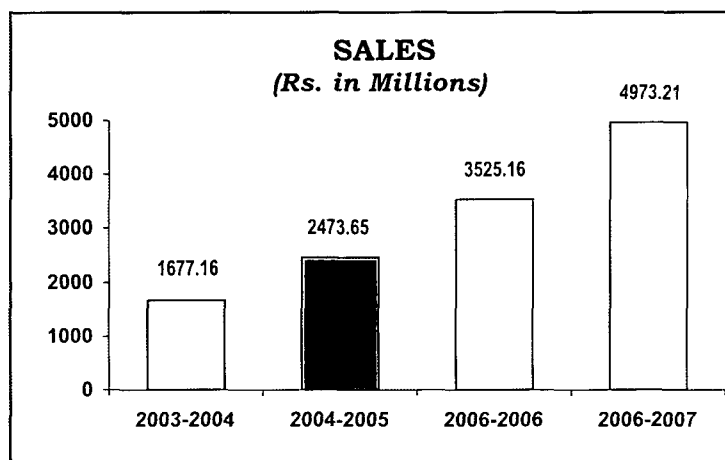


**Lloyd Electric & Engineering Limited**

## The Growth Highlights



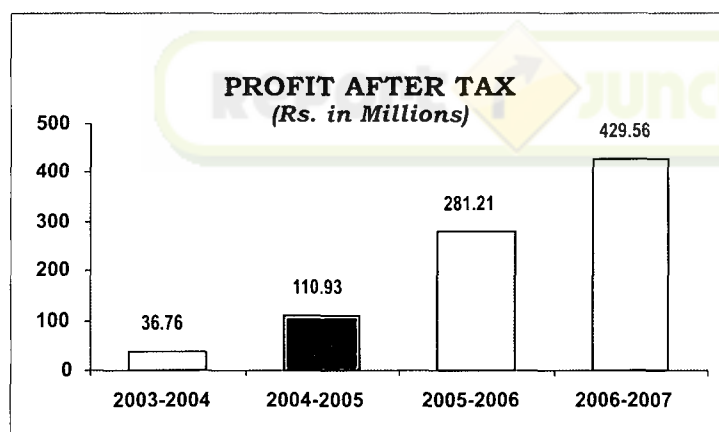
## Highlights 2006-2007

### SALES

Rs. 4973.21 Millions

### PROFIT BEFORE TAX

Rs. 508.12 Millions

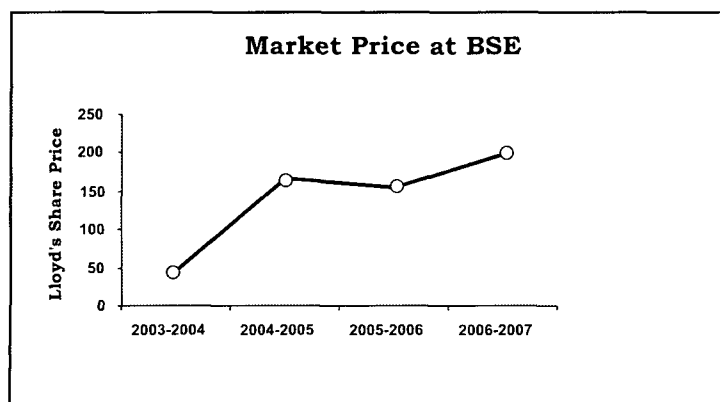


### PROFIT AFTER TAX

Rs. 429.56 Millions

### EARNING PER SHARE

13.86



**LLOYD ELECTRIC & ENGINEERING LIMITED****BOARD of DIRECTORS**

Brij Raj Punj	Chairman & Managing Director
A.K.Roy	Whole Time Director
K.Lall	Non-Executive Director
Sandeep Sethi	Non-Executive Director
S.K. Sharma	Non-Executive Director
Sanjay Behari	IFCI-Nominee

**COMPANY SECRETARY**

Anita Kakar

**REGISTERED OFFICE**

A-146, (B&C), RIICO Industrial Area, Bhiwadi Distt. Alwar, Rajasthan-301 019

☎ : 01493-220724, 220543, 221348 Fax: 01493-220543

**STATUTORY AUDITORS**

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

**SHARE TRANSFER AGENT (both for physical & demat)**

Skyline Financial Services Private Limited, 123, Vinobha Puri, Lajpat Nagar-II,  
New Delhi-110 024

**CORPORATE OFFICE**

159, Okhla Industrial Estate, Phase-III, New Delhi-110 020.

☎ : 011-41609457, 58 Fax: 011-41609909

**BANKERS**

State Bank of Bikaner & Jaipur

State Bank of India

**MANUFACTURING FACILITIES**

- ❖ A-146, (B&C), RIICO Industrial Area, Bhiwadi Distt. Alwar, Rajasthan-301 019  
Himachal Pradesh
- ❖ Industrial Area Kala-Amb, Trilokpur Road Sirmour, Nahan
- ❖ C-1/1, Industrial Area, Selakui, Dehradun Uttranchal

**LLOYD ELECTRIC & ENGINEERING LIMITED****CONTENTS**

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# LLOYD ELECTRIC & ENGINEERING LIMITED



## NOTICE

NOTICE is hereby given that **20<sup>th</sup> Annual General Meeting** of Lloyd Electric & Engineering Limited will be held on Saturday, September 29, 2007 at 9:00 A.M. at A-146 (B&C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan for transacting the following business(s):

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2007 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To declare final dividend on Equity Shares for the year ended March 31, 2007.
3. To appoint a director in place of Mr. S.K. Sharma who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **"Ordinary Resolution"**.

**"RESOLVED THAT** M/s Suresh C. Mathur & Co., Chartered Accountants, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** the Statutory Auditors be paid such remuneration and travelling and other out-of-pocket expenses incurred by them for the purpose of the audit, as may be decided by the Board of Directors, who be and is hereby authorised to fix the same."

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **"Ordinary Resolution"** :

**"RESOLVED THAT** in accordance with the provisions of Section 198, 269, 309, 311, 316, 317, Schedule XIII and any other provisions of the Companies Act, 1956 and any other provision of any Act, law, Rules and Regulations as may be applicable and subject to the approval of Central Government, Shareholders and other authorities wherever required and in consonance of Articles 114, 115 & 116 of the Articles of Association of the Company, the consent of the Company be and is hereby accorded to the appointment of Mr. A.K. Roy as Whole-Time Director of the Company for a period of 5 years with effect from 28<sup>th</sup> April 2007 on such terms and conditions including remuneration as stated in the Explanatory Statement annexed to the Notice convening this meeting with the authority to the board to alter or vary the terms and conditions of remuneration in accordance with law from time to time in force as may be desirable or necessary.

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may deem necessary, proper and expedient to give effect to this resolution."

**By order of the Board**  
**For LLOYD ELECTRIC & ENGINEERING LTD.**

*Sd/-*

**Place: New Delhi**  
**Date : August 30, 2007**

**ANITA KAKAR**  
**COMPANY SECRETARY**



## LLOYD ELECTRIC & ENGINEERING LIMITED

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST REACH TO THE COMPANY AT A -146, (B&C), RIICO INDUSTRIAL AREA, BHIWADI, DISTT. ALWAR, RAJASTHAN NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, September 27, 2007 to Saturday, September 29, 2007 (both days inclusive).**
3. The dividend as recommended by the Board of Directors will be paid to those members whose names appear on the Company's Register of Members on September 27, 2007. In respect of the shares in electronic form, the dividend will be payable on the basis of the beneficial ownership furnished by National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) for this purpose.
4. The relevant details of director seeking re-appointment, as required under Clause 49 of the Listing Agreement entered into with stock exchange are as below:

**Mr. S.K. Sharma**, aged about 62 years holds a Master degree in Engineering in Electrical Communication from the Indian Institute of Science, Bangalore. He is a Retired Officer from the Indian Air Force following a career of 35 years in the service. He possess varied experience in the field of planning, controlling and executing technical projects/ activities of communication, electrical and air conditioning system. He also possess vast experience in management, human resources and administrative fields.

**No. of Shares Held in the Company :** NIL

**Outside directorship:** NIL

**Committee Membership:** Member of Audit Committee, Remuneration Committee and Sub-Committee of Lloyd Electric & Engineering Limited. Chairman of Remuneration Committee of Lloyd Electric & Engineering Limited.

5. Members holding shares in physical form are requested to intimate the following directly to the Company's Registrar and Share Transfer Agents, Skyline Financial Services Private Limited, 123, Vinobapuri, Lajpat Nagar - II, New Delhi 110 024.
  - (a) Bank Mandate with full particulars for remittance of dividend directly into their bank accounts, if declared at the meeting.
  - (b) Changes if any in their address at an early date.
  - (c) Apply for consolidation of folios, if shareholdings are under multiple folios.
  - (d) Send their share certificates for consolidation.
  - (e) Request for nomination forms for making nomination as per amended provisions of the Companies Act, 1956.
6. Members are requested to quote ledger folio numbers in all their correspondence.
7. Members are requested to send their queries, if any, at least seven days in advance of the meeting so that the information can be made available at the meeting.
8. Members holding shares in dematerialized form are requested to intimate change in their address, bank mandate etc., directly to their respective depository participants.



## LLOYD ELECTRIC & ENGINEERING LIMITED



9. Member(s) / Proxy(s) desirous of attending the meeting are requested to bring the attendance slip and fill-in and sign the same and deliver it at the entrance of the Meeting Hall.
10. Members attending the Annual General Meeting are requested to bring along with them their copies of the Annual Reports as the same will not be distributed at the meeting.
11. All the documents referred to in the Notice and Explanatory Statement is available for inspection at the Registered Office of the Company during the business hours on all working days of the Company upto the date of the Annual General Meeting.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

#### Item No. 5

Your directors at their meeting held on April 28, 2007 had, subject to the shareholders' approval and pursuant to the provisions of the Articles of Association of the Company, appointed Mr. A. K. Roy as Whole Time Director of the Company for a period of five years with effect from April 28, 2007 on the remuneration recommended by the remuneration committee of the board.

Mr. A.K. Roy has been associated with the Company since a decade as a Chief Executive Officer of the Company. Mr. Roy is a graduate in Mechanical Engineering with specialization in areas of industrial engineering, sales, marketing and management. Mr. Roy possesses vast experience of over 35 years in various capacities in engineering automobile and consumer durable industry. Mr. A.K. Roy does not hold any shares in the Company. Mr. Roy fulfills the eligibility criteria set out under Part I of Schedule XIII to the Companies Act, 1956. The remuneration payable to Mr. Roy is in accordance with the provisions of Schedule XIII of the Companies Act 1956.

The Remuneration payable to the Whole Time Director as recommended by the Remuneration committee and approved by the Board of Directors is as follows:

1. Basic : Rs. 2,00,000/- (Rupees Two Lacs only) per month.  
The annual increments in basic salary will be decided by the Board of Directors on recommendation of the remuneration committee of the Company.
2. Perquisites : This will comprise housing, medical re-imbursement, leave travel concession, club fees and other benefits, allowances, expenses etc. These may be provided for as under: -
  - (i) Housing: The expenditure incurred by the Company on providing unfurnished accomodation for the Director shall be as per the rules of the Company. Payment of Gas, Electricity, Water Expenses and furnishing: To be valued as per Income-Tax Rules, 1962.
  - (ii) Medical Allowance: Expenses incurred for self and family, one month basic salary per annum.
  - (iii) Leave Travel Allowance: One month basic salary per annum as per the rules of the Company.
  - (iv) Club Fees: Fees of clubs subject to a maximum of one club. This will not include admission fees and life membership fees.
  - (v) Insurance: Premium for insurance as per the Company's policy
  - (vi) Holiday Passage: Return Holiday passage once in a year by economy class or once in two year by business class from India to abroad.

**LLOYD ELECTRIC & ENGINEERING LIMITED**

- (vii) Any other benefits, facilities, allowances and expenses as may be allowed under Company rules / scheme and available to other employees, subject to the maximum of Rs. 1,10,000/- p.m.
- (viii) Perquisites shall be evaluated as per Income Tax Rules wherever applicable.
- (ix) Telephone: Free use of telephone facility at residence and mobile phone for official use.
- (x) Conveyance: Free use of Company's car with driver for official use.

In addition to the above perquisites, the director shall also be eligible to the following, which shall not be included in the computation of the perquisites value.

- a) Provident Fund: As per the rules of the Company.
- b) Superannuation: As per the rules of the Company.
- c) Gratuity: As per the rules of the Company.

The Total Remuneration payable to the whole time director shall not exceed 5% of the net profits of the company for the year in respect of which the remuneration is paid.

In the event of absence or inadequacy of profits, no reduction from salary or perquisites shall be made and entire remuneration by way of salary and perquisites mentioned above shall be paid as minimum remuneration subject to the provisions of Schedule XIII to the Companies Act, 1956.

Your directors recommend the aforesaid resolution for the approval of shareholders by way of Ordinary Resolution.

Except Mr. A. K. Roy, none of the directors are concerned or interested in the said resolution.

**By order of the Board  
For LLOYD ELECTRIC & ENGINEERING LTD.**

*sd/-*

**Place: New Delhi  
Date : August 30, 2007**

**ANITA KAKAR  
COMPANY SECRETARY**





## LLOYD ELECTRIC & ENGINEERING LIMITED

### DIRECTORS' REPORT

Your Directors have pleasure in presenting to you the 20<sup>th</sup> Annual Report of the Company along with the Audited Accounts for the year ended March 31, 2007.

### FINANCIAL RESULTS

Particulars	(Rs. in Million)	
	Current year (2006-2007)	Previous year (2005-2006)
Net Sales/ Income	4965.77	3480.27
Gross Profit before Depreciation	592.98	377.06
Less: Depreciation	84.86	58.84
Profit before Tax	508.12	318.22
Provision for Taxation-Current	67.50	27.50
Provision for Taxation- Deferred	9.96	8.54
Fringe Benefit Tax	1.10	0.97
Profit after Tax	429.56	281.21
Add: Balance brought forward	0.25	8.76
From previous year		
<b>Amount available for appropriation</b>	<b>429.81</b>	<b>289.96</b>
Proposed Dividend	62.00	54.00
Tax on Dividend	10.54	7.58
Add: Provision for diminution		1.86
In value of shares written back		
General Reserve	350.00	230.00
Balance carried to Balance Sheet	7.27	0.25

### YEAR IN RETROSPECT

The Net Sales and other income for the financial year under review were Rs 4965.77 million as against Rs. 3480.27 million for the previous financial year registering an increase of 43%. The Profit before tax (after interest and depreciation charges) of Rs. 508.12 million and Profit after tax of Rs. 429.56 million for the financial year under review as against Rs. 318.23 million and Rs. 281.21 million respectively for the previous year, improved by 60% and 53% respectively.

### BUSINESS OPERATIONS

During the year, your Company had commenced the commercial production at its new plant at Dehradun with an installed capacity of 2,00,000 nos. of coils & 2,00,000 nos. of airconditioners.

Your Company is also actively pursuing DMRC Phase 1 extension and Phase 2, for the metro coach airconditioners. Your Company is also exploring the possibilities of export of coils and components for the new metros coming overseas.

**LLOYD ELECTRIC & ENGINEERING LIMITED****DIVIDEND**

Your directors recommend a dividend of 20% on the paid-up capital of the company aggregating to Rs. 62 Million for the financial year 2006-2007, which if approved at the forthcoming 20<sup>th</sup> Annual General Meeting, will be paid to (i) those members whose names appear on the register of members of the Company after giving effect to all valid share transfers in physical form lodged with the company on or before September 26, 2007 and (ii) to those members whose names appear as beneficial owners as at the end of the business hours on September 26, 2007, as per the particulars to be furnished for this purpose, by the depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited.

**EQUITY SHARE CAPITAL**

During the year under review, the holders of 40,00,000 warrants belonging to promoter/ non promoters group exercised the conversion option. Pursuant to the conversion, the company allotted 40,00,000 equity shares to the warrant holders. The balance consideration of 90% of the issue price was received from the warrant holders before the exercise of the conversion option and within stipulated time period in accordance with SEBI (Disclosure and Investor Protection) Guidelines 2000.

**Forfeiture of Equity Shares**

During the year under review, the Company forfeited 13,300 partly paid equity shares of the company due to the non- payment of allotment money.

Consequent upon the conversion of warrants and forfeiture of equity shares, the paid-up capital stands increased to Rs. 309998600/-

**GLOBAL DEPOSITORY RECEIPTS (GDRs)**

The company had raised USD 28.75 Millions on October 2005 through the issue of GDRs to fund its expansion activities, working capital, acquisitions and for general corporate purpose. As on March 31, 2007 452000 Global Depository Receipts underlying 904000 Equity shares of the Company were outstanding for conversion. The GDRs are listed and traded at London Stock Exchange. The Bank of New York acts as the Depository and ICICI Bank as the domestic custodian in respect of GDRs issued.

**INCREASE IN FII's LIMIT IN THE COMPANY**

The Shareholders of the Company in their Extra Ordinary General Meeting held on February 2, 2007 had increased the limit for FII investment in the equity share capital of the Company from 24% to 74% of the paid-up equity share capital of the Company.

**DEPOSITS**

Your Company has not accepted any Fixed deposits as per section 58A of the Companies Act, 1956 and Rules made thereunder.

**TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND**

Pursuant to provisions of Section 205A(5) of the Companies Act, 1956, the unclaimed and unpaid dividend for a period of seven years has been transferred to the Investor Education & Protection Fund.