



FEDDERS LLOYD CORPORATION LTD.

159, Okhla Industrial Estate, Phase - III, New Delhi-110 020 (INDIA)

Phone : +91-11-40627200, 40627300 Fax : +91-11-41609909

CIN : L29299UP1957PLC021118

LIVE THE FUTURE

2nd September, 2016

To,
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001,
Maharashtra

To,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra- Kurla Complex, Bandra (E)
Mumbai 400 051, Maharashtra

BSE Code: 500139
Fax No. 022 22722039

NSE Code: FEDDERLOYD
Fax No: 022 2659 8237/ 38

Subject - Submission of Annual Report as per Regulation 34 of the SEBI (Listing Obligations and Obligations Requirements) Regulations, 2015

Dear Sir/Madam,

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2015-2016.

Kindly take the aforesaid on record.

Thanking You,

Yours Truly,
For Fedders Lloyd Corporation Limited

Pulkit Bhasin
Company Secretary
Membership no: A27686

Encl: As above



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



Respecting the Land & Community

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.

We are making sustainability a hallmark of our business. Working with all of our stakeholders, we are driving process innovations that deliver continuous improvements and contribute to a cleaner environment. The Company's Board and management are committed to ensuring that responsible business and sustainability considerations are integrated into business thinking and decision making. Sustainability brings a genuine competitive advantage. We believe it contributes to the innovation of our leading products and to our long term economic performance.

Through our dedication to sustainability we seek to align our business values, objectives and strategy with the needs of stakeholders, employees, customers, investors, subcontractors, suppliers and impacted communities etc. while embedding responsible and ethical principles into all business operations.



ENVIRONMENTAL PROTECTION & RESOURCE CONSERVATION

At Fedders Lloyd, we aim to achieve environmental protection through the wise use of natural resources and technological innovation and to gear all business activities towards protecting and conserving nature. We endeavor to develop products which leave a minimal impact on environment. A step towards environmental sustainability, the Company has forayed into Solar Power Business which envisaged a long term business opportunity.

Fedders Lloyd not only believes in the need to stay at the forefront of technology, but also in the active promotion of environmental awareness and conservation. In order to lead by example, we have implemented the Environment, Health and Safety ("EHS") management system, which strives to provide a safe and healthy working environment for our employees, and aims to achieve the following objectives:

- Increase awareness of the importance of EHS in our design, production and operation processes.
- Systematically identify potential environmental risks and occupational hazards.
- Lay down specific EHS requirements for our purchasing strategy, and promote EHS throughout the whole supply chain.

- Encourage EHS awareness among our employees and cultivate a corporate culture that emphasizes the individual responsibility that each of us have towards the environment.
- Increase focus on sustainable development through the reduction of energy consumption and efficient usage of resources.

ECONOMIC PROSPERITY & CONTINUITY

As part of its strategy to conduct business in a sustainable manner, Fedders Lloyd focuses on profitable business growth while ensuring that it adheres to ethical standards of doing business. The Company's focus continues to be on improving operational efficiencies through process and cost optimization measures. Over the years, we are focusing on growth by taking in a clear market position and provide strong products and services. We are focusing to create value in our business processes and structures by maximizing efficiency and reducing waste which strives to achieve economic prosperity. We believe that sustainable development is self-perpetuating, and that our investment in sustainable development initiatives generates the tangible and intangible profits necessary to ensure that Company itself is sustained.

SOCIAL RESPONSIBILITY

At Fedders Lloyd, we believe that in the strategic content of business enterprise possess, beyond mere financial resources, the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. In line with this belief, the Company continues to craft unique models to generate livelihoods and create a better society. Such Corporate Social Responsibility ("CSR") projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and working for a cause of humanity. The CSR initiatives taken by the Company are set out in a separate section on "Corporate Social Responsibility" forming part of this Annual Report.





CORPORATE SOCIAL RESPONSIBILITY



Paving the path to Progress

“Our growth has true meaning when it creates betterment opportunities for the people around us”

Your Company is at the forefront of Corporate Social Responsibility (CSR) and sustainability initiatives and practices. The redefined 'Core Purpose' of the Company is to “challenge conventional thinking and innovatively use all our resources to drive positive change in the lives of our stakeholders and communities, to enable them to rise”. In line with the Company's Core purpose, the CSR vision is to work closely towards the development of society, women empowerment, education, healthcare, disaster rehabilitation. By investing our CSR efforts in these critical constituencies will contribute to nation building and the economy.

As a responsible corporate citizen, the Company has been implementing societal activities under umbrella of Pandit Kanhaya Lal Punj Trust, a philanthropic arm of Lloyd Group. The Management, the Board of Directors and all the employees of Fedders Lloyd subscribe to the philosophy of compassionate care. This is the cornerstone of our CSR Policy.

In the years to come, we will continue to focus our efforts on initiatives that strengthen our communities and protect our environment. Some of the initiatives taken by the Company during the period are as mentioned below:

WOMEN EMPOWERMENT

Women in a tribal society play a vital role in their social, cultural, economic and religious ways of life and are considered as an economic asset in their society. Women play a crucial role in these societies yet their conditions are pitiable. They are still lagging far behind in the different walks of life like education, employment, good health, economic empowerment etc. Subsequently, during this year, Lloyd Group initiated to work for the upliftment & betterment of women belonging to the weaker sections of the society. For fulfilling this responsibility the tribal inhabited were selected. In order to know the actual prevailing conditions and the prime requirement, a proper and detailed survey was conducted in the remote villages near Maneri, Jabalpur, Madhya Pradesh. On finding that there are scarce sources of livelihood, the need of providing employment oriented vocational training was felt. In this direction imparting of various trainings were thought over and after analyzing the necessary skills required, 'tailoring' was found to be the most suitable and beneficial option.



We collaborated with 'Usha', the pioneers in the world of sewing machines and established a "Women Empowerment Centre" in Maneri in September, 2015. Being a male dominated society, the task of bringing the ladies to the center was intricate. However, after counseling and convincing, a group of 14 ladies was made. A basic level training followed by an advance level training was given by the trained professionals of Usha Company in which illiterate or less educated women were imparted the skill of making/stitching ladies' and gents' garments.

Henceforth, in short span of a few months 30 ladies were trained and adorned with opportunities and resources of self-employment, enhancing their per capita income and thus improving their standard of living.

EDUCATION

Your Company is dedicated to enhancing the life of the community in which the Company has its business operations. Our vision is to bring about change through holistic and excellent education provided to the rural youth of these communities and the focus is the girl child. We wish to help the most neglected in these communities by giving them access to quality education, nutrition and health care as they are important for achieving outstanding learning outcomes. We believe that this will instill new found hope and that these children will become agents of change and catalyze transformation.

We are constantly working in the areas of strengthening rural education infrastructure through various interventions aimed to aspire children. We concentrate largely on promoting child education through the initiatives taken by Pandit Kanhaya Lal Punj Trust. The trust has been running "Lloyd Play School" at Village Khorikalan, Tauru, Haryana and Jabalapur, Madhya Pradesh respectively. Presently, the school imparts free education to more than 120 girl children. The teaching staff at these schools is qualified and undergoes regular training to enhance their teaching methodologies.



Purkal Youth Development Society ("PYDS") is an NGO situated in the Himalayan foothills dedicated to enhancing the lives of underprivileged young people in the community. The Company in association with PYDS focuses to nurture children from very poor backgrounds through free quality education, mentorship, day long attention to nutritional needs, complete healthcare and long years of attention. The attempt is to reach out to the poor needy rural children, especially girls. The children are given quality education coupled with complete nutrition, comprehensive health support and transportation. Children gaining entry into professional programmes are also supported financially and otherwise. As a result, many hopelessly poor girls have found opportunities in life that only the economically advantaged enjoy in this country.

As contribution towards a noble cause, Fedders Lloyd also conducted Diwali Mela in association with Muskaan NGO to support differently abled. The NGO offers treatment, support and care to people who are affected by mental illness or suffering from intellectual disability.

COMMUNITY & ENVIRONMENTAL DEVELOPMENT

The Company recognizes the need for promoting ecological sustainability through resource conservation, promotion of biodiversity and use of cleaner energy sources. We aim to focus on enhancing quality of life for all. We have been actively working on examining transformative approaches to planning for environment protection, enhancement of public spaces etc. This year also, the Company has undertaken plantation activity with a view to reduce the impact of business processes.

Through CSR initiatives we aim to create value and ensure all inclusive growth. We are working assiduously to ensure that economic wealth is not just limited to the privileged, but distributed in a manner that benefits the marginalized sections of society. We are committed to abide by the Corporate Social Responsibilities in letter and spirit.



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 60th Report of Board of Directors on the business and operations of your Company together with its Audited Financial Statements for the nine months period ended 31st March, 2016.

FINANCIAL PERFORMANCE

The financial performance of your Company for the nine months period ended 31st March, 2016 is summarized below:

(₹ in Crores)

| Particulars | As at 31 st March, 2016 | As at 30 th June, 2015 |
|--|---------------------------------------|--------------------------------------|
| Gross Revenue from operations | 1041.78 | 1332.29 |
| Profits before Interest, Tax, Depreciation and Amortization (EBITDA) | 98.06 | 136.43 |
| Finance Cost | 49.04 | 64.25 |
| Depreciation & Amortization | 9.74 | 12.72 |
| Profit before Tax | 39.28 | 59.46 |
| Tax Expenses: | | |
| Current Tax | 13.35 | 15.25 |
| Deferred Tax | 4.35 | 4.03 |
| Profit after Tax | 21.58 | 40.18 |
| Balance brought forward from previous year | 13.43 | 26.86 |
| Total available for appropriations | 35.01 | 67.04 |
| (Less) Appropriations: | | |
| Proposed Dividend | 2.31 | 3.08 |
| Provision for Tax on dividend | 0.48 | 0.53 |
| Provision for Tax on dividend for previous year | 0 | 0 |
| Depreciation adjustment | 0 | 0 |
| Transferred to General Reserve | 25.00 | 50.00 |
| Balance Carried forward to Balance Sheet | 7.22 | 13.43 |
| Earnings Per Share (Rs.) | 7.01 | 13.06 |

Note: Due to change in the Company's financial year from "1st July to 30th June" to "1st April to 31st March", the period under review comprises of nine months. Henceforth, figures are not entirely comparable.

STATE OF AFFAIRS AND OPERATIONAL HIGHLIGHTS

During the period under review, the Gross Revenue from operations of your Company stood at ₹ 1041.78 Crores and Profit after tax for the period ended 31st March, 2016 stood at ₹ 21.58 Crores.

SHARE CAPITAL

There was no change in the Company's share capital during the period under review. The Company's paid up share capital stood at ₹ 30,76,97,000 comprising of equity shares of face value of ₹ 10/- each as at 31st March, 2016.

However, the Company has issued and allotted 50,00,000 Convertible Warrants on preferential basis to its promoter group entities on 3rd August, 2015 which are convertible into equal number of equity shares upon exercising the right of conversion by the promoter group entities. No holder of Convertible Warrant exercised the option of conversion as on 31st March, 2016.

DIVIDEND

Based on the financial performance, profitability and cash flow of the Company, your Board of Directors are pleased to recommended the dividend of ₹ 0.75 (Seventy Five Paise) per equity share of ₹ 10/- each for the nine months period ended 31st March 2016. The dividend on equity shares, if approved by the members would involve a cash outflow of ₹ 2.79 Crores including dividend tax of ₹ 0.48 Crore.

TRANSFER TO RESERVES

Your Company proposes to transfer ₹ 25.00 Crores to the General Reserve out of the amount available for appropriations as per the financial statements for the period ended 31st March, 2016.

DEPOSITS

During the period under review, your Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the period under review, 3 (three) meetings of the Board of Directors were held. For details of the meetings of the board, please refer to the Corporate Governance Report, which forms part of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Nemichandra D. Jain (DIN:03589109) resigned from the office of Director of the Company w.e.f. 28th December, 2015. The Board places on record its appreciation for his continuous support, guidance and contribution during his tenure as Whole-time Director on the Board of Directors of the Company.

Ms. Purnima Sharma (ICSI Membership No. F7706) has resigned from the office of Company Secretary of the Company w.e.f. 30th May, 2016. The Board places on record its appreciation for the services rendered by Ms. Purnima Sharma during her tenure with the Company.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on 12th February, 2016 had accorded their consent for re-appointment of Mr. Sham Sunder Dhawan (DIN: 00528056) as the Whole-time Director of the Company for a further term of two years w.e.f. 26th April, 2016. Your approval for his re-appointment is being sought in the forthcoming AGM as per the Resolution No. 5 of the Notice, which forms part of the Annual Report.

Mr. Sham Sunder Dhawan will retire by rotation at the ensuing AGM in accordance with the provisions of Section 152 of the Companies Act, 2013 and being eligible, has offered himself for re-appointment. Brief resume of Mr. Sham Sunder Dhawan, along with the shareholding in the Company, as stipulated under Secretarial Standard 2 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is appended as an Annexure to the Notice of the ensuing AGM.

Mr. Pulkit Bhasin (ICSI Membership No. A27686) has been appointed as Company Secretary & Compliance Officer of the Company with effect from 30th May, 2016 in accordance with the provisions of the Companies Act, 2013 ("Act") and Listing Regulations.

All Independent Directors of the Company have given declarations confirming that they meet the criteria of independence as laid down under section 149(6) of the Act and Listing Regulations.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. in the preparation of the annual accounts for the period under review, the applicable accounting standards have been followed and there are no material departures.
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2016 and of the profit of the Company as on 31st March, 2016.
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. they have prepared the annual accounts on a going concern basis.
- e. they have laid down Internal Financial Controls to be followed by the Company and that such Internal Financial Controls are adequate and operating effectively.
- f. they have devised proper systems to ensure compliance of the provisions of all applicable laws and that such systems are adequate and operating effectively.



SUBSIDIARY COMPANY

Your Company has one wholly owned subsidiary company namely Fedders Lloyd Trading FZE incorporated in United Arab Emirates. The consolidated financial statements presented by the Company include the financial information of its subsidiary and have been prepared in compliance with applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

The Company has no Joint Venture or Associate Company within the meaning of Companies Act, 2013. There is no Company which has become or ceased to be the subsidiary of the Company during the period under review. There has been no material change in the nature of the business of the subsidiary.

Pursuant to provisions of Section 129(3) of the Companies Act, 2013, a separate statement containing the salient features of the financial statements of the Company's subsidiary in Form AOC-1 is attached with the financial statements of the Company.

Further, pursuant to the provisions of section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiary, are available on the website of the Company. The Company will make these documents available upon request by any shareholder of the Company.

STATUTORY AUDITORS

In terms of the provisions of Section 139 of the Companies Act, 2013 read with relevant rules made thereunder, M/s. Suresh C. Mathur & Co., Chartered Accountants (Firm Regn. No. 000891N) were appointed as the Company's Statutory Auditors from the conclusion of the 58th Annual General Meeting (AGM) till the conclusion of 61st AGM of the Company. The said appointment is subject to ratification by the members at every AGM held during this tenure. The Company has received a consent and certificate from the Auditors confirming their eligibility for ratification of their appointment at the ensuing AGM. The Board, on the recommendation of the Audit Committee, recommends for ratification by the members, the appointment of M/s. Suresh C. Mathur & Co., Chartered Accountants, as the Company's Statutory Auditors from the conclusion of the ensuing AGM till the conclusion of 61st AGM.

The Board has duly examined the Auditors' Report to the accounts, which is self-explanatory. Clarifications, wherever necessary, have been included in the Notes to Accounts of the financial statements and need no further comments.

SECRETARIAL AUDITORS

Mr. Sanjay Chugh, Practicing Company Secretary (C.P. No. 3073) was appointed as the Secretarial Auditor of the Company to conduct Secretarial Audit for the period ended 31st March, 2016 in compliance with the provisions of Section 204 of the Companies act, 2013 and the relevant rules made thereunder. The Report of the Secretarial Auditor is annexed to this report and marked as Annexure-1.

COST AUDITORS

The Board, on the recommendation of the Audit Committee, has appointed M/s. Jain Sharma & Associates, Cost Accountants (Firm Regn. No. 000270), as cost auditors of the Company for the financial year 2016-17 at a fee of ₹ 2,06,250/- (Rupees Two Lakh Six Thousand Two Hundred and Fifty Only) plus applicable taxes subject to its ratification by the shareholders at the ensuing annual general meeting.

INTERNAL AUDITORS

Pursuant to the recommendation of Audit Committee, the Board of Directors in its meeting held on 13th August, 2015 had appointed M/s. Vivek Rag & Associates, Chartered Accountants as Internal Auditors of the Company to conduct the internal audit of the period ended 31st March, 2016. The Internal Audit Reports received from the Internal Auditors were reviewed by the Audit Committee from time to time.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report, highlighting the performance and prospects of the Company's business, forms part of the Annual Report.

CORPORATE GOVERNANCE

The Company is committed towards maintaining the highest standards of Corporate Governance and adhering to the disclosure norms as set out by Securities and Exchange Board of India. Your Directors re-affirm their commitment to the corporate governance standards to the extent they are applicable to the Company. In compliance with Regulation 34 of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015, a detailed Corporate Governance Report is annexed to and forms part of the Annual Report.

BOARD EVALUATION

In terms of provisions of the Act read with Rules issued thereunder and as per the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the period ended 31st March, 2016. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution.

COMMITTEES OF THE BOARD OF DIRECTORS

Your Company has following Committees of Board of Directors:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee; and
5. Committee of Board of Directors.

The role and composition of these Committees, including the number of meetings held during the period under review and the related attendance, are provided under Corporate Governance Report which forms part of the Annual Report.

MATERIAL AND SIGNIFICANT CHANGES

During the period under review, the Company has shifted its registered office from C-4, Gautam Budh Nagar, Part-II, Noida, Uttar Pradesh to 6 and 6/1, UPSIDC Industrial Area, Sikandrabad, District Bulandshahr, Uttar Pradesh-203205.

RELATED PARTY TRANSACTIONS

All the related party transactions are entered on an arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the prescribed format in Form AOC-2 is annexed with this report as Annexure-2. There are no materially significant related party transactions made by the company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the company at large. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions for its approval. The Related Party Transactions Policy as approved by Board, on recommendation of the Audit Committee, is uploaded on the company's website.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has effective and reliable Internal Control System commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is well defined in the organization and is aligned with the statutory requirements. The efficacy of the internal checks and control systems are validated by Statutory Auditors.

The Audit Committee of the Board reviews the internal audit plans, adequacy and effectiveness of the internal control system, significant audit observations and monitors the sustainability of remedial measures.

CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. The Board of Directors of the Company has constituted Corporate Social Responsibility ("CSR") Committee in compliance with Section 135 of the Companies Act, 2013. The Company is committed to inclusive, sustainable development and contributing to building and sustaining economic, social and environmental capital and to pursue CSR projects that are replicable, scalable and sustainable with a significant multiplier impact on sustainable livelihood creation and environmental replenishment. The brief outline of the CSR policy and initiatives taken by the Company on CSR activities during the period under review are provided in the Annexure-3 of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR policy is available on the website of the Company.



CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AND RESEARCH & DEVELOPMENT

In accordance with the requirements of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, a statement showing particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo is annexed hereto as Annexure-4 and forms part of this report.

VIGIL MECHANISM

In accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is an actual or suspected fraud or perceived to be in violation of or in conflict with the Code of Conduct of the Company. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also uploaded on the website of the Company.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure-5 and forms part of this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure-6 to this Report.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration and the same has been uploaded on the website of the Company i.e. www.fedderslloyd.com. Remuneration Policy of the Company acts as a guideline for determining, inter alia, qualification, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of the performance of the Director, Key Managerial Personnel and Senior Management Personnel.

RISK MANAGEMENT

The Company has identified potential risks and required mitigation measures. Major risks identified are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee of the Company. The Company has approved and adopted Risk Management Policy to enhance control mechanism for risk evaluation and mitigation and the risk management process.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has always provided a congenial atmosphere for work to all the employees that is free from discrimination and harassment including sexual harassment. There were no cases/complaints pertaining to the sexual harassment reported to the Board during the period under review.

LISTING OF EQUITY SHARES

The Equity Shares of your Company are listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Annual Listing Fees for the year 2016-17 have been paid to these stock exchanges.

LISTING AGREEMENT

The Securities and Exchange Board of India ("SEBI"), on 2nd September, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from 1st December, 2015. Accordingly, all listed companies were required to enter into the Listing Agreement within six months from the effective date. The Company entered into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited in December, 2015.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its future operations.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The Company had not declared any dividend in the financial year 2007-08. Therefore, no unclaimed dividend was due for transfer to Investor Education and Protection Fund ("IEPF") maintained with Central Government during the nine months period ended 31st March, 2016. However, the Company has been regular in transferring the unclaimed dividend to IEPF as when it becomes due for transfer.

HEALTH, SAFETY AND ENVIRONMENT

Your Company has complied with all the applicable Health & Safety Standards, Environment Laws and labour laws and has been taking all necessary measures to protect the environment and provide workers a safe work environment. Your Company is committed for continual improvement in Health & Safety as well as Environmental performance by providing a Safety & healthy work environment to all its employees and co-workers.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Your Company considers people as its biggest assets and "Believing in People" is at the heart of its human resource strategy. Lot of efforts are put in for talent management, strong performance management, learning and training initiatives in order to ensure that your Company consistently develops inspiring strong and credible leadership. During the period under review, your Company continued to have cordial relationship with all its employees and maintained healthy, cordial and harmonious industrial relations at all levels.

ACKNOWLEDGMENTS

Your Directors take this opportunity to thank the customers, employees, financial institutions, Banks, Central and State Government authorities, Regulatory authorities, Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company who all made our consistent growth possible.

Your Directors also wish to record their appreciation for the continued co-operation and support extended by the governments of various countries where we have our operations.

For and on behalf of the Board of Directors

Place: New Delhi
Date: 30th May, 2016

Brij Raj Punj
Chairman & Managing Director
(DIN: 00080956)



ANNEXURE-1 TO THE DIRECTORS' REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year (Nine Months period) ended on 31st March, 2016

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of
the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Fedders Lloyd Corporation Limited
6 and 6/1,
UPSIDC Industrial Area, Sikandrabad,
District Bulandshahr-203205
Uttar Pradesh

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Fedders Lloyd Corporation Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the nine months period ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the nine months period ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 upto 14th May, 2015; and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (applicable with effect from 15th May, 2015).
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable as the Company has not issued any debt securities)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

vi) OTHER APPLICABLE LAWS.

- (a) Air (Prevention & Control of Pollution) Act, 1981
- (b) The Factories Act, 1948 and Rules made thereunder.

I have also examined compliance with the applicable clauses/regulations of the following:

- 1 Secretarial Standards issued by The Institute of Company Secretaries of India. (Applicable w.e.f. 1.7.2015).
- 2 The Listing Agreement entered into by the Company with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from 01.12.2015).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above without any material non-compliance.

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period under review, the Company has:

1. changed its registered office from "C-4, Phase-II, Noida-201305, Uttar Pradesh" to "6 and 6/1, UPSIDC Industrial Area, Sikandrabad, District Bulandshahr-203205, Uttar Pradesh"; and
2. issued and allotted 50,00,000 convertible warrants on preferential basis to its promoter group entities pursuant to the provisions of the Companies Act, 2013, Listing Agreement entered with the stock exchanges, SEBI (ICDR) Regulations, 2009 and other applicable provisions.

Place: New Delhi
Date: 30th May, 2016

Sanjay Chugh
Company Secretary
FCS No: 3754
C.P.NO. 3073

Note : This report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.



'ANNEXURE A' TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
Fedders Lloyd Corporation Limited
6 and 6/1,
UPSIDC Industrial Area, Sikandrabad,
District Bulandshahr-203205
Uttar Pradesh

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi
Date: 30th May, 2016

Sanjay Chugh
Company Secretary
FCS No: 3754
C.P.NO. 3073

ANNEXURE-2 TO THE DIRECTORS' REPORT

FORM No.AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

1. Details of contracts or arrangements or transactions not at Arm's length basis :

The Company has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during the nine months period ended 31st March, 2016. The Company has laid down policies and processes/procedures so as to ensure compliance to the applicable section of the Companies Act, 2013 and the corresponding Rules.

| S. No | Particulars | Details |
|-------|---|---------|
| a) | Names (s) of the related party & nature of relationship | Nil |
| b) | Nature of contracts/arrangements/transaction | Nil |
| c) | Duration of the contracts/arrangements /transaction | Nil |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | Nil |
| e) | Justification for entering into such contracts or arrangements or transactions | Nil |
| f) | Date of approval by the Board | Nil |
| g) | Amount paid as advances, if any | Nil |
| h) | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | Nil |

2. Details of material contracts or arrangements or transactions at Arm's Length basis:

The Company has not entered into any material contract/arrangement/transaction with its related parties.

| S. No | Particulars | Details |
|-------|--|---------|
| a) | Name (s) of the related party and nature of relationship | Nil |
| b) | Nature of contracts/arrangements /transactions | Nil |
| c) | Duration of the contracts/arrangements/transactions | Nil |
| d) | Salient terms of the contracts or arrangements or transactions including the value, if any | Nil |
| e) | Date of approval by the Board | Nil |
| f) | Amount paid as advances, if any | Nil |



ANNEXURE-3 TO THE BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR THE NINE MONTHS PERIOD ENDED 31ST MARCH, 2016

1. Brief outline of the Company's CSR Policy, including overview of projects or programmes undertaken

Lloyd Group has chosen to integrate their social commitment with their business vision. Fedders Lloyd Corporation Ltd. ("the Company/Fedders Lloyd") has been working on a wide range of Corporate Social Responsibility (CSR) programmes for community development in areas of Education; Health Care; Livelihood Enhancement & Skill Development; Girl Child Welfare; Environment Conservation; Disaster relief and Community Service. The Company believes that economic empowerment of individuals transforms them into powerful agents of social change.

At Fedders Lloyd, we aspire to create a significant societal value through our activities. We commit to operating in an economically, socially and environmentally responsible manner whilst balancing the interests of diverse stakeholders. Fedders Lloyd has adopted a focused and structured approach towards implementing its CSR initiatives. We have identified thematic and programme areas to guide the design, intent and approach of our CSR initiatives. Over the years, Company's CSR activities are carried out under the flagship of "Pandit Kanahaya Lal Punj (PKLP) Trust", the philanthropic arm of the Lloyd Group. PKLP Trust has established pre-schools with the name of "Lloyd Play School" at the village Tauru, Haryana and Jabalpur, Madhya Pradesh with the aim to provide quality education to underprivileged children with the special focus on the girl child education. As a continuing endeavor towards community development, Fedders Lloyd contributed to the PKLP Trust during the period under review and associated with various NGOs for upliftment of girl child and to support differently abled people.

The CSR Policy sets out the Company's commitment and approach towards Corporate Social Responsibility of improving the quality of life of the communities it serves. Through the CSR theme of building sustainable livelihoods, the Company endeavors to facilitate livelihood opportunities and promote socio-cultural development. As a contribution towards women empowerment, the Company collaborated with "Usha", pioneer in the world of sewing machines, to impart training to women for making/stitching ladies' & gents' garments.

While Lloyd Group pursues leadership in its business spheres; it simultaneously endeavors to promote common welfare through multidimensional activities.

2. Composition of CSR committee: During the period under review, the constitution of the Corporate Social Responsibility Committee has been changed due to the resignation of Mr. Nemichandra D. Jain from the Board of the Company. The CSR Committee was re-constituted by the Board of Directors as per the following composition:

- 1) Mr. Sham Sunder Dhawan- Chairman
- 2) Mrs. Bindu Dogra- Member
- 3) Mrs. Ritushri Sharma- Member

3. Average net profit of the Company for last three financial years for the purpose of computation of CSR: ₹ 61.85 Crore

4. Prescribed CSR expenditure*: ₹ 0.93Crore

* CSR expenditure is pro-rated for nine months period ended 31st March, 2016.

5. Details of the Expenditure on CSR during the nine months period ended 31st March, 2016 :

- a) Total amount proposed to be spent for the period ended : ₹ 0.93 Crore
- b) Total amount spent on CSR: ₹ 0.08 Crore
- c) Amount unspent, if any : ₹ 0.85 Crore

6. Manner in which the amount spent during the period ended 31st March, 2016 is detailed below:

(₹ in Crore)

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--------------|------------------------------------|--|--|---|--|---|--|
| SI No | CSR project or activity identified | Sector in which the project is covered | Projects or programmes | Amount outlay (budget project or Programme wise (Rs. In crores) | Amount spent on the project or programme, Sub Heads; | Cumulative expenditure up to the reporting period | Amount Spent direct or through implementing agency |
| | | | (1) Local area or other | | (1) Direct expenditure on projects or programmes | | |
| | | | (2) Specify the state and district where projects or programs was undertaken | | (2) Overheads | | |
| 1 | Lloyd Play School | Promoting Education | Tauru, Haryana and Jabalpur, Madhya Pradesh | 1.00 | 0.08 | 0.08 | Through Pandit Kanahaya Lal Punj Trust |
| TOTAL | | | | 1.00 | 0.08 | 0.08 | |

7. In case the Company has failed to spend the two per cent of the average net profit of the last three financial year or any part thereof, the Company shall provide the reason for not spending the amount in the Board Report :

The Company had envisaged a vision to promote education amongst the underprivileged children for betterment of the Society and to achieve this vision, the Company acquired lands for the construction of school in Tauru, Haryana and Jabalpur, Madhya Pradesh. To facilitate the said construction, various approvals/NOCs or other requisite clearances are required to be obtained from the statutory authorities which are still awaited from them.

Considering firm commitment made by the Company towards its CSR initiatives, the Company always endeavors to spend the earmarked amount for CSR activities in accordance with the provisions of the Companies Act, 2013.

8. **Responsibility Statement:** The CSR committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and the CSR policy of the Company.

Brij Raj Punj
Chairman & Managing Director
DIN: 00080956

Sham Sunder Dhawan
Chairman, CSR Committee
DIN: 00528056

Date: 30th May, 2016
Place: New Delhi



ANNEXURE-4 TO THE DIRECTORS' REPORT

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required to be disclosed under section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules 2014 are provided hereunder:

A. CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy

With the objective of helping bring down carbon emissions and also add to the net profits of the company by way of higher efficiencies and thus achieve reduced input costs, conservation of energy was accorded top priority and thus continued to be the major thrust area of the company. Energy consumption is being monitored on a continuous basis to ensure the targeted standards.

The Company is conscious of the need for energy conservation and continues to explore the possibilities of reducing energy consumption in the Office premises and Plants. The Company considers it important to manage continuously rising demand by creating an environment for efficient use of power. Regular monitoring of energy generation, distribution and consumption trends were carried out for effective control on utilization of energy.

Conservation of energy and improving the efficiency of existing resources are continuing processes and form an integral part of responsibilities of departmental heads. Company is progressing well towards its key goal of carbon dioxide emission reduction. The Company has taken a number of steps to improve the conservation of energy by increasing the efficiency of raw material inputs in power generation and by reducing/eliminating consumption wastages which particularly are as follows:

- OPE improvement.
- Shutting down unnecessary computer, printer, office light.
- Awareness developed through various training programmes.
- Installation of capacitors to save power.
- Rationalization of usage of electrical equipments- air conditioning system, office illuminations, beverage dispensers etc.
- Speed drivers and energy-efficient lighting systems were introduced at various locations.
- Real Time Cost optimization by usage of best possible source of energy in a location.
- Light Emitting Diode Lights.
- Power Management Units (PMUs) have been introduced.
- Automatic Power Shutdowns of Idle monitors.
- Using 5 star rated air conditioner.

(ii) Steps taken by the Company for utilizing alternate sources of energy

The Company recognizes that climate change mitigation require significant consideration in business decisions. To bring down the carbon foot print, the Company continuously strives to use renewable energy.

(iii) Capital Investment on energy conservation equipments

NIL

B. TECHNOLOGY ABSORPTION, ADAPTATION, INNOVATION, BENEFITS AND FUTURE PLANS OF ACTIONS

Your Company is instrumental in undertaking Research & Development (R & D) activities on an ongoing basis to bring innovation and improve upon its areas of operation to remain at par with international standards. The technology can help to drive business outcomes by improving operations, build customer relationships and partnerships and drive innovation. Your Company continued its efforts in strengthening the R&D facilities in order to provide wider range of products to suit the customer needs.

Benefits Derived As a result of the above Efforts.

- Cost reduction, waste reduction and quality improvement.
- Improvement in manufacturing processes.
- Partial and complete replacement of hazardous and toxic reagents with environment-friendly substitutes.

C. EXPENDITURE INCURRED FOR RESEARCH & DEVELOPMENT

Capital Expenditure: NIL

Revenue Expenditure: Charged out as expenses through the respective heads of accounts.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company continues to strive to improve its earnings from exports.

The details of Total Foreign Exchange Earnings and Outgo during the period under review are follows:

| Particulars | Amount (₹ in Crores) |
|---------------------------|-------------------------|
| Foreign Exchange Earnings | 49.31 |
| Foreign Exchange Outgo | 48.64 |



ANNEXURE-5 TO THE DIRECTORS' REPORT

Form No. MGT-9 EXTRACT OF ANNUAL RETURN as on 31st March, 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

| | | |
|-------|---|---|
| (I) | CIN | L29299UP1957PLC021118 |
| (II) | Registration Date | 16-Jan-57 |
| (III) | Name of the Company | FEDDERS LLOYD CORPORATION LIMITED |
| (IV) | Category/ Sub Category of the Company | Company Limited by Shares/Indian Non-Government Company |
| (V) | Address of the Registered Office and Contact Details | 6 and 6/1, UPSIDC, Industrial Area, Sikandrabad, District Bulandshahr 203205, Uttar Pradesh, India |
| (VI) | Whether Listed Company | Yes |
| (VII) | Name, Address and Contact details of Registrar and Share Transfer Agent, if any | Skyline Financial Services Private Limited D-153/A, Okhla Industrial Area, Phase-I, New Delhi 110020, India Tel. No. +91-011-64732681-88 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| S.No. | Name and Description of main products/services | NIC Code of the Product/ Service | % of Total Turnover of the Company |
|-------|--|----------------------------------|------------------------------------|
| 1 | Steel Structures & Engineering | 41003 | 72.40% |
| 2 | Power Transmission & distribution | 42202 | 25.67% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY

| S. No. | Name and Address of the Company | CIN/GLN | Holding/Subsidiary/ Associate Company | % of shares held | Applicable Section |
|--------|--|---------|---------------------------------------|------------------|--------------------|
| 1 | Fedders Lloyd Trading FZE P.O. Box No. 331007, Ras Al Khaimah, United Arab Emirates | - | Wholly Owned Subsidiary | 100% | 2(87)(ii) |

IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year (1 st July 2015) | | | | No. of Shares held at the end of the year (31 st March 2016) | | | | % Change during the year |
|---|---|---------------|-----------------|-------------------|---|---------------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters:- | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 3756809 | 0 | 3756809 | 12.21 | 3756609 | 0 | 3756609 | 12.21 | - |
| b) Central Govt or State Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| c) Bodies Corporate | 10727773 | 0 | 10727773 | 34.86 | 10727773 | 0 | 10727773 | 34.86 | - |
| d) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| e) Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| Sub Total (A) (1) | 14484582 | 0 | 14484582 | 47.07 | 14484382 | 0 | 14484382 | 47.07 | - |
| (2) Foreign | | 0 | | 0.00 | | | | | |
| a) NRI's Individual | 0 | 0 | 0 | 0.00 | 200 | 0 | 200 | 0.00 | - |
| b) Other - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| c) Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| d) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| e) Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| Sub Total (A) (2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | - |
| Total Shareholding of Promoter (A) = (A) (1) + (A) (2) | 14484582 | 0 | 14484582 | 47.07 | 14484582 | 0 | 14484582 | 47.07 | - |
| B. Public Shareholding :- | | | | | | | | | |
| 1. Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - |
| a) Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | - |
| b) Banks /FI | 68237 | 0 | 68237 | 0.22 | 43440 | 0 | 43440 | 0.14 | -0.08 |
| c) Central Govt. or State Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | - |
| d) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | - |
| e) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | - |
| f) FIs | 10000 | 0 | 10000 | 0.03 | 0 | 0 | 0 | 0 | 0.03 |
| g) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | - |
| h) Others (specify) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | - |
| Sub Total (B) (1) | 78237 | 0 | 78237 | 0.25 | 43440 | 0 | 43440 | 0.14 | -0.08 |
| 2. Non Institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| 1. Indian | 9085365 | 3800 | 9089165 | 29.54 | 7793681 | 3800 | 7797481 | 25.34 | -4.2 |
| 2. Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | - |
| b) Individuals | | 0 | | 0.00 | 0 | 0 | 0 | 0 | - |
| 1. Individual shareholders holding nominal share capital upto Rs.1 Lakh | 4398275 | 832914 | 5231189 | 17.00 | 5560781 | 811414 | 6372195 | 20.71 | 3.71 |
| 2. Individual shareholders holding nominal share capital in excess of Rs.1 Lakh | 1094616 | 0 | 1094616 | 3.56 | 1173631 | 0 | 1173631 | 3.81 | 0.25 |
| c) Others (specify) | | | | | | | | | |
| (i) Public Trusts | 2000 | 0 | 2000 | 0.01 | 2050 | 0 | 2050 | 0.01 | 0 |
| (ii) NRI/OCB's | 216476 | 123100 | 339576 | 1.10 | 192546 | 122600 | 315146 | 1.02 | -0.08 |
| (iii) Intermediary/Other Depository A/c | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | - |
| (iv) Clearing members/house | 42654 | 0 | 42654 | 0.14 | 144120 | 0 | 144120 | 0.47 | 0.33 |
| (v) Hindu Undivided Families | 407681 | 0 | 407681 | 1.32 | 437055 | 0 | 437055 | 1.42 | 0.10 |
| (vi) Qualified Foreign Corporate Bodies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | - |
| (vii) Qualified Foreign Investors | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | - |
| Sub Total (B) (2) | 15247067 | 959814 | 16206881 | 52.67 | 15303864 | 937814 | 16241678 | 52.78 | 0.11 |
| Total Public Shareholding (B)= (B) 1 + (B) 2 | 15325304 | 959814 | 16285118 | 52.93 | 15347304 | 937814 | 16285118 | 52.93 | 0 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total A+B+C | 29809886 | 959814 | 30769700 | 100.00 | 29831886 | 937814 | 30769700 | 100.00 | 0 |



(II) Shareholding of Promoters

| S.No. | Shareholders Name | Shareholding at the beginning of the year (As on 1 st July 2015) | | | Shareholding at the end of the year (As on 31 st March 2016) | | | % of change in shareholding during the year |
|-------|---|--|----------------------------------|--|--|----------------------------------|--|---|
| | | No. of Shares | % of Total shares of the company | % of shares pledged/encumbered to total shares | No. of Shares | % of Total shares of the company | % of shares pledged/encumbered to total shares | |
| 1 | LLOYD SALES PRIVATE LIMITED | 4293619 | 13.95 | 0.00 | 4293619 | 13.95 | 0.00 | 0.00 |
| 2 | PERFECT RADIATORS AND OIL COOLERS PRIVATE LIMITED | 3826525 | 12.44 | 0.00 | 3826525 | 12.44 | 0.00 | 0.00 |
| 3 | BRIJ RAJ PUNJ | 1632667 | 5.31 | 0.00 | 1632667 | 5.31 | 0.00 | 0.00 |
| 4 | RENU PUNJ | 1103352 | 3.59 | 0.00 | 1103352 | 3.59 | 0.00 | 0.00 |
| 5 | LLOYD MANUFACTURING PRIVATE LIMITED | 1254920 | 4.08 | 0.00 | 1254920 | 4.08 | 0.00 | 0.00 |
| 6 | AIRSERCO PRIVATE LIMITED | 1252709 | 4.07 | 0.00 | 1252709 | 4.07 | 0.00 | 0.00 |
| 7 | BHARAT RAJ PUNJ | 454990 | 1.48 | 0.00 | 454990 | 1.48 | 0.00 | 0.00 |
| 8 | BRINDA JAJOO | 296200 | 0.96 | 0.00 | 296200 | 0.96 | 0.00 | 0.00 |
| 9 | BHAVNA SAREEN | 236500 | 0.77 | 0.00 | 236500 | 0.77 | 0.00 | 0.00 |
| 10 | PUNJ SERVICES PRIVATE LIMITED | 100000 | 0.32 | 0.00 | 100000 | 0.32 | 0.00 | 0.00 |
| 11 | BRIJ MOHAN PUNJ | 32900 | 0.11 | 0.00 | 32900 | 0.11 | 0.00 | 0.00 |
| 12 | TULSI VANSH PRAKASH PUNJ | 200 | 0.00 | 0.00 | 200 | 0.00 | 0.00 | 0.00 |
| | TOTAL | 14484582 | 47.07 | 0.00 | 14484582 | 47.07 | 0.00 | 0.00 |

(III) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change in the Promoters' Shareholding during the period under review.

(IV) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sl. No. | For Each of the Top 10 shareholders | Shareholding at the beginning of the year (1 st July 2015) | | Date-wise increase decrease during the year | | | Cumulative Shareholding during the year (1 st July 2015 to 31 st March 2016) | |
|---------|-------------------------------------|--|----------------------------------|---|-----------------------------------|----------|---|----------------------------------|
| | | No. of Shares | % of total shares of the company | Date | Increase/decrease during the year | Reason | No. of Shares | % of total shares of the company |
| 1 | ZENITH IMPEX PVT LTD | | | | | | | |
| | At the beginning of the year | 3771910 | 12.26 | | | - | - | - |
| | | | | 18/12/2015 | -90000 | Sale | 3681910 | 11.97 |
| | | | | 15/01/2016 | -200000 | Sale | 3481910 | 11.32 |
| | | | | 29/01/2016 | -150000 | Sale | 3331910 | 10.83 |
| | | | | 12/02/2016 | -80000 | Sale | 3251910 | 10.57 |
| | | | | 11/03/2016 | -200000 | Sale | 3051910 | 9.92 |
| | | | | 18/03/2016 | -100000 | Sale | 2951910 | 9.59 |
| | At the end of the year | | | | | | 2951910 | 9.59 |
| 2 | RAJUL ESTATES PVT LTD | | | | | | | |
| | At the beginning of the year | 3295562 | 10.71 | | | | - | - |
| | | | | 14/08/2015 | -10000 | Sale | 3285562 | 10.68 |
| | | | | 04/09/2015 | -50000 | Sale | 3235562 | 10.52 |
| | | | | 18/09/2015 | -50000 | Sale | 3185562 | 10.35 |
| | | | | 23/09/2015 | -1712489 | Sale | 1473073 | 4.79 |
| | | | | 25/09/2015 | 1712489 | Purchase | 3185562 | 10.35 |

| Sl. No. | For Each of the Top 10 shareholders | Shareholding at the beginning of the year (1 st July 2015) | | Date-wise increase decrease during the year | | | Cumulative Shareholding during the year (1 st July 2015 to 31 st March 2016) | |
|---------|-------------------------------------|---|----------------------------------|---|-----------------------------------|----------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | Date | Increase/decrease during the year | Reason | No. of Shares | % of total shares of the company |
| | | | | 01/10/2015 | -1712489 | Sale | 1473073 | 4.79 |
| | | | | 02/10/2015 | 239416 | Purchase | 1712489 | 5.57 |
| | | | | 09/10/2015 | 1423073 | Purchase | 3135562 | 10.19 |
| | | | | 16/10/2015 | -110000 | Sale | 3025562 | 9.83 |
| | | | | 31/10/2015 | -1712489 | Sale | 1313073 | 4.27 |
| | | | | 06/11/2015 | 1712489 | Purchase | 3025562 | 9.83 |
| | | | | 20/11/2015 | -50000 | Sale | 2975562 | 9.67 |
| | | | | 27/11/2015 | -40000 | Sale | 2935562 | 9.54 |
| | | | | 11/12/2015 | -60000 | Sale | 2875562 | 9.35 |
| | | | | 01/01/2016 | -1163073 | Sale | 1712489 | 5.57 |
| | | | | 08/01/2016 | 1163073 | Purchase | 2875562 | 9.35 |
| | | | | 15/01/2016 | -32000 | Sale | 2843562 | 9.24 |
| | | | | 22/01/2016 | -240000 | Sale | 2603562 | 8.46 |
| | | | | 26/02/2016 | -200000 | Sale | 2403562 | 7.81 |
| | At the end of the year | | | | | | 2403562 | 7.81 |
| 3 | BONANZA PORTFOLIO LTD | | | | | | | |
| | At the beginning of the year | 621301 | 2.02 | 03/07/2015 | -455 | Sale | 620846 | 2.02 |
| | | | | 10/07/2015 | -31274 | Sale | 589572 | 1.92 |
| | | | | 17/07/2015 | 9623 | Purchase | 599195 | 1.95 |
| | | | | 24/07/2015 | -38320 | Sale | 560875 | 1.82 |
| | | | | 31/07/2015 | -6210 | Sale | 554665 | 1.8 |
| | | | | 07/08/2015 | -7202 | Sale | 547463 | 1.78 |
| | | | | 14/08/2015 | -5610 | Sale | 541853 | 1.76 |
| | | | | 21/08/2015 | -16771 | Sale | 525082 | 1.71 |
| | | | | 28/08/2015 | -144972 | Sale | 380110 | 1.24 |
| | | | | 04/09/2015 | 37051 | Purchase | 417161 | 1.36 |
| | | | | 11/09/2015 | -8377 | Sale | 408784 | 1.33 |
| | | | | 18/09/2015 | 2792 | Purchase | 411576 | 1.34 |
| | | | | 19/09/2015 | -500 | Sale | 411076 | 1.34 |
| | | | | 25/09/2015 | -1307 | Sale | 409769 | 1.33 |
| | | | | 30/09/2015 | -635 | Sale | 409134 | 1.33 |
| | | | | 02/10/2015 | 104 | Purchase | 409238 | 1.33 |
| | | | | 09/10/2015 | 3247 | Purchase | 412485 | 1.34 |
| | | | | 16/10/2015 | -630 | Sale | 411855 | 1.34 |
| | | | | 23/10/2015 | 11690 | Purchase | 423545 | 1.38 |
| | | | | 30/10/2015 | 6719 | Purchase | 430264 | 1.4 |
| | | | | 06/11/2015 | 2435 | Purchase | 432699 | 1.41 |
| | | | | 13/11/2015 | -5855 | Sale | 426844 | 1.39 |
| | | | | 20/11/2015 | -1828 | Sale | 425016 | 1.38 |
| | | | | 27/11/2015 | -4780 | Sale | 420236 | 1.37 |
| | | | | 04/12/2015 | 334 | Purchase | 420570 | 1.37 |
| | | | | 11/12/2015 | -17953 | Sale | 402617 | 1.31 |
| | | | | 18/12/2015 | 1649 | Purchase | 404266 | 1.31 |



| Sl. No. | For Each of the Top 10 shareholders | Shareholding at the beginning of the year (1 st July 2015) | | Date-wise increase decrease during the year | | | Cumulative Shareholding during the year (1 st July 2015 to 31 st March 2016) | |
|---------|--------------------------------------|---|----------------------------------|---|-----------------------------------|----------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | Date | Increase/decrease during the year | Reason | No. of Shares | % of total shares of the company |
| | | | | 25/12/2015 | 2593 | Purchase | 406859 | 1.32 |
| | | | | 31/12/2015 | -5297 | Sale | 401562 | 1.31 |
| | | | | 01/01/2016 | 360 | Purchase | 401922 | 1.31 |
| | | | | 08/01/2016 | 907 | Purchase | 402829 | 1.31 |
| | | | | 15/01/2016 | 10623 | Purchase | 413452 | 1.34 |
| | | | | 22/01/2016 | 1618 | Purchase | 415070 | 1.35 |
| | | | | 29/01/2016 | 15417 | Purchase | 430487 | 1.4 |
| | | | | 05/02/2016 | -1158 | Sale | 429329 | 1.4 |
| | | | | 12/02/2016 | 8693 | Purchase | 438022 | 1.42 |
| | | | | 19/02/2016 | 16046 | Purchase | 454068 | 1.48 |
| | | | | 26/02/2016 | 5560 | Purchase | 459628 | 1.49 |
| | | | | 04/03/2016 | -550 | Sale | 459078 | 1.49 |
| | | | | 11/03/2016 | -810 | Sale | 458268 | 1.49 |
| | | | | 18/03/2016 | -1163 | Sale | 457105 | 1.49 |
| | | | | 25/03/2016 | 8179 | Purchase | 465284 | 1.51 |
| | | | | 31/03/2016 | -4737 | Sale | 460547 | 1.5 |
| | At the end of the year | | | | | | 460547 | 1.5 |
| 4 | KVR CONSULTANCY PVT. LTD. | | | | | | - | - |
| | At the beginning of the year | 0 | 0 | - | 0.00 | | | |
| | | | | 04/12/2015 | 100000 | Purchase | 100000 | 0.32 |
| | | | | 11/12/2015 | 100100 | Purchase | 200100 | 0.65 |
| | | | | 18/12/2015 | 100000 | Purchase | 300100 | 0.98 |
| | | | | 25/12/2015 | 100900 | Purchase | 401000 | 1.3 |
| | At the end of the year | | | | | | 401000 | 1.30 |
| 5 | RAJSEE ESTATES PVT. LTD. | | | | | | | |
| | At the beginning of the year | 121244 | 0.39 | | 0 | | | |
| | At the end of the year | | | | | | 121244 | 0.39 |
| 6 | SAI IT SOLUTIONS PVT LTD | | | | | | | |
| | At the beginning of the year | 118649 | 0.39 | | | | | |
| | At the end of the year | | | | | | 118649 | 0.39 |
| 7 | SHRI PARASRAM HOLDING PVT LTD | | | | | | | |
| | At the beginning of the year | 61495 | 0.2 | | | | | |
| | | | | 03/07/2015 | -250 | Sale | 61245 | 0.2 |
| | | | | 10/07/2015 | -10724 | Sale | 50521 | 0.16 |
| | | | | 17/07/2015 | 10000 | Purchase | 60521 | 0.2 |
| | | | | 24/07/2015 | 2790 | Purchase | 63311 | 0.21 |
| | | | | 31/07/2015 | 10302 | Purchase | 73613 | 0.24 |
| | | | | 07/08/2015 | 9840 | Purchase | 83453 | 0.27 |
| | | | | 14/08/2015 | 9475 | Purchase | 92928 | 0.3 |
| | | | | 21/08/2015 | 18975 | Purchase | 111903 | 0.36 |
| | | | | 28/08/2015 | 10270 | Purchase | 122173 | 0.4 |
| | | | | 04/09/2015 | 16380 | Purchase | 138553 | 0.45 |
| | | | | 11/09/2015 | -2450 | Sale | 136103 | 0.44 |

| Sl. No. | For Each of the Top 10 shareholders | Shareholding at the beginning of the year (1 st July 2015) | | Date-wise increase decrease during the year | | | Cumulative Shareholding during the year (1 st July 2015 to 31 st March 2016) | |
|---------|---|---|----------------------------------|---|-----------------------------------|----------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | Date | Increase/decrease during the year | Reason | No. of Shares | % of total shares of the company |
| | | | | 18/09/2015 | 1200 | Purchase | 137303 | 0.45 |
| | | | | 25/09/2015 | 615 | Purchase | 137918 | 0.45 |
| | | | | 30/09/2015 | 1530 | Purchase | 139448 | 0.45 |
| | | | | 02/10/2015 | -1 | Sale | 139447 | 0.45 |
| | | | | 09/10/2015 | -1900 | Sale | 137547 | 0.45 |
| | | | | 16/10/2015 | -550 | Sale | 136997 | 0.45 |
| | | | | 23/10/2015 | 675 | Purchase | 137672 | 0.45 |
| | | | | 30/10/2015 | 3070 | Purchase | 140742 | 0.46 |
| | | | | 06/11/2015 | -2700 | Sale | 138042 | 0.45 |
| | | | | 13/11/2015 | 2825 | Purchase | 140867 | 0.46 |
| | | | | 20/11/2015 | -18375 | Sale | 122492 | 0.4 |
| | | | | 27/11/2015 | 90 | Purchase | 122582 | 0.4 |
| | | | | 04/12/2015 | -4336 | Sale | 118246 | 0.38 |
| | | | | 11/12/2015 | -10039 | Sale | 108207 | 0.35 |
| | | | | 18/12/2015 | 1912 | Purchase | 110119 | 0.36 |
| | | | | 25/12/2015 | -6133 | Sale | 103986 | 0.34 |
| | | | | 31/12/2015 | -4502 | Sale | 99484 | 0.32 |
| | | | | 01/01/2016 | -20 | Sale | 99464 | 0.32 |
| | | | | 08/01/2016 | -4025 | Sale | 95439 | 0.31 |
| | | | | 15/01/2016 | -4100 | Sale | 91339 | 0.3 |
| | | | | 22/01/2016 | 3500 | Purchase | 94839 | 0.31 |
| | | | | 29/01/2016 | 4600 | Purchase | 99439 | 0.32 |
| | | | | 05/02/2016 | 1352 | Purchase | 100791 | 0.33 |
| | | | | 12/02/2016 | -1752 | Sale | 99039 | 0.32 |
| | | | | 19/02/2016 | 2150 | Purchase | 101189 | 0.33 |
| | | | | 26/02/2016 | 8050 | Purchase | 109239 | 0.36 |
| | | | | 04/03/2016 | 2834 | Purchase | 112073 | 0.36 |
| | | | | 11/03/2016 | 3052 | Purchase | 115125 | 0.37 |
| | | | | 18/03/2016 | -266 | Sale | 114859 | 0.37 |
| | | | | 25/03/2016 | 1115 | Purchase | 115974 | 0.38 |
| | | | | 31/03/2016 | -6475 | Sale | 109499 | 0.36 |
| | At the end of the year | | | | | | 109499 | 0.36 |
| 8 | VINOD GARG | | | | | | | |
| | At the beginning of the year | 0 | 0 | | | | | |
| | | | | 04/12/2015 | 20000 | Purchase | 20000 | 0.06 |
| | | | | 25/12/2015 | 60000 | Purchase | 80000 | 0.26 |
| | At the end of the year | | | | | | 80000 | 0.26 |
| 9 | MARWADI SHARES AND FINANCE LIMITED | | | | | | | |
| | At the beginning of the year | 48636 | 0.16 | | | | | |
| | | | | 03/07/2015 | 7700 | Purchase | 56336 | 0.18 |
| | | | | 10/07/2015 | -251 | Sale | 56085 | 0.18 |
| | | | | 17/07/2015 | 10523 | Purchase | 66608 | 0.22 |
| | | | | 24/07/2015 | -11350 | Sale | 55258 | 0.18 |



| Sl. No. | For Each of the Top 10 shareholders | Shareholding at the beginning of the year (1 st July 2015) | | Date-wise increase decrease during the year | | | Cumulative Shareholding during the year (1 st July 2015 to 31 st March 2016) | |
|---------|-------------------------------------|---|----------------------------------|---|-----------------------------------|----------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | Date | Increase/decrease during the year | Reason | No. of Shares | % of total shares of the company |
| | | | | 31/07/2015 | -5877 | Sale | 49381 | 0.16 |
| | | | | 07/08/2015 | -5100 | Sale | 44281 | 0.14 |
| | | | | 14/08/2015 | 31628 | Purchase | 75909 | 0.25 |
| | | | | 21/08/2015 | -49743 | Sale | 26166 | 0.09 |
| | | | | 28/08/2015 | 22958 | Purchase | 49124 | 0.16 |
| | | | | 04/09/2015 | -922 | Sale | 48202 | 0.16 |
| | | | | 11/09/2015 | -7078 | Sale | 41124 | 0.13 |
| | | | | 18/09/2015 | 1212 | Purchase | 42336 | 0.14 |
| | | | | 25/09/2015 | -11070 | Sale | 31266 | 0.1 |
| | | | | 30/09/2015 | -4980 | Sale | 26286 | 0.09 |
| | | | | 02/10/2015 | -650 | Sale | 25636 | 0.08 |
| | | | | 09/10/2015 | 18907 | Purchase | 44543 | 0.14 |
| | | | | 16/10/2015 | 565 | Purchase | 45108 | 0.15 |
| | | | | 23/10/2015 | -13213 | Sale | 31895 | 0.1 |
| | | | | 30/10/2015 | -3775 | Sale | 28120 | 0.09 |
| | | | | 06/11/2015 | 16246 | Purchase | 44366 | 0.14 |
| | | | | 13/11/2015 | -16545 | Sale | 27821 | 0.09 |
| | | | | 20/11/2015 | -4251 | Sale | 23570 | 0.08 |
| | | | | 27/11/2015 | -816 | Sale | 22754 | 0.07 |
| | | | | 04/12/2015 | 5949 | Purchase | 28703 | 0.09 |
| | | | | 11/12/2015 | -3048 | Sale | 25655 | 0.08 |
| | | | | 18/12/2015 | -5295 | Sale | 20360 | 0.07 |
| | | | | 25/12/2015 | 1921 | Purchase | 22281 | 0.07 |
| | | | | 31/12/2015 | 972 | Purchase | 23253 | 0.08 |
| | | | | 01/01/2016 | 1023 | Purchase | 24276 | 0.08 |
| | | | | 08/01/2016 | 3176 | Purchase | 27452 | 0.09 |
| | | | | 15/01/2016 | 5399 | Purchase | 32851 | 0.11 |
| | | | | 22/01/2016 | 11327 | Purchase | 44178 | 0.14 |
| | | | | 29/01/2016 | 8660 | Purchase | 52838 | 0.17 |
| | | | | 05/02/2016 | 45163 | Purchase | 98001 | 0.32 |
| | | | | 12/02/2016 | 3794 | Purchase | 101795 | 0.33 |
| | | | | 19/02/2016 | -36323 | Sale | 65472 | 0.21 |
| | | | | 26/02/2016 | -3910 | Sale | 61562 | 0.2 |
| | | | | 04/03/2016 | 8173 | Purchase | 69735 | 0.23 |
| | | | | 11/03/2016 | 2100 | Purchase | 71835 | 0.23 |
| | | | | 18/03/2016 | 8927 | Purchase | 80762 | 0.26 |
| | | | | 25/03/2016 | -5639 | Sale | 75123 | 0.24 |
| | | | | 31/03/2016 | 2265 | Purchase | 77388 | 0.25 |
| | | | | | | | 77388 | 0.25 |
| | At the end of the year | | | | | | | |
| 10 | KARVY STOCK BROKING LIMITED | | | | | | | |
| | At the beginning of the year | 29046 | 0.09 | | | | | |
| | | | | 03/07/2015 | 33494 | Purchase | 33494 | 0.11 |
| | | | | 10/07/2015 | 32121 | Sale | 32121 | 0.1 |

| Sl. No. | For Each of the Top 10 shareholders | Shareholding at the beginning of the year (1 st July 2015) | | Date-wise increase decrease during the year | | | Cumulative Shareholding during the year (1 st July 2015 to 31 st March 2016) | |
|---------|-------------------------------------|---|----------------------------------|---|-----------------------------------|----------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | Date | Increase/decrease during the year | Reason | No. of Shares | % of total shares of the company |
| | | | | 17/07/2015 | 31629 | Sale | 31629 | 0.1 |
| | | | | 24/07/2015 | 31947 | Purchase | 31947 | 0.1 |
| | | | | 31/07/2015 | 29853 | Sale | 29853 | 0.1 |
| | | | | 07/08/2015 | 32281 | Purchase | 32281 | 0.1 |
| | | | | 14/08/2015 | 33570 | Purchase | 33570 | 0.11 |
| | | | | 21/08/2015 | 28220 | Sale | 28220 | 0.09 |
| | | | | 28/08/2015 | 47601 | Purchase | 47601 | 0.15 |
| | | | | 04/09/2015 | 31393 | Sale | 31393 | 0.1 |
| | | | | 11/09/2015 | 40819 | Purchase | 40819 | 0.13 |
| | | | | 18/09/2015 | 44007 | Purchase | 44007 | 0.14 |
| | | | | 25/09/2015 | 31467 | Sale | 31467 | 0.1 |
| | | | | 30/09/2015 | 31066 | Sale | 31066 | 0.1 |
| | | | | 02/10/2015 | 30731 | Sale | 30731 | 0.1 |
| | | | | 09/10/2015 | 27581 | Sale | 27581 | 0.09 |
| | | | | 16/10/2015 | 39398 | Purchase | 39398 | 0.13 |
| | | | | 23/10/2015 | 35402 | Sale | 35402 | 0.12 |
| | | | | 30/10/2015 | 33315 | Sale | 33315 | 0.11 |
| | | | | 06/11/2015 | 33213 | Sale | 33213 | 0.11 |
| | | | | 13/11/2015 | 38610 | Purchase | 38610 | 0.13 |
| | | | | 20/11/2015 | 45831 | Purchase | 45831 | 0.15 |
| | | | | 27/11/2015 | 45441 | Sale | 45441 | 0.15 |
| | | | | 04/12/2015 | 34917 | Sale | 34917 | 0.11 |
| | | | | 11/12/2015 | 25357 | Sale | 25357 | 0.08 |
| | | | | 18/12/2015 | 30516 | Purchase | 30516 | 0.1 |
| | | | | 25/12/2015 | 32366 | Purchase | 32366 | 0.11 |
| | | | | 31/12/2015 | 50610 | Purchase | 50610 | 0.16 |
| | | | | 01/01/2016 | 47433 | Sale | 47433 | 0.15 |
| | | | | 08/01/2016 | 57568 | Purchase | 57568 | 0.19 |
| | | | | 15/01/2016 | 63415 | Purchase | 63415 | 0.21 |
| | | | | 22/01/2016 | 38878 | Sale | 38878 | 0.13 |
| | | | | 29/01/2016 | 47952 | Purchase | 47952 | 0.16 |
| | | | | 05/02/2016 | 47194 | Sale | 47194 | 0.15 |
| | | | | 12/02/2016 | 47999 | Purchase | 47999 | 0.16 |
| | | | | 19/02/2016 | 46332 | Sale | 46332 | 0.15 |
| | | | | 26/02/2016 | 50270 | Purchase | 50270 | 0.16 |
| | | | | 04/03/2016 | 53681 | Purchase | 53681 | 0.17 |
| | | | | 11/03/2016 | 67333 | Purchase | 67333 | 0.22 |
| | | | | 18/03/2016 | 55474 | Sale | 55474 | 0.18 |
| | | | | 25/03/2016 | 58425 | Purchase | 58425 | 0.19 |
| | | | | 31/03/2016 | 69468 | Purchase | 69468 | 0.23 |
| | | | | At the end of the year | | | 69468 | 0.23 |



(V) Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year (1 st July 2015) | | Cumulative Shareholding during the year (1 st July 2015 to 31 st March 2016) | |
|----------|--|---|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| A | DIRECTORS | | | | |
| 1 | Mr. Brij Raj Punj | | | | |
| | At the beginning of the year | 16,32,667 | 5.31 | 16,32,667 | 5.31 |
| | Date wise Increase/ Decrease in Shareholding during the year | | No Change | | |
| | At the end of the year | 16,32,667 | 5.31 | 16,32,667 | 5.31 |
| 2 | Mr. Sham Sunder Dhawan | | | | |
| | At the beginning of the year | - | - | - | - |
| | Date wise Increase/ Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 3 | Mr. Nemichandra D. jain | | | | |
| | At the beginning of the year | - | - | - | - |
| | Date wise Increase/ Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 4 | Mr. Arun Kumar Joshi | | | | |
| | At the beginning of the year | 100 | 0.00 | 100 | 0.00 |
| | Increase/Decrease during the year | - | - | - | - |
| | At the end of the year | 100 | 0.00 | 100 | 0.00 |
| 5 | Mrs. Ritushri Sharma | | | | |
| | At the beginning of the year | - | - | - | - |
| | Date wise Increase/ Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 6 | Mrs. Bindu Dogra | | | | |
| | At the beginning of the year | - | - | - | - |
| | Increase/Decrease during the year | - | - | - | - |
| | At the end of the year | - | - | - | - |
| B | Key Managerial Personnel | | | | |
| 1 | Ms. Purnima Sharma Company Secretary | | | | |
| | At the beginning of the year | - | - | - | - |
| | Date wise Increase/ Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 2 | Mr. Akhter Aziz Siddiqi Chief Financial Officer | | | | |
| | At the beginning of the year | - | - | - | - |
| | Date wise Increase/ Decrease in Shareholding during the year | - | - | - | - |
| | At the end of the year | - | - | - | - |

v INDEBTEDNESS

INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

(₹ In Crores)

| | SECURED LOAN | UNSECURED LOAN | DEPOSITS | TOTAL INDEBTEDNESS |
|---|-----------------|-------------------|----------|-----------------------|
| Indebtedness at the begning of the year | | | | |
| i) PRINCIPAL AMOUNT | 545.02 | - | - | 545.02 |
| ii) INTEREST DUE BUT NOT PAID | - | - | - | - |
| iii) INTEREST ACCRUED BUT NOT DUE | 0.27 | - | - | 0.27 |
| TOTAL (I+II+III) | 545.29 | - | - | 545.29 |
| Change in indebtedness during the financial year | | | | |
| ADDITIONS | - | - | - | - |
| REDUCTION | 34.09 | - | - | 34.09 |
| NET CHANGE | (34.09) | - | - | (34.09) |
| Indebtedness at the end of the year | | | | |
| i) PRINCIPAL AMOUNT (AT THE END OF THE YEAR) | 511.19 | - | - | 511.19 |
| ii) INTEREST DUE BUT NOT PAID | - | - | - | - |
| iii) INTEREST ACCRUED BUT NOT DUE | - | - | - | - |
| TOTAL (I+II+III) | 511.19 | - | - | 511.19 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager during nine months period ended 1st July, 2015 to 31st March, 2016:

(Amount in ₹)

| S.No. | Particulars of Remuneration | Mr. Brij Raj Punj Chairman & Managing Director | Mr. Sham Sunder Dhawan Whole-time Director | Mr. Nemichandra D Jain Whole-time Director* | Total Amount |
|-------|--|---|---|--|----------------------|
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 5,402,624.00 | 6,399,266.00 | 2,110,234.00 | 13,912,124.00 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - |
| 2 | Stock option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | | | | |
| | - as % of profit | | | | |
| | - others, specify. | | | | |
| 5 | Others - | | | | |
| | Provident Fund | 432,000.00 | 460,566.00 | - | 892,566.00 |
| | Total | 5,834,624.00 | 6,859,832.00 | 2,110,234.00 | 14,804,690.00 |
| | Ceiling as per the Companies Act, 2013 @ 10% of net profits calculated under section 198 of the Companies Act, 2013 | | | | 61,530,546.91 |

*Ceased to be director w.e.f. 28th December, 2015



B. Remuneration to other directors

| | | | | | (Amount in ₹) |
|-------|---|-----------------------|----------------------|------------------|-------------------|
| S.No. | Particulars of Remuneration | Name of the Directors | | | Total Amount |
| A | Independent Directors | Mr. Arun Kumar Joshi | Mrs. Ritushri Sharma | Mrs. Bindu Dogra | |
| | Fee for attending board/ committee meetings | 45000 | 45000 | 30000 | 120,000.00 |
| | Commission | - | - | - | |
| | Others- Travelling Expenses | - | - | - | |
| | Total (A) | - | - | - | |
| B | Other Non Executives Directors | - | - | - | - |
| | Total (B) | - | - | - | - |
| | Total Managerial Remuneration (A+B) | 45000 | 45000 | 30000 | 120,000.00 |
| | Ceiling as per the Companies Act, 2013 @ 11% of net profits calculated under section 198 of the Companies Act, 2013 | | | | 67,683,601.60 |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| | | | | | (Amount in ₹) |
|-------|---|---|--|---------------------|---------------|
| S.No. | Particulars of Remuneration | Key Managerial Personnel | | Total Amount | |
| | | Ms. Purnima Sharma Company Secretary | Mr. Akhter Aziz Siddiqi Chief Financial Officer | | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1,363,352.00 | 1,900,994.00 | 3,264,346.00 | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | |
| 2 | Stock option | - | - | - | |
| 3 | Sweat Equity | - | - | - | |
| 4 | Commission | - | - | - | |
| | - as % of profit | | | | |
| | - others, specify. | | | | |
| 5 | Others-Provident Fund | 68,748.00 | 134,838.00 | 203,586.00 | |
| | Total | 1,432,100.00 | 2,035,832.00 | 3,467,932.00 | |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding Fees imposed | Authority (RD/ NCLT/COURT) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|----------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | NIL | | |
| Punishment | | | | | |
| Compounding | | | | | |

ANNEXURE-6 TO THE DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES

A. The information required under section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as under:

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the nine months period ended 31st March, 2016:

| Sl. No. | Name of the Directors | Designation | Ratio |
|---------|--------------------------|------------------------------|---------|
| 1 | Mr. Brij Raj Punj | Chairman & Managing Director | 22.25:1 |
| 2 | Mr. Sham Sunder Dhawan | Whole-time Director | 26.16:1 |
| 3 | Mr. Nemichandra D. Jain* | Whole-time Director | 8.05:1 |
| 4 | Mr. Arun Kumar Joshi | Independent Director | 0.17:1 |
| 5 | Mrs. Bindu Dogra | Independent Director | 0.11:1 |
| 6 | Mrs. Ritushri Sharma | Independent Director | 0.17:1 |

*Resigned from the Board of Directors w.e.f 28th December, 2015.

The Company pays only sitting fees and reimbursement of expenses to Non-Executive Independent Directors in accordance with the provisions prescribed under the Companies Act, 2013 for each Board/Committee meetings attended by Non-Executive Independent Directors.

2. The percentage increase in remuneration of each Key Managerial Personnel of the Company during nine months period ended 31st March, 2016:

The remuneration paid to the Key Managerial Personnel during the period under review is as follows:

| S. No. | Name of the Key Managerial Personnel | Designation | Remuneration Paid during nine months period ended 31 st March, 2016 (₹ In Lakhs) | % increase in remuneration of each Key Managerial Personnel |
|--------|--------------------------------------|------------------------------|---|---|
| 1 | Mr. Brij Raj Punj | Chairman & Managing Director | 58.35 | With the enactment of the Companies Act, 2013 ("Act"), it has become mandatory for the Company to adopt financial year from 1 st April to 31 st March. To ensure compliance with the provisions of the Act, the Company has decided to adopt the financial year from 1 st April to 31 st March and financial statements shall be prepared for the period ending on 31 st March, 2016. Since the previous financial year of the Company ended on 30 th June, 2015, the financial statements for the reporting period are prepared for a period of nine months from 1 st July, 2015 to 31 st March, 2016. Consequent to the change and according to the Company's remuneration policy, no increase in the remuneration has been noted during the period under review as the said increase had been reported in the previous financial year ending on 30 th June, 2015. |
| 2 | Mr. Nemichandra D. Jain | Whole-time Director | 21.10 | |
| 3 | Mr. Sham Sunder Dhawan | Whole-time Director | 68.60 | |
| 4 | Mr. Akhter Aziz Siddiqi | Chief Financial Officer | 20.36 | |
| 5 | Ms. Purnima Sharma | Company Secretary | 14.32 | |

There has been no change in the sitting fees paid to Non Executive Independent Directors during the period under review.



3. The percentage change in the median remuneration of the employees during the nine months period ended 31st March, 2016:

The percentage increase in the median remuneration of the employees noted on 30th June, 2015 and 31st March, 2016 respectively is 1.07%. The average increase in median remuneration is in line with the industry benchmark.

4. The number of permanent employees on the rolls of Company:

The total number of permanent employees on pay rolls of the Company as on 31st March, 2016 is 562.

5. The explanation on the relationship between average increase in remuneration and Company performance:

The remuneration is in line with the remuneration policy of the Company and linked to the individual performance coupled with the performance of the Company.

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

| Particulars | As at 31 st March, 2016 |
|-------------------------------------|------------------------------------|
| Remuneration of KMP (₹ in Lakhs) | 182.73 |
| Revenue (₹ in Lakhs) | 104178.09 |
| Remuneration of KMP as % to revenue | 0.17% |
| Profit Before Tax (₹ in Lakhs) | 3927.24 |
| Remuneration of KMP's as % to PBT | 4.65 |

7. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer :

The variation in the market capitalization of the Company, price earning ratio as at 31st March, 2016 and financial year ended on 30th June, 2015 are as follows:

| Particular | As at 31 st March, 2016 | As at 30 th June 2015 | Variation (in %) |
|------------------------------------|------------------------------------|----------------------------------|--------------------------|
| Closing Rate of BSE (₹) | 71.25 | 72.15 | -1.25 |
| Closing Rate of NSE (₹) | 71.60 | 72.05 | -0.62 |
| Market Capitalization (₹ in Lakhs) | BSE: 21,923.41 NSE: 22,031.10 | BSE: 22,200.34 NSE: 22,169.57 | BSE: -1.25 NSE: -0.62 |
| PE Ratio | BSE:10.16 NSE: 10.21 | BSE:5.52 NSE: 5.52 | - |

Note: Due to change in the Company's financial year from "1st July to 30th June" to "1st April to 31st March", the period under review comprises of nine months. Henceforth, figures are not entirely comparable.

The percentage increase in the market quotations of the shares of the Company as on 31st March, 2016 in comparison to the rate of issue price of last public offer is 375%.

8. Average percentile increase made in the salaries of Employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there is any exceptional circumstances for increase in managerial remuneration:

There has been no increase in average percentile of the salaries of Employees during the period under review. No increase of percentile has been noted in the managerial remuneration during the nine months period ended 31st March, 2016.

9. Comparison of remuneration of each Key Managerial Personnel against the performance of the Company:

| Sl. No. | Name of KMP | Designation | Remuneration Paid during nine months period ended 31 st March, 2016 (₹ in Lakhs) | PBT during nine months period ended 31 st March, 2016 (₹ in Lakhs) | % to PBT | Revenue during nine months period ended 31 st March, 2016 (₹ in Lakhs) | % to Revenue |
|---------|--------------------------------------|------------------------------|---|---|----------|---|--------------|
| 1 | Mr. Brij Raj Punj | Chairman & Managing Director | 58.35 | | 1.48 | | 0.05 |
| 2. | Mr. Sham Sunder Dhawan | Whole-time Director | 68.60 | 3,927.24 | 1.74 | 1,04,178.09 | 0.06 |
| 3. | Mr. Nemichandra D. Jain ¹ | Whole-time Director | 21.10 | | 0.54 | | 0.02 |
| 4 | Mr. Akhter Aziz Siddiqi | Chief Financial Officer | 20.35 | | 0.51 | | 0.01 |
| 5 | Ms. Purnima Sharma ² | Company Secretary | 14.32 | | 0.36 | | 0.01 |

¹ Ceased to be Director w.e.f. 28th December, 2015.

² Ceased to be Company Secretary w.e.f. 30th May, 2016.

10. The key parameters for any variable component of remuneration:

The variable component of remuneration which is being opted by the Company are determined on the basis of several criteria including the individual performance of the Directors, Key Managerial Personnel and various employees as measured by achievement of their respective Key Result Areas (KRAs), strategic initiatives taken and being implemented, their respective roles in the organization, fulfillment of their responsibilities and performance of the Company.

The remuneration paid to the Executive Directors is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them, their individual and Company's performance and is in consonance with the terms of appointment approved by the Members, at the time of their appointment.

11. The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

None

12. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

B. The information required under Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

(i) Particulars of Employees employed throughout the period under review who were in receipt of remuneration for that year which, in the aggregate, was not less than ₹ 60,00,000/- per annum .

| S. No. | Name of Employees | Designation | Remuneration (₹ in Lakhs) | Nature of employment (Contractual or otherwise) | Qualification and Experience | Date of Commencement of employment | Age (Yrs.) | Last employment before joining the Company | % of Equity shares held by such employee | Whether any such employee is a relative of any director or manager of the Company |
|--------|------------------------|---------------------|---------------------------|---|---|------------------------------------|------------|--|--|---|
| 1 | Mr. Brij Raj Punj | Managing Director | 58.35 | Permanent | Engineering Graduate from United Kingdom | 02.06.1980 | 70 | - | 5.31% | NO |
| 2 | Mr. Sham Sunder dhawan | Whole-time Director | 68.60 | Permanent | Master Degrees in Business Administration and Political Science | 26.04.2008 | 66 | Western Food Limited | - | NO |



- (ii) Particulars of Employees employed for part of the period under review who were in receipt of remuneration at a rate which, in the aggregate, was not less than ₹ 5,00,000/- per month:

| S. No. | Name of Employees | Designation | Remuneration (₹ in Lakhs) | Nature of employment (Contractual or otherwise) | Qualification and Experience | Date of Commencement of employment | Age (Yrs.) | Last employment before joining the Company | % of Equity shares held by such employee | Whether any such employee is a relative of any director or manager of the Company |
|--------|-------------------|---------------------|---------------------------|---|---|------------------------------------|------------|--|--|---|
| 1 | Pankaj Sachdeva | Executive President | 10.83 p.m. | Permanent | B.E. - Electrical (Hons.) from Thapar Institute of Engineering and Technology, India. Total Experience -34+ Years | 07-Jan-16 | 55 Years | Skipper SEIL International, JLT, Dubai (UAE) | - | NO |

- (iii) None of the employees were in receipt of remuneration in excess of that drawn by the Managing Director or Whole-time Director and holds by himself or alongwith his spouse and dependent children, exceeding 2% of the equity shares of the Company.

On behalf of the Board

Date: 30th May, 2016
Place: New Delhi

Brij Raj Punj
Chairman & Managing Director
(DIN: 00080956)

Management Discussion and Analysis

Indian Economy

During the Financial Year 2015-16, there had been an extreme unusual volatility in the international economic environment due to which markets began to swing on fears that the global recovery may be faltering, while risks of extreme events kept on rising. Amidst this gloomy landscape, India stands out as a haven of stability and an outpost of opportunity. Its macro-economy is stable, founded on the government's commitment to fiscal consolidation and low inflation. Its economic growth is amongst the highest in the world, helped by a reorientation of government spending towards needed public infrastructure. These achievements are remarkable as they have been accomplished in the face of global headwinds and a second successive season of poor rainfall. Inflation, the fiscal deficit and the current account deficit have all declined, rendering India a relative haven of macrostability in these turbulent times.

India's GDP growth is pegged to grow at 7-7.75% in the year 2016-17 despite moderating global growth. Further, the country's long run potential growth rate is still around 8-10% and realizing this potential requires a push on at least three fronts: being genuinely pro-competition, major investments in health and education of people, and focus on agriculture.

Industry Structure and Developments

Industrial sector plays an important role in realizing higher economic growth in the country. Riding high on the performance of manufacturing sector, industrial sector in India has registered higher growth during 2015-16. Many policy measures taken by the government for creating enabling environment for industrial growth have started showing its impact on increased FDI inflows, better performance of infrastructure sector. The landmark initiatives like Make in India, Ease of Doing Business, Start-Up India, Digital India, and Smart Cities, etc. will provide further impetus to industries and the industrial sector is expected to be the key driver of economic growth in the country. These initiatives would also help in transforming infrastructure sector which is sine qua non for achieving and sustaining higher economic growth.

In order to bring about a quantitative and qualitative change and to give necessary impetus to the manufacturing sector, the Department of Industrial Policy and Promotion has notified the National Manufacturing Policy (NMP) with the objective of enhancing the share of manufacturing in GDP to 25% and creating 100 million jobs over the next decade. The policy is based on the principle of industrial growth in partnership with the States. The Central Government will provide incentives for infrastructure development on a Public Private Partnership (PPP) basis through appropriate financing instruments, and State Governments will be encouraged to adopt the instrumentalities provided in the policy.

Power supply position in the country generally improved during the 2015-16 and the Power Industry has registered a growth of 4.00%. The installed power generation capacity in the country at the end of 11th Plan was about 2,00,000 MW. The capacity addition programme during the 12th Plan period is estimated at 88,537 MW comprising 72,430 MW in the Thermal Sector, 10,897 MW in the Hydro Sector and 5,300 MW in the Nuclear Sector.

Power transmission plays an important role in evacuation of power from generating stations to load centers, system strengthening, Inter-state power transfer and augmentation of national grid. The thrust has been given to enhance the capacity of inter-regional links in a phased manner. Working in this direction, all the five regional grids are now interconnected through synchronous links. Presently, inter-regional power transfer capacity of the National Grid is about 53,150 MW and a number of high capacity inter-regional transmission links are under implementation/planning. The inter-regional power transfer capacity is envisaged to be enhanced to about 72,250 MW by the end of 12th plan.

With the growth envisaged in the Power Sector, it is imperative to undertake projects for conservation of energy and its efficiency as well. The Heating, Ventilation and Air Conditioning (HVAC) market in India is growing at a fast pace, mainly owing to the huge rise in construction activity in the real estate market. India can emerge as a major hub for manufacturing in the HVAC space provided there is a shift in focus to maintaining energy efficiency and providing incentives to the manufacturing industry.

India is witnessing significant interest from international investors in the infrastructure space. Many Multi National Companies are keen on collaborating with India on infrastructure, high speed trains, renewable energy and developing smart cities.

Segment Wise Performance and Business Outlook

The Company's strategy for longer term growth has been to continually expand its addressable market by investing in newer geographies and newer industry verticals. Accordingly, the Company's business is broadly classified into following three segments:

(1) Steel Structures & Engineering

The Steel Structures & Engineering business of the Company is equipped with highly experienced engineers and "State of the Art" manufacturing facilities with ultramodern plants and machineries for designing any prefabricated structure with latest design and technology. The Company provides onsite fabrication of steel structures, installation, supply, prefabrication of structural steel components at the fabrication facilities for large industrial projects. The Company undertakes Turnkey Projects for designing, engineering, supplying and commissioning of complete Pre-Engineered Building Solutions.



The Company has successfully completed supply, fabrication and erection work of major steel bridge girder at Jammu & Kashmir and various projects for the esteemed clients such as Bharat Heavy Electricals Limited, Delhi Metro Rail Corporation Limited, RITES Ltd. etc. during the period under review and works related to other key projects are under progress.

During the period under review, the Steel Structures & Engineering segment of the Company registered the Revenue of ₹ 749.33 Crores which represents 72.40% of total revenue generated by the Company.

(2) Power Projects

(a) Power Transmission & Distribution

The Power Project Division of the Company, inter-alia, functions in Domestic and International markets for execution of projects for Power Transmission & Distribution and setting up of Sub-stations as an EPC Contractor. The Company has assembled unrivalled skills in the Power Sector and is eligible and qualified in Power Grid Corporation of India Limited ("PGCIL") and other Utilities to execute 765 KV Transmission Projects upto 103 Kms, on stand-alone basis. During the period under review, the Company performed relentlessly for completion of the distribution projects awarded by various state utilities. The Company also actively participated in bidding process to garner various Power Projects in its best interest, whereas, the transmission projects assigned by PGCIL, Orissa Power Transmission Corporation Limited ("OPTCL") etc. were being undertaken with full swing.

The Company also has an expertise in design, supply, erection, testing & commissioning of 25KV single phase, 50 Hz, Traction Overhead Equipment, Switching Stations, Booster Transformer Stations and LT Supply Transformer Stations including foundations, structures and ancillary equipment. The Company has completed various Sub sectioning post, feeding posts and Sub sectioning and paralleling posts for Indian Railways. During the period under review, the Company has successfully completed several key projects for designing, drawing, supplying, erection, testing & commissioning of Overhead Electrification Lines awarded by Indian Railways.

(b) Renewable Sources of Energy

Over the years, renewable energy sector in India has emerged as a significant player in the grid connected power generation capacity. There has been a visible impact of renewable energy in the Indian energy scenario during the last five years. Renewable energy sector landscape in India has, during the last few years, witnessed tremendous changes in the policy framework with accelerated and ambitious plans to increase the contribution of renewable sources of energy. Renewable energy has a great potential to usher in universal energy access. In a decentralized or standalone mode, renewable energy is an appropriate, scalable and viable solution for providing power to un-electrified or power deficient villages and hamlets. India has an estimated renewable energy potential of about 900 GW from commercially exploitable sources viz. Wind – 102 GW (at 80 metre mast height); Small Hydro – 20 GW; Bio-energy – 25 GW; and 750 GW solar power, assuming 3% wasteland is made available. The Company is engaged into projects pertaining to the following sources of renewable energy:

(i) Wind Towers

The Company is engaged in the manufacturing and supply of towers for various capacity of wind turbines (upto 2 MW). During the financial year 2015-16, wind industry grew by 51 % as compared to previous year and total installation was 3,461 MW as against 2,298 MW in the previous year. To commensurate with the growth of the Wind Industry, the Company's production of Wind Towers grew over 250% in comparison to the previous year and the Company ramped up its production from 3 towers per month to 8 towers per month. The Company has also taken steps to modernize its infrastructure for production of Wind Towers in accordance with the international standards for the industry by investing in new hydraulic flange fit up machines and adopting other relevant measures.

(ii) Solar Projects

The Company is engaged in the supply of various Solar products including crystalline PV modules, home & street lights as well as provide turnkey EPC services for setting up solar PV plants suitable for residential, industrial & commercial and utility scale MW grid feed application.

The Government of India has allocated huge funds to develop approx. 1 Lac MW Solar Projects in next 5 years, hence business environment for Solar Products and Systems are likely to remain bullish in next 5-10 years. Considering this, the company foresees huge potential in this business in the coming times. The above initiative of solar power business will have great synergy with the Company's existing energy businesses. As a part of this initiative, the Company is planning to bring all its production facilities on solar power. Fedders Lloyd intends to set-up more than 500 MW Solar Plant on IPP mode in next 5 years by entering into long term PPA with Central/State Govt. Utilities/ power generation companies. Strong in-house EPC and O&M capability for solar projects, transmission line and sub-stations shall result in higher return for the solar IPP projects.

(c) International Projects

The Company is engaged in execution of international projects on turnkey basis related to Power Transmission, Distribution, Substations, Renewable Energy.

During the period under review, the Company continued to expand its presence in the International Markets by way of rehabilitation and reinforcement of 330/132 KV & 132/33KV Transmission Sub-Stations in Nigeria and carrying out of project for Rural Electrification awarded by Ministry of Electric and Energy, Myanmar.

During the period under review, the Power Projects division of the Company clocked revenue of ₹ 265.65 Crores representing 25.67% of Total Revenue generated by the Company. The Company is very much optimistic about the growth in the business of Power Projects in coming years.

(3) Environmental Control Systems

The key trends in the Heating, Ventilation and Air Conditioning ("HVAC") industry are energy savings and precision system control which has led to the use of adjustable frequency drives in HVAC systems today. The HVAC system is designed to reduce energy consumption while maintaining the interior conditions at a comfortable level to keep occupants healthy & productive.

One of the Company's key objectives is to become a leading organization for manufacturing of World Class HVAC Equipments like Air Handling Units, Fan Coil Units, Air Distribution Products etc and ensuring healthy environment. The Company aims to work closely with its customers to save energy through its latest technologies. Fedders Lloyd pursues energy efficiency aggressively and implements more environmental friendly solutions in the HVAC sector. The Company's environmental control systems division primarily provides the HVAC Equipment to Defence, Railways, Telecom and other specialized application segments, which includes designing, manufacture and supply of Air Handling Units, Fan Coil Units, Air Distribution products, Ventilation Units, etc. used mainly in Commercial Space, Shopping Malls, Buildings, Theaters, Auditoriums, Schools, Universities, Libraries, Temples, Hospitals, IT Industry, Airport, Hotels, etc.

During the period under review, the Environmental Control Systems clocked revenue of ₹ 28.03 Crores representing 1.93% of Total Revenue generated by the Company. Going by the prediction that Indian manufacturing sector can touch \$ 1 trillion by 2025, the future of the sector looks promising. India can emerge as a manufacturing hub for HVAC industry given factors like growth of construction projects, low cost operations, demand and energy efficient solutions that are at their disposal.

Opportunities, Risks and Concerns

India is expected to become the world's second largest producer of steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 Million Tonnes by 2025. Consequently, there appears to be immense scope for growth being offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

The uncertainty in fluctuation of the prices of the commodities poses risks or opportunities for the Steel Structures and Engineering division of the Company.

The Indian power sector itself has an investment potential of US\$ 250 billion in the next 4-5 years, providing immense opportunities in power generation, distribution, transmission and equipment. The government's immediate goal is to generate two trillion units (kilowatt hours) of energy by 2019. This means doubling the current production capacity to provide 24x7 electricity for residential, industrial, commercial and agriculture use.

India's wind energy market is also expected to attract investments totalling ₹ 1,00,000 Crores (US\$ 15.7 billion) by 2020 and wind power capacity is estimated to almost double by 2020 from over 23,000 MW in June 2015, with an addition of about 4,000 MW per annum in the next five years.

There are enormous investment opportunities for private players across the entire power sector value chain consisting of generation, transmission and distribution and various infrastructure projects. Therefore, the entry of more private players into the power sector has resulted in increased competition. These increased competitions could adversely affect the margins of the company in the future. Since the Company is engaged in execution of various projects in Africa, unstable political situation in few countries of our operation in Africa Subcontinent could be seen as a risk to the Company's growth.

HVAC-R takes a major share of electricity bills for residential, commercial and industrial applications, which will lead to tremendous pressure on energy sources, and ultimately impact the climate. This may be eliminated by deploying energy efficient measures that are energy saving as well as help in cost cutting. The Bureau of Energy Efficiency (BEE) has also initiated several measures to promote energy saving initiatives by the Corporates.

By virtue of the Company's presence in the International and Domestic Markets, the Company is exposed to the risk of unpredictable volatility of Indian Currency with respect to US Dollar and other hard currencies coupled with increasing interest rates. New/ Amended Laws, Policies, Regulations, Standards etc. as notified by the Statutory Authorities from time to time are subject to varying interpretations and may pose risk or opportunity to the existing business operations of the Company. Their application in practice may evolve over time, as new guidance is provided by regulatory and governing bodies.



Risk management at Fedders Lloyd is an enterprise-wide function and a holistic approach has been adopted based on Enterprise Risk Management (ERM) Framework. The framework encompasses practices relating to identification, assessment, monitoring and mitigation of various risks towards achievement of business objectives. The ERM at Fedders Lloyd is aimed at dealing with uncertainty and to minimize adverse risk impact on business objectives and enables the Company to leverage business opportunities effectively. The Company relentlessly endeavours not only to minimize risks but convert them into business opportunities that allow it to maximize returns for shareholders from diverse situations. The Company has aligned risk management process with every part of the critical business processes to ensure that the processes are designed & operated effectively towards the achievement of business objectives. Risks are identified & assessed across all key business functions in a holistic manner.

Internal Control Systems and Adequacy

The Company's philosophy towards internal controls is based on the principle of healthy growth with a proactive approach to risk management. The Company has a proper and adequate system of Internal Control to ensure all the assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly. The Internal Control is supplemented by an extensive program of internal audits, review by management and procedures. It is designed to ensure that the financial and other records are reliable for preparing financial statements, other data and for maintaining accountability of assets. The Company ensures adherence to all statutes.

Financial Performance

The Financial Performance with respect to operational performance of the Company is discussed in the Directors' Report which forms part of the Annual Report.

Material Developments in Human Resources (HR)

The Company's endeavour has always been to build an organisation where its people are always engaged and empowered to do their best. The Company's culture is focused on customer-centricity collaborative team work, result orientation, entrepreneurial mindset and developing people. The Company's HR strategy also aims to create a future ready pool of talent across all levels. Fedders Lloyd treats its "human resources" as one of its most important assets and most important factor in the growth process with a view to cross further frontiers in business performance.

Fedders Lloyd continuously invests in attraction, retention and development of talent on an ongoing basis. The Company strives to organize training modules for understanding and improving the core skills of the employees. The Company's thrust is on the promotion of talent internally through job rotation and job enlargement. The Company encourages long-term commitment by rewarding its people for the opportunities they create and the value generated for customers and shareholders. The Company conducts several training programmes to upgrade the skills of the workforce.

While Team Fedders seeks new opportunities to extend geographies and build on the existing relationships, at every level, in every transaction, your Company will strive to minimize risks. The team is being sensitized to do whatever it takes to anticipate and pre-empt challenges. For instance, the team makes no compromise on quality and compliance. This approach is targeted to achieve predictable growth.

The company currently has adequate man power and personnel to conduct the business without any complication or hindrances. The company recognizes the importance and contribution of the employees. The overall human and industrial relations have remained peaceful and composed during the period under review. As on 31st March, 2016, the total number of employees on the Company's payroll stood at 562.

Disclosure of Accounting Treatment

The Company follows Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 (as amended from time to time) and/or by the Institute of Chartered Accountants of India in the preparation of financial statements and has not adopted a treatment different from that prescribed in any Accounting Standard.

Cautionary Statement

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether express or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and other statutes over which the Company does not have any direct control.

Report on Corporate Governance

The Board of Directors of the Company exercise their fiduciary responsibilities towards all stakeholders by ensuring transparency and independence in the decision making process. Accordingly, the Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

I. Company's Philosophy on Corporate Governance

Your Company has set itself the objective of expanding its capacities and becoming globally competitive in its business. As a part of its growth strategy, the Company believes in adopting 'best practices' that are followed in the area of Corporate Governance across various geographies. Corporate governance is creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process. It is about commitment to values and about ethical business conduct. This includes its corporate structure, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial performance, ownership and material developments in respect of the Company is an integral part of Corporate Governance.

Your Company has been practicing the principles of good Corporate Governance over the years and has been upholding fair and ethical business and corporate practices and transparency in its dealings, laying emphasis on scrupulous regulatory compliances. The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance even before the same was mandatorily applicable to the Company. Transparency, integrity, professionalism and accountability - based values form the basis of the Company's philosophy for Corporate Governance. Your company is in compliance with the requirements stipulated under various applicable provisions of the Listing Regulations.

At Fedders Lloyd, corporate governance policies and practices are based on the following principles:

- To recognize the respective roles and responsibilities of the Board and Management.
- To protect, recognize and facilitate shareholders rights and ensure timely and accurate disclosure to them.
- To ensure a robust risk management system and internal controls.
- To ensure that employees of the company subscribe to the corporate values and apply them in their conduct.
- To set the Company's values and standards and ensure that obligations to shareholders and others are understood and fulfilled. The Board recognizes that in conducting its business, the Company should be responsive to other relevant constituencies.

II. BOARD OF DIRECTORS

To ensure the highest standards of Corporate Governance, it is imperative to constitute an active, well-informed and independent Board of Directors of the Company ("Board"). Accordingly, the Board comprises of 5 (Five) Directors out of which, 2 (Two) are Executive Directors and 3 (Three) are Independent Directors. The Board consists of eminent persons with considerable professional expertise and experience who provide leadership and guidance to the management, thereby enhancing stakeholders' value. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 ("Act").

(a) Composition and Category of Board of Directors

| Name of Directors | DIN | Designation | Category | No. of Equity Shares held in the Company |
|--------------------------|----------|------------------------------|-------------------------|--|
| Mr. Brij Raj Punj | 00080956 | Chairman & Managing Director | Promoter Director | 16,32,667 |
| Mr. Sham Sunder Dhawan | 00528056 | Whole-time Director | Executive Director | - |
| Mr. Nemichandra D. Jain* | 03589109 | Whole-time Director | Executive Director | - |
| Mr. Arun Kumar Joshi | 06747753 | Independent Director | Non- Executive Director | 100 |
| Mrs. Bindu Dogra | 06580704 | Independent Director | Non- Executive Director | - |
| Mrs. Ritushri Sharma | 06747745 | Independent Director | Non- Executive Director | - |

*Ceased to be Director w.e.f 28th December, 2015

Note: No Director has inter-se relationship with any other Director in the Company.



(b) Number of Board Meetings held during the year

The Board meets at least once a quarter to review the quarterly results and other business related matters. During the period under review, 3 meetings of the Board were held on 13th August, 2015, 09th November, 2015 and 12th February, 2016 respectively. The maximum time gap between any two board meetings was less than one hundred and twenty days, as stipulated under the provisions of the Act and Regulation 17 of the Listing Regulations.

During the period under review, separate meeting of Independent Director was held on 12th February, 2016 without the attendance of Non-Independent Directors and members of the Management.

All material information was circulated to the Directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub-Regulation 7 of Regulation 17 of the Listing Regulations to enable them for making value addition as well as exercising their business judgment in the meetings.

(c) Directors' Attendance Record and their other Directorships/Committee Memberships:

As mandated by Regulation 26 of the Listing Regulations, none of the Director is a member of more than ten Board level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than five Committee across all public limited companies (listed or unlisted) in which he/she is a Director. Further all Directors have informed about their Directorships, Committee Memberships/Chairmanships including any change in their positions. Relevant details of the Board of Directors as on 31st March, 2016 are given below:

| S. No | Name of the Directors | Attendance at | | No. of Directorships in other Public Companies | No. of Committees Positions held in other Public Companies | |
|-------|--------------------------|----------------|----------|--|--|--------|
| | | Board Meetings | Last AGM | | Chairman | Member |
| 1. | Mr. Brij Raj Punj | 3 | Yes | 2 | NIL | NIL |
| 2. | Mr. Sham Sunder Dhawan | 3 | Yes | Nil | Nil | Nil |
| 3. | Mr. Nemichandra D. Jain* | 0 | No | Nil | Nil | Nil |
| 4. | Mrs. Bindu Dogra | 2 | No | Nil | Nil | Nil |
| 5. | Mrs. Ritushri Sharma | 3 | No | Nil | Nil | Nil |
| 6. | Mr. Arun Kumar Joshi | 3 | Yes | Nil | Nil | Nil |

*Ceased to be a director with effect from 28th December, 2015.

Notes:

1. Private limited Companies, Foreign Companies and Companies under Section 8 of the Act are excluded for the above purposes.
2. Only Audit Committee and Stakeholders' Relationship Committee of Public Limited Companies are considered for the purpose of reckoning committees positions.

(d) Familiarisation Programme

Your Company has put in place a structured induction and familiarization programme for all of its Directors including the Independent Directors. The Company conducts Familiarization Programme for the Independent Directors to provide them an opportunity to familiarize with the Company, its Management and its operations so as to gain a clear understanding of their roles, rights and responsibilities and contribute significantly towards the growth of the Company. They have full opportunity to interact with Senior Management Personnel and are provided all the documents required and sought by them for enabling them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part.

During the period under review, a familiarization programme for Independent Directors was conducted to apprise the Directors on relevant changes in the Act and Listing Regulations. The familiarization programme along with the details of the training imparted to Independent Directors during the period are available on the website of the Company www.fedderslloyd.com.

III. Governance by the Committees of Board of Directors

In compliance with the statutory requirements, the Board has constituted various committees with specific terms of reference and scope. The objective is to focus effectively on the issues and ensure expedient resolution of the diverse matters. The committees operate as the Board's empowered agents according to their charter/terms of reference. The Board has following Committees:

1. AUDIT COMMITTEE

The Audit Committee is, inter alia, entrusted with the responsibility to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors.

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management.

(a) Terms of reference of the Audit Committee:

The role of the Audit Committee, inter-alia, includes the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Reviewing with the management the audited/unaudited quarterly, half-yearly and annual financial statements, standalone as well as consolidated, before submission to the Board for approval;
3. Reviewing the Report on Management Discussion and Analysis of the financial condition and results of operations;
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report as per Section 134(3)(c) of the Act.
 - b. Changes in the accounting policies and practices and the reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management and significant adjustments made in the financial statements arising out of audit findings;
 - c. Compliance with listing and other legal requirements relating to financial statements;
 - d. Disclosure of any Related Party Transactions (RPTs); and
 - e. Qualifications in the draft audit report, if any.
5. Reviewing the financial statements of unlisted subsidiary companies (including joint ventures) and investments made by the unlisted subsidiary companies (including joint ventures);
6. Reviewing and considering the following with respect to appointment of auditors before recommending to the Board:
 - a. qualifications, experience of the individual/firm proposed to be considered for appointment as auditor; and
 - b. whether such qualifications and experience commensurate with the size and requirements of the company;
7. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the auditors, fixing of audit fees and approving payments for any other service;
8. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
9. Reviewing and approving quarterly and yearly management representation letters to the statutory auditor;
10. Reviewing management letters/letters of internal control weaknesses issued by the statutory auditors, if any, and ensuring suitable follow-up thereon;
11. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
12. Formulating in consultation with the Internal Auditor, the scope, functioning, periodicity and methodology for conducting the internal audit;
13. Evaluating the internal financial controls and risk management policies/system of the Company;



14. Discussion with the internal auditors on internal audit reports relating to internal control weaknesses and any other significant findings and follow-up thereon;
15. Reviewing the internal investigations by the internal auditors into matters where there is a suspected fraud or irregularity or failure of internal control systems of a material nature and reporting the matter to the Board;
16. Review and comment upon the report made by the statutory auditors (before submission to the statutory authorities) with regard to any offence involving fraud committed against the company by its officers/employees;
17. Approval or subsequent modification of transactions of the Company with related parties including appointment and revision in remuneration of related parties to an office or place of profit in the Company, its subsidiary company or associate company;
18. Reviewing the statements of significant related party transactions submitted by the management;
19. Reviewing and scrutinizing the inter-corporate loans and investments;
20. Review of the Whistle Blower mechanism of the Company as per the Whistle Blower Policy and Overseeing the functioning of the same;
21. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
22. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
23. Looking into reasons for substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
24. Review and approve policy formulated for determination of material subsidiaries;
25. Review and approve policy on materiality of related party transactions and also dealing with related party transactions;
26. Valuation of undertakings or assets of the listed entity, wherever it is necessary; and
27. Reviewing of such other functions as envisaged under the provisions of Section 177 of the Act read with the Rules made thereunder and Listing Regulations.

(b) Composition, Meeting and Attendance

During the period under review, the Committee met 3 (three) times on 13th August, 2015, 09th November, 2015 and 12th February, 2016 respectively. During the period under review, Audit Committee comprised of 3 members, all of them were Independent Directors. The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the period is detailed below:

| Name of Directors | Designation | No. of meetings held | No. of meetings attended |
|----------------------|-------------|----------------------|--------------------------|
| Mr. Arun Kumar Joshi | Chairman | 3 | 3 |
| Mrs. Ritushi Sharma | Member | 3 | 3 |
| Mrs. Bindu Dogra | Member | 3 | 2 |

The Company Secretary acts as the Secretary to the Committee. The Chairman of the Audit Committee was present at the last AGM held on 25th September, 2015 to answer the shareholders' queries.

2. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee broadly plays a dual role for determining the composition of the Board based on need and requirements of the Company from time to time and determines the overall compensation framework and policy for Directors, senior management and employees of the Company. The Committee further reviews that the human resource practices of the Company are effective in maintaining and retaining a competent workforce. The role of the Nomination and Remuneration Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of law and Remuneration Policy:

Terms of reference of the Nomination and Remuneration Committee:

- (i) Identification of persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- (ii) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- (iii) To lay out remuneration principles for Directors, Key Managerial Personnel and Senior Management Personnel linked to their effort, performance and achievement relating to the Company's goals, trends and practices that prevail in peer companies across the industry;
- (iv) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and
- (v) To ensure the Board Diversity by constituting the structure of Board of Directors.

(a) Composition, Meeting and Attendance

The composition of the Nomination and Remuneration Committee along with the details of the meetings held and attended by the members of the Committee during the period under review is detailed below:

| Name of Directors | Designation | No. of meetings held | No. of meetings attended |
|----------------------|-------------|----------------------|--------------------------|
| Mrs. Bindu Dogra | Chairperson | 1 | 1 |
| Mrs. Ritushri Sharma | Member | 1 | 1 |
| Mr. Arun Kumar Joshi | Member | 1 | 1 |

The Company Secretary acts as the Secretary to the Committee.

(b) Performance Evaluation Criteria for Independent Directors

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as preparation, participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation; the Directors who are subject to evaluation had not participated.

(c) Remuneration Policy

In determining the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees of the Company, a Remuneration Policy has been framed by the Nomination and Remuneration Committee and approved by the Board with the following broad objectives:

- i. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- ii. Motivate Key Managerial Personnel, Senior Management and employees to achieve excellence in their performance.
- iii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iv. Ensuring that the remuneration to Directors, KMP and Senior Management involves a balance between fixed & incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice. This policy is uploaded on the website of the company i.e. at www.fedderslloyd.com.



(d) Details of the Remuneration paid during the nine months period ended 31st March, 2016 is mentioned below:

(i) Executive Directors

| S. No. | Name of the Director | Salary (₹) | Perquisites, Provident Fund and other benefits (₹) | Total (₹) |
|--------|--------------------------|------------|--|-----------|
| 1. | Mr. Brij Raj Punj | 54,02,624 | 4,32,000 | 58,34,624 |
| 2. | Mr. Nemichandra D. Jain* | 21,10,234 | - | 21,10,234 |
| 3. | Mr. Sham Sunder Dhawan | 63,99,266 | 4,60,566 | 68,59,832 |

*Ceased to be director with effect from 28th December, 2015.

(ii) Non- Executive Independent Directors

During the period under review, the Company paid sitting fees of ₹ 15,000 per meeting to its Non-Executive Independent Directors for attending meetings of the Board of Directors of the Company. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

| Name of Director | Sitting Fees (₹) |
|----------------------|------------------|
| Mr. Arun Kumar Joshi | 45,000 |
| Mrs. Bindu Dogra | 30,000 |
| Mrs. Ritushri Sharma | 45,000 |

(iii) The Company does not have any Employee Stock Option Scheme.

3. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee oversees, inter-alia, redressal of shareholders and investors grievances, non-receipt of annual report, transfer/transmission of shares, issue of duplicate shares, exchange of new design share certificates, recording dematerialisation/rematerialization of shares and related matters.

The terms of reference of the Committee includes enquiring into and redressing complaints of shareholders and investors of your Company. The composition of the Stakeholders' Relationship Committee is in compliance with the provisions of the Act and Regulation 20 of the Listing Regulations.

Subsequent upon resignation of Mr. Nemichandra D. Jain from the Board of Directors of the Company, the Stakeholders' Relationship Committee was re-constituted by the Board of Directors in their meeting held on 12th February, 2016.

The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

| Name of Directors | Designation | Position | No. of meetings held | No. of meetings attended |
|-------------------------|------------------------------------|-------------|----------------------|--------------------------|
| Mrs. Ritushri Sharma | Non-Executive Independent Director | Chairperson | 27 | 27 |
| Mrs. Bindu Dogra | Non-Executive Independent Director | Member | 27 | 25 |
| Mr. Nemichandra D. Jain | Whole-time Director | Member | 18 ¹ | 8 |
| Mr. Sham Sunder Dhawan | Whole-time Director | Member | 5 ² | 4 |

1 Mr. Nemichandra D. Jain, ceased to be member of the Committee due to cessation from the Directorship of the Company w.e.f. 28th December, 2015. Attendance details are proportionately mentioned, considering his tenure as member of the Committee.

2 Mr. Sham Sunder Dhawan was inducted as a member of the Committee after the reconstitution of the Committee. The attendance details of Mr. Sham Sunder Dhawan mentioned above are for the proportionate period.

The Company Secretary being the Compliance Officer takes all necessary and immediate steps for investors' grievances and carefully looks into each issue and reports the same to the Committee from time to time.

Details of Investors' Complaints\requests received & redressed during the year:

| Opening Balance | Received During the year | Resolved During the year | Closing Balance |
|-----------------|--------------------------|--------------------------|-----------------|
| 0 | 10 | 10 | 0 |

4. COMMITTEE OF BOARD OF DIRECTORS

In line with the provisions of Section 179 of the Act, the Company has constituted a Committee of Board of Directors which is entrusted with substantial powers and responsibilities. The Committee is authorized to transact all the businesses which the Board of Directors is empowered to transact except for the transactions that are mandated to be dealt in at the Board Meeting pursuant to the provisions of the Act. The Committee meets at regular intervals to decide upon the matters of routine nature and the minutes of the Committee meeting are placed before the Board for its consideration and ratification.

(a) Terms of reference of the Committee

In accordance with the provisions of the Act, the Committee of Board of Directors has been authorized to grant powers in connection with day to day routine matters such as authorization for various tender purposes, banking matters or any other matters for day to day business operations of the Company for its smooth functioning.

(b) Composition, Meeting and Attendance

The composition of the Committee of Board of Directors and the details of meetings attended by its members are given below:

| Particulars | Designation | Position | No. of meetings held | No. of meetings attended |
|------------------------|------------------------------------|----------|----------------------|--------------------------|
| Mr. Brij Raj Punj | Chairman & Managing Director | Chairman | 13 | 13 |
| Mr. Sham Sunder Dhawan | Whole-time Director | Member | 13 | 13 |
| Mr. Arun Kumar Joshi | Non-Executive Independent Director | Member | 13 | 10 |
| Mrs. Ritushri Sharma | Non-Executive Independent Director | Member | 13 | 10 |
| Mrs. Bindu Dogra | Non-Executive Independent Director | Member | 13 | 07 |

The Company Secretary acts as the Secretary to the Committee.

5. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company, as a responsible corporate citizen, strives to enhance value creation in the society and in the community in which it operates. In alignment with the mandatory provisions under Section 135 of the Act, a Committee has been constituted to guide the company in undertaking Corporate Social Responsibility (CSR) activities in a focused and structured manner and review CSR Policy from time to time. The Committee's prime responsibility is to assist the Board of Directors in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of "Corporate Social Responsibility Policy" and to suggest remedial measures wherever necessary.

(a) Composition, Meeting and Attendance

The composition of the CSR Committee and the details of meetings attended by its members are given below:

| Name of Directors | Designation | No. of meetings held | No. of meetings attended |
|------------------------|-------------|----------------------|--------------------------|
| Mr. Sham Sunder Dhawan | Chairman | 3 | 3 |
| Mrs. Ritushri Sharma | Member | 3 | 3 |
| Mrs. Bindu Dogra | Member | 3 | 2 |
| Mr. Nemichandra D Jain | Member* | 2 | Nil |

Note: The CSR Committee has been re-constituted by the Board in its meeting held on 12th February, 2016 due to the cessation of Mr. Nemichandra D. Jain from the Board w.e.f. 28th December, 2015 and Mr. Sham Sunder Dhawan has been appointed as the Chairman of the CSR Committee.



IV. GENERAL BODY MEETINGS

(i) DETAILS OF THE LAST 3 ANNUAL GENERAL MEETINGS OF THE COMPANY

| Financial Year | Date & Time | Venue |
|----------------|--|--|
| 2014-2015 | 25 th September, 2015 9:30 A.M. | Regd. Office: 6 and 6/1, UPSIDC Industrial Area, Sikandrabad, District Bulandshahr, Uttar Pradesh-203205 |
| 2013-2014 | 30 th October, 2014 at 9:00 A.M. | Regd. Office: C – 4, Phase – II, Noida, Distt. Gautam Budh Nagar, Uttar Pradesh- 201305. |
| 2012-2013 | 11 th December, 2013 at 9:00 A.M. | Regd. Office: C – 4, Phase – II, Noida, Distt. Gautam Budh Nagar, Uttar Pradesh- 201305. |

(ii) DETAILS OF THE SPECIAL RESOLUTIONS PASSED DURING PREVIOUS 3 ANNUAL GENERAL MEETINGS

There were no Special Resolutions passed by the Company in the previous three Annual General Meetings of the Company.

(iii) DETAILS OF THE SPECIAL RESOLUTIONS PASSED DURING THE PERIOD UNDER REVIEW THROUGH POSTAL BALLOT

During the period under review, the Company passed the following special resolutions through the Postal Ballot process:

Resolution No. 1: Preferential Issue of 50,00,000 Convertible Warrants To Promoters, Persons Belonging to Promoter Category and Persons Acting in Concert

| Category | No. of Shares | No. of votes polled | % of votes polled on outstanding shares | No. of votes in favour | No. of votes against | % of votes in favour on votes polled | % of votes against on votes polled |
|-------------------------------|--------------------|---------------------|---|------------------------|----------------------|--------------------------------------|------------------------------------|
| Promoter and Promoter Group | 1,44,84,582 | 1,44,51,682 | 99.77 % | 1,44,51,682 | - | 100 | - |
| Public Institutional Investor | 63,876 | - | - | - | - | - | - |
| Public Others | 1,62,21,242 | 72,47,371 | 44.67% | 72,35,490 | 10,881 | 99.83% | 0.15% |
| Total | 3,07,69,700 | 2,16,98,053 | 70.51% | 2,16,87,172 | 10,881 | 99.95% | 0.05% |

Resolution No. 2: Approval to enter into contract(s), arrangement(s), transaction(s) with Lloyd Electric and Engineering Limited, a Related Party, upto a maximum of Rs. 200 crores.

| Category | No. of Shares | No. of votes polled | % of votes polled on outstanding shares | No. of votes in favour | No. of votes against | % of votes in favour on votes polled | % of votes against on votes polled |
|-------------------------------|--------------------|---------------------|---|------------------------|----------------------|--------------------------------------|------------------------------------|
| Promoter and Promoter Group | 1,44,84,582 | - | - | - | - | - | - |
| Public Institutional Investor | 63,876 | - | - | - | - | - | - |
| Public Others | 1,62,21,242 | 72,46,570 | 44.67% | 72,43,759 | 2,811 | 99.94% | 0.04% |
| Total | 3,07,69,700 | 72,46,570 | 23.55% | 72,43,759 | 2,811 | 99.96% | 0.04% |

Resolution No. 3: Change of Registered Office from one city to another but within the same State under the same Registrar of Companies

| Category | No. of Shares | No. of votes polled | % of votes polled on outstanding shares | No. of votes in favour | No. of votes against | % of votes in favour on votes polled | % of votes against on votes polled |
|-------------------------------|--------------------|---------------------|---|------------------------|----------------------|--------------------------------------|------------------------------------|
| Promoter and Promoter Group | 1,44,84,582 | 1,44,51,682 | 99.77% | 1,44,51,682 | - | 100 | - |
| Public Institutional Investor | 63,876 | - | - | - | - | - | - |
| Public Others | 1,62,21,242 | 72,46,570 | 44.67% | 72,31,259 | 15311 | 99.77% | 0.22% |
| Total | 3,07,69,700 | 2,16,98,252 | 70.52% | 2,16,82,941 | 15311 | 99.93% | 0.07% |

The Company successfully obtained approval of its shareholders for special resolutions on the items detailed above, vide postal ballot on 17th July, 2015.

Mr. Sanjay Chugh, Practicing Company Secretary was appointed as the Scrutinizer for carrying out the Postal Ballot process in a fair and transparent manner.

V. MEANS OF COMMUNICATION**Publication of Financial Results**

Quarterly, Half-yearly and Annual Financial Results of the Company were published in leading English and Vernacular language newspaper, viz., The Pioneer (English) and Rashtriya Sahara (Hindi).

Website and News Releases

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors Relations' on the Company's website i.e. www.fedderslloyd.com gives information on various announcements made by the Company, status of unclaimed dividend, stock quotes, Annual Report, Quarterly/Half-yearly and Annual Financial Results along with the applicable policies of the Company. Your Company's official news releases and presentations, if any, made to the institutional investors and analysts are uploaded on the Company's website.

Stock Exchange

Your Company makes timely disclosures of necessary information to BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") in terms of the Listing Regulations and other rules and regulations issued by the Securities and Exchange of India ("SEBI").

NEAPS (NSE Electronic Application Processing System), BSE Corporate Compliance & the Listing Centre

NEAPS is a web-based application designed by NSE for corporates. BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter-alia, shareholding pattern, Corporate Governance Report, Corporate Announcements are filed in accordance with the Listing Regulations filed electronically.

VI. CODE OF CONDUCT

Code of Conduct is a comprehensive document that serves as the ethical road map for the employees and the Company. It also inter-alia governs the conduct of business in consonance with national interest, fair and accurate presentation of financial statements, being an employer providing equal opportunities to its employees, prohibition on acceptance of gifts and donations that can be intended or perceived to obtain business or uncompetitive favors, practicing political non-alignment, safe and healthy environment for its people, maintaining quality of products and services, being a good corporate citizen, ethical conduct and commitment for enhancement of stakeholder's value.

The Company has a Code of Conduct for its Board Members and Senior Management Personnel pursuant to the provisions of the Act and Listing Regulations. The Code of Conduct been placed on the Company's website www.fedderslloyd.com. All Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the nine months period ended 31st March, 2016. A declaration to this effect signed by the Managing Director forms part of this Report.



VII. DISCLOSURES

a) Related Party Transactions

There were no materially significant Related Party Transactions i.e. transactions of the Company of material nature with the related parties which could conflict with the interests of the Company. All Related Party Transactions are negotiated on an arm's length basis in furtherance of the Company's interests. The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of the Annual Report.

Also, the Related Party Transactions undertaken by your Company were in compliance with the provisions set out in the Act and Listing Regulations.

The policy on Related Party Transactions has been placed on the Company's website i.e. www.fedderslloyd.com. The Company has adopted policy for determination of 'Material Subsidiary' and the same has been uploaded on the Company's website.

b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

c) Disclosure of Accounting Treatment

The Company follows Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 (as amended from time to time) and/or by the Institute of Chartered Accountants of India in the preparation of financial statements for the period ended 31st March, 2016 and has not adopted a treatment different from that prescribed in any Accounting Standard.

d) Whistle Blower Policy/Vigil Mechanism

Your Company believes in conducting its business and working with all its stakeholders, including employees, customers, suppliers and shareholders in an ethical and lawful manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Your Company prohibits any kind of discrimination, harassment, victimization or any other unfair practice being adopted against an employee. In accordance with the Listing Regulations and provisions of the Act, your Company has adopted a Whistle Blower Policy with an objective to provide its employees a Vigil Mechanism whereby concerns can be raised in line with the Company's commitment to highest standards of ethical, moral and legal business conduct and its commitment to open communication.

During the period under review, no personnel have been denied access to the Chairman of the Audit Committee of the Company.

e) Reconciliation of share capital audit

Mr. Sanjay Chugh, a qualified Practicing Company Secretary carried out the share capital audit of the Company during the period under review to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

f) Compliance with mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Corporate Governance Report of the Company for the nine months period ended 31st March, 2016 is in compliance with the requirements of the Listing Regulations.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

DISCRETIONARY REQUIREMENTS

A. The Board

The Company has an Executive Chairman, henceforth no office for the Chairman is required to be maintained at the Company's expense. There was no reimbursement of expenses to the Chairman in performance of his duties.

B. Shareholders' Rights

As the Company's quarterly results are published in English newspaper having a circulation all over India and in a Hindi newspaper having a circulation in the State of Uttar Pradesh where the Registered Office of the Company is situated and also uploaded on Company's website www.feddersloyd.com.com, the half-yearly declaration of financial performance is not sent separately to each household of shareholders of the Company.

C. Modified Opinion in audit report

The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements of the Company.

D. Separate posts of Chairman and CEO

Mr. Brij Raj Punj, the Executive Chairman is also appointed as the Managing Director of the Company.

E. Reporting of Internal Auditors

The Report of the Internal Auditors is placed before the Audit Committee on quarterly basis.

VIII. GENERAL INFORMATION FOR SHAREHOLDERS

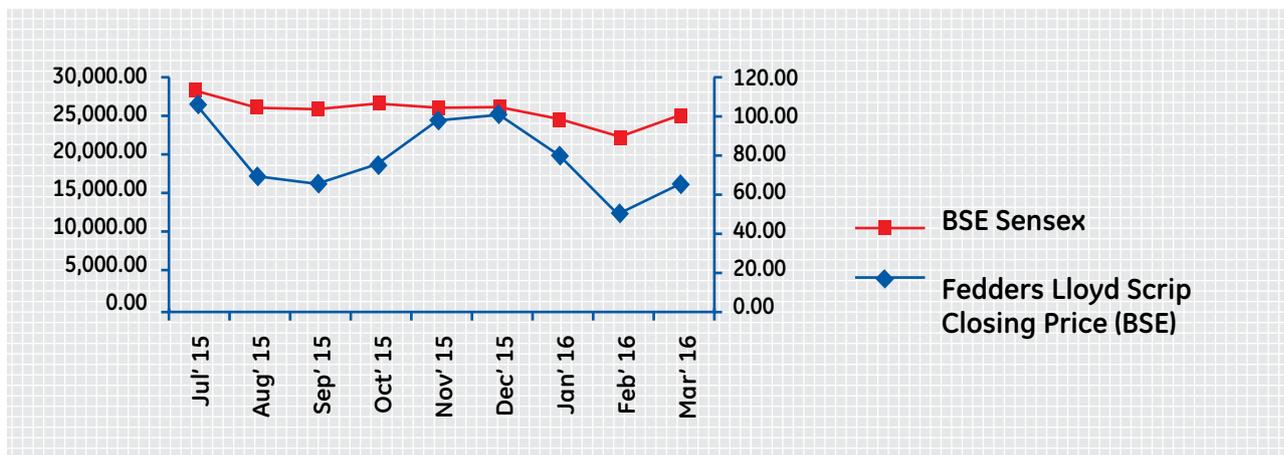
| | |
|---|--|
| 1. Annual General Meeting | |
| Date | Saturday, 27th August, 2016 |
| Time | 09:30 A.M. |
| Venue | At the Registered Office of the Company situated at 6 and 6/1, UPSIDC Industrial Area, Sikandrabad, District Bulandshahr 203205, Uttar Pradesh, India |
| 2. Financial Year | With the enactment of the Companies Act, 2013 ("Act"), it has become mandatory for the Company to adopt financial year from 1 st April to 31 st March. To ensure compliance with the provisions of the Act, the Company has adopted the financial year from 1 st April to 31 st March and financial statements has been prepared for the period ended on 31 st March, 2016. The financial statements for the reporting period are prepared for a period of nine months from 1 st July, 2015 to 31 st March, 2016. |
| 3. Date of Book Closure | Sunday, 21 st August, 2016 to Saturday, 27 th August, 2016 (both days inclusive) |
| 4. Date of Dividend Payment | Within 30 days from the date of declaration |
| 5. Name and address of Stock Exchanges at which Company's securities are listed; | BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Limited ("NSE") Exchange Plaza", Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 |
| 6. Stock Code/Symbol | BSE : 500139 NSE : FEDDERLOYD ISIN No. : INE249C01011 |
| 7. Listing Fees to Stock exchanges | The Company has paid the annual listing fees for the year 2016-2017 to the above Stock Exchanges. |
| 8. Custodial Fees to Depositories | The Company has paid custodial fees for the financial year 2015-2016 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). |



IX. MARKET PRICE DATA

Monthly high and low of the Equity Shares of the Company at BSE and NSE during the period ended 31st March, 2016 are as follows:

| Months during the nine months period ended 31 st March, 2016 | BSE | | NSE | |
|---|----------------|---------------|----------------|---------------|
| | High (₹/share) | Low (₹/share) | High (₹/share) | Low (₹/share) |
| July' 2015 | 111.20 | 70.75 | 111.30 | 71.05 |
| August' 2015 | 113.70 | 62.00 | 113.70 | 62.10 |
| September' 2015 | 74.20 | 61.10 | 74.60 | 63.70 |
| October' 2015 | 85.30 | 68.50 | 85.40 | 68.60 |
| November' 2015 | 100.00 | 76.95 | 99.80 | 76.10 |
| December' 2015 | 109.25 | 92.45 | 109.20 | 92.55 |
| January' 2016 | 103.80 | 70.00 | 103.25 | 68.20 |
| February' 2016 | 87.30 | 58.10 | 87.40 | 58.15 |
| March' 2016 | 73.50 | 58.65 | 73.60 | 58.75 |



X. SHARE TRANSFER SYSTEM

The Company has appointed M/s. Skyline Financial Services Private Limited as the Registrar and Share Transfer Agent ("RTA") of the Company. The works, inter-alia, related to share transfer is being dealt at single point by the RTA. After the completion of preliminary formalities of transfer/transmission by the RTA, the approval of transfer of shares in the physical form is given by the Stakeholders' Relationship Committee.

The Company has complied with the provisions of the requisite guidelines issued by the regulatory authorities in respect of the transfer of shares and other related matters. The share transfers, which are received in physical form, are processed and the share certificates returned within 15 days of lodgment, subject to the documents being valid and complete in all respects.

XI. UNCLAIMED/UNPAID DIVIDEND

As per the provisions of Section 205A and 205C of Companies Act, 1956/Section 124 of the Companies Act, 2013, dividends unclaimed for a period of seven years statutorily gets transferred to the Investor Education and Protection Fund ("IEPF") administered by the Central Government and thereafter cannot be claimed by the investors. The unclaimed dividend upto the financial year 2006-07 had been transferred to the IEPF. The Company had not declared any dividend for the financial year 2007-08 and hence there was no amount lying with the Company for transferring the same to IEPF during the period under review.

The dividend for the following years remaining unclaimed for seven years will be transferred by the Company to the IEPF according to the schedule given below. Shareholders who have not so far encashed their dividend warrant(s) or have not received the same are requested to seek issue of duplicate warrant(s) to the company confirming non-encashment/non-receipt of dividend warrant(s). Once the unclaimed dividend is transferred to the IEPF, no claim shall lie in respect of the same.

| Financial Year | Date of declaration | Due date for transfer to IEPF |
|----------------|----------------------------------|-------------------------------|
| 2008-2009 | 29 th December, 2009 | December, 2016 |
| 2009-2010 | 29 th December, 2010 | December, 2017 |
| 2010-2011 | 29 th December, 2011 | December, 2018 |
| 2011-2012 | 27 th December, 2012 | December, 2019 |
| 2012-2013 | 11 th December, 2013 | December, 2020 |
| 2013-2014 | 30 th October, 2014 | October, 2021 |
| 2014-2015 | 25 th September, 2015 | September, 2022 |

XII. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2016

| No. of Shares held of Nominal Value of ₹ 10 each | Shareholders | | Total Shares | |
|--|--------------|------------|--------------------|------------|
| | Number | % to Total | No. of Shares Held | % to Total |
| Up to 500 | 20346 | 87.91 | 28,55,655 | 9.28 |
| 501 - 1,000 | 1401 | 6.05 | 11,74,653 | 3.82 |
| 1,001 - 2,000 | 688 | 2.97 | 10,73,347 | 3.49 |
| 2,001 - 3,000 | 233 | 1.01 | 6,04,129 | 1.96 |
| 3,001 - 4,000 | 121 | 0.52 | 4,40,849 | 1.43 |
| 4,001 - 5,000 | 88 | 0.38 | 4,11,134 | 1.34 |
| 5,001 - 10,000 | 157 | 0.68 | 11,42,498 | 3.71 |
| 10,001 and Above | 112 | 0.48 | 2,30,67,435 | 74.97 |
| Total | 23146 | 100 | 3,07,69,700 | 100 |

XIII. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company has established connectivity with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar & Share Transfer Agent- M/s. Skyline Financial Services (P) Ltd. This has facilitated the shareholders to hold and trade their shares in 'electronic form'. As on 31st March, 2016, 2,98,31,886 equity shares of the Company, forming 96.95% of the shareholding stand dematerialized.

XIV. OUTSTANDING WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

Convertible Warrants

During the period under review, the Company has issued and allotted 50,00,000 Convertible Warrants on preferential basis to Promoter/Promoter Group entities pursuant to the provisions of the Act, Listing Regulations and applicable provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 at ₹ 75/- each convertible into equal number of equity shares. The Warrants Holders are entitled to exercise the option of conversion upon payment of balance amount i.e. 75% of total consideration before the expiry of 18 months from the date of allotment.

A brief summary of the allotment of convertible warrants are as under:

| | |
|---|-------------------------------|
| Date of Approval by Shareholders | 17 th July 2015 |
| Date of allotment of warrants | 3 rd August 2015 |
| Issue Price per Warrant | ₹ 75 each |
| No. of Warrants | 50,00,000 |
| Maturity Date of Conversion | 2 nd February 2017 |



XV. GREEN INITIATIVE IN CORPORATE GOVERNANCE

As a continuing endeavor towards the 'Go Green' initiative, the Company proposes to send future correspondence and documents like the notice calling the General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc. in electronic form, to the email addresses provided by the Members and made available to us by the Depositories. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

In compliance with the provisions of Section 108 of the Act read with the Rules framed thereunder and as per the provisions of the Listing Regulations, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in the Notice. Members, who do not have the access to e-voting facility, may send their assent or dissent in writing in respect of the resolutions as set out in this Notice.

XVI. COMMODITY PRICE RISK

During the period under review, the Company has managed the foreign exchange risk and hedging risk to the extent considered necessary.

XVII. PLANT LOCATIONS

- a. Plot No. 6 and 6/1, UPSIDC Industrial Area, Sikandrabad, Uttar Pradesh 203205
- b. C-4, Phase- II, District Gautam Budhh Nagar, Noida, Uttar Pradesh 203205
- c. 836, 837, Jambusar- Bharuch Road, Village-Magnad, District Bharuch, Gujrat 392150.
- d. Saketi Road, Industrial Area, Kala Amb, Tehsil Nahan, District Simor, Himanchal Pradesh
- e. Plot Nos. S-23 & 24, Phase-III, SIPCOT industrial Complex, Mukundarayapuram, District Vellore, Ranipet, Tamil Nadu 632405
- f. Plant No. 24, Sector 2, IIE Pantnagar, District Udham Singh Nagar, Uttarakhand

XVIII. ADDRESS FOR CORRESPONDENCE

CORPORATE OFFICE

INVESTOR RELATIONS DEPARTMENT

159, Okhla Industrial Estate,
Phase-III, New Delhi-110020
Tel No. 91-11-40627200, 40627300
Fax: 91-11-41609909
E mail id: investor.relation@fedderslloyd.com
Website: www.fedderslloyd.com

COMPLIANCE OFFICER

Mr. Pulkit Bhasin
Company Secretary
ICSI Membership No. A27686

REGISTRAR & SHARE TRANSFER AGENT

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

D-153 A, First Floor,
Okhla Industrial Area, Phase-I
New Delhi- 110020
Tel No. : 91-11-26812682, 26812683, 84
Fax : 91-11-26812684
E mail id: admin@skylinerta.com
Website: www.skylinerta.com

Declaration of Compliance with the Code of Conduct

I hereby confirm that: the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the period ended 31st March, 2016.

For Fedders Lloyd Corporation Limited

Date: 30th May, 2016
Place: New Delhi

Brij Raj Punj
Chairman & Managing Director
DIN NO.: 00080956

COMPLIANCE CERTIFICATE

The Board of Directors of Fedders Lloyd Corporation Limited

Dear Sirs,

(Issued in accordance with the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

We have reviewed the financial statements together with the cash flow statement of Fedders Lloyd Corporation Limited for the nine months period ended 31st March, 2016 and that to the best of our knowledge and belief, we state that;

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period ended 31st March, 2016 which is fraudulent, illegal or violative of the Company's code of conduct.
4. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there had been no deficiency in design or operation of such internal controls during the period under review.

We further certify that the following information has been indicated to the Auditors and the Audit committee:

- a. There have been no significant changes in internal control over financial reporting during the period under review;
- b. There have been no significant changes in accounting policies during the period under review; and
- c. There have been no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours Sincerely

For Fedders Lloyd Corporation Limited

Place: New Delhi
Dated: 30th May, 2016

Brij Raj Punj
Chairman & Managing Director
DIN:00080956

Akhter Aziz Siddiqi
Chief Financial Officer
PAN: AIDPS0636F



AUDITORS' CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To

The Members of Fedders Lloyd Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Fedders Lloyd Corporation Limited ("the Company") for the nine months period ended on 31st March, 2016 as stipulated in the:

- (i) Clause 49 of the Listing Agreement executed with the Stock Exchange(s) (effective till 30th November, 2015); and
- (ii) Regulations 17 to 27, Clauses (b) to (i) of sub-regulation (2) of regulation 46 and Part C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, ("Listing Regulations") (effective from 1st December, 2015).

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement/Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

**For Suresh C. Mathur & Co.
Chartered Accountants
Firm Regn. No. 000891N**

**Place: New Delhi
Dated: 30th May, 2016**

**Brijesh C. Mathur
Partner
M. No. 083540**



LIVE THE FUTURE

STANDALONE FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Members of Fedders Lloyd Corporation Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Fedders Lloyd Corporation Limited ("the Company"), which comprise the balance sheet as at 31st March, 2016, the statement of profit and loss and the cash flow statement for the 9 (nine) months period ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its profit and its cash flows for the period ended on that date.

Emphasis of Matter

The Company has made a provision of doubtful debt of ₹ 4.95 Crores on account of export receivables from Ethiopia.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The financial statements have disclosed the impact of pending litigations on the financial position of the Company as referred to in Note No. 39;
 - ii. The Company did not have long-term contracts including derivative contracts for which there were no material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund ("IEPF") by the Company. However, there was no requirement of transferring the amounts to the IEPF by the company during the period under review.

For Suresh C. Mathur & Co.
Chartered Accountants
Firm Regn. No. 000891N

Place: New Delhi
Dated: 30th May, 2016

Brijesh C. Mathur
Partner
M. No. 083540



Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the period ended 31st March, 2016, we report that:

1.
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of the Fixed Assets.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2.
 - a) The inventory has been physically verified during the period by the Management at reasonable intervals.
 - b) The procedures of the physical verification of the inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of the business.
 - c) The Company is maintaining proper records of the inventory. The discrepancies noticed on physical stocks and the book records were not material.
3.
 - a) The Company has given loans to its wholly owned subsidiary Fedders Lloyd Trading FZE of AED 66,871/- (equivalent to ₹ 12.04 lakhs). Total Due as on 31st March, 2016 in AED 98,707 (equivalent to ₹ 17.78 lakhs).
 - b) The loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule as the loans are repayable on demand.
 - c) There are no overdue amounts in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. According to the information and explanations given to us, the Company has not accepted any deposit, in terms of the directive issued by the Reserve Bank of India and the provisions of the Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
6. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7.
 - a) According to the records of the Company, the Company is regular in depositing undisputed Statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Excise, Valued Added Tax, Cess and any other statutory dues with the appropriate authorities, however there is some delay in depositing Govt. dues. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Service Tax, Excise Duty and Cess were outstanding, at the financial reporting period ending on 31st March, 2016 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and

explanations given to us, the following dues of income tax and sales tax have not been deposited by the Company on account of disputes:

| Particulars | Financial Year | Amount (₹ in Crores) | Dispute Pending |
|---|----------------|-------------------------|---|
| Income Tax Matters (Pending rectification) | 2005-06 | 0.06 | Assessing Officer, New Delhi |
| | 2007-08 | 0.02 | Assessing Officer, New Delhi |
| | 2008-09 | 0.01 | Assessing Officer, New Delhi |
| | 2010-11 | 0.29 | Assessing Officer, New Delhi |
| | 2011-12 | 0.38 | Assessing Officer, New Delhi |
| Sales tax Matter (Pending rectification) | 2010-11 | 0.09 | Additional Commissioner Appeal 4 (UP Commercial Tax, Ghaziabad, U.P.) |

8. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues of Banks. The Company did not have any outstanding debentures during the year.
9. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has issued and allotted 50,00,000/- (Fifty Lakhs) Convertible Warrants on preferential basis to its promoters' group entities in accordance with the applicable provisions of the Act. The amount raised has been used for the purpose for which the funds were raised.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Suresh C. Mathur & Co.
Chartered Accountants
Firm Regn. No. 000891N

Place: New Delhi
Dated: 30th May, 2016

Brijesh C. Mathur
Partner
M. No. 083540



Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Fedders Lloyd Corporation Limited ("the Company") as on 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the 9 (nine) months period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Suresh C. Mathur & Co.
Chartered Accountants
Firm Regn. No. 000891N

Place: New Delhi
Dated: 30th May, 2016

Brijesh C. Mathur
Partner
M. No. 083540



BALANCE SHEET

AS AT 31ST MARCH, 2016

(₹ In Crores)

| Particulars | Note | As at 31.03.2016 | As at 30.06.2015 |
|------------------------------------|------|---------------------|---------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 30.77 | 30.77 |
| (b) Reserves and Surplus | 3 | 383.90 | 365.18 |
| (c) Share Warrants | 2 | 9.37 | - |
| (2) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 4 | 42.82 | 60.28 |
| (b) Deferred tax liabilities (Net) | 5 | 13.04 | 8.69 |
| (c) Long term liabilities | 6 | 20.95 | 20.97 |
| (3) Current Liabilities | | | |
| (a) Short-term borrowings | 7 | 436.29 | 446.00 |
| (b) Trade payables | 8 | 184.60 | 214.35 |
| (c) Other current liabilities | 9 | 41.08 | 45.47 |
| (d) Short-term provisions | 10 | 24.44 | 12.36 |
| TOTAL | | 1,187.26 | 1,204.07 |
| II. Assets | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 11 | 260.11 | 261.81 |
| (ii) Intangible assets | 11 | 0.64 | 0.63 |
| (iii) Capital work-in-progress | | 11.86 | 11.19 |
| (b) Non-current investments | 12 | 0.66 | 0.73 |
| (c) Long term loans and advances | 13 | 11.23 | 6.89 |
| (2) Current assets | | | |
| (a) Inventories | 14 | 393.89 | 416.26 |
| (b) Trade receivables | 15 | 437.74 | 429.53 |
| (c) Cash and cash equivalents | 16 | 10.99 | 18.73 |
| (d) Short-term loans and advances | 17 | 60.14 | 58.30 |
| TOTAL | | 1,187.26 | 1,204.07 |

NOTES TO ACCOUNTS

Accompanying Notes are an integral part of the Financial Statements

As per our Report of even date attached

For Suresh C. Mathur & Co.

Chartered Accountants

Firm Registration No. 000891N

For and on behalf of the Board of Directors

Brijesh C. Mathur
Partner
Membership No. 083540

S. S. Dhawan
Whole-time Director
DIN: 00528056

B. R. Punj
Chairman & Managing Director
DIN: 00080956

Place:- New Delhi
Dated:- 30th May, 2016

Pulkit Bhasin
Company Secretary
ICSI M. No.: A27686

A. A. Siddiqi
Chief Financial Officer
PAN: AIDPS0636F

A. K. Joshi
Director
DIN: 06747753

STATEMENT OF PROFIT & LOSS

FOR THE PERIOD ENDED 31ST MARCH, 2016

| Particulars | Note | ₹ In Crores) | |
|--|-----------------|----------------------------|----------------------------|
| | | Period Ended 31.03.2016 | Period Ended 30.06.2015 |
| I. Income | | | |
| Revenue from operations (Gross) | 18 | 1,041.78 | 1,332.29 |
| Less:- Excise Duty | | 10.84 | 16.13 |
| Revenue from operations (Net) | | 1,030.94 | 1,316.16 |
| Other Income | 19 | 4.07 | 2.94 |
| Total Revenue (I) | | 1,035.01 | 1,319.10 |
| II. Expenses: | | | |
| Cost of materials consumed | 20 | 866.01 | 1,148.31 |
| Changes in inventories of Finished Goods, Work-in Progress and Stock-in-Trade | 21 | (14.14) | (64.33) |
| Employee Benefit Expenses | 22 | 28.30 | 32.93 |
| Other Expenses | 23 | 56.78 | 65.76 |
| Total Expenses (II) | | 936.95 | 1,182.67 |
| III. Profit before Interest, Depreciation/Amortisation and Tax (EBITDA) | (I - II) | 98.06 | 136.43 |
| Finance Costs | 24 | 49.04 | 64.25 |
| Depreciation & Amortisation | 25 | 9.74 | 12.72 |
| IV. Profit before Tax | | 39.28 | 59.46 |
| V. Tax expense: | | | |
| (1) Current tax | | 13.35 | 15.25 |
| (2) Deferred tax | | 4.35 | 4.03 |
| VI. Profit (Loss) from the period from continuing operations | | 21.58 | 40.18 |
| VII. Earning per equity share: | | | |
| (1) Basic & Diluted | | 7.01 | 13.06 |

As per our Report of even date attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

For and on behalf of the Board of Directors

Brijesh C. Mathur
Partner
Membership No. 083540

S. S. Dhawan
Whole-time Director
DIN: 00528056

B. R. Punj
Chairman & Managing Director
DIN: 00080956

Place:- New Delhi
Dated:- 30th May, 2016

Pulkit Bhasin
Company Secretary
ICSI M. No.: A27686

A. A. Siddiqi
Chief Financial Officer
PAN: AIDPS0636F

A. K. Joshi
Director
DIN: 06747753



CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31ST MARCH, 2016

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 | | Period Ended 30.06.2015 | |
|---|----------------------------|----------------|----------------------------|----------------|
| A. Cash Flow from Operating Activities: | | | | |
| Net Profit before tax | | 39.28 | | 59.46 |
| Adjustments for : | | | | |
| Add : Depreciation | 9.74 | | 12.72 | |
| Provision for Gratuity | 0.38 | | 0.08 | |
| Interest paid | 43.29 | 53.41 | 56.69 | 69.49 |
| Less: Export Incentive | - | | (0.50) | |
| Interest Income | (0.71) | | (0.81) | |
| Gratuity Paid | (0.40) | | (0.19) | |
| Dividend Income | - | (1.11) | (0.01) | (1.51) |
| Operating profit before working capital changes | | 91.58 | | 127.44 |
| Trade & other receivables | (8.21) | | (97.03) | |
| Inventories | 22.37 | | (11.66) | |
| Loans & Advances | 10.79 | | (3.60) | |
| Short term borrowings | (9.72) | | 33.16 | |
| Other Current Liability | (4.39) | | (3.95) | |
| Long Term Liabilities | - | | 1.71 | |
| Trade & other payable | (29.76) | (18.92) | 100.29 | 18.91 |
| Cash generated from operations | | 72.66 | | 146.35 |
| Direct tax paid | (13.06) | (13.06) | (22.72) | (22.72) |
| Net Cash Flow from Operating Activities | | 59.60 | | 123.62 |
| B Cash Flow from Investing Activities: | | | | |
| Purchase of fixed assets | (8.79) | | (17.18) | |
| Sale of investments | 0.07 | | - | |
| Interest received | 0.71 | | 0.81 | |
| Dividend received | - | (8.01) | 0.01 | (16.36) |
| Net Cash Flow from Investing Activities | | (8.01) | | (16.36) |
| C Cash Flow from Financial Activities: | | | | |
| Long Term Loans and Advances | (4.34) | | 0.69 | |
| Proceeds from Long Term Borrowing | (17.46) | | (36.49) | |
| Dividend Paid | (3.08) | | (3.08) | |
| Dividend Tax | (0.53) | | (0.52) | |
| Export Incentive | - | | 0.50 | |
| Share warrants issued | 9.37 | | - | |
| Interest paid | (43.29) | (59.33) | (56.69) | (95.58) |
| Net Cash Flow from Financing Activities | | (59.33) | | (95.58) |
| Net increase/decrease in Cash and Cash Equivalents (A+B+C) | | (7.74) | | 11.69 |
| Opening Balance of Cash and Cash Equivalents | | 18.73 | | 7.04 |
| Closing Balance of Cash and Cash Equivalents | | 10.99 | | 18.73 |
| Net increase/decrease in Cash and Cash Equivalents | | (7.74) | | 11.69 |

As per our Report of even date attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

Brijesh C. Mathur
Partner
Membership No. 083540

Place:- New Delhi
Dated:- 30th May, 2016

Pulkit Bhasin
Company Secretary
ICSI M. No.: A27686

For and on behalf of the Board of Directors

S. S. Dhawan
Whole-time Director
DIN: 00528056

A. A. Siddiqi
Chief Financial Officer
PAN: AIDPS0636F

B. R. Punj
Chairman & Managing Director
DIN: 00080956

A. K. Joshi
Director
DIN: 06747753

NOTES TO FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED 31ST MARCH, 2016

NOTE:- 1

1.1 CORPORATE INFORMATION

Fedders Lloyd Corporation Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE) in India and well diversified in the field of Environment Control Systems (ECS), fabrication of steel structures for Power, commercial and industrial construction projects and implementation of high power transmission lines. The Company has also been into exports of power equipments/components to various funded projects by multilateral agencies.

The Company has been generating revenues mainly from three segments:-

1. Environmental Control Systems
2. Steel Structures & Engineering
3. Power Transmission & Distribution and Overhead Electrification (OHE)

1.2 BASIS OF PREPARATION

The Financial Statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a) Use of estimates

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities, at the date of the Financial Statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

b) Tangible Fixed Assets:

Fixed assets except leasehold land are stated at cost less accumulated depreciation. The cost includes freight, duties, taxes and other incidental expenses related to acquisition and installation. CENVAT claim, if any, on capital goods is reduced from the cost.

Capital Work-in-Progress

Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

c) Depreciation on tangible fixed assets

- i) After enactment of the Companies Act, 2013, Depreciation on fixed assets is provided on straight-line basis at the rates prescribed in Schedule II to the Companies Act, 2013.
- ii) Depreciation on assets added during the year, is calculated on pro-rata basis with reference to the date of installation.



- iii) Depreciation rates have been arrived after applying estimated life provided in the Schedule-II. For calculating depreciation on various categories of assets following estimated life has been provided in the schedule :

| Type of Assets | Useful Life in Years |
|----------------------|----------------------|
| Building | 30 |
| Plant & Machinery | 15 |
| Office Equipments | 5 |
| Vehicles | 8 |
| Furniture & Fixtures | 10 |

d) Intangible Assets

Intangible Assets are stated at cost of acquisition.

e) Grant

Grants are recognized when there is reasonable assurance that the grant will be received and conditions attached to them are complied with.

f) Research and Development

Research costs are expensed as incurred.

g) Impairment of Assets

The carrying values of assets/cash generating units at each Balance Sheet date are reviewed for impairment of assets. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in prior accounting periods no longer exists or may have decreased such reversal of impairment loss is recognized.

h) Inventory Valuation:

- i) Raw materials and consumables are valued at cost net of MODVAT as per the FIFO method after providing for cost of obsolescence value.
- ii) Stock in process is valued at direct cost i.e. cost of materials and variable manufacturing expenses.
- iii) Finished goods are valued at lower of cost or net realizable value.
- iv) Stock in transit lying in customs warehouse is valued at cost but does not include custom duty payable, however, non-provision of duty does not affect the profit for the year.

i) Revenue Recognition:

- i) Income and Expenditure are recognized on accrual basis.
- ii) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects Central Sales Taxes and Value Added Taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

- iii) Export sales are accounted on the basis of date of bill of lading.
- iv) Sales and service include excise duty and adjustments made towards liquidated damages and price variation, wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers, are not taken into account.

- v) Revenue from project related activity is recognized on the basis of running bills raised on the basis of completion of the project activities.
- vi) Dividend income is recognized when the right to receive the dividend is established.

j) Investments

Long term Investments are stated at cost. Investments in subsidiary company are of long-term strategic value and the diminution, if any, in the value of these investments is temporary in nature.

k) Foreign currency transactions

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous Financial Statements, are recognized as income or as expenses in the year in which they arise.

iv. Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the year.

l) Retirement Benefits:

Provident Fund:-

Retirement benefit in form of provident fund is a defined contribution scheme and the contributions are charged to the Profit and Loss account of the period when the contributions to the respective funds are due.

Gratuity:-

The Company's liability in respect of payment of gratuity is provided on accrual basis as per actuarial valuation. The Company is in process of having arrangement with Insurance co. to administer its Superannuation & Gratuity Fund.

Leave Encashment:-

Leave Encashment are valued at cost to company basis without considering any discounting and salary increase and provided on the basis of actual valuation.

m) Taxation:

Current Tax:

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961, except for the overseas subsidiaries and joint ventures where current tax provisions is determined based on the local tax laws. Deferred tax is recognized for all timing differences, subject to the consideration of prudence applying the tax rates that have been substantively enacted by the Balance Sheet date.



Deferred Tax:

Deferred tax liabilities represent the tax effect of temporary differences substantially on account of differences in the written down value of Fixed Assets on account of differing depreciation methods and rates and other timing differences.

The breakup of deferred tax assets and liabilities into major components at the period ended is as below:

| PARTICULARS | AMOUNT (₹ IN CRORES) |
|---|----------------------|
| Deferred Tax Liabilities | |
| Depreciation Difference & other Provision | 4.54 |
| Deferred tax Assets | |
| Other Provision | 0.19 |
| Net Deferred Tax Liability | 4.35 |

Minimum Alternate Tax:

Minimum Alternate Tax (MAT) paid during a period is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

n) Borrowing Cost

Cost in connection with the borrowing of funds to the extent not directly related to the acquisition of fixed assets are amortized and charged to the Profit and Loss Account, over the tenure of the loan. Borrowing cost to the extent directly attributable to acquisition of fixed assets are added to the cost of fixed assets.

o) Segment Reporting

As per Accounting Standard 17 on segment reporting of Institute of Chartered Accountants of India ("ICAI"), the Company has reportable segments viz. Environmental Control Systems, Steel Structural & Engineering and Power Projects during the period under review. Accordingly the reporting is done segment wise.

p) Earning Per Share

The earnings considered in ascertaining the Company's Earnings per Share (EPS) comprise the net profits after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares.

q) Cash Flow Statement

The Cash Flow Statement is prepared by the indirect method set out in Accounting Standard-3 issued by the Institute of Chartered Accountants of India as required by the SEBI on Cash Flow Statement and presents cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the cash flow statement consists of cash in hand and demand deposits with banks as on the Balance Sheet date.

r) Sundry Debtors/Loans & Advances

Company, as a policy, obtains balance confirmation from Sundry Debtors, Creditors and other advances on monthly/quarterly/half yearly basis depending upon quantum of transaction made with the parties. Considering the same, Company does not have all balance confirmations as at 31st March, 2016 the effect of the same, if any, which is not likely to be material will be adjusted at the time of confirmation.

s) Provisions/Contingencies

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date.

Contingent liabilities are not recognized and are disclosed in the Notes to Financial Statement.

t) Derivative Instruments

The Company has entered into derivative contracts in the nature of interest rate swaps and forward contracts with intention to hedge its requirements and firm commitments. The contracts are mark to market and losses are recognized in the Profit and Loss account. Gains arising on the same are not recognized on ground of prudence.

u) Deferred Revenue Expenditure

Cost of travelling, Consultancy fee and other expenses related to IRIS Certification are considered as deferred revenue expenditure. 1/5 of the expenditures have been charged to Profit and Loss account.



NOTE 2 : SHARE CAPITAL

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|---|---------------------|---------------------|
| 1. Authorized Capital | | |
| 7,00,00,000 Equity Shares of ₹ 10/- each (Previous year 7,00,00,000 Equity Shares of ₹ 10/- each) | 70.00 | 70.00 |
| Total Authorized Share Capital | 70.00 | 70.00 |
| 2. Issued & Subscribed Capital | | |
| 3,07,69,700 Equity Shares of ₹ 10/- each | 30.77 | 30.77 |
| 3. Paid up Capital | | |
| 3,07,69,700 Equity Shares of ₹. 10/- each fully paid up (Previous Year 3,07,69,700 equity shares of ₹ 10/- each) | 30.77 | 30.77 |
| Total Issued, Subscribed and Fully Paid-up Share Capital | 30.77 | 30.77 |

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| Particulars | As at 31.03.2016 | | As at 30.06.2015 | |
|--|------------------|-------------------------|------------------|-------------------------|
| | No. of Shares | Amount (₹ in Crores) | No. of Shares | Amount (₹ in Crores) |
| Equity Shares | | | | |
| Shares outstanding at the beginning of the year | 30769700 | 30.77 | 30769700 | 30.77 |
| Shares issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 30769700 | 30.77 | 30769700 | 30.77 |

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Details of shareholders holding more than 5% shares in the Company

| Particulars | 31 March, 2016 | | 30.06.2015 | |
|---|----------------|--------------|---------------|--------------|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Equity Shares of ₹ 10 each fully paid-up | | | | |
| Zenith Impex Pvt. Ltd. | 2,951,910 | 9.59 | 3,771,910 | 12.26 |
| Rajul Estates Pvt. Ltd. | 2,403,562 | 7.81 | 3,295,562 | 10.71 |
| Lloyd Sales Pvt. Ltd. | 4,293,619 | 13.95 | 4,293,619 | 13.95 |
| Perfect Radiators & Oil Coolers Pvt. Ltd. | 3,826,525 | 12.44 | 3,826,525 | 12.44 |
| Mr. Brij Raj Punj | 1,632,667 | 5.31 | 1,632,667 | 5.31 |

As per the records of the company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Money Received Against Share Warrants

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|---------------------|---------------------|---------------------|
| 25% Upfront Payment | 9.37 | - |
| TOTAL | 9.37 | - |

Money received against Share Warrants represents the amount received towards warrants which entitles the warrant holders to convert the warrants into equal number of equity shares of the face value of ₹ 10/- each.

During the Period under review, the Company has issued and allotted 50,00,000 convertible warrants on preferential basis at ₹ 75 each convertible into equal number of equity shares to Promoter/Promoter group entities.

The Warrant holders are entitled to exercise the option of conversion upon payment of balance amount i.e. 75% of total consideration before the expiry of 18 months from the date of allotment.

NOTE 3 : RESERVES AND SURPLUS

| Particulars | (₹ In Crores) | |
|--|---------------------|---------------------|
| | As at 31.03.2016 | As at 30.06.2015 |
| 1) Capital Reserve | | |
| Revaluation Reserve | 10.56 | |
| Less: Set off depreciation | 0.07 | 10.56 |
| 2) Securities Premium Account | 25.64 | 25.64 |
| 3) General Reserve: | | |
| Opening balance | 315.55 | 265.55 |
| Add: Transfer from Profit & Loss A/c | 25.00 | 50.00 |
| | 340.55 | 315.55 |
| 4) Profit & Loss Account: | | |
| Profit for the Year | 21.58 | 40.18 |
| Balance Brought Forward from Previous year | 13.43 | 26.86 |
| | 35.01 | 67.04 |
| Less:- Appropriations | | |
| Proposed Dividend | 2.31 | 3.08 |
| Provision for tax on Dividend | 0.48 | 0.53 |
| Transfer to General Reserve | 25.00 | 50.00 |
| Balance Carried To Balance Sheet | 7.22 | 13.43 |
| TOTAL | 383.90 | 365.18 |

NOTE 4 : LONG TERM BORROWINGS

| Particulars | (₹ In Crores) | |
|------------------------------|---------------------|---------------------|
| | As at 31.03.2016 | As at 30.06.2015 |
| 1. Term Loans | | |
| From Schedule Banks:- | | |
| Foreign Currency loan | 39.59 | 55.77 |
| Indian Currency Loan | 3.23 | 4.51 |
| TOTAL | 42.82 | 60.28 |

Note:-

- Foreign Currency Loan (ECB)-1 of USD 7.32 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4%. The loan is repayable in 22 quarterly installments starting from 18 months from the date of first draw-down i.e. 3rd Oct'11.
- Foreign Currency Loan (ECB)-2 of USD 3.3 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4 %. The loan is repayable in 22 quarterly Installment starting from 18 months from the date of first draw-down i.e. 1st June'11.
- Foreign Currency Loan (ECB)-3 of USD 4 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4 %. The loan is repayable in 22 quarterly Installment starting from 18 months from the date of first draw-down i.e. 29th April'11.
- Foreign Currency Loan (ECB) of USD 5.5 Million from Standard Chartered Bank carries interest @ LIBOR plus 2.90%. The loan is repayable in 16 equal quarterly instalments beginning from 15th month from the date of first draw-down i.e. 3rd Oct'11.
- Indian rupee loan from State Bank of India carries interest @ 12.50%. The loan is repayable in 16 quarterly installments of ₹ 1.5625 crores each after moratorium of 1 year from the date of loan i.e. 28.09.2012.



NOTE 5 : DEFERRED TAX LIABILITIES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|---|---------------------|---------------------|
| Opening Balance | 8.69 | 4.66 |
| Deferred Tax Liability on account of Depreciation | 4.54 | 4.11 |
| Less: transferred from Deferred Tax Asset | 0.19 | 0.08 |
| Net Deferred Tax Liability | 13.04 | 8.69 |

NOTE 6 : LONG TERM LIABILITIES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|------------------|---------------------|---------------------|
| Gratuity payable | 4.03 | 4.05 |
| Security Deposit | 16.92 | 16.92 |
| TOTAL | 20.95 | 20.97 |

NOTE 7 : SHORT TERM BORROWINGS

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|----------------------------------|---------------------|---------------------|
| 1. Working Capital Loans: | | |
| From Banks | 436.29 | 446.00 |
| TOTAL | 436.29 | 446.00 |

The working capital loans, fund based as well as non fund based from banks are secured by way of first hypothecation charge on the stocks/book debts, both present and future and second charge on pari-passu basis on the fixed assets of the Company.

NOTE 8 : TRADE PAYABLES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|------------------|---------------------|---------------------|
| Sundry Creditors | 184.60 | 214.35 |
| TOTAL | 184.60 | 214.35 |

NOTE 9 : OTHER CURRENT LIABILITIES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|---|---------------------|---------------------|
| Interest Accrued but not due on Term Loan | - | 0.27 |
| Other Liabilities | 8.32 | 5.88 |
| Unclaimed Dividend | 0.68 | 0.59 |
| Current maturity of Long Term Borrowings | | |
| Foreign Currency loan | 25.43 | 26.17 |
| Indian Currency Loan | 6.25 | 12.54 |
| Loan against Vehicles (secured by hypothecation of vehicle financed) | 0.40 | 0.02 |
| TOTAL | 41.08 | 45.47 |

NOTE 10 : CURRENT PROVISIONS

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|-------------------------------|---------------------|---------------------|
| Provision for Income Tax | 21.67 | 8.75 |
| Provision for Dividend | 2.30 | 3.08 |
| Provision for Tax on Dividend | 0.47 | 0.53 |
| TOTAL | 24.44 | 12.36 |

NOTE 11 : FIXED ASSETS

(₹ In Crores)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-----------------------|---------------------|-------------|-------------------------|---------------------|---------------------|-----------------|------------|---------------|---------------------|---------------------|
| | As at 30.06.2015 | Additions | Transfer/ Adjustment | As at 31.03.2016 | Up to 30.06.2015 | For the year | Adjustment | Total | As at 31.03.2016 | As at 30.06.2015 |
| Land | 53.41 | 0.41 | - | 53.82 | - | - | - | - | 53.82 | 53.41 |
| Building Factory | 109.26 | 0.06 | - | 109.32 | 28.34 | 2.08 | - | 30.42 | 78.90 | 80.91 |
| Office Premises | 2.76 | 0.01 | - | 2.77 | 1.74 | 0.03 | - | 1.77 | 1.00 | 1.02 |
| Temporary Shed | 3.52 | - | - | 3.52 | 3.35 | - | - | 3.35 | 0.17 | 0.18 |
| Furniture & Fixtures | 3.68 | 0.09 | - | 3.77 | 1.76 | 0.20 | - | 1.96 | 1.81 | 1.92 |
| Plant & Machinery | 209.94 | 6.78 | - | 216.72 | 87.42 | 6.82 | - | 94.24 | 122.48 | 122.52 |
| Computer | 4.99 | 0.06 | - | 5.05 | 4.53 | 0.22 | - | 4.75 | 0.30 | 0.46 |
| Office Equipments | 4.37 | 0.02 | - | 4.39 | 3.57 | 0.22 | - | 3.79 | 0.60 | 0.81 |
| Motor Car | 2.46 | 0.58 | - | 3.04 | 1.91 | 0.13 | - | 2.04 | 1.00 | 0.54 |
| Scooter & Motor Cycle | 0.11 | - | - | 0.11 | 0.07 | 0.01 | - | 0.08 | 0.03 | 0.04 |
| Intangible Assets | 1.10 | 0.11 | - | 1.21 | 0.47 | 0.10 | - | 0.57 | 0.64 | 0.63 |
| TOTAL | 395.60 | 8.12 | - | 403.72 | 133.16 | 9.81 | - | 142.97 | 260.75 | 262.44 |
| (Previous Year) | 378.14 | 17.46 | - | 395.60 | 120.33 | 12.83 | - | 133.16 | 262.44 | 257.82 |

Total Depreciation during the year 9.81

Less: Revaluation Reserve W/back to the extent of dep. on addition on a/c of Revaluation 0.07

Depreciation charged to Profit & Loss Account 9.74

NOTE 12 : INVESTMENTS

(₹ In Crores)

| Particulars | Face Value | Number of Shares | AS AT 31.03.2016 | Number of Shares | AS AT 30.06.2015 |
|--|------------|------------------|---------------------|------------------|---------------------|
| Quoted Shares | | | | | |
| Lloyd Electric & Engineering Ltd. (M.V. ₹ 244.10 Per Share) | 10 | 100 | - | 100 | - |
| State Bank of Bikaner & Jaipur (M.V. ₹ 502.10 Per Share) | 100 | 375 | 0.02 | 375 | 0.02 |
| Sub-Total (A) ₹ | | | 0.02 | | 0.02 |
| Unquoted Shares: | | | | | |
| State Bank of India PSU | | | 0.05 | | 0.05 |
| SBI Mutual Fund (Gold Fund) | | | 0.05 | | 0.05 |
| Vicinity RFID Solution (P) Ltd. | 10 | - | - | 55,500 | 0.07 |
| Subsidiary Company | | | | | |
| Fedders Lloyd Trading FZE | 100000AED | 5 | 0.54 | 5 | 0.54 |
| Sub-Total (B) ₹ | | | 0.64 | | 0.71 |
| Total (A+B) ₹ | | | 0.66 | | 0.73 |
| Additional Information : | | | | | |
| 1) Aggregate amount of Company's - | | | | | |
| a) Market value of Quoted Investments | | | 0.02 | | 0.02 |
| b) Unquoted Investments | | | 0.64 | | 0.71 |



NOTE 13 : LONG TERM LOANS & ADVANCES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|-----------------------------|---------------------|---------------------|
| Retention Money Recoverable | 9.61 | 5.38 |
| Loan to subsidiary Company | 1.62 | 1.51 |
| TOTAL | 11.23 | 6.89 |

NOTE 14 : INVENTORIES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|---|---------------------|---------------------|
| Raw-materials, Consumables and Components | 144.67 | 181.83 |
| Stock in Process | 199.22 | 182.31 |
| Finished Goods | 49.35 | 52.12 |
| Stock In Transit | 0.65 | - |
| TOTAL | 393.89 | 416.26 |

NOTE 15 : TRADE RECEIVABLES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|--|---------------------|---------------------|
| Outstanding for a period exceeding six months from the date they are due for payment | 74.32 | 49.70 |
| Other Receivables | 363.42 | 379.83 |
| TOTAL | 437.74 | 429.53 |

NOTE 16 : CASH & CASH EQUIVALENTS CASH AND BANK BALANCES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|--------------------------------------|---------------------|---------------------|
| Cash balance in hand | 0.80 | 2.01 |
| Balances with Scheduled banks | | |
| In Current Accounts | 1.17 | 1.32 |
| Dividend with Bank | 0.68 | 0.59 |
| In fixed deposits | 8.32 | 14.58 |
| Interest accrued on fixed deposit | 0.02 | 0.23 |
| TOTAL | 10.99 | 18.73 |

NOTE 17 : SHORT TERM LOANS & ADVANCES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|--|---------------------|---------------------|
| Advances recoverable in cash or in kind or for value to be recovered | 31.52 | 37.31 |
| Advances to employees | 2.39 | 1.98 |
| Balances with Statutory/ Govt. Authorities | 10.08 | 9.45 |
| Recoverable with Govt. Authorities | 0.11 | 0.04 |
| Advance Income Tax & TDS | 9.03 | 0.54 |
| Earnest Money & Other Deposit | 7.01 | 8.98 |
| TOTAL | 60.14 | 58.30 |

NOTE 18 : REVENUE FROM OPERATIONS

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 (9 Months) | Year Ended 30.06.2015 (12 Months) |
|------------------------------|--|---|
| Sale of Products | | |
| Projects/Manufacturing Goods | 1,041.78 | 1,332.29 |
| TOTAL | 1,041.78 | 1,332.29 |

NOTE 19 : OTHER INCOME

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 (9 Months) | Year Ended 30.06.2015 (12 Months) |
|------------------|--|---|
| Interest Income | 0.71 | 0.81 |
| Export Incentive | - | 0.51 |
| Dividend Income | - | 0.01 |
| Other Income | 3.36 | 1.61 |
| TOTAL | 4.07 | 2.94 |

NOTE 20 : COST OF MATERIAL CONSUMED

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 (9 Months) | Year Ended 30.06.2015 (12 Months) |
|--|--|---|
| Raw materials, consumables & component consumed | | |
| Opening stocks | 181.83 | 234.50 |
| Add:-Purchases | 827.23 | 1,093.84 |
| Carriage Inwards | 1.62 | 1.80 |
| Less: Closing stocks | 144.67 | 181.83 |
| Cost of Raw Material, Consumables & Components Consumed | 866.01 | 1,148.31 |

NOTE 21 : CHANGES IN INVENTORY

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 (9 Months) | Year Ended 30.06.2015 (12 Months) |
|---|--|---|
| 1) Decrease/(Increase) in stocks in Progress | | |
| Opening stock | 182.31 | 98.56 |
| Less : Closing stock | 199.22 | 182.31 |
| Decrease/(Increase) in Stock in Progress | (16.91) | (83.75) |
| 2) Decrease/(Increase) in finished goods: | | |
| Opening stock | 52.12 | 71.54 |
| Less : Closing stock | 49.35 | 52.12 |
| Decrease/(Increase) in Finished Goods | 2.77 | 19.42 |
| TOTAL | (14.14) | (64.33) |



NOTE 22 : EMPLOYEE BENEFIT EXPENSES

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 (9 Months) | Year Ended 30.06.2015 (12 Months) |
|------------------------------|--|---|
| Wages (Works) | 4.09 | 5.09 |
| Labour Welfare | 0.16 | 0.15 |
| Salary Account | 21.58 | 25.48 |
| Employer contribution in PF | 1.28 | 1.47 |
| Employer contribution in ESI | 0.04 | 0.07 |
| Gratuity | 0.37 | 0.20 |
| Bonus | 0.18 | 0.17 |
| Leave Encashment | 0.13 | 0.09 |
| Staff Welfare | 0.47 | 0.21 |
| TOTAL | 28.30 | 32.93 |

NOTE 23 : OTHER EXPENSES

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 (9 Months) | Year Ended 30.06.2015 (12 Months) |
|--|--|---|
| Repair and Maintenance | | |
| - Plant & Machinery | 0.30 | 0.35 |
| - Building & Office | 0.15 | 0.12 |
| - Others | 1.31 | 2.43 |
| Electricity Charges | 3.27 | 4.99 |
| Factory Overheads | 6.62 | 9.61 |
| Insurance | 0.98 | 1.20 |
| Rent, Rate & Taxes | 2.08 | 2.94 |
| Postage & Courier & Telephone Expenses | 1.10 | 1.13 |
| Printing and stationery | 0.22 | 0.34 |
| Tender Fees | 0.11 | 0.10 |
| Audit Fee (including service tax) | 0.14 | 0.12 |
| Legal & Professional Expenses | 1.13 | 2.73 |
| Travelling & Conveyance Expenses | 2.19 | 5.23 |
| Motor Car Expenses | 0.28 | 0.88 |
| Misc. Expenses | 0.24 | 0.40 |
| Loss on foreign exchange fluctuation | 3.75 | 2.73 |
| Advertisement Expenses | 0.09 | 0.02 |
| Discount | - | 1.08 |
| Selling Expenses | 15.96 | 18.82 |
| Service charges | 0.15 | 1.96 |
| Commission | 6.97 | 0.03 |
| Exhibition Expenses | 0.19 | 0.09 |
| Research & Development Expenses | 0.37 | 1.79 |
| Watch & Ward | 1.90 | 1.28 |
| Computer/Software Expenses | 0.01 | 1.09 |
| Donation | 0.08 | 0.57 |
| Taxes Gain & Loss | 0.51 | 0.41 |
| Fees & Taxes (including club fee) | 0.28 | 1.20 |
| Director Remuneration & Sitting Fees | 1.40 | 2.07 |
| Warranty Expenses | 0.05 | 0.05 |
| Provision for doubtful debts | 4.95 | - |
| TOTAL | 56.78 | 65.76 |

NOTE 24 : FINANCE COSTS

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 (9 Months) | Year Ended 30.06.2015 (12 Months) |
|---------------|--|---|
| Interest Paid | 43.29 | 56.68 |
| Bank charges | 5.75 | 7.57 |
| TOTAL | 49.04 | 64.25 |

NOTE 25 : DEPRECIATION AND AMORTISATION

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 (9 Months) | Year Ended 30.06.2015 (12 Months) |
|---------------------------------|--|---|
| Depreciation on Tangible Assets | 9.74 | 12.72 |
| TOTAL | 9.74 | 12.72 |

NOTE 26 : RELATED PARTY DISCLOSURES

| a) Related Companies | Nature of relationship (Associated co./subsidiary co./directors interested) |
|--|--|
| Airserco Pvt. Ltd | Directors Interested |
| Lloyd Electric & Engineering Ltd. | Directors Interested |
| Perfect Radiators & Oil Coolers Pvt. Ltd. | Directors Interested |
| PSL Engineering Pvt. Ltd. | Directors Interested |
| Regal Information Technology Pvt. Ltd. | Directors Interested |
| Lloyd Credits Ltd. | Directors Interested |
| Lloyd Sales Pvt. Ltd. | Directors Interested |
| Lloyd Manufacturing Pvt. Ltd. | Directors Interested |
| Himalayan Mineral Waters Pvt. Ltd. | Directors Interested |
| FOREIGN SUBSIDIARY COMPANY | |
| Fedders Lloyd Trading FZE | 100% Subsidiary |
| b) Key Managerial Personnel: | |
| Mr. Brij Raj Punj | Chairman & Managing Director |
| Mr. Sham Sunder Dhawan | Whole-time Director |
| Mr. Nemichandra Dhanyakumar Jain * | Whole-time Director |
| *resigned from the Board of Directors of the company w.e.f 28 th December, 2015 | |
| c) Transactions with related Companies | (₹ In Crores) |
| Lloyd Electric & Engineering Ltd. | |
| Purchase of Goods | 6.58 |
| Sale of Goods | 21.52 |
| PSL Engineering Pvt. Ltd | |
| Purchase of Goods | 0.09 |
| Sale of Goods | 2.43 |
| Pandit Kanhaiya Lal Punj Trust | |
| Donation | 0.08 |
| Himalayan Mineral Waters Pvt. Ltd. | |
| Rent | 0.19 |



NOTE 27 : VALUE OF IMPORT (C.I.F) VALUE

| Particulars | (₹ In Crores) |
|-------------------------------------|---------------|
| i) Raw Materials Components & Parts | 20.66 |
| ii) Capital Goods | 0.43 |
| TOTAL | 21.09 |

NOTE 28 : VALUE OF RAW MATERIALS CONSUMED

| Particulars | Percentage (%) | (₹ In Crores) |
|--------------|----------------|---------------|
| Imported | 2.38 | 20.66 |
| Indigenous | 97.62 | 845.35 |
| TOTAL | 100.00 | 866.01 |

NOTE 29 : FOREIGN EXCHANGE OUTGO

| Particulars | (₹ In Crores) |
|--|---------------|
| Import Raw Materials Component & Parts | 38.00 |
| Plant & Machinery/Tools | 0.40 |
| Travelling Expenses | 1.48 |
| Other Expenses | 8.76 |
| TOTAL | 48.64 |

NOTE 30 : EARNINGS IN FOREIGN EXCHANGE

| Particulars | (₹ In Crores) |
|--------------|---------------|
| Export Sales | 49.31 |

NOTE 31 : PAYMENT TO AUDITORS

| Particulars | (₹ In Crores) |
|-----------------|---------------|
| Audit Fees | 0.11 |
| Tax Audit fee | 0.01 |
| Add Service Tax | 0.02 |
| TOTAL | 0.14 |

NOTE 32 : PAYMENT TO DIRECTORS

| Particulars | (₹ In Crores) |
|----------------------------------|---------------|
| Remuneration & Perks/Consultancy | 1.39 |
| Provident Fund | 0.09 |
| Bonus | 0.00 |
| TOTAL | 1.48 |

NOTE 33 : Company, as policy, obtains balance confirmation from Sundry Debtors, Sundry Creditors and other advances on monthly/quarterly/half yearly basis depending upon quantum of transactions made with the parties. Considering the same, the Company does not have all balance confirmation as at 31st March, 2016 the effect of the same, if any which is not likely to be material will be adjusted at the time of confirmation.

NOTE 34 : Excise duty of ₹ 10.84 Crores charged on Sales.

NOTE 35 : The Company has made a provision of doubtful debts for ₹ 4.95 Crores.

NOTE 36 : SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(₹ In Crores)

| Particulars | As at 31.03.2016 (9 Months) | As at 30.06.2015 (12 Months) |
|---|--------------------------------|---------------------------------|
| 1. Segment Revenue | | |
| (a) Segment-ENVIRONMENTAL CONTROL SYSTEMS | 20.03 | 28.05 |
| (b) Segment-STEEL STRUCTURES & ENGINEERING | 749.33 | 973.74 |
| (c) Segment-POWER PROJECTS | 265.65 | 317.31 |
| Total | 1,035.01 | 1,319.10 |
| Less: Inter Segment Revenue | - | - |
| Net sales/Income From Operations | 1,035.01 | 1,319.10 |
| 2. Segment Results (Profit(+)/ Loss (-) before tax and interest from Each segment) | | |
| (a) Segment-ENVIRONMENTAL CONTROL SYSTEMS | 2.35 | 4.65 |
| (b) Segment- STEEL STRUCTURES & ENGINEERING | 62.50 | 89.70 |
| (c) Segment- POWER PROJECTS | 28.34 | 36.74 |
| Total | 93.19 | 131.09 |
| Less: (i) Interest | 49.04 | 64.25 |
| (ii) Other Un-allocable Expenditure net off | 4.87 | 7.38 |
| (iii) Un-allocable income | - | - |
| Total Profit Before Tax | 39.28 | 59.46 |
| 3. Capital Employed | | |
| (Segment assets – Segment Liabilities) | | |
| (a) Segment –ENVIRONMENTAL CONTROL SYSTEMS | 94.26 | 93.25 |
| (b) Segment – STEEL STRUCTURES & ENGINEERING | 253.53 | 260.04 |
| (c) Segment – POWER PROJECTS | 148.08 | 138.10 |
| (d) Unallocated | 2.67 | 3.55 |
| Total | 498.54 | 494.94 |

NOTE 37 : In the opinion of the Board the current assets are approximately of the value stated, if realized in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

NOTE 38 : DISCLOSURE UNDER MICRO, SMALL & MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME) which came into force from 2nd October, 2006, certain disclosures are required to be made relating to MSME. On the basis of information and record available with the Company, the following disclosures are made for the amounts due to Micro, Small and Medium Enterprises:

- | | | |
|--|---|-------------------------------|
| a) Principal amount due to any supplier as at the year end | : | ₹ 1.07 Crores (under dispute) |
| b) Interest due on the principal amount unpaid at the year end to any supplier | : | NIL |



NOTE 39 : CONTINGENT LIABILITIES

1. Bank Guarantees: ₹ 335.25 Crores (Previous year ₹ 261.76 Crores) includes the bank guarantees amounting to USD 54,25,915 (INR 35.99 Crores) invocation initiated by the beneficiaries in respects of certain contracts in Ethiopia under execution, against which the Company has got permanent injunction from Ethiopian court. The matter is under arbitration proceedings on direction of Ethiopian court. During the year, the Company has made a provision for ₹ 4.95 Crores in the Financial Statement.
2. Sales Tax Assessment demand for Financial Year 2011-12 of ₹ 0.09 Crore was raised by the UP Sales Tax Department and the Company has filed the appeal and the tribunal has granted stay against the demand.
3. Recovery suits filed by the parties in different court but not acknowledged as debts/liabilities: ₹ 7.20 Crores.
4. Income Tax Matter (Pending Rectification) ₹ 0.76 Crore.

NOTE 40 :

Current period figures are for 9 Months, hence not comparable with previous year figures of 12 Months.

The previous year figures have been regrouped or reclassified as and where found necessary

As per our Report of even date attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

For and on behalf of the Board of Directors

Brijesh C. Mathur
Partner
Membership No. 083540

S. S. Dhawan
Whole-time Director
DIN: 00528056

B. R. Punj
Chairman & Managing Director
DIN: 00080956

Place:- New Delhi
Dated:- 30th May, 2016

Pulkit Bhasin
Company Secretary
ICSI M. No.: A27686

A. A. Siddiqi
Chief Financial Officer
PAN: AIDPS0636F

A. K. Joshi
Director
DIN: 06747753



LIVE THE FUTURE

CONSOLIDATED FINANCIAL STATEMENTS



CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

To the Members of Fedders Lloyd Corporation Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Fedders Lloyd Corporation Limited ("the Holding Company") and its subsidiary company (the Holding Company and subsidiary company collectively referred to as "the Group"), comprising of the consolidated balance sheet as at 31st March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the nine months period ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March 2016, and their consolidated profit and their consolidated cash flows for the nine months period ended on that date.

Emphasis of Matter

We draw attention to Note given in Standalone Report of even date.

Other Matters:

We did not carry out the audit of the financial statements of Fedders Lloyd Trading FZE, wholly owned subsidiary company included in the consolidated financial statements for the nine months period ended 31st March, 2016 whose financial statements reflect total assets of ₹ 13.92 lakhs as at 31st March, 2016 and as well as the total revenue is Nil for the nine months period ended 31st March, 2016. The financial statements and other financial information of the subsidiary have been audited by other auditors whose report(s) has been furnished to us and our opinion on these financial statements to the extent they have been derived from such interim financial statements is based solely on the report of such other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company incorporated outside India, none of the Directors of the Group is disqualified as on 31st March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The financial statement have disclosed the impact of pending litigations on the financial position of the Company as referred to in Note No. 39
 - ii. The Company did not have long-term contracts including derivative contracts for which there were no material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection (IEPF) Fund by the Company. However there were no amounts which were required to be transferred to the IEPF by the company during the period under review.

For Suresh C. Mathur & Co.
Chartered Accountants
Firm Regn. No. 000891N

Place: New Delhi
Dated: 30th May, 2016

Brijesh C. Mathur
Partner
M. No. 083540



CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2016

(₹ In Crores)

| Particulars | Note | As at 31.03.2016 | As at 30.06.2015 |
|------------------------------------|------|---------------------|---------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 2 | 30.77 | 30.77 |
| (b) Reserves and Surplus | 3 | 379.88 | 363.16 |
| (c) Share Warrants | 2 | 9.37 | - |
| (2) Non-Current Liabilities | | | |
| (a) Long-term borrowings | 4 | 42.82 | 60.29 |
| (b) Deferred tax liabilities (Net) | 5 | 13.04 | 8.69 |
| (c) Long term liabilities | 6 | 22.93 | 20.97 |
| (3) Current Liabilities | | | |
| (a) Short-term borrowings | 7 | 436.29 | 446.00 |
| (b) Trade payables | 8 | 184.62 | 214.38 |
| (c) Other current liabilities | 9 | 41.08 | 45.46 |
| (d) Short-term provisions | 10 | 24.44 | 12.36 |
| TOTAL | | 1,185.24 | 1,202.08 |
| II. Assets | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 11 | 260.11 | 261.81 |
| (ii) Intangible assets | 11 | 0.64 | 0.63 |
| (iii) Capital work-in-progress | | 11.86 | 11.19 |
| (b) Non-current investments | 12 | 0.12 | 0.19 |
| (c) Long term loans and advances | 13 | 9.61 | 5.39 |
| (2) Current assets | | | |
| (a) Inventories | 14 | 393.89 | 416.26 |
| (b) Trade receivables | 15 | 437.76 | 429.54 |
| (c) Cash and cash equivalents | 16 | 11.11 | 18.75 |
| (d) Short-term loans and advances | 17 | 60.14 | 58.32 |
| TOTAL | | 1,185.24 | 1,202.08 |

NOTES TO ACCOUNTS

Accompanying Notes are an integral part of the Financial Statements

As per our Report of even date attached

For Suresh C. Mathur & Co.

Chartered Accountants

Firm Registration No. 000891N

For and on behalf of the Board of Directors

Brijesh C. Mathur
Partner
Membership No. 083540

S. S. Dhawan
Whole-time Director
DIN: 00528056

B. R. Punj
Chairman & Managing Director
DIN: 00080956

Place:- New Delhi
Dated:- 30th May, 2016

Pulkit Bhasin
Company Secretary
ICSI M. No.: A27686

A. A. Siddiqi
Chief Financial Officer
PAN: AIDPS0636F

A. K. Joshi
Director
DIN: 06747753

CONSOLIDATED STATEMENT OF PROFIT & LOSS

FOR THE PERIOD ENDED 31ST MARCH, 2016

(₹ In Crores)

| Particulars | Note | Period Ended 31.03.2016 | Period Ended 30.06.2015 |
|--|-----------------|----------------------------|----------------------------|
| I. Income | | | |
| Revenue from operations (Gross) | 18 | 1,041.78 | 1,332.31 |
| Less:- Excise Duty | | 10.84 | 16.13 |
| Revenue from operations (Net) | | 1,030.94 | 1,316.18 |
| Other Income | 19 | 4.07 | 2.94 |
| Total Revenue (I) | | 1,035.01 | 1,319.12 |
| II. Expenses: | | | |
| Cost of materials consumed | 20 | 866.01 | 1,148.33 |
| Changes in inventories of Finished Goods, Work-in Progress and Stock-in-Trade | 21 | (14.14) | (64.33) |
| Employee Benefit Expenses | 22 | 28.30 | 32.93 |
| Other Expenses | 23 | 56.82 | 65.88 |
| Total Expenses (II) | | 936.99 | 1,182.81 |
| III. Profit before Interest, Depreciation/Amortisation and Tax (EBITDA) | (I - II) | 98.02 | 136.31 |
| Finance Costs | 24 | 49.04 | 64.25 |
| Depreciation & Amortisation | 25 | 9.74 | 12.72 |
| IV. Profit before Tax | | 39.24 | 59.34 |
| V. Tax expense: | | | |
| (1) Current tax | | 13.35 | 15.25 |
| (2) Deferred tax | | 4.35 | 4.03 |
| VI. Profit (Loss) from the period from continuing operations | | 21.54 | 40.06 |
| VII. Earning per equity share: | | | |
| (1) Basic & Diluted | | 7.00 | 13.02 |

As per our Report of even date attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

For and on behalf of the Board of Directors

Brijesh C. Mathur
Partner
Membership No. 083540

S. S. Dhawan
Whole-time Director
DIN: 00528056

B. R. Punj
Chairman & Managing Director
DIN: 00080956

Place:- New Delhi
Dated:- 30th May, 2016

Pulkit Bhasin
Company Secretary
ICSI M. No.: A27686

A. A. Siddiqi
Chief Financial Officer
PAN: AIDPS0636F

A. K. Joshi
Director
DIN: 06747753



CONSOLIDATED CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31ST MARCH, 2016

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 | | Period Ended 30.06.2015 | |
|---|----------------------------|---------|----------------------------|---------|
| A. Cash Flow from Operating Activities: | | | | |
| Net Profit before tax | | 39.24 | | 59.33 |
| Adjustments for : | | | | |
| Add : Depreciation | 9.74 | | 12.72 | |
| Provision for Gratuity | 0.38 | | 0.08 | |
| Interest paid | 43.29 | 53.41 | 56.69 | 69.49 |
| Less: Export Incentive | - | | (0.50) | |
| Interest Income | (0.71) | | (0.81) | |
| Gratuity Paid | (0.39) | | (0.19) | |
| Dividend Income | - | (1.10) | (0.01) | (1.51) |
| Operating profit before working capital changes | | 91.55 | | 127.31 |
| Trade & other receivables | (8.22) | | (97.05) | |
| Inventories | 22.37 | | (11.66) | |
| Loans & Advances | 10.81 | | (3.60) | |
| Short term borrowings | (9.72) | | 33.16 | |
| Other Current Liability | (4.38) | | (3.96) | |
| Long Term Liabilities | - | | 1.71 | |
| Trade & other payable | (29.76) | (18.90) | 100.30 | 18.90 |
| Cash generated from operations | | 72.65 | | 146.21 |
| Exchange Fluctuation | (1.97) | | 0.09 | |
| Direct tax paid | (13.06) | (15.03) | (22.72) | (22.63) |
| Net Cash Flow from Operating Activities | | 57.62 | | 123.58 |
| B Cash Flow from Investing Activities: | | | | |
| Purchase of fixed assets | (8.79) | | (17.18) | |
| Sale of investments | 0.07 | | - | |
| Interest received | 0.71 | | 0.81 | |
| Dividend received | - | (8.01) | 0.01 | (16.36) |
| Net Cash Flow from Investing Activities | | (8.01) | | (16.36) |
| C Cash Flow from Financial Activities: | | | | |
| Long Term Loans and Advances | (4.22) | | 0.63 | |
| Proceeds from Long Term Borrowing | (17.47) | | (36.49) | |
| Dividend Paid | (3.08) | | (3.08) | |
| Dividend Tax | (0.53) | | (0.52) | |
| Export Incentive | - | | 0.50 | |
| Other Long Term Liabilities | 1.97 | | - | |
| Share warrants issued | 9.37 | | - | |
| Interest paid | (43.29) | (57.25) | (56.69) | (95.65) |
| Net Cash Flow from Financing Activities | | (57.25) | | (95.65) |
| Net increase/decrease in Cash and Cash Equivalents (A+B+C) | | (7.64) | | 11.57 |
| Opening Balance of Cash and Cash Equivalents | | 18.75 | | 7.18 |
| Closing Balance of Cash and Cash Equivalents | | 11.11 | | 18.75 |
| Net increase/ decrease in Cash and Cash Equivalents | | (7.64) | | 11.57 |

As per our Report of even date attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

For and on behalf of the Board of Directors

Brijesh C. Mathur
Partner
Membership No. 083540

S. S. Dhawan
Whole-time Director
DIN: 00528056

B. R. Punj
Chairman & Managing Director
DIN: 00080956

Place:- New Delhi
Dated:- 30th May, 2016

Pulkit Bhasin
Company Secretary
ICSI M. No.: A27686

A. A. Siddiqi
Chief Financial Officer
PAN: AIDPS0636F

A. K. Joshi
Director
DIN: 06747753

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED 31ST MARCH, 2016

NOTE:- 1

1.1 CORPORATE INFORMATION

Fedders Lloyd Corporation Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE) in India and well diversified in the field of Environment Control Systems (ECS), fabrication of steel structures for Power, commercial and industrial construction projects and implementation of high power transmission lines. The Company has also been into exports of power equipments/components to various funded projects by multilateral agencies.

The Company has been generating revenues mainly from three segments:-

1. Environmental Control Systems
2. Steel Structures & Engineering
3. Power Transmission & Distribution and Overhead Electrification (OHE)

1.2 BASIS OF PREPARATION

The Financial statements of the company have been prepared in accordance with Generally Accepted Accounting Principles in India (GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 (as amended). The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of Financial Statements are consistent with those of previous year, except for the change in accounting policy explained below.

1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a) Use of estimates

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities, at the date of the Financial Statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

b) Tangible Fixed Assets:

Fixed assets except leasehold land are stated at cost less accumulated depreciation. The cost includes freight, duties, taxes and other incidental expenses related to acquisition and installation. CENVAT claim, if any, on capital goods is reduced from the cost.

Capital Work-in-Progress

Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

c) Depreciation on tangible fixed assets

- i) After enactment of the Companies Act, 2013, Depreciation on fixed assets is provided on straight-line basis at the rates prescribed in Schedule II to the Companies Act, 2013.
- ii) Depreciation on assets added during the year, is calculated on pro-rata basis with reference to the date of installation.



- iii) Depreciation rates have been arrived after applying estimated life provided in the Schedule-II. For calculating depreciation on various categories of assets following estimated life has been provided in the schedule :

| Type of Assets | Useful Life in Years |
|----------------------|----------------------|
| Building | 30 |
| Plant & Machinery | 15 |
| Office Equipments | 5 |
| Vehicles | 8 |
| Furniture & Fixtures | 10 |

d) Intangible Assets

Intangible Assets are stated at cost of acquisition.

e) Grant

Grants are recognized when there is reasonable assurance that the grant will be received and conditions attached to them are complied with.

f) Research and Development

Research costs are expensed as incurred.

g) Impairment of Assets

The carrying values of assets/cash generating units at each Balance Sheet date are reviewed for impairment of assets. If any indication of such impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in prior accounting periods no longer exists or may have decreased such reversal of impairment loss is recognized.

h) Inventory Valuation

- i) Raw materials and consumables are valued at cost net of MODVAT as per the FIFO method after providing for cost of obsolescence value.
- ii) Stock in process is valued at direct cost i.e. cost of materials and variable manufacturing expenses.
- iii) Finished goods are valued at lower of cost or net realizable value.
- iv) Stock in transit lying in customs warehouse is valued at cost but does not include custom duty payable, however, non-provision of duty does not affect the profit for the year.

i) Revenue Recognition

- i) Income and Expenditure are recognized on accrual basis.
- ii) Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects Central Sales Taxes and Value Added Taxes (VAT) on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

- iii) Export sales are accounted on the basis of date of bill of lading.
- iv) Sales and service include excise duty and adjustments made towards liquidated damages and price variation, wherever applicable. Escalation and other claims, which are not ascertainable/acknowledged by customers, are not taken into account.

- v) Revenue from project related activity is recognized on the basis of running bills raised on the basis of completion of the project activities.
- vi) Dividend income is recognized when the right to receive the dividend is established.

j) Investments

Long term Investments are stated at cost. Investments in subsidiary company are of long-term strategic value and the diminution, if any, in the value of these investments is temporary in nature.

k) Foreign currency transactions

i. Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

iii. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

iv. Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the year.

l) Retirement Benefits

Provident Fund:-

Retirement benefit in form of provident fund is a defined contribution scheme and the contributions are charged to the Profit and Loss account of the period when the contributions to the respective funds are due.

Gratuity:-

The Company's liability in respect of payment of gratuity is provided on accrual basis as per actuarial valuation. The Company is in process of having arrangement with Insurance co. to administer its Superannuation & Gratuity Fund.

Leave Encashment:-

Leave Encashment are valued at cost to company basis without considering any discounting and salary increase and provided on the basis of actual valuation.

m) Taxation

Current Tax:

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961, except for the overseas subsidiaries and joint ventures where current tax provisions is determined based on the local tax laws. Deferred tax is recognized for all timing differences, subject to the consideration of prudence applying the tax rates that have been substantively enacted by the Balance Sheet date.



Deferred Tax:

Deferred tax liabilities represent the tax effect of temporary differences substantially on account of differences in the written down value of Fixed Assets on account of differing depreciation methods and rates and other timing differences.

The breakup of deferred tax assets and liabilities into major components at the period ended is as below:

| PARTICULARS | AMOUNT (₹ IN CRORES) |
|---|----------------------|
| Deferred Tax Liabilities | |
| Depreciation Difference & other Provision | 4.54 |
| Deferred tax Assets | |
| Other Provision | 0.19 |
| Net Deferred Tax Liability | 4.35 |

Minimum Alternate Tax:

Minimum Alternate Tax (MAT) paid during a period is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

n) Borrowing Cost

Cost in connection with the borrowing of funds to the extent not directly related to the acquisition of fixed assets are amortized and charged to the Profit and Loss Account, over the tenure of the loan. Borrowing cost to the extent directly attributable to acquisition of fixed assets are added to the cost of fixed assets.

o) Segment Reporting

As per Accounting Standard 17 on segment reporting of Institute of Chartered Accountants of India ("ICAI"), the Company has reportable segments viz. Environmental Control Systems, Steel Structural & Engineering and Power Projects during the period under review. Accordingly the reporting is done segment wise.

p) Earning Per Share

The earnings considered in ascertaining the Company's Earnings per Share (EPS) comprise the net profits after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares.

q) Cash Flow Statement

The Cash Flow statement is prepared by the indirect method set out in Accounting Standard-3 issued by the Institute of Chartered Accountants of India as required by the SEBI on Cash Flow Statement and presents cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the cash flow statement consists of cash in hand and demand deposits with banks as on the Balance Sheet date.

r) Sundry Debtors/Loans & Advances

Company, as a policy, obtains balance confirmation from Sundry Debtors, Creditors and other advances on monthly/quarterly/half yearly basis depending upon quantum of transaction made with the parties. Considering the same, The Company does not have all balance confirmations as at 31st March, 2016 the effect of the same, if any, which is not likely to be material will be adjusted at the time of confirmation.

s) Provisions / Contingencies

A provision is recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the amount required to settle the obligation at the Balance Sheet date.

Contingent liabilities are not recognized and are disclosed in the Notes to Financial Statement.

t) Derivative Instruments

The Company has entered into derivative contracts in the nature of interest rate swaps and forward contracts with intention to hedge its requirements and firm commitments. The contracts are mark to market and losses are recognized in the Profit and Loss account. Gains arising on the same are not recognized on ground of prudence.

u) Deferred Revenue Expenditure

Cost of travelling, Consultancy fee and other expenses related to IRIS Certification are considered as deferred revenue expenditure. 1/5 of the expenditures have been charged to Profit and Loss account.



NOTE 2 : SHARE CAPITAL

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|--|---------------------|---------------------|
| 1. Authorized Capital | | |
| 7,00,00,000 Equity Shares of ₹ 10/- each (Previous year 7,00,00,000 Equity Shares of ₹ 10/- each) | 70.00 | 70.00 |
| Total Authorized Share Capital | 70.00 | 70.00 |
| 2. Issued & Subscribed Capital | | |
| 3,07,69,700 Equity Shares of ₹ 10/- each | 30.77 | 30.77 |
| 3. Paid up Capital | | |
| 3,07,69,700 Equity Shares of ₹ 10/- each fully paid up (Previous Year 3,07,69,700 equity shares of ₹ 10/- each) | 30.77 | 30.77 |
| Total Issued, Subscribed and Fully Paid-up Share Capital | 30.77 | 30.77 |

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| Particulars | As at 31.03.2016 | | As at 30.06.2015 | |
|--|------------------|-------------------------|------------------|-------------------------|
| | No. of Shares | Amount (₹ in Crores) | No. of Shares | Amount (₹ in Crores) |
| Equity Shares | | | | |
| Shares outstanding at the beginning of the year | 30769700 | 30.77 | 30769700 | 30.77 |
| Shares Issued during the year | - | - | - | - |
| Shares outstanding at the End of the year | 30769700 | 30.77 | 30769700 | 30.77 |

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(b) Details of shareholders holding more than 5% shares in the Company

| Particulars | 31 March, 2016 | | As at 30.06.2015 | |
|---|----------------|--------------|------------------|--------------|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Equity Shares of ₹ 10 each fully paid-up | | | | |
| Zenith Impex Pvt. Ltd. | 2,951,910 | 9.59 | 3,771,910 | 12.26 |
| Rajul Estates Pvt. Ltd. | 2,403,562 | 7.81 | 3,295,562 | 10.71 |
| Lloyd Sales Pvt. Ltd. | 4,293,619 | 13.95 | 4,293,619 | 13.95 |
| Perfect Radiators & Oil Coolers Pvt Ltd | 3,826,525 | 12.44 | 3,826,525 | 12.44 |
| Mr. Brij Raj Punj | 1,632,667 | 5.31 | 1,632,667 | 5.31 |

As per the records of the company, including its register of shareholders/members and other declaration received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

Money Received Against Share Warrants

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|---------------------|---------------------|---------------------|
| 25% Upfront Payment | 9.37 | - |
| TOTAL | 9.37 | - |

Money received against Share Warrants represents the amount received towards warrants which entitles the warrant holders to convert the warrants into equal number of equity shares of the face value of ₹ 10/- each.

During the Period under review, the Company has issued and allotted 50,00,000 convertible warrants on preferential basis at ₹ 75 each convertible into equal number of equity shares to Promoter/Promoter group entities.

The Warrant holders are entitled to exercise the option of conversion upon payment of balance amount i.e. 75% of total consideration before the expiry of 18 months from the date of allotment.

NOTE 3 : RESERVES AND SURPLUS

(₹ In Crores)

| Particulars | | As at 31.03.2016 | As at 30.06.2015 |
|--|-------|---------------------|---------------------|
| 1) Capital Reserve | | | |
| Revaluation Reserve | 10.56 | | |
| Less: Set off depreciation | 0.07 | 10.49 | 10.56 |
| 2) Securities Premium Account | | 25.64 | 25.64 |
| 3) General Reserve: | | | |
| Opening balance | | 315.55 | 265.55 |
| Add: Transfer from Profit & Loss a/c | | 25.00 | 50.00 |
| | | 340.55 | 315.55 |
| 3(A) Exchange Fluctuation difference on Consolidation | | (2.30) | (0.34) |
| 4) Profit & Loss Account: | | | |
| Profit for the Year | | 21.54 | 40.06 |
| Balance Brought Forward from Previous year | | 11.75 | 25.30 |
| | | 33.29 | 65.36 |
| Less:- Appropriations | | | |
| Proposed Dividend | | 2.31 | 3.08 |
| Provision for tax on Dividend | | 0.48 | 0.53 |
| Transfer to General Reserve | | 25.00 | 50.00 |
| Balance Carried To Balance Sheet | | 5.50 | 11.75 |
| TOTAL | | 379.88 | 363.16 |

NOTE 4 : LONG TERM BORROWINGS

(₹ In Crores)

| Particulars | | As at 31.03.2016 | As at 30.06.2015 |
|------------------------------|--|---------------------|---------------------|
| 1. Term Loans | | | |
| From Schedule Banks:- | | | |
| Foreign Currency loan | | 39.59 | 55.78 |
| Indian Currency Loan | | 3.23 | 4.51 |
| TOTAL | | 42.82 | 60.29 |

Note:-

- Foreign Currency Loan (ECB)-1 of USD 7.32 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4% . The loan is repayable in 22 quarterly installments starting from 18 months from the date of first draw-down i.e. 3rd Oct'11.
- Foreign Currency Loan (ECB)-2 of USD 3.3 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4 % . The loan is repayable in 22 quarterly Installment starting from 18 months from the date of first draw-down i.e. 1st June'11.
- Foreign Currency Loan (ECB)-3 of USD 4 Million from ICICI BANK carries interest @ 6 mths LIBOR plus 4 % . The loan is repayable in 22 quarterly Installment starting from 18 months from the date of first draw-down i.e. 29th April'11.
- Foreign Currency Loan (ECB) of USD 5.5 Million from Standard Chartered Bank carries interest @ LIBOR plus 2.90%. The loan is repayable in 16 equal quarterly instalments beginning from 15th month from the date of first draw-down i.e. 3rd Oct'11.
- Indian rupee loan from State Bank of India carries interest @ 12.50%. The loan is repayable in 16 quarterly installments of ₹ 1.5625 Crores each after moratorium of 1 year from the date of loan i.e. 28th Sept'12.



NOTE 5 : DEFERRED TAX LIABILITIES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|---|---------------------|---------------------|
| Opening Balance | 8.69 | 4.66 |
| Deferred Tax Liability on account of Depreciation | 4.54 | 4.11 |
| Less: transferred from Deferred Tax Asset | 0.19 | 0.08 |
| Net Deferred Tax Liability | 13.04 | 8.69 |

NOTE 6 : LONG TERM LIABILITIES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|-------------------|---------------------|---------------------|
| Gratuity payable | 4.04 | 4.05 |
| Security Deposit | 16.92 | 16.92 |
| Other Liabilities | 1.97 | - |
| TOTAL | 22.93 | 20.97 |

NOTE 7 : SHORT TERM BORROWINGS

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|----------------------------------|---------------------|---------------------|
| 1. Working Capital Loans: | | |
| From Banks | 436.29 | 446.00 |
| TOTAL | 436.29 | 446.00 |

The working capital loans, fund based as well as non fund based from banks are secured by way of first hypothecation charge on the stocks/book debts, both present and future and second charge on pari-passu basis on the fixed assets of the Company.

NOTE 8 : TRADE PAYABLES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|------------------|---------------------|---------------------|
| Sundry Creditors | 184.62 | 214.38 |
| TOTAL | 184.62 | 214.38 |

NOTE 9 : OTHER CURRENT LIABILITIES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|---|---------------------|---------------------|
| Interest Accrued but not due on Term Loan | - | 0.27 |
| Other Liabilities | 8.32 | 5.87 |
| Unclaimed Dividend | 0.68 | 0.59 |
| Current maturity of Long Term Borrowings | | |
| Foreign Currency loan | 25.43 | 26.17 |
| Indian Currency Loan | 6.25 | 12.54 |
| Loan against Vehicles (secured by hypothecation of vehicle financed) | 0.40 | 0.02 |
| TOTAL | 41.08 | 45.46 |

NOTE 10 : CURRENT PROVISIONS

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|-------------------------------|---------------------|---------------------|
| Provision for Income Tax | 21.67 | 8.75 |
| Provision for Dividend | 2.30 | 3.08 |
| Provision for Tax on Dividend | 0.47 | 0.53 |
| TOTAL | 24.44 | 12.36 |

NOTE 11 : FIXED ASSETS

(₹ In Crores)

| Particulars | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK | |
|-----------------------|---------------------|-------------|-------------------------|---------------------|--------------------|-----------------|------------|---------------|---------------------|---------------------|
| | As at 30.06.2015 | Additions | Transfer/ Adjustment | As at 31.03.2016 | Upto 30.06.2015 | For the year | Adjustment | Total | As at 31.03.2016 | As at 30.06.2015 |
| Land | 53.41 | 0.41 | - | 53.82 | - | - | - | - | 53.82 | 53.41 |
| Building Factory | 109.26 | 0.06 | - | 109.32 | 28.34 | 2.08 | - | 30.42 | 78.90 | 80.91 |
| Office Premises | 2.76 | 0.01 | - | 2.77 | 1.74 | 0.03 | - | 1.77 | 1.00 | 1.02 |
| Temporary Shed | 3.52 | - | - | 3.52 | 3.35 | - | - | 3.35 | 0.17 | 0.18 |
| Furniture & Fixtures | 3.68 | 0.09 | - | 3.77 | 1.76 | 0.20 | - | 1.96 | 1.81 | 1.92 |
| Plant & Machinery | 209.94 | 6.78 | - | 216.72 | 87.42 | 6.82 | - | 94.24 | 122.48 | 122.52 |
| Computer | 4.99 | 0.06 | - | 5.05 | 4.53 | 0.22 | - | 4.75 | 0.30 | 0.46 |
| Office Equipments | 4.37 | 0.02 | - | 4.39 | 3.57 | 0.22 | - | 3.79 | 0.60 | 0.81 |
| Motor Car | 2.46 | 0.58 | - | 3.04 | 1.91 | 0.13 | - | 2.04 | 1.00 | 0.54 |
| Scooter & Motor Cycle | 0.11 | - | - | 0.11 | 0.07 | 0.01 | - | 0.08 | 0.03 | 0.04 |
| Intangible Assets | 1.10 | 0.11 | - | 1.21 | 0.47 | 0.10 | - | 0.57 | 0.64 | 0.63 |
| TOTAL | 395.60 | 8.12 | - | 403.72 | 133.16 | 9.81 | - | 142.97 | 260.75 | 262.44 |
| (Previous Year) | 378.14 | 17.46 | - | 395.60 | 120.33 | 12.83 | - | 133.16 | 262.44 | 257.82 |

| | |
|--|------|
| Total Depreciation during the year | 9.81 |
| Less: Revaluation Reserve W/back to the extent of dep. on addition on a/c of Revaluation | 0.07 |
| Depreciation charged to Profit & Loss Account | 9.74 |

NOTE 12 : INVESTMENTS

(₹ In Crores)

| Particulars | Face Value | Number of Shares | AS AT 31.03.2016 | Number of Shares | AS AT 30.06.2015 |
|---|------------|------------------|---------------------|------------------|---------------------|
| Quoted Shares | | | | | |
| Lloyd Electric & Engineering Ltd (M.V. ₹ 244.10 Per Share) | 10 | 100 | 0.00 | 100 | - |
| State Bank of Bikaner & Jaipur (M.V. ₹ 502.10 Per Share) | 100 | 375 | 0.02 | 375 | 0.02 |
| Sub-Total (A) ₹ | | | 0.02 | | 0.02 |
| Unquoted Shares: | | | | | |
| State Bank Of India PSU | | | 0.05 | | 0.05 |
| SBI Mutual Fund (Gold Fund) | | | 0.05 | | 0.05 |
| Vicinity RFID Solution (P) Ltd | 10 | 55,500 | - | 55,500 | 0.07 |
| Subsidiary Company | | | | | |
| Fedders Lloyd Trading FZE | 100000AED | 5 | - | | - |
| Sub-Total (B) ₹ | | | 0.10 | | 0.17 |
| Total (A+B) ₹ | | | 0.12 | | 0.19 |
| Additional Information : | | | | | |
| 1) Aggregate amount of Company's - | | | | | |
| a) Market value of Quoted Investments | | | 0.02 | | 0.02 |
| b) Unquoted Investments | | | 0.10 | | 0.17 |



NOTE 13 : LONG TERM LOANS & ADVANCES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|-----------------------------|---------------------|---------------------|
| Retention Money Recoverable | 9.61 | 5.39 |
| Loan to subsidiary Company | - | |
| TOTAL | 9.61 | 5.39 |

NOTE 14 : INVENTORIES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|---|---------------------|---------------------|
| Raw-materials, Consumables and Components | 144.67 | 181.83 |
| Stock in Process | 199.22 | 182.31 |
| Finished Goods | 49.35 | 52.12 |
| Stock In Transit | 0.65 | - |
| TOTAL | 393.89 | 416.26 |

NOTE 15 : TRADE RECEIVABLES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|--|---------------------|---------------------|
| Outstanding for a period exceeding six months from the date they are due for payment | 74.33 | 49.71 |
| Other Receivables | 363.43 | 379.83 |
| TOTAL | 437.76 | 429.54 |

NOTE 16 : CASH & CASH EQUIVALENTS CASH AND BANK BALANCES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|--------------------------------------|---------------------|---------------------|
| Cash balance in hand | 0.80 | 2.04 |
| Balances with Scheduled banks | | |
| In Current Accounts | 1.29 | 1.31 |
| Dividend with Bank | 0.68 | 0.59 |
| In fixed deposits | 8.32 | 14.58 |
| Interest accrued on fixed deposit | 0.02 | 0.23 |
| TOTAL | 11.11 | 18.75 |

NOTE 17 : SHORT TERM LOANS & ADVANCES

(₹ In Crores)

| Particulars | As at 31.03.2016 | As at 30.06.2015 |
|--|---------------------|---------------------|
| Advances recoverable in cash or in kind or for value to be recovered | 31.52 | 37.32 |
| Pre payments | - | 0.01 |
| Advances to employees | 2.39 | 1.98 |
| Balances with Statutory/Govt. Authorities | 10.08 | 9.45 |
| Recoverable with Govt. Authorities | 0.11 | 0.04 |
| Advance Income Tax & TDS | 9.03 | 0.54 |
| Earnest Money & Other Deposit | 7.01 | 8.98 |
| TOTAL | 60.14 | 58.32 |

NOTE 18 : REVENUE FROM OPERATIONS

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 (9 Months) | Year Ended 30.06.2015 (12 Months) |
|------------------------------|--|---|
| Sale of Products | | |
| Projects/Manufacturing Goods | 1,041.78 | 1,332.31 |
| TOTAL | 1,041.78 | 1,332.31 |

NOTE 19 : OTHER INCOME

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 (9 Months) | Year Ended 30.06.2015 (12 Months) |
|------------------|--|---|
| Interest Income | 0.71 | 0.81 |
| Export Incentive | - | 0.51 |
| Dividend Income | 0.00 | 0.01 |
| Other Income | 3.36 | 1.61 |
| TOTAL | 4.07 | 2.94 |

NOTE 20 : COST OF MATERIAL CONSUMED

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 (9 Months) | Year Ended 30.06.2015 (12 Months) |
|--|--|---|
| Raw materials, consumables & component consumed | | |
| Opening stocks | 181.83 | 234.50 |
| Add:-Purchases | 827.23 | 1,093.86 |
| Carriage Inwards | 1.62 | 1.80 |
| Less: Closing stocks | 144.67 | 181.83 |
| Cost of Raw Material, Consumables & Components Consumed | 866.01 | 1,148.33 |

NOTE 21 : CHANGES IN INVENTORY

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 (9 Months) | Year Ended 30.06.2015 (12 Months) |
|---|--|---|
| 1) Decrease/(Increase) in stocks in Progress | | |
| Opening stock | 182.31 | 98.56 |
| Less : Closing stock | 199.22 | 182.31 |
| Decrease/(Increase) in Stock in Progress | (16.91) | (83.75) |
| 2) Decrease/(Increase) in finished goods: | | |
| Opening stock | 52.12 | 71.54 |
| Less : Closing stock | 49.35 | 52.12 |
| Decrease/(Increase) in Finished Goods | 2.77 | 19.42 |
| TOTAL | (14.14) | (64.33) |



NOTE 22 : EMPLOYEE BENEFIT EXPENSES

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 (9 Months) | Year Ended 30.06.2015 (12 Months) |
|------------------------------|--|---|
| Wages (Works) | 4.09 | 5.09 |
| Labour Welfare | 0.16 | 0.15 |
| Salary Account | 21.58 | 25.48 |
| Employer contribution in PF | 1.29 | 1.47 |
| Employer contribution in ESI | 0.04 | 0.07 |
| Gratuity | 0.38 | 0.20 |
| Bonus | 0.18 | 0.17 |
| Leave Encashment | 0.12 | 0.09 |
| Staff Welfare | 0.46 | 0.21 |
| TOTAL | 28.30 | 32.93 |

NOTE 23 : OTHER EXPENSES

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 (9 Months) | Year Ended 30.06.2015 (12 Months) |
|--|--|---|
| Repair and Maintenance | | |
| - Plant & Machinery | 0.30 | 0.35 |
| - Building & Office | 0.15 | 0.11 |
| - Others | 1.32 | 2.43 |
| Electricity Charges | 3.27 | 4.99 |
| Factory Overheads | 6.62 | 9.61 |
| Insurance | 0.98 | 1.20 |
| Rent, Rate & Taxes | 2.10 | 2.96 |
| Postage & Courier & Telephone Expenses | 1.10 | 1.13 |
| Printing and Stationery | 0.23 | 0.34 |
| Tender Fees | 0.11 | 0.10 |
| Audit Fee (including service tax) | 0.15 | 0.13 |
| Legal & Professional Expenses | 1.13 | 2.74 |
| Travelling & Conveyance Expenses | 2.19 | 5.23 |
| Motor Car Expenses | 0.28 | 0.88 |
| Misc. Expenses | 0.24 | 0.41 |
| Loss on foreign exchange fluctuation | 3.75 | 2.81 |
| Advertisement Expenses | 0.09 | 0.02 |
| Discount | - | 1.08 |
| Selling Expenses | 15.96 | 18.82 |
| Service charges | 0.15 | 1.96 |
| Commission | 6.97 | 0.03 |
| Exhibition Expenses | 0.19 | 0.09 |
| Research & Development Expenses | 0.37 | 1.79 |
| Watch & Ward | 1.90 | 1.28 |
| Computer/Software Expenses | 0.01 | 1.09 |
| Donation | 0.08 | 0.57 |
| Taxes Gain & Loss | 0.51 | 0.41 |
| Fees & Taxes (including club fee) | 0.27 | 1.20 |
| Director Remuneration & Sitting Fees | 1.40 | 2.07 |
| Warranty Expenses | 0.05 | 0.05 |
| Provision for doubtful debts | 4.95 | - |
| TOTAL | 56.82 | 65.88 |

NOTE 24 : FINANCE COSTS

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 (9 Months) | Year Ended 30.06.2015 (12 Months) |
|---------------|--|---|
| Interest Paid | 43.29 | 56.68 |
| Bank charges | 5.75 | 7.57 |
| TOTAL | 49.04 | 64.25 |

NOTE 25 : DEPRECIATION AND AMORTISATION

(₹ In Crores)

| Particulars | Period Ended 31.03.2016 (9 Months) | Year Ended 30.06.2015 (12 Months) |
|---------------------------------|--|---|
| Depreciation on Tangible Assets | 9.74 | 12.72 |
| TOTAL | 9.74 | 12.72 |

NOTE 26 : RELATED PARTY DISCLOSURES

| a) Related Companies | Nature of relationship (Associated co./subsidiary co./directors interested) |
|--|--|
| Airserco Pvt. Ltd | Directors Interested |
| Lloyd Electric & Engineering Ltd. | Directors Interested |
| Perfect Radiators & Oil Coolers Pvt. Ltd. | Directors Interested |
| PSL Engineering Pvt. Ltd. | Directors Interested |
| Regal Information Technology Pvt. Ltd. | Directors Interested |
| Lloyd Credits Ltd. | Directors Interested |
| Lloyd Sales Pvt. Ltd. | Directors Interested |
| Lloyd Manufacturing Pvt. Ltd. | Directors Interested |
| Himalayan Mineral Waters Pvt. Ltd. | Directors Interested |
| FOREIGN SUBSIDIARY COMPANY | |
| Fedders Lloyd Trading FZE | 100% Subsidiary |
| b) Key Managerial Personnel: | |
| Mr. Brij Raj Punj | Chairman & Managing Director |
| Mr. Sham Sunder Dhawan | Whole-time Director |
| Mr. Nemichandra Dhanyakumar Jain * | Whole-time Director |
| *resigned from the Board of Directors of the company w.e.f 28 th December, 2015 | |
| c) Transactions with related Companies | (₹ In Crores) |
| Lloyd Electric & Engineering Ltd. | |
| Purchase of Goods | 6.58 |
| Sale of Goods | 21.52 |
| PSL Engineering Pvt. Ltd. | |
| Purchase of Goods | 0.09 |
| Sale of Goods | 2.43 |
| Pandit Kanhaiya Lal Punj Trust | |
| Donation | 0.08 |
| Himalayan Mineral Waters Pvt. Ltd. | |
| Rent | 0.19 |



NOTE 27 : VALUE OF IMPORT (C.I.F) VALUE

| Particulars | (₹ In Crores) |
|-------------------------------------|---------------|
| i) Raw Materials Components & Parts | 20.66 |
| ii) Capital Goods | 0.43 |
| TOTAL | 21.09 |

NOTE 28 : VALUE OF RAW MATERIAL CONSUMED

| Particulars | Percentage (%) | (₹ In Crores) |
|--------------|----------------|---------------|
| Imported | 2.38 | 20.66 |
| Indigenous | 97.62 | 845.35 |
| TOTAL | 100.00 | 866.01 |

NOTE 29 : FOREIGN EXCHANGE OUTGO

| Particulars | (₹ In Crores) |
|--|---------------|
| Import Raw Materials Component & Parts | 38.00 |
| Plant & Machinery/Tools | 0.40 |
| Travelling Expenses | 1.48 |
| Other Expenses | 8.76 |
| TOTAL | 48.64 |

NOTE 30 : EARNINGS IN FOREIGN EXCHANGE

| Particulars | (₹ In Crores) |
|--------------|---------------|
| Export Sales | 49.31 |

NOTE 31 : PAYMENT TO AUDITORS

| Particulars | (₹ In Crores) |
|-----------------|---------------|
| Audit Fees | 0.12 |
| Tax Audit fee | 0.01 |
| Add Service Tax | 0.02 |
| TOTAL | 0.15 |

NOTE 32 : PAYMENT TO DIRECTORS

| Particulars | (₹ In Crores) |
|----------------------------------|---------------|
| Remuneration & Perks/Consultancy | 1.39 |
| Provident Fund | 0.09 |
| Bonus | 0.00 |
| TOTAL | 1.48 |

NOTE 33 : Company, as policy, obtains balance confirmation from Sundry Debtors, Sundry Creditors and other advances on monthly/quarterly/half yearly basis depending upon quantum of transactions made with the parties. Considering the same, the Company does not have all balance confirmation as at 31st March 2016 the effect of the same, if any which is not likely to be material will be adjusted at the time of confirmation.

NOTE 34 : Excise duty of ₹ 10.84 Crores charged on Sales.

NOTE 35 : The Company has made a provision of doubtful debts for ₹ 4.95 Crores.

NOTE 36 : SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

| Particulars | (₹ In Crores) | |
|---|--------------------------------|---------------------------------|
| | As at 31.03.2016 (9 Months) | As at 30.06.2015 (12 Months) |
| 1. Segment Revenue | | |
| (a) Segment-ENVIRONMENTAL CONTROL SYSTEMS | 20.03 | 28.05 |
| (b) Segment-STEEL STRUCTURES & ENGINEERING | 749.33 | 973.74 |
| (c) Segment-POWER PROJECTS | 265.65 | 317.33 |
| Total | 1,035.01 | 1,319.12 |
| Less: Inter Segment Revenue | - | - |
| Net sales/Income From Operations | 1,035.01 | 1,319.12 |
| 2. Segment Results (Profit(+)/ Loss (-) before tax and interest from Each segment) | | |
| (a) Segment-ENVIRONMENTAL CONTROL SYSTEMS | 2.35 | 4.65 |
| (b) Segment-STEEL STRUCTURES & ENGINEERING | 62.50 | 89.70 |
| (c) Segment-POWER PROJECTS | 28.34 | 36.61 |
| Total | 93.19 | 130.96 |
| Less: (i) Interest | 49.04 | 64.25 |
| (ii) Other Un-allocable Expenditure net off | 4.91 | 7.38 |
| (iii) Un-allocable income | - | - |
| Total Profit Before Tax | 39.24 | 59.33 |
| 3. Capital Employed | | |
| (Segment assets – Segment Liabilities) | | |
| (a) Segment –ENVIRONMENTAL CONTROL SYSTEMS | 94.26 | 93.25 |
| (b) Segment – STEEL STRUCTURES & ENGINEERING | 253.53 | 260.04 |
| (c) Segment – POWER PROJECTS | 148.08 | 136.08 |
| (d) Unallocated | 2.62 | 3.55 |
| Total | 498.49 | 492.92 |

NOTE 37 : In the opinion of the Board the current assets are approximately of the value stated, if realized in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount reasonably necessary.

NOTE 38 : DISCLOSURE UNDER MICRO, SMALL & MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME) which came into force from October 2, 2006, certain disclosures are required to be made relating to MSME. On the basis of information and record available with the Company, the following disclosures are made for the amounts due to Micro, Small and Medium Enterprises.

- | | | |
|--|---|-------------------------------|
| a) Principal amount due to any supplier as at the year end | : | ₹ 1.07 Crores (under dispute) |
| b) Interest due on the principal amount unpaid at the year end to any supplier | : | NIL |



NOTE 39 : CONTINGENT LIABILITIES

1. Bank Guarantees: ₹ 335.25 Crores (Previous year ₹ 261.76 Crores) includes the bank guarantees amounting to USD 54,25,915 (INR 35.99 Crores) invocation initiated by the beneficiaries in respects of certain contracts in Ethiopia under execution, against which the Company has got permanent injunction from Ethiopian court. The matter is under arbitration proceedings on direction of Ethiopian court. During the year, the Company has made a provision for ₹ 4.95 Crores in the financial statement.
2. Sales Tax Assessment demand for Financial Year 2011-12 of ₹ 0.09 Crores was raised by the UP Sales Tax Department and the Company has filed the appeal and the tribunal has granted stay against the demand.
3. Recovery suits filed by the parties in different court but not acknowledged as debts/liabilities: ₹ 7.20 Crores.
4. Income Tax Matter (Pending Rectification) ₹ 0.76 Crores.

NOTE 40 :

Current period figures are for 9 Months, hence not comparable with previous year figures of 12 Months

The previous year figures have been regrouped or reclassified as and where found necessary.

As per our Report of even date attached
For Suresh C. Mathur & Co.
Chartered Accountants
Firm Registration No. 000891N

For and on behalf of the Board of Directors

Brijesh C. Mathur
Partner
Membership No. 083540

S. S. Dhawan
Whole-time Director
DIN: 00528056

B. R. Punj
Chairman & Managing Director
DIN: 00080956

Place:- New Delhi
Dated:- 30th May, 2016

Pulkit Bhasin
Company Secretary
ICSI M. No.: A27686

A. A. Siddiqi
Chief Financial Officer
PAN: AIDPS0636F

A. K. Joshi
Director
DIN: 06747753

Form AOC- 1

(Pursuant to first proviso to sub section (3) of Section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Name of the Subsidiary

Fedders Lloyd Trading FZE

Reporting Period

1st July, 2015 to 31st March, 2016

(Amount in AED)

| S.No. | Particulars | |
|-------|------------------------|----------|
| 1 | Reporting Currency | AED |
| 2 | Exchange Rate | 18.01 |
| 3 | Share Capital | 500,000 |
| 4 | Reserves and surplus | NIL |
| 5 | Total Assets | 77,263 |
| 6 | Total Liabilities | 77,263 |
| 7 | Investments | NIL |
| 8 | Turnover | NIL |
| 9 | Profit before taxation | (18,978) |
| 10 | Provision for taxation | NIL |
| 11 | Profit after taxation | (18,978) |
| 12 | Proposed Dividend | NIL |
| 12 | % of shareholding | 100% |

As per our Report of even date attached

For Suresh C. Mathur & Co.

Chartered Accountants

Firm Registration No. 000891N

For and on behalf of the Board of Directors

Brijesh C. Mathur

Partner

Membership No. 083540

S. S. Dhawan
Whole-time Director
DIN: 00528056

B. R. Punj
Chairman & Managing Director
DIN: 00080956

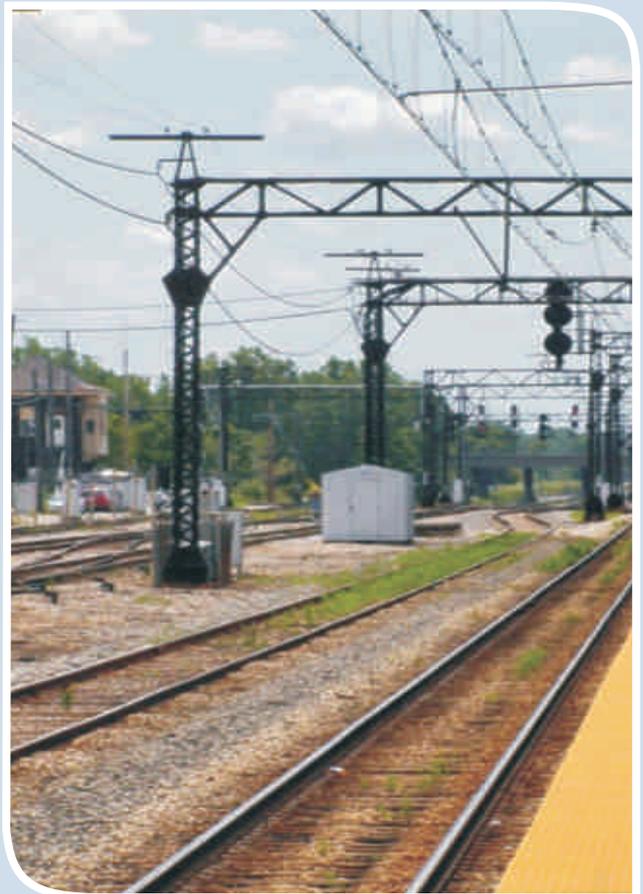
Place:- New Delhi
Dated:- 30th May, 2016

Pulkit Bhasin
Company Secretary
ICSI M. No.: A27686

A. A. Siddiqi
Chief Financial Officer
PAN: AIDPS0636F

A. K. Joshi
Director
DIN: 06747753

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If undelivered, please return to:

Fedders Lloyd Corporation Limited

159, Okhla Industrial Estate, Phase-III, New Delhi-110 020 (INDIA)

Ph. : 91-11-40627200 / 300 Fax : 91-11-41609909

E-mail : investor.relations@fedderslloyd.com

Website : www.fedderslloyd.com