

Fedders Lloyd Corporation Limited



LIVE THE FUTURE

55th Annual Report 2010-2011

Performance Excellence

*“55 years of growth through
Innovation, Engineering, Involvement,
Commitment, Integrity and Success,
creating value for all stakeholders”*

23.77% 

Increase in
Total Income from
Rs. 685.44 Crores to
Rs. 848.37 Crores

18.46% 

Increase in
EBIDTA from
Rs. 77.32 Crores to
Rs. 91.59 Crores

16.07% 

Increase in
PAT from
Rs. 40.07 Crores to
Rs. 46.51 Crores

50% 

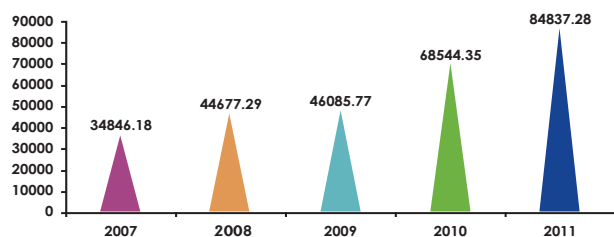
Increase in
Dividend from
10% to 15%

Five Year Performance Highlights

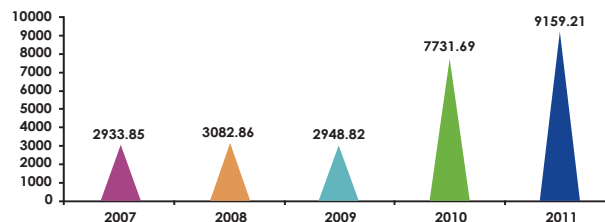
(Rs. in Lacs)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Total Income	84837.28	68544.35	46085.77	44677.29	34846.18
Total Expenditure	79062.33	63590.81	44682.36	42613.61	32743.87
Profit before Tax (PBT)	5774.95	4953.54	1403.40	2063.68	2102.31
Taxation	1270.49	946.11	271.83	137.20	277.60
Profit after Tax (PAT)	4650.64	4007.43	1131.57	1926.48	1824.71
Equity Share Capital	3076.97	3076.97	3076.97	3076.97	3076.97
EPS (in Rs.)	15.11	13.02	3.68	6.26	5.93
Dividend (Rs. Per equity share of Rs. 10 each)	1.50	1.00	1.00	-	1.00
Reserve & Surplus	20151.65	16054.42	12424.67	11674.07	9770.90
Total Assets	62711.55	45770.95	32242.18	26851.82	23144.08

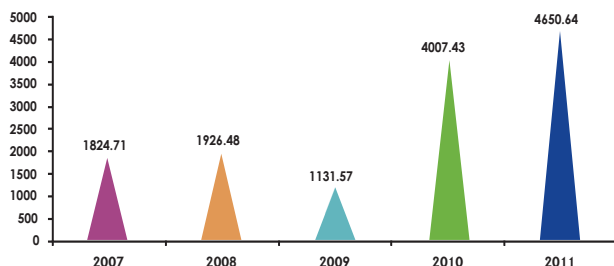
Total Income (Rs. in Lacs)



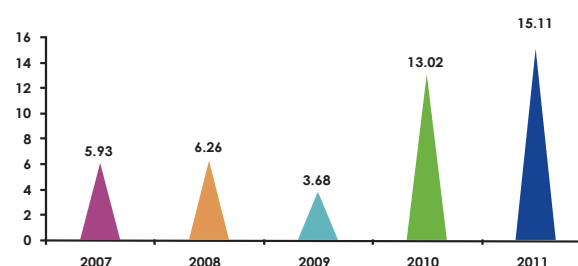
EBIDTA (Rs. in Lacs)



PAT (Rs. in Lacs)



EPS (Rs.)



Chairman speaks

“It is an immutable law in business that words are words, explanations are explanations, promises are promises but only performance is reality.”



Dear Shareholders,

I feel truly privileged to present the 55th Annual performance of the Company and share with you my joy and happiness with you on yet another record performance of the Company. Despite challenges and stiff competition, we

have the year 2010-11 as the year of record performance when your Company- Fedders Lloyd Corporation Ltd., achieved the Net Sales of Rs. 84,587 Lacs as compared to the Net Sales of Rs. 68,510 Lacs during the previous year. Net Profit during the year 2010-11 rose to Rs. 4,651 Lacs as compared to the Net Profit of Rs. 4,007 Lacs during the previous year. The Earning per Share has increased from Rs. 13.02 per equity share in the previous year to Rs. 15.11 per equity share in the year under review. Your Company has been pioneer in Air conditioning industry since last 55 years but off late due to the environmental changes like global warming and atmospheric emissions having negative environmental impacts, the industry's need has been widened not only for air conditioning but also to control the overall environmental impacts. Considering the same, HVAC&R segment has been redefined as Environmental

Control Systems which provides customized environment control solutions to public sector organizations, government organizations, defence, railways and corporate and commercial clients. The Company also provides the complete Air System solutions related to indoor air quality management. At Fedders Lloyd, we have consistently transformed ourselves to keep pace with the demands of the times and our own ambitions. The confidence reposed by you in the Company has empowered us to grow into new dimensions with diversification of business of the Company in past years in Steel Structure and Engineering and Power Projects segments. Each of these businesses is in line with our expectations and holds tremendous potential of growth and profitability.

2010-11 has been another remarkable year of outstanding achievements and was a financially rewarding year for Fedders Lloyd, owing to higher sales, profits which resulted due to diversified product basket and expansion and modernization of manufacturing facilities of the Company. We have passed several notable milestones and have consistently improved on many fronts that have a bearing on achieving excellence. Subject to approval of shareholders in the ensuing Annual General Meeting, the Board of Directors of your Company has decided to reward the shareholders with dividend @ 15% on paid up equity share capital (Rs. 1.50 per equity share) of the Company as compared to 10% dividend (Re. 1 per equity share) declared during previous year.

It has become imperative for businesses to track the economic environment on an ongoing basis when changes come in such a dynamic fashion; when perceptions on where macroeconomic risks lie are so numerous and changing so often; when the immediate business environment becomes so closely linked with events that are largely beyond immediate control. The Company's risk identification and assessment process is dynamic and hence the Company has been able to identify, monitor and mitigate all these risks both during periods of accelerated growth and recessionary pressures.

Going forward, there are many challenges before the Government of India as it combats high inflation. RBI has already effected several increases in interest rates. Rising crude and other commodity prices are also a matter of concern which will have impact on corporates' profitable business growth. However, overall demand is strong, and therefore, I am optimistic about FY 2012 with respect to the potential of growth in markets and the business environment as a whole.

Your Company has been steadily building capabilities and resources over the years, and strengthened it further with initiatives at improving productivity and reducing costs. Presently, your Company has manufacturing facilities at Noida, Kala-Amb (H.P.), Sikandrabad, Pant Nagar, Haridwar and Chennai. During the year, we have strategically invested to expand and modernize our manufacturing facilities to enhance our

capabilities in addressing specific industry opportunities, enhancing our industry and technical expertise and to grow our operations worldwide. Having focused for scalability that enhances profitable growth in the evolving business environment, during the year, your Company has taken steps to shift Sikandrabad Steel Structure & Fabrication facility from leased premises to Company's owned premises, setting up of Steel Structure and fabrication facility at Ranipet (Tamil Nadu). Your Company has taken initial steps towards green energy by setting up state-of-the-art manufacturing facility at Bharuch, Gujarat for manufacturing and supply of finished components like Towers, Base frames, and pressure parts for Boilers, highly precision components for power generation equipments like Gas, Thermal, Hydro and Nuclear. We have laid down foundation for further growth and success. We continue to see growth ahead, in the immediate and the long term future.

We continue to operate in a number of core industries where our clear vision and strategy is trusted by our customers. This business strategy is underpinned by the strength of our customized solutions and robust services offerings which we will continue to enhance in the years ahead. During the year, the Company has executed various prestigious projects including supply and installation of Environmental Control Systems to Ministry of Defence. In Steel Structure and Engineering segment, some of the prestigious projects executed during the year include design, fabrication and erection of pre-engineered, pre-fabricated steel structure building at IGNOU Campus, New Delhi and four

steel structure buildings at Manesar, ICAT (NATRIP). In Scaffolding business also, the Company has done very well and executed various prestigious projects like Cuplock System erection at Koradi Site for Turbo Generation Slab, CR System erection at Nasik. In Power projects segment, the Company has successfully executed construction of 400KV D/C Line from TPS Jhajjar – Dhanonda Transmission line (REC-085) with length of 21.062 Km. On International front also, the Company has increased its foothold to Nigeria, Ghana and Kenya besides Ethiopia and executed projects with funding from Multilateral Agencies such as World Bank & African Development Bank.

Due to participation in global markets, technology upgradation has become the most important strategic focus for FY12 in order to combat competition in the market. At Fedders Lloyd, we are continuously and consciously focused for technology upgradation and innovation. A deep understanding of our customer's applications allows us to design customized solutions that meet specific customer requirements in all business segments of the Company. Our engineers use their multidisciplinary knowledge and years of experience to create the best product for specific application. Throughout the design, manufacturing, execution processes, our engineers and experts stay in close communication with our customers to ensure that the products are produced on time, on budget, and as per the requirements. We are an organization that combines engineering, financial, managerial and operational skills and

resources to rejuvenate the life of every one of our stakeholders to 'live the future'.

At the time when we are moving forward with accelerated momentum towards multi-dimensional growth, our values serve as an anchor. We are passionate about our people, our business, excellence, integrity, development and equally we have concern for our society. Despite our business priorities, our social commitment remains predominant. During the year under review, at Lloyd group, we have established Pandit Kanahaya Lal Punj Trust, a philanthropic organization to lead the CSR initiatives. In all of our actions we strive to ensure that all economic, environmental and social factors are considered. We believe that this approach, driven by our principles of respect and involvement, makes us more responsible as a company.

Long term-sustained growth of a company requires that not only should all stake holder interests be well protected, but the environmental impact of operations are recognized and properly safeguarded. This is very much a part of the company's corporate social responsibility policy. Reduction of use of papers and paperless communication between all departments and processes are encouraged.

Recognizing that our employees are our core strength, we are focusing on developing their capabilities. In addition to the ongoing programmes, our Human Resources Team undertook various development initiatives to enhance employees' skills.

I would like to assure you that this is just a humble beginning as we move on the trajectory of growth, involvement and commitment. I wish to record my appreciation to all for their contribution towards the growth of the Company and look forward to take on new challenges and scale new heights of achievement in future. We are committed to our core value of creating value for all stakeholders. We have had an exciting journey, but looking ahead, the future looks even more exciting and we will continue to remain focused on delivering profitable and sustainable growth. I am confident that the Management Team with the invaluable guidance of the Board will achieve its Goal & Objectives.

With these words, I would like to thank each and every one of our customers, employees, shareholders and partners for their continued support, confidence and trust placed in the Company.

Yours sincerely



Brij Raj Punj
Chairman & Managing Director

**Our enhanced
ultra modern
State-of-the-art
manufacturing
capabilities**



**Manufacturing facilities at
Noida & Kala-Amb for
Environmental Control Systems**





**Manufacturing facilities at
Sikandrabad, Chennai & Haridwar for
Steel Structure & Engineering**



Setting up of highly precision steel structure manufacturing facility for Wind Towers at Bharuch, Gujarat

Factory shed for Wind Tower & precision fabrication



Foundation for rolling & bending machines



Davi machine for sheet rolling

