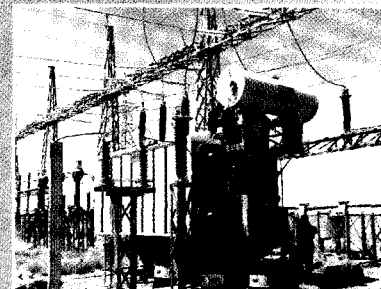




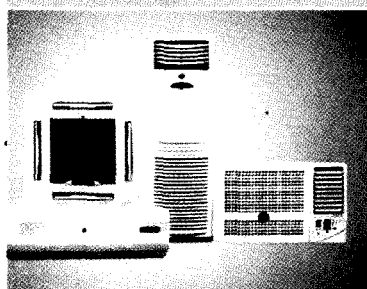
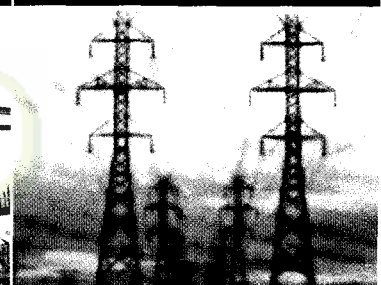
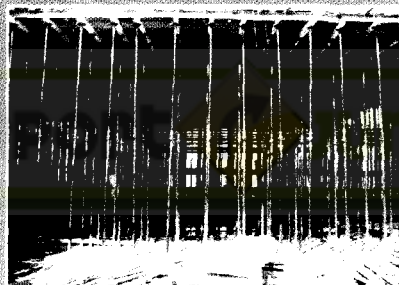
LIVE THE FUTURE

FEDDERS LLOYD CORPORATION LTD.

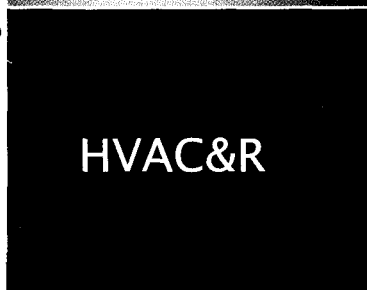
53rd Annual Report 2008-2009



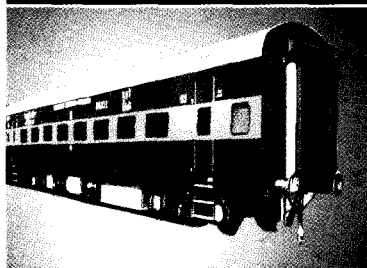
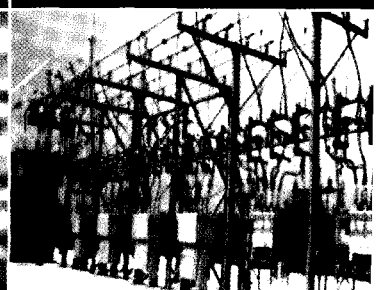
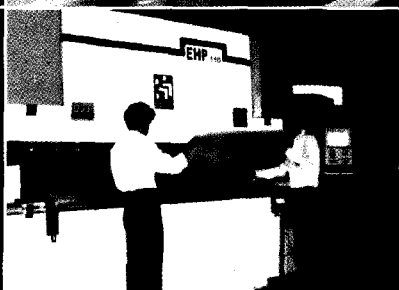
Power



Global
Infrastructure
Development



HVAC&R



Steel
Structurals



Industrial
Projects



LIVE THE FUTURE

Fedders Lloyd - Global in Vision

Rooted in Indian Values

**Financial Highlights
2008-2009**

Total Income
Rs. 46,085.76 Lacs

**Earnings before Interest
Depreciation & Tax**
Rs. 2,948.82 Lacs

Profit before Tax
Rs. 1,403.40 Lacs

Profit after Tax
Rs. 1,131.57 Lacs

Earnings per Share
Rs. 3.68



Board of Directors

Mr. Brij Raj Punj
Chairman & Managing Director

Mr. S.S. Dhawan
Whole Time Director

Mr. T.V.P. Punj

Mr. K. Lall

Mr. S.S. Kumar

A.V.M. S.K. Sharma (retd.)

Mr. Ajay Dogra

Registered Office

C-4, Phase - II, Noida
Distt. Gautam Budh Nagar
U.P. - 201 305

Corporate Office

159, Okhla Industrial Estate
Phase-III, New Delhi - 110 020
Phone: 011- 40627200-300
Fax: 011- 41609909
WEB SITE: www.fedderslloyd.com

Share Transfer Agent

Skyline Financial Services Private Limited
246, 1st Floor, Sant Nagar
Main ISKCON Temple Road
East of Kailash
New Delhi - 110065
Telephone: 011 - 26292682, 83
Fax: 011 - 26292681

Statutory Auditors

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

Bankers

State Bank of India
State Bank of Patiala
State Bank of Hyderabad
State Bank of Mysore
Axis Bank Ltd.

Existing Facilities:

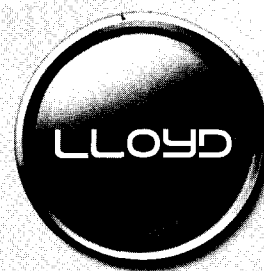
- I. C-4, Phase-II, Noida
Distt. Gautam Budh Nagar
U.P. - 201 305
- II. Saketi Road Industrial Area
Kala-amb, Tehsil Nahan
Distt. sirmor, Himachal Pradesh
- III. Shed No. 77, Annai Anjugam Nagar
Kundrathur-Somangallam Road,
Nandapallam, Post, Chennai - 600 069
- IV. Plot No. 5, Industrial Area
Sikandarabad,
Distt. Bulandshahar (U.P.)
- V. Plot No. 24, Sector 2, IIE Pantnagar
Disst. Udham Singh Nagar
Uttarakhand

Overseas Subsidiary:

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

Company Secretary

Ms. Purnima Sharma



LIVE THE FUTURE

Ladies & Gentlemen,

It's the time of the year when I look ahead to speak to you all about your Company's performance. Our principles and values continue to impel us towards the growth in various dimensions. During the year under review, we have experienced both change as well as continuity. What remained unchanged are the traits of Fedders Lloyd - commitment to innovation, consistency and integrity. As recent global events have shown, markets on their own can not be expected to deliver the imperatives of sustainable developments. Therefore, your Company crafted a new path to place a premium on sustainable development. During the year 2009, your Company achieved a significant mile stone by its foray into power sector and thereby seeks out the synergies from the business potential of the sector and from the increasing benefits and incentives from the Government.

Your Company continues to seek profitable avenues of growth in consonance with its quality benchmarks. Throughout the year, initiating of major and highly innovative projects highlighted our team's ability to carry ambitious projects to successful completion.

THE ECONOMY

Indian economy has been witnessing a phenomenal growth since the last decade. The country is still holding its ground in the midst of the current global financial crisis. The cataclysmic events that shook the very foundations of the American financial system and subsequently the rest of the world have impacted business across the globe. The brunt of melt down was felt in Indian economy as well, with growth in Industrial production plummeting to 2.6% in 2008-09 versus 8.5% in the corresponding previous year. However, in the overall context, India has navigated the turbulence admirably, thanks to regulatory prudence and foresight. A number of leading indicators, such as increase in hiring and encouraging data from a number of key manufacturing segments such as steel and cement indicate that the downturn has bottomed out and highlight the Indian economy's resilience. Meanwhile, foreign institutional investors (FIIs) turned net buyers in the Indian market in the year 2009. GDP growth of 6.7% bettered earlier estimates-helped in part by the stimulus packages announced by the Union Government- making India the second fastest growing economy in the world.

FINANCIAL PERFORMANCE

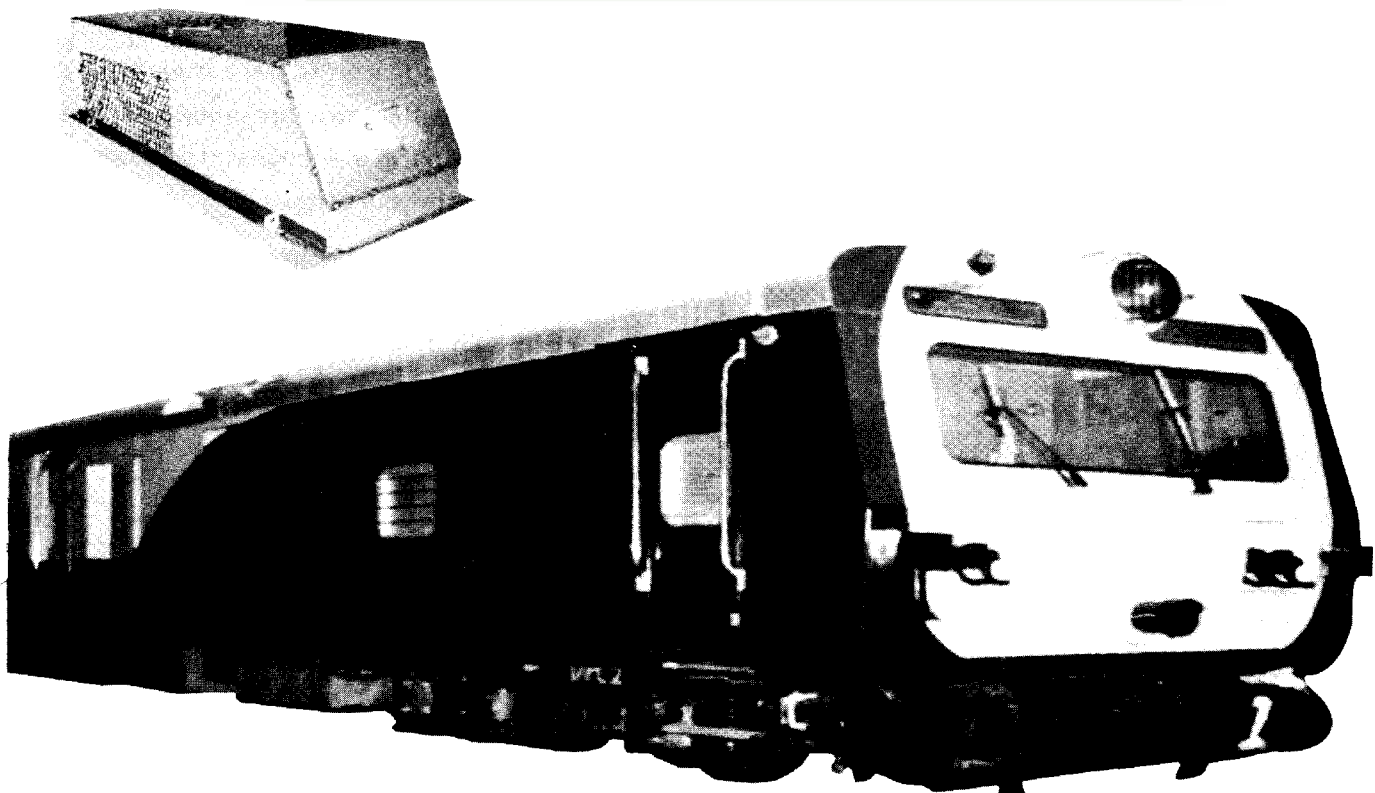
Despite the very difficult external economic environment, your Company delivered another year of steady performance and growth. During the year under review, the total income of your Company grew by 3.15% to Rs. 46085.76 Lacs. The total income generated from HVAC&R Business stood at Rs. 36158.88 Lacs while Steel Structural business contributed to Rs. 9926.88 Lacs in the total income of your Company. The post-tax profit of your Company during the year under review stood at Rs. 1131.57 Lacs as compared to Rs. 1926.48 Lacs during the previous corresponding year with a decline of 41.26%. The decline in profitability was due to overall slow down in the economy which impacted the demand coupled with soaring raw material prices for major part of the year. However, with the strong presence in the market, your Company was able to response to the changes in the market conditions adequately.

Strengthened by strong engineering capabilities, your Company made a move with the times and diversified into Structural Steel Segment during the year 2008 comprising of Steel Fabrication, Design & Erection, Pre-Engineered Building and Scaffolding & Form Works items. The year 2009 was proved yet another benchmark for your Company by its diversification into Power sector.

With the latest diversifications, your Company has become a conglomerate of following intensified business segments:

HVAC&R BUSINESS

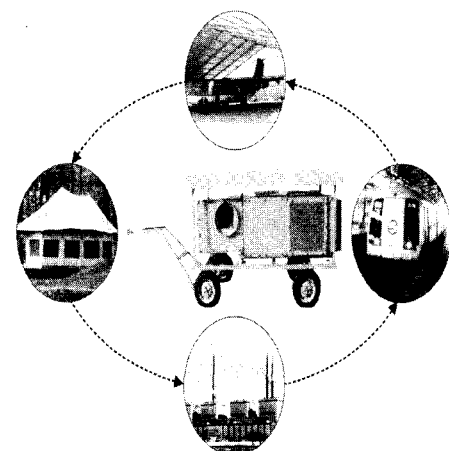
The HVAC&R business of your Company provides extensive range of air-conditioning comprising of Window Air Conditioners, Split/Ductable Air Conditioners, Package Air Conditioners, Chillers, Transport Air Conditioners and Heat Exchangers, etc. serving Railways, Defense, mining, Commercial and corporate customers.



Roof Mounted Package AC Units for Railways

Besides, your Company provides the most extensive range of products like Air Handling Units, Fan Coil Units, Ventilation Units, Exhaust Air Units, Air Washers and Heat Transfer Coils catering to Air Conditioning Industry with its varied applications in Commercial Spaces like Office buildings, theaters, auditoriums; Industrial manufacturing like automotive, Chemical, Petrochemical, Aerospace, etc; Hygienic systems like clean rooms for Hospitals, R&D Centers, Food Processing; IT industry, etc.

Your Company's HVAC&R Business has yet another feather in the cap- HVAC Contract Division, which provides the specialized and turnkey solutions for the Air Conditioning for buildings, industries, multiplexes, malls, pharmaceuticals units, Retail outlets, IT centres, hospitals, business establishments, etc. The renowned customers include Hotel Radisson, BHEL, BSNL, HAL.



Ruggedised Trolley Mounted Mobile Air Conditioners specially designed for ground cooling, spot cooling in hot zones in steel plants, boundaries and for temporary installation at construction sites, camping tents, tunnels etc. with 100% fresh air

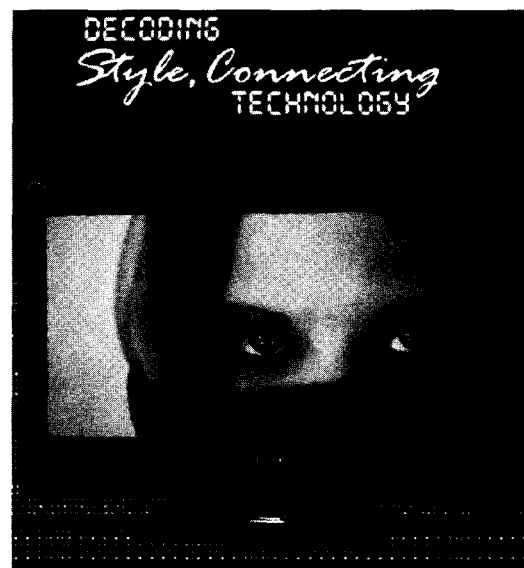
Further, your Company has been meticulously working on various innovative projects in the niche segments for the past few years as a counter onslaught of MNC competition in the conventional retail segments. During the year under review, your Company has rationalized the retail business segment by focusing on Fedders Lloyd's core competence in Air Conditioning. The complete Air Conditioner range was upgraded with Star Rating in the period which is being appreciated widely by the trade partners as well as the customers.

With the success in Air Conditioners sale, your Company has launched LCD TVs which is the fastest growing category in the consumer durable space. Your Company's ideology is utterly driven by "Total Customer Satisfaction". As, after sale services are the key differentiator in the overcrowded retail market of several global brands, your Company has developed customized Customer Relationship Management (CRM) Software which registers the customers' complaints on a Nation wide Toll free number and thereafter the entire process is tracked online till customer satisfaction is achieved in entirety. Lot of emphasizes have been put in the design and development of Fedders Lloyd's products which is reflected in the features of products introduced by your Company.

**Fresh, new waves
of technology
make life come alive.**



Lloyd Range of star rated Air Conditioners

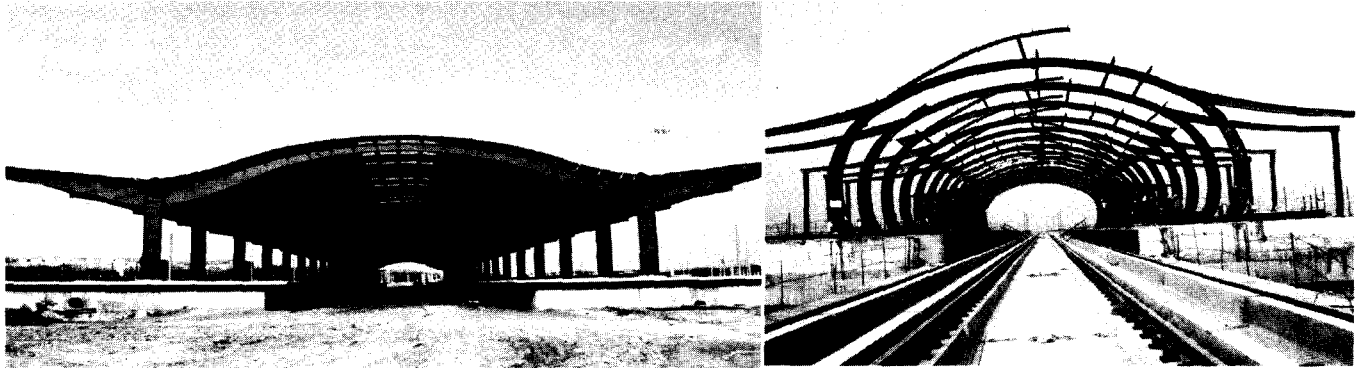


Lloyd's LCD TV with latest features & Technology

STEEL STRUCTURALS

With more than fifty years of firm existence in the Industry having most modern & automatised production facilities with world class quality to its credit, your Company endeavored in structural steel segment in the year 2008 gratifying Steel Fabrication, Design & Erection catering to structural steel building having focus on turn key solutions meeting the demand of modern industrial construction & maintenance requirements, not only in India but across the globe as well. Your Company has in-house technical capabilities in terms of design, engineering marketing and estimation which provide huge dimensional flexibility in design aspects of the steel structures ranging from cycle stand to big buildings & shopping malls, hangers as well as for large power plants and industrial projects.

The Steel Structurals business segment has various accomplishments in its forte during the year 2008-09. Some of the prestigious successful executions are:

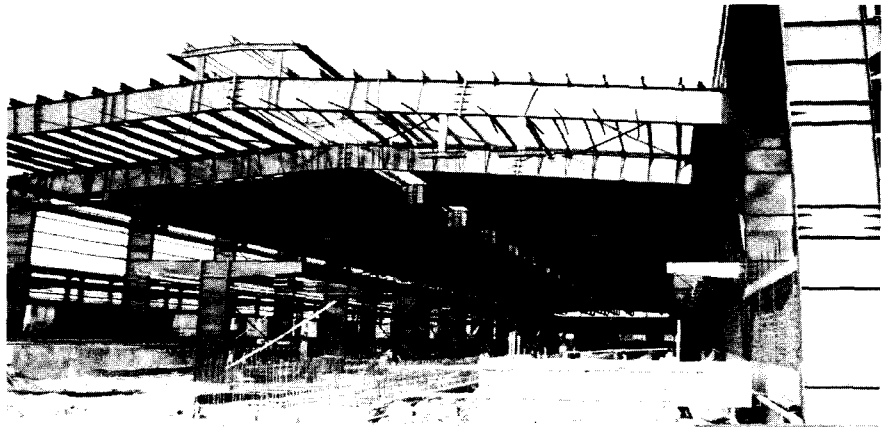


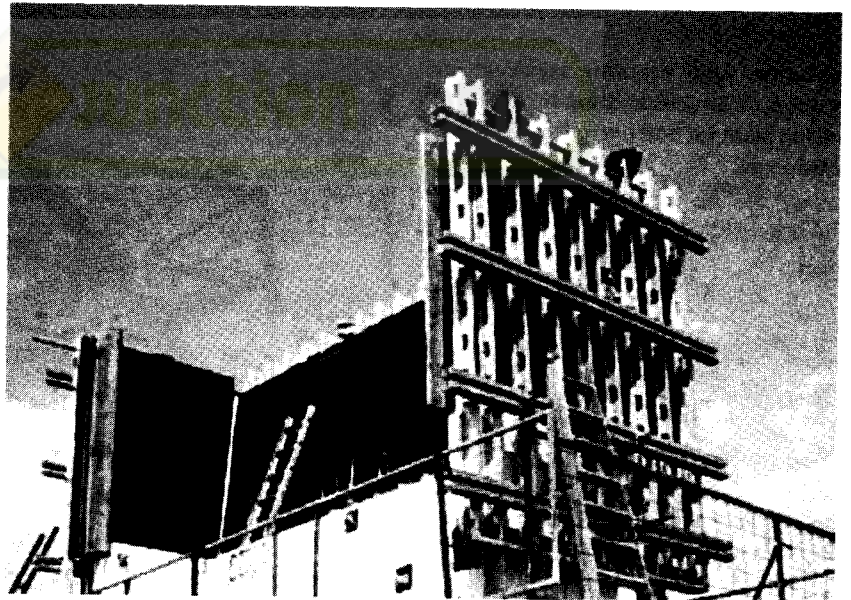
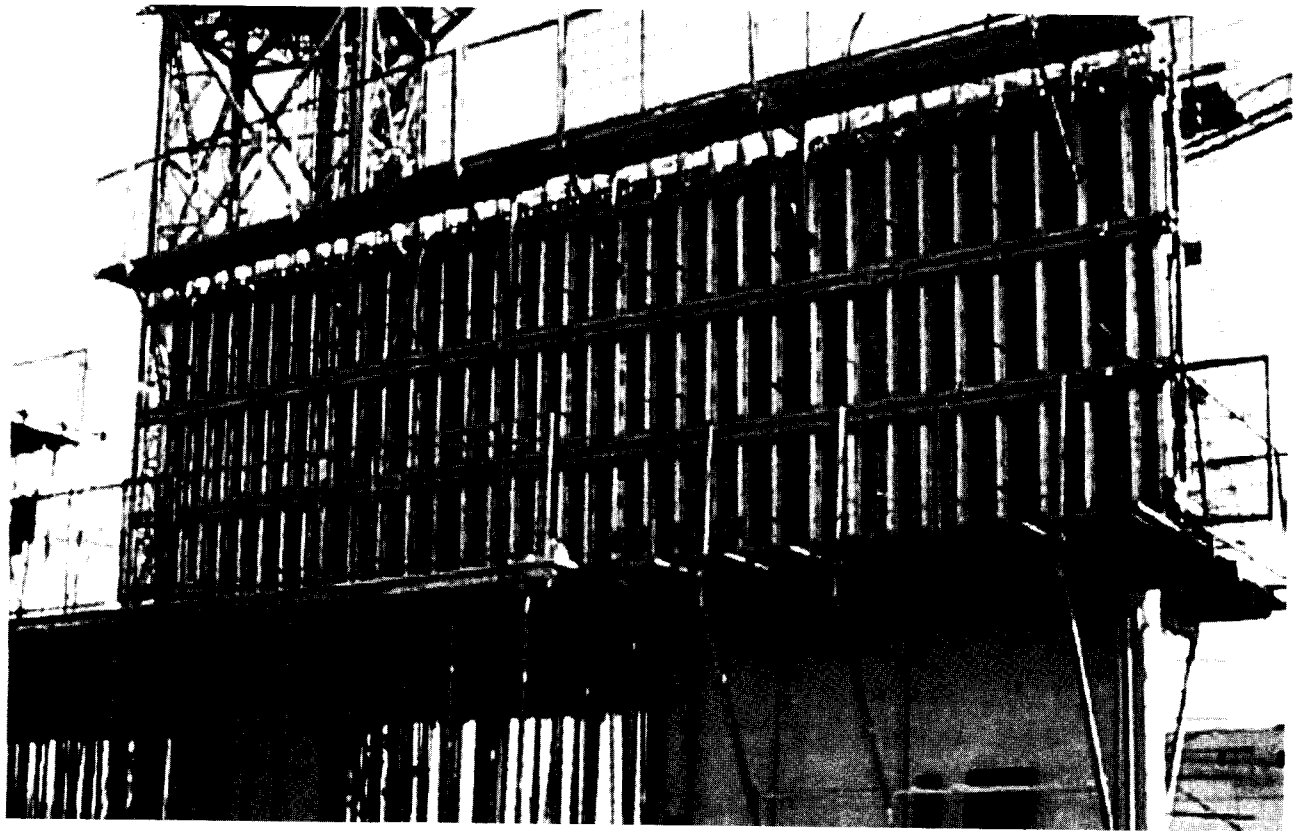
Design, fabrication, supply & erection of pre-fabricated steel roof structure including roof portals, purlins, sheeting etc. for stations at Noida, Anand Vihar & Akshardham Station for Delhi Metro Rail Corporation Ltd.

Fabrication and erection services for execution of Structural Steel for the coal handling plant for BGR Energy Systems Ltd. at Warrangal.



Supply of general fabricated structures for BHEL for different power projects at various locations

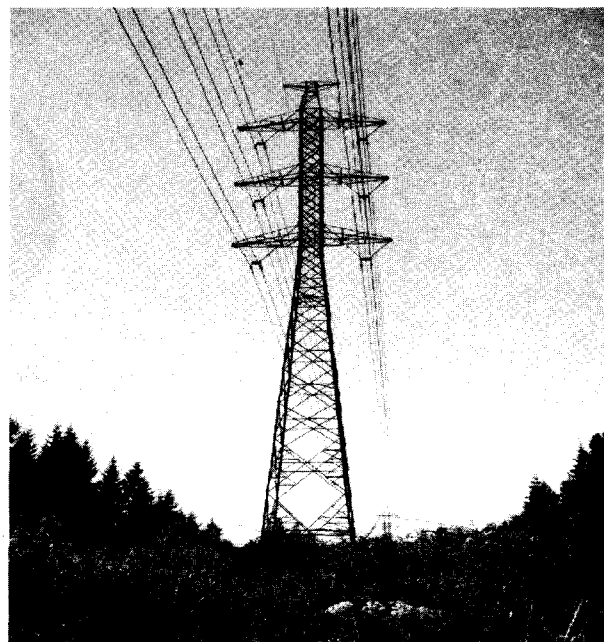




Wall & Column shuttering arrangements- Scaffolding works

POWER SECTOR

In the gigantic effort to provide affordable, high quality power transmission and distribution systems, your Company has recently forayed into this field endeavoring to spread and entrench Industrialized Power Engineering Technology not only in domestic markets but in International markets as well under multilateral and bilateral funding agencies. Fedders Lloyd is geared up with latest design software to the Indian and International acceptable standards to provide turnkey solutions of Engineering, Procurement & Construction (EPC) on Power transmission and distribution. The outdoor/indoor substations both Air & Gas insulated are also undertaken on turnkey basis.



Power generation needs to be increased to fulfill India's development requirements. At the global level, Governmental efforts are focused on securing clean energy, strengthening carbon market mechanisms and exploring funding options for adaptation and mitigation. All the nations aspires to be the energy efficient nation, hence your Company foresees tremendous business potential in the Power Sector across the globe.

WORKING APPROACH - Live the future

Continuous innovation in technology, processes, products and business models makes your Company a "Progressive Organization". It is justifiable pride that by embedding larger sustainability goals in business strategies, your Company has consciously invested in the future by creating competitive and sustainable businesses of tomorrow that will continue to enhance the Stakeholders' Value. By its working approach, your Company is at the commanding heights of India's Air Conditioning system providers with diversification in civil, mechanical and power engineering fields. Having varied engineering capabilities, your Company aspires to become Infrastructure Development Company distinguished by quality work.

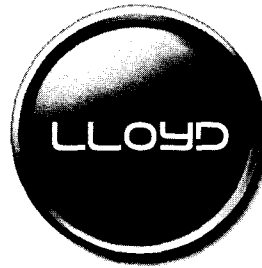
PROSPECTS & OUTLOOK

With such productive years behind, the coming years outlook is generating great anticipations. With an exciting future on the anvil, encompassing launch of new products, foray into new segments and forging of strategic projects, we aim to achieve the huge success.

On behalf of the Board of Directors, my sincere thanks to every member and employee of Fedders Lloyd for their commitment, enthusiasm and unstinting efforts, to our bankers, regulatory and Government bodies for their support & co-operation, to the shareholders and customers for their continued patronage over the years as well as to all our partners and associates for their encouragement & support, which we continue to count on as forge ahead who have made the success possible that I look back at the year gone by as one of marked progress in your Company's growth trajectory.

With Best Wishes,

Brij Raj Punj
Chairman & Managing Director
Place: New Delhi
Date: November 20, 2009



LIVE THE FUTURE

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