)

Environmental sustainability has become an increasingly important item on the Lloyd Group agenda. The Group's various operations across the globe have all undertaken numerous initiatives to realize improvements



in this area. Your Company is progressing well towards its key goal of carbon dioxide emission reduction.

Sustainability at Lloyd involves the awareness that a greener, healthier planet is the best legacy we can leave for future generations and for our business. Company has embedded a policy of reduce, reuse and recycle across all its processes. Company's technical staff and engineers are trained to identify energy-saving opportunities and consistent efforts to improve performances have resulted in considerable reduction in the use of energy and natural resources. Your Company has taken appropriate measures for environment protection by adopting green and clean technologies and designing pollution control infrastructure to achieve discharge and emissions within statutory limits. Some of the environment friendly technologies adopted include utilization of all-Aluminium brazed fin for the manufacture of Micro Channel Condenser Coils and initiatives are taken to develop products with R-410 and R-290 refrigerants which are environment friendly.

Rain water harvesting continues to be a focused activity at our manufacturing plants. Steps are also taken to not only reduce our carbon footprint but also continuously monitoring waste generation and constantly improving effluent waste treatment plants across all our manufacturing units.

Armed with the objective of protecting the health and safety of its employees, safeguarding the environment, and creating a long lasting positive impact on the communities where it does business, the HR team conducts EHS programs to educate employees about safety programs, make them aware of the Company's health and safety policy, and conducts formal safety training for all.

Focused campaigns are carried out in the areas of Material Handling and Road Safety. Comprehensive Job Cycle Checks and Integrated Safety Audits are also implemented. Process safety management relates to the operation and maintenance of installations and equipment to prevent major incidents, such as explosions, fire or the release of toxic gases. The Company's focus, at all times is to identify the hazards, determine the risks and ensure that effective controls are in place to minimize the potential of a major incident. Significant initiatives are taken at all times to make the Organization a safe work place.

The Company lays special emphasis on using environment friendly products. It continuously strives to strike a symbiotic balance with the environment and focuses to imbibe such green initiatives, such as tree plantation drives, in all aspects of its business activities.



As 'Lloyd' expands its global footprints, the Company is also matching its business growth with addressing societal needs wherever it operates. Our initiatives would go a long way towards conservation and enrichment of environment while ensuring greater prosperity of the community. We will strive to fix and meet more stringent goals for ourselves while progressing on the road to establishing a more socially meaningful enterprise.



Corporate Social Responsibility

CSR Policy

Performance with Purpose articulates Lloyd's belief that its businesses are intrinsically connected to the community and world that surrounds it.

At Lloyd, we're committed to 'Performance with Purpose' - achieving business and financial success while leaving a positive imprint on society.

Lloyd's corporate social responsibility charter prioritized support to the underprivileged in the areas of education, physical disability, employability, skill building, girl child welfare and community service for the aged and the physically/mentally challenged. The Company sustained programmes in these areas in the year 2011-12. As a continuing endeavor towards the community development, we at 'Lloyd' constantly undertake various Corporate Social Responsibility (CSR) initiatives through our Charitable arm 'Pandit Kanahaya Lal Punj Trust'.

Our Community Development Initiatives



In its attempt to help the community grow with employment opportunities provided to every adult, Lloyd has extended its support to rural community programmes in the field of education in association with Purkal Youth Development Society (PYDS). Through their programmes Shishu Shakti (Child Power) and Yuva Shakti (Youth Power), your company is supporting the early childhood education and care &



education for ages 6-18 years old rural youth. During the year your Company has sponsored the education of Class VIII students, covering approx. 50 students. All these children receive comprehensive mentoring at their Learning Centre to help them excel. In the Day Boarding Programme the attention is also given comprehensively to nutrition, Health and to Learning. The Curriculum administered is holistic and encompasses physical, emotional, intellectual and social health. Your Company encompasses much more than merely the monetary contributions to PYDS and apart from a strong focus on primary and secondary education, Lloyd Group has actively supported employability and vocational training. The initiative aims at developing skills among communities, women and young people, to provide them with better opportunities to compete in the job market. Towards this initiative, one of the students of PYDS has undertaken apprenticeship training in Human Resource with your Company to further enhance her expertise.



Lloyd has tied up with 'Goonj', an NGO which works for socio-economic development to support the neediest people of the society by providing them basic clothing needs

by making creative and optimum use of donated items such as



reusable waste material as a resource. Some of their key initiatives are: Vastra-Samman; Cloth for work; Rahat and others. 'Lloyd' in association with 'Goonj' had organized a 'Material Collection Camp' to support the 'Rahat- Flood' campaign to provide immediate relief material

for the flood hit people in Assam floods.



The awareness cum collection Camp had been organized in association with the Goonj Volunteers at the Corporate Office of the Company where they had the opportunity of displaying their beautiful lifestyle articles for sale. Every employee of the Lloyd family had come forward to support this annual trauma of millions of people affected by these devastating floods and had contributed material like wearable old clothes/ utensils, dry ration, medicines including monetary contribution etc. for distribution among the victims of flood at Assam. The proceeds of the sale had been used for the welfare and development activities.

In furtherance to our association with "Muskaan NGO" for welfare of children with Mental handicap (carrying out vocational training and work centre), apart from the pecuniary

support your Company has supported the noble cause of theirs by providing them an opportunity & platform in our own premises to put up a stall & display their creativity on the festive eve of Diwali.



The products were put up for sale by them & our employees visited their stall & purchased their hand made products in substantial amount, which indirectly helped as a

fund raising for their noble causes. The Company has also made donation to Muskaan for their DERA Residential Project in their effort to provide a home to the disabled people.



In addition to the above CSR efforts, Company has extended unwavering support to various other NGO's like Life Care Regeneration Association- a "voluntary Organization" and Handicapped Children's Rehabilitation Association for providing education and medical treatment to mentally challenged deprived children suffering from multiple disabilities and life threatening diseases. These organizations work towards the welfare, rehabilitation, development and integration of the destitute and needy people. The Company shares the Lloyd Group's ambition for developing a strong self-reliant community as part of its business process. The management and every associate of the Company acknowledge their responsibility of returning to the society what we have earned from it as a social obligation towards the community.



Corporate Information

BOARD OF DIRECTORS

Brij Raj Punj

Chairman & Managing Director

Bharat Raj Punj

Executive Director

Achin Kumar Roy

Whole Time Director

Mukat B. Sharma

Whole Time Director & Chief Financial Officer

Krishan Lall

Surjit Krishan Sharma

Geeta Ajit Tekchand

Ramesh Kumar Vasudeva

BANKERS

State Bank of Bikaner & Jaipur
State Bank of India
Axis Bank
Standard Chartered Bank
IDBI Bank
ING Vysya Bank
Exim Bank

Indusind Bank
Karnataka Bank
Kotak Mahindra Bank
HDFC Bank

COMPANY SECRETARY

Anita K. Sharma

STATUTORY AUDITORS

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

SHARE TRANSFER AGENT

Skyline Financial Services Private Limited
D-153A, Okhla Industrial Area
Phase- I, New Delhi- 110 020
Tel: 011-26812682, 83
Fax: 011-26812684

REGISTERED OFFICE

A-146, (B&C), RIICO Industrial Area
Bhiwadi Distt. Alwar,
Rajasthan- 301019
Ph: 01493-220724, 222521, 221348

CORPORATE OFFICE

159, Okhla Industrial Estate,
Phase-III, New Delhi- 110020
Ph: 011-40627200-300
Fax: 011-41609909

MANUFACTURING PLANTS

DOMESTIC

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

OVERSEAS (Owned by subsidiaries)

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

OVERSEAS (Branch Office)

1. Executive Desk, Q-1-07-009/C
P.O. Box - 121552
Sharjah U.A.E.

Visit us at: www.lloydengg.com



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Notice

THE TWENTY FIFTH ANNUAL GENERAL MEETING OF LLOYD ELECTRIC & ENGINEERING LIMITED will be held at the Registered Office of the Company situated at A-146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan on Saturday, 8th September, 2012 at 9:00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on March 31, 2012 and the Profit and Loss Account for the year ended on that date together with the Reports of Board of Directors and Auditors thereon.
2. To declare the dividend for the Financial Year 2011-2012.
3. To appoint a Director in place of Mr. Mukat Behari Sharma who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Krishan Lall who retires by rotation and being eligible, offers himself for reappointment.
5. 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 224 and other applicable provisions, if any, of the Companies Act, 1956, as amended or re-enacted from time to time (the 'Act'), Messrs Suresh C. Mathur & Co., Chartered Accountants, (ICAI Registration No.000891N), the retiring Auditors of the Company, be and are hereby re-appointed as Statutory Auditors of the Company for the Financial Year 2012 -13, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed by the Board of Directors/Committee thereof including out-of-pocket and traveling expenses."

SPECIAL BUSINESS:

6. Re-appointment of Mr. Ramesh Kumar Vasudeva as Non-Executive Independent Director

To consider and if thought fit, to pass with or without modification(s), the following Resolutions as an **"Ordinary Resolution"**:

"RESOLVED THAT Mr. Ramesh Kumar Vasudeva, who was appointed as an Additional Director of the Company with effect from 8th August, 2012 and who holds office upto the date of the forthcoming Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ('the Act') 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 the Director, be and is hereby appointed as the Director of the Company liable to retire by rotation."

7. Re-appointment of Mr. Bharat Raj Punj as an Executive Director

To consider and if thought fit, to pass with or without modification(s), the following Resolutions as an **"Special Resolution"**:

"RESOLVED THAT Mr. Bharat Raj Punj, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 w.e.f. 8th August, 2012 and who shall hold office up to the date of the forthcoming Annual General Meeting and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Executive Director of the Company not liable to retire by rotation.



RESOLVED FURTHER THAT in accordance with the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and Section 314(1B) read with Director Relatives (Office or Place of Profit) Rules, 2003 and any other applicable provisions of the Companies Act, 1956 including any statutory modifications or re-enactment thereof, or any other law, Rules and Regulations as may be applicable and such Consent(s), approval(s) and permission(s) of Central Government, Shareholders and other authorities wherever required and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s) and permission(s) and in consonance with Articles of Association of the Company, the consent of the Company be and is hereby accorded to the appointment of Mr. Bharat Raj Punj, Relative of Mr. Brij Raj Punj, Chairman and Managing Director of the Company, as Executive Director of the Company for a term of five years with effect from 8th August, 2012, on such terms and conditions including remuneration, as stated in the Explanatory statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall also be deemed to include the remuneration committee and/or any other sub-committee thereof constituted by the Board) be and is hereby authorized to vary, alter and modify, change, substitute and/or revise all or any of the terms and conditions of appointment including remuneration/ remuneration structure of Mr. Bharat Raj Punj within the limits prescribed in the Explanatory Statement and in accordance with the law from time to time in force and subject to the approval of the Shareholders and the Central Government, if required.

RESOLVED FURTHER THAT remuneration payable to, Mr. Bharat Raj Punj, as aforesaid, will be subject to such modification(s) as the Central Government may suggest or require which the Directors are hereby authorized to accept on behalf of the Company and which may be acceptable to the incumbent and are not less favorable to the Company.”

8. Re-appointment of Mr. A.K. Roy as Whole Time Director

To consider and if thought fit, to pass with or without modification(s), the following Resolutions as an “**Ordinary Resolution**”:

“**RESOLVED THAT** pursuant to the provisions of sections 198, 269, 309, 310, 311, 316, 317 and all other applicable provisions of the Companies Act, 1956 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule XIII of the Act and subject to approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, consent of the Company be and is hereby accorded to the re-appointment of Mr. A. K. Roy as Whole Time Director of the Company for a further period of 2 (two) years w.e.f. April 28, 2012, liable to retire by rotation and on such terms and conditions including remuneration and benefits, amenities and perquisites which are presently paid/payable/ enjoyed to/by Mr. A.K. Roy, the Whole Time Director of the Company as recommended by the remuneration committee and stated in the Explanatory statement annexed to the Notice convening this meeting. All other terms & conditions of his appointment shall remain the same.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall also be deemed to include the Remuneration Committee or any other sub committee constituted by the Board) be and is hereby authorized to revise and/ or re-fix the said remuneration and/ or other perquisites, benefits and amenities provided that so revised/ re-fixed remuneration and/or other perquisites etc. do not exceed the limits prescribed from time to time under Schedule XIII or any other provisions of Companies Act, 1956, and/ or any statutory modification(s) thereof and provided further that such enhanced remuneration, allowances and perquisites are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/ fixation by the Board/ Committee.”

9. Enhancement in remuneration of Mr. Brij Raj Punj, Chairman & Managing Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an “**Ordinary resolution**”:

“**RESOLVED THAT** pursuant to and in accordance with the provisions of sections 198, 269, 309, 310, 311, 316, 317 and all other applicable provisions of the Companies Act, 1956 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule XIII of the Act and subject to such consents and permissions if any, as may be necessary, the consent of the Company be and is hereby accorded to the enhancement of remuneration, benefits and amenities paid/ payable/ enjoyed to/ by Mr. Brij Raj Punj, the Chairman & Managing Director of the Company in the manner as detailed in the explanatory statement with effect 1st April, 2012.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall also be deemed to include the Remuneration Committee or any other sub committee constituted by the Board) be and is hereby authorized to revise and/ or re-fix the said remuneration and/ or other perquisites, benefits and amenities provided that so revised/ re-fixed remuneration and/or other perquisites etc. do not exceed the limits prescribed from time to time under Schedule XIII or any other provisions of Companies Act, 1956, and/ or any statutory modification(s) thereof and provided further that such enhanced remuneration, allowances and perquisites are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/ fixation by the Board/ Committee.”

10. Enhancement in the remuneration of Mr. Mukat B. Sharma, Whole Time Director

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, 311, 316, 317 and all other applicable provisions of the Companies Act, 1956 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule XIII of the Act and subject to approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded for the enhancement of remuneration, benefits and amenities paid/ payable/ enjoyed to/ by Mr. Mukat Behari Sharma, the Whole Time Director of the Company w.e.f. 1st April, 2012 for the remainder term of his office as detailed in the explanatory statement. All other terms & conditions of his appointment shall remain the same.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall also be deemed to include the Remuneration Committee or any other sub committee constituted by the Board) be and is hereby authorized to revise and/ or re-fix the said remuneration and/ or other perquisites, benefits and amenities provided that so revised/ re-fixed remuneration and/or other perquisites etc. do not exceed the limits prescribed from time to time under Schedule XIII or any other provisions of Companies Act, 1956, and/ or any statutory modification(s) thereof and provided further that such enhanced remuneration, allowances and perquisites are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/ fixation by the Board/ Committee.”

By order of the Board of Directors

Sd/-

Anita K. Sharma

Company Secretary

Dated : 8th August, 2012

Place : New Delhi



NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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.**
2. Members/Proxies should bring duly filled Attendance Slip sent herewith to attend the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 3rd September, 2012 to Saturday, 8th September, 2012 (both days inclusive).
4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. The shares of the Company are listed on the Bombay Stock Exchange Ltd., and The National Stock Exchange of India Ltd. The annual listing fee for the year 2012-2013 is already paid.
6. All documents referred to in the notice are open for inspection at the registered office of the company during working hours and also at the meeting venue.
7. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, NECS mandate, nomination, power of attorney, address, name, etc., to their depository participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide better services to the members. Members holding shares in physical mode are requested to intimate the changes to the Registrar and Share Transfer Agent M/s. Skyline Financial Services Private Limited.
8. The shareholders requiring information on accounts are requested to send their queries to the company atleast 7 days in advance.
9. **Dividend Entitlement:** Dividend on Equity shares, as recommended by the Directors, if declared at the meeting will be payable to those members whose names appear on the Register of Members of the Company. In the case of Beneficial owner as at the close of 2nd September, 2012 as per the beneficial ownership data furnished by NSDL/CDSL for the purpose and in respect of shares held in physical form after giving effect to all valid share transfers in physical form which are lodged with the Company before 3rd September, 2012.

Dividend amounts of Members holding shares in electronic form and to those members holding in physical form, who have given their Bank details, will be credited to their respective bank Account through Electronic Clearing Service (ECS), wherever such facilities are available, soon after the declaration of the dividend in the AGM.

Dividend warrants in respect of Members holding in Physical Form will be sent through post by 12th September, 2012.

Pursuant to the provisions of Section 205 A(5) and 205 C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends up till the financial years 1996-97 to the Investor Education and Protection Fund (the IEPF) established by the Central Government.

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

warrant(s) by writing to the Company or Registrar and Share Transfer Agent M/s. Skyline Financial Services Private Limited immediately.

10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's Registrars and Share Transfer Agents, for consolidation into a single folio.
11. The relevant details as required by clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking re-appointment as Directors under Item no.3 and 4 are appended herewith.
12. Ministry of Corporate Affairs has taken a "green initiatives in the Corporate Governance" by allowing paperless compliances by companies and permitted the Companies to service documents to the members of the company on their registered email addresses which shall be deemed to be in compliance of provisions of Section 53 of the Companies Act read with applicable provisions of Information Technology Act 2000. To be a part of "Green Initiative in the Corporate Governance" and keeping in view the benefits to the society at large through reduction in paper consumption and contribution towards a Greener Environment and ensuring prompt receipt of communication and avoid loss in postal transit, Company proposes to send future correspondence and documents like the notice calling the general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form, to the email address provided by the Members and made available to us by the Depositories.

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

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No.6

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company, the Board of Directors of the Company appointed **Mr. Ramesh Kumar Vasudeva**, as an Additional Director of the Company w.e.f. 8th August, 2012.

As per the provisions contained in Section 260 of the Companies Act, 1956, Mr. Ramesh Kumar Vasudeva holds office upto the ensuing Annual General Meeting of the Company.

Mr. Ramesh Kumar Vasudeva, aged 68 years is an M.A. (Hons) Economics from Delhi University and holds PG Diploma in Business Administration from Jammu University. Mr. Vasudeva has more than 37 years of experience working at various senior positions with Indian Oil Corporation in the areas of Marketing, Human Resource, training and development. Post retirement, Mr. Vasudeva has been associated with NTPC, Airport Authority of India, Reliance Petroleum and IOCL as training faculty. During his career, Mr. Vasudeva played a key role in implementation of ISO 9002 for Palam NITC and Chennai. Currently, Mr. Vasudeva is associated with Standing Conference of Public Enterprises (SCOPE) as Joint Director (Programs) & program co-ordinator.

His vast experience in various fields would professionally empower the Board and help in making strategic policies and taking corporate decisions in a highly competitive global arena.



Notice in writing under Section 257(1) of the Companies Act, 1956 has been received from a member of the company proposing the candidature of Mr. Ramesh Kumar Vasudeva for the office of the Director along with the deposit of Rs.500/-.

The members of the Company are hereby informed of the candidature of Ramesh Kumar Vasudeva for the office of the Director and this be treated as individual notice to the members of the company in terms of Section 257(1A) of the Companies Act, 1956.

Your Directors recommend the aforesaid resolution for the approval of the shareholders by way of Ordinary Resolution.

None of the directors, except Mr. Ramesh Kumar Vasudeva is concerned or interested in the said resolution. Mr. Vasudeva holds NIL equity shares of the Company.

Item No.7

Mr. Bharat Raj Punj has been appointed as an additional director of the Company to be designated as 'Executive Director' for a term of 5 years by the Board of Directors of the Company with effect from 8th August, 2012 on the remuneration recommended by the Remuneration Committee and approved by the Board of Directors.

Mr. Bharat Raj Punj, aged 36 years is a graduate in Business Administration from Duquesne University, Pittsburgh, USA. He has also undertaken Owner & President Management course from Harvard Business School, Boston, Massachusetts, United States. Mr. Bharat Punj has over 15 years of rich experience and has been associated with the group in various capacities and is instrumental in strategizing and execution of several acquisitions that the group has undertaken in Czech Republic. He possesses rich and vast experience in the areas of financial management, business development, team building and negotiation, planning strategic mergers and acquisition.

His vast experience in various fields would professionally empower the Board and help in making strategic policies and taking corporate decisions in a highly competitive global arena.

Mr. Bharat Raj Punj is a promoter and son of the Chairman & Managing Director of the Company. He holds 4,21,600 equity shares as of the Company.

Broad particulars of the terms of appointment and remuneration payable to Mr. Bharat Raj Punj are as follows:

a. Salary, Perquisites and allowances

Particulars	Per Month
Basic Salary	: 2,50,000
Perquisites and allowances	: 1,00,000

The perquisites and allowances as aforesaid shall include accommodation (furnished or otherwise) or House rent allowance in lieu thereof; house maintenance allowance together with re-imbursement of expenses; leave travel concession for self and family including dependents; utility allowance, medical allowance, quarterly allowance, club fees, medical insurance and other perquisites and/or allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any other rules there under or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost to the Company.

In addition to the above, he will also be entitled to the following benefits as per policy/rules of the Company in force or as may be approved by the Board from time to time, which shall not be included for the purpose of overall ceiling of remuneration as aforesaid:

- (i) Company's contribution to Provident Fund, Superannuation or Annuity funds;
- (ii) Payment of gratuity and other retirement benefits;
- (iii) Encashment of leave and
- (iv) Employees Stock Options to be granted if any, from time to time

b. Commission

As may be decided from time to time by the Board of Directors, subject to the overall ceiling of 1% of the net profits of the Company, computed in the manner laid down in section 309(5) of the Companies Act, 1956.

c. Reimbursement of Expenses

Reimbursement of expenses incurred for travelling, boarding and lodging; provisions of car(s) for use on Company's business and telephone expense at residence shall be reimbursed and not considered as perquisites.

The above remuneration payable to Mr. Bharat Punj, Executive Director is subject to the condition that the total remuneration including commission and all the perquisites as mentioned above shall not exceed 5% of the net profits for such director, and if there is more than one such director, 10% for all of them together in accordance with section 198 and 309 of the Act, or any amendment thereto or any other provisions as may be applicable.

Provided further that, in the event of absence or inadequacy of profits, no reduction from salary or perquisites shall be made and entire remuneration by way of salary and perquisites mentioned above shall be paid as minimum remuneration subject to the provisions of Schedule XIII to the Companies Act, 1956.

The members of the Company are hereby informed of the candidature of Bharat Raj Punj for the office of the Director and this be treated as individual notice to the members of the company in terms of Section 257(1A) of the Companies Act, 1956.

Your Directors recommend the aforesaid resolution for the approval of the shareholders by way of Special Resolution.

None of the directors, except Mr. Bharat Raj Punj and Mr. Brij Raj Punj are concerned or interested in the said resolution.

ITEM NO.8

Mr. A. K. Roy was appointed as a Whole Time Director of the Company w.e.f. April 28, 2007, at a gross remuneration of Rs. 3,40,000 per month for a term of 5 years. Subsequently his remuneration was enhanced by the shareholders of the Company at the Annual General Meeting held on September 28, 2010 from Rs. 3,40,000 to the scale of Rs. 4,00,000-Rs. 6,00,000 per month w.e.f. April 1, 2010 for the remainder term of his office which had expired on April 27, 2012

Mr. Roy has been associated with the Company for the past 16 years and has been instrumental in formulating and executing the Company's Global strategy and has been at the helm of the several key strategic transitions at Lloyd. Keeping in view the heavy responsibilities shouldered by Mr. Roy and the crucial role played by him in the heritage journey from the year 1996 onwards, Mr. Brij Raj Punj, the Chairman proposed re-appointment of Mr. A. K. Roy as Whole Time Director of the Company in the meeting of the Committee of Board of Directors held on April 26, 2012 for a further period of 2 years w.e.f. April 28, 2012, liable to Retire by Rotation and at an enhanced remuneration, benefits, amenities and perquisites which are presently paid/payable/ enjoyed to/by Mr. A.K. Roy, the Whole Time Director of the Company as recommended by the remuneration committee vide their meeting held on April 26, 2012.

The remuneration payable to the Whole Time Director as recommended by the Remuneration Committee and approved by the Board of Directors is as follows:



Terms & Conditions of remuneration

- a) **Term of Office:** 2 years w.e.f. 28th April'12
- b) **Gross Remuneration:** Gross monthly remuneration of Rs. 7,00,000 /- (with an annual increment upto 15% per year subject to the approval of the Board of Directors/ Committee thereof from time to time) whether paid as salary, allowance(s), perquisites or a combination thereof.

The perquisites and allowances as aforesaid shall include accommodation (furnished or otherwise) or House rent allowance in lieu thereof; house maintenance allowance together with re-imbursement of expenses; leave travel concession for self and family including dependents; utility allowance, quarterly allowance, club fees, medical insurance and other perquisites and/or allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any other rules there under or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost to the Company.

In addition to the above, he will also be entitled to the following benefits as per policy/rules of the Company in force or as may be approved by the Board from time to time:

- (v) Company's contribution to Provident Fund, Superannuation or Annuity funds;
- (vi) Payment of gratuity and other retirement benefits;
- (vii) Encashment of leave

Commission

As may be decided from time to time by the Board of Directors/ Committee thereof, subject to the overall ceiling of 1% of the net profits of the Company, computed in the manner laid down in section 309(5) of the Companies Act, 1956.

Reimbursement of Expenses

Reimbursement of expenses incurred for travelling, boarding and lodging; provisions of car(s) for use on Company's business and telephone expense at residence shall be reimbursed and not considered as perquisites.

The Board of Directors of the Company (hereinafter referred to as "the Board" which term shall also be deemed to include the remuneration committee and/or any other sub-committee thereof constituted by the Board) are authorized to re-fix his salary from time to time within the aforesaid period, keeping into view his performance and the ceilings, if any fixed by the statute.

The above remuneration payable to Mr. A. K. Roy, Whole Time Director is subject to the condition that the total remuneration including commission and all the perquisites as mentioned above shall not exceed 5% of the net profits for such director, and if there is more than one such director, 10% for all of them together in accordance with section 198 and 309 of the Act, or any amendment thereto or any other provisions as may be applicable.

Provided further that, in the event of absence or inadequacy of profits, no reduction from salary or perquisites shall be made and entire remuneration by way of salary and perquisites mentioned above shall be paid as minimum remuneration subject to the provisions of Schedule XIII to the Companies Act, 1956.

Your Directors recommend the aforesaid resolution for the approval of shareholders by way of Ordinary Resolution.

None of the directors, except Mr. A. K. Roy, are concerned or interested in the said resolution.

ITEM NO.9

Mr. Brij Raj Punj has been serving as the Chairman & Managing Director of the Company. The present proposal is to seek the members' approval for the enhancement in remuneration payable to Mr. Brij Raj Punj as Managing Director in terms of the applicable provisions of the Companies Act, 1956.

Currently, Mr. Brij Raj Punj is drawing remuneration of Rs. 3,50,000/- per month, which was fixed by the shareholders of the Company at the Annual General Meeting held on September 28, 2010.

Mr. Punj has played a key role in the evolution of the group from a small-sized Company into a global player with his successful global generics strategy. He envisioned new business platforms and is dedicated to building the innovation side of the business. Keeping in view the enormous growth and progress that the Company has made under the guidance of Mr. Punj in the past few years, the remuneration committee followed by the Board of Directors has accorded their respective approvals for the increase in the remuneration payable to Mr. Brij Raj Punj from **Rs. 3,50,000/-** per month to **Rs. 4,50,000/-** per month w.e.f. April 1, 2012. All other terms & conditions of his appointment shall remain the same.

The Board of Directors of the Company (the "Board"), at their meeting held on May 14, 2012 has subject to the approval of the members considered the revision in remuneration payable to Mr. Brij Raj Punj as the Managing Director of the Company w.e.f. April 1, 2012 for the remainder term of his office i.e. upto October 31, 2013.

The terms of employment of Mr. Brij Raj Punj are available for inspection for the members of the Company at the Registered Office of the Company during the business hours on any working days of the Company.

Your Directors recommend the aforesaid resolution for the approval of the shareholders by way of Ordinary Resolution.

Except Mr. Brij Raj Punj and Mr. Bharat Raj Punj, none of the directors are concerned or interested in the said resolution.

ITEM NO.10

Mr. Mukat Behari Sharma was appointed as a Whole Time Director of the Company by the Board of Directors w.e.f. January 28, 2010 for a period of 5 years on a remuneration of Rs. 2,70,000/- per month (with an annual increment of upto 30% per year subject to the approval of the Board of Directors/Committee thereof from time to time) which was fixed by the shareholders of the Company at the Annual General Meeting held on September 28, 2010.

The remuneration Committee followed by the Board of Directors at their meeting held on May 14, 2012 has subject to the approval of the members accorded their respective approvals for the enhancement of the remuneration payable to Mr. Mukat Behari Sharma to Rs. 3,40,000/- per month w.e.f. April 1, 2012 (with an annual increment of upto 15% per year subject to the approval of the Board of Directors/ Committee thereof from time to time) for the remainder term of his office.

Your Directors recommend the aforesaid resolution for the approval of the shareholders by way of Ordinary Resolution.

Except Mr. Mukat Behari Sharma, none of the directors are concerned or interested in the said resolution.

Item No. 7, 8, 9, 10 may be treated as an abstract of the terms of re-appointment of Mr. Bharat Raj Punj and Mr. A.K. Roy and enhancement in the remuneration of Mr. Brij Raj Punj and Mr. Mukat Behari Sharma under Section 302 of the Companies Act, 1956.

By order of the Board of Directors

Sd/-

Anita K. Sharma

Company Secretary

Dated : 8th August, 2012

Place : New Delhi



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

(Pursuant to clause 49 of the Listing Agreement)

Name of Director	Mr. K. Lall	Mr. Mukat Behari Sharma
Date of Birth	19.07.1944	01.10.1944
Date of Appointment	30.01.2002	31.01.2005
Qualification & Expertise	Mr. K. Lall is a FCS and CWA and possess a vast professional experience of over 37 years in the field of financial and corporate matters such as investment banking, corporate finance, business restructuring, legal and commercial laws etc.	Mr. Mukat Behari Sharma, is a commerce graduate and has a rich and vast experience in the areas of finance, accounts, commercial, business development and planning, strategic mergers and acquisitions. He also possesses vast experience in management, human resources and administrative fields.
Shareholding in the Company	NIL	NIL
List of Other Public Limited companies in which directorship held	Fedders Lloyd Corporation Limited, Arjun Industries Limited, Vishwas Securities Limited	NIL
Membership/Chairmanship of Committees of other public companies	Fedders Lloyd Corporation Limited, Chairman of Audit Committee and Share Transfer cum Investors' Grievance Committee	NIL
Relationships between directors inter se	NIL	NIL

By order of the Board of Directors

Sd/-

Anita K. Sharma
Company Secretary

Dated : 8th August, 2012

Place : New Delhi

Directors' Report

Your Directors present herewith the Twenty Fifth Annual Report on the Business and Operations of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2012.

FINANCIAL PERFORMANCE

Rs.in Million

PARTICULARS	STANDALONE for the Year ended		CONSOLIDATED for the Year ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
Total Income	9050.56	7836.36	12060.67	10158.39
Operating Profit (EBIDTA)	934.69	841.91	1048.17	934.57
Interest & Finance Charges	291.26	205.00	338.31	231.66
Depreciation	190.67	150.34	284.06	230.46
Profit before tax	452.76	486.56	425.80	472.45
Provision for taxation	116.90	126.00	132.06	96.75
Profit after taxation	335.86	360.56	293.74	375.70
Add: Balance brought forward	767.49	433.52	717.40	368.29
MAT Credit receivable booked in current year	14.72	97.45	14.72	97.45
Total available for appropriation	1118.07	891.53	1025.86	841.45
Less: General Reserve	10.00	45.00	10.00	45.00
Debtenture Redemption Reserve	25.00	25.00	25.00	25.00
Proposed Dividend	31.00	46.50	31.00	46.50
Corporate Dividend Tax	5.03	7.54	5.03	7.54
Balance carried forward	1047.04	767.49	954.83	717.41

DIVIDEND

Based on the Company's performance, your Directors are pleased to recommend for the approval of the members, a dividend of Re 1 per equity share (i.e. 10 %) of the face value of Rs. 10/- each to be appropriated from the profits for the year 2011-12. (Previous year Re. 1.5/- per equity share of Rs. 10/- each).

The total dividend payout would be Rs.36.03 Million, including dividend distribution tax of Rs.5.03 Million.

PERFORMANCE HIGHLIGHTS

The year 2011- 2012 was a challenging year, arising from a host of macro economic factors. The Global economic crisis continues to adversely impact all aspects of business and the economy. Volatile foreign exchange rate, high interest rates and inflation continued to be an enormous challenge. In the view of this challenging environment, on stand alone basis, during the year under review, the total income of the Company stood at Rs. 9050.56 Million as against Rs. 7836.36 Million during the last corresponding year 2010-2011 registering an increase of 15%. Profit after tax was Rs. 335.86 Million as against Rs. 360.56 Million during the previous year. Profit after tax was marginally lower by 6.85%, primarily due to the volatile foreign exchange rate and high interest rates.



On consolidation basis, the total income of the Company together with subsidiaries was Rs. 12060.67 Million as against Rs. 10158.39 Million during the previous year, registering an increase of 18% as compared to the previous year's. The consolidated Profit after tax was Rs. 293.74 Million as against Rs. 375.70 Million, down by 21%. The significant decline in the consolidated Profit after Tax was due to high interest rates and currency depreciation coupled with economic uncertainty in Europe, which has squeezed the margins of Company's subsidiary Janka Engineering s.r.o.

OPERATIONS

Over the year, your Company has undertaken extensive market research, the findings of which were used to revitalize the Lloyd Brand. As part of mitigation efforts, the Company has put in place various measures to reduce operational and administrative costs. During the year, the state of art manufacturing facility at Haridwar, Uttarakhand, setup in 2010, commenced the commercial production. The plant caters to the demand of packaged Air-conditioning units for Railways, Metros and Commercial Refrigeration. Your Company has been awarded the prestigious IRIS (International Railway Industry Standard) certification which recognizes compliance with International standards in railway industry for the design and manufacture of Heating, Ventilation, Air-conditioning and Refrigerant (HVAC&R) based cooling system including condenser and evaporators. This certification makes the Company eligible for global bidding in Railway/ Metro business in (HVAC&R) segment.

SCHEME OF ARRANGEMENT

During the year under review, the Board of Directors of your Company has approved the Scheme of Arrangement amongst M/s. Perfect Radiators & Oil Coolers Pvt. Ltd. (group company, herein after referred to as transferor company) "PROC" and Lloyd Electric & Engineering Ltd. (transferee company referred as LEEL) and their respective shareholders at their meeting held on 29th March 2012 under Section 391-394 of the Companies Act, 1956.

As per the scheme of arrangement, the 'Heat Exchangers Business' of PROC would be demerged and transferred to LEEL with effect from 1st April 2011, the appointed date for the said scheme. The Valuation of the heat exchangers business of Perfect Radiators has been valued by Ernst & Young at Rs. 36 crores and Valuation of per equity share of LEEL has been valued at Rs. 84 per equity share of Rs. 10/- each. Basis, the valuation report of Ernst & Young, the share swap ratio has been fixed at 54:100 i.e. 54 equity shares of LEEL shall be issued for every 100 equity shares held in PROC. Pursuant to the same, LEEL would issue and allot 43,20,000 equity shares of Rs. 10/- each to the shareholders of transferor company in proportion of the shares held by them in the transferor company.

The product range of PROC has strong synergies with the existing product range of LEEL in heat exchangers line of business. The said acquisition of Heat Exchanger business of PROC would add significant value by integrating and consolidating the heat exchangers business of LEEL globally thereby adding more product range to its existing and new customers. The shareholders will benefit not only from unlocking of value of the Heat Exchangers businesses embedded within Lloyd Group but also from the future value creation of Lloyd Electric & Engineering Ltd.

The Company has recently obtained in-principle approval to the said scheme of arrangement from the stock exchanges where it is listed under clause 24(f) of the listing agreement. The scheme of arrangement will be subject to necessary approvals and consents including those of Hon'ble High Court at New Delhi & Rajasthan.

STRATEGIC RESTRUCTURING- ACQUISITION OF INTANGIBLE RIGHTS, TITLE AND INTEREST IN BRAND 'LLOYD'

Based on the Strategic restructuring plan conceptualized for the 'Lloyd Group of Companies', a diversified conglomerate on the advisory of IDFC Limited, your Company acquired through assignment, the intangible rights, title and interest in 'Lloyd' blue logo and wide distribution network of Consumer Products Division from its associate company, M/s. Fedders Lloyd Corporation Limited for a total consideration of Rs. 138.72 Million, arrived by Ernst & Young Ltd. This brand acquisition marks the entry of your Company into the rapidly growing Consumer Durable Industry.

The present product portfolio of Consumer Product Division includes:

- Residential and Light Commercial Air-conditioning (Window type, Hi-Wall Splits, Cassettes, Tower AC) ranging from 0.8 tonne upto 4 tonne Capacity.
- In the Flat Panel display category we have screen sizes from 22 inch to 55 inch including state of the art features like Full HD, LED & 3DTV technology.
- In Chest freezers the range starts from 128 ltr and goes upto 548ltr. capacity with Hard top/Glass Top/Curved top variants in single door and double door design with the highest insulation standards in the industry.
- There are also a host of unique lifestyle products like garment steamers, hot and cold aircoolers, 100% clothes dryers which create a distinctive positioning for brand LLOYD.

Lloyd has been innovative in addressing the wide gap in India for delivering after sales service and fulfilling its success Mantra of "Service Chaihyetoh Lloyd Laiye"

Lloyd has established multi language inhouse call centres at five locations across India, Unique CRM software which is a web based tool that helps track and deliver the highest satisfaction to customer's with complete transparency, ON demand free service and the facility to **register and track complaints online** on the brand website: www.mylloyd.com.

This strategic move has poised 'Lloyd' for a long term play in consumer products with sustainable and competitive advantages such as cost control with vertical integration (heat exchangers & Residential Airconditioner manufacturing at multiple tax free locations)

OVERSEAS EXPANSION

With a view to expand its operations in Prague, Czech Republic, Janka Engineering s.r.o., wholly owned subsidiary of the Company executed a purchase agreement with Lindabs.r.o. for the purchase of Industrial Shed spread over an area of approx. 7092 sqm along with their parts and appurtenances including heating systems, compressors and other allied equipments located in the Cadastral Territory of Radotin, Prague. The total consideration for the assets purchased from Lindabs.r.o., was Euro 0.8 Million and the said transaction was completed in November 2011.



SUBSIDIARY COMPANIES

Pursuant to the Accounting Standard AS-21 issued by ICAI, Consolidated Financial Statements presented by the Company includes the financial information of Subsidiary Companies. The Central Government vide Notification no.2/2011 dated 8th February, 2011 granted general exemption to Companies from dispensing with the requirement of attaching the accounts of the subsidiary companies, subject to certain conditions. As the Company has complied with all the conditions, the annual accounts and other documents of the subsidiary Companies are not attached with the Balance Sheet of the Company. The Annual Accounts of the subsidiary Companies are open for inspection by any member/investor and also available on the website of the Company- www.lloydengg.com. The Company will make the documents/details available, upon request by any member of the Company or its subsidiaries interested in obtaining the same.

Despite continuing stagnation of the European economy, the overseas subsidiary, Lloyd Coils Europe s.r.o. (LCE), based at Czech Republic, engaged in the manufacture of coils and finned pack Heat Exchangers, with manufacturing facility at Prague, Czech Republic was able to deliver double digit growth. The Subsidiary's revenue reached to record high of Euro 35.10 Million, registering an increase of 27% from the previous year. The EBITDA grew by almost double to Euro 2.38 Million, the best in the history of the plant. During the year under review, LCE has strengthened its partnership with top OEM's like Carrier, GEA, Bosch and has undertaken development of All-aluminum coils

During the year under review, the Company extended shareholders loan of Euro 2.6 Million to Lloyd Coils Europe s.r.o.

Janka Engineering s.r.o (Janka), overseas subsidiary is engaged in the manufacture of air handling units, industrial fans and is having state of art manufacturing facility in Prague, Czech Republic. Janka is supplier of cooling units to nuclear power projects in Slovakia. Due to the poor situation of the domestic construction industry, market for the main product line of air handling units, the year was full of challenges with downsizing of new construction projects and increasing competitiveness on the market, which had negative impact to the price level pushing thus the margins of manufacturers down. For financial year 2011-12, Janka reported revenue of Euro 12.3 Million, thereby reporting a marginal increase of 10% over the previous year. However, due to adverse market conditions in Europe the subsidiary reported EBITDA of – 0.84 Million.

During the year under review, the Company extended shareholders loan of Euro 800,000 to Janka Engineering s.r.o., being the consideration for the purchase of Industrial Shed from Lindab s.r.o.. The loan was subsequently converted into registered capital amounting to CZK 20,633,000 and thereupon the registered capital stands increased from CZK 44,300,000 to CZK 64,933,000 effective 14th December, 2011.

GLOBAL DEPOSITORY RECEIPTS (GDRs)

396000 Global Depository Receipts underlying 792000 equity shares are outstanding for conversion as on March 31, 2012. The GDRs are listed and traded at London Stock Exchange. The Bank of New York acts as the Depository and ICICI Bank as the domestic custodian in respect of GDRs issued.

FIXED DEPOSITS

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

LISTING ARRANGEMENT

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

The GDR'S are listed on London Stock Exchange.

The Secured Redeemable Non- Convertible Debentures (NCD) of Rs. 50 crores issued by the Company in two tranches is also listed at Bombay Stock Exchange Ltd., (BSE).

Annual Listing fees to above Exchanges for the Financial Year 2012-13, as applicable have been paid before the due date.

CORPORATE GOVERNANCE

Your Directors supports the concept that good governance practices stem from the culture and mindset of the organization. Lloyd not only adheres to the prescribed corporate practices as per Clause 49 of the Listing Agreement executed with the Stock Exchanges but is constantly striving to adopt emerging best practices worldwide.

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

DIRECTORS

Mr. A. K. Roy was re-appointed as a Whole Time Director of the Company in the meeting of the committee of Board of Directors held on April 26, 2012 for a further period of 2 years w.e.f. April 28, 2012.

Mr. Mahesh Sreenivasan ceases to act as a Nominee Director on the Board of the Company w.e.f. 5th December, 2011 on the prepayment of the entire outstanding term loan availed from IFCI Ltd. The Directors place on record their sincere appreciation of the valuable services rendered and advice given by Mr. Sreenivasan during his tenure on the board of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. MukatBehari Sharma and Mr. Krishan Lall retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Brief profile of these Directors is given in the notice of the ensuing AGM.

Mr. Ramesh Kumar Vasudeva and Mr. Bharat Raj Punj were appointed as an additional director by the Board of Directors of the Company 8th August 2012. In accordance with the provisions of the Companies Act, 1956, they hold office upto the date of the forthcoming Annual General Meeting and notice under section 257 of the Act has been received from the members proposing their appointment as directors of the Company. The Resolution seeking approval of the members for appointment of Mr. Ramesh Kumar Vasudeva and Mr. Bharat Raj Punj as Directors of the Company has been incorporated in the Notice of the forthcoming Annual General Meeting.

AUDITORS & AUDITORS' REPORT

M/s Suresh C. Mathur & Co., Chartered Accountants, retires as statutory Auditors at the forthcoming Annual general Meeting and has given their consent for re-appointment. As required under the provisions of Section 224 of the



Companies Act, 1956, the Company has obtained a certificate from M/s Suresh C. Mathur & Co., Chartered Accountants, to the effect that their appointment, if made, would be in conformity with the limits specified in the said section. The Board recommends their re-appointment as Statutory Auditors for the Financial Year 2012-13.

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

CORPORATE SOCIAL RESPONSIBILITY

We at Lloyd believe passionately that good corporate citizenship and good business performance go hand in hand and nurture each other through good times and bad. We endeavor at improving the quality of life of the communities we serve. Company has continuously encouraged its employees to volunteer for Corporate Social Responsibility (CSR) programmes as their responsibility towards society.

Detailed information on the initiatives of the Company towards CSR activities is provided in the Corporate Social Responsibility section of the Annual Report.

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

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

PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Audited Accounts for the financial year ended March 31, 2012 are in conformity with the requirements of the Companies Act, 1956. Pursuant to Section 217(2AA) of the Companies Act, 1956, your directors hereby confirm that:

1. In preparation of the annual accounts for the year ended March 31, 2012, the applicable accounting standards have been followed;
2. The accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profits of the Company for that period;

Directors' Report

3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, and for providing and detecting frauds and other irregularities;
4. The Directors have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. Your Directors also take this opportunity to thank the customers, shareholders, business associates, banks, financial institutions, various statutory authorities and Central and State Governments for their continued assistance, co-operation and encouragement they have extended to the Company.

For and on behalf of the Board of Directors

Date: August 8, 2012
Place: New Delhi

Sd/-
Brij Raj Punj
Chairman & Managing Director



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

A. CONSERVATION OF ENERGY

As the Lloyd group strives to reach greater heights, we place great emphasis on positive practices to develop new ways of doing business with the aim of reducing our environmental impact. The Company has adopted an approach of 'value creation through sustainability' for all its stakeholders. In line with the Company's commitment towards conservation of natural resources, all manufacturing facilities have continued with their efforts to improve energy usage efficiencies. Conservation of energy continues to be high priority for all existing as well as new projects. To meet with the Challenge of the energy consumption and to upgrade the product performance and reliability, your Company has taken several measures and developed various products which are energy efficient and fit for 5 star energy rating.

Some of the steps taken by the Company towards energy conservation during the year under review are:

- Wind operated powerless ventilators are being used by the Company for plant ventilation in Pantnagar facility.
- Roofing modification has been effected to use Sky light as against powered lights in the manufacturing line at Pantnagar.
- In the powder coating shop, speed of conveyor has been increased by 5% and partition on both sides at powder curing oven has been added to reduce energy loss.
- At the Kala-Amb plant, air leakages in plant have been plugged and all boundary lights have been converted to solar power.
- Peak load exemption has been obtained at the Kala-Amb plant to reduce costs per unit of production.
- Use of Compact Fluorescent Lights (CFL) and bulbs at various manufacturing facilities to reduce the energy cost.
- Switching off lights and air conditioners, when not required, putting off monitors of Desk Tops and ensuring that PCs are kept in hibernation mode when not needed in the office premises and plants.

Benefits derived as a result of above efforts:

As a consequence of the energy conservation measures indicated above your Company is able to reduce electrical and fuel consumption and curb the impact of increase in cost of energy thereby savings in the cost of production of the goods to that magnitude.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

As we move closer to our goal to be amongst the top global player in HVAC&R industry, your organization will strive to institutionalize innovation as a way of life leading to innovation led growth.

a) **Efforts towards technology absorption, adaptation and innovation**

Technology and innovation continues to be one of the key focus areas to drive growth of Lloyd group besides ensuring sustainability and helping the Company take a leap in transformation. Consistent with Lloyd's aspiration to be best in class technology 'Lloyd Technology Team' is working as a focal point to integrate Research and Technology initiatives across the Organization. In addition to developing new products and technologies for existing businesses the group is also working on building capabilities to develop breakthrough technologies that will create new business for Lloyd. Your Company is pioneer in bringing Micro Channel Technology in Indian Market. Another new technology acquaint with to the Indian markets are the Fin and Tube type Heat Exchangers. Training is imparted to technical staff as an ongoing process.

b) **Benefits derived as a result of above efforts**

Due to new technologies/techniques Lloyd is now capable to offer immediate solution to potential OEM customers as per their specific technical requirement. Availability of energy efficient, environment friendly air-conditioning systems and equipment; wider range of products; improved process, productivity, quality and product designs; and cost reduction were amongst the benefits derived.

c) **Information regarding imported technology:**

No technologies were imported during the last financial year.

C. **RESEARCH AND DEVELOPMENT**

The Company is conscious of the need for latest technology products to remain at the top of the cutting edge technology and to compete in the market place. Your Company continued its efforts in strengthening the R&D facilities in order to provide wide range of products to suit the customer needs at both domestic and international front. Taking cognizance of customer preferences, Company has developed energy efficient models of room air conditioners which meet the BEE (Bureau for energy efficiency) norms. The Company has also enhanced its efforts on promoting star-rated products, with majority of variants being in the 3/5 star categories.

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

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

Products and processes developed by your company during the year under review includes:

- Development of Energy efficient models like 5 star splits in 3000 kcal/hr and 4500 kcal/hr capacity
- Development of windows and Splits ranging from 3000 kcal/hr to 4500 kcal/hr with reciprocating compressor
- A new production range of plate heat exchangers for air-conditioning units KLM02 to KLM31 was developed at the Company's Subsidiary at Czech Republic.
- Development of Micro Channel Heat Exchangers and Fin & Tube- copper Aluminium type Heat Exchangers.
- Development of Split and Window AC with the capacity of 4500 kcal/hr and 6000 kcal/hr – T3 type, suitable for



high ambient conditions for the Middle East Markets.

- Development of Floor Standing AC with the capacity from 6000 kcal/hr to 12000 kcal/hr

Benefits derived as a result of above R&D

Value engineering and design changes brought about a significant enhancement in energy efficiency thereby resulting in reduction in the cost of production and savings in the energy cost for consumer. Introduction of the new products resulted in improving value addition and providing complete solutions to meet with the customers' needs. It further helped in improving the market share.

Future plan of action

Towards optimizing energy consumption, your Company continues its efforts to enhance the in-house capabilities to bring in operational efficiencies and product up-gradation to meet the customers' need. New Product Development Road map by Lloyd for the upcoming year includes:

- Heat and Cool Splits from 2250 kcal/hr to 4500 kcal/hr for Domestic and Export markets.
- Initiatives taken to develop Splits with Environment friendly refrigerant R-410A in 3000 kcal/hr and 4500 kcal/hr
- Heat and Cool Window AC in 4500 kcal/hr
- To develop Window AC in 60 Hz for Middle East Markets

Expenditure incurred for Research and Development

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

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

D. FOREIGN EXCHANGE EARNING AND OUTGO

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

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

b. Total Foreign Exchange used and earned:

	Rs. In Million	
	2011-12	2010-11
Total Foreign Exchange Earned	1261.90	1159.12
Total Foreign Exchange used	3950.05	2372.21

Management Discussion and Analysis

ECONOMIC SCENARIO AND OUTLOOK

The global economy has been very volatile in the last twelve months. While the first half of 2011 showed definite signs of recovery, the Euro crisis clearly influenced the business sentiment of the underlying economy since September 2011. The slowdown was largely a result of the global economic upheaval following the Euro-zone turmoil from September 2011, which raised questions about the economic stability of a number of countries. Consequently, there were sharp rating downgrades of sovereign debt across a number of advanced countries. A deeper and longer recession in the euro zone had a spill over to other U.S. trading partners, marginally weakening the U.S. growth picture. But as long as domestic demand continued to gradually improve in the United States, the impact was limited since international trade is not the primary engine of U.S. growth. Notwithstanding this adverse reality, India retained its position as one of the world's fastest growing economies.

The Indian economy is estimated to have grown 6.5% in 2011-12 as against 8.4% in 2010-11. The lower GDP growth was primarily on account of a combination of global economic headwinds, a challenged Indian industrial sector, inflation, periodic interest rate hikes, infrastructural slowdown and a sharp depreciation of the Indian Rupee against the US Dollar starting from the third quarter of 2011-12. But despite the low growth figure of 6.5%, India remains one of the fastest growing economies of the world as all major countries including the fast growing emerging economies are seeing a significant slowdown.

INDUSTRY STRUCTURE AND DEVELOPMENT

Changing economic and business conditions, evolving consumer preferences, rapid technological innovation and globalization are driving corporates to transform the manner in which they operate. Companies are now focused on their core business objectives, such as revenue growth, profitability and asset efficiency.

The Indian room air conditioning industry remained under pressure during the year 2011-12. The estimated total market size for airconditioning in India was around Rs. 113 Billion. Out of this, the market for room airconditioners comprise of Rs. 60 Billion, while the market for central plants, packaged/ducted systems was about Rs. 53 Billion. The Room Air conditioning industry declined by estimated 14% in 2011-2012 in comparison to about 31% growth in 2010-2011. This was mainly due to a relatively mild summer coupled with intermittent rains and by the generally negative market sentiments due to reduced consumer spending on account of rising interest rates and inflationary pressures. However, the current penetration level of airconditioners in the country is a mere 3% and this presents significant opportunities to the players in the room airconditioners business, when the economic as well as geographic climate is favourable.

The trend towards energy-efficiency continued to be a strong market driver, impelling more consumers to upgrade to higher star-rated products. There is also greater awareness about more efficient products and those that use 'greener' refrigerants. The Company continued its efforts in promoting energy efficiency with the wide range of star-rated products, with majority of variants being in the 3/5 star category.

Another significant trend evidenced was that the demand of Split Air conditioners is continuously increasing and the price gap between a Window and a Split Air conditioner has shrunk in recent years. Today, the Split Air conditioners contribute to more than 74% of Room Air conditioner market.

INTRODUCTION

Lloyd Electric is leading manufacturer of heat exchanger and evaporator coils serving the entire spectrum of Heating, ventilation, Air-Conditioning and Refrigeration (HVAC&R) Industry. The company is an original equipment manufacturer (OEM) supplier to AC manufacturers in India. The Company also provides customized AC solutions for institutional clients like railways, defense and metro rails. Company has prolonged into the transport segment and has developed new



models for the same. Lloyd has further expanded its horizons and has entered into the retail segment by acquiring intangible rights, titles and interest in the Lloyd Blue Logo “Lloyd” pertaining to the Consumer Durable Product business from its associate Company, Fedders Lloyd Corporation Limited thereby facilitated entry into the rapidly growing consumer durable goods segment.

FINANCIAL HIGHLIGHTS

On stand alone basis, during the year under review, the total income of the Company stood at Rs. 9050.56 Million as against Rs.7836.36 Million during the last corresponding year 2010-2011 registering an increase of 15.49%. Profit after tax was Rs.335.86 Million as against Rs.360.56 Million in the previous year. Profit after tax is marginally lower by 6.85%. On consolidation basis, the total income of the Company together with subsidiaries was Rs. 12060.67 Million as against Rs. 10158.39 Million during the previous year, registering an increase of 18% as compared to the previous year's. The consolidated Profit after tax was Rs. 293.74 Million as against Rs. 375.70 Million, down by 21%. The significant decline in the consolidated Profit after Tax was due to high interest rates and currency depreciation coupled with economic uncertainty in Europe, which has squeezed the margins of Company's subsidiary Janka Engineering s.r.o.

EXPANSION & FUTURE PROSPECTS

In spite of a challenging economic environment during the Financial Year 2011-12, Lloyd focused on mitigating the challenges of the global economy and implementing its strategic objectives.

During the year, the Company had developed wide range of room air conditioners ranging from 2/3/5 rated meeting with BEE standards for energy efficiency. During the year, the Company also developed lower diameter coils and natural refrigerants like CO2 coils for the refrigeration industry.

In our pursuit to persistently improve the quality of our products and process, we have taken various initiatives and obtained several certifications. During the year under review, your Company has been awarded IRIS (International Railway Industry Standard) certification which recognizes compliance with International standards in railway industry for the design, manufacture of Heating, Ventilation, Air-conditioning and Refrigerant (HVAC&R) based cooling system including condenser and evaporators. This certification makes the Company eligible for global bidding in Railway/ Metro business in HVAC&R segment. Company has also received EN certification for Welding and has got its Heat exchanger products certified by Underwriters Laboratories (UL).

The metro segment business is increasing as more and more cities are coming out with Metro projects and major international players of Rolling Stock manufacturers are coming to India thereby providing an earnest opportunity for the Company to further expand its horizon. With regards to Metro business, BEML has placed developmental order of saloon units and CAB units of HVAC for Bangalore Metro. During the year, there was considerable intake of orders from Railways for the supply of roof mounted packaged units (RMPU) for LHB rail coaches and also RMPU for Kolkata Metro.

EXPORTS

The main focus of product export is on the African, Middle East Markets, US, Europe. The Company offers products such as room air conditioners, condenser and evaporator coils, Heat Exchangers for HVAC&R industry. The Company has also taken initiative for the development of products for the export market in Middle East with R 22 Refrigerant and with T3 type of operating conditions suitable for high ambient conditions.

OPPORTUNITIES & OUTLOOK

Consumer electronics is expected to be a high demand product category for the next few years. Highly underpenetrated Indian household market, increasing affordability and financing options, increasing urbanization in tier II cities,

Management Discussion and Analysis

improving power availability, robust growth in commercial segment, shift from being a luxury product to being a necessary product are several factors favoring the Indian air conditioner market growth. As the average income levels of Middle income levels are rising, smaller towns are showing encouraging growth as the next round of growth will come from them.

India is increasingly becoming more competitive for domestic manufacturing as against imports as manufacturing labour cost has been rising in China, strengthening Yuan and weakening rupee have made India relatively more competitive than China for AC manufacturing and with FTAs, India has become more competitive in exports to South & South East Asian Nations.

In order to suitably seize these opportunities, the Company has made strategic plans for growth and taken various initiatives intended to match the customer's requirements with suitable product and service offerings, leverage in-house R&D capabilities for developing new differentiated products and providing customized solutions. The Company has also enlarged its bandwidth in Human Resources for meeting long term growth aspirations.

RISK AND CONCERNS

The global economic slowdown continued to impact all facets of business. India's core inflation has gone up significantly over the past year, and is unlikely to moderate significantly in the coming months. Thereby input costs of raw material especially of Aluminum, Copper and Sheet Metal has gone up and has led to an erosion of Margins. Increasing Tax, freight cost, and operational cost are some other factors which increase the cost. With more and more brands entering the market, the AC industry is exhibiting signs of fragmentation. Macro-economic circumstances such as high interest rates and wide USD-INR fluctuations, alongwith surging commodity prices are also putting profitability under pressure. BEE has made the star rating system more stringent. Because of BEE standards of Energy efficiency the specifications of all Air conditioners have gone up which may result in the cost increase for new product development. Apart from the weather factor, the growth of the AC Industry will depend on the ability to be price competitive and offer a superior value proposition to the customers.

RISK MANAGEMENT

The Risk Management of the Company is overseen by the Senior Management and the Board at various levels. The Company is actively engaged in assessing and monitoring the risks of each of the businesses and overall for the Company as a whole. The top tier of risks for the Company is captured by the operating management after serious deliberations on the nature of the risk and thereafter in a prioritized manner presented to the Board for their inputs on risk mitigation/management efforts. The Board oversees the risks which are inherent in the businesses pursued by the Company. The oversight is through review/ approval of business plans, projects and approvals for business strategy / policy. Operational Risks such as availability of raw material, changes in technology, customer preferences are being mitigated by internal policies and procedures which are updated from time to time to address updated risks. Financial Risks relating to exchange rates, interest rates, credit risks and commodity prices are addressed on an ongoing basis by Treasury, Insurance and Forex Policies Risk Management team. Due oversight on financial risks is exercised by the Audit Committee in its meetings.

CORPORATE SUSTAINABILITY

While we address all aspects of social, environmental and economic performance, the issues of immediate material concern to Lloyd are the safety and health of our people, resource conservation, development of innovative products and processes which lead to a low carbon future, minimizing the carbon footprint, value creation for all stakeholders and



contributing to the prosperity of the communities and nations where we operate. The Company is conscious of the need for energy conservation and continues to explore the possibilities of reducing energy consumption in the office premises and plants.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The Company's Internal Audit function objectively and independently tests the design, adequacy and operating effectiveness of the internal control system to provide a credible assurance to the Board and the Audit Committee regarding the adequacy and effectiveness of the internal control system. The function also reviews and reports on adherence to operating guidelines and statutory requirements, recommends improvements for monitoring and strengthening economy and efficiency of operations and ensuring reliability of financial and operational information.

ENVIRONMENT, HEALTH & SAFETY

Your Company firmly believes that it is accountable for the well being of every person who works at its facilities, including contractor personnel and has enshrined the same in its OH&S vision of "No harm anywhere to anyone associated with Lloyd", where "anyone" is defined to include "employees" and "contractors personnel" at the various Company sites. Significant initiatives were taken during the year to improve the safety of employees and contractors and to make the Organization a safe work place.

HUMAN RESOURCES

The dedicated efforts of its competent and committed employees have contributed to the Company's achievements in these challenging economic conditions. The diversity ingrained in the businesses, by virtue of the nature of operations, geographic spread and customer segments, requires distinct sets of human capabilities working collaboratively towards a common purpose. The Leadership Team has ensured the creation of a unified vision, giving direction to these diverse capabilities and achievements using innovative methods and employee communication programmes.

The Company rejuvenated competence through training and personal development on the one hand and lateral movements across functions and divisions on the other, which translated into high engagement and exposure to new opportunities.

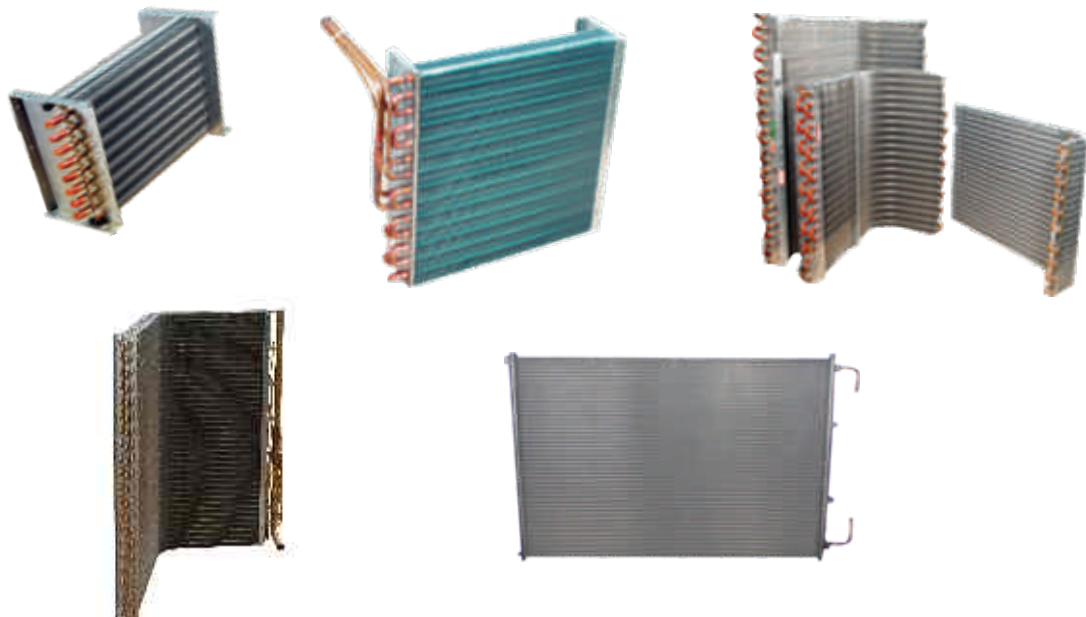
The Company's fair and transparent remuneration policies strengthened talent attraction. The management continued to enjoy smooth, harmonious and cordial industrial relations with the employees, resulting in motivation, efficiency and productivity.

CAUTIONARY STATEMENT

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

Fully Integrated Across HVAC Value Chain

Coils / Heat Exchangers



Application in HVAC Products

OEM Segment



Branded "Lloyd" Products for Retail Segment



Key Products for Indian Railways

Roof Mounted Packaged Units (RMPU) for Double Decker Coaches for Indian Railways



RMPU for Metro Rail



RMPU for LHB Coaches for Indian Railways



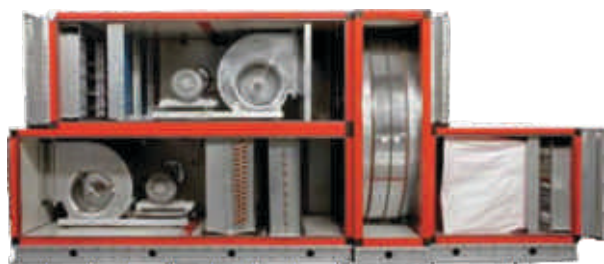


International Product Portfolio

HVAC Unit for Trams for Skoda Transport



Air Handling Units



Branded "Lloyd" Consumer Durable Products



Window ACs



Split ACs



LCD/LED TVs



Clothes Dryer



Chest Freezer



Garment Steamer

LIVE THE FUTURE ●●

Report on Corporate Governance

'Attainment of the right results with right means' summarizes Lloyd's way of Corporate Governance. Beside the mandatory Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE), the Ministry of Corporate Affairs (MCA) has also published detailed voluntary governance guidelines that inter alia contain provisions relating to the role and responsibilities of the Board, disclosure of information to shareholders. Lloyd is not only fully compliant with the requirements of the prevailing and applicable Corporate Governance Code as per clause 49 but is also committed to sound corporate governance principles and practices and constantly strives to adopt emerging best practices worldwide. Fairness, accountability, disclosures and transparency forms the pillars of your Company's philosophy on Corporate Governance. Your Company's compliance with requirements is presented in the subsequent sections of this Report.

I. STATEMENT ON COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Good Corporate Governance practices are characterized by a firm commitment and adoption of ethical practices by an organization in all its dealing with a wide group of stakeholders encompassing regulators, employees, shareholders, customers and vendors. Corporate Governance goes beyond the practices enshrined in the law and is embedded in the basic business ethics and values that needs to be adhered to in letter and spirit. However a transparent, ethical and responsible corporate governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the organization. Lloyd Group is committed to adopting the 'best governance practices' that are followed in the area of corporate governance across various geographies and its adherence in the true spirit, at all times.

With the increasing complexity in business of organizations, sound governance practices are indispensable to build and sustain trust in all its stakeholders. The recent global phenomenon like the financial melt down, mega corporate failures and frauds have heightened the corporate governance practices and the need for transparency and strong business ethics. At Lloyd, our governance philosophy rests on five basic tenets viz., Board accountability to the Company and shareholders, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment of all shareholders as well as transparency and timely disclosure. Your Company has a strong legacy of fair, transparent and ethical governance practices.

II. BOARD OF DIRECTORS

The Board of Directors ('the Board') comprises of eminent persons with considerable professional experience and expertise in diverse fields. The Board is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

Composition

1. The Board of Directors of the Company comprises of Executive & Non-Executive Independent Directors. The Chairman is an Executive Director. As on March 31st, 2012, the Board comprises of six 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 March 31st, 2012 have been made by the Directors.



Board Meeting

During the year under review, Six (6) board meetings were held on the following dates:

- | | |
|----------------------|----------------------|
| 1) April 28, 2011 | 4) November 10, 2011 |
| 2) August 11, 2011 | 5) February 6, 2012 |
| 3) September 8, 2011 | 6) March 29, 2012 |

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

Composition, Category and Attendance of Directors at Board Meetings, Last Annual General Meeting and number of other Directorships and chairmanships/memberships of Committees of each director in various companies as on March 31, 2012 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	6	Yes	2	-	1
2	Mr. Achin Kumar Roy DIN 01475456	Whole Time Director	6	Yes	-	-	-
3	Mr. Mukat Behari Sharma DIN 02942036	Whole Time Director	6	Yes	-	-	-
4	Mr. Krishan Lall DIN 00555967	Non- Executive Independent Director	6	Yes	3	2	-
5	Mr. Surjit Krishan Sharma DIN 00058581	Non- Executive Independent Director	6	No	1		2
6	Dr. Geeta Ajit Tekchand DIN 02937277	Non- Executive Independent Director	6	No	-	-	-
	Mr. Mahesh Sreenivasan*	Nominee-IFCI	3	No	-	-	-

Notes:

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

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

*IFCI Ltd. vide its letter dated 5th December, 2011 had withdrawn the nomination of Mr. Mahesh Sreenivasan as IFCI Nominee on the Board of Directors of the Company on the prepayment of entire outstanding term loan availed from IFCI

Ltd. and thereby Mr. Mahesh Sreenivasan ceases to act as Nominee Director on the Board of the Company w.e.f. 5th December, 2011.

**Mr. Bharat Raj Punj and Mr. Ramesh Kumar Vasudeva are appointed as additional directors on the Board of the Company w.e.f. 8th August, 2012.

During the Financial year ended March 31, 2012 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 2011-12, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

III. AUDIT COMMITTEE

The composition, powers, role and terms of reference of the Audit Committee are in accordance with the requirements mandated under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement executed with the Stock Exchanges. The Company has a multi disciplinary Audit Committee which is responsible for effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and compliance with established policies and procedures

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

- Supervise the financial reporting process;
- Review the quarterly and annual financial results before placing them to the Board along with related disclosures and filing requirements;
- Review the adequacy of internal controls in the Company, including the plan, scope and performance of the internal audit function;
- Discuss with management the Company's major policies with respect to risk assessment and risk management;
- 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;
- Ensure compliance with accounting standards and with listing requirements with respect to the financial statements;
- Recommend the appointment and removal of external auditors and their fees;
- Recommend the appointment of cost auditors;
- Review the independence of auditors;
- Ensure that adequate safeguards have been taken for legal compliance both for the Company as well as foreign subsidiaries;
- Review related party transactions;
- As per the requirement of the Listing Agreement, to review the Financial Statements, in particular the investments made by the unlisted subsidiary Company

The Audit Committee comprises of 4 members, out of which 3 are Independent Directors. Company Secretary acts as the secretary to the Committee. Mr. K. Lall, the Chairman of the Audit Committee was present at the last AGM.



During the year under review, the audit committee met four (4) times on the following dates:

- 1) April 28, 2011
- 2) August 11, 2011
- 3) November 10, 2011
- 4) February 6, 2012

Adequate Quorum was present at all the meetings

As on March 31st, 2012, 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	4	4
Mr. Surjit Krishan Sharma	Member	Independent Non- Executive Director	4	4
Mr. Achin Kumar Roy	Member	Whole Time Director	4	4
Dr. Geeta Ajit Tekchand	Member	Independent Non- Executive Director	4	4

IV. REMUNERATION COMMITTEE

The Remuneration Committee is a non-mandatory requirement of Clause 49 of the Listing Agreement. The Company has constituted the same keeping in view its philosophy of voluntary transparency in operations. The Remuneration committee deals with all elements of remuneration package of the Executive Directors i.e. Salary, benefits, bonuses, stock options, pension etc. including details of fixed component and performance linked incentive, along with the performance criteria.

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

- To approve the annual remuneration plan of the Company;
- To approve the remuneration and commission payable to Managing Director and Whole Time Directors for each financial year.
- Such other matters as the Board may from time to time request Remuneration Committee to examine and recommend/approve.

Composition

The Committee comprises of three (3) Directors, all of them being Independent & Non- Executive Directors. The composition of this Committee as at March 31, 2012 was as follows:

S.No.	Name of Directors	Status	Category of Director
1.	Mr. Surjit Krishan Sharma	Chairman	Independent and Non- Executive
2.	Mr. Krishan Lall	Member	Independent and Non- Executive
3.	Dr. Geeta Ajit Tekchand*	Member	Independent and Non- Executive

*Dr. Geeta Ajit Tekchand was inducted as member of the Remuneration committee in place of Mr. A. K. Roy w.e.f. 6th February, 2012

Company Secretary acts as the secretary to the Committee.

Meetings and Attendance during the year

The Remuneration Committee met once during the year 2011-2012 on April, 26, 2011. The necessary quorum was present for the meeting

Members	Meetings Held	Meetings Attended
Mr.Surjit Krishan Sharma	1	1
Mr.Krishan Lall	1	1
Mr.Achin Kumar Roy	1	1

Remuneration Policy

The remuneration of the Managing Director and the Executive Directors is reviewed by the Remuneration Committee based on certain criterias such as industry benchmarks, Company's performance and the responsibilities shouldered by them. The remuneration is paid to them by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component). Annual salary increment, incentive remuneration or commission is decided by the Remuneration Committee within the overall ceilings prescribed under the Companies Act, 1956 and in line with the terms and conditions approved by the shareholders. The recommendation of the Remuneration Committee is placed before the Board for its approval. During the year 2011-12, the Company paid sitting fees of Rupees 10,000/- per meeting to its Non-Executive Directors for attending meetings of the Board of Directors.

Details of Remuneration for the Year ended 31 March, 2012

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	37,86,000	2,15,000	-	40,01,000/-
2.	Mr.Achin Kumar Roy	49,20,000	15,49,400	-	64,69,400/-
3.	Mr.Mukat Behari Sharma	18,00,000	8,85,000	2,16,000	29,01,000/-

Non-Executive Directors

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

Name of Director	Sitting Fees(Gross)(Rs.)	Total(Rs.)
Mr.Krishan Lall	60,000	60,000
Mr.Surjit Krishan Sharma	60,000	60,000
Dr.Geeta Ajit Tekchand	60,000	60,000
Mr.Mahesh Sreenivasan Nominee- IFCI*	30,000	30,000

*Sitting fees is paid uptill 5th December, 2011. Effective 5th December, 2011, Mr.Mahesh Sreenivasan ceased to act as a Nominee Director pursuant to the withdrawal of his Nomination by IFCI.



V. SHARETRANSFER & INVESTOR COMMITTEE

The Company has a Share Transfer and Investor Grievance Committee to oversee Investor grievances and redressal mechanism. The committee is entrusted with the responsibility to address the shareholders/investors complaints and it focuses primarily on strengthening investor relations and ensuring the rapid resolution of the shareholder or investor concerns including the following:-

- Approval and registration of transfer & transmission of shares and issue of duplicate share certificates;
- Redressal of investors' grievances and complaints like non-receipt of dividend warrants, share certificates, annual reports etc.

(b) Composition and meetings of the Committee during the year:

The present composition of the Committee as at March 31st, 2012 is as follows:

S.No.	Name of Directors	Status
1.	Mr. Krishan Lall	Chairman
2.	Mr. Achin Kumar Roy	Member
3.	Mr. Surjit Krishan Sharma	Member
4.	Dr. Geeta Ajit Teckchand	Member

All the requests pertaining to Share transfers/transmission, issue of duplicate share certificate, received are being approved by Shareholders and Investors Grievance Committee, which meets atleast thrice in a month. During the year ended March 31, 2012 the Committee met 36 times.

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	29	29	Nil

VI. COMMITTEE OF DIRECTORS

The Company has constituted a Sub-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. The committee consists of three directors namely,

- Mr. Brij Raj Punj, as Chairman,
- Mr. K. Lall as member and
- Mr. S. K. Sharma as member

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

Company Secretary acts as the secretary to the Committee.

VII. GENERAL BODY MEETING

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

Financial Year	Date & Time	Venue
2010-2011	September 28, 2011 at 9.30 a.m	Regd. Office: A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.
2009-2010	September 28, 2010 at 9.30 a.m	Regd. Office: A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.
2008-2009	September 25, 2009 at 9.00 a.m.	Regd. Office: A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.

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

During the year no special resolution was passed through postal ballot. None of the business proposed to be transacted in the ensuing Annual General Meeting requires passing of special resolution

VIII. 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.lloydengg.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.

IX. DISCLOSURES

a) Related Party Transactions:

During the year under review, besides the transactions reported in Notes forming part of the financial statements for the year ended 31st March 2012 in the Annual Report, there were no other material 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 of the Board periodically and placed for Board's information once in a year.

(b) Disclosure of Accounting Treatment:

The Company follows Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 and / or by the Institute of Chartered Accountants of India in the preparation of financial statements and has not adopted a treatment different from that prescribed in any Accounting Standard.

(c) Risk Management:

The Risk Management of the Company is overseen by the Senior Management and the Board at various levels:



Business / Strategic Risk:

The Board oversees the risks which are inherent in the businesses pursued by the Company. The oversight is through review/ approval of business plans, projects and approvals for business strategy / policy.

Operational Risks:

These are being mitigated by internal policies and procedures which are updated from time to time to address updated risks.

Financial Risks:

These risks are addressed on an ongoing basis by Treasury, Insurance and Forex Policies Risk Management team. Due oversight on financial risks is exercised by the Audit Committee in its meetings.

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

(d) Disclosure by Senior Management:

Senior Management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large

(e) CEO / CFO Certification:

The Managing Director (CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31 March 2012, which is annexed hereto.

(f) Details of Non-Compliance:

There have been no instances of non-compliance on any matter as regards the rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.

(g) Secretarial Audit:

A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The secretarial audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

(h) Non Mandatory Requirements:

The Company has adopted the non-mandatory requirements with respect to the remuneration Committee, details in respect of which have already been given in this report.

X. MANAGEMENT DISCUSSION AND ANALYSIS

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

XI. MEANS OF COMMUNICATION

The Company disseminates information to all stakeholders through various channels:

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

XII. GENERAL SHAREHOLDERS INFORMATION

1. **Registered Office** : A-146 (B&C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan-301019
2. **Corporate Office** : 159, Okhla Industrial Estate Phase-III, New Delhi- 110020
3. **Annual General Meeting**
 - Date : 8th September, 2012
 - Time : 9.00 A.M.
 - Venue : A-146(B&C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan-301019



4. Date of Book Closure/Record Date:

The dates of book closure shall be from Monday, 3rd September, 2012, to Saturday, 8th September, 2012 (both dates inclusive)

5. Dividend Payment

The Dividend of Re. 1 per equity share of Rs. 10/- each for the financial year 2011-2012, subject to the approval of the shareholders, has been recommended by the Board of Directors. The same shall be paid on or after 12th September, 2012 but within the statutory time limit.

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

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

GDR's are listed on London Stock Exchange

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

7. Listing of Debt Securities

The Redeemable Non- Convertible Debentures issued by the Company are listed on Bombay Stock Exchange Limited. IDBI Trusteeship Services Limited is the Debenture Trustee for the Debentures issued.

8. 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)

9. Stock Code/ Symbol

Corporate Identification Number (CIN) : L29120RJ1987PLC012841

Equity Shares

BSE : 517518

NSE : LLOYDELENG

ISIN No. : INE245C01019

Debentures:

BSE

Scrip code (For LEEL NCD I FY 2010-11) : 947163

ISIN No. : INE245C07016

Scrip code (For LEEL NCD I FY 2010-11) : 947166

ISIN No. : INE245C07024

GDR's

LSE	:	LLD
Overseas Depository (for GDRs)	:	The Bank of New York
Domestic Custodian (for GDRs)	:	ICICI Bank Limited

10. Unclaimed Dividend:

Under the Companies Act, 1956, dividends unclaimed for a period of seven years statutorily gets transferred to the Investor Education and protection fund (IEPF) administered by the Central Government, and therefore cannot be claimed by the investors. The unclaimed dividend up to the financial year 1997 had been transferred to the IEPF and hence no claim shall lie with the Company in respect of the same.

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

Financial Year	Date of declaration	Due date for transfer to IEPF
2005-2006(Interim)	February 7, 2006	February 2013
2005-2006 (Final)	September 30, 2006	September 2013
2006-2007 (Final)	September 29, 2007	September 2014
2007-2008 (Final)	September 29, 2008	September 2015
2009-2010(Final)	September 28, 2010	September 2017
2010-2011 (Final)	September 30, 2011	September 2018

11. Share Transfer System:

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

As on March 31st, 2012, 88.79% of the equity shares of the Company are in electronic form. Transfer of physical shares in to electronic shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Skyline Financial Services Pvt. Limited (Registrar & Transfer Agent) of the Company at the below mentioned address. Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects.

XIII. FINANCIAL CALENDAR FOR THE YEAR 2012-2013 (PROVISIONAL):

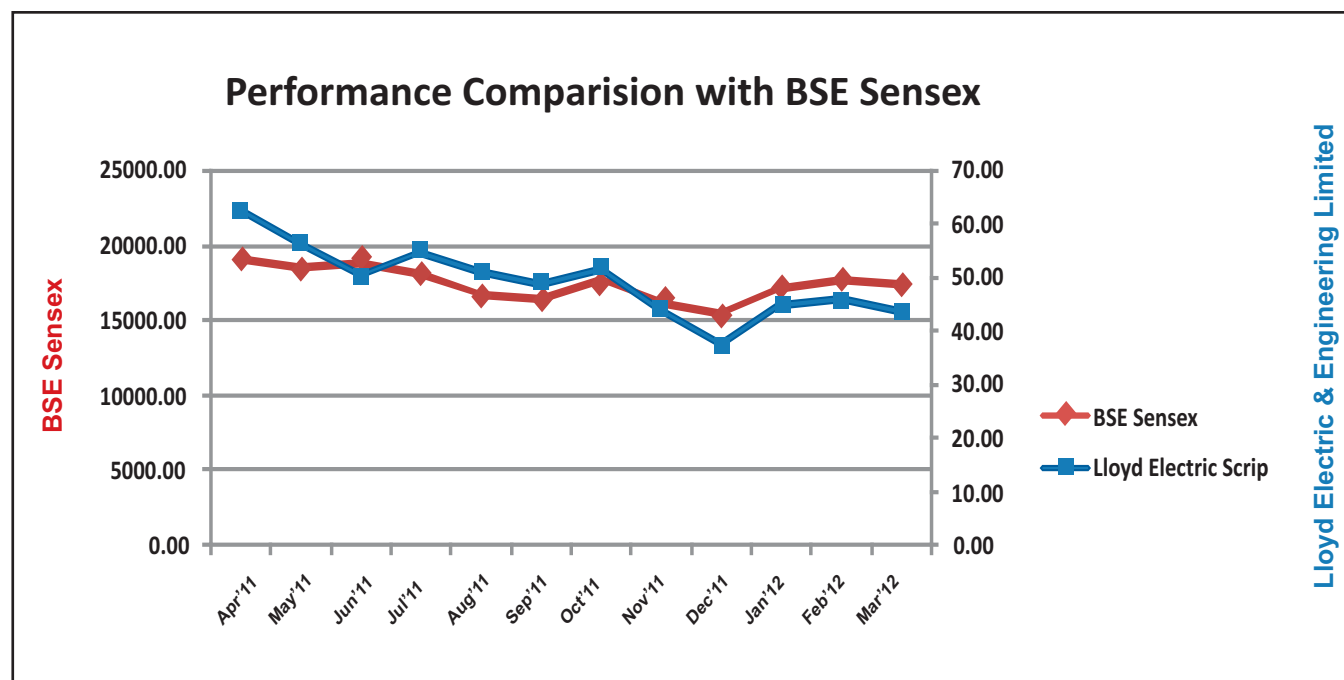
Declaration of Results for the Quarter ended on	Tentative Date
Financial Reporting for the quarter ending June 30, 2012	On or before August 15, 2012
Financial Reporting for the quarter ending September 30, 2012	On or before November 15, 2012
Financial Reporting for the quarter ending December 31, 2012	On or before February 15, 2013
Financial Reporting for the quarter ending March 31, 2013	On or before May 15, 2013
Annual General Meeting for the year ended March 31, 2013	Before the end of September 2013

XIV. Market Price Data

Monthly high & low of the equity shares of the Company at BSE and NSE for the year ended March 31, 2012 are as follows

Particulars	BSE		NSE	
Months for the Financial Year 2011-12	High (Rs./ share)	Low (Rs./ share)	High (Rs./ share)	Low (Rs./ share)
April'11	69.70	61.80	69.10	61.90
May'11	62.90	52.10	63.20	52.05
June'11	58.50	43.50	58.70	46.55
July'11	60.60	51.00	60.75	50.35
August'11	55.95	49.85	57.50	49.80
September'11	54.35	47.50	54.80	47.35
October'11	52.85	46.30	51.80	45.95
November'11	53.10	41.80	52.60	41.75
December'11	45.90	36.05	46.05	36.10
January'12	47.95	36.90	47.90	36.50
February'12	52.90	44.05	56.25	44.10
March'12	51.00	40.00	49.00	40.20

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

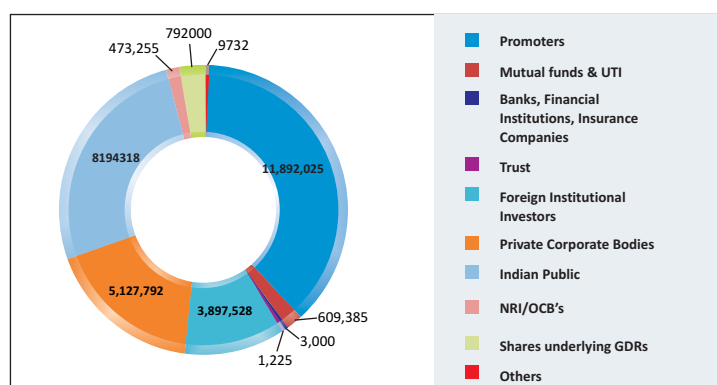


XV. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2012

No. of Share held of Rs.10 each	No. of Shareholders	%age of Total	No. of Shares	%age of Total
Up to 500	20258	86.84%	2969590	9.58%
501 – 1000	1563	6.70%	1280691	4.13%
1001 - 2000	765	3.28%	1166823	3.76%
2001 - 3000	238	1.02%	609872	1.97%
3001 - 4000	133	0.57%	475462	1.53%
4001 - 5000	96	0.41%	452613	1.46%
5001 - 10000	149	0.64%	1079722	3.48%
10001 - & above	127	0.54%	22965587	74.08%
Total	23329	100.00%	31000260	100.00%

XVI.SHAREHOLDING PATTERN AS AT MARCH 31,2012

Category	No.of Shares held	% of shareholding
Promoters	11,892,025	38.36
Mutual funds & UTI	609,385	1.97%
Banks,Financial Institutions,Insurance Companies	3,000	0.01%
Central/ State Government	-	-
Trust	1,225	0.00%
Foreign Institutional Investors	3,897,528	12.57%
Private Corporate Bodies	5,127,792	16.54
Indian Public	8194318	26.43%
NRI/OCB's	473,255	1.53
Shares underlying GDRs	792000	2.55%
Others	9732	0.31%
Total	31000260	100%

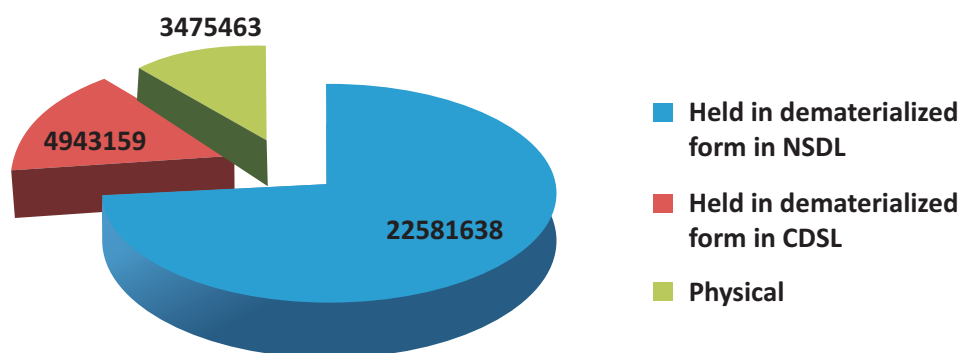


XVII. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2012, 27,524,797 equity shares of the Company, forming 88.79% of the shareholding stand dematerialized.

The number of shares held in dematerialized and physical mode as on March 31,2012 is as under:

	No. of shares	% of Capital issued
Held in dematerialized form in NSDL	22581638	72.84 %
Held in dematerialized form in CDSL	4943159	15.95%
Physical	3475463	11.21%
Total	31000260	100%



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

The outstanding GDRs are backed by underlying equity shares which are part of the existing paid-up capital of the company. 396000 GDRs underlying 792000 equity shares of the company are outstanding as on March 31, 2012. Each GDR represents two underlying equity shares.

XIX. GREEN INITIATIVE IN CORPORATE GOVERNANCE:

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

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

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



XX. PLANT LOCATIONS:

Domestic Manufacturing Locations:

The Company has its manufacturing plant at the following location:

DOMESTIC:

- | | | |
|--|--|---|
| a) A – 146,(B & C),
RIICO Industrial Area,
Bhiwadi, Distt. Alwar,
Rajasthan – 301 019 | c) Plot No.24,
Sector 2, IIE
SIDCUL, Pantnagar
Uttarakhand | e) Bahadarabad, Mehdood
Industrial Park, 2 Salempur
SIDCUL, Haridwar, Uttarakhand |
| b) Industrial Area,
Kala-Amb, Trilokpur Road,
Sirmour, Nahan
Himachal Pradesh | d) Plot No.S 21 & S 22, NON SEZ, Phase III
Sipcot Road, Mugundarayapuram
Ranipet, Vellore District (Tamilnadu) | |

OVERSEAS (Owned by subsidiaries)

- a) Lloyd Coils Europe s.r.o
Prague-5, Radotin
Vrazaska 143
Postal Code 153000

- b) Janka Engineering s.r.o
Prague-5, Radotin
Vrazaska 143
Postal Code 153000

OVERSEAS (Branch Office)

Executive Desk
Q1-07-009/C
P.O.Box- 121552
Sharjah- UAE

XXI. ADDRESS FOR CORRESPONDENCE:

Corporate Office

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

Registrar & Transfer Agents

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

COMPLIANCE OFFICER

ANITA K. SHARMA
Company Secretary

CODE OF CONDUCT DECLARATION

To
The Members of Lloyd Electric & Engineering Limited

As provided under Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange & National Stock Exchange of India Limited, the Board members and the senior management personnel have confirmed compliance with the code of conduct & ethics for the financial year ended March 31st, 2012.

For Lloyd Electric & Engineering Ltd.

Date: August 8, 2012

Place: New Delhi

Brij Raj Punj

Chairman & Managing Director

CEO/ CFO CERTIFICATION

The Board of Directors of Lloyd Electric & Engineering Limited

Dear Sirs,

Sub: CEO/CFO Certificate

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

We have reviewed the financial statements, read with the cash flow statement of Lloyd Electric & Engineering Limited for the year ended March 31, 2012 and that to the best of our knowledge and belief, we state that;

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2011-2012 which are fraudulent, illegal or violate the Company's code of conduct.
4. We accept responsibilities for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.

We further certify that:

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

Yours sincerely

Mukat B. Sharma

Chief Financial Officer & Whole Time Director

Brij Raj Punj

Chairman & Managing Director

Dated : August 08, 2012

Place: New Delhi



COMPLIANCE CERTIFICATE

TO THE MEMBERS OF

LLOYD ELECTRIC & ENGINEERING LIMITED

We have examined the compliance of conditions of Corporate Governance by **LLOYD ELECTRIC & ENGINEERING LIMITED** ("the Company") for the year ended on March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock Exchanges.

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

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

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

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

**Date: August 08, 2012
Place: New Delhi**

**Brijesh C. Mathur
Partner
M. No. : 83540
Firm Registration No. 000891N**

Auditor's Report

To

Members,

Lloyd Electric & Engineering Limited.

We have audited the attached Balance Sheet of **LLOYD ELECTRIC & ENGINEERING LIMITED as at 31st March, 2012** and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in Terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in the Paragraph 2 above we report that -
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

for **SURESH C. MATHUR & CO.**

Chartered Accountants,

(Firm Registration No. 000891N)

PLACE : NEW DELHI

DATED : 8th August, 2012

(BRIJESH C. MATHUR)

PARTNER

Membership No.-083540



ANNEXURE REFERRED TO IN PARAGRAPH 2 OF OUR AUDITOR'S REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2012 OF LLOYD ELECTRIC & ENGINEERING LIMITED

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

1. The company has maintained records showing full particulars including quantitative details and situation of the Fixed Assets. As per information given to us, the management has verified the Fixed Assets physically. We understand that no discrepancies were noticed on such physical verification. The Company has not disposed off any substantial part of its fixed assets so as to affect its going concern status.
2. The inventory has been physically verified during the year by the management and in our opinion the frequency of verification is reasonable. According to the information and explanations given to us, in our opinion, the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to the book records were not material and have been properly dealt with in the books of account.
3. According to the informations given to us the Company has not taken any loans, secured or unsecured from Companies, firms, or other parties listed in the Register maintained under section 301 of the Companies Act, 1956. The Company has granted net Rs.2,872.71 lakhs to Company, Firms listed in the register maintained u/s 301 of the Companies Act.
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 goods. During the course of our audit no major weakness has been noticed in the internal controls.
5. In our opinion and according to the information and explanations given to us, there are transactions made in pursuance of contracts of arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakh in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public therefore the provision of Section 58A and 58AA of the Companies Act, 1956 are not applicable to the company.
7. In our opinion, the Company has internal audit system, commensurate with the size of the Company and the nature of its business.
8. We have broadly reviewed the cost records maintained by the Company and are of opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

Annexure to the Auditor's Report

9. According to the records of the company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year. The disputed matter pending before authority is as under:

Particulars	Financial Year	Amount (Rs.in Lacs)	Dispute Pending
Excise Duty	2006-2007	21.75	Appellate Tribunal
Sales Tax	1994-1995	6.34	Rajasthan Tax Board
Income Tax (Penalty)	2007-2008	46.06	CIT (Appeals), N.Delhi

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 in the immediate preceding financial year.
11. The company has not defaulted in repayment of dues of financial institution / bank as at the Balance Sheet date.
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 provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
15. In our opinion and according to the information and explanation given to us, the terms & conditions of the guarantees given by the Company for loan taken by the associate/subsidiary Companies from bank are prime facie not prejudicial to the interest of the company.
16. In our opinion and according to the information and explanation given to us, the term loans have been applied for the purposes for which they were obtained.
17. According to the Cash Flow Statement and records examined by us and according to the information and explanations given to us, on overall basis, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa.
18. During the year the Company has not raised any money by way of public issue.



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.
20. During the year, the Company has not raised any money by way of public issue.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the company, noticed or reported during the year, nor have been informed of such case by management.

for **SURESH C. MATHUR & CO.**

Chartered Accountants,
(Firm Registration No.000891N)

PLACE : NEW DELHI

DATED : 8th August, 2012

(BRIJESH C. MATHUR)

PARTNER

Membership No.-083540

Balance Sheet as at 31st March, 2012

(Rs. In Lacs)

Particulars	Note	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	3,100.67	3,100.67
(b) Reserves and Surplus	4	44,253.42	41,078.54
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	9,335.81	11,709.69
(b) Deferred tax liabilities (Net)	6	1,325.55	1,057.05
(c) Long term provisions	7	141.88	83.38
(3) Current Liabilities			
(a) Short-term borrowings	8	22,544.09	19,695.89
(b) Trade payables	9	7,277.34	7,114.68
(c) Other current liabilities	10	4,079.90	2,533.50
(d) Short-term provisions	11	1,837.21	1,604.13
Total (Rs.)		93,895.87	87,977.53
II. Assets			
(1) Non-current assets			
(a) <i>Fixed assets</i>			
(i) Tangible assets	12	23,951.01	21,783.00
(ii) Intangible assets		1,109.76	-
(iii) Capital work-in-progress		970.02	2,233.67
(b) Non-current investments	13	8,682.72	8,380.21
(c) Long term loans and advances	14	3,118.58	1,216.93
(d) Other non-current assets	15	1,695.98	1,740.14
(2) Current assets			
(a) Inventories	16	31,232.24	20,268.20
(b) Trade receivables	17	15,261.28	21,856.91
(c) Cash and cash equivalents	18	2,664.48	6,034.34
(d) Short-term loans and advances	19	2,337.09	2,965.74
(e) Other current assets	20	2,872.71	1,498.39
Total (Rs.)		93,895.87	87,977.53

NOTES TO ACCOUNTS

Accompanying Notes are an integral part of the Financial Statements

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

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

For and on behalf of the Board

Brij Raj Punj
Chairman & Managing Director

Place: New Delhi
Date: 8th August, 2012

Anita K. Sharma
Company Secretary

Mukat B. Sharma
CFO cum Whole Time Director

A. K. Roy
Whole Time Director

K. Lall
Director

Profit & Loss Account for the year ended on 31st March, 2012



(Rs. In Lacs)

Particulars	Note	Year Ended 31.03.2012	Year Ended 31.03.2011
I. Income			
Revenue from operations (Gross):	21	91,033.36	79,026.28
Less:- Excise Duty		(823.72)	(798.33)
Revenue from operations (Net)		90,209.64	78,227.95
Other Income	22	296.01	135.63
Total Revenue (I)		90,505.65	78,363.58
II. Expenses:			
Cost of materials consumed	23	79,133.53	67,994.53
Purchase of Stock-in-Trade		8,342.52	-
Changes in inventories of Finished Goods, Work-in Progress and Stock-in-Trade	24	(13,451.58)	(984.98)
Employee Benefit Expenses	25	2,503.86	1,335.92
Other Expenses	26	4,630.37	1,598.97
Total Expenses (II)		81,158.70	69,944.40
III. Profit before Interest, Depreciation / Amortisation and Tax (EBITDA)	(I - II)	9,346.95	8,419.14
Finance Costs	27	2,912.59	2,050.00
Depreciation & Amortisation	28	1,906.73	1,503.54
IV. Profit before Tax		4,527.63	4,865.56
V. Tax expense:			
(1) Current tax		900.50	980.00
(2) Deferred tax		268.50	280.00
VI. Profit(Loss) from the period from continuing operations		3,358.63	3,605.60
VII. Earning per equity share:			
(1) Basic & Diluted		10.83	11.63

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

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

For and on behalf of the Board

Brij Raj Punj
 Chairman & Managing Director

Place: New Delhi
 Date: 8th August, 2012

Anita K. Sharma
 Company Secretary

Mukat B. Sharma
 CFO cum Whole Time Director

A. K. Roy
 Whole Time Director

K. Lall
 Director

Cash Flow Statement For the year ended 31st March 2012

(Rs. In Lacs)

Particulars	Year Ended 31st March, 2012	Year Ended 31st March, 2011
A. Cash Flow from Operating Activities:		
Net Profit before tax & Extra-ordinary items	4,527.60	4,865.58
Adjustments:		
Add:		
Depreciation	1,715.31	1,312.12
Provision no longer required	191.42	113.96
Interest Paid	2,456.47	1,727.26
Loss/ (Diminution) on sale (in value) of Investment	155.74	-
Loss on sale of fixed assets	7.90	12.53
	4,526.84	3,165.86
	9,054.44	8,031.45
Less:		
Interest Income	(285.16)	(72.34)
Dividend Income	(6.50)	(6.75)
Profit on sale of Investment	-	-
	(291.66)	(79.08)
Operating profit before working capital changes	8,762.78	7,952.37
Adjustments for :		
Inventories	(10,964.04)	(4,904.58)
Trade & other receivables	3,798.66	(5,643.58)
Trade & other payables	(243.89)	911.54
	(7,409.27)	(9,636.63)
Cash generated from operations	1,353.51	(1,684.26)
Direct tax paid	1,383.10	(958.72)
Net Cash Flow from Operating Activities	2,736.61	(2,642.98)
B Cash Flow from Investing Activities:		
Purchased of fixed assets	(3,741.79)	(4,092.09)
Deferred Revenue in respect of acquisition	-	(225.05)
Sale of fixed assets	4.45	10.31
Net Purchase of Investments	(302.51)	(716.47)
Dividend Received	6.50	6.75
Interest received	285.16	72.34
Net Cash Flow from Investing Activities	(3,748.19)	(4,944.22)
C Cash Flow from Financial Activities:		
Proceeds from Borrowing	638.63	13,973.45
Proceeds from Issue of Share capital	-	-
Interest paid	(2,456.47)	(1,727.26)
Dividend paid	(465.00)	(310.00)
Dividend tax	(75.44)	(51.49)
Net Cash Flow from Financing Activities	(2,358.28)	11,884.70
Net increase in Cash and Cash Equivalents (A+B+C)	(3,369.86)	4,297.49
Net increase/ decrease in Cash and Cash Equivalents	-	-
Opening Balance of Cash and Cash Equivalents	6,034.33	1,736.83
Closing Balance of Cash and Cash Equivalents	2,664.47	6,034.33

For Suresh C. Mathur & Co.

Chartered Accountants,

(Brijesh C. Mathur)

(Partner)

Membership No.083540

Firm Registration No.000891N

For and on behalf of the Board of Director of

Lloyd Electric & Engineering Ltd.

Anita K. Sharma
Company Secretary

Mukat Sharma
CFO & Whole Time Director

A. K. Roy
Whole Time Director

K. Lall
Director

Brij Raj Punj
Chairman & Managing Director

AUDITOR'S REPORT

We have examined the above Cash Flow Statement of Lloyd Electric & Engineering Limited for the year ended 31st March, 2012. The statement has been prepared by the company in accordance with the requirements of clause 32 of the listing agreement entered into with Stock Exchanges and is based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the company.

For Suresh C. Mathur & Co.

Chartered Accountants,

(Brijesh C. Mathur)

(Partner)

Membership No.083540

Firm Registration No.000891N

Place: New Delhi

Dated: 8th August, 2012



1. CORPORATE INFORMATION

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

2. BASIS OF PREPARATION

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

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

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a) Change in accounting policies

Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) 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. Uncertainties about these estimates and assumption could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in the future periods.

c) **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.

d) Depreciation on tangible fixed assets

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

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

e) Intangible Assets

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

i) LOGO OF BRAND "LLOYD"

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

f) GRANT

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

g) Research and development

Research costs are expensed as incurred.

h) 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.

i) Inventory Valuation:

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

j) Revenue Recognition:

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

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

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

k) 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.

l) 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.

m) 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.

n) Taxation:

Current Tax:

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

Deferred Tax:

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

Minimum Alternate Tax

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the



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

o) 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.

p) Segment Reporting:

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

q) Earning Per Share:

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

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

r) 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.

s) 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.

t) Sundry Debtors/Loans & Advances:

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

u) Provisions /Contingencies:

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

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

v) 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.

w) 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 Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE:- 3		
<u>SHARE CAPITAL:-</u>		
1. Authorized Capital		
5,00,00,000 Equity Share of Rs. 10/- each	5,000.00	5,000.00
(Previous year 5,00,00,000 Equity Share of Rs. 10/- each)		
Total Authorized Share Capital	5,000.00	5,000.00
2. Issued & Subscribed Capital		
3,10,13,160 Equity Shares of Rs. 10/- each	3,101.32	3,101.32
3. Paid up Capital		
3,10,00,260 Equity Shares of Rs. 10/- each fully paid up	3,100.03	3,100.03
(Previous Year 3,10,00,260 equity shares of Rs. 10/- each)		
Add:- Equity Shares forfeited		
(amount originally paid up)	0.64	0.64
Total	3,100.67	3,100.67

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

Particulars	31 March, 2012		31 March, 2011	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Shares outstanding at the beginning of the year	31000260	3100.03	31000260	3,100.03
Shares Issued during the year	-	-	-	-
Shares outstanding at the End of the year	31000260	3100.03	31000260	3,100.03

(b) Terms/rights attached to equity shares

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

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

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

Particulars	31 March, 2012		31 March, 2011	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares of Rs. 10 each fully paid-up				
PSL Engineering Pvt. Ltd.	3,713,520	11.98	3,713,520	11.98
Zenith Impex Pvt. Ltd.	2,970,233	9.58	2,966,283	9.57
Airserco Pvt. Ltd.	1,956,800	6.31	1,956,800	6.31
Kotak India Focus Fund.	1,927,255	6.22	1,927,255	6.22
Morgan Stanley Mauritius Company Ltd.	1,744,828	5.63	1,744,828	5.63

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 Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE:- 4		
<u>RESERVES AND SURPLUS:</u>		
1) Capital Reserve (subsidy received against fixed assets)	44.30	15.00
2) Capital Reserve (Share Warrants forfeited by the Company)	1,125.00	1,125.00
3) Revaluation Reserve (land revalued as on 31st March, 1993)	35.00	35.00
4) Securities Premium Account: Less: Debenture issue Expenses	17,506.28 -	17,583.74 (77.45)
5) General Reserve: Opening balance	14,472.38	14,022.38
Add: Transfer from Profit & Loss a/c	100.00	450.00
	14,572.38	14,472.38
6) Debenture Redemption Reserve	500.00	250.00
7) Profit & Loss Account: Profit for the Year	3,358.63	3,605.58
Balance Brought Forward from Previous year	7,674.87	4,335.24
MAT Credit Receivable Booked in current Year	147.25	974.49
	11,180.75	8,915.31
Less:- Appropriations Proposed Dividend	310.00	465.00
Tax on Proposed Dividend	50.29	75.44
Transfer to Debenture Redemption Reserve	250.00	250.00
Transfer to General Reserve	100.00	450.00
Balance Carried to Balance Sheet	10,470.46	7,674.87
TOTAL (Rs.)	44,253.42	41,078.54

(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 5		
<u>LONG TERM BORROWINGS:</u>		
1. Term Loans		
From Financial Institution	-	774.16
From Schedule Banks:-		
Foreign Currency loan	1,728.42	2,233.94
Indian Currency Loan	2,607.39	3,692.39
2. Debentures	5,000.00	5,000.00
500 Nos 11.25% secured redeemable Non Convertible Debentures @ Rs. 10,00,000/- each)		
3. Loan against Vehicles	-	9.20
(secured by hypothecation of vehicle financed)		
TOTAL (Rs.)	9,335.81	11,709.69

- Indian rupee loan from IDBI Ltd. carries interest @ 11.75% P.A. The Loan is repayable in 20 quarterly installment of Rs. 1.40 crores each after monotorium of 12 Months from the date of loan i.e. 31st March, 2010.
- Indian ruppe loan from SBBJ carries interest @ 11.50% to 13% P.A. The loan is repayable in 16 quarterly installment of Rs. 1.31 Crores each after monotorium of 12 Months from the date of loan i.e. 24.06.2010.
- Foreign currency loan from EXIM Bank carries interest LIBOR + 4.50% p. a. The loan is repayable in 17 quarterly installment of Rs. 1.59 Crores after monotorium of 12 months from the date of loan i.e. 14.07.2010.
- The above loans are Secured by way of first charge on Pari-Passu basis on the fixed Assets of the Company and Second hypothecation charge on the Stock/Book Debts
- As per Board Resolution dated 14.03.2011 the Company has allotted 400 Nos. 11.25% secured redeemable non-convertible Debentures @ Rs. 10,00,000/- each on 14.03.2011 and balance 100 Nos., 11.25% Secured Redeemable Non-convertible Debentures @ Rs. 10,00,000/- each on 29.03.2011 for a tenure of 5 Years on private placement basis. The interest on Debentures is payable quarterly from the date of allotment @ 11.25% P.A. Debentures will be redeemed at par in Six Equal half Yearly installments at the end of 30th Month, 36th Month, 42nd month, 48th month, 54th month and 60th month from the date of allotment and secured by first ranking pari passu charge on all fixed assets including the immovable properties together with structures and appurtenances thereon and there under and movable properties, present and future.



(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 6		
<u>DEFERRED TAX LIABILITIES</u>		
<u>Opening Balance</u>	1,057.05	777.05
Deferred Tax Liability on account of Depreciation	281.00	287.70
Deferred Tax Asset on account of Statutory Dues	(12.50)	(7.70)
Net Deferred Tax Liability	1,325.55	1,057.05
NOTE - 7		
<u>LONG TERM PROVISIONS</u>		
Provision for Gratuity	141.88	83.38
TOTAL (Rs.)	141.88	83.38
NOTE - 8		
<u>SHORT TERM BORROWINGS:</u>		
1. Working Capital Loans:		
From Banks	22,544.09	19,695.89
TOTAL (Rs.)	22,544.09	19,695.89
1. The working capital loans, fund based as well as non fund based from banks are secured by way of first hypothecation charge on the stocks/book debts, both present and future and second charge on pari-passu basis on the fixed assets of the Company.		
NOTE - 9		
<u>TRADE PAYABLES</u>		
Sundry Creditors	7,277.34	7,114.68
TOTAL (Rs.)	7,277.34	7,114.68

(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 10		
OTHER CURRENT LIABILITIES		
Salary Payable	209.37	169.67
F.P.F. Payable (Employees)	15.74	12.61
Other Statutory dues payable	1,169.14	330.27
Other expenses payable	774.19	275.43
Audit Fees Payable	17.98	15.44
Interest Accrued but not due	50.94	51.79
Others Liability	37.86	39.56
Unclaimed Dividend	19.11	19.16
Current maturity of Long Term Borrowings		
Foreign Currency loan	691.37	469.21
Indian Currency Loan	1,085.00	1,135.23
Loan against Vehicles (secured by hypothecation of vehicle financed)	9.20	15.13
TOTAL (Rs.)	4,079.90	2,533.50
NOTE - 11		
CURRENT PROVISIONS		
Provision for Income Tax	1,372.50	982.00
Provision for Fringe Benefit Tax	25.90	25.90
Provision for proposed dividend	310.00	465.00
Provision for tax on proposed dividend	50.29	75.44
Leave Encashment Payable	78.52	55.79
TOTAL (Rs.)	1,837.21	1,604.13

**NOTE :- 12****FIXED ASSETS:****(Rs. In Lacs)**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions	Deduction	As at 31.3.2012	Up to 31.3.2011	For the Year	Adjustment	Up to 31.3.2012	As at 31.03.2012	As at 31.03.2011
(i) Tangible assets										
1) Leasehold Land	233.23	-	-	233.23	-	-	-	-	233.23	233.23
2) Temporary Constructions	11.97	-	-	11.97	11.97	-	-	11.97	-	-
3) Buildings	3,250.39	1,045.77	-	4,296.16	299.22	106.59	-	405.81	3,890.35	2,951.16
4) Plant & Machinery	26,335.25	2,425.05	-	28,760.30	8,126.63	1,260.03	-	9,386.66	19,373.64	18,208.61
5) Office Equipments	237.46	73.11	-	310.57	142.77	24.53	-	167.30	143.26	94.69
6) Vehicles	446.11	12.69	53.71	405.09	200.62	40.16	41.36	199.42	205.67	245.49
7) Furniture & Fixtures	69.04	61.62	-	130.66	19.23	6.56	-	25.79	104.87	49.81
Total (Tangible Assets)	30,583.45	3,618.24	53.71	34,147.98	8,800.44	1,437.87	41.36	10,196.95	23,951.03	21,782.99
(ii) Intangible assets										
1) Intangible Fixed Assets	-	1,387.20	-	1,387.20	-	277.44	-	277.44	1,109.76	-
Total (Intangible Assets)	-	1,387.20	-	1,387.20	-	277.44	-	277.44	1,109.76	-
TOTAL Rs.	30,583.45	5,005.44	53.71	35,535.18	8,800.44	1,715.31	41.36	10,474.39	25,060.79	21,782.99
(Previous Year)	26,953.36	3,671.34	41.24	30,583.45	7,506.74	1,312.12	18.40	8,800.45	21,783.00	19,446.62

Notes to Financial Statements for the year ended 31st March 2012.

(Rs. In Lacs)

Particulars	Face Value	Number of Shares	As At 31.03.2012	Number of Shares	As At 31.03.2011
NOTE:- 13					
INVESTMENTS:					
Quoted Shares					
Blue Star Ltd.	2	375	0.13	375	0.13
Blue Star Info. Ltd.	10	25	0.04	25	0.04
Castrol (India) Ltd.	10	5	0.01	5	0.01
Chambal Fertilizers & Chem. Ltd.	10	1,000	0.20	1,000	0.20
D.B. International Brokers Ltd.	10	16,600	1.66	16,600	1.66
Dot Com. Global Ltd.	10	24,200	0.16	24,200	0.16
Shardul Securities Ltd.	10	25,600	7.68	25,600	7.68
ACE India Ltd.	10	16,900	1.69	16,900	1.69
Fortis Financial Services Ltd.	10	400	0.04	400	0.04
Glaxo Sithkline Pharmaceuticals Ltd.	10	125	0.76	125	0.76
HDFC Bank Ltd.	10	25	0.09	25	0.09
Hindustan Uinliver Ltd.	1	3,850	4.63	3,850	4.63
JSW Steel Limited	10	5,124	11.12	5,124	11.12
Lumax Industries Limited	10	4,600	2.68	4,600	2.68
Panasonic Battery India Ltd.	10	500	0.21	500	0.21
SRG Infotech Limited	10	200	0.00	200	0.00
Sterlite Opticals Limited	5	210	0.05	210	0.05
Subros Limited	10	30	0.03	30	0.03
Tata Chemicals Limited	10	50	0.06	50	0.06
Tata Consultancy Services Limited	1	2,458	20.89	2,458	20.89
Visesh Infotecnics Limited	10	100	0.00	100	0.00
Voltas Limited	1	500	0.06	500	0.06
GHCL Ltd.	10	125,000	190.93	125,000	190.93
Archies Ltd.	10	30,000	32.17	30,000	32.17
Investment in SBI Mutual Fund			10.00		10.00
Sub-Total (A) Rs.			285.29		285.29
			-		-
			285.29		285.29
Unquoted Shares:					
Lloyd Credits Ltd.	10	300,000	30.00	300,000	32.00
Lloyd Aircon (P) Ltd.	10	350	0.04	350	0.04
Lloyd Manufacturing (P) Ltd.	0	-	-	5	0.01
Carrier Aircon Ltd.	10	100	0.09	100	0.09
Advance for investment in share:					
Lloyd Coils LP (USA)		-	-	-	178.44
Subsidiary Company					
Lloyd Coils Europe s.r.o			4501.09		4501.09
Janka Engineering s.r.o			3866.20		3317.10
Lloyd Electric FZE (500000AED)			-		68.15
			-	-	
Sub-Total (B) Rs..			8397.42		8094.91
			8682.72		8380.21
Additional Information :					
1) Aggregate amount of Company's -					
a) Market value of Quoted Investments					
			323.95		394.12
b) Unquoted Investments					
			8397.42		8094.91



(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 14		
LONG TERM LOAN & ADVANCES		
Security Deposits	150.45	99.85
Loan to subsidiary Company	2,968.13	1,117.08
TOTAL (Rs.)	3,118.58	1,216.93
NOTE - 15		
OTHER NON CURRENT ASSETS		
MAT Credit Entitlement		
Opening	974.49	-
Add:- during the year	147.25	974.49
	1,121.74	974.49
Deferred Revenue Expenses		
Opening balance	765.65	732.02
Addition during the year	-	225.05
Total	765.65	957.07
Less: 1/5 Written off During the year	191.42	191.42
	574.24	765.65
TOTAL (Rs.)	1,695.98	1,740.14
NOTE - 16		
<u>INVENTORIES:</u>		
Raw-materials, Consumables and Components	13,338.99	15,966.84
Stock in Process	607.23	354.89
Finished Goods	14,647.42	1,448.18
Stock in Transit (At Cost)	2,638.60	2,498.29
TOTAL (Rs.)	31,232.24	20,268.20

(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 17		
<u>TRADE RECEIVABLES</u>		
Outstanding for a period exceeding six months from the date they are due for payment	216.80	176.95
Other Receivables	15,044.48	21,679.96
TOTAL (Rs.)	15,261.28	21,856.91
NOTE - 18		
<u>CASH & CASH EQUIVALENTS</u>		
<u>CASH AND BANK BALANCES:</u>		
Cash balance in hand	30.54	9.39
<u>Balances with Schedule banks</u>		
In Current Accounts	2,585.60	969.17
HDFC Bank (Dividend A/c)	19.11	19.16
In fixed deposits	4.42	5,000.25
Receipt pledged with Bank for margin money (Including Interest)	24.28	9.45
Interest accrued on fixed deposit	0.53	26.92
TOTAL (Rs.)	2,664.48	6,034.34
NOTE -19		
<u>SHORT TERMS LOANS & ADVANCES :</u>		
Advances recoverable in cash or in kind or for value to be recovered	1,848.37	2,699.26
Advance to employee	91.44	58.35
Balance with Customs, Excise & Service Tax	246.49	119.48
VAT Credit	150.79	88.65
TOTAL (Rs.)	2,337.09	2,965.74



(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 20		
<u>OTHER CURRENT ASSETS</u>		
Intra Group Accounts (Net)	2,872.71	1,498.39
TOTAL	2,872.71	1,498.39
 NOTE- 21		
<u>REVENUE FROM OPERATIONS</u>		
Sale of Products		
Manufacturing Goods	82,951.84	79,026.28
Traded Goods	8,081.52	-
TOTAL	91,033.36	79,026.28
 NOTE - 22		
<u>OTHER INCOME:</u>		
Interest Income	98.45	29.89
Interest on Foreign Currency Deposit	-	2.81
Interest from subsidiary companies	186.71	39.64
Misc. Income	4.35	56.54
Dividend Income	6.50	6.75
TOTAL	296.01	135.63

(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 23		
COST OF MATERIAL CONSUMED		
Raw materials, consumables & component consumed		
Opening stocks	15,966.84	13,796.38
Add:-Purchases	75,816.05	70,053.85
Carriage Inwards	689.63	111.14
Less: Closing stocks	13,338.99	15,966.84
Cost Of Raw Material, Consumables & Components Consumed	79,133.53	67,994.53
1. Foreign currency exchange loss of Rs. 848.83 Lacs related to purchases of Raw Material is included in purchases.		
NOTE - 24		
CHANGES IN INVENTORY		
Decrease/(Increase) in stocks in Progress		
Opening stock	354.89	583.49
Less : Closing stock	607.23	354.89
Decrease/ (increase) in Stock in Progress	(252.34)	228.60
2) Decrease/(Increase) in finished goods:		
Opening stock	1,448.18	234.60
Less : Closing stock	14,647.42	1,448.18
Decrease/ (increase) in Finished Goods	(13,199.24)	(1,213.58)
Total (Rs.)	(13,451.58)	(984.98)
NOTE - 25		
EMPLOYEE BENEFIT EXPENSES		
Wages (Workers)	261.21	220.52
Labour Welfare	112.65	64.72
Salary Account	1,948.47	945.00
Employer contribution in PF	124.54	64.70
Staff Welfare	56.99	40.98
Total (Rs.)	2,503.86	1,335.92



(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 26		
OTHER EXPENSES		
Repair and Maintenance		
- Plant & Machinery	85.07	63.76
- Building & Office	46.40	15.70
Electricity Charges	280.31	185.16
Factory Overheads	174.52	91.15
Lease Charges	87.71	46.62
Insurance	52.20	35.14
Rent Rate & Taxes	208.35	23.79
Postage & Courier & Telephone Expenses	132.42	60.37
Printing and stationery	32.27	31.53
Audit Fee (including service tax)	17.98	15.44
Legal & Professional Expenses	257.69	173.31
Travelling & Conveyance Expenses	456.38	224.53
Motor Car Expenses	36.87	35.65
Misc. Expenses	360.29	190.75
Loss on sale of Fixed Assets	7.90	12.53
Loss on Investments In Subsidiary Co	155.74	-
Loss on foreign exchange fluctuation	216.05	6.59
Advertisement Expenses	460.76	68.33
Business Promotion	153.67	21.56
Octroi & Carriage outwards	969.43	237.09
Discount	26.65	40.91
Service Contract charges	312.30	-
Commission and incentive	67.69	7.57
Foreign Exhibition Expenses	21.16	5.65
Free Samples	10.56	5.84
Total (Rs.)	4,630.37	1,598.97

(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 27		
FINANCIAL COSTS		
Interest Paid	2,456.47	1,727.26
Bank charges	456.12	322.74
Total (Rs.)	2,912.59	2,050.00
NOTE - 28		
DEPRECIATION AND AMORTISATION		
Depreciation on Tangible Assets	1,437.87	1,312.12
Amortization of Intangible Assets	277.44	-
Deferred Revenue Expenses Written off during the year	191.42	191.42
Total (Rs.)	1,906.73	1,503.54



II) NOTES TO ACCOUNTS:

29) Contingent liability not provided for:

Particulars	Current Year (Rs.In lacs)	Previous Year (Rs.In lacs)
a) Bank Guarantees	1178.27	740.70
b) Corporate Guarantee of 15 million Euro given by the Company for 12 million Euro Loan availed by Lloyd Coils Europe s.r.o.a wholly owned subsidiary.Balance Outstanding as at March 31,2012 is 4.50 million and (7.50 Million as on March 31,2011)	3820.75	5906.25
c) (i) Stand by Line of Credit of Euro 2.5 million given by the Company for Euro 2.25 million working capital facility availed by Lloyd Coils Europe s.r.o.a wholly owned Company (as at March 31,2012)	1698.10	1575.00
(ii) Stand by Line of Credit of Euro 2.00 Million given by the company (ING Vysya Bank).	1358.48	844.10
(iii) Euro 1.00 million working capital facility availed by Janka Engineering s.r.o.a wholly owned subsidiary. (as at March 31,2012) (Standard Chartered Bank)	679.20	629.90
(iv) Letter of Comfort of Euro Nil (Previous Year Euro 1.61 million) has been issued on behalf of foreign wholly owned subsidiaries.	-	1014.30

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

279.29 282.58

31) Micro and Small Scale Business Entities:

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

32) Investment in Subsidiary Company:

During the year, the Company, Lloyd Electric & Engineering Ltd. Invested Euro 0.8 Million (equivalent to INR 549.11 lacs) towards capital contribution of Janka Engineering s.r.o.

During the year under review, the Company extended shareholders loan of Euro 2.6 million (equivalent to INR 1729.81 lacs) to its wholly owned subsidiary, Lloyd Coils Europe, the company has received interest of Rs. 173.14 Lacs for its wholly owned subsidiary.

33) Unquoted investment in subsidiary Company:

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

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

Loan given to Subsidiary:

Name of the Company	Relationship	Amount Outstanding As on 31.03.2012 (Rs.In lacs)	Amount Outstanding As on 31.03.2011 (Rs.In lacs)
Lloyd Coils Europe s.r.o.	Subsidiary Loan	2858.97	973.33
Janka Engineering s.r.o	Subsidiary Loan	109.16	95.56
Lloyd Electric FZE	Subsidiary Loan & Advances	Nil	48.15

35) Capital work in progress:

Capital work in progress amounting to Rs.970.01 Lacs.

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

A. Related Companies:-

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

**B. Key Management Personnel-**

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

C. Transactions with Related Companies

Transactions	Amount (Rs.In Lacs)
Sale of goods	747.76
Reimbursement of Expenses	0.40
Advances	2872.71
Purchase of Goods	12185.48
Purchases of Logo & Distribution Network	1387.20

37) Additional Information**a. Earnings & Expenditures in Foreign Currency:-**

Particulars	Current Year Amount (Rs.In lacs)	Previous Year Amount (Rs.In lacs)
a) Expenditure in foreign currency:		
1. Raw Material & Trade Goods	39313.90	23695.57
2. Foreign Traveling	56.49	10.57
3. Exhibition & other Expenses	130.18	26.09
b) Earning in foreign currency:		
1. Export of goods on FOB basis	12,445.85	11,588.47
2. Interest received from wholly owned subsidiary	173.14	39.65

b.) Sale:-

Sale Items	Current Year Value (Rs.In Lacs)	Previous Year Value (Rs.In Lacs)
Heat Exchangers	21,888.00	29,116.60
Air conditioners (RMPU/WAC/SAC/ODU)	56,287.48	38,572.80
Electronics & Other Appliances	8,081.52	-
Parts, Components & Spares & Others	3,952.64	10,538.55
TOTAL	90,209.64	78,227.95

All the values mentioned above are without excise duty. The excise duty charged on sale amounts to Rs. 823.72 lacs.

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

Particulars	Current Year (Rs.In Lacs)	Previous Year (Rs.In Lacs)
Indigenous	48,130.85 (60.82%)	51,774.55 (76.15%)
Imported	31,002.69 (39.18%)	16,219.99 (23.85%)

d) Managerial Remuneration Paid to Managing Director and Whole Time Directors:

Particulars	Current Year (Rs.In Lacs)	Previous Year (Rs.In Lacs)
Salary	105.06	91.86
Value of Perquisites	26.49	43.20
Commission	NIL	12.50
P.F.	2.16	6.48
Total	133.71	154.04

e) Balances of sister concerns are subject to reconciliation & confirmation

f) Basic & Diluted Earnings per Share:

Earnings per share has been computed as under:

Particulars	Current Year	Previous Year
Profit after Taxation	3358.63	3605.60
Number of Ordinary Shares	31000260	31000260
Basic and Diluted Earnings per share (Face Value Rs.10/-per share)	10.83	11.63

38) Previous year figures have been regrouped and rearranged wherever necessary.

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

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

For and on behalf of the Board

Brij Raj Punj
 Chairman & Managing Director

Place: New Delhi
 Date: 8th August, 2012

Anita K. Sharma
 Company Secretary

Mukat B. Sharma
 CFO & Whole Time Director

A. K. Roy
 Whole Time Director

K. Lall
 Director



**Statement Pursuant to Section 212 of the Companies Act, 1956 relating to
Subsidiary Companies As on 31st March, 2012**

1	Name of Subsidiary Companies	Lloyd Coils Europe s.r.o. (Prague, Czech Republic)	Janka Engineering s.r.o. (Prague, Czech Republic)
2	Financial Year of the Subsidiary Company ended on	March 31, 2012	March 31, 2012
3	Holding Company's Interest as on the above date		
	a) Total equity held (Rs. In Lacs)	4501.09	3866.20
	b) Number of shares	-	-
	c) Face Value	-	-
	d) Extent of share holding in the subsidiary	100%	100%
4	Net aggregate amount of the Subsidiary's Profit/Loss so far as it concerns members of Holding Company and not dealt with in the Holding Company's Accounts:		
	i) For Subsidiary's financial year ended as above (Rs. In Lacs)	340.66	(792.02)
	ii) For Subsidiary's previous financial years since it became Subsidiary	(315.80)	(353.15)
5	Net aggregate amount of the Subsidiary's Profit/Loss so far as it concerns members of Holding Company and dealt with in the Holding Company's Accounts:		
	i) For Subsidiary's financial year ended as above	Nil	Nil
	ii) For Subsidiary's previous financial years since it became Subsidiary		
6	Additional information u/s 212(5)	N.A.	N.A.

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

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

For and on behalf of the Board

Brij Raj Punj
Chairman & Managing Director

Place: New Delhi
Date: 8th August, 2012

Anita K. Sharma
Company Secretary

Mukat Sharma
CFO & Whole Time Director

A. K. Roy
Whole Time Director

K. Lal
Director



Consolidated Financial Statements

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



To The Board of Directors

Lloyd Electric & Engineering Limited

We have audited the attached Consolidated Balance Sheet of Lloyd Electric & Engineering Limited ("the Company") and its subsidiaries as at 31st March, 2012, and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We did not audit the financial statements of Lloyd Coils Europe s.r.o., Janka Engineering s.r.o. and Lloyd Electric FZE (100% subsidiaries of Lloyd Electric & Engineering Limited). These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditor.

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

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

- (a) in the case of the Consolidated Balance Sheet, of the Consolidated state of affairs of the Company and its subsidiaries as at 31st March, 2012;
- (b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year then ended and
- (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the company and its subsidiaries for the year then ended.

for **SURESH C. MATHUR & CO.**
Chartered Accountants,
(Firm Registration No. 000891N)

(BRIJESH C. MATHUR)

PARTNER

Membership No.-083540

PLACE : NEW DELHI

DATED : 8th August, 2012

Consolidated Balance Sheet as at 31st March, 2012

(Rs. In Lacs)

Particulars	Note	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	3,100.67	3,100.67
(b) Reserves and Surplus	4	43,785.70	39,810.20
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	10,352.09	18,106.94
(b) Deferred tax liabilities (Net)	6	1,966.26	1,609.23
(c) Long term provisions	7	679.16	139.17
(3) Current Liabilities			
(a) Short-term borrowings	8	26,197.86	18,700.99
(b) Trade payables	9	11,003.60	11,664.58
(c) Other current liabilities	10	4,932.55	4,171.92
(d) Short-term provisions	11	1,955.60	1,664.20
Total		103,973.49	98,967.90
II. Assets			
(1) Non-current assets			
(a) <i>Fixed assets</i>			
(i) Tangible assets	12	33,862.28	30,305.63
(ii) Intangible assets		1178.15	55.29
(iii) Capital work-in-progress		970.02	2,233.67
(iv) Intangible assets under development		82.37	18.83
(b) Non-current investments	13	315.42	493.87
(c) Long term loans and advances	14	150.45	100.54
(d) Other non-current assets	15	1,686.17	1,809.78
(2) Current assets			
(a) Inventories	16	35,312.58	24,239.70
(b) Trade receivables	17	21,513.52	28,418.90
(c) Cash and cash equivalents	18	2,934.96	6,595.79
(d) Short-term loans and advances	19	3,094.85	3,197.51
(e) Other current assets	20	2,872.71	1,498.39
Total		103,973.49	98,967.90

NOTES TO ACCOUNTS

Accompanying Notes are an integral part of the Financial Statements

As per our Report of even date attached

For Suresh C. Mathur & Co.

Chartered Accountants

(Brijesh C. Mathur)

Partner

Membership No.083540

Firm Registration No.000891N

For and on behalf of the Board

Brij Raj Punj
Chairman & Managing Director

Place: New Delhi

Date: 8th August, 2012

Anita K. Sharma
Company Secretary

Mukat B. Sharma
CFO & Whole Time Director

A. K. Roy
Whole Time Director

K. Lall
Director

Consolidated Profit & Loss Account for the year ended on 31st March, 2012



(Rs. In Lacs)

Particulars	Note	Year Ended 31.03.2012	Year Ended 31.03.2011
I. Income			
Revenue from operations (Gross):	21	120,435.66	102,285.93
Less:- Excise Duty		(823.72)	(798.33)
Revenue from operations (Net)		119,611.94	101,487.60
Other Operating Income	22	994.73	96.27
Total Revenue (I)		120,606.67	101,583.87
II. Expenses:			
Cost of materials consumed	23	97,391.51	81,488.51
Purchase of Stock-in-Trade		8,342.52	-
Changes in inventories of Finished Goods, Work-in Progress and Stock-in-Trade	24	(13,225.33)	(1,822.55)
Employee Benefit Expenses	25	9,738.34	6,850.40
Other Expenses	26	7,877.98	5,721.75
Total Expenses (II)		110,125.02	92,238.11
III. Profit before Interest, Depreciation / Amortisation and Tax (EBITDA)	(I - II)	10,481.65	9,345.76
Finance Costs	27	3,383.11	2,316.63
Depreciation & Amortisation	28	2,840.58	2,304.58
IV. Profit before Tax		4,257.96	4,724.53
V. Tax expense:			
(1) Current tax		906.45	984.76
(2) Deferred tax		414.20	(17.30)
VI. Profit(Loss) from the period from continuing operations		2,937.31	3,757.09
VII. Earning per equity share:			
(1) Basic & Diluted		9.48	12.12

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

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

For and on behalf of the Board

Brij Raj Punj
 Chairman & Managing Director

Place: New Delhi
 Date: 8th August, 2012

Anita K. Sharma
 Company Secretary

Mukat B. Sharma
 CFO & Whole Time Director

A. K. Roy
 Whole Time Director

K. Lall
 Director

Consolidated Cash Flow Statement for the year ended 31st March 2012.

(Rs. In Lacs)			
Particulars	Year Ended 31st March, 2012		Year Ended 31st March, 2011
A. Cash Flow from Operating Activities:			
Net Profit before tax & Extra-ordinary items	4,257.96		4,724.54
Adjustments:			
Add:			
Depreciation	2,569.72		2,113.16
Provision no longer required	270.86		(22.25)
Interest Paid	2,853.81		1,934.37
Loss/ (Diminution) on sale (in value) of Investment	-		-
Loss on sale of fixed assets	10.31	5,704.70	18.81
		9,962.66	8,768.63
Less:			
Interest Income	275.31		32.97
Dividend Income	6.50		6.75
Profit on sale of Fixed Assets			
Profit on sale of Investment	(155.74)	126.07	-
Operating profit before working capital changes		9,836.59	8,728.91
Adjustments for :			
Inventories	(11,072.88)		(6,981.34)
Trade & other receivables	5,633.71		(6,470.13)
Trade & other payables	931.05	(4,508.12)	3,881.81
Cash generated from operations		5,328.47	(840.76)
Exchange Fluctuation		491.81	(365.82)
Debenture Issue Expenses		-	77.45
Direct tax paid		(671.52)	(743.12)
Net Cash Flow from Operating Activities		5,148.76	(2,027.15)
B Cash Flow from Investing Activities:			
Purchased of fixed assets		(6,387.28)	(4,460.62)
Deferred Revenue in respect of acquisition			(225.05)
Sale of fixed assets		327.77	83.91
Net Purchase of Investments		128.54	-
Purchase of Business		-	-
Dividend Received		6.50	6.75
Interest received		275.31	32.97
Net Cash Flow from Investing Activities		(5,649.16)	(4,562.04)
C Cash Flow from Financial Activities:			
Proceeds from Borrowing		233.83	12,635.45
Proceeds from Issue of Share capital		-	-
Interest paid		(2,853.81)	(1,934.37)
Dividend paid		(465.00)	(310.00)
Dividend tax		(75.44)	(51.49)
Net Cash Flow from Financing Activities		(3,160.42)	10,339.59
Net increase in Cash and Cash Equivalents (A+B+C)		(3,660.82)	3,750.40
Net increase/ decrease in Cash and Cash Equivalents		(3,660.82)	3,750.40
Opening Balance of Cash and Cash Equivalents		6,595.78	2,845.38
Closing Balance of Cash and Cash Equivalents		2,934.96	6,595.78

For Suresh C. Mathur & Co.

Chartered Accountants,

(Brijesh C. Mathur)

(Partner)

Membership No.083540

Firm Registration No.000891N

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

Anita K. Sharma
Company Secretary

Mukat Sharma
CFO & Whole Time Director

A. K. Roy
Whole Time Director

K. Lall
Director

Brij Raj Punj
Chairman & Managing Director

AUDITOR'S REPORT

We have examined the above Cash Flow Statement of Lloyd Electric & Engineering Limited for the year ended 31st March, 2012. The statement has been prepared by the company in accordance with the requirements of clause 32 of the listing agreement entered into with Stock Exchanges and is based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the company.

For Suresh C. Mathur & Co.
Chartered Accountants,

(Brijesh C. Mathur)

(Partner)

Membership No.083540

Firm Registration No.000891N

Place: New Delhi

Dated: 8th August, 2012



1. CORPORATE INFORMATION

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

2. BASIS OF PREPARATION

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

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

2.1. Principles of consolidation:

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

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

- v) The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent company i.e. year ended 31st March 2012 except the LLOYD ELECTRIC FZE which has been closed on 23rd May, 2011.
- vi) All material Inter Company Balances & Transactions are eliminated on consolidation.

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

Name Of The Subsidiary	Country Of Incorporation	Remarks
Lloyd Coils Europes s.r.o	Czech Republic	100% ownership
Janka Engineering s.r.o.	Czech Republic	100% ownership
Lloyd Electric FZE	United Arab Emirates	100% ownership (Company Closed on 23.05.2011)

2.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a) Change in accounting policies

Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its consolidated financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of consolidated financial statements. However, it has significant impact on presentation and disclosures made in the consolidated financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities, at the date of the financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Uncertainties about these estimates and assumption could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in the future periods.

c) 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 attributed interest.



d) Depreciation on tangible fixed assets

Depreciation policy of Indian company

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

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

Depreciation policy of Foreign Subsidiary company

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

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

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

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

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

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

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

e) Intangible Assets

Depreciation policy of Indian company

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

LOGO OF BRAND "LLOYD"

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

Depreciation policy of Foreign Subsidiary company

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

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

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

f) Inventory Valuation:

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

g) Revenue Recognition:

- i) Income and Expenditure are recognized on accrual basis.
- ii) Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects central sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.
- iii) Export sales are accounted on the basis of date of bill of lading.
- iv) Dividend income is recognized when the right to receive the dividend is established.



h) Investments:

Investments other than in subsidiaries have been accounted as per Accounting Standard (AS-13) - Accounting For Investments. Long term Investments are stated at cost. Investments in subsidiary company are of long-term strategic value and the diminution in the value of Investment in Lloyd Electric FZE is due to closure of the company during the year.

l) Foreign Currency fluctuation

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency & 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 average exchange rate prevailing during the year.

iii. Exchange Difference

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

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

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

j) 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 and actuarial valuation is subject to management. 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.

k) Taxation:

Current Tax:

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

Deferred Tax:

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

Minimum Alternate Tax

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

l) 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.

m) Borrowing Cost:

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

n) Segment Reporting:

The Company's operations predominantly comprise of manufacturing and sale of Air-conditioning and parts thereof. Sale of Consumer Durable products other than Air-conditioners does not insignificant. The geographical segmentations are insignificant.



o) Earning Per Share:

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

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

p) Cash Flow Statement:

The Cash Flow statement is prepared by the indirect method set out in Accounting Standard -3 issued by the Institute of Chartered Accountants of India 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.

q) Sundry Debtors/Loans & Advances:

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

Sundry Debtors Policies of Foreign Subsidiaries:

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

r) Provisions /Contingencies:

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

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

s) Derivative Instruments:

The Company has 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.

t) 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 Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE:- 3		
SHARE CAPITAL:-		
1. Authorized Capital		
5,00,00,000 Equity Share of Rs. 10/- each (Previous year 5,00,00,000 Equity Share of Rs. 10/- each)	5,000.00	5,000.00
Total Authorized Share Capital	5,000.00	5,000.00
2. Issued & Subscribed Capital		
3,10,13,160 Equity Shares of Rs. 10/- each	3,101.32	3,101.32
3. Paid up Capital		
3,10,00,260 Equity Shares of Rs. 10/- each fully paid up (Previous Year 3,10,00,260 equity shares of Rs. 10/- each)	3,100.03	3,100.03
Add:- Equity Shares forfeited (amount originally paid up)	0.64	0.64
Total (Rs.)	3,100.67	3,100.67

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

Particulars	31 March, 2012		31 March, 2011	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Shares outstanding at the beginning of the year	31000260	3100.03	31000260	3,100.03
Shares Issued during the year	-	-	-	-
Shares outstanding at the End of the year	31000260	3100.03	31000260	3,100.03

(b) Terms/rights attached to equity shares

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

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



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

Particulars	31 March, 2012		31 March, 2011	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares of Rs. 10 each fully paid-up				
PSL Engineering Pvt.Ltd.	3,713,520	11.98	3,713,520	11.98
Zenith Impex Pvt.Ltd.	2,970,233	9.58	2,966,283	9.57
Airserco Pvt.Ltd.	1,956,800	6.31	1,956,800	6.31
Kotak India Focus Fund.	1,927,255	6.22	1,927,255	6.22
Morgan Stanley Mauritius Company Ltd.	1,744,828	5.63	1,744,828	5.63

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 Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE:- 4		
<u>RESERVES AND SURPLUS:</u>		
1) Capital Reserve (subsidy received against fixed assets)	44.30	15.00
2) Capital Reserve (Share Warrants forfeited by the Company)	1,125.00	1,125.00
3) Revaluation Reserve (land revalued as on 31st March, 1993)	35.00	35.00
4) Securities Premium Account: Less: Debenture issue Expenses	17,506.28 -	17,583.74 (77.45)
	17,506.28	17,506.28
5) Statutory Reserve	191.78	180.13
6) General Reserve: Opening balance Add: Transfer from Profit & Loss a/c	14,472.38 100.00	14,022.38 450.00
	14,572.38	14,472.38
7) Debenture Redemption Reserve	500.00	250.00
8) Exchange Difference on Consolidation	262.65	(947.64)
9) Profit & Loss Account: Profit for the Year Balance Brought Forward from Previous year MAT Credit Entitlement Booked in current Year	2,937.31 7,174.04 147.25	3,757.09 3,682.90 974.49
	10,258.60	8,414.48
Less:- Appropriations Proposed Dividend Tax on Proposed Dividend Transfer to Debenture Redemption Reserve Transfer to General Reserve	310.00 50.29 250.00 100.00	465.00 75.44 250.00 450.00
Balance Carried TO Balance Sheet	9,548.31	7,174.04
TOTAL (Rs.)	43,785.70	39,810.20



(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 5		
<u>LONG TERM BORROWINGS:</u>		
1. Term Loans		
From Financial Institution	-	774.16
From Schedule Banks:-		
Foreign Currency loan	2,744.70	8,640.39
Indian Currency Loan	2,607.39	3,692.39
2. Debentures	5,000.00	5,000.00
500 Nos 11.25% secured redeemable Non Convertible Debentures @ Rs. 10,00,000/- each)		
3. Loan against Vehicles (secured by hypothecation of vehicle financed)		
TOTAL (Rs.)	10,352.09	18,106.94

- Indian rupee loan from IDBI Ltd. carries interest @ 11.75% P.A. The Loan is repayable in 20 quarterly installment of Rs. 1.40 crores each after monotorium of 12 Months from the date of loan i.e. 31st March, 2010.
- Indian ruppe loan from SBBJ carries interest @ 11.50% to 13% P.A. The loan is repayable in 16 quarterly installment of Rs. 1.31 Crores each after monotorium of 12 Months from the date of loan i.e. 24.06.2010.
- Foreign currency loan from EXIM Bank carries interest LIBOR + 4.50% p. a. The loan is repayable in 17 quarterly installment of Rs. 1.59 Crores after monotorium of 12 months from the date of loan i.e. 14.07.2010.
- The above loans are Secured by way of first charge on Pari-Passu basis on the fixed Assets of the Company and Second hypothecation charge on the Stock/Book Debts.
- Foreign currency loan from SBI London by Lloyd Coils Europe carries interest LIBOR Euro + 2.20% p. a. The loan is repayable in 8 half yearly installment of Euro 1.50 million after monotorium of 18 months from the date of loan i.e. 13.05.2008. Term Loan is secured by first charge on fixed assets of the company and corporate gurantee from parent company Lloyd Electric & Engineering Limited.
- As per Board Resolution dated 14.03.2011 the Company has allotted 400 Nos. 11.25% secured redeemable non-convertible Debentures @ Rs. 10,00,000/- each on 14.03.2011 and balance 100 Nos., 11.25% Secured Redeemable Non-convertible Debentures @ Rs. 10,00,000/- each on 29.03.2011 for a tenure of 5 Years on private placement basis. The interest on Debentures is payable quarterly from the date of allotment @ 11.25% P.A. Debentures will be redeemed at par in Six Equal half Yearly installments at the end of 30th Month, 36th Month, 42nd month, 48th month, 54th month and 60th month from the date of allotment and secured by first ranking pari passu charge on all fixed assets including the immovable properties together with structures and appurtenances thereon and there under and movable properties, persent and future.

(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 6		
<u>DEFERRED TAX LIABILITIES</u>		
<u>Opening Balance</u>	1,609.23	1,329.23
Deferred Tax Liability on account of Depreciation	369.53	287.70
Deferred Tax Asset on account of Statutory Dues	(12.50)	(7.70)
Net Deferred Tax Liability	1,966.26	1,609.23
NOTE - 7		
<u>LONG TERM PROVISIONS</u>		
Other Provisions	434.71	-
Provision for gratuity & leave encashment	203.26	139.17
Provision for Warranty	41.19	-
TOTAL (Rs.)	679.16	139.17
NOTE - 8		
<u>SHORT TERM BORROWINGS:</u>		
1. Working Capital Loans:		
From Banks	26,197.86	18,700.99
TOTAL (Rs.)	26,197.86	18,700.99
1. The working capital loans, fund based as well as non fund based from banks are secured by way of first hypothecation charge on the stocks/book debts, both present and future and second charge on pari-passu basis on the fixed assets of the Company.		
NOTE - 9		
<u>TRADE PAYABLES</u>		
Sundry Creditors	11,003.60	11,664.58
TOTAL (Rs.)	11,003.60	11,664.58



(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 10		
OTHER CURRENT LIABILITIES		
Salary Payable	489.45	429.21
F.P.F. Payable (Employees)	151.70	120.40
Other Statutory dues payable	1,232.52	1,331.57
Other expenses payable	942.92	406.59
Audit Fees Payable	17.98	15.74
Interest Accrued but not due	50.94	51.79
Others Liability	37.86	39.56
Unclaimed Dividend	19.11	19.16
Advance from Customer	165.13	129.13
Taxes Payable	39.37	-
Current maturity of Long Term Borrowings		
Foreign Currency loan	691.37	469.21
Indian Currency Loan	1,085.00	1,135.23
Loan against Vehicles	9.20	24.33
(secured by hypothecation of vehicle financed)		
TOTAL (Rs.)	4,932.55	4,171.92
NOTE - 11		
CURRENT PROVISIONS		
Provision for Income Tax	1,372.50	1,097.86
Provision for Fringe Benefit Tax	25.90	25.90
Provision for proposed dividend	310.00	465.00
Provision for tax on proposed dividend	50.29	75.44
Leave Encashment Payable	196.91	-
TOTAL (Rs.)	1,955.60	1,664.20

NOTE :- 12
FIXED ASSETS:

(Rs. In Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2011	Additions	Deduction	As at 31.3.2012	Up to 31.3.2011	For the Year	Adjustment	Up to 31.3.2012	As at 31.03.2012	As at 31.03.2011
(i) Tangible assets										
1) Leasehold Land	1,363.94	269.57	-	1,633.51	-	-	-	-	1,633.51	1,363.94
2) Temporary Constructions	11.97	-	-	11.97	11.97	-	-	11.97	-	-
3) Buildings	5,933.92	1,893.93	-	7,827.85	778.42	179.78	-	958.20	6,869.65	5,155.50
4) Plant & Machinery	31,820.33	3,650.12	52.54	35,417.91	12,660.33	1,571.68	48.56	14,183.45	21,234.47	19,160.00
5) Office Equipments	550.86	73.11	-	623.97	459.20	24.53	-	483.73	140.24	91.66
6) Vehicles	491.33	61.07	53.71	498.69	207.25	51.36	41.36	217.26	281.43	284.08
7) Furniture & Fixtures	69.04	61.62	-	130.66	19.23	6.56	-	25.79	104.87	49.81
8) Capital Work in Progress	351.90	66.08	302.89	115.08	19.65	-	-	19.65	95.43	332.25
9) Adjustment to Assets	4,768.50	-	-	4,768.50	900.11	365.71	-	1,265.82	3,502.68	3,868.39
Total (Tangible Assets)	45,361.79	6,075.51	409.15	51,028.15	15,056.16	2,199.63	89.92	17,165.87	33,862.28	30,305.63
(ii) Intangible assets										
1) Intangible Fixed Assets	40.44	1,492.96	-	1,533.40	(14.85)	370.10	-	355.25	1,178.15	55.29
2) Intangible Fixed Assets under Progress	31.48	82.39	18.85	95.02	12.65	-	-	12.65	82.37	18.83
Total (Intangible Assets)	71.92	1,575.35	18.85	1,628.42	(2.20)	370.10	-	367.90	1,260.52	74.12
(iii) Capital work-in-progress										
2) Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
Total (Capital Work in Progress)	-	-	-	-	-	-	-	-	-	-
TOTAL Rs..	45,433.71	7,650.86	428.00	52,656.57	15,053.96	2,569.73	89.92	17,533.77	35,122.80	30,379.75
(Previous Year)	41,393.85	4,156.66	116.79	45,433.72	13,154.48	2,113.16	213.66	15,053.96	30,379.75	28,239.79



(Rs. In Lacs)

Particulars	Face Value	Number of Shares	As At 31.03.2012	Number of Shares	As At 31.03.2011
NOTE:- 13					
INVESTMENTS:					
Quoted Shares					
Blue Star Ltd.	2	375	0.13	375	0.13
Blue Star Info. Ltd.	10	25	0.04	25	0.04
Castrol (India) Ltd.	10	5	0.01	5	0.01
Chambal Fertilizers & Chem. Ltd.	10	1,000	0.20	1,000	0.20
D.B. International Brokers Ltd.	10	16,600	1.66	16,600	1.66
Dot Com. Global Ltd.	10	24,200	0.16	24,200	0.16
Shardul Securities Ltd.	10	25,600	7.68	25,600	7.68
ACE India Ltd.	10	16,900	1.69	16,900	1.69
Fortis Financial Services Ltd.	10	400	0.04	400	0.04
Glaxo Sithkline Pharmaceuticals Ltd.	10	125	0.76	125	0.76
HDFC Bank Ltd.	10	25	0.09	25	0.09
Hindustan Unilever Ltd.	1	3,850	4.63	3,850	4.63
JSW Steel Limited	10	5,124	11.12	5,124	11.12
Lumax Industries Limited	10	4,600	2.68	4,600	2.68
Panasonic Battery India Ltd.	10	500	0.21	500	0.21
SRG Infotech Limited	10	200	0.00	200	0.00
Sterlite Opticals Limited	5	210	0.05	210	0.05
Subros Limited	10	30	0.03	30	0.03
Tata Chemicals Limited	10	50	0.06	50	0.06
Tata Consultancy Services Limited	1	2,458	20.89	2,458	20.89
Visesh Infotecnics Limited	10	100	0.00	100	0.00
Voltas Limited	1	500	0.06	500	0.06
GHCL Ltd.	10	125,000	190.93	125,000	190.93
Archies Ltd.	10	30,000	32.17	30,000	32.17
Investment in SBI Mutual Fund			10.00		10.00
Sub-Total (A) Rs.			285.29		285.29
			-		-
			285.29		285.29
Unquoted Shares:					
Lloyd Credits Ltd.	10	300,000	30.00	300,000	30.00
Lloyd Aircon (P) Ltd.	10	350	0.04	350	0.04
Lloyd Manufacturing (P) Ltd.	0	-	-	5	0.01
Carrier Aircon Ltd.	10	100	0.09	100	0.09
Advance for investment in share:					
Lloyd Coils LP (USA)		-	-	-	178.44
Sub-Total (B) Rs..			30.13		208.58
			315.42		493.87
Additional Information :					
1) Aggregate amount of Company's -					
a) Market value of Quoted Investments			323.95		394.12
b) Unquoted Investments			30.13		258.58

(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 14		
LONG TERM LOAN & ADVANCES		
Security Deposits	150.45	100.54
Loan to subsidiary Company	-	-
TOTAL (Rs.)	150.45	100.54
NOTE - 15		
OTHER NON CURRENT ASSETS		
MAT Credit Entitlement		
Opening	974.49	-
Add:- during the year	147.25	974.49
	1,121.74	974.49
Deferred Revenue Expenses		
Opening balance	835.29	801.66
Addition during the year	-	225.05
Total	835.29	1026.71
Less: Written off During the year	270.86	191.42
	564.43	835.29
TOTAL (Rs.)	1,686.17	1,809.78
NOTE - 16		
<u>INVENTORIES:</u>		
Raw-materials, Consumables and Components	15,899.10	18,339.21
Stock in Process	1,313.02	917.16
Finished Goods	15,314.51	2,485.04
Stock for Resale	147.35	-
Stock in Transit (At Cost)	2,638.60	2,498.29
TOTAL (Rs.)	35,312.58	24,239.70



(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 17		
<u>TRADE RECIEVABLES</u>		
Outstanding for a period exceeding six months from the date they are due for payment	216.80	176.95
Other Receivables	21,296.72	28,241.95
TOTAL (Rs.)	21,513.52	28,418.90
NOTE - 18		
<u>CASH & CASH EQUIVALENTS</u>		
<u>CASH AND BANK BALANCES:</u>		
Cash balance in hand	45.36	12.28
<u>Balances with Schedule banks</u>		
In Current Accounts	2,841.26	1,527.73
HDFC Bank (Dividend A/c)	19.11	19.16
In fixed deposits	4.42	5,000.25
Receipt pledged with Bank for margin money (Including Interest)	24.28	9.45
Interest accrued on fixed deposit	0.53	26.92
TOTAL (Rs.)	2,934.96	6,595.79
NOTE -19		
<u>SHORT TERMS LOANS & ADVANCES :</u>		
Advances recoverable in cash or in kind or for value to be recovered	2,232.11	2,622.35
Advance to employee	276.19	367.03
Balance with Customs, Excise & Service Tax	246.49	119.48
VAT Credit	340.06	88.65
TOTAL (Rs.)	3,094.85	3,197.51

(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 20		
<u>OTHER CURRENT ASSETS</u>		
Intra Group Accounts (Net)	2,872.71	1,498.39
TOTAL (Rs.)	2,872.71	1,498.39
NOTE- 21		
REVENUE FROM OPERATIONS		
Sale of Products		
Manufacturing Goods	112,354.14	102,285.93
Traded Goods	8,081.52	-
TOTAL (Rs.)	120,435.66	102,285.93
NOTE - 22		
<u>OTHER INCOME:</u>		
Income from scrap	594.03	
Interest Income	275.31	30.17
Interest on Foreign Currency Deposit	-	2.81
Misc. Income	118.89	56.54
Dividend Income	6.50	6.75
TOTAL (Rs.)	994.73	96.27



(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 23		
COST OF MATERIAL CONSUMED		
Raw materials, consumables & component consumed		
Opening stocks	18,339.21	14,875.27
Add:-Purchases	94,088.06	84,654.13
Carriage Inwards	863.34	298.32
Less: Closing stocks	15,899.10	18,339.21
Cost Of Raw Material, Consumables & Components Consumed	97,391.51	81,488.51
1. Foreign currency exchange loss of Rs. 848.83 Lacs related to purchases of Raw Material is included in purchases.		
NOTE - 24		
CHANGES IN INVENTORY		
Decrease/(Increase) in stocks in Progress		
Opening stock	917.16	850.02
Less : Closing stock	1,313.02	917.16
Decrease/ (increase) in Stock in Progress	(395.86)	(67.14)
2) Decrease/(Increase) in finished goods:		
Opening stock	2,485.04	729.63
Less : Closing stock	15,314.51	2,485.04
Decrease/ (increase) in Finished Goods	(12,829.47)	(1,755.41)
Total (Rs.)	(13,225.33)	(1,822.55)
NOTE - 25		
EMPLOYEE BENEFIT EXPENSES		
Wages (Workers)	2,901.19	2,582.50
Labour Welfare	175.50	119.43
Salary Account	4,805.19	2,523.24
Employer contribution in PF	124.54	64.70
Staff Welfare	121.08	137.19
Social security and health insurance expenses	1,610.84	1,423.34
Total (Rs.)	9,738.34	6,850.40

(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 26		
OTHER EXPENSES		
Repair and Maintanance		
- Plant & Machinery	239.87	237.55
- Building & Office	46.40	15.70
Electricity Charges	280.31	458.84
Factory Overheads	174.52	118.34
Lease Charges	376.05	46.62
Insurance	240.37	184.07
Rent Rate & Taxes	278.31	320.75
Postage & Courier & Telephone Expenses	149.00	262.69
Printing and stationery	102.53	31.56
Audit Fee (including service tax)	23.91	45.02
Legal & Professional Expenses	582.94	876.11
Traveling & Conveyance Expenses	562.40	382.57
Motor Car Expenses	36.87	35.65
Misc. Expenses	612.60	910.19
Loss on sale of Fixed Assets	10.31	18.81
Loss on Investments In Subsidiary Co	155.74	-
Loss on foreign exchange fluctuation	491.81	35.13
Advertisement Expenses	460.76	155.19
Business Promotion	509.96	39.16
Octroi & Carriage outwards	1,826.03	1,020.18
Discount	26.65	40.91
Service Contract charges	312.30	-
Comission and incentive	67.69	7.57
Foreign Exhibition Expenses	21.16	5.65
Free Samples	10.56	5.84
Bad debts & Provision	278.93	467.65
Total (Rs.)	7,877.98	5,721.75



(Rs. In Lacs)

Particulars	As at 31.03.2012	As at 31.03.2011
NOTE - 27		
FINANCIAL COSTS		
Interest Paid	2,853.81	1,934.37
Bank charges	529.30	382.26
Total (Rs.)	3,383.11	2,316.63
NOTE - 28		
DEPRECIATION AND AMORTISATION		
Depreciation on Tangible Assets	2,199.62	2,113.16
Amortization of Intangible Assets	370.10	-
Deffered Revenue Expenses Written off during the year	270.86	191.42
Total (Rs.)	2,840.58	2,304.58

29) Other Significant details:

a) Contingent liability not provided for:

Particulars	Current Year (Rs.In lacs)	Previous Year (Rs.In lacs)
a) Bank Guarantees	1778.27	740.7
b) Corporate Guarantees given against loan taken by related parties.	Nil	NIL
c) Guarantee of 15 million Euro given by the Company for 15 million Euro Loan availed by Lloyd Coils Europe s.r.o.a wholly owned subsidiary (as at March 31,2012)	3820.75	5906.25
d)		
(i) Stand by credit of 2.5 million Euro given by the Company for 2.25 million Euro working capital facility availed by Lloyd Coils Europe s.r.o.a wholly owned subsidiary	1698.10	1575.00
(ii) Stand by Line of Credit of Euro 2.00 Million given by the company (ING Vysya Bank).	1358.48	844.10
(iii) Euro 1.00 million working capital facility availed by Janka Engineering s.r.o.a wholly owned subsidiary. (as at March 31,2012) (Standard Chartered Bank)	679.02	629.90
(iv) Letter of Comfort of Euro Nil (Previous Year Euro 1.61 million) has been issued on behalf of foreign wholly owned subsidiaries.	NIL	1014.30

b) Contracts remaining to be executed on capital account and not provided for	279.29 Lacs	282.58 Lacs
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c) Disclosure as per clause 32 of the Listing Agreement:

Loan given to Subsidiary:

Name of the Company	Relationship	Amount Outstanding As on 31.03.2012 (Rs.In lacs)	Amount Outstanding As on 31.03.2011 (Rs.In lacs)
Lloyd Coils Europe s.r.o.	Subsidiary Loan	2858.97	973.33
Janka Engineering s.r.o	Subsidiary Loan	109.16	95.56
Lloyd Electric FZE	Subsidiary Loan & Advances	Nil	48.15

**d) Capital work in progress:**

Capital work in progress amounting to Rs.970.02 Lacs.

e) Related Party Disclosures: (in which some Directors are interested)**A. Related Companies:-**

Name of Company	Nature of Relationship (Associate Co/ Subsidiary Co/Directors Interested)
Airserco Pvt.Ltd.	Director Interested
Fedders Lloyd Corporation Ltd	Director Interested
Perfect Radiators & Oil Coolers Pvt.Ltd.	Director Interested
PSL Engineering Pvt.Ltd.	Director Interested
Regal Information Technology Pvt.Ltd.	Director Interested
Lloyd Sales Corporation p.Ltd	Director Interested
Fedders Lloyd Trading FZE	Director Interested
Foreign Subsidiary Company:	
Lloyd Coils Europe s.r.o.	100% Subsidiary
Lloyd Electric FZE	100% Subsidiary (Closed on 23 rd May 2011)
Janka Engineering s.r.o.	100% Subsidiary

B. Key Management Personnel-

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

C. Transactions with Related Companies

Transactions	Amount (Rs.In Lacs)
Sale of goods	747.76
Reimbursement of Expenses	0.40
Advances	2872.71
Purchase of Goods	12185.48
Purchases of Logo & Distribution Network	1387.20

f) Managerial Remuneration Paid to Managing Director and Whole Time Directors:

Particulars	Current Year (Rs. In Lacs)	Previous Year (Rs. In Lacs)
Salary	105.06	91.86
Value of Perquisites	26.49	30.29
Commission	NIL	23.00
P.F.	2.16	6.48
Total	133.71	151.63

g) Balances of sister concerns are subject to reconciliation & confirmation

h) Basic & Diluted Earnings per Share:

Earnings per share has been computed as under:

Particulars	Current Year	Previous Year
Profit after Taxation (Rs. Lacs)	2937.31	3757.08
Number of Ordinary Shares	31000260	31000260
Basic and Diluted Earnings per share (Face Value Rs.10/-per share)	9.48	12.12

30) Notes "1" to "30" form an integral part of accounts and are duly authorized.

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

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

For and on behalf of the Board

Brij Raj Punj
Chairman & Managing Director

Place: New Delhi
 Date: 8th August, 2012

Anita K. Sharma
Company Secretary

Mukat B. Sharma
CFO & Whole Time Director

A. K. Roy
Whole Time Director

K. Lall
Director

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 Registrars & Share Transfer Agents, 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.lloydengg.com

You may kindly note that as a Member of the Company, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you, at any time.

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)



LLOYD ELECTRIC & ENGINEERING 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 2012

.....
Signature of the shareholder



LLOYD ELECTRIC & ENGINEERING LIMITED

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



ATTENDANCE SLIP

(For attending the 25th Annual General Meeting)

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

NO. OF SHARE HELD.....

Folio No.....

I/we record my/our presence at the **25th Annual General Meeting** of the Company held on Saturday, 8th September, 2012 at 9:00 A.M. at A-146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan-301 019.

Name and Address of the Shareholder

.....

NAME OF THE PROXY.....

(to be filled only when Shareholder is appointing proxy)

SIGNATURE OF THE SHAREHOLDER / PROXY



LLOYD ELECTRIC & ENGINEERING LIMITED

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



PROXY FORM

I/Weof.....

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

appoint.....of

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

in the district of.....

as my/our proxy to attend and vote for me/us on my / our behalf at the **25th Annual General Meeting** of the Company to be held on Saturday, 8th September, 2012 at 9:00 A.M. at A-146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan-301 019.

Signed thisday of2012.

Signature.....

Affix a
Re. 1/-
Revenue
Stamps

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





LLOYD ELECTRIC & ENGINEERING LIMITED

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

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

Email: investor.relation@lloydengg.com

Website: www.lloydengg.com