

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

42ND ANNUAL REPORT 1997-98



FEDDERS LLOYD CORPORATION LIMITED



Mr. S. P. Punj Chairman (Emeritus)

BOARD OF DIRECTORS

Mr. Brij Raj Punj Chairman cum
Managing Director

Mr. S. S. Kumar Director

Mr. K. N. Khanna Director

Mr. T. V. P. Punj Director

Mr. Pavanjit Singh Director

Mr. Bharat Raj Punj Director

Mr. Manohar Kumar Thairani Director

COMPANY SECRETARY

Ms. Shabnam Mehta

AUDITORS

M/S Suresh C. Mathur & Co.
64, Regal Building,
Connaught Place,
New Delhi

BANKERS

The Hongkong & Shanghai Banking
Corporation Limited
State Bank of Patiala

REGD. OFFICE

C-4, Phase-II, Noida
Distt. Gautam Budha Nagar (U.P.)

HEAD OFFICE

M-13A, CONNAUGHT PLACE,
NEW DELHI-110001

WORKS

1. 2, Industrial Area, Kalkaji,
New Delhi-110019
2. C-4, Phase-II, Noida
Distt. Gautam Budha Nagar (U.P.)

1. The Uttar Pradesh Stock Exchange
Association Ltd. (Regional)
Padam Tower, 14/113,
Civil Lines
Kanpur - 208 001
2. The Stock Exchange, Mumbai
Phirozee Jeebhoy Towers,
Dalal Street,
Mumbai - 400 001
3. The Delhi Stock Exchange Association Ltd.
West Plaza, Indira Gandhi Indoor Stadium,
Indira Prastha Estate,
New Delhi - 110 002
4. The National Stock Exchange of India Ltd. (Permitted)
Trade World, Senapati Bapat Marg,
Lower Parlet,
Mumbai - 400 013

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NOTICE

NOTICE IS HEREBY GIVEN THAT FORTY-SECOND ANNUAL GENERAL MEETING OF FEDDERS LLOYD CORPORATION LIMITED WILL BE HELD ON THURSDAY, THE 31ST DECEMBER, 1998 AT 9.00 AM AT CHAK NO.185, KHASRA NO.4913, LAKHANAWALI, NOIDA, TEHSIL DADRI, DISTT. GAUTAM BUDHA NAGAR (U.P.) FOR TRANSACTING THE FOLLOWING BUSINESS :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as on June 30, 1998 and the Profit and Loss account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri T.V.P.Punj, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Bharat Raj Punj, who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT M/s.Suresh C. Mathur & Co., Chartered Accountants, be and are hereby re-appointed auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

RESOLVED FURTHER THAT the Auditors be paid such remuneration and travelling and other out-of-pocket expenses incurred by them for the purpose of the audit, as may be decided by the Board of Directors, who be and is hereby authorised to fix the same."

SPECIAL BUSINESS :

5. To pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION** :

"RESOLVED THAT Mr.Manohar Kumar Thairani who was appointed as an Additional Director on 27th June, 1998 and whose term of office expires at this Annual General Meeting be and is hereby appointed as Director of the company."

By order of the Board of Directors
for FEDDERS LLOYD CORPN. LTD.

PLACE: NEW DELHI
DATE : 28.11.98

Sd/-
(SHABNAM MEHTA)
COMPANY SECRETARY

NOTES

KINDLY NOTE THAT NO GIFT SHALL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST REACH THE COMPANY AT M-13A, CONNAUGHT PLACE, NEW DELHI NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.
2. The relevant explanatory statement, pursuant to Section 173 (2) of the Companies Act 1956, in respect of Special Business is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 29th December 1998 to 31st December 1998 (both days inclusive).
4. Members are requested to Notify promptly any change in their addresses to the Company's Head Office at M-13A, Connaught Place, New Delhi-110 001.
5. Members are requested to send to the company their queries if any, on accounts and operations of the Company, so as to reach at least seven days before the date of the meeting at the head office in order that the same could

FEDDERS LLOYD

FEDDERS LLOYD CORPORATION LIMITED

- be properly answered at the meeting.
6. Member(s)/Proxy(s) desirous of attending the meeting are requested to bring the attendance slip and fill-in and sign the same and deliver it at the entrance of the Meeting Hall.
 7. Members attending the Annual General Meeting are requested to bring along with them their copies of the Annual Reports as the same will not be distributed at the Meeting.
 8. All the documents as mentioned in the notice are available for inspection at the Registered Office of the Company during working hours.

EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of **Special Business:**

ITEM NO.:5

Mr. Manohar Kumar Thairani was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 27th June, 1998.

As per the provisions contained in Section 260 of the Companies Act, 1956, he holds office upto the date of this Annual General Meeting, but is eligible for appointment as Director.

Mr. Manohar Kumar Thairani has given notice to the company expressing his candidature for the office of Director of the Company and has deposited a sum of Rs. 500/- in cash as per the requirement of Section 257 of the Companies Act, 1956.

Mr. Manohar Kumar Thairani is a young and energetic practising Chartered Accountant. He has been associated with the company for the last 10 years as a consultant on financial matters. Keeping in view his professional background and expertise in finance, the Board of Directors consider that it will be in the interest of the company to appoint him as a Director.

Hence, this Resolution.

None of the Directors except Mr. Manohar Kumar Thairani is concerned or interested in this Resolution.

By order of the Board of Directors
for FEDDERS LLOYD CORPN. LTD.

PLACE : NEW DELHI
DATE : 28.11.98

Sd/-
(SHABNAM MEHTA)
COMPANY SECRETARY

DIRECTOR'S REPORT

Dear Shareholders,

It gives us great pleasure in presenting the Forty Second Annual Report of your Company alongwith the Audited Accounts for the Year ended 30th June,1998.

FINANCIAL RESULTS

	Current Year 1997-98	RUPEES IN LACS Previous Year 1996-97
Sales	12664.67	11083.16
Gross profit	749.29	660.67
Interest(Net)	243.23	237.11
Depreciation	148.38	93.70
Preliminary Expenses written off	11.32	11.32
Profit for the Year	346.36	318.54
Balance brought forward from the previous year	0.07	0.03
Profit available for appropriation	346.43	318.57

APPROPRIATIONS:

Provision for Income Tax	45.00	50.00
Transferred to General Reserve	NIL	268.50
Balance carried forward	301.43	0.07

DIVIDEND

Keeping in view the long term requirement of funds for the diversification and expansion plans of the company,the Board of Directors has decided not to recommend dividend.

PERFORMANCE

The operational performance continued its upward trend.Sales and other income for the financial Year ended 30th June,1998 aggregated to Rs.12699.13 lacs as against Rs.11117.30 lacs during the previous year,registering an increase of 14.23%.

Net Profit before tax for the Year ended 30th June,1998 are Rs.346.36 lacs as against Rs.318.54 lacs in the previous year registering an increase of 8.73%.

NEW PROJECT

To avail the benefits of lower sales tax,the company has embarked upon a new project at Kala Amb,Tehsil Nahani,Dist.Sirmour,Himachal Pradesh for manufacture of Window Air Conditioners and Rail Mounted Packaged Units for Indian Railway.

FIXED DEPOSITS

Your company has not accepted any fixed deposit as per Section 58A of the Companies Act,1956 and Rules made thereunder.

DIRECTORS

During the Year,Mr.Charan Dass and Mr.S.P.Punj resigned from the directorship of the company W.E.F.7th Feb.1998 and 27th June,1998, respectively due to their advanced age.The Industrial Development Bank of India has withdrawn the nomination of Ms.Nitu Sethi from the Board of your company W.E.F.9th Oct.,1998.The Board places on record the valuable contribution made by Mr.Charan Dass,Mr.S.P.Punj and Ms.Nitu Sethi to the working of the company during their tenure.

Considering the valuable contribution of Mr.S.P.Punj to the company for the last nearly four decades and bringing the company to the fore-front as a pioneer in its field by dint of his hard work and devotion,Mr.S.P.Punj was appointed as Chairman-Emeritus of the Company by the Board of Directors in their meeting held on 27th June,1998.

Mr.Manohar Kumar Thairani was appointed as an Additional Director of the company by the Board of Directors in their meeting held on 27th June,1998.Considering his professional background and his expertise in finance,your directors are seeking your approval as per resolution proposed under Special Business in the notice of this meeting.

Pursuant to the provisions of the Companies Act,1956 and the Articles of Association of the Company,Mr.Bharat Rajpunj and Mr.T.V.P.Punj-Directors of the Company are liable to retire by rotation and being eligible, offer themselves for reappointment.

AUDITORS

M/S Suresh C.Mathur & Co., Chartered Accountants, Auditors of the company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have given certificate as required under section 224(1B) of the Companies Act,1956.

FEDDERS LLOYD**FEDDERS LLOYD CORPORATION LIMITED**

The observation of the Auditors as contained in the Auditor's Report read with Notes on Accounts are self explanatory and do not call for any further clarification.

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

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

PARTICULARS OF EMPLOYEES

Information as per section 217 (2A) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars of Employees) Rules, 1975 and forming part of the Directors report is given as under :

A. Employed for the whole year and were in receipt of remuneration which was not less than Rs. 25,000/- per month in aggregate.

S. No.	Name	Age	Designation	Remuneration During the Yr. (Rs.)	Qualification	Experience (In Yrs.)	Commencement of Employment	Particulars of Last Employment
1.	Mr. Brij Raj Punj	53 Yrs.	Managing Director	417466.00	B. Tech., Brunell University, U.K.	29 Yrs.	01.09.87	Lloyd Insulation (India) Pvt. Ltd.

B. Employed for part of the year and were in receipt of remuneration which was not less than Rs. 25,000/- per month in Aggregate.

S. No.	Name	Age	Designation	Remuneration During the Yr. (Rs.)	Qualification	Experience (In Yrs.)	Commencement of Employment	Particulars of Last Employment
1.	Mr. H.J. Kewalramani	62 Yrs.	President	375523.00	B. Engg.,	38 Yrs.	02.02.98	Mcquay Intl., Saudi Arabia
2.	Mr. R. Ravindran	44 Yrs.	G.M. (Engg.)	268854.00	B.E.	27 Yrs.	14.09.97	Sanden Vikas Ltd.
3.	Mr. Sushil Raina	48 Yrs.	Chief General Manager	199114.00	P.G. Diploma Marketing	25 Yrs.	10.11.97	G.S.L. Toughened Glass Ltd. Noida

Notes :

None of the employees mentioned above except Mr. Brij Raj Punj, who is related to Mr. Bharat Raj Punj and Mr. T.V.P. Punj-Directors of the Company are related to any of the Directors.

LISTING OF SECURITIES

The securities of the company are listed on Delhi Stock Exchange, Stock Exchange, Mumbai, and U.P. Stock Exchange (Regional).

The company has paid the listing fees to all the above stated Stock Exchanges for the Year 1998-99.

The Shares of the company are also being traded as Permitted Securities on the National Stock Exchange of India Ltd.

OTHER INFORMATION

Statement under clause 43 of the Listing Agreement:
N.A.

INDUSTRIAL RELATIONS

The company continued to maintain harmonious and cordial relations with its employees in all its divisions which enabled it to achieve higher performance at all levels.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation and gratitude for the support extended by the Financial Institutions, Bankers, Central and State Government and other concerned agencies. The Directors are grateful for the continued cooperation, assistance and support given to the Company by the valued Customers, Distributors, Suppliers and the Shareholders of the Company.

On behalf of the Board of Directors
for **FEDDERS LLOYD CORPORATION LTD.**

PLACE : New Delhi.
DATE : 28.11.1998

(**BRIJ RAJ PUNJ**)
CHAIRMAN

**ANNEXURE -1****ANNEXURE TO THE DIRECTORS' REPORT**

Statement pursuant to Section 217(1)(e) of the Companies Act, 1956 and the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the Year ended 30th June, 1998:

A. CONSERVATION OF ENERGY:

1. The company maintains highest priority in line with the National objective of continuing efforts for energy conservation. Additional investments and proposals, if any, will be implemented for reduction of consumption of energy. Studies to reduce energy consumption is an ongoing process and suitable investments will continue to be made in these areas in future.

B. TECHNOLOGY ABSORPTION**1. Research and Development (R & D)**

Our R & D Centre is recognised by the Industrial Research, Government of India since 1979 and is actively engaged in developing new products using innovations and experience in the field of Refrigeration and Airconditioning.

The stress is on introducing new products based on market needs and optimising the use of materials to have a competitive price.

I. The company has developed the following products, during the year under review:

- i). A new value engineered model of 7.5 TR Packaged Airconditioner.
- ii). 2 TR floor/ceiling Split Airconditioner indoor unit.
- iii). Milk Chilling Unit for Mother Dairy.
- iv). 1.5 TR Mobile Window Airconditioner.

II. Benefits derived as a result of above R&D

- i). Company's products have become more competitive.
- ii). Company is able to enter new areas of business.
- iii). Company's product range enhanced to meet the growing needs of customers.

III. Future Plans Of Action

- i). Heat pump version of Roof Mounted Packaged Unit.
- ii). 1.5 TR Locomotive Packaged Unit.
- iii). 20 TR Rooftop Airconditioner.
- iv). Value Engineered models of some existing products.

IV. Expenditure on R & D during the period:

Total amount of Rs.5.46 lacs was spent by the company on R & D Centre during the Year ending 30th June, 1998.

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. The R & D Centre of the company is engaged in putting the organisation in stronger position by innovative research, upgrading the technologies, introducing new products, processes and developing substitute for imported items and value engineering.
2. Benefits derived as a result of the above efforts e.g. Product and Process improvement, Cost reduction, product development, import substitution etc. AS GIVEN ABOVE
3. In case of imported technology (import during the last five years) following information is given : NIL

D. FOREIGN EXCHANGE EARNING AND OUTGO

During the year total Foreign Exchange Earning from exports was Rs. 19,120/- and Foreign Exchange Outgo was Rs.103.25 lacs.

On behalf of the Board of Directors
for FEDDERS LLOYD CORPN.LTD.

Place : New Delhi

Date : 28.11.1998

(BRIJ RAJ PUNJ)
CHAIRMAN