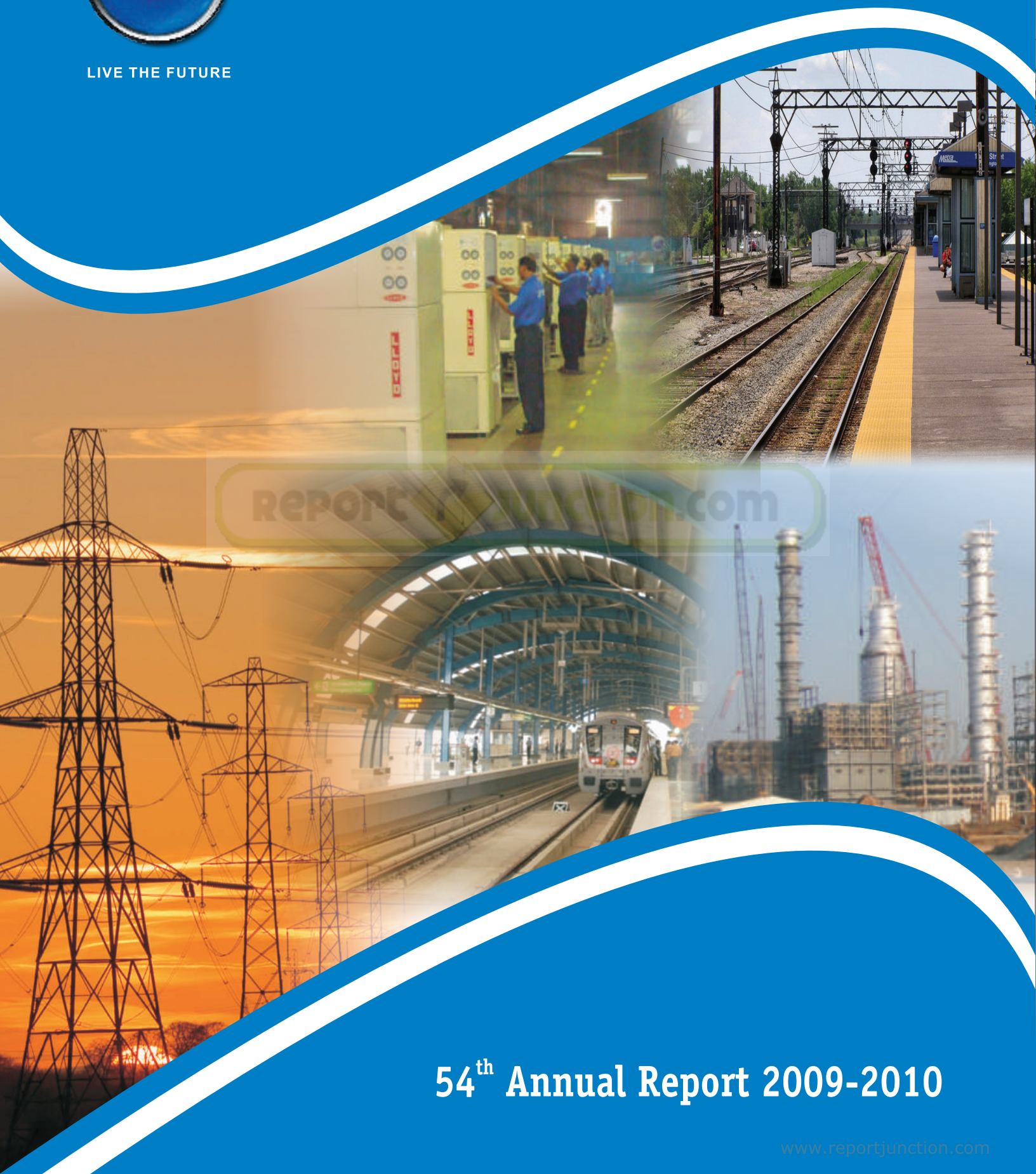




LIVE THE FUTURE

FEDDERS LLOYD CORPORATION LTD.



REPORT JUNCTION.COM

54th Annual Report 2009-2010



LIVE THE FUTURE

Fedders Lloyd-

*54 glorious years of Success,
Innovation & Pride.*

Report Junction.com

- ❖ *Operating in three business segments-*
 - *HVAC&R*
 - *Steel Structures & Engineering*
 - *Power Transmission & Distribution*
- ❖ *Having five manufacturing Facilities across the Country*
- ❖ *Consistent track record of profitability since inception*
- ❖ *ISO 9001:2000 certified Company*
- ❖ *Listed on Bombay Stock Exchange Ltd. & National Stock Exchange of India Ltd.*

Financials at a glance 2009-2010

Total Income
Rs. 68,544.35 Lacs
up by 48.73% ↑

EBIDTA
Rs. 7,731.69 Lacs
up by 162.20% ↑

PBT
Rs. 4,953.54 Lacs
up by 252.96% ↑

PAT
Rs. 4,007.43 Lacs
up by 254.15% ↑

EPS
Rs. 13.02
up by 253.80% ↑

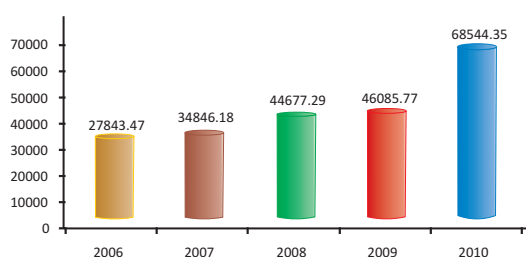


THE GROWTH TRAJECTORY

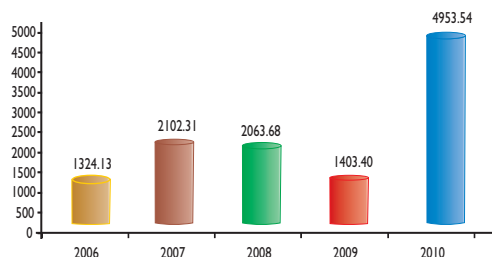
Particulars	(Rs. in Lacs)				
	2009-10	2008-09	2007-08	2006-07	2005-06
Total Income	68544.35	46085.77	44677.29	34846.18	27843.47
Total Expenditure	63590.81	44682.36	42613.61	32743.87	26519.34
Profit before Tax (PBT)	4953.54	1403.40	2063.68	2102.31	1324.13
Taxation	946.11	271.83	137.20	277.60	107.68
Profit after Tax (PAT)	4007.43	1131.57	1926.48	1824.71	1216.45
Equity Share Capital	3076.97	3076.97	3076.97	3076.97	2076.97
EPS (in Rs.)	13.02	3.68	6.26	5.93	5.85
Dividend (Rs. per equity share of Rs. 10 each)	1.00	1.00	-	1.00	1.50
Reserves & Surplus	16054.42	12424.67	11674.07	9770.90	6421.50
Total Assets	45770.95	32242.18	26851.82	23144.08	16785.83

THE GROWTH PARADIGM

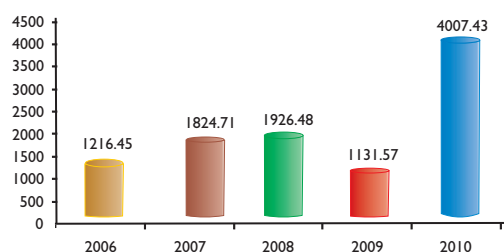
Total Income (Rs. in Lacs)



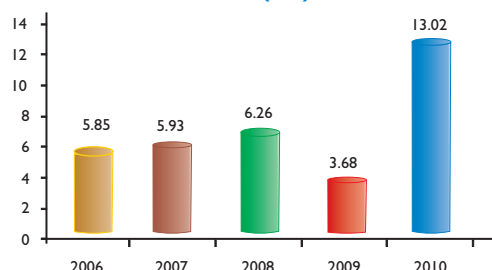
PBT (Rs. in Lacs)



PAT (Rs. in Lacs)



EPS (Rs.)



FEDDERS LLOYD CORPORATION LTD.*CHAIRMAN'S SPEECH*

*“What we promised,
we delivered. And,
geared to achieve
new heights.”*

Dear Shareholders,

In anticipation of a gradual recovery of the global economy during the year 2009-10, after the very challenging conditions in the previous year, we were assured about Company's determination to not just face the challenges resolutely but also to propel the Company into a higher trajectory of growth in the succeeding years. The past one year has been a truly momentous one for your Company. In this year, your Company performed with great resolve and forbearance. Our resilience, coupled with proven strategies and strong execution ability across business units, saw us meet and exceed many milestones. In these times of economic turmoil through our rich portfolio of products and services, your Company continued to get patronage and support of its customers.

THE ECONOMY & BUSINESS ENVIRONMENT

At this time last year, there was cautious optimism that Indian economy would recover faster than rest of the world. The role of the Indian government has been noteworthy in this regard in terms of ensuring a proper regulatory framework under which the economy can grow and provide necessary fiscal stimulus to accelerate economic revival.

The Indian economy exhibited acceleration in the momentum of recovery during the course of the year and registered a growth of 7.4 % in 2009-10. The stable financial system of India continued to have a favorable impact on the overall business confidence. However, there are still some pressure points which need to be addressed to sustain this high growth. One of the



key immediate issues is inflation which has remained at high levels for over a year. This along with firming up of commodities costs has created an inflationary business environment.

BUSINESS & FINANCIAL PERFORMANCE

Last year was truly a year of bringing synergies to the operations of the Company when the Company diversified its business activities into Power Transmission & Distribution. Presently, Fedders Lloyd has HVAC&R, Steel Structures & Engineering and Power Transmission & Distribution in its business portfolio. During the tough economic environment which began from early 2008 and continued till 2009, your Company focused on gaining the knowledge and acquiring the capabilities to build the tomorrow's enterprises. The environment was challenging although, yet I am pleased to report that your Company took all challenges and established a new record and achieved a significant milestone in terms of its operational and financial growth trajectory. During the year, Fedders Lloyd recorded a tremendous growth of 49% in its total revenue from last year's total revenue of Rs. 4608.58 millions to current year's revenue of Rs. 6854.43 millions. With growing sales volume, your Company has also laid special emphasis on enhancing its project execution capabilities. Continual endeavor for qualitative functional processes helped the Company in growth and better margins. Last year, your Company saw a tremendous increase in profits after tax. This year, the profits after tax increased from Rs. 113.16 millions to Rs. 400.74 millions recording a remarkable increase of 254%. This year, your Company achieved Earnings per Share of Rs. 13.02 as against Earnings per Share of Rs. 3.68, during the previous year.

BUSINESS DOMAINS AND PERFORMANCE

HVAC&R

Today, air-conditioning has become a 'need' of modern day life in contrast to its earlier perception as 'luxury' 7-8 years back. The HVAC&R business segment of the Company provides customized air conditioning solutions to large commercial and corporate clients, public sector organizations, defense, mining and railways. This business segment also caters to the Air Conditioning Industry and provides the complete turnkey solutions to the air conditioning for buildings, industries, multiplexes and other business establishments.

During the year, the net sales from HVAC&R business segment of the Company was Rs. 4574.10 millions as against the previous year's net sales of Rs. 3615.89 millions. While, the division recorded profit before interest & tax of Rs. 460.50 millions as against the previous year for Rs. 241.34 millions.

FEDDERS LLOYD CORPORATION LTD.

Diversification

Diversification has been the strong pillar on which your Company has achieved perfect synergy and improved its operational and financial performance. During the year 2008, your Company strategically diversified into Steel Structures & Engineering segment and during the year 2009, the Company took a step ahead and forayed into Power Transmission & Distribution segment. Your Company's whole gamut of business portfolios are well poised to strengthen each other to provide economies in operations.

STEEL STRUCTURES & ENGINEERING

Your Company carried out various prestigious Steel Structures & Engineering projects during the year 2009-10 which amongst many include supply, fabrication and erection of structural steel work with Petron Civil Engineering Pvt. Ltd., Larsen & Toubro Ltd., HPCL-Mittal Energy Ltd., BHEL, Delhi Metro Rail Corporation of India Ltd., DDA- Common Wealth Games 2010, Jindal SEZ etc. Your Company also provides its specialized services in design, manufacturing, erection and supply of scaffolding and form work items.

During the year, the net sales from Steel Structures & Engineering segment of the Company was Rs. 1445.71 millions as against the previous year's net sales of Rs. 992.69 millions while, the division recorded profit before interest & tax of Rs. 162.54 millions as against the previous year for Rs. 60.21 millions.

POWER TRANSMISSION & DISTRIBUTION

Fedders Lloyd's Power Projects division provides turnkey solutions of Engineering, Procurement & Construction (EPC) for power transmission and distribution projects. The Company is executing power projects in domestic as well as International markets funded by multi-lateral and bi-lateral financial institutions like World Bank, Asian Development Bank, African Development Bank, United Nations and under special initiatives of Government of India. With various opportunities available in this segment, your Company foresees tremendous opportunities in this segment. During the year, the Company has successfully executed prestigious power projects including 400 KVA transmission line of 25 Km from Rewari to Dhanonda and 400 KVA transmission line of 75 Km from Dhanonda to Daulatabad. On international front, as a conscious strategy, the Company focused on developing markets of Africa.

During the year, the net sales from Power Projects business segment of the Company was Rs. 831.14 millions while the division recorded profit before interest & tax of Rs. 87.57 millions.



We continued to strengthen our brand equities through innovation, quality products and appropriate business promotion steps. We look forward to deliver consistent and profitable growth in future also.

THE TRIBUTE

Here, on behalf of each of the members of Fedders Lloyd group, I pay honor and tribute to Late Shri Sudershan Prakash Punj, the Ex-chairman of Fedders Lloyd group, who left for his heavenly abode on August 21, 2010 and who continues to remain as an icon and source of inspiration for us. We are forever guided and inspired by the visionary percepts and business governance practices laid down by him.

ACKNOWLEDGEMENTS

I take this opportunity to express my sincere thanks to all the shareholders for their continued trust in the Board of Directors and the Management of the Company. I would like to express my deep sense of gratitude towards our employees. It was their commitment and leadership that saw us sail through this uncharted waters, make benchmark and create value for our Company. On behalf of the Company, I would also like to thank all our customers, dealers, suppliers, partners, other business associates of the Company for their support and co-operation in the year gone by and in the years to come.

*Thank you,
With regards & wishes,*

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

Brij Raj Punj
Chairman & Managing Director

Date: December 02, 2010

FEDDERS LLOYD CORPORATION LTD.

An ensemble of Fedders Lloyd's business domains

HVAC&R:



**Final assembly
AC Shop for Telecom, Railways and Defense**



**High Sensible Packaged
Airconditioning Unit for Telecom Sector**

Report Junction.com

Consumer Products:



Lloyd Brand Consumer Products Bouquet

FEDDERS LLOYD CORPORATION LTD.

Steel Structures & Engineering:



**Design, Supply & Erection of pre-engineered, pre-fabricated
Steel Structures for 20 DMRC Stations**



**Design, Supply & Erection of
pre-engineered, pre-fabricated Steel Structures for HPCL-Mittal Energy Limited
for Guru Govind Singh Refinery, Bathinda**