



LIVE THE FUTURE

Annual Report | 2015-16



Fedders Lloyd Corporation Limited



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Brij Raj Punj	Chairman & Managing Director
Mr. Sham Sunder Dhawan	Whole-time Director
Mr. Arun Kumar Joshi	Independent Director
Mrs. Bindu Dogra	Independent Director
Mrs. Ritushri Sharma	Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Akhter Aziz Siddiqi	Chief Financial Officer
Mr. Pulkit Bhasin	Company Secretary

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

Mr. Sanjay Chugh
Practicing Company Secretary

COST AUDITORS

M/s. Jain Sharma and Associates
Cost Accountants

REGISTAR & SHARE TRANSFER AGENT

M/s. Skyline Financial Services Private Limited
D-153A, Okhla Industrial Area,
Phase-I, New Delhi-110020

REGISTERED OFFICE

6 and 6/1, UPSIDC Industrial Area,
Sikandrabad, District
Bulandshahr-203205, Uttar Pradesh, India

CORPORATE OFFICE

159, Okhla Industrial Estate,
Phase-III, New Delhi-110020

BANKERS

Axis Bank Limited
Central Bank of India
ICICI Bank Limited
Karnataka Bank Limited
Punjab National Bank
Standard Chartered Bank
State Bank of Bikaner and Jaipur
State Bank of Hyderabad
State Bank of India
State Bank of Patiala

MANUFACTURING PLANTS

1. Plot No. 6 and 6/1, UPSIDC Industrial Area, Sikandrabad, Uttar Pradesh-203205
2. C-4, Phase-II, District Gautam Budh Nagar, Noida, Uttar Pradesh-201305
3. 836,837, Jambusar-Bharuch Road, Village-Magnad, District Bharuch, Gujarat-392150
4. Saketi Road, Industrial Area, Kala Amb, Tehsil Nahan, District Sirmor, Himachal Pradesh
5. Plot No. 24, Sector 2, IIE Pantnagar, District Udham Singh Nagar, Uttarakhand
6. Plot Nos. S-23 & S-24, Phase-III, SIPCOT Industrial Complex, Mukundarayapuram, District Vellore, Ranipet, Tamil Nadu-632405
7. Ind. Area, Park-2, Salempur, Mehdood, Near SIDCUL, Haridwar, Uttarakhand

OVERSEAS SUBSIDIARY

Fedders Lloyd Trading FZE
P.O. Box 331007, Ras Al Khaimah,
United Arab Emirates

Visit us at : www.fedderslloyd.com

FINANCIAL HIGHLIGHTS

(₹ in Crores)

Particulars	2015-16 (Nine Months Period ended 31 st March, 2016)	2014-15	2013-14	2012-13	2011-12
Total Income	1035.01	1319.10	1163.79	1021.46	906.18
Profits before Interest, Tax, Depreciation and Amortization (EBITDA)	98.06	136.43	151.21	133.55	108.83
Profit Before Tax	39.28	59.46	64.92	61.87	55.70
Profit After Tax	21.58	40.18	44.81	49.65	44.66
Total Assets	1187.26	1204.07	1076.21	948.20	796.58
Equity Share Capital	30.77	30.77	30.77	30.77	30.77
Reserves & Surplus	383.90	365.18	328.72	288.39	242.45
Earning Per Share (In ₹)	7.01	13.06	14.56	16.14	14.52
Dividend Per Share (In ₹)	0.75	1.00	1.00	1.00	1.00

Total Income (₹ In Crores)

2011-12	906.18
2012-13	1,021.46
2013-14	1,163.79
2014-15	1,319.10
2015-16*	1035.01

Earning Per Share (₹)

2011-12	14.52
2012-13	16.14
2013-14	14.56
2014-15	13.06
2015-16*	7.01

EBITDA (₹ In Crores)

2011-12	108.83
2012-13	133.55
2013-14	151.21
2014-15	136.43
2015-16*	98.05

PAT (₹ In Crores)

2011-12	44.66
2012-13	49.65
2013-14	44.81
2014-15	40.18
2015-16*	21.58

*Figures for nine months period ended 31st March, 2016



CHAIRMAN'S WORDS



Brij Raj Punj
Chairman & Managing Director

"We continue to take decisive steps to counteract ongoing headwinds and build on our accomplishments."

Dear Shareholders,

It gives me great pleasure in welcoming you on the eve of a momentous landmark of 60 glorious years in the history of your Company. This undoubtedly is a moment of immense pride for all of us who have been part of this inspiring journey. But even more so, a sense of fulfillment that comes from the creation of an exemplary Indian private sector enterprise. It is indeed a matter of great satisfaction that together we have built a national asset that will continue to create growing value for all our shared tomorrows.

Amidst global backdrop, this was the year when India was globally acknowledged as the world's fastest growing large economy with 7.6% GDP growth rate on the back of controlled inflation, rise in domestic demand, increase in investments, decline in oil prices and reforms among others, therefore, offering a plethora of new opportunities to the world. The sharp decline in commodity prices has impacted the economy of many commodity producing countries. However, the medium to long-term economic outlook in India continues to look promising and it is encouraging to see the Government's drive to continue to liberalise the economy and focus on social sector spending in building both hard and soft infrastructure. These are critical initiatives to make the nation's economy more productive and resilient in the future.

The governance landscape in the economy continues to evolve and align more closely with the global framework to facilitate the integration of the Indian corporate entities within the global network. The introduction of the new accounting standards – Indian Accounting Standards (AS), is a step in this direction. Your Company is geared up to the requirement of these new standards. The current Indirect Tax regime in India provides for a complex tax environment due to multiplicity of taxes, elaborate compliance obligations and tax cascading. To simplify the structure of Indirect Taxation, the Government has proposed implementation of Goods and Services Tax ("GST") which, if passed, will stand for one singular tax to be imposed on all goods and services in the country and will replace all forms of Indirect Taxes.

I am pleased to report that we ended the year with the positive note, when the global and Country's economy remained adversely affected; your Company continued to maintain its growth strides. Your Company clocked Total Revenue of ₹ 1035.01 Crores and earned Net Profit of ₹ 21.58 Crores during the nine months period ended 31st March, 2016. We continue our practice to consistently reward our shareholders and accordingly, the Board of Directors of the Company have proposed a dividend of ₹ 0.75 per share which is subject to your approval at the forthcoming AGM. This

reporting period of your Company comprised of 9 months as your Company has changed its financial year from "1st July to 30th June" to "1st April to 31st March", in order to align with the requirements of the Companies Act, 2013.

The outlook for the global economy is mostly positive with growth picking up in the US, India and Southeast Asia, while several emerging markets are experiencing a deceleration in growth. However, the structural shift in the transitioning Chinese economy could cap this momentum. Countries and businesses are becoming increasingly interdependent through trade, investment and financial systems across the world. The risks and opportunities in the steel business are getting larger in scale and impact, with their sources becoming more diverse and global.

A robust and thriving Power sector is central to India's sustained economic growth. India's power sector has evolved substantially over the last few decades and is now witnessing unprecedented interest and investments across the value chain. With the global economic growth and industrialization, power consumption is escalating rapidly, creating demand for more power and compelling industry players to manage their power portfolio efficiently.

Your Company has three business segments namely (i) Steel Structures & Engineering; (ii) Power Projects; and (iii) Environmental Control Systems and each of our businesses segments had a strong role to play in delivering these robust results. During the period under review, the revenue generated by Steel Structures & Engineering, Power Projects and Environmental Control Systems represents 72.40%, 25.67% and 1.93% respectively of the Total Revenue recorded by the Company.

Your Company's wind tower division grew to its all-time high by more than 250% as compared to the previous year. During the period, we ramped up our production from 3 towers per month to 8 towers per month. I would also like to take this opportunity to inform that your Company's Haridwar Plant has obtained a Certification of the Plant for ISO:14001 & OHSAS:18001 and Membership of National Safety Council (NSC) & Quality Circle Forum of India.

Your Company aspires to establish itself as a global player executing turnkey projects by various funding agencies, for infrastructure development at various countries for, inter-alia, Construction of Railway Bridges for Bangladesh Railways, Rural Electrification with Ministry of Electric & Energy for Myanmar, Rehabilitation & Reinforcement of Transmission Substations

at Nigeria, Supply & Erection of Workshop Equipments with Tandaho Sugar Corporation at Ethiopia etc.

As a responsible corporate citizen we at Fedders Lloyd, continued our voluntary efforts towards serving its community by undertaking various Corporate Social Responsibility (CSR) initiatives through Pandit Kanhaiya Lal Punj Trust (PKLP), philanthropic arm of your Company. We are committed for being a responsible and active corporate citizen, consistently working to improve its business while contributing to the betterment of our local communities, the environment and society overall. At Fedders Lloyd, we always follow highest standards of internal controls and governance and are committed to continuously enhance these standards by imbibing the global best practices to stay aligned to the evolving business environment. During the period, your Company continued to focus in the areas of education, women empowerment and disability areas and provide a range of interventions that helped in building internal capacities.

Having established ourselves as strong players in all the areas of our presence, we are now firmly on track towards expanding and growing our business as we surge towards future. We remain encouraged by the long term macroeconomic fundamentals supporting our business and we are optimistic about enhancing our profitability and maximizing returns to our stakeholders. Overall, your Company is equipped to shift to a higher growth trajectory.

I would like to conclude by thanking and expressing my deep gratitude I have for the unstinted support extended by my colleagues on the Board, staff and all our dedicated and motivated employees of Fedders Lloyd who are the greatest assets of the Company and who have with their passion, hard work and commitment taken it to this level. I would also like to thank our stakeholders and partners in growth for reposing their confidence and faith in the Company and for their contribution which has helped the Company to achieve its position of strength in the industry. I look forward to your continued support in our quest to beat our own benchmarks and set the stage for a bright future of your Company.

Thanking You,

With Warm Regards,



Brij Raj Punj
Chairman & Managing Director



60 Glorious Years of Quality Products







CORPORATE SUSTAINABILITY



Caring, Sharing, Growing

"We will, with utmost care for the environment and society, continue to enhance value for our customers by providing innovative products and economically efficient solutions; and for our stakeholders through growth, cost effectiveness and wise investment of resources"

Fedders Lloyd has embarked on a mission to be a global leader in sustainable development – envisioning, developing and making a material difference in the living spaces of the future. Sustainability has been part of our value system and corporate culture for a long time. However, it is a journey and our perspective and actions continue to evolve. Since its foundation, Fedders Lloyd has continuously strived to contribute to the sustainable development of society through the manufacture and provision of innovative and quality products and services that lead the times. We believe this constitutes balancing the Triple Bottom Line - defined as the achievement of three interdependent and mutually reinforcing goals of economic development, social development and environmental protection. We have continually endeavoured to achieve growth that strikes a balance between our economic, social and environmental footprints.

Fedders Lloyd is developing customer solutions that drive sustainable growth around the globe, including efficiently using and conserving global resources, developing energy efficient products, reducing emissions, protecting the environment and volunteering time to help build stronger communities.