



LLOYD ELECTRIC & ENGINEERING LIMITED

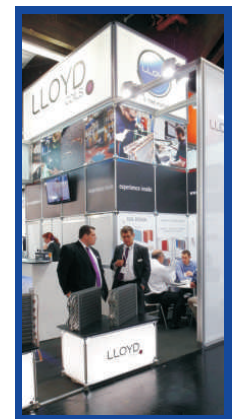
Annual Report 2014-15



ENGINEERING SMILES...



Enriching Lives Everyday...



Key Financial Highlights

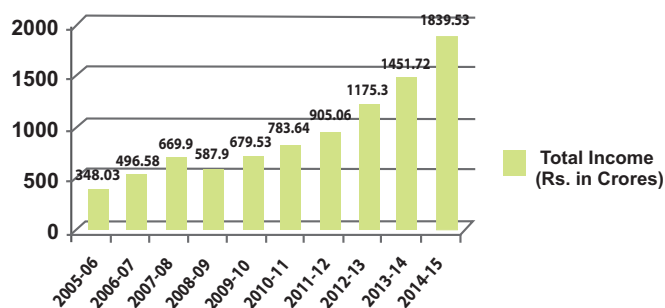


₹ in crores

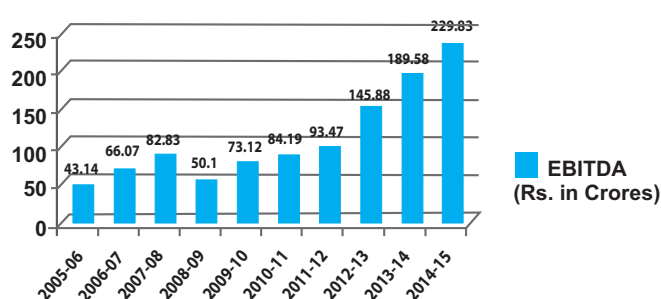
| | Standalone | | | | | | | | | | Consolidated | |
|------------------------------|------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------|---------|
| | 2014-15 | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 | 2005-06 | 2014-15 | 2013-14 |
| Total Income | 1839.53 | 1451.72 | 1175.3 | 905.06 | 783.64 | 679.53 | 587.9 | 669.9 | 496.58 | 348.03 | 2185.41 | 1825.02 |
| Operating Profit (EBIDTA) | 229.84 | 189.58 | 145.88 | 93.47 | 84.19 | 73.12 | 50.1 | 82.83 | 66.07 | 43.14 | 245.59 | 214.3 |
| Profit Before Tax | 103.02 | 81.77 | 72.87 | 45.28 | 48.66 | 45.28 | 24.77 | 62.18 | 50.82 | 31.83 | 111.11 | 97.03 |
| Profit After Tax | 81.64 | 76.09 | 56.15 | 33.59 | 36.06 | 34.38 | 20.37 | 52.71 | 42.96 | 28.12 | 88.41 | 89.12 |
| Financial Position | | | | | | | | | | | | |
| Paid up Capital | 35.32 | 35.32 | 31.00 | 31.00 | 31.00 | 31.00 | 31.00 | 31.00 | 31.00 | 27.00 | 35.32 | 35.32 |
| Share Capital Suspense | - | - | 4.32 | 4.32 | - | - | - | - | - | - | - | - |
| Total Paid up Share Capital | 35.32 | 35.32 | 35.32 | 35.32 | 31.00 | 31.00 | 31.00 | 31.00 | 31.00 | 27.00 | 35.32 | 35.32 |
| Reserves & Surplus | 680.56 | 599.49 | 526.15 | 442.53 | 401.04 | 371.16 | 340.4 | 320.03 | 268.43 | 191.73 | 698.45 | 604.57 |
| Shareholder's fund | 738.69 | 634.81 | 561.48 | 473.54 | 432.05 | 402.17 | 371.4 | 351.04 | 299.44 | 218.73 | 756.58 | 639.89 |
| Performance Indicator | | | | | | | | | | | | |
| EPS | 23.11 | 21.54 | 15.9 | 10.83 | 11.63 | 11.09 | 6.57 | 17.01 | 13.86 | 10.41 | 25.03 | 25.23 |

Standalone Financial Trends

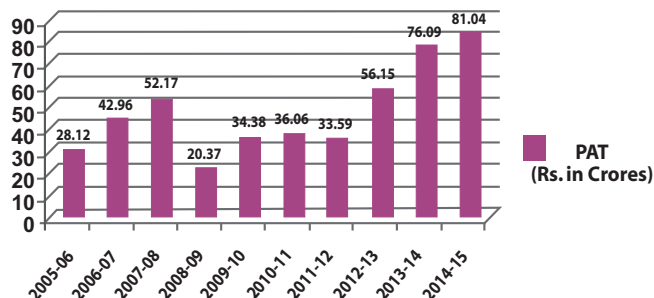
Total Income (Rs. in Crores)



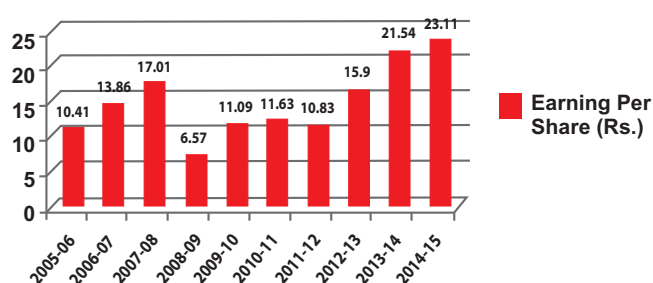
EBITDA (Rs. in Crores)



PAT (Rs. in Crores)



Earning Per Share (Rs.)



Chairman's Address



Dear Shareholder

In markets around the world, economic conditions are ever-changing. Moves towards economic growth and greater prosperity are being seen in places like the U.S., which leads the global economy; in India, where hopes for economic growth are rising since a new administration came to power; and in China, where the economy is continuing to grow as evident from a 7% increase in GDP despite a slight slowdown.

It is in this context that Lloyd continues to set new benchmarks and records despite a challenging global economic scenario marked by volatile commodity prices, weak growth in certain major economies and dollar appreciation against most major global currencies.

It is my privilege to share with you that your Company has delivered a robust performance despite considerable headwinds. This is reflected in your Company achieving the highest Consolidated Revenue of Rs. 2172.67 crores with Net Profit at Rs. 88.14 crores. Our commitment to customer

satisfaction and quality has helped us to attain leadership position in the air conditioning segment in India.

Over the years we have dedicated ourselves to improve the quality of life of millions by developing innovative and eco-friendly products with latest technologies. Customer satisfaction drives all our actions and we strive to establish Lloyd as a brand synonymous with trust.

During the year, we have re-organized our revenue stream in B2C segment which pertains to 'Lloyd' Branded product portfolio under Consumer Durable Segment and B2B segments which comprises of a) OEM & Packaged air conditioning b) Heat Exchangers & Components.

We are increasing our focus on the B2C product range by aggressively promoting Lloyd Brand, which has helped us to gain considerable market share in Air Conditioners. Our priority is Customer Delight, which is coined in our Brand Message – "Khushiyon Ki Guarantee"! Not just quality, technology or service, but the guarantee of COMPLETE HAPPINESS! We are pushing up innovative & cutting edge technologies across all our products range, but the first & last word would always remain "Enriching Customers Happiness"! For success in any market, the large diversified product base has to be effectively supported by an efficient service network. We enhanced our presence with 7000 direct and indirect dealers spread across India, 30 sales branches, 307 authorized service centers and 81 company owned service centers. We continue to strengthen our retail offerings to provide unmatched choice. We are building on our leadership positions across all our product offerings. We have also launched our own e-store www.mylloyd.com which is gaining traction.

Our "Lloyd" branded product portfolio includes state-of-the-art Air Conditioners, Ultra HD LED TVs, Washing Machines, chest freezers, Refrigerators & Small Home Appliances.

We have also strengthened our business model to offer products and services with leading technology, innovation, manufacturing expertise across HVAC value chain. In the OEM segment, we have developed wide range of air-conditioners with star rating norms, including inverter split air conditioners, Heat and Cool products for export market, commercial AC -Cassette/floor standing etc. We are also focusing on supplying heat exchangers for applications like precision air conditioning and refrigeration industry, which is growing at a fast pace.

We are a premier supplier of coils/ Heat Exchangers and Air conditioners to the leading brands in India and our products are



also exported to Middle East, North America, Sri Lanka, Nepal.

In Europe, HVAC&R industry experienced signs of recovery in the second half of the fiscal year 2014. This has resulted in our overseas subsidiary, Lloyd Coils Europe s.r.o. (LCE) substantially increasing its market share in the segment of close control air-conditioning and became a key partner to customers like Emerson and Stulz. During the year, LCE reported revenue of Euro 35.3 Million with PBT of Euro 2.6 Million. With increasing requirements from its largest customers like Carrier, GEA, Emerson, Airedale and Stulz, we have invested more resources in quality and process engineering and in lean manufacturing. Whereas, Janka Engineering s.r.o. (Janka) achieved ambitious revenue of Euro 14.8 Million, growth of 23% over previous year. Despite the significant sales growth, Janka suffered a loss of Euro 1 Million at EBITDA level, arising due to low margin level on Air Handling Units (AHUs), reduced share of ICL (Industrial Cooling) and increased cost for sales and marketing activities. Towards the end of the fiscal year, we implemented cost increase across new projects in AHU range. In the segment of Rail HVAC Janka has secured two projects from Skoda Transportation and will deliver HVAC units to Skoda's trams for city Bratislava and Prague.

As we head into FY15, we have tremendous momentum. When I look within and across all our business segments I see untapped potential. This has never been as clear to me as it is today; there is absolutely no shortage of growth opportunities for Lloyd. Our Lloyd brand has started becoming prominent and I see tremendous potential for us to grow.

Through sustainable initiatives, your Company manages the business of today keeping the future in mind. For an emerging country like India, development of underprivileged children holds the key to the progress of the nation itself, and their education is the cornerstone of this progress. Our Flagship CSR initiative, "Lloyd Play School" is engaged in imparting quality education to the underprivileged children in the age group of 3 to 7 years, with emphasis on girl child education. I am glad to inform that we have extended our education initiative and inaugurated second branch in Maneri, Jabalpur (Madhya Pradesh). We are also promoting and encouraging the formation of self-help group program which aims at empowering rural women through financial independence.

These initiatives, along with several others, reaffirm our belief that addressing societal needs and business growth go hand-in-hand. Our people are our biggest asset. I firmly believe that the growth of our business is intrinsically linked with the growth of our people. We have always encouraged diversity, agility and a performance-driven organizational culture in which people give their best and feel proud to be part of a successful and caring company.

While our forward-looking approach has come to define our company for decades now, safety and reliability have always remained our top priorities. We ensure a safe working environment by upholding the highest international standards. We do this for our employees, our contractors and society. We are committed to build strong, lasting relationships with the communities where we operate.

To conclude, we believe that we have a fundamentally strong business that can adapt in a dynamic macroeconomic environment. We are willing to invest in business to attain leadership and play a facilitating role. We have a clear strategy and are committed to its execution. Your Company will endeavor to lead the transformation in Consumer Durables Industry in India by launching products with cutting edge technology, which will make Indian's proud, of the "Made in India" label.

I would like to place on record my sincere appreciation to the Board of Directors for their guidance. I would also like to place on record my appreciation to all employees, consortium of our bankers, shareholders, Board Members and other stakeholders for their dedication and support. Lloyd is committed to improving the efficiencies in its operations and differentiating itself in the market place through customer focused innovation in product and services, so as to build a stronger and sustainable future for your Company.

With Best Wishes

Sincerely

Brij Raj Punj
Chairman & Managing Director

Consumer Durable and Home Appliance Segment

Widening product range....



Khushiyon Ki GUARANTEE

Ab aapke haath mein

Get KKG Number when you call us for any service.

Your KKG (Khushiyon Ki Guarantee) Number is a prized possession for us. That's because if you don't give your KKG Number to our Service Engineer after the service, we will know that more effort has to be made to make you happy. Thereafter our special KKG Cell at Head Office will take over and do everything possible to make you happy enough to give your KKG Number.

Visit us at www.mylloyd.com



Marketing Strategy- Lloyd Branded Product Portfolio



Co Presenting Sponsor on
STAR SPORTS HD

Pushbacks
(15 Pushbacks per match)

Television Commercials
(10 spots of 30 seconds per match)

Promo Tags
(1 Lac seconds of sponsorship tags)

4 YEARS COMPLETE WARRANTY

LLOYD

Sponsorship of BT Pro-Am of Champions Golf Tournament



Marketing Strategy....

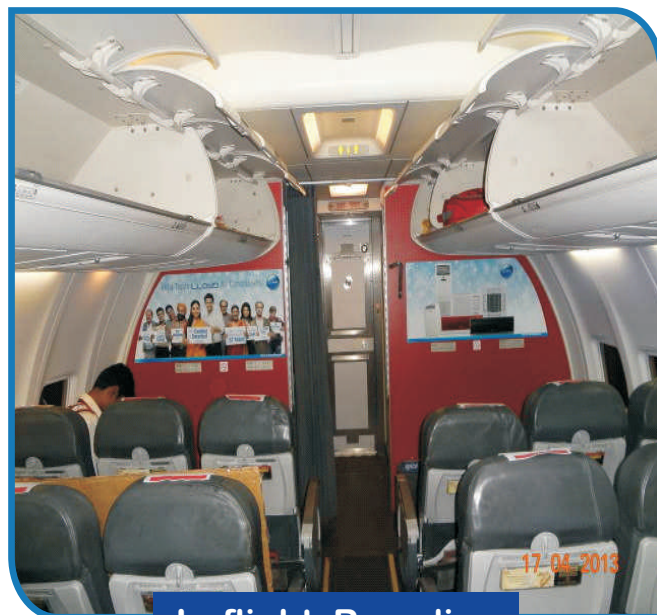
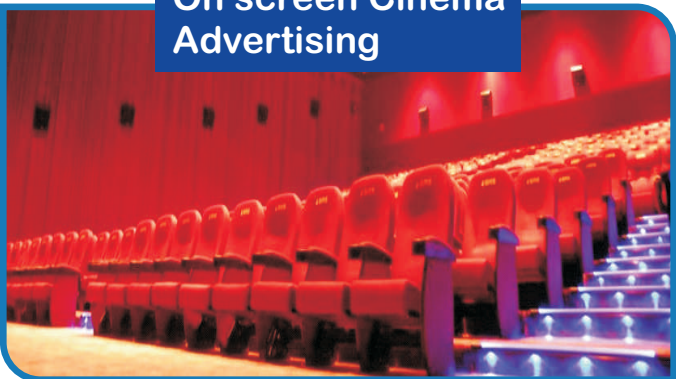
Branding & Product Display at Airport



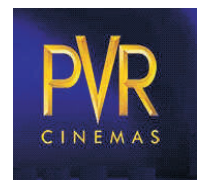
Hoardings/Banners



On screen Cinema Advertising



In-flight Branding



Glimpses of Czech Republic Facility....



Coil Brazing



**Copper Tubes- Decoiling
of raw material**



Fin press



**Condenser- for
Russia Project**



Stainless Steel Coil

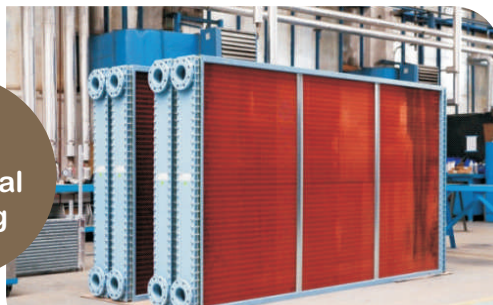
With Cutting Edge Technology....

Air-Handling Unit for Nuclear Power Plant Mochovce



AHU
Air Handling
Units

ICL
Industrial
cooling



Industrial Heat Exchangers

RAIL
Railway
applications



Saloon HVAC Unit for Tram



FAN
Fans