



LIVE THE FUTURE

56th Annual Report 2011-2012

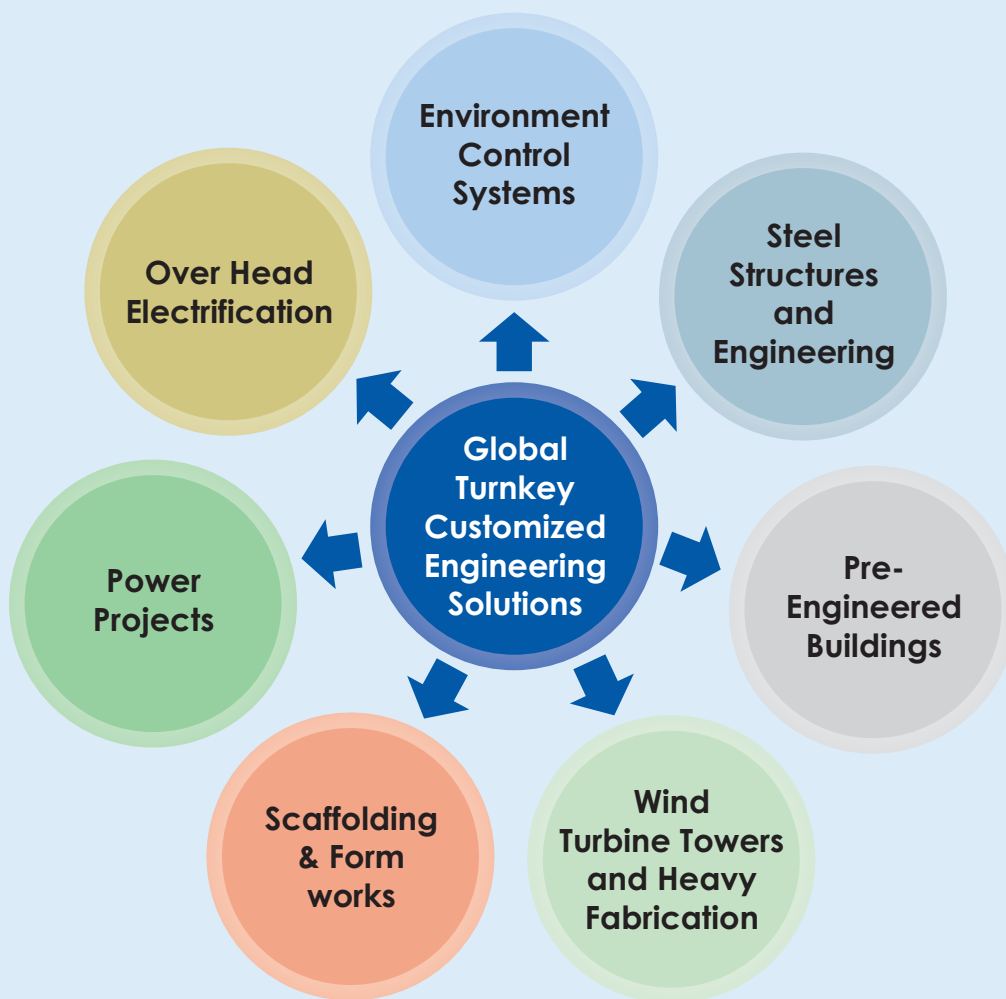
Customized Engineering Solutions



Fedders Lloyd Corporation Limited

The Year 2011-12

**Consolidating the
inherent strength and the deep potential
to run the business in more focused way
with the vision to become
a global engineering enterprise**

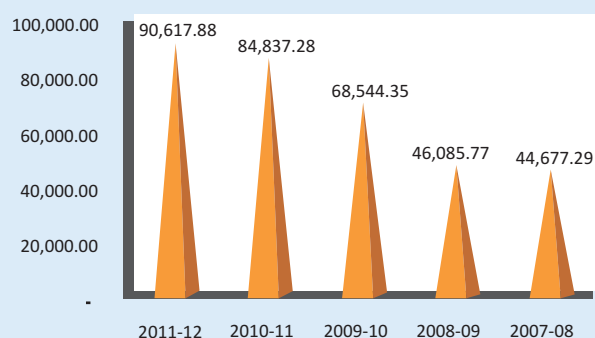


Five Years Performance Highlights

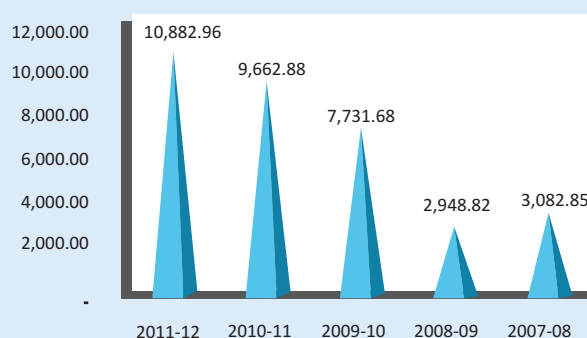
(Rs. in Lacs)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08
Total Income	90,617.88	84,837.28	68,544.35	46,085.77	44,677.29
EBIDTA	10,882.96	9,662.88	7,731.68	2,948.82	3,082.85
Profit Before Tax	5,570.01	5,774.95	4,953.54	1,403.40	2,063.68
Profit after Tax	4,466.47	4,650.64	4,007.43	1,131.57	1,926.48
EPS(In Rs.)	14.52	15.11	13.02	3.68	6.26
Equity Share Capital	3,076.97	3,076.97	3,076.97	3,076.97	3,076.97
Reserve & Surplus	24,245.21	20,151.65	16,054.42	12,424.67	11,674.07
Total Assets	79,658.41	62,711.55	45,770.95	32,242.18	26,851.82

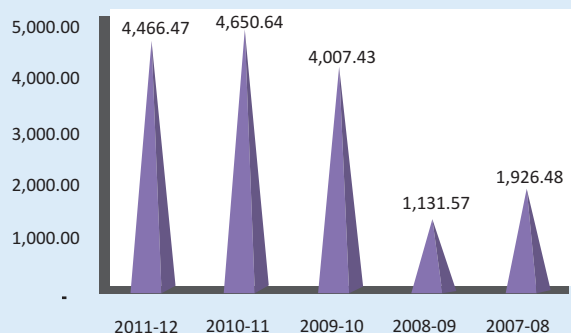
Total Income (Rs. in Lacs)



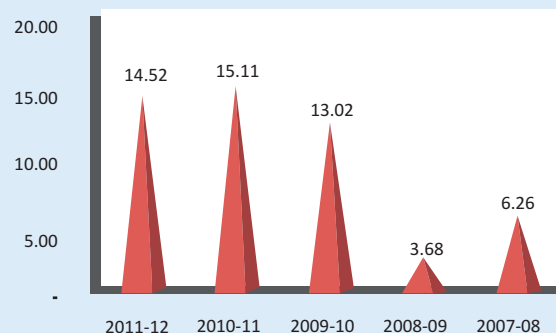
EBIDTA (Rs. in Lacs)



PAT (Rs. in Lacs)



EPS (Rs.)



Letter from the Chairman



Brij Raj Punj

Chairman & Managing Director

Dear Shareholders,

A range of business and economic factors made the year gone by among the most challenging in recent times. The global economy is seeking to recover from uncertainties centred on the European Union. Domestically, a deterioration in macroeconomic indicators and a marked deceleration in the investment momentum aggravated bearish sentiments in the capital markets. Infrastructure sectors have been hampered by resource constraints and other issues. However, that the intrinsic strengths and embedded characteristics of the Indian economy still remain positive. GDP growth, at 6.5%, though sharply down from the levels that prevailed a couple of years back, still has the potential to revive.

Performance during the year

I am very pleased to report back that we ended the year on a positive note, when the global and country's economy remained adversely affected; Fedders Lloyd continued to maintain its growth strides. Your Company posted total revenue of Rs. 9061.79 Million, registering a growth of 6.81% over the previous year. The Net Profit, however, was lower by 3.96% at Rs. 446.65 Million, due to higher interest and depreciation for the investments made by your Company to secure its future. Our business has three business segments – Environment Control Systems, Steel Structure & Engineering and Power Projects. Our all business divisions have performed well during the year. For Environment Control Systems business, both these years are not comparable as Intangible Rights, Title and Interest in the 'LLOYD' Blue Logo for Consumer Durable business was strategically assigned to Lloyd Electric & Engineering Limited during the year. Under this segment, your Company focuses on executing turnkey projects for customized applications distinguishing itself from the retail segment. The revenue generated from Steel Structure & Engineering business registered a growth of 150% while the Profit before Tax from this business grew by 84.26% as compared to the Previous Year. During the year, the Total Revenue generated from Power Projects business registered a growth of 67.20% while Profit before Tax from this business registered a growth of 63.40% as compared to the Previous Year. On the operational front, our focus during the year remained to drive excellence across all aspects of the business to improve profitability.

Our Scaling-up of operations

The year 2011-12 was a land mark year for Fedders Lloyd. As a part of our focussed Business Strategy, during the year, your Company achieved a major milestone forward with the Company's presence in the State of Gujarat with a grand inauguration of its integrated state-of-art manufacturing facility for manufacture of Wind Turbine Towers and Heavy Precision Fabrication and machining facility in Bharuch District, Gujarat. The new facility was inaugurated on April 13, 2012 by the Hon'ble Chief Minister of Gujarat, Shri Narendra Modi in the presence of guest of honour, Hon'ble Minister, Forest & Environment, Gujarat, Shri Kiritsinh Rana. I'm pleased to inform that it is indeed a remarkable achievement that the plant was set-up in a record time of 9 months, which clearly reflects our clear strategic focus and the Company's philosophy of 'timely execution and implementation', to meet the evolving needs of markets, customers and other stake holders. The plant has an initial annual production capacity to manufacture upto 250 nos. of Wind Turbine Towers upto 3 MW and Heavy Precision Fabrication of components upto 80 MT weight and is one of the biggest Precision Machine Shop equipped with floor boring (21 mtrs travel) & vertical turret lathe (8.5 Mtrs diameter) sourced from UK & USA. The new facility is equipped with high end CNC plate cutting & CNC plate rolling machine (75 mm thick) imported from Germany & Italy and the facility is designed to meet with international specifications and produce components meeting with highest world-wide quality standards. Renewal energy represents the next big frontier in the technology industry and wind power is one of the fastest growing energy sources in the world. Our new facility is a testament to Fedders Lloyd's commitment to contribute towards India's growing energy revolution and empowered nation. The facility is ideally placed to serve the growing energy needs of India's booming economy. We will continue to invest prudently in

capacity expansion while driving excellence in our offerings to our customers through cost competitiveness and excellence in quality. We are reasonably confident that our initiatives will help drive sustainable profitable growth in the years to come.

While global markets reverberated from developments in the Eurozone, and the Rupee depreciated significantly, we acted both quickly and decisively to position our business domestically as well as in high growth, developing geographies across the globe. Your Company's performance in the international markets was noteworthy with bagging of various prestigious contracts in Ethiopia, Myanmar, Nigeria, Uganda, Rwanda, Ghana and Kenya funded by various multilateral and bilateral funding agencies.

Information Technology Integration

We are living today in an era of a rapidly evolving market where technology advancement and globalization strongly impacts business strategy. During the year, we have successfully completed SAP ERP Application implementation enabling the Company to improve planning and monitoring across the organization. Our all production facilities and locations are connected with each other through video conferencing and thus, the distance is no bar in planning, controlling and discussing important matters at various levels and locations, face to face. This has improved the controlling and also has strengthened the processes through timely execution & effective communication.

Our guiding principles

As we forge ahead, our guiding principles remain:

- Higher customer satisfaction
- Greater employee engagement - Leveraging our Team Capability
- Speedy and Effective Execution

Corporate Social Responsibility

An organizational thrust that gained momentum over the last decade is our Sustainability Initiatives. Sustainable growth means that organizations have to look beyond financial performance. Our sustainability reporting initiatives gives us a longer term view of our business and a stakeholder perspective that helps us keep our feet on the ground at all times. At Fedders Lloyd, we hold sustainable development at the core of our identity and purpose. This embraces all parts of our business, including interface with the individuals and communities that we live and work with. The Lloyd Group implements its Corporate Social Responsibility initiatives through the Pandit Kanhaya Lal Punj Trust, a philanthropic, non-profit body within Lloyd group.

2012-13 –Outlook

Continuing to build on the strengths and ever endeavouring to be customer-centric, your Company is confident to address the opportunities that the new financial year offers and overcome the challenges. In the unfolding market evolution in our country and elsewhere, we see technological convergence, rising customer demands and fierce competition. We are well prepared to satisfy these demands.

At Fedders Lloyd, we are driving a focused strategy to develop technology, products and solutions that are ahead of the curve and positioned to meet emerging demands of the market. All our efforts are directed towards positioning Fedders Lloyd to leverage emerging opportunities in the market place to accelerate our growth in the future.

Acknowledgments

To conclude, the energy in our leadership team and the high passion levels in our employees give us the confidence that we are well on our way to building a strong and sustainable business. I seek their continued efforts in the future. I gratefully acknowledge the confidence and faith reposed by you in the Board and the Management of your Company. I would also like to thank each and every one of our customers, employees, partners and supporters for their continued trust in building Fedders Lloyd for this exciting future.

Yours Sincerely,



Brij Raj Punj

Chairman & Managing Director

Date: November 28, 2012

Place: New Delhi

Grand Inauguration of Wind Turbine Tower Plant, Heavy Fabrication & Machining Facility at Bharuch, Gujarat

By
Shri Narendra Modi
Hon'ble Chief Minister of Gujarat
on
Friday, April 13, 2012



We remain focused on building an organization that is future



ready and is designed to win

.....the Grand Inauguration



Our Customized Engineering Solutions

**Environment Control Systems-
Production shop for Environment Control Units**

