Annual Report 2012-13

LLOYD

LIVE THE FUTURE

Building a Sustainable Future...

LLOYD ELECTRIC & ENGINEERING LIMITED

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India Trusts LLOYD Air Conditioners!

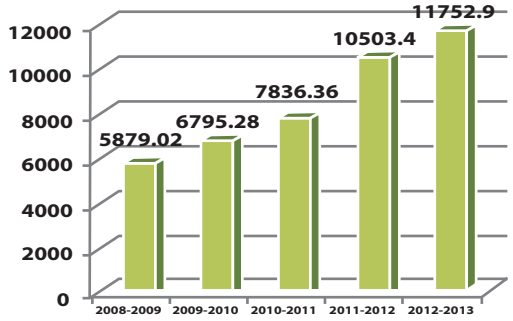
Engineering Smiles. Enriching Lives....

Key Financial Highlights

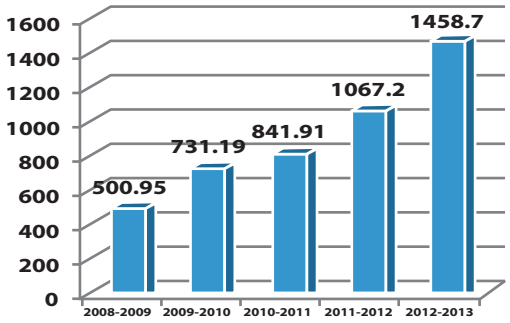
(Rs. in Million)

	Standalone					Consolidated	
	2012-2013 (Post Merger)	2011-2012	2010-2011	2009-2010	2008-2009	2012-2013 (Post Merger)	2011-2012
Operating Results							
Total Income	11752.90	10503.40	7836.36	6795.28	5879.02	14793.40	13513.50
Operating Profit (EBIDTA)	1458.70	1067.20	841.91	731.19	500.95	1558.70	1180.60
Profit Before Tax	728.60	530.20	486.56	452.78	247.70	715.60	503.30
Profit After Tax	561.50	393.30	360.56	343.78	203.72	528.00	351.20
Financial Position							
Paid up Capital	310.07	310.07	310.07	310.07	310.07	310.07	310.07
Share Capital Suspense	43.20	43.20	-	-	-	43.20	43.20
Share Capital	353.27	353.27	310.07	310.07	310.07	353.27	353.27
Reserves	5261.50	4710.60	4107.85	3711.64	3404.01	5156.90	4663.90
Shareholder's fund	5614.77	5063.87	4417.92	4021.71	3714.08	5510.17	5017.17
Performance Indicator							
EPS	15.90	11.14	11.63	11.09	6.57	14.95	9.94

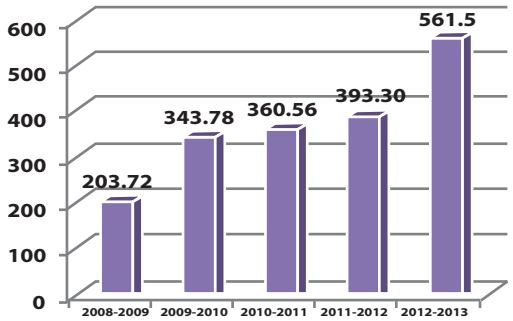
Standalone Financial Trends



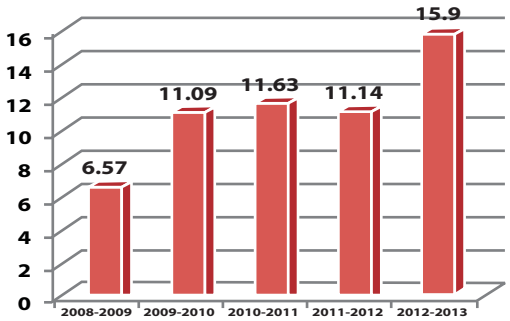
Total Income (Rs. In Millions)



EBITDA (Rs. In Millions)



PAT (Rs. In Millions)



Earning Per Share (Rs.)

Chairman's Address

Dear Shareholders

Across the world in 2012 the economy remained a worry. Global GDP fell to 3.2% compared to 4% in 2011. The Indian economy continued to remain sluggish in FY 2012-13. Both manufacturing and service activities remained subdued on account of supply-side bottlenecks and sluggish external demand. The current account deficit (CAD) came in at an all -time high of 6.7% of GDP in Q3 of FY 2012-13.

Indian economy is passing through challenging times. Growth has slowed down on account of fiscal imbalances, and reduced trade and investments in advanced economies. The Indian economy suffered a decade low GDP of 5% not only on account of global headwinds but also due to RBI's liquidity tightening measures as well as widening current account deficit. Concerns have also emerged due to depreciating value of rupee as compared to dollars in the past few weeks that would adversely impact both inflation and the CAD. This is a time for bold action on the part of Governments, corporations and individuals. The year also saw room air conditioning industry declining by around 5% as against the decline of 14% in the year 2011-12. A short summer season and other economic conditions had an adverse impact on the industry.

Despite the challenging environment, your Company has strengthened its position as a leading player in the HVAC&R industry. The overall revenue of the Company grew by 10% during the year, whereas there was a remarkable increase in the Profit after tax by 50%.

A recent significant development has been that, the Hon'ble High Courts at Delhi and Rajasthan, Jaipur bench has sanctioned the on-going scheme of arrangement which became effective on 11th June 2013. On the scheme coming into effect, all assets and liabilities of the Heat Exchanger business of Perfect Radiators & Oil Coolers Pvt. Ltd. stood demerged and transferred to the Company with appointed date as 1st April 2011, which has been approved by the Hon'ble High Courts.

Post- merger of the Heat Exchanger undertaking of PROC, your Company has added another state of art manufacturing facility at Haridwar, Uttarakhand equipped with latest plant and machineries for the manufacture of Copper and brass heat exchangers, shell & tube heat exchanger for industrial application, oil coolers for railways, and heavy automobile and tube mill for MB radiators.

We are confident of the synergies arising from the merger of heat exchanger business with our existing line of Coil business in terms of economies of scale and leadership position in Heat Exchanger industry and look forward to achieving significant value by integrating and consolidating the business globally.

Post -Merger of the Heat Exchanger business, the Consolidated Revenue of your Company stood at Rs. 1479.34 crores, registering a growth of 10%. Your Company earned a consolidated EBIDTA of Rs. 155.87 crores, an increase of 32% over the last year, resulting in improvement in operating margins from 8.73% to 10.53%. The Profit after tax grew at a healthy rate of 50% to Rs. 52.80 crores

Over the years, your Company has expanded its air-conditioning and refrigeration product offerings by investing in new product development, marketing, and servicing and distribution network. We continue to invest in improving productivity and efficiency, enriching our product portfolio and preparing ourselves for future opportunities.

Driven by the passion to pursue excellence through innovations, Lloyd has evolved and adapted with the changing trends and lifestyle by introducing eco –friendly R410A refrigerant Hot & Cold AC, and Portable AC catering to export and domestic market. New star rated room air conditioners meeting with the high energy efficiency norms were also introduced during the year. We are enhancing our focus more on the use of green technologies to reduce our carbon footprint and optimise the use of natural resources. As our next step towards energy saving, we are focusing on the development of the split air-conditioners with inverter technology and getting ready to launch products meeting 2014 energy norms. During the year, your Company has also developed roof mounted packaged units with environment friendly

refrigerants for LHB and conventional coaches for Indian railways. While your Company continues its strong presence in the domestic market, it has also increased its international revenues consistently over the past few years. Your Company has been approved by the Bombardier, Alstom and GE as the worldwide supplier of HVAC&R units. I am confident that this momentum will help it leverage its proven strengths in the coming years as well.

Your Company is expanding its Lloyd branded product portfolio in Indian market by introducing innovative products that are ideally suited to the market. Under the Lloyd branded products, your company has introduced Ultra High Definition, Smart, 3D LED's ; chest freezers including new and exciting range of room air-conditioners in premium and mass premium segment. We are constantly strengthening our after sales service network through a comprehensive CRM module operating through 525 Lloyd authorized service centres and over 5000 dealers nationwide. On distribution front, we are expanding beyond the larger cities into fast growing Tier –III and IV markets.

I am pleased to report that 'Lloyd' brand has been awarded as one of the India's most promising brands and is rapidly gaining the market share.

On the subsidiaries front, Lloyd Coils Europe s.r.o. (LCE) too reported strong operating results, braving the economic headwinds globally, recording a significant increase of 40% in the EBITDA from the previous year. Significant initiatives taken towards optimizing the Company's footprint and rationalizing the cost structure have stood the Company in good stead. While the Net Sales has increased marginally by 5% to Euro 37 Million, EBITDA touched to all time high to Euro 3.36 Million, setting yet another milestone in the history of the plant. For Janka Engineering s.r.o. (Janka), the situation is still difficult, due to the slow recovery of the commercial construction segment in central Europe and the reduced no. and value of projects. The subsidiary had reported negative EBITDA of Euro -1 Million, which primarily was suffered due to bankruptcy of customer in Slovakia. In difficult times, your Company taps its inherent strengths to adapt to changing circumstances and devise new ways to deal with adversities. As a result, by the end of the fiscal year 2012, Janka was selected by the local rolling stock manufacturer Skoda transportation as exclusive supplier for their new projects of tramcars for Turkish city of Konya. This project has value of Euro 3.2 Million and will be supplied during the year 2013 & 2014. In addition, new range of Air handling units (AHU) havebeen launched under the brand name 'PremiAir'.

On 24th Aug 2013 late hours, a major fire broke out at one of the Company's godown in Kalkaji, New Delhi, resulting in the loss of stock. We were fortunate that there were no human casualties. The company has filed the insurance claim. Fighting against any adverse situation is the core of Lloyd's philosophy. However, operations have not been hampered due to the same.

Sustainability at 'Lloyd' takes many forms- engaging with our communities, being a generous Corporate Citizen and making sure that we do not deplete the environment of resources we use in making our products. Lloyd's business priorities have never overshadowed its community efforts. In fact, we have always looked upon our business as an enabling force for social advancement. At LLOYD, we believe that Corporate Social Responsibility (CSR) is an opportunity and a privilege to serve the community in which we live. Our flagship initiative Pandit Kanhaya Lal Punj (PKLP) Trust focus on education, health and family welfare, infrastructure development, and women empowerment. Lloyd supports a wide range of initiatives based in the heart of communities.

It is imperative that India regains its growth trajectory of 8-9% sooner than later. The core challenges that constrain high rates of growth must be addressed comprehensively and speedily. The Government has announced several policy measures in recent times to tackle these challenges. It is hoped that investor and consumer sentiment would get re-ignited to put the country once again on a high growth path.

Your Company is poised to achieve a quantum leap in the next few years in every respect - volume, capabilities and enhanced value for all its stakeholders. The ability to achieve these results has come from having world class products, excellent people and also in part of the strategic decision made over the past few years to focus on organic and inorganic growth opportunities which has seen us spend significant amount of capital in new product development and infrastructure to bolster our competitive position in the market place.

I wish to take this opportunity to express my sincere gratitude to the members of the Board of Directors for their professionalism and dedicated contribution to steer the Company towards excellence. My special thanks also to the management team and every member of Lloyd group for their continued contributions and commitment towards the Organisation. I also wish to extend our thanks to our valuable shareholders, customers, business associates, investors as well as banking institutions and relevant authorities for their continued support, guidance and confidence in the Company.

Given the distinctive growth path that we have charted, your Company is well on its way to becoming a global leader in HVAC&R industry.

With warm regards,

Brij Raj Punj
Chairman & Managing Director

Integrating and Consolidating Heat Exchanger Business Globally.....

Controlled Atmosphere Brazing Furnace for Aluminum Radiators, Condensers and Oil Coolers

The Heat Exchanger Division, Strategic Business Unit merged during the year Manufactures wide range of Heat Exchangers, Radiators, Oil Coolers for Automotive and Non Automotive Industry

Aluminium Fin Forming

Copper Fin Forming

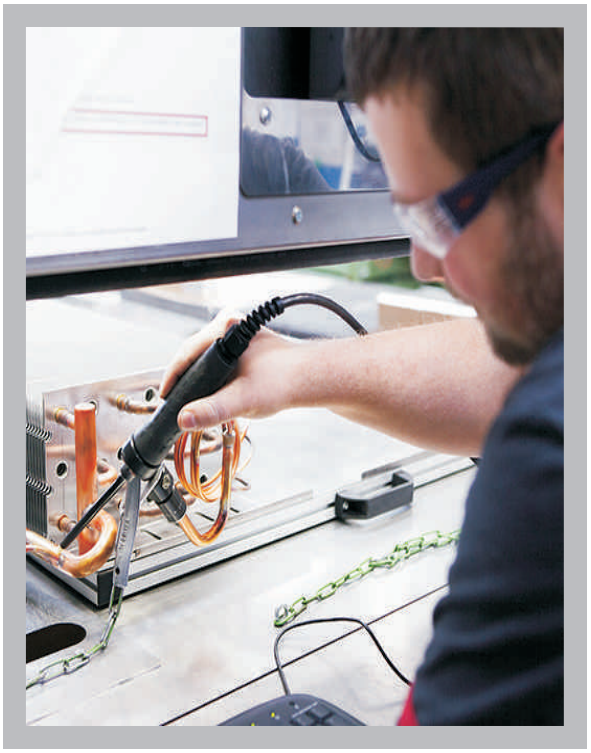
VMC Header Plate CNC Drilling

Glimpses of our Manufacturing Facilities

Assembly Line for Room Air Conditioners

Assembly Line for Roof Mounted Packaged Air Conditioner for Indian Railways, Defence & Metros

Overseas Manufacturing Facility



Sustainability Report

WE RESPECT PEOPLE, COMMUNITIES AND THE ENVIRONMENT

> *"A vision to create wealth for society, to work and improve lives of our communities and other stakeholders and an inherent respect for the environment has guided our business ethos."*

Sustainability has been a core value at Lloyd since its inception. Our focus areas are embodied in the following themes – social contract, resource intensity and green innovation – and are articulated in our Sustainability Policy. Social contracts are our implicit responsibility to the larger society, to factor in social and environmental aspects as important dimensions of our business. Resource intensity is about doing more with fewer resources – energy, water or material. Green innovation is about leveraging the opportunity for business leadership through sustainability.

While we address all aspects of social, environmental and economic performance, the issues of immediate material concern to Lloyd are the safety and health of our people, resource conservation, development of innovative products and processes which lead to a low carbon future, minimizing the carbon footprint, value creation for all stakeholders and contributing to the prosperity of the communities and nations where we operate.

As part of our sustainability journey, many of our business units are pursuing innovation in green technologies and many of these have been implemented as solutions for our clients. 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.

Your Company's ideology towards corporate sustainability and a few steps taken towards the aim of becoming world's leading brand in corporate sustainability are enumerated here:

Think Green

Lloyd is committed towards taking steps to protect environment either by direct initiatives or conserving the by-products to reduce fuel consumption.

Caring for environment is need for the hour. A greener, healthier plant is the best legacy we can leave for future generations

and for our business. Towards this green movement, Company has taken up initiative for the plantation of trees & saplings in and around its works, a move to increase environment conservation consciousness. We have been running power saving programs in our offices and on network operations for over years now. These programs help in reducing costs and our carbon footprint. The Company uses electrical equipment's with high energy efficiency and low anti environment emissions. This is a key factor while procuring any electrical equipment.

Your Company has taken appropriate measures by adopting green and clean technologies and designing pollution control infrastructure. Some of the environment friendly technologies adopted include development of products with R-410 and R-290 refrigerants which are environment friendly.

Waste Management

Lloyd has been able to reduce office waste by introducing simple but effective practices like printing only when necessary, double sided printing & photocopying and sending documents electronically. Lloyd undertook a dramatic transformation in work processes which has delivered powerful dividends in terms of environmental friendliness. These initiatives have managed to save significant no. of sheets of paper every year. Lloyd has in place a recycling and waste management program to support the environment which also provides significant cost saving for the organization in long term. Your Company carefully planned a coordinated approach with full support of the management & employees.

Health & Safety

As Lloyd strives to reach greater heights, the Company is focusing on continual improvement in the areas of health and safety across its operations. Health and safety is a key performance indicator and one of the prime drivers of the Company's corporate vision.

Utmost care has been taken to ensure safety during the operations. The Company has also strived to ensure that the highest standards of quality are being observed in equipment supplies at manufacturing facilities.

Lloyd is committed to ensuring zero harm to its employees, contractors and the communities in which it operates. This is integral to the Company's business process and is laid down in the Company's health and safety policies, standards and working procedures.

Your Company has in place, a well-established and comprehensive health and safety policy with supporting principles, standards and procedures having clear objectives for process safety, occupational safety and health. The employees are educated about safety programs and the health and safety policy to prevent major incidents and to ensure Zero accidents. A Health, Safety and Environment Committee, have been established involving employees at all levels. This has contributed significantly to the formulation and upgrading of policies, strategies and standards.

Greener today.... better tomorrow

Corporate Social Responsibility

The number of smiles we are able to get on the faces of destitute people adds to the wealth that we have earned.

> **"Our vision- To actively contribute to the social and economic development of the communities in which we operate; To build a better, sustainable way of life for the weaker sections of society."**

Driven by the desire to create a meaningful difference in society; at Lloyd we make conscious efforts to achieve higher socio-economic goals. Over the years, we have aligned our business processes and goals to make a more deep-rooted impact on the society directly. There is an absolute belief that the transformational projects undertaken by us are contributing towards strengthening trust of all our stakeholders.

Lloyd's welfare activities are carried out under the umbrella of Pandit kanahaya Lal Punj Trust, the philanthropic arm of the Lloyd Group. The Foundation aims that caring for the underserved is a legacy and an unwritten edict that has been followed generation after generation. And your Company is proud to be a part of this legacy. Social and environmental practices, far beyond compliance, have been an integral part of your Company's philosophy since its inception. These investments were undertaken with an innate sense of responsibility towards the well being of society and the environment. In recent years, to cement these relationships, our initiatives have become more structured and have been seamlessly integrated in our business process

We believe that bringing the benefits of education, basic healthcare, sustainable livelihood, infrastructure and espousing social reform, support to the needy suffering from physical disabilities, employability, community service for the aged and girl child welfare will make a difference to the lives of the poor.

Our CSR initiatives:

Ushering in a bright future

Education- Lloyd always endeavors to promote education. Your Company believes that education is a basic human right that must be provided to all. The vision is the force behind the group's involvement in a number of educational programs. It is with this intent that your Company extends its support to Purkal Youth Development society (PYDS). Induced by their programmes Shishu Shakti (Child power) and Yuva Shakti (Youth power), your Company supports the maintenance and learning of the rural youth in the age group of 5-18 years. During the year, Company has continued to sponsor the education and learning of Class VIII students, a few steps taken by Lloyd towards its aim of building a bright, strong and self-reliant India.

A Caring Touch

The Company, across its various operations, is committed to making a positive contribution to the society in a number of ways. Company has continuously encouraged its employees to volunteer for Corporate Social Responsibility (CSR) programmes as their responsibility towards society. Towards this edge Lloyd has continued its unwavering support to the noble cause of "MUSKAAN NGO," which works for children with mental handicap (carrying out vocational training and work center). During the Year, your Company has again organized a Mela on the auspicious occasion of Diwali providing the volunteers of Muskaan a platform to put up various stalls for display of products. Their beautiful hand made products were put up for sale and there was an overwhelming response not only from our employees and management but also from the employees of various offices situated in vicinity. The proceeds from the mela helped raising funds in substantial amounts to support the meaningful initiatives taken by MUSKAAN.

Disaster Relief and Support

Lloyd has a nation-wide presence that has grown at anexponential rate in the recent years. From time to time various initiatives like material collection, tree plantation, blood donation camps, etc. are undertaken for the welfare of fellow beings in need.

During the Previous year, North India has experienced heavy rainfall that triggered devastating floods and landslide in the state of Uttaranchal and Himachal Pradesh effecting Millions of People. The Country has suffered one of the worst floods in the recent History. To do our bit, in order to support the victims who have suffered the extensive devastation, Lloyd has joined hands with Goonj, NGO which works for socio-economic development to support the neediest people of the society in their drive RAHAT floods and had organized a material collection camp to provide immediate relief material for the flood hit people in Uttaranchal.

Every employee of the Lloyd family across various offices and premises had come forward to support this annual trauma of Millions of people affected by these devastating floods and had contributed dry ration, blankets, woolens, basic medicines, wearable clothes apart from the monetary contributions.

Healthcare

Together with education, economic development and critical human needs, Lloyd has identified healthcare as a key target for the company's Corporate Social Responsibility (CSR) engagements. The well-being of children is absolutely essential for creating vibrant and prosperous societies long term. As UNICEF states, "Healthy children become healthy adults: people who create better lives for themselves, their communities, and their countries."

With these beliefs your Company on the occasion of 121st Birth Anniversary of Our Founder Pandit Kanahaiya Lal Punj, had organized Medical check up, eye check up and blood donation camp at Taluka Healthcare Centre, in the district of Bharuch to ensure access to the best possible healthcare to the needy and deprived no matter how many miles they live from a cutting-edge urban hospital. A dedicated team of doctors from renounced hospitals had come to visit the patients. The eye care camp was dedicated to help people enhance, protect and restore their sight; the full body checks camp to ensure that every individual lives a life free from all diseases and deficiencies. This initiative of your Company was highly appreciated and people had come in substantial numbers to get the check up and donate blood for the welfare of fellow beings in need. Lloyd is helping healthcare facilities make better use of scarce resources, support personalized treatments, and build children's healthcare capacity.

In addition to the above CSR efforts, Company has supported various other NGO's like Life Care Regeneration Association, Handicapped Children Rehabilitation Association for providing medical treatment to Children & Destitute Aged suffering from multiple disabilities.

For us at Lloyd, reaching out to underserved communities is our key social responsibility. We believe in the trusteeship concept. The ethos of giving and caring, which forms the very essence of inclusive growth, is part of our Group's DNA, our Group's character.

Our Board of Directors, our Management and all our employees subscribe to the philosophy of compassionate care and to the upliftment of our societies.

Corporate Information

BOARD OF DIRECTORS

Brij Raj Punj
Chairman & Managing Director

Bharat Raj Punj
Executive Director

Achin Kumar Roy
Whole Time Director

Mukat B. Sharma
Whole Time Director & Chief Financial Officer

Nipun Singhal
Whole Time Director

Krishan Lall
Non-Executive Independent Director

Surjit Krishan Sharma
Non-Executive Independent Director

Geeta Ajit Tekchand
Non-Executive Independent Director

Ramesh Kumar Vasudeva
Non-Executive Independent Director

Ajay Dogra
Non-Executive Independent Director

COMPANY SECRETARY

Anita K. Sharma

STATUTORY AUDITORS

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

BANKERS

State Bank of Bikaner & Jaipur
State Bank of India
Axis Bank
Standard Chartered Bank
IDBI Bank
ING Vysya Bank
Exim Bank
Indusind Bank
Karnataka Bank
Kotak Mahindra Bank
HDFC Bank

SHARE TRANSFER AGENT

Skyline Financial Services Private Limited
D-153A, Okhla Industrial Area
Phase- I, New Delhi- 110 020
Tel: 011-26812682, 83
Fax: 011-26812684

REGISTERED OFFICE

A-146, (B&C), RIICO Industrial Area
Bhiwadi Distt. Alwar,
Rajasthan- 301019
Ph: 01493-220724, 222521, 221348

CORPORATE OFFICE

159, Okhla Industrial Estate,
Phase-III, New Delhi- 110020
Ph: 011-40627200-300
Fax: 011-41609909

MANUFACTURING PLANTS

DOMESTIC

1. A-146, (B&C), RIICO Industrial Area
   Bhiwadi Distt. Alwar, Rajasthan- 301 019
2. Industrial Area Kala-Amb, Trilokpur Road,
   Sirmour, Nahan Himachal Pradesh
3. Plot No. 24 Sector 2, IIE
   SIDCUL Pantnagar, Uttarakhand
4. Plot No. S 21 & S 22, NON SEZ, Phase III
   Sipcot Road, Mugundarayapuram
   Ranipet, Vellore District, Tamilnadu
5. Bahadarabad, Mehdood
   Industriral Park, 2 Salempur
   SIDCUL, Haridwar, Uttrakhand

OVERSEAS
(Owned by subsidiaries)

1. Lloyd Coils Europe s.r.o
   Prague-5, Radotin,
   Vrazska 143, Czech
   Republic
   Postal Code 15300
2. Janka Engineering s.r.o
   Prague-5, Radotin,
   Vrazska 143,
   Czech Republic
   Postal Code 15300

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CONTENTS

Page -1
Notice

Page -11
Directors' Report

Page -21
Management Discussion and Analysis Report

Page -29
Corporate Governance Report

Page -47
Auditors' Report

Page -51
Balance Sheet

Page -52
Statement of Profit & Loss

Page -53
Cash Flow Statement

Page -54
Notes to Financial Statements

Page -78
Statement of Interest in Subsidiary Companies

Page -80
Auditors' Report on Consolidated Financial Statement

Page -81
Consolidated Balance Sheet

Page -82
Consolidated Statement of Profit & Loss

Page -83
Consolidated Cash Flow Statement

Page -84
Consolidated Notes to Financial Statements

Notice

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of Lloyd Electric & Engineering Limited will be held on Saturday, 28th September, 2013 at 9:00 A.M. at the Registered Office of the Company situated at A-146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on March 31, 2013 and the Profit and Loss Account for the year ended on that date together with the Reports of Board of Directors and Auditors thereon.

2. To declare Dividend for the Financial Year 2012-2013.

3. To appoint a Director in place of **Mr. Surjit Krishan Sharma,** who retires by rotation and being eligible, offers himself for reappointment.

4. To appoint a Director in place of **Dr. Geeta Ajit Tekchand,** who retires by rotation and being eligible, offers herself for reappointment.

5. To appoint a Director in place of **Mr. Ramesh Kumar Vasudeva,** who retires by rotation and being eligible, offers himself for reappointment.

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

   "**RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, as amended or re-enacted from time to time (the 'Act'), **M/s Suresh C. Mathur & Co.,** Chartered Accountants, (ICAI Registration No. 000891N), the retiring Auditors of the Company, be and are hereby re-appointed as Statutory Auditors of the Company for the Financial Year 2013 -14, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be agreed by the Board of Directors/ Committee thereof, including out-of-pocket and traveling expenses."

SPECIAL BUSINESS:

7. **Appointment of Mr. Ajay Dogra as Non-Executive Independent Director**

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

   "RESOLVED THAT Mr. Ajay Dogra who was appointed as an Additional Director of the Company with effect from 30th May, 2013 and who holds the office upto the date of the forthcoming Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Act proposing his candidature for the office of the Director, be and is hereby appointed as the Director of the Company liable to retire by rotation.

8. **Appointment of Mr. Nipun Singhal as Whole Time Director**

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

   "RESOLVED THAT Mr. Nipun Singhal, who was appointed as an Additional Director under Section 260 of the Companies Act, 1956 w.e.f. 30th May, 2013 and who shall hold the office upto the date of the forthcoming Annual General Meeting and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received

proposing his candidature for the Office of Director of the Company, be and is hereby appointed as a Whole Time Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956 including any statutory modifications or re-enactment thereof, or any other law, Rules and Regulations as may be applicable and such Consent(s), approval(s) and permission(s) of Central Government, Shareholders and other authorities wherever required and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s) and permission(s) and in consonance with Articles of Association of the Company, consent of the Members, be and is hereby accorded towards the appointment of Mr. Nipun Singhal as Whole Time Director of the Company for a term of five years with effect from 30th May, 2013, on such terms and conditions including remuneration as stated in the Explanatory Statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall also be deemed to include the Remuneration Committee and/or any other sub-committee thereof constituted by the Board) be and is hereby authorized to vary, alter and modify, change, substitute and/or revise all or any of the terms and conditions of appointment including remuneration/ remuneration structure of Mr. Nipun Singhal within the limits prescribed in the Explanatory Statement and in accordance with the law from time to time in force and subject to the approval of the Shareholders and the Central Government, if required.

9. Enhancement in remuneration of Mr. Achin Kumar Roy, Whole Time Director

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

"RESOLVED THAT pursuant to and in accordance with the provisions of sections 198, 269, 309, 310, 311, 316, 317 and all other applicable provisions of the Companies Act, 1956 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule XIII of the Act and subject to such consents and permissions if any, as may be necessary, the consent of the Company be and is hereby accorded to the enhancement of remuneration, benefits and amenities paid/ payable/ enjoyed to/ by Mr. Achin Kumar Roy, Whole Time Director of the Company with effect from 1st April, 2013 in the manner as detailed in the explanatory statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall also be deemed to include the Remuneration Committee or any other sub committee constituted by the Board) be and is hereby authorized to revise and/ or re-fix the said remuneration and/ or other perquisites, benefits and amenities provided that so revised/ re-fixed remuneration and/or other perquisites etc. do not exceed the limits prescribed from time to time under Schedule XIII or any other provisions of Companies Act, 1956, and/ or any statutory modification(s) thereof and provided further that such enhanced remuneration, allowances and perquisites are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/ fixation by the Board/ Committee."

10. Enhancement in remuneration of Mr. Mukat Behari Sharma, Whole Time Director

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

"RESOLVED THAT pursuant to and in accordance with the provisions of sections 198, 269, 309, 310, 311, 316, 317 and all other applicable provisions of the Companies Act, 1956 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule XIII of the Act and subject to such consents

Notice

and permissions if any, as may be necessary, the consent of the Company be and is hereby accorded to the enhancement of remuneration, benefits and amenities paid/ payable/ enjoyed to/ by Mr. Mukat Behari Sharma, Whole Time Director of the Company with effect from 1st April, 2013 in the manner as detailed in the explanatory statement annexed to the notice convening this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall also be deemed to include the Remuneration Committee or any other sub committee constituted by the Board) be and is hereby authorized to revise and/ or re-fix the said remuneration and/ or other perquisites, benefits and amenities provided that so revised/ re-fixed remuneration and/or other perquisites etc. do not exceed the limits prescribed from time to time under Schedule XIII or any other provisions of Companies Act, 1956, and/ or any statutory modification(s) thereof and provided further that such enhanced remuneration, allowances and perquisites are subsequently placed before the shareholders in their General Meeting held after such enhancement/ revision/ fixation by the Board/ Committee."

By order of the Board of Directors

Dated: 29th August, 2013
Place: New Delhi

Anita K. Sharma
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

2. Members/ Proxies should bring duly filled Attendance Slip sent herewith to attend the meeting.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 23rd September, 2013 to Saturday, 28th September, 2013 (both days inclusive).

4. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

5. The shares of the Company are listed on the Bombay Stock Exchange Ltd., Mumbai and The National Stock Exchange of India Ltd. The annual listing fee for the year 2013-2014 is already paid.

6. All documents referred to in the notice are open for inspection at the registered office of the Company during working hours and also at the meeting venue.

7. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, NECS mandate, nomination, power of attorney, address, name, etc., to their depository participant (DP). These changes will be automatically reflected in Company's records, which will help the Company to provide better services to the members. Members holding shares in physical mode are requested to intimate the changes to the Registrar and Share Transfer Agent M/s. Skyline Financial Services Private Limited.

8. The shareholders requiring information on accounts are requested to send their queries to the Company atleast 7 days in advance.

9. **Dividend Entitlement:** Dividend on Equity shares, as recommended by the Directors, if declared at the meeting will be payable to those members whose names appear on the Register of Members of the Company. In the case of Beneficial owner as at the close of 22nd September, 2013 as per the beneficial ownership data furnished by NSDL/CDSL for the purpose and in respect of shares held in physical form after giving effect to all valid share transfers in physical form which are lodged with the Company before 23rd September, 2013.

   Dividend amounts of Members holding shares in electronic form and to those members holding in physical form, who have given their Bank details, will be credited to their respective bank Account through Electronic Clearing Service (ECS), wherever such facilities are available, soon after the declaration of the dividend in the AGM.

   Dividend warrants in respect of Members holding in Physical Form will be sent through post on/after 3rd October, 2013.

   Pursuant to the provisions of Section 205 A(5) and 205 C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed dividends up till the financial years 1996-97 and Interim Dividend for the financial year 2005-2006 to the Investor Education and Protection Fund (the IEPF) established by the Central Government.

   Dividends for the financial year ended March 31, 2006 and thereafter, which remain unpaid or unclaimed for a period of 7 years from the date they became due for payment will be transferred by the Company to IEPF. Members who have not so far encashed dividend warrant(s) for the aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the Company or Registrar and Share Transfer Agent M/s. Skyline Financial Services Private Limited immediately.

10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's Registrars and Share Transfer Agents, for consolidation into a single folio.

11. The relevant details as required by clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking re-appointment as Directors under Item no. 3, 4, 5, 6 and 7 are appended herewith.

12. Ministry of Corporate Affairs has taken a "green initiatives in the Corporate Governance" by allowing paperless compliances by companies and permitted the Companies to service documents to the members of the Company on their registered email addresses which shall be deemed to be in compliance of provisions of Section 53 of the Companies Act read with applicable provisions of Information Technology Act 2000. To be a part of "Green Initiative in the Corporate Governance" and keeping in view the benefits to the society at large through reduction in paper consumption and contribution towards a Greener Environment and ensuring prompt receipt of communication and avoid loss in postal transit, 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 address provided by the Members and made available to us by the Depositories.

    Members who hold shares in physical form are requested to register their e-mail addresses and intimate any change in e-mail id, with the Company or with the Registrars & Share Transfer Agents, SKYLINE FINANCIAL SERVICES PRIVATE LIMITED. In respect of electronic holdings members are requested to register their e-mail addresses with the Depository through their concerned Depository Participants. However, in case you desire to receive Company communication and documents in physical form, you are requested to intimate us through e-mail at investor.relation@lloydengg.com. You may kindly note that as a Member of the Company, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you, at any time.

Notice

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

ITEM NO. 7

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company, the Board of Directors of the Company appointed **Mr. Ajay Dogra**, as an Additional Director of the Company w.e.f. 30th May, 2013.

As per the provisions contained in Section 260 of the Companies Act, 1956 Mr. Ajay Dogra holds office upto the ensuing Annual General Meeting of the Company.

Mr. Ajay Dogra, aged 66 years holds certificate in Tea cultivation & Manufacture from Tocklai Tea Research Institute, Jorhat, Assam. He posses a wide experience of 44 years and have held senior managerial positions during his professional career in India as well as abroad. He has extensive knowledge and experience in managing business operations, project financing and implementation.

Mr. Dogra's vast experience and business acumen in diverse industries would help the Company to tap emerging opportunities across various business segments.

Notice in writing under Section 257(1) of the Companies Act, 1956 has been received from a member of the Company proposing the candidature of Mr. Ajay Dogra for the Office of the Director alongwith the Deposit of Rs. 500/-.

The members of the Company are hereby informed of the candidature of Mr. Ajay Dogra for the office of the Director and this be treated as individual notice to the members of the Company in terms of Section 257(1A) of the Companies Act, 1956.

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

None of the directors, except Mr. Ajay Dogra, is concerned or interested in the said resolution. Mr. Dogra holds NIL equity shares of the Company.

ITEM NO. 8

Mr. **Nipun Singhal** has been appointed as an additional Director of the Company to be designated as "Whole Time Director" for a term of 5 years by the Board of directors of the Company w.e.f. 30th May, 2013 on the remuneration recommended by the Remuneration Committee and approved by the Board of Directors.

Mr. Nipun Singhal, aged 42 years is currently associated with the Company as President of Consumer Durable Goods Division. He played an instrumental role in building the 'Lloyd' Brand and development of service infrastructure. Mr. Singhal holds a bachelor degree in Engineering and Economics from Oxford University, United Kingdom. Mr. Singhal has over a decade of extensive experience in sales and Marketing at various senior management positions across diversified industries. Previously, Mr. Singhal served as Chief Operating Officer of Videocon Industries Limited.

In his current assignment, Mr. Singhal is responsible for strategic planning, business development, sales and marketing functions of Lloyd across consumer durable products and evaporator, condenser coils and heat exchanger coils segment serving the 'Heating, Ventilation, Air-Conditioning and Refrigeration (HVAC &R) Industry.

Mr. Singhal's elevation is a part of Lloyd Strategy of streamlining business structures to increase competitiveness across the group.

Broad particulars of the terms of appointment and remuneration payable to Mr. Nipun Singhal are as follows:

a) **Term of Office:** 5 years w.e.f. 30th May, 2013

b) **Gross Remuneration:** Gross monthly remuneration of Rs. 5,50,000/- (in the scale of Rs. 5,00,000- Rs. 7,00,000/- p.m., with an annual increment upto 15% per year subject to the approval of the Board of Directors/ Committee thereof from time to time) whether paid as salary, allowance(s), perquisites or a combination thereof.

The perquisites and allowances as aforesaid shall include accommodation (furnished or otherwise) or House rent allowance in lieu thereof; house maintenance allowance together with re-imbursement of expenses; leave travel concession for self and family including dependents; utility allowance, quarterly allowance, club fees, medical insurance and other perquisites and/or allowances as per the policy/rules of the Company in force and/or as may be approved by the Board from time to time. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any other rules there under or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost to the Company.

In addition to the above, he will also be entitled to the following benefits as per policy/rules of the Company in force or as may be approved by the Board from time to time:

(i) Company's contribution to Provident Fund, Superannuation or Annuity funds;

(ii) Payment of gratuity and other retirement benefits;

(iii) Encashment of leave

Commission

As may be decided from time to time by the Board of Directors/ Committee thereof, subject to the overall ceiling of 1% of the net profits of the Company, computed in the manner laid down in section 309(5) of the Companies Act, 1956.

Reimbursement of Expenses

Reimbursement of expenses incurred for travelling, boarding and lodging; provisions of car(s) for use on Company's business and telephone expense at residence shall be reimbursed and not considered as perquisites.

The Board of Directors of the Company (hereinafter referred to as "the Board" which term shall also be deemed to include the remuneration committee and/or any other sub-committee thereof constituted by the Board) are authorized to re-fix his salary from time to time within the aforesaid period, keeping into view his performance and the ceilings, if any fixed by the statute.

The above remuneration payable to Mr. Nipun Singhal, Whole Time Director is subject to the condition that the total remuneration including commission and all the perquisites as mentioned above shall not exceed 5% of the net profits for such director, and if there is more than one such director, 10% for all of them together in accordance with section 198 and 309 of the Act, or any amendment therto or any other provisions as may be applicable.

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

The members of the Company are hereby informed of the candidature of Mr. Nipun Singhal for the office of the Director and this be treated as individual notice to the members of the Company in terms of Section 257(1A) of the Companies Act, 1956.

Notice

Mr. Singhal holds nil equity shares in the Company.

Your Directors recommend the aforesaid resolution for the approval of the shareholders by way of ordinary Resolution.

None of the Directors, except Mr. Nipun Singhal is concerned or interested in the said resolution.

ITEM NO 9

Mr. Achin Kumar Roy has been serving the Company as a Whole Time Director w.e.f. 28 April, 2007. Mr. Roy has been re-appointed as a Whole Time Director by the shareholders of the Company in the Annual General held on September 8, 2012 at a remuneration of Rs. 7,00,000/- per month.

Mr. Roy has been associated with the Company for the past 17 years and has come to be strongly identified with the Company's rise to its pre-eminent position. Keeping in view his increasing responsibilities and compelling leadership potential, the remuneration committee followed by the Board of Directors at their meeting held on May 30, 2013 has subject to the approval of the shareholders, accorded their respective approvals for enhancement in remuneration payable to Mr. Achin Kumar Roy from Rs. 7,00,000/- per month to the scale of Rs. 7,50,000- Rs. 8,50,000/- per month w.e.f 1st April, 2013 (with an annual increment of upto 15% per year subject to the approval of the Board of Directors/Committee thereof from time to time) for the remainder term of his office. All other terms & conditions of his appointment shall remain the same.

Your Directors recommend the aforesaid resolution for the approval of the shareholders by way of ordinary Resolution.

None of the Directors, except Mr. A.K. Roy is concerned or interested in the said resolution.

ITEM NO 10

Mr. Mukat Behari Sharma is a Whole Time Director on the Board of the Company since January 28, 2010. He has been drawing remuneration of Rs. 3,40,000/- per month (with an annual increment of upto 15% per year subject to the approval of the Board of Directors/Committee thereof from time to time) which was approved by the shareholders of the Company at the Annual General Meeting held on September 8, 2012.

Considering his vast experience, multifold achievements and increased jobs and responsibilities shouldered by him as a Whole Time Director of the Company, the remuneration committee followed by the Board of Directors at their meeting held on May 30, 2013 has subject to the approval of the Shareholders, accorded their respective approvals for enhancement in the remuneration payable to Mr. Mukat Behari Sharma from Rs. 3,40,000/- per month to the scale of Rs. 3,50,000/ - Rs. 4,50,000/- per month w.e.f 1st April, 2013 (with an annual increment of upto 15% per year subject to the approval of the Board of Directors/Committee thereof from time to time) for the remainder term of his office. All other terms & conditions of his appointment shall remain the same.

Your Directors recommend the aforesaid resolution for the approval of the shareholders by way of ordinary Resolution.

None of the Directors, except Mr. Mukat Behari Sharma is concerned or interested in the said resolution.

Item No. 8,9,10 may be treated as an abstract of the terms of appointment of Mr. Nipun Singhal and enhancement in remuneration of Mr. Achin Kumar Roy and Mr. Mukat Behari Sharma under Section 302 of the Companies Act, 1956.

By order of the Board of Directors

Dated: 29th August, 2013
Place: New Delhi

Anita K. Sharma
Company Secretary

Details of Directors seeking re-appointment at the forthcoming Annual General Meeting

(Pursuant to clause 49 of the Listing Agreement)

Name of Director	Mr. Surjit Krishan Sharma	Dr. Geeta Ajit Tekchand	Mr. Ramesh Kumar Vasudeva
Date of Birth	01.10.1944	18.06.1950	05.03.1944
Date of Appointment	31.01.2005	28.01.2010	08.08.2012
Qualification & Expertise	Mr. S.K. Sharma holds a Master degree in Engineering in Electrical Communication from the Indian Institute of Science, Bangalore. He is a retired officer from the Indian Air Force following a carrier of 35 years in the service. He posses' vast experience in the field of planning, controlling and executing technical projects/ activities of communication, electrical and air conditioning system. He also posses vast experience in management, human resources and administrative fields.	Dr. Geeta Ajit Tekchand holds Doctorate degree in Physical Therapy and is currently running her private clinic. Apart from her current assignment, she is actively involved in imparting various professional trainings, counselling in addition to being on the editorial board for publications by the institutes	Mr. Ramesh Kumar Vasudeva, is a B.A. (Hons) & M.A. (Hons) Economics from Delhi University and holds PG Diploma in Business Administration from Jammu University. Mr. Vasudeva has vast experience in Marketing field (Aviation). He has worked as Chief Airport Terminal Manager at Chennai, Delhi Airports and has also been designated as Chief Aviation Manager, Northern Region. He has obtained accreditation and implementation of ISO 9002 for Palam NITC and Chennai. In his experience of over two decades he was also associated with Reliance Petroleum for imparting training to their executives as per Reliance Training Modules.
Shareholding in the Company	NIL	NIL	NIL
List of Other public Limited companies in which directorship held	Fedders Lloyd Corporation Limited, Non-Executive and Independent Director	NIL	NIL
Membership/Chairmanship of Committees of other public companies	Fedders Lloyd Corporation Limited, Member of Audit Committee and Member of Share Transfer and Investor Grievance Committeee	NIL	NIL
Relationships between directors inter se	NIL	NIL	NIL

Notice

Name of Director	Mr. Ajay Dogra	Mr. Nipun Singhal
Date of Birth	23.09.1942	04.04.1972
Date of Appointment	30.05.2013	30.05.2013
Qualification & Expertise	Mr. Ajay Dogra, aged 66 years holds certificate in Tea cultivation & Manufacture from Tocklai Tea Research Institute, Jorhat, Assam. He posses a wide experience of 44 years and have held senior managerial positions during his professional career in India as well as abroad. He has extensive knowledge and experience in managing business operations, project financing and implementation.	Mr. Nipun Singhal, aged 42 years holds a bachelor degree in Engineering and Economics from Oxford University, United Kingdom. Mr. Singhal has over a decade of extensive experience in sales and Marketing at various senior management positions across diversified industries. Previously, Mr. Singhal served as Chief Operating Officer of Videocon Industries Limited. Mr. Singhal is seen as decisive, driving force for change and development, strategic planning, business development, sales and marketing functions.
Shareholding in the Company	NIL	NIL
List of Other public Limited companies in which directorship held	NIL	NIL
Membership/Chairmanship of Committees of other public companies	NIL	NIL
Relationships between directors inter se	NIL	NIL

By order of the Board of Directors

Dated: 29th August, 2013
Place: New Delhi

Anita K. Sharma
Company Secretary

To
The Members

Your Directors are pleased to present the 26th Annual Report on the business and operations of your Company alongwith the standalone and consolidated Audited Accounts for the financial year ended 31st March, 2013.

SUMMARISED FINANCIAL RESULTS

The standalone and consolidated financial highlights as on 31st March, 2013 and 31st March, 2012 post sanction of the Scheme of arrangement between Perfect Radiators and Oil Coolers Private Limited and Lloyd Electric & Engineering Limited (the 'Company') is summarized hereunder.

SUMMARISED FINANCIAL STATEMENTS **Amt. in crores**

	STANDALONE		CONSOLIDATED		STANDALONE		CONSOLIDATED	
	POST-MERGER				PRIOR-MERGER			
PARTICULARS	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Total Income	1175.29	1050.34	1479.34	1351.35	1007.38	905.06	1311.42	1206.07
Profit before interest, depreciation and taxation	145.87	106.72	155.87	118.06	130.83	93.47	140.83	104.82
Financial Expenses	50.74	32.4	52.7	37.1	46.7	29.13	48.65	33.83
Depreciation	22.27	21.29	31.62	30.63	20.61	19.07	29.96	28.41
Profit Before Taxation	72.86	53.03	71.55	50.33	63.52	45.27	62.22	42.58
Provision for taxation	16.72	13.69	18.76	15.21	14.7	11.69	16.76	13.21
Profit After Taxation	56.14	39.34	52.79	35.12	48.82	33.58	45.46	29.37
Add: balance brought forward	110.45	76.75	101.23	71.74	104.7	76.75	95.48	71.74
Add: MAT credit receivable	1.85	1.47	1.85	1.47	1.85	1.47	1.85	1.47
Total available for appropriation	168.44	117.56	155.87	108.33	155.37	111.8	142.79	102.58
Less: Transfer to General Reserve	1.5	1	1.5	1	1.5	1	1.5	1
Debenture Redemption Reserve	7.5	2.5	7.5	2.5	7.5	2.5	7.5	2.5
Proposed Dividend	3.53	3.1	3.53	3.1	3.1	3.1	3.1	3.1
Corporate Dividend Tax	0.6	0.5	0.6	0.5	0.53	0.5	0.53	0.5
Balance carried forward	155.31	110.45	142.74	101.23	142.74	104.7	130.16	95.48

SCHEME OF ARRANGEMENT

Your Directors are pleased to inform you that the Scheme of Arrangement ('Scheme") for the Demerger of the Heat Exchanger Business of Perfect Radiators & Oil Coolers Pvt. Ltd. (PROC) has been sanctioned by the Hon'ble High Court of Delhi and Rajasthan vide their orders dated 8th April 2013 and 31st May 2013, respectively and the scheme became effective on 11th June 2013 pursuant to the filing with the Registrar of Companies, with appointed date as 1st April 2011.

On the scheme coming into effect, all assets, liabilities, rights and obligations of the Heat Exchanger undertaking of PROC stood transferred to and vested with the Company with effect from April 01, 2011 at their respective book values.

DIVIDEND

Your Directors are pleased to recommend payment of dividend of Re 1/- per equity share of Rs. 10/- each for the FY 2012-13 subject to the approval of the shareholders (Previous year Re 1/- per share of Rs. 10/- each). The dividend is payable on

the enhanced paid up equity share capital consequent to the allotment of new shares pursuant to the scheme of arrangement.

PERFORMANCE HIGHLIGHTS

The Financials for the year under review includes the figures of the Heat Exchanger business of Perfect Radiators & Oil Coolers Pvt.Ltd.and to that extent not comparable with the previous year reportable figures.

Your Directors at their meeting held on 30th May 2013 approved the Audited financial statements of the Company for the year ended March 31, 2013. Subsequently, on 31st May 2013, the scheme got sanctioned by the Hon'ble High Court of Rajasthan, at Jaipur bench which became effective on 11th June 2013 upon filing the scheme with Registrar of Companies with appointed date as 1st April'11.

Since, the Heat Exchanger undertaking of PROC stood transferred with retrospective effect i.e. 1st April 2011, your directors has revised the Audited Financial statements for the year ended March 31, 2013 to give effect to the scheme, which included the figures of the heat exchanger business of PROC. Also, the figures for the previous year ended March 31,2012 were revised to the said extent.

Post- Merger of the Heat Exchanger business of PROC, the Total Income from operations of your Company stood at Rs. 1175.29crores as against Rs. 1050.34 crores during the previous year registering a growth of 11% over the previous year. Profit before tax was Rs. 72.86 crores as compared to Rs. 53.03 crores during the previous year and profit after tax was Rs. 56.14 crores as compared to Rs. 39.34 crores during the previous year, an increase of 37% and 42% respectively over the previous year.

The consolidated Total Income from Operations increased from Rs. 1351.35 crores to Rs. 1479.34 crores, an increase of 9.50% over the previous year. On consolidated basis, the Profit before tax was Rs. 71.55 crores as compared to Rs. 50.33 crores during the previous year and the profit after tax was Rs. 52.79 crores as compared to Rs. 35.12 crores in the last year, an increase of 42% and 50% respectively over the previous year.

EQUITY CAPITAL

Pursuant to the issue of 43,20,000 equity shares to the shareholders of Perfect Radiators & Oil Coolers Pvt. Ltd. on 14th June 2013, the paid-up equity share capital of your Company stands increased to Rs. 353,202,600/- i.e. 35,320,260 equity shares of Rs. 10/- each fully paid-up. Pending allotment on March 31, 2013, the new shares has been reflected as Equity Share Suspense.

The new shares rank pari-passu with the existing shares of the Company and are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). Your Company has obtained the necessary approvals for listing and trading from the Stock Exchanges.

OPERATIONS

Despite the challenging economic conditions, your Company managed to record a decent performance owing to the extensive market research, various mitigation initiatives taken to reduce operational and administrative costs and the key decisions taken by the management for the sustainability and growth of your Company.

Your Company has expanded its air-conditioning and refrigeration product portfolio by introducing eco-friendly products that combine aspirational features, credible quality, dependable after-sales service and great value for money in order to achieve highest level of customer delight while staying committed to accelerate growth as in the past and to achieve the best standards of Corporate Governance coupled with transparency, accountability and professionalism in their working with the aim of enhancing long term economic value of all the stakeholders and the society at large.

With the Merger of the Heat Exchanger business of PROC with your Company, Lloyd is likely to attain an attractive position in the Heat exchanger industry thereby leveraging PROC's strong customer base to further grow the business. This is likely to lead to significant business synergies, especially in controlling costs, technology absorption and the addition of PROC's experienced management team who has strong and long term relations with their suppliers and customers.

SUBSIDIARY COMPANIES

Pursuant to the Accounting Standard AS-21 issued by ICAI, consolidated Financial Statements presented by the Company includes the financial information of Subsidiary Companies namely, Lloyd Coils Europe s.r.o and Janka Engineering s.r.o.

The Central Government vide Notification no.2/2011 dated 8th February, 2011 granted general exemption to Companies from dispensing with the requirement of attaching the accounts of the subsidiary companies, subject to certain conditions. As the Company has complied with all the conditions, the annual accounts and other documents of the Subsidiary Companies are not attached with the Balance Sheet of the Company. The Annual Accounts of the subsidiary Companies are open for inspection by any member/investor and also available on the website of the Company- www.lloydengg.com. The Company will make the documents/details available, upon request by any member of the Company interested in obtaining the same.

The Global economic environment has undergone radical changes during the last couple of years where the European economystill remained under deep recession during the previous financial year. Despite an overall depressed environment, Lloyd Coils Europe s.r.o. (LCE) continued with its growth trend, thereby reporting an increase of 5% in revenue to Euro 37 Million. While the Net Sales increased marginally, there was a significant increase in EBITDA by 40% touching to Euro 3.36 Million. Close collaboration with customers and strong R&D know-how had enabled the subsidiary to develop products with energy efficiency technology meeting with growing customer's demand.

During the year under review, your Company had extended shareholders loan of Euro 1.5 million to Lloyd Coils Europe s.r.o.

For Janka Engineering s.r.o (Janka), it was a yet another challenging year due to the slow recovery in the commercial construction segment in Central Europe, which is the domestic market. The subsidiary reported negative EBITDA of -1 Million during the fiscal year 2012, which was majorly on account of losses suffered due to the bankruptcy of a customer in Slovakia. To tackle with the situation, various cost cutting initiatives were taken by the management. New cost effective Air handling Units (AHU) were developed under the brand name 'Premair', meeting with the requirement of the price sensitive markets. By close of the year, Janka was selected by local rolling stock manufacturer, Skoda Transportation as exclusive supplier for their tramcars project for Konya, Turkey. The project has a value of Euro 3.2 Million and to be supplied over next two years.

During the year under review, your Company had extended shareholder's loan of Euro 200,000 to Janka Engineering s.r.o.

GLOBAL DEPOSITORY RECEIPTS (GDRs)

3,96,000 Global Depository Receipts underlying 7,92,000 equity shares were outstanding for conversion as on March 31, 2013. The GDRs are listed and traded at London Stock Exchange. The Bank of New York acts as the Depository and ICICI Bank as the domestic custodian in respect of GDRs issued.

However, in May, 2013, 3,00,000 GDRs were converted into equity share which already forms part of the paid up capital of

the Company and the remaining 96,000 GDRs underlying 1,92,000 equity shares (also a part of paid up capital of the Company) are outstanding for conversion as on date of this report.

FIXED DEPOSITS

During the year under review, your Company has not accepted any deposits from public as per section 58A of the Companies Act, 1956 and Rules made there under.

LISTING ARRANGEMENT

The equity shares of the Company are listed at Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

The GDR'S are listed on London Stock Exchange.

The Secured Redeemable Non- Convertible Debentures (NCD) of Rs. 50 crores issued by the Company in two tranches is also listed at Bombay Stock Exchange Ltd., (BSE).

Annual Listing fees to above Exchanges for the Financial Year 2013-14, as applicable have been paid before the due date.

CORPORATE GOVERNANCE

Fairness, accountability, disclosures and transparency form the pillars of your Company's philosophy on Corporate Governance. Lloyd is not only fully compliant with the requirements of the prevailing and applicable Corporate Governance code as per clause 49 of the listing agreement but is also committed to sound Corporate Governance principles and practices and is constantly striving to adopt emerging best practices worldwide.

A detailed report on Corporate Governance with respect to compliance with the provisions of Clause 49 of the Listing Agreement forms a part of this Annual Report.

DIRECTORS

Mr. Ajay Dogra and Mr. NipunSinghal were appointed as Additional Directors at the Meeting of the Board of Directors of the Company held on May 30, 2013.

Mr. NipunSinghal was also appointed as a Whole Time Director of the Company for a period of 5 years effective from May 30, 2013 subject to the approval of the shareholders at the forthcoming Annual General Meeting.

Mr. Dogra and Mr. Singhal hold office upto the date of the forthcoming Annual General Meeting of the Company. The Company has received notice from a member signifying his intention to propose Mr. Dogra and Mr. Singhal as Directors of the Company at the forthcoming Annual General Meeting.

The resolution seeking approval of members for appointment of Mr. Ajay Dogra and Mr. NipunSinghal as Directors of the Company has been incorporated in the Notice of the forthcoming Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. SurjitKrishan Sharma, Mr. Ramesh Kumar Vasudeva and Dr. GeetaAjitTekchandretire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Brief profile of these Directors is given in the notice of the ensuing AGM.

AUDITORS & AUDITORS' REPORT

Statutory Auditor

M/s Suresh C. Mathur& Co., Chartered Accountants, (Membership no.: 083540 and Firm registration no. 000891N) retires as statutory Auditors at the forthcoming Annual general Meeting and has given their consent for re-appointment. As required under the provisions of section 224 of the companies Act, 1956, the Company has obtained a written certificate from M/s Suresh C. Mathur& Co., Chartered Accountants, to the effect that their appointment, if made, would be in conformity with the limits specified in the said section. The Board recommends their re-appointment as Statutory Auditors for the Financial Year 2013-2014.

The Observations made in the Auditors' Report are self-explanatory and therefore, do not call for any further comments under Section 217(3) of the Companies Act, 1956.

Cost Auditor

In pursuance to the provisions of Section 233B of the companies Act, 1956 and with the approval of the Central Government, M/s Jain Sharma & Associates, Cost Accountants, (Membership no.: 18592 and Firm registration no. 000270) has been appointed as the Cost Auditor of the Company to conduct Audit of the Cost records for the financial year 2012-2013.

The Cost Audit Report for the financial year 2011-2012 was filed with the Ministry of Corporate Affairs within the prescribed time limit and Cost Audit Report for the year 2012-2013 will be submitted on or before due date i.e. September 30, 2013.

CORPORATE SOCIAL RESPONSIBILITY

We at Lloyd are committed to performance with purpose- achieving business and financial success while leaving a positive imprint on the society. Lloyd's corporate social responsibility charter prioritized support to the underprivileged in the area of education, physical disability, employability, girl child welfare and community service for the aged and destitute.

The Company sustained Programs in these areas during the Year 2012- 2013. Details on the initiatives taken by the Company towards CSR activities are provided in the Corporate Social Responsibility section of the Annual Report.

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

In accordance with the requirements of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, statement showing particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo and Research and Development activities undertaken by the Company are annexed hereto(Annexure A)and form part of this report.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are to be set out in the Directors' Report as an addendum thereto. However, in line with the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report is being sent to all members of the Company excluding the aforesaid information. Any member interested in obtaining such particulars may write to the Company Secretary at the Corporate Office of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

The Audited Accounts for the financial year ended March 31, 2013 are in conformity with the requirements of the Companies Act, 1956. Pursuant to Section 217(2AA) of the Companies Act, 1956, your directors hereby confirm that:

1. In preparation of the annual accounts for the year ended March 31, 2013, the applicable accounting standards have been followed;

2. The accounting policies are consistently applied and reasonable, prudent judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the profits of the Company for that period;

3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, and for providing and detecting frauds and other irregularities;

4. The Directors have prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. Your Directors also take this opportunity to thank the customers, shareholders, business associates, banks, financial institutions, various statutory authorities and Central and State Governments for their continued assistance, Co-operation and encouragement they have extended to the Company.

For and on behalf of the Board of Directors

Date: August 29, 2013
Place: New Delhi

Brij Raj Punj
Chairman & Managing Director

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 relating to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are as follows:

A. CONSERVATION OF ENERGY

Energy is critical for India and the demand for clean and energy efficient devices are growing rapidly. It is our resolve to further augment this initiative and your Company has taken several steps for the conservation, preservation and restoration of biodiversity. Lloyd Group puts emphasis on minimizing the environmental impact of its operations and its products by adopting sustainable practices and continuous improvements in environmental performance to reduce its environmental footprints for promoting sustainability. Your Company has taken several measures and developed various products which are energy efficient and fit for star energy rating to meet with the tighter energy efficiency norms as specifiedby the Bureau of Energy Efficiency (BEE).

A few initiatives by your Company towards energy conservation during the year under review:

- Company uses electrical equipment's with high energy efficiency and low anti environment emissions
- Transparent FRP Roofing sheets for better lighting during day time for energy conservation.
- Conservation of LPG & O2 using gas savers.
- Wind operated powerless ventilators are being used by the Company for plant ventilation in Pantnagar facility.
- Switch off utility machines during off times.
- Use of portable air compressor during partial load condition to conserve energy.
- Installed flow meters for effective monitoring and control of water consumption.
- Use of Compact Fluorescent Lights (CFL) and bulbs at various manufacturing facilities to reduce the energy cost.
- Peak load exemption has been obtained at the Kala-Amb plant to reduce costs per unit of production.
- Switching off lights and air conditioners, when not required, putting off monitors of Desk Tops and ensuring that PCs are kept in hibernation mode when not needed in the office premises and plants.

Benefits derived as a result of above efforts:

Your Company has taken few but significant steps to reduce energy consumption to ensure lesser impact on the environment and as a consequence of these measures, your company is able to reduce electrical and fuel consumption and curb the impact of increase in cost of energy thereby savings in the cost of production of the goods to that magnitude.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Your Company continuously evaluates global innovation and technology as a benchmark and whenever required, integrates Research and Technology initiatives across the Organization to adopt the latest technology trends and practices

a) Efforts towards technology absorption, adaptation and innovation

With globalization and an increasing scale of operations, technological self-reliance has become a necessity. In keeping with global ethics, it has become necessary for Companies to have their own resources of Research and Development. Anticipating the need to become self-reliant in technology, Lloyd took various steps that would help establish itself as a leader in chosen technologies. Your Company formalized the continuous improvement and innovation process, identified the key thrust areas of strategic technology development and established a sound mechanism for capturing new developments.

Your Company is pioneer in bringing parallel flow Micro Channel Technology in Indian Market. Another new technology acquaint with to the Indian markets are the Fin and Tube type Heat Exchangers. Training is imparted to technical staff as an ongoing process.

b) Benefits derived as a result of above efforts

Availability of energy efficient, environment friendly air-conditioning systems and equipment; wider range of products; improved process, productivity, quality and product designs; and cost reduction were amongst the benefits derived.

c) Information regarding imported technology:

No technologies were imported during the last financial year.

C. RESEARCH AND DEVELOPMENT

The Company is conscious of the need for latest technology products to remain at the top of the cutting edge technology and to compete in the market place. Your Company continued its efforts in strengthening the R&D facilities in order to provide wide range of products to suit the customer needs at both domestic and international front. Taking cognizance of customer preferences, Company has developed energy efficient models of room air conditioners which meet the BEE norms. The Company has also enhanced its efforts on promoting star-rated products, with majority of variants being in the 3/5 star categories.

During the year 2012-2013, a major challenge was to develop Air conditioners for the Indian markets which would qualify for Table 2.2 for Window AC and Table 2.3 for Split AC as per the set norms of Bureau of Energy Efficiency (BEE). Your Company has successfully developed these products and is now equipped to supply them to major brands in India.

Specific areas in which R & D carried out by the Company

To bring innovation and improve upon its area of operation to be at par with International Standards during the year under review, Our R&D team has contributed to design optimization of standard range of products for several customers.

Products and processes developed by your Company during the year under review include:

- Development of Heat Exchangers (condensers) using parallel flow micro channel technology.
- Development of Heat and Cool Split AC with R-410A refrigerant.
- Development of Roof Mounted packaged Units with environment friendly refrigerants for LHB and conventional coaches of Indian Railways.

- Development of Roof Mounted HVAC unit for Delhi Metro, RS3 coaches.
- Development of window and split air conditioners with R22 refrigerant for T3 conditions and in 60Hz category having SASO certification for export market.
- Development of new generation PLC based controllers for metro rail HVAC units from OEM, Australia
- Development of Roof Mounted ventilation unit for EMU coaches of MRVC II project for Bombardier.
- Development of Oil cooling unit for electric locomotive engines of Chittarnajan Locomotive Works.
- Development of HVAC unit for Diesel loco made by DLW, Varanasi
- Development of Split AC with the capacity of 12000 BTU and 18000 BTU category
- Successful experimentation with alternate refrigerant products i.e. R-410A and pilot lot production for one of the domestic customers.

Benefits derived as a result of above R&D

The development of new products has helped the Company to remain at the top of cutting edge technology and has resulted in continuity of our relationship with key customers. Havinga diverse product portfolio with star rated products; helped the Company in improving the market share. Your Company enhanced its customer base with some of the leading Indian and Overseas brands.

Expenditure incurred on Research and Development

Capital Expenditure: Taken as Fixed Assets and depreciation is provided accordingly.

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

D. FOREIGN EXCHANGE EARNING AND OUTGO

a. Activities relating to exports, initiatives taken to increase exports; development of new export markets for products and services and export plans:

Discussed in detail in the 'Management Discussion and Analysis Report'

b. Total Foreign Exchange used and earned: **Rs. in crores**

	2012-2013	2011-2012
Foreign Exchange Earnings	90.15	126.48
Foreign Exchange Outgo	423.89	400.48

Management Discussion & Analysis

ECONOMIC SCENARIO AND OUTLOOK

The global economy has yet to shake off the fallout from the crisis of 2008-2009. Four years after the eruption of the global financial crisis, the world economy is still struggling to recover. During 2012, global economic growth has weakened further. Mature economies are still healing the scars of the 2008-2009 crises. A growing number of developed economies have fallen into a double-dip recession. Weaknesses in the major developed economies are at the root of continued global economic woes. Most of them, but particularly those in Europe, are dragged into a downward spiral. Those in severe sovereign debt distress moved even deeper into recession, caught in the downward spiraling dynamics from high unemployment, weak aggregate demand compounded by fiscal austerity, high public debt burdens, and financial sector fragility. Growth in the major developing countries and economies in transition has also decelerated notably, reflecting both external vulnerabilities and domestic challenges. Most low-income countries have held up relatively well so far, but now face intensified adverse spillover effects from the slowdown in both developed and major middle-income countries. The prospects for the next two years continue to be challenging, fraught with major uncertainties and risks slanted towards the downside.

The Indian economy grew at its slowest pace in a decade in 2012-13 on account of poor performance of manufacturing, agriculture and services sector posing another fresh challenge. The economy grew 5% in 2012-13, compared to 6.2% expansion in the previous year.The Indian economy, Asia's third-largest, has slowed sharply from the scorching growth notched a few years ago due to a string of factors, including high inflation, high interest rates, slowing global economy, delay in implementation of projects, policy deadlock, slowing industrial growth, volatile exchange rate resulting in sharp depreciation of the Indian Rupee against the US Dollar and declining business sentiment.Stubborn inflation has acted as obstacles to easing monetary policy aggressively. While the Reserve Bank of India has cut interest rates it has cautioned about the persisting inflationary pressures and risks still facing the economy. Business confidence has taken a knock. With no visible pick-up in any key levers of the economy, the situation remains grim. Demand in the system is weak with low levels of consumption, government expenditure and investments.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian room air conditioning industry experienced yet another downtrend , with an overall decline of 5% in volume, owing to a host of economic factors, generally on account of negative market sentiments due to steep increase in inflation, high interest rates and sharp depreciation of Indian rupee against the US Dollar. Relatively mild summers also affected the growth of room air conditioner industry.

The market size for Indian air conditioning industry during the year 2012-2013 was estimated around Rs. 137 Billion. Out of this, the market for room airconditioners comprise of Rs. 68 Billion, while the market for central plants, packaged/ducted systems was about Rs. 69 Billion.However, as per the industry sources the current penetration level of air conditioners in the country is merely 3-5%. With the pace of growth of the economy and the economic as well as geographic climate being favorable in future, air conditioner business has its long term potential intact of around 10-12% per annum despite large number of players.

Despite the de-growth witnessed during the year, your Company registered a decent growth of 10% over the previous year.

Energy is critical and the demand for clean and efficient energy devices is growing rapidly. During the previous year, Bureau of energy efficiency (BEE) has raised the bar for energy efficiency on split ACs. Now, the air-conditioner manufacturers will have to comply with tighter energy efficiency norms.The new rating norms entail phasing out of Air conditioners that were one star rated last year.The Company continued its efforts in promoting energy efficiency with a wide range of star-rated products.The Companies are heavily promoting the high-end energy saving inverter AC, which reduces energy consumption by substantial amounts.

INTRODUCTION

Lloyd Electric & Engineering Limited is an established diversified engineering corporation with a history in business excellence. It is an acknowledged name in Heating Ventilation Air Conditioning and Refrigeration (HVAC&R) industry and Consumer Durable goods segment. Lloyd is a leading manufacturer of heat exchanger and evaporator coils serving the entire spectrum of HVAC&R industry. The Company is an original equipment manufacturer (OEM) to majorAC giants in India and exporters to leading brands in the rapidly growing markets of Africa and the Middle East. The Company also provides customized AC solutions for institutional clients like railways, defense and metro rails and has also sustained in the transport segment. Lloyd is a premier name in the air conditioning and consumer durable goods segment. Your Company has further expanded its horizons by acquiring the Heat Exchanger business of Perfect Radiators and Oil Coolers Private Limited pursuant to the approval of scheme of Arrangement by the Hon'ble High Court of Delhi and Rajasthan thereby adding significant value by integrating and consolidating the Heat Exchanger business of Lloyd globally. The extensive product range of Heat Exchanger business includes copper and brass heat exchangers, shell & tube heat exchanger for industrial application, oil coolers for railways, and heavy automobile and tube mill for MB radiators for its existing and new customers.

FINANCIAL HIGHLIGHTS

The Financials for the year under review includes the figures of the Heat Exchanger business of Perfect Radiators & Oil Coolers Pvt. Ltd. and to that extent not comparable with the previous year reportable figures.

Post- Merger of the Heat Exchanger business of PROC, the Total Income from operations of your Company stood at Rs. 1175. 29crores as against Rs. 1050.34 crores during the previous year registering a growth of 11% over the previous year. Profit before tax was Rs. 72.86 crores as compared to Rs. 53.03 crores during the previous year and profit after tax was Rs. 56.14 crores as compared to Rs. 39.34 crores during the previous year, an increase of 37% and 42% respectively over the previous year.

The consolidated Total Income from Operations increased from Rs. 1351.35 crores to Rs. 1479.34 crores, an increase of 9.50% over the previous year. On consolidated basis, the Profit before tax was Rs. 71.55 crores as compared to Rs. 50.33 crores during the previous year and the profit after tax was Rs. 52.79 crores as compared to Rs. 35.12 crores in the last year, an increase of 42% and 50% respectively over the previous year.

EXPANSION & FUTURE PROSPECTS

The roller coaster ride that the last two years took the global economy through proved one fact that a successful enterprise needs to have the resilience to withstand the highs and lows of a future that often comes unpredicted.

As a global enterprise, Lloyd was not unaffected by the challenges of the last two years. Yet the Company demonstrated resilience by taking several proactive initiatives across all geographies. A tough start to the year was balanced by a rebound at a latter stage, when these initiatives began to pay off.

Company has made strategic plans for growth and taken various initiatives intended to match the customer's requirements with suitable air conditioning product and service offerings, leverage in-house R&D capabilities for developing new differentiated products and providing customized solutions. During the year, your Company has introduced Split air conditioners with R22 refrigerant for domestic and export market. New star rated room air conditioners meeting with the high energy efficiency norms were also introduced during the year. As our next step towards energy saving, your Company is focusing on the development of the split air-conditioners with inverter technology.

Management Discussion & Analysis

During the recent years the metro segment business has offered earnest opportunity to the players in HVAC&R industry as more and more cities are coming out with metro projects. To keep up with the pace of growth offered by metro segment, during the previous year your Company has developed prototype Roof Mounted HVAC unit for Delhi Metro and HVAC units and new generation PLC based controllers for metro rail HVAC units. Lloyd has also developed roof mounted packaged units with environment friendly refrigerants for LHB and conventional coaches for Indian railways. Some of the other additions made by the Company to its product portfolio include Roof Mounted ventilation unit for EMU coaches of MRVC II project, for Bombardier; Oil Cooling unit for electric loco engines for Indian Railways and HVAC unit for Diesel Loco made by DLW, Varanasi.

Your Company is expanding its Lloyd branded product portfolio in Indian market by introducing innovative products that are ideally suited to the market. Under the Lloyd branded products, your Company has introduced Ultra High Definition, Smart, 3D LED's ; chest freezers including new and exciting range of room air-conditioners in premium and mass premium segment. We are constantly strengthening our after sales service network. On distribution front, we are expanding beyond the larger cities into fast growing Tier –III and IV markets.

Lloyd has all the capabilities and strengths to navigate through the challenges presented by dynamic and evolving customer preferences.

EXPORTS

Lloyd is rapidly expanding its footprints overseas and its product line is currently being exported to the Middle East, Africa, Europe and North America. The Company offers products such as room air conditioners, condenser and evaporator coils, Heat Exchangers for HVAC&R industry. During the year your Company has taken several initiatives to broaden its horizon across the globe to increase its export products offering to various existing and new customers. Your Company has successfully developed products for the export market in Middle East with R22 Refrigerant and with T3 type of operating conditions suitable for high ambient conditions. Steps have also been taken by the Company to develop Heat and cold models of Ac with R-410A refrigerant for export markets (CIS countries) and for the UAE.

RISK, THREATS AND CONCERNS

Lloyd Group aims to address risks, opportunities and threats posed by business environment by developing appropriate risk mitigation measures. Risks which would impact the Company relates to exchange fluctuation risk, interest rates , credit risks and volatile commodity prices risks as well as operating risks, arising out of high input costs of raw material especially Aluminum, copper and sheet metal and changes in technology which impact the Company's product offerings. All such risks are periodically identified and assessed in terms of the Company's risk management framework and appropriate action is undertaken to minimize the impact.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

At Lloyd, the Corporate Audit division continuously monitors the effectiveness of the internal controls with an objective to provide to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organisation's risk management, control and governance processes. The division also assesses opportunities for improvement in business processes, systems & controls; provides recommendations, designed to add value to the organization and follows up on the implementation of corrective actions and improvements in business processes after review by the Audit Committee and Senior Management. The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The function also reviews and reports on adherence to operating guidelines and statutory requirements, recommends improvements for monitoring and strengthening economy and efficiency of operations and ensuring reliability of

financial and operational information. The scope and authority of the internal audit function are derived from the Audit Charter approved by the Board Audit Committee.

ENVIRONMENT, HEALTH & SAFETY

Good performance in the fields of environment, health and safety (EHS) is a prerequisite for effective, profitable operations. Lloyd's EHS vision is to achieve zero harm to people and the environment. The principle of operating responsibly with respect for people and the environment is deeply ingrained in Lloyd's corporate culture.

Your Company acknowledges that the responsible use and management of natural resources are integral elements of Lloyd's commitment to sustainable development. While the group's business activities are categorised as low risk from an environmental perspective, the group continues to develop processes and practices to improve the measurement and monitoring of its environmental impact including energy efficiency, carbon emissions and waste management.

HUMAN RESOURCES

Lloyd believes that its human capital is the most valuable asset that helps it remain competitive. Hence it nurtures its human resource pool to build competitive advantage. The Company is constantly striving to build a leadership pipeline. The aim is to groom the leaders of tomorrow. Lloyd aims to develop persuasion skills of its employees, which will enable them to reach the goal, set by the organization and align them with the ultimate organization strategies.

CAUTIONARY STATEMENT

Statements in the "Management Discussion and Analysis" describing the Company's objectives, projections, estimates and expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ substantially and materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

Report on Corporate Governance

'Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of enhancing shareholders value and discharge of social responsibility. The Company subscribes fully to the principles and spirit of good Corporate Governance and embeds the principles of independence, integrity, accountability and transparency into the value system driving the Company.

I. STATEMENT OF COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Transparency and accountability are the two basic tenets of Corporate Governance. Responsible Corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We, at Lloyd, are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with the applicable legal requirements. We acknowledge our individual and collective responsibilities to manage our business activities with integrity.

To succeed, we believe, requires the highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to sustainable, profitable growth and creating long term value for our shareholders, our people and our business partners.

The Board of Directors of your Company is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a critical role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to the best governed Companies across the globe.

II. BOARD OF DIRECTORS

The Board of Directors ('the Board') comprises of eminent persons with considerable professional experience and expertise in diverse fields. The Board is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

Composition

1. The Board of Directors of the Company comprises of optimum combination of Executive & Non-Executive Independent Directors. The Chairman is an Executive Director. As on March 31st, 2013, the Board comprises of eight Directors, of which four are Non-Executive Independent Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreements entered into with the Stock Exchanges.

2. None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding directorship and Committee positions in other public companies as on March 31st, 2013 have been made by the Directors.

Board Meeting

During the year under review, four (4) board meetings were held on the following dates:

1) May 14, 2012
2) August 8, 2012
3) November 5, 2012
4) February 4, 2013

The necessary quorum was present for all the meetings. The intervening period between two Board Meetings was well within the maximum time gap of four months, as prescribed under Code of Corporate Governance.

Composition, Category and Attendance of Directors at Board Meetings, Last Annual General Meeting and number of other Directorships and chairmanships/memberships of Committees of each director in various companies as on March 31, 2013 are as follows:

S.No	Name of the Directors	Category of Directorship	No. of Board Meetings attended	Last AGM attended	No. of Directorships in other Public Companies #	No. of Committees Positions held in other Public Companies@	
						Chairman	Member
1	Mr. Brij Raj Punj DIN 00080956	Chairman and Managing Director	4	Yes	2	-	-
2.	Mr. Bharat Raj Punj DIN 01432035	Executive Director	2	No	1	-	-
3.	Mr. A.K. Roy DIN 01475456	Whole Time Director	4	Yes	-	-	-
4.	Mr. Mukat Behari Sharma DIN 02942036	Whole Time Director	4	Yes	-	-	-
5.	Mr. K. Lall DIN 00555967	Non- Executive Independent Director	4	Yes	3	2	
6.	Mr. S.K. Sharma DIN 00058581	Non- Executive Independent Director	4	No	1	-	2
7.	Dr. Geeta Ajit Tekchand DIN 02937277	Non- Executive Independent Director	4	No	-	-	-
8.	Mr. Ramesh Kumar Vasudeva DIN 06368045	Non- Executive Independent Director	2	No	-	-	-

Notes:

#Other directorships do not include directorships in private companies, foreign companies, companies under section 25 of the Companies Act, 1956

@ Includes only Audit Committee and Shareholders'/Investors' Grievance Committee of Public Limited Companies.

**Mr. Nipun Singhal and Mr. Ajay Dogra are appointed as additional directors on the Board of the Company w.e.f. 30th May, 2013.

During the Financial year ended March 31, 2013 none of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company. Thus the requirement of Clause 49, pertaining to the independence of Non Executive Directors has been duly complied with.

Report on Corporate Governance

During the year 2012-13, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

III. Audit Committee

Your Company has an Audit Committee at the Board level which acts as a link between the management, the Statutory Auditors and the Board of Directors. The nomenclature, constitution and terms of reference of the Audit Committee are in accordance with the requirements mandated under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement executed with the Stock Exchanges. The Company has a multi disciplinary Audit Committee which is responsible for effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and compliance with established policies and procedures including overseeing all the transactions that have monetory implications on the functioning of the Company.

The terms of reference of the Audit Committee are broadly as under:

- Supervise the financial reporting process;
- Review the quarterly and annual financial results before placing them to the Board along with related disclosures and filing requirements;
- Review the adequacy of internal controls in the Company, including the plan, scope and performance of the internal audit function;
- Discuss with management the Company's major policies with respect to risk assessment and risk management;
- Hold discussions with statutory auditors on the nature and scope of audits and any views that they have about the financial control and reporting processes;
- Ensure compliance with accounting standards and with listing requirements with respect to the financial statements;
- Recommend the appointment and removal of external auditors and their fees;
- Recommend the appointment of cost auditors;
- Review the independence of auditors;
- Ensure that adequate safeguards have been taken for legal compliance both for the Company as well as foreign subsidiaries;
- Review related party transactions;
- As per the requirement of the Listing Agreement, to review the Financial Statements, in particular the investments made by the unlisted subsidiary Company

The Audit Committee comprises of 4 members, out of which 3 are Independent Directors. Company Secretary acts as the secretary to the Committee. Mr. K. Lall, the Chairman of the Audit Committee was present at the last AGM.

During the year under review, the audit committee met four (4) times on the following dates:

1) May 14, 2012
2) August 8, 2012
3) November 5, 2012
4) February 4, 2013

Adequate Quorum was present at all the meetings

As on March 31st, 2013, the Composition and attendance of the members at the meetings were as follows:

Name of Director	Designation	Category of Director	No. of Meetings Held	No. of Meetings attended
Mr. K Lall	Chairman	Independent Non- Executive Director	4	4
Mr. S K Sharma	Member	Independent Non- Executive Director	4	4
Mr. A K Roy	Member	Whole Time Director	4	4
Dr. Geeta Ajit Tekchand	Member	Independent Non- Executive Director	4	4

IV. REMUNERATION COMMITTEE

The Company has constituted a Remuneration Committee keeping in view its philosophy of voluntary transparency in operations. Remuneration Committee reviews and recommends the payment of annual salaries, commission and finalizes service agreements and other employment conditions of the Executive Directors. The Committee takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages. The broad terms of reference of the Remuneration Committee are as under:

- Review the performance of the Managing Director and Whole Time Directors, after considering the Company's performance.
- Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Managing Director and Whole-time Directors.
- Recommend the sitting fees payable to the Non-Executive Independent Director of the Company.
- Such other matters as the Board may from time to time request Remuneration Committee to examine and recommend/approve.

Composition

In terms of Clause 49 of the listing agreement, the Committee comprises of three (3) Directors, all of them being Independent & Non- Executive Directors. The composition of this Committee as at March 31, 2013 was as follows:

S.No.	Name of Directors	Status	Category of Director
1.	Mr. S K Sharma	Chairman	Independent and Non- Executive
2.	Mr. K Lall	Member	Independent and Non- Executive
3.	Dr. Geeta Ajit Tekchand	Member	Independent and Non- Executive

Company Secretary acts as the secretary to the Committee.

Meetings and Attendance during the year

The Remuneration Committee met 3 times during the year 2012-2013 on April, 26, 2012, May 3, 2012 and August 8, 2012.The necessary quorum was present for the meeting

Members	Meetings Held	Meetings Attended
Mr. S K Sharma	1	1
Mr. K Lall	1	1
Mr. A K Roy	1	1

Remuneration Policy

The remuneration paid to Executive Directors is recommended by the Remuneration Committee and approved by the Board of Directors, in the Board meeting, subject to the subsequent approval by the shareholders at the general meeting and such other authorities, as the case may be.

At the Board meeting, only the Non-Executive and Independent Directors participate in approving the remuneration paid to the Executive Directors. The remuneration is fixed considering various factors such as experience, expertise, industry benchmarks, Company's performance and the responsibilities shouldered by them. Annual salary increment and commission are decided by the Remuneration Committee within the overall ceilings prescribed under the Companies Act, 1956 and in line with the terms and conditions approved by the shareholders. During the year 2012-13, the Company has enhanced the sitting fees paid to its Non-Executive Independent Directors from Rs. 10,000 per meeting to Rs. 15,000 for attending per meeting of the Board of Directors.

Details of Remuneration for the Year ended 31 March, 2013

Executive Director

S.No.	Name of the Directors	Salary(Rs.)	Perquisites and other benefits (Rs.)	Provident Fund(Rs.)	Total(Rs.)
1.	Mr. Brij Raj Punj*	3,786,000.00	315,000.00	-	4,101,000.00
2.	Mr. Bharat Raj Punj	1,927,419.00	770,968.00	231,290.00	2,929,677.00
3.	Mr. A.K. Roy	5,340,000.00	1,584,400.00	-	6,924,400.00
4.	Mr. Mukat Behari Sharma	2,040,000.00	1,025,000.00	244,800.00	3,309,800.00

* Excluding arrears of Rs. 1,200,000.00 paid in the Financial Year 2013-14

Non-Executive Directors

The Non- Executive Directors have not drawn any remuneration from the Company, except sitting fees for attending meetings of the Board.

Name of Director	Sitting Fees(Gross)(Rs.)	Total(Rs.)
Mr. K. Lall	60,000	60,000
Mr. S.K. Sharma	60,000	60,000
Dr. Geeta Ajit Tekchand	60,000	60,000
Mr. Ramesh Kumar Vasudeva	30,000	30,000

V. SHARE TRANSFER & INVESTOR COMMITTEE

As a Good Corporate Governance practice and to streamline the work related to share transfer and investor grievance, the Company has a "Share Transfer and Investor Grievance Committee" at the Board level to deal with various matters relating to redressal of shareholders and investor grievances, such as transfer and transmission of shares, issue of duplicate shares, non-receipt of dividend/ notices/ Annual Reports, etc. In addition, the Committee looks into other issues including status of dematerialization of shares and debentures, systems and procedures followed to track investor complaints and suggest measures for improvement from time to time. Committee focuses primarily on strengthening investor relations and ensuring the rapid resolution of the shareholder grievance.

(b) Composition and meetings of the Committee during the year:

The present composition of the Committee as at March 31st, 2013 is as follows:

S.No.	Name of Directors	Status
1.	Mr. K Lall	Chairman
2.	Mr. A K Roy	Member
3.	Mr. S K Sharma	Member
4.	Dr. Geeta Ajit Teckchand	Member

The Committee meets thrice a month. During the financial year 2012-13, 36 meetings were held.

Ms. Anita K. Sharma, Company Secretary acts as the secretary to the Committee.

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

Opening Balance	Received During the year	Resolved During the year	Closing Balance
Nil	16	16	Nil

VI. COMMITTEE OF DIRECTORS

The Company has constituted a Sub-Committee of Board of Directors for taking some decision of routine nature confirming the smooth functioning with respect to day to day affairs of the Company. The committee consists of three directors namely

- Mr. Brij Raj Punj, as Chairman,
- Mr. K. Lall as member and
- Mr. S.K. Sharma as member

The proceedings of the committee are placed before the Board of Directors in their next meeting for noting and ratification.

Company Secretary acts as the secretary to the Committee.

VII. GENERAL BODY MEETING

Details of the last three Annual General Meetings of the Company are as follows:

Financial Year	Type of Meeting	Date & Time	Venue	Special Resolution passed thereat
2011-2012	Court Convened Meeting	24th November, 2012	Regd. Office: A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.	Approval under Section 391-394 of the Companies Act, 1956 to approve the Scheme of Arrangement between Perfect Radiators and Oil Coolers Private Limited (Transferor Company Lloyd Electric & Engineering Limited
2011-2012	Annual General meeting	8th September, 2012 at 9.00 a.m	Regd. Office: A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.	Approval under Section 198, 269, 309, 310, 311 read with Schedule XIII and Section 314(1B) read with Director Relatives (Office or Place of Profit) Rules, 2003 for appointment of Mr. Bharat Raj Punj, son of Mr. Brij Raj Pun, Chairman and Managing Director of the Company as an Executive Director
2010-2011	Annual General Meeting	30th September, 2011 at 9.00 a.m	Regd. Office: A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.	No special Resolution passed
2009-2010	Annual General Meeting	28th September, 2010 at 9.30 a.m	Regd. Office: A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.	No special Resolution passed

None of the business proposed to be transacted in the ensuing Annual General Meeting requires passing of special resolution

POSTAL BALLOT

The details of Special resolution proposed to be passed through postal ballot during the current Financial Year:

Special Resolution proposed to be passed

The Hon'ble High Court of Rajasthan while sanctioning the Scheme of Arrangement between Perfect Radiators & Oil Coolers Private Limited (Transferor Company) and Lloyd Electric & Engineering Limited (Transferee Company) has directed the Company to amend the Object Clause to include the word "Heat Exchanger" in the object clause of the Company. Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules 2011 and in accordance with the provisions of Section 17 and all other applicable provisions, if any, of the Companies Act, 1956 postal ballot notice has been dispatched to the members of the Company seeking the consent of the members by way of postal ballot in respect of the special business with regard to the alteration in object clause of the Memorandum of Association of the Company.

Mr. Sanjay Chugh, Practicing Company Secretary has been appointed as scrutinizer for conducting the postal ballot process in a fair and transparent manner.

The Notice has been sent under certificate of posting to all the Members, whose name appear on register of members as on 2nd August, 2013. The Company has on Monday, 12th August, 2013 completed the dispatch of notice to all the members.

All the postal ballot forms duly completed and signed should reach the Scrutinizer on or before Thursday, 12th September, 2013 at 159 Okhla Industrial Estate, Phase III, New Delhi-110020.

A Member may request for a duplicate Postal Ballot Form, if so required.

The result of the Postal Ballot will be announced by the Chairman or any other Director of the Company on Tuesday, 17th September, 2013 at 9:30 a.m. at the Registered Office of the Company situated at A-146, (B & C), RIICO Industrial-Area, Bhiwadi, Alwar, Rajasthan-301019 and the same shall be informed to the Stock Exchanges and posted on the website of the Company www.lloydengg.com

VIII. CODE OF CONDUCT

The Company has adopted a Code of Conduct for all Board Members and Senior Employees of the Company. The Code of Conduct has already been posted on the website of the Company for general viewing. (www.lloydengg.com)

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. The Annual Report contains a declaration to this effect signed by the Chairman & Managing Director.

IX. DISCLOSURES

a) During the year under review, besides the transactions reported in Notes forming part of the financial statements for the year ended 31st March 2013 in the Annual Report, there were no other related party transactions of the Company with its promoters, Directors or the management or their relatives and subsidiaries and associates. These transactions do not have any potential conflict with the interest of the Company at large. The material related party transactions are placed before the Audit Committee of the Board periodically and placed for Board's information once in a year.

b) During the last three years, there were no strictures or penalties imposed by SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to capital markets.

c) Lloyd Group aims to address risks, opportunities and threats posed by business environment by developing appropriate risk mitigation measures. Risks which would impact the Company relates to exchange fluctuation risk, interest rates , credit risks and volatile commodity prices risks as well as operating risks, arising out of high input costs of raw material especially Aluminum, copper and sheet metal and changes in technology which impact the Company's product offerings. All such risks are periodically identified and assessed in terms of the Company's risk management framework and appropriate action is undertaken to minimize the impact.

d) The Company follows Accounting Standards notified by the Central Government of India under the Companies (Accounting Standards) Rules, 2006 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.

e) The Managing Director (CEO) and Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31 March 2013, which is annexed hereto.

f) In line with the requirements of SEBI, Reconciliation of Share Capital Audit is carried out on a quarterly basis by practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in NSDL and CDSL and in physical form tally with the total no. of issued/paid-up, listed capital of the Company.

g) The Company has adopted the non-mandatory requirements with respect to the remuneration Committee, details in respect of which have already been given in this report.

III. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms the part of the Annual Report and is given separately. All matters pertaining to industry structure and developments, opportunities and threats, etc. forms a part of the said report.

XI. MEANS OF COMMUNICATION

The Company disseminates information to all stakeholders through various channels:

Financial Results	Quarterly & Annual Results are published in prominent daily newspapers viz. The Pioneer (Delhi), Adhikar (Jaipur). The results are sent to stock exchanges as well as posted on the Company's website: www.lloydengg.com
News Releases	Official news releases are sent to stock exchanges as well as displayed on the Company's website: www.lloydengg.com
Website	The Company's corporate website is www.lloydengg.com , which provides comprehensive information about the Company. The Annual Report of the Company is available on the website. The same is also sent to all the Stock Exchanges where the shares of the Company are listed, for uploading on their own web-site.
Annual Report	Annual Report is circulated to all the members and all others entitled thereto like auditors.
Whether Management Discussion & Analysis report is a part of Annual Report or Not	Yes
Whether Shareholder Information Section forms part of the Annual Report	Yes

XII. GENERAL SHAREHOLDERS INFORMATION

1. Registered Office : A-146 (B&C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan-301019

2. Corporate Office : 159, Okhla Industrial Estate Phase-III, New Delhi- 110020

3. Annual General Meeting

Date : 28th September, 2013

Time : 9.00 A.M.

Venue : A-146(B&C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan-301019

4. Financial Year:

The details furnished in the Annual Report pertain to the financial year 2012-2013.

5. Date of Book Closure/Record Date:

The dates of book closure shall be from Monday, 23rd September, 2013, to Saturday, 28th September, 2013 (both dates inclusive)

6. Dividend Payment

The Dividend of Re.1 per equity share of Rs.10/- each for the financial year 2012-2013, subject to the approval of the shareholders, has been recommended by the Board of Directors. The same shall be paid on or after 3rd October, 2013 but within the statutory time limit.

7. Listing of equity shares/shares underlying GDR's on Stock Exchanges:

The shares of the Company are listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE)

GDR's are listed on London Stock Exchange

The Company has paid the listing fees for the year 2013-2014 to the above Stock Exchanges.

8. Listing of Debt Securities

The Redeemable Non- Convertible Debentures issued by the Company are listed on Bombay Stock Exchange Limited. IDBI Trusteeship Services Limited is the Debenture Trustee for the Debentures issued.

9. Custodial Fees to Depositories

The Company has paid custodial fees for the year 2013-2014 to National Securities Depository Limited (NSDL) and Central Depository Services (Indian) Limited (CDSL)

10. Stock Code/ Symbol

Corporate Identification Number (CIN)	:	L29120RJ1987PLC012841

Equity Shares

BSE	:	517518
NSE	:	LLOYDELENG
ISIN No.	:	INE245C01019

Debentures:

BSE

Scrip code (For LEEL NCD I FY 2010-11)	:	947163
ISIN No.	:	INE245C07016
Scrip code (For LEEL NCD I FY 2010-11)	:	947166
ISIN No.	:	INE245C07024

GDR's

LSE	:	LLD
Overseas Depository (for GDRs)	:	The Bank of New York
Domestic Custodian (for GDRs)	:	ICICI Bank Limited

11. Unclaimed Dividend:

Under the Companies Act, 1956, 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 therefore cannot be claimed by the investors. The unclaimed dividend upto the financial year 1997 and the interim dividend for the financial year 2005-2006 had been transferred to the IEPF and hence no claim shall lie with the Company in respect of the same.

The dividend for the following years remaining unclaimed for seven years will be transferred by the Company to 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 IEPF, no claim shall lie in respect of the same.

Financial Year	Date of declaration	Due date for transfer to IEPF
2005-2006 (Final)	September 30, 2006	October, 2013
2006-2007 (Final)	September 29, 2007	October, 2014
2007-2008 (Final)	September 29, 2008	October, 2015
2009-2010 (Final)	September 28, 2010	October, 2017
2010-2011 (Final)	September 30, 2011	October, 2018
2011-2012 (Final)	September 8, 2012	October, 2019

12. Share Transfer System:

The Board has constituted the share transfer Committee and delegated the power of share transfer to the Committee. The Committee holds its meeting thrice a month to consider all matters concerning transfer and transmission of shares.

As on March 31st, 2013, 88.82% of the equity shares of the Company are in electronic form. Transfer of physical shares in to electronic shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Skyline Financial Services Pvt. Limited (Registrar & Transfer Agent) of the Company at the below mentioned address. Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects.

XIII. FINANCIAL CALENDAR FOR THE YEAR 2013-2014 (PROVISIONAL):

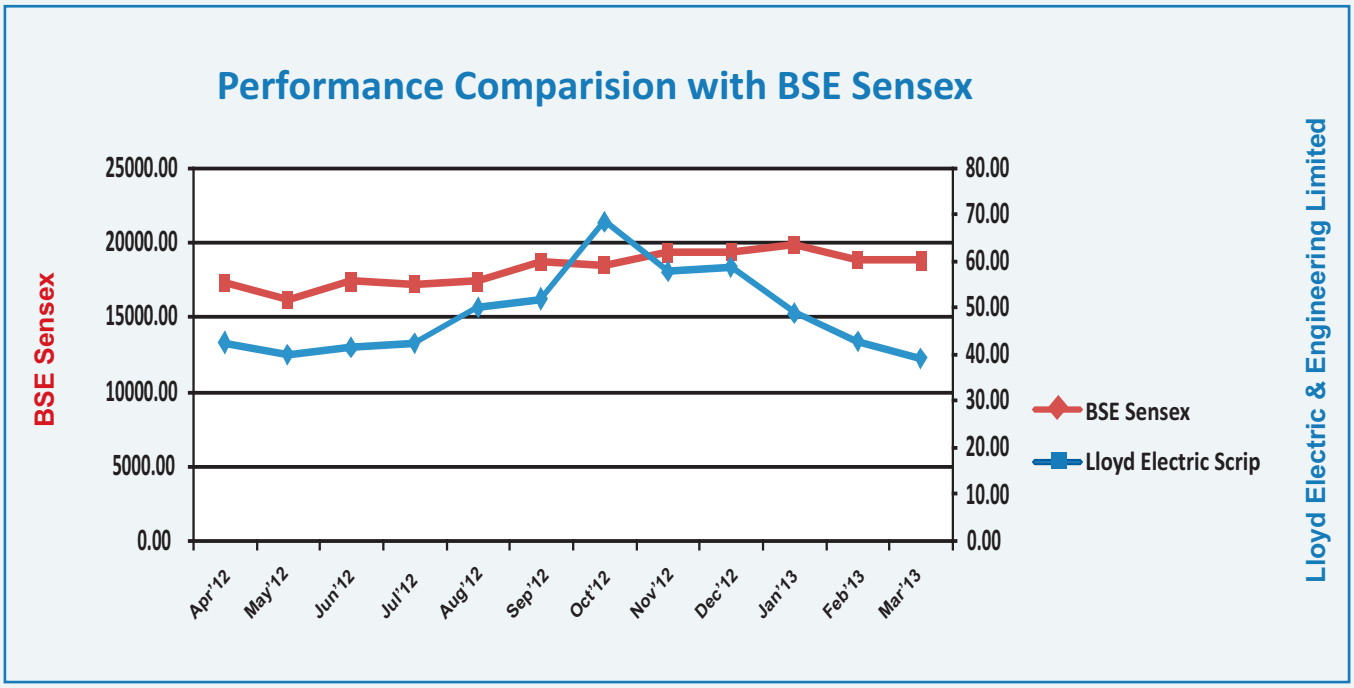
Declaration of Results for the Quarter ended on	Tentative Date
Financial Reporting for the quarter ending June 30, 2013	On or before August 15, 2013
Financial Reporting for the quarter ending September 30, 2013	On or before November15, 2013
Financial Reporting for the quarter ending December 31, 2013	On or before February 15, 2014
Financial Reporting for the quarter and year ending March 31, 2014	On or before May 30, 2014
Annual General Meeting for the year ended March 31, 2014	Before the end of September 2014

X IV. Market Price Data

Monthly high & low of the equity shares of the Company at BSE and NSE for the year ended March 31, 2013 are as follows

Particulars	BSE		NSE	
Months for the Financial Year 2012-13	High (Rs./ share)	Low (Rs./ share)	High (Rs./ share)	Low (Rs./ share)
April'12	52.00	41.40	49.60	42.15
May'12	44.00	38.15	43.90	38.55
June'12	42.15	39.05	41.95	38.50
July'12	52.00	41.00	51.90	40.10
August'12	55.20	42.35	55.25	42.30
September'12	54.45	46.25	55.80	46.30
October'12	74.20	51.60	74.30	51.60
November'12	71.30	55.50	71.50	55.00
December'12	63.75	56.85	63.70	56.70
January'13	62.90	47.35	63.00	46.35
February'13	53.45	42.60	53.00	42.60
March'13	44.00	36.60	46.00	36.60

The performance comparison of Lloyd Electric & Engineering Limited's Closing Share Price in each month with BSE Sensex



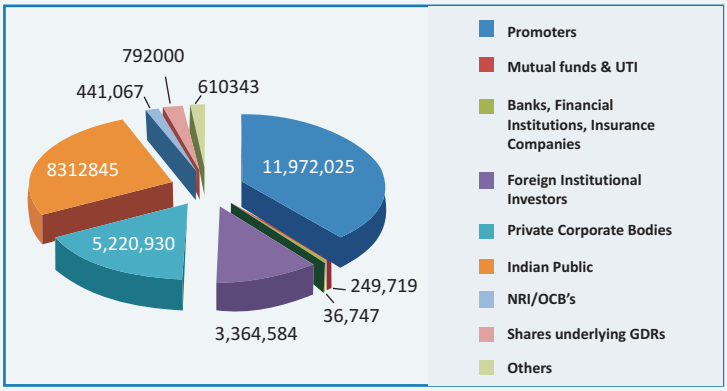
XV. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2013*

No. of Share held of Rs.10 each	No. of Shareholders	%age of Total	No. of Shares	%age of Total
Up to 500	19101	86.58%	2790583	9.00%
501 – 1000	1475	6.69%	1208422	3.90%
1001 - 2000	734	3.33%	1107991	3.57%
2001 - 3000	245	1.11%	617226	1.99%
3001 - 4000	137	0.62%	496378	1.60%
4001 - 5000	86	0.39%	404530	1.30%
5001 - 10000	165	0.75%	1231762	3.97%
10001 - & above	119	0.54%	23143368	74.66%
Total	**22062**	**100.00%**	**31000260**	**100.00%**

* The details regarding the Shareholding have been mentioned before considering the allotment of 43,20,000 equity shares pursuant to Scheme of arrangement.

XVI. SHAREHOLDING PATTERN AS AT MARCH 31, 2013

Category	No. of Shares held	% of shareholding
Promoters	1,19,72,025	38.62%
Mutual funds & UTI	249719	0.81%
Banks, Financial Institutions, Insurance Companies	36747	0.12%
Foreign Institutional Investors	3364584	10.85%
Private Corporate Bodies	5220930	16.84%
Indian Public	8312845	26.82%
NRI/OCB's	441067	1.42%
Shares underlying GDRs	792000	2.55%
Others	610343	1.97%
Total	**31000260**	**100%**

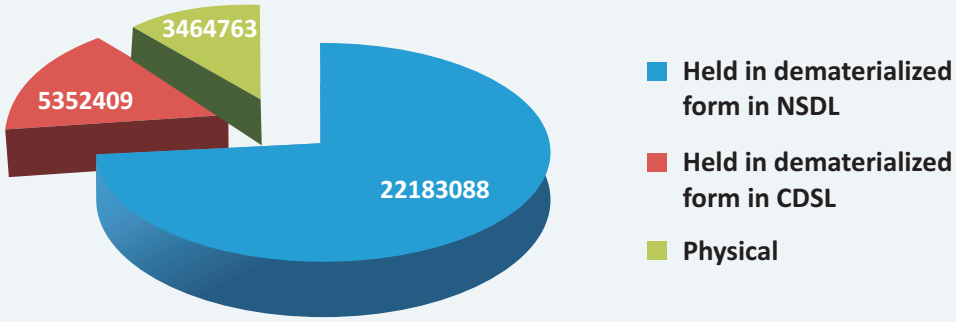


XVII. DEMATERIALIZATION OF SHARES AND LIQUIDITY

The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on March 31, 2013, 27,535,497 equity shares of the Company, forming 88.82% of the shareholding stand dematerialized.

The number of shares held in dematerialized and physical mode as on March 31,2013 is as under:

	No. of shares	% of Capital issued
Held in dematerialized form in NSDL	22183088	71.55 %
Held in dematerialized form in CDSL	5352409	17.27%
Physical	3464763	11.18%
Total	31000260	100%



XVIII. OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The outstanding GDRs are backed by underlying equity shares which are part of the existing paid-up capital of the Company. 3,96,000 GDRs underlying 7,92,000 equity shares of the Company are outstanding as on March 31, 2013. Each GDR represents two underlying equity shares.

XIX. 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 address provided by the Members and made available to us by the Depositories.

Members who hold shares in physical form are requested to register their e-mail addresses and intimate any change in e-mail id, with the Company or with the Registrars & Share Transfer Agents, SKYLINE FINANCIAL SERVICES PRIVATE LIMITED. In respect of electronic holdings members are requested to register their e-mail addresses with the Depository through their concerned Depository Participants. However, in case you desire to receive Company communication and documents in physical form, you are requested to intimate us through e-mail at investor.relation@lloydengg.com You may kindly note that as a Member of the Company, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you, at any time.

Members are advised to convert their shares from Physical mode to Dematerialized mode. Dematerialization of shares provides several benefits to the shareholders. The transaction of shares can be carried out quickly and in an easy way. Holding securities in Demat form helps the investors to get immediate transfer of securities. No stamp duty is payable on transfer of shares held in Demat form and the brokerage involved is also lowest. The incidence of non-delivery or bad delivery and the risks associated such as forged transfers that occurs for the shares when held in physical format is totally avoided. Shareholders are not required to hold saleable set of shares for trading.

XX. PLANT LOCATIONS:

Domestic Manufacturing Locations:

The Company has its manufacturing plant at the following location:

DOMESTIC:

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

b) Industrial Area,
Kala-Amb, Trilokpur Road,
Sirmour, Nahan
Himachal Pradesh

c) Plot No. 24
Sector 2, IIE
Sidcul, Pantnagar

d) Plot No. S 21 & S 22, Non SEZ, Phase III
Sipcot Road, Mugundarayapuram
Ranipet, Vellore District (Tamilnadu)

e) Bahadarabad, Mehdood
Industrial park, 2 Salempur
SIDCUL, Haridwaar, Uttarakhand

OVERSEAS MANUFACTURING LOCATIONS:

a) Lloyd Coils Europe s.r.o
Prague-5, Radotin
Vrazaska 143
Postal Code 153000

b) Janka Engineering s.r.o
Vrazsja 143
15300 Praha Radotin
Czech Republic

XXI. ADDRESS FOR CORRESPONDENCE:

Corporate Office

INVESTOR RELATION DEPARTMENT
LLOYD ELECTRIC & ENGINEERING LIMITED
159, Okhla Industrial Estate
Phase-III, New Delhi- 110020
Tel :91-11-40627200, 40627300
Fax: 91-11-41609909
e-mail id- investor.relation@lloydengg.com
Website: www.lloydengg.com

Registrar & Transfer Agents

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
D-153 A, First Floor,
Okhla Industrial Area, Phase-I
New Delhi- 110020
Tel :91-11-26812682, 26812683,84
Fax: 91-11-26292681
Website: www.skylinerta.com
e-mail id- admin@skylinerta.com

COMPLIANCE OFFICER

ANITA K. SHARMA
Company Secretary

Report on Corporate Governance

CODE OF CONDUCT DECLARATION

To
The Members of Lloyd Electric & Engineering Limited

As provided under Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange & National Stock Exchange of India Limited, the Board members and the senior management personnel have confirmed compliance with the code of conduct & ethics for the financial year ended March 31st, 2013.

For Lloyd Electric & Engineering Ltd.

Date: August 29, 2013
Place: New Delhi

Brij Raj Punj
Chairman & Managing Director

CEO/ CFO CERTIFICATION

The Board of Directors of Lloyd Electric & Engineering Limited

Dear Sirs,

Sub: CEO/CFO Certificate

We have reviewed the financial statements, read with the cash flow statement of Lloyd Electric & Engineering Limited for the year ended March 31, 2013 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 year 2012-2013 which are fraudulent, illegal or violate the Company's code of conduct.
4. We accept responsibilities for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.

   We further certify that:

   a) There have been no significant changes in internal control during the year.

   b) There have been no significant changes in accounting policies during the year

   c) There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system..

Yours sincerely

Mukat B. Sharma
Chief Financial Officer & Whole Time Director

Brij Raj Punj
Chairman & Managing Director

Dated : August 29, 2013
Place : New Delhi

COMPLIANCE CERTIFICATE

TO THE MEMBERS OF

LLOYD ELECTRIC & ENGINEERING LIMITED

We have examined the compliance of conditions of Corporate Governance by **LLOYD ELECTRIC & ENGINEERING LIMITED** ("the Company") for the year ended on March 31, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock Exchanges.

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.

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 Registration No. 000891N

Brijesh C. Mathur
Partner
M. No. : 83540

Date: August 29, 2013
Place: New Delhi

Independent Auditor's Report

Members,

Lloyd Electric & Engineering Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of **LLOYD ELECTRIC & ENGINEERING LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss Account and the Cash Flow Statement for the year then ended **which are revised statements of the original statements of Balance Sheet , the statement of Profit and Loss Account and the cash Flow Statement covered by the audit report of Lloyd Electric & Engineering Limited dated 30th May 2013** and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these 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 Standards referred to in Section 211(3C) of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

The Board of Directors of the Company has reopened and revised the aforesaid Accounts to give effect of operation of Heat Exchanger undertaking of Perfect Radiators & Oil Coolers Pvt. Ltd., which has been demerged and transferred to Lloyd Electric & Engineering Limited as per orders of Hon'ble High Courts of Delhi and Rajasthan dated 8th April 2013 and 31st May 2013 respectively and become effective from 11th June 2013 on filling of the same with the Registrar of Companies , with appointed date as 1st April 2011.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amount and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the finanacial statements.

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

Emphasis on the matter

We have considered the earlier auditor's report dated 30th May 2013 on the original accounts for the year ended 31st March, 2013 and have examined the changes made as under :

We draw attention to Note no. 32 to the financial statement and report that the financial statements have been reopened and revised by the Company's Management pursuant to the orders of the Hon'ble High Courts of Delhi and Rajasthan dated 8th April, 2013 and 31st May, 2013 respectively, approving the Scheme of arrangement which became effective on 11th June 2013 upon filing the said orders with the Registrar of Companies. Pursuant to the order, the Heat exchanger undertaking of Perfect Radiators & Oil Coolers Pvt. Ltd. (PROC) stands demerged and transferred to Lloyd Electric & Engineering Limited (LEEL) with appointed date as 1st April 2011.

Opinion

In our opinion and to the best of the information and according to the explanations given to us, **the said account read with Note No. 32 to notes to accounts in the aforesaid financial statements** give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India.

(i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013.

(ii) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date and

(iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227 (3) of the Act , we report that:

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 & Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the Balance Sheet, the statement of Profit & Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.

   e) On the basis of written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Suresh C. Mathur & Co.**,
Chartered Accountants,
(Firm Registration No. 000891N)

(BRIJESH C. MATHUR)
PARTNER
Membership No. 083540

Place: New Delhi
Dated:29th August, 2013

Annexure to the Auditor's Report

REFERRED TO IN PARAGRAPH 1 UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE OF LLOYD ELECTRIC & ENGINEERING LIMITED FOR THE YEAR ENDED 31ST MARCH, 2013

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of the Fixed Assets.

   b) Fixed Assets have been physically verified by the management during the year.

   In our opinion the frequency of such verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such physical verification.

   c) The fixed assets disposed off during the year were not substantial. According to the information and explanation given to us, we are of the opinion that the disposal of the fixed assets has not affect the going concern status of the Company.

2. a) The inventory has been physically verified during the year 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. The Company has neither granted nor taken any loans secured or unsecured to/from Companies, Firms and other parties covered in the register maintained u/s 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weakness in the internal controls system.

5. In respect of Contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of the knowledge and belief and according to the information and explanation given to us:

   a) The particulars of Contracts or arrangements referred to in Section 301 of the Companies act, 1956 that need to be entered in the Register maintained under the said Section have been so entered.

   b) Where each of such transaction is in excess of Rupees five lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market price at the relevant time.

6. The Company has not accepted any deposits from the public therefore the provision of Section 58A and 58AA of the Companies Act, 1956 are not applicable to the Company.

7. In our opinion, the Company has an internal audit system, commensurate with its size and the nature of its business.

8. We have broadly reviewed the cost records maintained by the Company and are of 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.

9. According to the records of the Company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the

appropriate authorities during the year. The disputed matter pending before authority is as under: as under:

Particulars	Financial Year	Amount (Rs.in Lacs)	Dispute Pending
Excise Duty	2006-2007	21.75	Appellate Tribunal
Sales Tax	1994-1995	4.76	Rajasthan Tax Board
Income Tax (Penalty)	2006-2007	46.06	CIT (Appeals), N. Delhi

10. The Company does not have accumulated Losses at the end of the financial year. The Company has not incurred any cash loss during the financial year covered by our audit and the immediate preceding financial year.

11. The Company has not defaulted in repayment of dues of financial institution / bank and debenture holders.

12. In our opinion and according to the information and explanations given to us the Company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund/nidhi/mutual benefit fund. Therefore the provision of the clause 4(xiii) of the Companies (Auditors report) Order, 2003 (as amended) are not applicable to the Company.

14. In our opinion the Company is not dealing or trading in shares/securities, debentures and other investments. Accordingly the provision of the clause 4(xiv) of the Companies (Auditors report) Order, 2003 (as amended) are not applicable to the Company.

15. In our opinion and according to the information and explanation given to us, the terms & conditions of the guarantees given by the Company for loan taken by others from banks and financial institutions are prima facie not prejudicial to the interest of the Company.

16. In our opinion and according to the information and explanation given to us, the term loans have been applied for the purposes for which they were obtained.

17. According to the information and explanation given to us, and, on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

19. The Company has not issued any Debentures during the year.

20. During the year the Company has not raised any money by way of public issue.

21. As per information and explanation given to us no fraud on or by the Company has been noticed or reported during the course of our Audit.

for **SURESH C. MATHUR & CO.**
Chartered Accountants,
(Firm Registration No. 000891N)

PLACE : NEW DELHI
DATED : 29th August, 2013

(BRIJESH C. MATHUR)
PARTNER
Membership No.-083540

Balance Sheet as at 31st March, 2013

(Rs. In Crores)

Particulars	Note	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	35.33	35.33
(b) Reserves and Surplus	4	526.15	471.06
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	94.67	101.24
(b) Deferred tax liabilities (Net)	6	15.25	13.26
(c) Long term provisions	7	2.07	1.70
(3) Current Liabilities			
(a) Short-term borrowings	8	336.37	252.97
(b) Trade payables	9	103.40	87.42
(c) Other current liabilities	10	66.97	40.86
(d) Short-term provisions	11	25.77	20.37
Total (Rs.)		**1,205.98**	**1,024.22**
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	294.12	267.02
(ii) Intangible assets		9.06	11.83
(iii) Capital work-in-progress		6.04	16.77
(b) Non-current investments	13	86.34	86.83
(c) Long term loans and advances	14	48.65	34.22
(d) Other non-current assets	15	16.90	16.96
(2) Current assets			
(a) Inventories	16	444.84	335.42
(b) Trade receivables	17	229.63	171.39
(c) Cash and cash equivalents	18	13.97	27.15
(d) Short-term loans and advances	19	39.33	27.89
(e) Other current assets	20	17.10	28.73
Total (Rs.)		**1,205.98**	**1,024.22**

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

(Brijesh C. Mathur)
Partner
Membership No. 083540

For and on behalf of the Board

Brij Raj Punj
Chairman & Managing Director

Place: New Delhi
Date: 29th August, 2013

Anita K. Sharma
Company Secretary

Mukat B. Sharma
CFO & Whole Time Director

A. K. Roy
Whole Time Director

K. Lall
Director

Statement of Profit & Loss for the year ended on 31st March, 2013

(Rs. In Crores)

Particulars	Note	Year Ended 31.03.2013	Year Ended 31.03.2012
I. Revenue from operations (Gross):	21	1,186.64	1,059.44
Less:- Excise Duty		(17.25)	(12.26)
Revenue from operations (Net)		**1,169.38**	**1,047.17**
Other Income	22	5.91	3.16
Total Revenue (I)		**1,175.29**	**1,050.34**
II. Expenses:			
Cost of materials consumed	23	962.13	908.18
Purchase of Stock-in-Trade		40.35	83.43
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(76.18)	(132.64)
Employee benefit expense	25	34.44	31.28
Other expenses	26	68.67	53.38
Total Expenses (II)		**1,029.42**	**943.62**
III. Profit before Interest, Depreciation/ Amortisation and Tax (EBITDA)	**(I - II)**	145.87	106.72
Finance Costs	27	50.74	32.40
Depreciation & Amortisation	28	22.27	21.29
IV. Profit before Tax		**72.86**	**53.02**
V. Tax expense:			
(1) Current tax		14.72	11.01
(2) Deferred tax		2.00	2.69
VI. Profit(Loss) from the period from continuing operations		**56.15**	**39.33**
VII. Earning per equity share:			
(1) Basic & Diluted		**15.90**	**11.14**

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

For and on behalf of the Board

Brij Raj Punj
Chairman & Managing Director

Place: New Delhi
Date: 29th August, 2013

Anita K. Sharma
Company Secretary

Mukat B. Sharma
CFO & Whole Time Director

A. K. Roy
Whole Time Director

K. Lall
Director

Cash Flow Statement For the year ended 31st March 2013

(Rs. In Crores)

		Year Ended 31st March, 2013		Year Ended 31st March, 2012	
A.	**Cash Flow from Operating Activities:**				
	Net Profit before tax & Extra-ordinary items		72.86		53.02
	Adjustments:				
	Add:				
	Depreciation	20.35		19.38	
	Provision no longer required	1.91		1.91	
	Interest Paid	42.38		27.54	
	Loss/ (Diminution) on sale (in value) of Investment	-		1.56	
	Loss on sale of fixed assets	-	64.64	0.08	50.47
			137.51		103.50
	Less:				
	Interest Income	(3.46)		(3.03)	
	Dividend Income	(0.07)		(0.07)	
	Profit on sale of Investment	(2.09)	(5.61)	-	(3.09)
	Operating profit before working capital changes		131.90		100.40
	Adjustments for :				
	Inventories	(109.41)		(111.59)	
	Trade & other receivables	(70.30)		34.69	
	Trade & other payables	(17.74)	(197.45)	(9.51)	(86.41)
	Cash generated from operations		(65.55)		13.99
	Direct tax paid		15.71		11.68
	Net Cash Flow from Operating Activities		**(49.84)**		**25.67**
B.	**Cash Flow from Investing Activities:**				
	Purhased of fixed assets		(32.72)		(49.58)
	Deferred Revenue in respect of acquisition		-		-
	Sale of fixed assets		-		0.04
	Net Purchase of Investments		0.48		(3.03)
	Dividend Received		0.07		0.07
	Interest received		3.46		3.03
	Net Cash Flow from Investing Activities		**(28.71)**		**(49.46)**
C.	**Cash Flow from Financial Activities:**				
	Proceeds from Borrowing		98.01		23.05
	Proceeds from Issue of Share capital		13.33		-
	Interest paid		(0.42)		(27.54)
	Dividend paid		(3.10)		(4.65)
	Dividend tax		(0.50)		(0.75)
	Net Cash Flow from Financing Activities		**107.32**		**(9.90)**
	Net increase in Cash and Cash Equivalents (A+B+C)		**28.77**		**(33.69)**
	Net increase/ decrease in Cash and Cash Equivalents		**28.77**	-	**(33.69)**
	Opening Balance of Cash and Cash Equivalents		27.15		60.84
	Closing Balance of Cash and Cash Equivalents		55.92		27.15

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

For and on behalf of the Board of Director of Lloyd Electric & Engineering

Anita K. Sharma	Mukat Sharma	A. K. Roy	K. Lall	Brij Raj Punj
Company Secretary	CFO & Whole Time Director	Whole Time Director	Director	Chairman & Managing Director

AUDITOR'S REPORT

We have examined the above Cash Flow Statement of Lloyd Electric & Engineering Limited for the year ended 31st March, 2013, The statement has been prepared by the Company in accordance with the requirements of clause 32 of the listing agreement entered into with Stock Exchanges and is based on and is in agreement with the corrosponding Profit & Loss Account and Balance Sheet of the Company.

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

(Brijesh C. Mathur)
(Partner)
Membership No. 083540

Place: New Delhi
Dated: 29th August, 2013

1. CORPORATE INFORMATION

Lloyd Electric & Engineering 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. The Company has also issued GDR's, which are listed on London Stock Exchange. The Company is the largest manufacturer of heat exchanger coils in India. It manufactures air conditioners for various brands as OEM / ODM including its own brand of LLOYD . It is also engaged in trading of Air-conditioner and consumer durable products like LCD / LED ,Chest freezers etc under "LLOYD" Brand. The Company caters to both domestic and international markets.

During the year, Scheme of arrangement under Section 391 to 394 of the Companies Act, 1956 was sanctioned by the Hon'ble High courts of Delhi and Rajasthan which became effective of 11th June, 2013 with appointed date as 1st April, 2011. The said scheme approved by the respective courts and has been given effect to in these financial statements. (Please refer note no.32)

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 notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention, except for land acquired before 1st April, 1993 which are carried at revalued amounts.

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.

2.1 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) Depreciation on fixed assets is provided on straight-line basis at the rates prescribed in schedule XIV to the Companies Act, 1956.

ii) Depreciation on assets added during the year, is calculated on pro-rata basis with reference to the date of installation.

iii) Depreciation rates applied for calculating depreciation on various categories of assets are as follows:

Type of Assets	Rates (SLM)	Schedule XIV Rates (SLM)
Building	3.34%	3.34%
Plant & Machinery	4.75%	4.75%
Office Equipments	4.75%	4.75%
Vehicles	9.50%	9.50%
Furniture & Fixtures	6.33%	6.33%

d) Intangible Assets

Intangible Assets are stated at cost of acquisition. Following intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The following are the acquired intangible assets :

i) LOGO OF BRAND "LLOYD"

Cost of logo is amortized over its useful life of 5 years.

ii) PRODUCT DEVELOPMENT EXPENSES

Cost of Product Development expenses will be amortized over its useful life of 5 Years.

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 as per the Weighted Average Method and include(s) customs duty wherever paid, and are net of credit availed under CENVAT scheme.

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 on the basis of Weighted average method 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) 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 year 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.

Minimum Alternate Tax:

Minimum alternate tax (MAT) paid in a year 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 Alternative 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:

The Company's operations predominantly comprise of manufacturing and sale of Air-conditioning and parts thereof. Sale of Consumer Durable products other than Air-conditioners are insignificant. The geographical segmentations are also insignificant.

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) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs and tax expense.

s) 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 2013 the effect of the same, if any which is not likely to be material will be adjusted at the time of confirmation.

t) 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 Note No.29

u) 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.

v) Deferred Revenue Expenditure:

Cost of traveling, Consultancy fees 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.

(Rs. In Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE:- 3		
SHARE CAPITAL:-		
1. Authorized Capital		
5,00,00,000 Equity Share of Rs. 10/- each	50.00	50.00
(Previous year 5,00,00,000 Equity Share of Rs. 10/- each)		
Total Authorized Share Capital	**50.00**	**50.00**
2. Issued & Subscribed Capital		
3,10,13,160 Equity Shares of Rs. 10/- each	31.01	31.01
3. Paid up Capital		
3,10,00, 260 Equity Shares of Rs. 10/- each fully paid up	31.00	31.00
(Previous Year 3,10,00,260 equity shares of Rs. 10/- each)		
Add:- Equity Shares forfeited	0.01	0.01
(amount originally paid up)		
4. Share Capital Suspense Account	4.32	4.32
(Refer Note No. 1 d and Note No. 32 of Notes to Accounts)		
TOTAL (RS.)	**35.33**	**35.33**

NOTES:-

1. Out of the above Equity Shares

a) Includes 40,00,000 Equity Share alloted in the year 2006-07 on conversion of warrants issued on preferential basis during the year 2005-06.

b) Includes 92,00,000 underlying Equity Shares representing 46,00,000 Global Depository Receipts issued during the year 2005-06.

c) In the year 2006-07 the Company had forfeited 13,300 equity shares due to the non-payment of allotment money. The Board of Directors had annulled the forfeiture of 400 Equity shares on receipt of payment advice by the shareholders and accordingly 400 Equity Shares had been restored back. Subsequent to the annullification of forfeiture, the paid-up Equity Share Capital stands increased to Rs. 310002600 i.e. 31000260 Equity Shares of Rs. 10/- each fully paid-up.

d) 4320000 no of Equity Shares for Rs. 10/- each are poised for allotment (for consideration) in favour of shareholders of erstwhile Perfect Radiators & Oil Coolers Pvt. Ltd. (PROC) on account of consideration of merger of PROC with the Company retrospectively since 01.04.2011. Pending allotment of said shares, entire consideration money has been shown as share capital suspense account.

Notes to Financial Statements for the year ended 31st March 2013

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

Particulars	31 March, 2013		31 March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Shares outstanding at the beginning of the year	31000260	31.00	31000260	31.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the End of the year	31000260	31.00	31000260	31.00

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 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.

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

Particulars	31 March, 2013		31 March, 2012	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares of Rs. 10 each fully paid-up				
PSL Engineering Pvt. Ltd.	3,713,520	11.98	3,713,520	11.98
Zenith Impex Pvt. Ltd.	2,975,418	9.60	2,970,233	9.58
Airserco Pvt. Ltd.	1,956,800	6.31	1,956,800	6.31
Kotak India Focus Fund.	1,355,397	4.37	1,927,255	6.22
Morgan Stanley Mauritius Company Ltd.	1,744,828	5.63	1,744,828	5.63
Lloyd Sales Private Limited	1,645,005	5.31	1,529,366	4.93

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.

(Rs. In Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE:- 4		
RESERVES AND SURPLUS		
1) Capital Reserve	0.44	0.44
(subsidy received against fixed assets)	-	-
	-	-
2) Capital Reserve	11.25	11.25
(Share Warrants forefeited by the Company)	-	-
	-	-
3) Revaluation Reserve	0.35	0.35
(land revalued as on 31st March, 1993)	-	-
	-	-
4) Securities Premium Account:	175.06	175.06
Add:- Premium of Issue of Shares*	31.80	31.80
Add:- Adjustment for Depreciation on Fixed Assets*	1.22	-
	208.08	**206.86**
Less:- Adjustment for Merger*	9.01	9.01
(Refer to Note No. 3C to Notes on Accounts)	**199.07**	**197.84**
5) General Reserve:		
Opening balance	145.72	144.72
Add: Transfer from Profit & Loss a/c	1.50	1.00
	147.22	**145.72**
6) Debenture Redumption Reserve	12.50	5.00
7) Profit & Loss Account:		
Profit for the Year	56.15	39.33
Balance Brought Forward from Previous year	110.45	76.75
MAT Credit Receivable Booked in current Year	1.85	1.47
	168.45	**117.56**
Appropriations		
Proposed Dividend	3.53	3.10
Tax on Proposed Dividend	0.60	0.50
Transfer to Debenture Redumption Reserve	7.50	2.50
Transfer to General Reserve	1.50	1.00
Balance Carried to Balance Sheet	**155.32**	**110.45**
TOTAL (Rs.)	**526.15**	**471.06**

Notes to Financial Statements for the year ended 31st March 2013

(Rs. In Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE - 5		
LONG TERM BORROWINGS		
1. **Term Loans**	-	-
From Financial Institutions		
From Schedule Banks:-		
Foreign Currency loan	12.12	17.28
Indian Currency Loan	49.21	33.88
	-	-
2. Debentures	33.33	50.00
500 Nos 11.25% secured redeemable	-	-
Non-Convertaible Debentures @ Rs.10,00,000/- each	-	-
	-	-
3. Loan Against Vehicles (Secured by hypothecation of vehicle financed)	-	0.08
TOTAL (Rs.)	**94.67**	**101.24**

Note:-

1. Indian rupee loan of Rs. 28.00 Cr. from IDBI Ltd. carries interest @ 12.50% P.A. The Loan is repayable in 20 quarterly installment of Rs. 1.40 crores each after monotorium of 12 Months from the date of loan i.e. 31st March, 2010.
2. Indian rupee loan of Rs. 35.00 Cr. from IDBI Ltd. carries interest @ 12.25% P.A. The Loan is repayable in 20 quarterly installment of Rs. 1.75 crores each after monotorium of 12 Months from the date of loan i.e. 30th March, 2013. Bank has disbursed Amount of Rs. 17.50 Cr. till 31st March, 2013
3. Indian rupee loan of Rs. 21.00 Cr. from SBBJ carries interest @ 11.50% to 13% P.A. The loan is repayable in 16 quarterly installment of Rs. 1.31 Crores each after monotorium of 12 Months from the date of loan i.e. 24.06.2010.
4. Foreign currency loan of Rs. 27.00 Cr. from EXIM Bank carries interest LIBOR + 4.50% p.a. The loan is repayable in 17 quarterly installment of Rs. 1.59 Crores after monotorium of 12 months from the date of loan i.e. 14.07.2010. Outstanding as on 31.03.2013 in USD 3397298.07.
5. Indian rupee loan of Rs. 10.00 Cr. Dated 03.05.2012 and 10.00 Cr. Dated 30.06.2012 from Kotak Mahindra carries interest @ 12.65% P.A. The loan is repayable in 50 Monthly installment of Rs. 20.00 Lacs each from dated i.e. 31.07.2012 & 03.12.2012 respectively
6. Term loan of SBBJ is repayable in 20 quarterly installment of Rs. 77.50 lacs each. Interest shall however be served as and when applied. This pertains to erstwhile PROC which has been merged with the Company.
7. The above loans are Secured by way of first charge on Pari-Passu basis on the fixed Assets of the Company and Second hypothecation charge on the Stock/Book Debts
8. As per Board Resolution dated 14.03.2011 the Company has alloted 400 Nos. 11.25% secured redeemable non-convertible Debentures @ Rs. 10,00,000/- each on 14.03.2011 and balance 100 Nos., 11.25% Secured Redeemable Non-convertible Debentures @ Rs. 10,00,000/- each on 29.03.2011 for a tenure of 5 Years on private placement basis. The interest on Debentures is payable quarterly from the date of allotment @ 11.25% P.A. Debentures will be redeemed at par in Six Equal half Yearly installments at the end of 30th Month, 36th Month, 42nd month, 48th month, 54th month and 60th month from the date of allotment and secured by first ranking pari passu charge on all fixed assets including the immovable properties together with structures and appurtenances thereon and there under and movable properties, persent and future.

(Rs. In Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE - 6		
DEFFERED TAX LIABILITIES		
Opening Balance	**13.26**	**10.57**
Deferred Tax Liability on account of Depreciation	2.11	2.81
Deferred Tax Asset on account of Statutory Dues	(0.11)	(0.13)
Net Deferred Tax Liability	**15.25**	**13.26**
NOTE - 7		
LONG TERM PROVISIONS		
Provision for Gratuity	2.07	1.70
TOTAL (Rs.)	**2.07**	**1.70**
NOTE - 8		
SHORT TERM BORROWINGS		
1. Working Capital Loans:		
From Banks	336.37	252.97
TOTAL (Rs.)	**336.37**	**252.97**

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

NOTE - 9		
TRADE PAYABLES		
Sundry Creditors	103.40	87.42
TOTAL (Rs.)	**103.40**	**87.42**

Notes to Financial Statements for the year ended 31st March 2013

(Rs. In Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE - 10		
OTHER CURRENT LIABILITIES		
Statutory dues payable	10.87	11.85
Interest Accrued but not due	1.29	0.51
Others Liability	12.03	10.46
Unclaimed Dividend	0.26	0.19
Current maturity of Long Term Borrowings	-	-
Foreign Currency Loan	6.35	6.91
Indian Currency Loan	19.31	10.85
11.25% Non-convertible Debenture	16.67	-
Loan against Vehicles (secured by hypothecation of vehicle finances)	0.20	0.09
TOTAL (Rs.)	**66.97**	**40.86**
NOTE - 11		
CURRENT PROVISIONS		
Provision for Income Tax	20.45	15.73
Provision for Fringe Benefit Tax	0.26	0.26
Provision for proposed dividend	3.53	3.10
Provision for tax on proposed dividend	0.60	0.50
Leave Encashment Payable	0.93	0.79
TOTAL (Rs.)	**25.77**	**20.37**

NOTE :- 12
FIXED ASSETS:

(Rs. In Crores)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions	Deduction	As at 31.3.2013	Up to 31.3.2012	For the Year	Adjustment	Up to 31.3.2013	As at 31.03.2013	As at 31.03.2012
(i) Tangible assets										
1) Leasehold Land	2.33	-	-	2.33	-	-	-	-	2.33	2.33
2) Temporary Constructions	0.12	-	-	0.12	0.12	-	-	0.12	-	-
3) Buildings	47.62	7.34	-	54.96	4.06	1.60	-	5.65	49.31	43.56
4) Plant & Machinery	315.61	35.05	-	350.66	99.66	15.11	1.16	113.62	237.05	215.96
5) Office Equipments	3.52	0.54	-	4.06	1.90	0.28	0.01	2.18	1.88	1.61
6) Vehicles	4.87	-	-	4.87	2.42	0.48	0.06	2.83	2.04	2.46
7) Furniture & Fixtures	1.39	0.52	-	1.91	0.30	0.11	0.00	0.40	1.51	1.10
Total (Tangible Assets)	375.47	43.45	-	418.92	108.45	17.58	1.22	124.80	294.12	267.02
(ii) Intangible assets										
1) Intangible Fixed Assets	13.87	-	-	13.87	2.77	2.77	-	5.55	8.32	11.10
2) Product Development Expenses	0.74			0.74				-	0.74	0.74
Total (Intangible Assets)	**14.61**	**-**	**-**	**14.61**	**2.77**	**2.77**	**-**	**5.55**	**9.06**	**11.83**
TOTAL Rs..	**390.08**	**43.45**	**-**	**432.79**	**111.22**	**20.35**	**1.22**	**130.35**	**303.18**	**278.85**
(Previous Year)	319.32	71.29	0.54	390.08	92.26	19.38	0.41	111.22	278.85	227.06

Notes to Financial Statements for the year ended 31st March 2013

(Rs. In Crores)

Particulars	Face Value	Number of Shares	As At 31.03.2013	Number of Shares	As At 31.03.2012
NOTE:- 13					
INVESTMENTS:					
Quoted Shares					
Blue Star Ltd.	2	375	0.00	375	0.00
Blue Star Info. Ltd.	10	25	0.00	25	0.00
Castrol (India) Ltd.	10	5	0.00	5	0.00
Castrol (India) Ltd. (bonus share)	10	15			
Chambal Fertizers & Chem. Ltd.	10	1000	0.00	1,000	0.00
D.B. International Brokers Ltd.	2	13000	0.00	16,600	0.02
Dot Com. Global Ltd.	10	24200	0.00	24,200	0.00
Shardul Securities Ltd.	10	25600	0.08	25,600	0.08
ACE India Ltd.	10	16900	0.02	16,900	0.02
Dion Global Solutions	10	320	0.00		
Religare Technologies Ltd	10	80	0.00		
Fortis Financial Services Ltd.	10		-	400	0.00
Glaxo Sithkline Pharmaceuticals Ltd.	10	125	0.01	125	0.01
HDFC Bank Ltd.	2	125	0.00	25	0.00
Hindustan Uinliver Ltd.	1	1350	0.02	3,850	0.05
JSW Steel Limited	10	1124	0.02	5,124	0.11
Lumax Industries Limited	10	4600	0.03	4,600	0.03
Panasonic Energey India Co. Ltd	10	500	0.00	500	0.00
Pan India Corpn Ltd (formealy known SRG Infotech Limited)	10	200	0.00	200	0.00
Sterlite Opiticals Limited	2	525	0.00	210	0.00
Subros Limited	2	150	0.00	30	0.00
Tata Chemicals Limited	10	50	0.00	50	0.00
Tata Consultancy Services Limited	1	832	0.07	2,458	0.21
Visesh Infotecnics Limited	1	1100	0.00	100	0.00
Voltas Limited	1	500	0.00	500	0.00
GHCL Ltd.	10	125000	1.91	125,000	1.91
Archies Ltd.	2	50000	0.11	30,000	0.32
Investment in SBI Mutual Fund			0.10		0.10
Sub-Total (A) Rs.			2.37		2.85
			2.37		2.85
Unquoted Shares:					
Lloyd Credits Ltd.	10	300000	0.30	300,000	0.30
Lloyd Aircon (P) Ltd.	10	350	0.00	350	0.00
Carrier Aircondition & Refrigetation Ltd.	10	400	0.00	100	0.00
Subsidiary Company					
Lloyd Coils Europe s.r.o			45.01		45.01
Janka Engineering s.r.o			38.66		38.66
Sub-Total (B) Rs..			**83.97**		**83.97**
Total (A+B)			**86.34**		**86.83**
Additional Information :					
1) Aggregate amount of Company's -					
a) Market value of Quoted Investments			1.27		3.94
b) Unquoted Investments			83.97		83.97

(Rs. In Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE - 14		
LONG TERM LOAN & ADVANCES		
Security Deposits	4.25	3.77
Loan to subsidiary Company	43.84	29.68
Capital Advance	0.57	0.77
TOTAL (Rs.)	**48.65**	**34.22**
NOTE - 15		
OTHER NON CURRENT ASSETS		
MAT Credit Entitlement		
Opening	11.22	9.74
Add:- During the year	1.85	1.47
	13.07	**11.22**
Defferred Revenue Expenses		
Opening balance	5.74	7.66
Addition during the year	-	-
	5.74	**7.66**
Less: 1/5 Written off During the year	1.91	1.91
	3.83	**5.74**
TOTAL (Rs.)	**16.90**	**16.96**
NOTE - 16		
INVENTORIES:		
(As certified by the Management)		
Raw-materials, Consumables & Components	176.29	143.81
Stock in Process	20.91	8.66
Finished Goods	215.77	151.84
Stock in Transit (At Cost)	31.87	31.12
TOTAL (Rs.)	**444.84**	**335.42**

Notes to Financial Statements for the year ended 31st March 2013

(Rs. In Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE - 17		
TRADE RECEIVABLES		
Outstanding for a Period exceeding six months from the date	1.62	2.63
they are due for payment	-	-
Other Receivables	228.01	168.76
TOTAL (Rs.)	**229.63**	**171.39**
NOTE - 18		
CASH & CASH EQUIVALENTS		
CASH AND BANK BALANCES:		
Cash balance in Hand	0.26	0.32
Balances with Schedule banks	-	-
In Current Accounts	12.93	26.35
Dividend Account	0.26	0.19
In Fixed Deposits	0.22	0.05
Receipt pledged with Bank for margin money (Including Interest)	0.26	0.24
Interest accrued on fixed deposit	0.05	0.01
TOTAL (Rs.)	**13.97**	**27.15**
NOTE -19		
SHORT TERMS LOANS & ADVANCES :		
Advance recoverable in cash or in kind or for value to be recovered	7.20	21.93
Advance to Employees	0.85	0.91
Balance with Statutory/Government Authorities	7.30	4.52
Prepaid Exp.	7.47	-
Advance tax/TDS Recoverable	16.51	0.53
Interest Receivable on NSC	0.00	-
TOTAL (Rs.)	**39.33**	**27.89**

(Rs. In Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE - 20		
OTHER CURRENT ASSETS		
Intra Group Accounts	17.10	28.73
TOTAL (Rs.)	**17.10**	**28.73**

(Rs. In Crores)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
NOTE -21		
REVENUE FROM OPERATIONS		
Sale of Products		
Manufacturing Goods	1,117.22	978.59
Traded Goods	69.36	80.82
Other Operating Income	0.05	0.04
Total (Rs.)	**1,186.64**	**1,059.44**
NOTE - 22		
OTHER INCOME:		
1) Interest Income	0.52	1.16
2) Interest from subsidiary companies	2.94	1.87
3) Profit/ Loss on sale of investment	2.09	-
4) Misc. Income	0.30	0.07
5) Dividend Income	0.07	0.06
Total (Rs.)	**5.91**	**3.16**

Notes to Financial Statements for the year ended 31st March 2013

(Rs. In Crores)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
NOTE - 23		
COST OF MATERIAL CONSUMED		
Raw materials, consumables and components consumed:-		
Opening Stock	143.81	164.18
Add:-Purchases	988.52	879.72
Carriage Inward & cost of Job	6.09	8.08
	1,138.42	**1,051.99**
Less:- Closing Stock	176.29	143.81
TOTAL (Rs.)	**962.13**	**908.18**
NOTE - 24		
CHANGES IN INVENTORY		
Decrease/(Increase) in stocks in Progress		
Opening Stock	8.66	10.32
Less:- Closing Stock	20.91	8.66
Decrease/(Increase) in stocks in Progress	**(12.25)**	**1.67**
2) Decrease/(Increase) in finished goods:		
Opening Stock	151.84	17.53
Less:- Closing Stock	215.77	151.84
Decrease/(Increase) in Finished Goods	**(63.93)**	**(134.31)**
Total (Rs.)	**(76.18)**	**(132.64)**
NOTE - 25		
EMPLOYEE BENEFIT EXPENSES		
Wages (Workers)	5.34	4.66
Labour Welfare	0.92	1.17
Salary Account	25.94	23.38
Employer contribution in PF/ESIC	1.59	1.36
Staff Welfare	0.65	0.72
TOTAL (Rs.)	**34.44**	**31.28**

(Rs. In Crores)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
NOTE - 26		
OTHER EXPENSES		
Repair and Maintanance		
-Plant & Machinery	0.82	1.20
-Building & Office	1.53	0.64
Electricity Charges	4.68	4.24
Factory Overheads	5.20	1.75
Lease Charges	0.34	0.97
Insurance	1.07	0.67
Rent Rate & Taxes	2.51	2.12
Postage & Courier & Telephone Expenses	2.01	1.47
Printing and stationery	0.57	0.32
Audit Fee (including service tax)	0.18	0.21
Legal & Professional Exp.	3.42	3.33
Travelling & Conveyance Expenses	4.98	5.37
Motor Car Expenses	0.51	0.43
Misc. Expenses	2.31	5.19
Loss on sale of Fixed Assets	-	0.08
Loss on Investments In Subsidiary Co	-	1.56
Loss on foreign exchange fluctuation	1.82	2.36
Advertisement Exp.	12.27	4.62
Business Promotion	1.04	1.76
Octroi & Carriage outwards	8.77	10.39
Discount	9.35	0.27
Service Contract charges	4.57	3.12
Comission and incentive	0.38	0.99
Foreign Exibition Expenses	0.25	0.21
Free Samples	0.10	0.11
TOTAL (Rs.)	**68.67**	**53.38**

Notes to Financial Statements for the year ended 31st March 2013

(Rs. In Crores)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
NOTE - 27 FINANCIAL COSTS		
Interest Paid	42.38	27.54
Bank Charges	8.37	4.86
TOTAL (Rs.)	**50.74**	**32.40**
NOTE - 28 DEPRECIATION AND AMORTISATION		
Depreciation on Tangible Assets	17.58	16.61
Amortization of Intangible Assets	2.77	2.77
Deffered Revenue Expenses Written off during the year	1.91	1.91
Total (Rs.)	**22.27**	**21.29**

II) NOTES TO ACCOUNTS:

29) Contingent liability not provided for:

Particulars			Current Year (Rs. In Crores) 2012-13	Previous Year (Rs. In Crores) 2011-12
a)		Bank Guarantees	5.80	15.78
b)		Corporate Guarantee of Euro 15 million given by the Company for Euro 12 million Loan availed by Lloyd Coils Europe s.r.o.a wholly owned subsidiary from SBI, London .Balance Outstanding as at March 31,2013 is Euro 1.50 million (Euro 4.50 Million as at March 31,2012)	10.50	38.21
c)	(i)	Stand by Line of Credit of Euro 1.00 million from ING Vysya Bank given by the Company for Euro 2.00 million working capital facility availed by Lloyd Coils Europe s.r.o.a wholly owned subsidiary from ING Czech Republic (Euro 2 million as at March 31,2012)	7.00	16.98
	(ii)	Stand by Line of Credit of Euro 1.50 Million from ING Vysya Bank given by the Company for Euro 2 million working capital facility availed by Janka Engineering s.r.o.a wholly owned subsidiary from ING Czech Republic.(Euro 2.00 Millions as at March 31,2012)	10.50	13.58
	(iii)	Stand by Line of Credit of Euro 1.50 Million from Standard Chartered Bank given by the Company for Euro 1 million working capital facility availed by Janka Engineering s.r.o.a wholly owned subsidiary from Komercni Bank Czech Republic. (Euro 1.50 Millions as at March 31,2012)	10.50	10.19

30) Contracts remaining to be executed On capital account and not provided for

NIL | 2.79

31) Micro and Small Scale Business Entities:

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Accordingly, there were no interest due on the principal amount, nor there was necessity to pay interest for delayed payment in terms of section 16 of the Micro, Small and Medium Enterprises Development Act.

32) Disclosure in respect of "Acquisition of Demerged business of Perfect Radiator & Oil Coolers Private Limited (PROC)":

I. A scheme of arrangement under section 391 to 394 of the Companies Act, 1956 was filed with an appointed date of 1st April, 2011 with the Hon'ble High Courts of Delhi and Rajasthan which has been approved by the shareholders in the Court convened meeting held on 24th November 2012.The said scheme duly approved by the Hon'ble High Courts became effective on 11th June, 2013 and has been given effect to in these financial statements as the Scheme became effective with retrospective effect i.e. 1st April, 2011.

Notes to Financial Statements for the year ended 31st March 2013

II. As per the scheme, the Company has recorded the assets and liabilities forming part of the demerged undertaking vested in it at their respective book value as appearing in the books of accounts of PROC at the close of the business immediately preceding the appointed date at Net Asset Value for Rs. 27,10,05,440/- for Total Consideration of Rs. 36,11,52,000 by issuing 43,20,000 equity shares (swap ratio of 54:100) of Rs. 10 each based on the valuation of Rs. 83.60 per share arrived by independent valuer Ernst & Young. Further Rs.4,32,00,000 has been transferred to Share capital Suspense Account and Rs.31,79,52,000 to Share Premium Account. As on 31st March, 2013, 43,20,000 number of equity share of Rs.10/- each are poised for allotment for consideration other than cash in favor of shareholders of PROC and the same has been shown as Share Capital Suspense Account.

III. The Difference in accounting policy with regard to depreciation on fixed assets between Perfect Radiators & Oil Coolers Private Limited (PROC) and the Company aggregating to Rs.1,22,48,519/- has been adjusted to the Share Premium Account.

IV. The Excess of consideration over the Net Assets Value of Rs. 9,01,46,560/- has been charged to Share Premium account.

Particulars	**Amount in Rupees**
Purchase Consideration	36,11,52,000
Less:- Net Asset Value	27,10,05,440
Excess of Consideration	**9,01,46,560**

V. The Assets and Liabilities as on April 1, 2011 of the transferor Company taken over by the Company were as follows:-

Particulars	**Amount in Rupees**
Assets	
Net Fixed Assets	253,828,273
Long Term Loans & Advances	3,505,028
Inventories	211,514,577
Trade receivables	160,916,924
Cash and bank balances	5,009,378
Short-term loans and advances	65,924,623
	700,698,803
Liabilities	
Long-term borrowings	62,771,488
Long-term provisions	1,663,722
Short-term borrowings	124,815,477
Trade payables	197,556,658
Other current liabilities	42,356,687
Short-term provisions	529,331
	429,693,363
Net Worth (Assets -Liabilities)	**271,005,440**

VI. The Previous year and Current Year Figures has been rearranged and restated after considering the Assets & Liabilities of demerged business of Heat-Exchangers from PROC which has been merged with LEEL as under:-

Particulars	LEEL As at 31.03.2012	Demerged Business of PROC	Post Merger as at 31.03.2012
Share Capital*	310,067,100	43,200,000	353,267,100
Merger Reserve**	-	227,805,440	227,805,440
Reserves and Surplus***	4,425,340,498	57,483,349	4,482,823,847
Long-Term Borrowings	933,581,366	78,864,853	1,012,446,219
Deffered Tax Liabilities	132,555,000	-	132,555,000
Long Term Provisions	14,187,658	2,785,399	16,973,057
Short-Term borrowings	2,254,409,497	275,323,381	2,529,732,877
Trade Payables	727,734,217	146,474,542	874,208,759
Other Current Liabilities	407,989,339	649,677	408,639,016
Short-Term Provisions	183,721,354	20,000,000	203,721,354
Total (Rs.)	**9,389,586,030**	**852,586,640**	**10,242,172,671**
Fixed Assets			
(i) Tangible Assets	2,395,100,777	275,097,559	2,670,198,336
(ii) Intangible Assets	110,976,000	7,359,242	118,335,242
(iii) Capital Work-in-Progress	97,001,784	70,682,249	167,684,033
Non-Current Investments	868,271,790	-	868,271,790
Long Term Loans & Advances	311,857,853	30,372,704	342,230,557
Other Non-Current Assets	169,598,987	-	169,598,987
Inventories	3,123,224,106	231,022,334	3,354,246,441
Trade Receivables	1,526,127,926	187,775,335	1,713,903,261
Cash and Cash Equivalents	266,447,076	5,096,517	271,543,593
Short-Term Loan & Advances	233,708,945	45,180,700	278,889,645
Other Current Assets	287,270,786	-	287,270,786
Total (Rs.)	**9,389,586,030**	**852,586,640**	**10,242,172,671**

Notes to Financial Statements for the year ended 31st March 2013

Particulars	LEEL As at 31.03.2013	Demerged Business of PROC	Post Merger as at 31.03.2013
Share Capital*	310,067,100	43,200,000	353,267,100
Merger Reserve**	-	227,805,440	227,805,440
Reserves and Surplus***	4,895,693,259	143,075,794	5,038,769,054
Long-Term Borrowings	899,318,486	47,402,628	946,721,114
Deffered Tax Liabilities	152,505,000	-	152,505,000
Long Term Provisions	17,093,467	3,628,362	20,721,829
Short-Term borrowings	3,085,326,073	278,330,104	3,363,656,177
Trade Payables	828,355,003	205,596,654	1,033,951,657
Other Current Liabilities	625,668,027	44,069,824	669,737,851
Short-Term Provisions	212,645,710	40,000,000	252,645,710
Total (Rs.)	**11,026,672,126**	**1,033,108,806**	**12,059,780,931**
Fixed Assets			
(i) Tangible Assets	2,590,272,828	350,893,574	2,941,166,402
(ii) Intangible Assets	83,232,000	7,359,242	90,591,242
(iii) Capital Work-in-Progress	60,389,967	-	60,389,967
Non-Current Investments	863,436,458	-	863,436,458
Long Term Loans & Advances	455,413,201	31,125,034	486,538,236
Other Non-Current Assets	168,957,409	-	168,957,409
Inventories	4,000,987,743	447,375,331	4,448,363,074
Trade Receivables	2,139,249,114	157,047,214	2,296,296,329
Cash and Cash Equivalents	136,232,825	3,446,415	139,679,240
Short-Term Loan & Advances	357,461,179	35,861,996	393,323,176
Other Current Assets	171,039,400	-	171,039,400
Total (Rs.)	**11,026,672,126**	**1,033,108,806**	**12,059,780,931**

* 4320000 number of equity share of Rs.10/- each are poised for allotment for consideration other than cash in favour of shareholders of PROC on account of consideration of merger of PROC demerged business of Heat Exchangers as per the Demerger Scheme as pending for allotment of said shares entire consideration of money has shown as Share Capital Suspense Account under Note 3 of Share Capital.

** Balance of Net Assets value of Rs. 22,78,05,440 (Rs. 27,10,05,440 - Rs. 4,32,00,000) is shown as Security Premium Account under Note 4 of Reserve and Surplus.

***The Difference in accounting policy with regard to depreciation on fixed assets between Perfect Radiator & Oil Coolers Private Limited and the Company aggregating to Rs.1,22,48,519 has been adjusted to the Share Premium Account under Note 4 of Reserve & Surplus

*The Reserve and Surplus are revised as on 31.03.2012 after considering the adjustment of Security Premium account of Rs.22,78,05,440 (Rs.31,79,52,000 - Rs.9,01,46,560)

VII. The Previous year and Current Year Figures has been rearranged and restated after considering the Assets & Liabilities and Income & Expenditure of demerged Heat Exchanger Business from PROC which has been merged with LEEL as under:-

Particulars	LEEL for the year ending 31.03.2012	Demerged Business of PROC	Post Merger 31.03.2012
Revenue from operations (Net)	9,020,964,062	1,450,778,899	10,471,742,961
Other Operating Income	29,601,325	2,016,281	31,617,606
Total Income (A)	**9,050,565,386**	**1,452,795,180**	**10,503,360,567**
Cost of materials consumed	7,913,353,448	1,168,420,114	9,081,773,562
Purchase of Stock-in-Trade	834,251,784	-	834,251,784
Changes in inventories of Finished Goods, Work-in Progress and Stock-in-Trade	(1,345,158,373)	18,737,455	(1,326,420,918)
Total Material Consumed (B)	**7,402,446,859**	**1,187,157,569**	**8,589,604,428**
Employee Benefit Expenses	250,385,912	62,439,611	312,825,522
Other Expenses	463,041,279	70,717,845	533,759,124
Finance Costs	291,258,491	32,723,035	323,981,526
Depreciation & Amortisation	190,673,028	22,273,772	212,946,799
Total Exepenses (C)	**1,195,358,710**	**188,154,263**	**1,383,512,971**
Profit Before Taxes (A-B-C)	**452,759,818**	**77,483,349**	**530,243,167**
Current tax	90,050,000	20,000,000	110,050,000
Deferred tax	26,850,000	-	26,850,000
Profit(Loss) for the period from continuing Operation	**335,859,818**	**57,483,349**	**393,343,167**

Particulars	LEEL for the year ending 31.03.2013	Demerged Business of PROC	Post Merger 31.03.2013
Revenue from operations (Net)	10,017,134,191	1,676,698,557	11,693,832,748
Other Operating Income	56,665,096	2,419,681	59,084,777
Total Income (A)	**10,073,799,286**	**1,679,118,238**	**11,752,917,525**
Cost of materials consumed	8,141,379,547	1,479,969,385	9,621,348,932
Purchase of Stock-in-Trade	403,501,510	-	403,501,510
Changes in inventories of Finished Goods, Work-in Progress and Stock-in-Trade	(670,353,642)	(91,443,215)	(761,796,857)
Total Material Consumed (B)	**7,874,527,416**	**1,388,526,170**	**9,263,053,585**
Employee Benefit Expenses	274,850,049	69,583,852	344,433,901
Other Expenses	616,089,725	70,629,544	686,719,269
Finance Costs	466,961,919	40,466,202	507,428,121
Depreciation & Amortisation	206,098,660	16,568,544	222,667,204
Total Exepenses (C)	**1,564,000,353**	**197,248,142**	**1,761,248,495**
Profit Before Taxes (A-B-C)	**635,271,519**	**93,343,926**	**728,615,445**
Current tax	127,200,000	20,000,000	147,200,000
Deferred tax	19,950,000	-	19,950,000
Profit(Loss) for the period from continuing Operation	**488,121,519**	**73,343,926**	**561,465,445**

33) Investment in Subsidiary Company:

During the year under review, the Company extended shareholders loan of Euro 1.5 million (equivalent to INR 1044.45 lacs) to its wholly owned subsidiary, Lloyd Coils Europe, the Company has received interest of Rs. 289.56 lacs on the loan extended by the Company . Loan of Euro 0.2 million (equivalent to INR 139.84 Lacs) to its wholly owned subsidiary, Janka Engineering s.r.o., the Company has received interest of Rs. 4.22 lacs on the loan extended by the Company .

34) Unquoted investment in subsidiary Company:

Unquote investment in subsidiary companies is of long-term strategic value. In the opinion of the management, the current diminution in the value of these investments is temporary in nature considering the inherent value and nature of investee's business proposal and hence no provision is required.

35) Disclosure as per clause 32 of the Listing Agreement:

Loan given to Subsidiary:

Name of the Company	Relationship	Amount Outstanding As on 31.03.2013 (Rs. In Crores)	Amount Outstanding As on 31.03.2012 (Rs. In Crores)
Lloyd Coils Europe s.r.o.	Subsidiary Loan	41.66	28.59
Janka Engineering s.r.o	Subsidiary Loan	2.17	1.09

36) Capital work in progress:

Capital work in progress amounting to Rs. 6.04 Crores.

37) Related Party Disclosures: (in which some Directors are interested)

A. Related Companies:-

Name of Company	Nature of Relationship (Associate Co/ Subsidiary Co/Directors Interested)
Airserco Pvt. Ltd.	Director Interested
Fedders Lloyd Corporation Ltd	Director Interested
Perfect Radiators & Oil Coolers Pvt. Ltd.	Director Interested
PSL Engineering Pvt. Ltd.	Director Interested
Regal Information Technology Pvt. Ltd.	Director Interested
Lloyd Aircon Pvt. Ltd.	Director Interested
Lloyd Credit Ltd.	Director Interested
Lloyd IT Technology Pvt. Ltd.	Director Interested
Lloyd Sales Pvt. Ltd.	Director Interested
Lloyd Manufacturing Pvt. Ltd.	Director Interested
Himalayan Mineral Water Pvt. Ltd.	Director Interested

Foreign Subsidiary Company:	
Lloyd Coils Europe s.r.o.	100% Subsidiary
Janka Engineering s.r.o.	100% Subsidiary

B. Key Management Personnel-

Mr. Brij Raj Punj	Chairman and Managing Director
Mr. Bharat Raj Punj	Executive Director
Mr. A. K. Roy	Whole Time Director
Mr. Mukut B. Sharma	Chief Financial Officer and Whole Time Director
Mr. Nipun Singhal	Whole Time Director

C. Transactions with Related Companies

Transactions	**Amount (Rs. In Crores)**
Sale of goods	3.40
Reimbursement of Expenses	0.12
Advances	17.10
Purchase of Goods	30.12

38) Additional Information

a. Earnings & Expenditures in Foreign Currency:-

	Particulars	**Current Year Amount (Rs. In Crores)**	**Previous Year Amount (Rs. In Crores)**
a)	Expenditure in foreign currency:		
1.	Raw Material & Trade Goods	422.70	398.34
2.	Foreign Traveling	1.06	0.84
3.	Exhibition & other Expenses	0.13	1.30
b)	Earning in foreign currency:		
1.	Export of goods on FOB basis	87.22	124.75
2.	Interest received from wholly owned subsidiary	2.94	1.73

b.) Sale:-

Sale Items	**Current Year Value (Rs. In Crores)**	**Previous Year Value (Rs. In Crores)**
Heat Exchangers	271.54	363.96
Air conditioners (RMPU/WAC/SAC/ODU)	822.79	562.87
Electronics & Other Appliances	69.36	80.82
Parts, Components & Spares & Others	5.69	39.53
TOTAL	**1169.38**	**1047.17**

All the values mentioned above are without excise duty. The excise duty charged on sale amounts to Rs. 17.25 Crores.

Notes to Financial Statements for the year ended 31st March 2013

c) Consumption of Raw Material, Components Consumables, Spares Parts & others

Particulars	Current Year (Rs. In Crores)	Previous Year (Rs. In Crores)
Indigenous	612.62 (61.11%)	593.21 (59.83%)
Imported	389.87 (38.89%)	398.39 (40.17%)

d) Managerial Remuneration Paid to Managing Director and Whole Time Directors:

Particulars	Current Year (Rs. In Crores)	Previous Year (Rs. In Crores)
Salary	1.31	1.05
Value of Perquisites	0.37	0.26
P.F.	0.05	0.02
Total	**1.73**	**1.33**

e) Basic & Diluted Earnings per Share:

Earnings per share has been computed as under:

Particulars	Current Year	Previous Year
Profit after Taxation (Rs.in Crores)	56.15	39.33
Number of Ordinary Shares	35320260	35320260
Basic and Diluted Earnings per share (In Rs.) (Face Value Rs.10/-per share)	15.90	11.14

39) Previous year figures have been regrouped and rearranged wherever necessary.

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

For and on behalf of the Board

Brij Raj Punj
Chairman & Managing Director

Place: New Delhi
Date: 29th August, 2013

Anita K. Sharma
Company Secretary

Mukat B. Sharma
CFO & Whole Time Director

A. K. Roy
Whole Time Director

K. Lall
Director

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies As on 31st March, 2013

1	Name of Subsidiary Companies	Lloyd Coils Europe s.r.o. (Prague, Czech Republic)	Janka Engineering s.r.o (Prague, Czech Republic)
2	Financial Year of the Subsidiary Company ended on	**March 31, 2013**	**March 31, 2013**
3	Holding Company's Interest as on the above date		
	a) Total equity held (Rs. In Crores)	45.01	38.66
	b) Number of shares	-	-
	c) Face Value	-	-
	d) Extent of share holding in the subsidiary	100%	100%
4	Net aggregate amount of the Subsidiary's Profit/Loss so far as it concerns members of Holding Company and not dealt with in the Holding Company's Accounts:		
	i) For Subsidiary's financial year ended as above (Rs. In Crores)	5.71	(9.08)
	ii) For Subsidiary's previous financial years since it became Subsidiary (Rs. In Crores)	(0.55)	(12.39)
5	Net aggregate amount of the Subsidiary's Profit/Loss so far as it concerns members of Holding Company and dealt with in the Holding Company's Accounts:		
	I) For Subsidiary's financial year ended as above	Nil	Nil
	ii) For Subsidiary's previous financial years since it became Subsidiary		
6	Additional information u/s 212(5)	N.A.	N. A.

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

For and on behalf of the Board

Brij Raj Punj
Chairman & Managing Director

Place: New Delhi
Date: 29th August, 2013

Anita K. Sharma
Company Secretary

Mukat B. Sharma
CFO & Whole Time Director

A. K. Roy
Whole Time Director

K. Lall
Director

Consolidated Financial Statements

- Auditors Report on Consolidated Accounts
- Consolidated Balance Sheet
- Consolidated Profit & Loss Account
- Consolidated Cash Flow Statement

Consolidated Financial Statements 2012-13
Independent Auditors' Report

Members,

Lloyd Electric & Engineering Limited.

We have audited the accompanying consolidated financial statements of Lloyd Electric & Engineering Limited ("the Company") which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated statements of Profit & Loss and consolidated Cash Flow statement for the year then ended, **which are revised statements of the original statements of consolidated Balance Sheet , the consolidated statement of Profit and Loss Account and the consolidated cash Flow Statement covered by the audit report of Lloyd Electric & Engineering Limited dated 30th May 2013** and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements:

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

The Board of Directors of the Company has reopened and revised the aforesaid Accounts to give effect of operation of Heat Exchanger undertaking of Perfect Radiators & Oil Coolers Pvt. Ltd., which has been demerged and transferred to Lloyd Electric & Engineering Limited as per orders of Hon'ble High Courts of Delhi and Rajasthan dated 8th April 2013 and 31st May 2013 respectively and become effective from 11th June 2013 on filling of the same with the Registrar of Companies , with appointed date as 1st April 2011.

Auditor's Responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards of Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and presentation 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Auditor's Report

Emphasis on the matter:

We have considered the earlier auditor's report dated 30th May 2013 on the original accounts for the year ended 31st March, 2013 and have examined the changes made as under :

We draw attention to Note no. 32 to the financial statement and report that the financial statements have been reopened and revised by the Company's Management pursuant to the orders of the Hon'ble High Courts of Delhi and Rajasthan dated 8th April, 2013 and 31st May, 2013 respectively, approving the Scheme of arrangement which became effective on 11th June 2013 upon filing the said orders with the Registrar of Companies. Pursuant to the order, the Heat exchanger undertaking of Perfect Radiators & Oil Coolers Pvt. Ltd. (PROC) stands demerged and transferred to Lloyd Electric & Engineering Limited (LEEL) with appointed date as 1st April 2011.

Opinion:

In our opinion and to the best of our information and according to the explanations given to us , **the said account read with Note No. 32 to notes to accounts in the aforesaid financial statements** and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India;

- In the case of the consolidated Balance Sheet, of the state of affairs as at March 31, 2013;
- In the case of the consolidated statement of Profit and Loss, of the Profit for the year ended on that date; and
- In the case of the consolidated Cash Flow statement, of the cash flows for the year ended on that date.

Other Matters:

In respect of the financial statements of the subsidiaries, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on the reports of the other auditors. The details of assets, revenues and net cash flows in respect of these subsidiaries to the extent to which they are reflected in the consolidated financial statements are given below:

Audited by Other Auditors:

Sl.No.	Particulars	Total Assets (Rs.)	Total Revenues (Rs.)	Net Cash inflows/(outflows) (Rs.)
1.	Janka Engineering s.r.o.	**57,67,33,814**	**59,89,80,314**	**1,98,894**
2.	Lloyd Coils Europe s.r.o.	**1,26,61,45,718**	**2,58,50,06,908**	**4,71,65,918**

These financial statements have been certified by management and have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the subsidiaries, are based solely on these certified financial statements.

Since the financial statements for the financial year ended March 31, 2013, which were complied by management of these Companies, were not audited, any adjustments to their balance could have consequential effects on the attached consolidated financial statements. However, the size of these subsidiaries, in the consolidated position is not significant in relative terms.

Certified by Management:

Sl.No.	Particulars	Total Assets (Rs.)	Total Revenues (Rs.)	Net Cash inflows/(outflows) (Rs.)
1.	Foreign Subsidiaries	**1,84,28,79,532**	**3,18,39,87,222**	**4,73,64,812**

Our opinion is not qualified in respect of these matters.

For **Suresh C. Mathur & Co.**,
Chartered Accountants,
(Firm Registration No. 000891N)

(BRIJESH C. MATHUR)
PARTNER
Membership No. 083540

Place: New Delhi
Dated:29th August, 2013

Consolidated Balance Sheet as at 31st March, 2013

(Rs. In Crores)

Particulars	Note	As at 31.03.2013	As at 31.03.2012
I. EQUITY AND LIABILITIES			
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	35.33	35.33
(b) Reserves and Surplus	4	515.69	466.39
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	94.67	111.33
(b) Deferred tax liabilities (Net)	6	22.90	19.66
(c) Long term provisions	7	12.84	7.07
(3) Current Liabilities			
(a) Short-term borrowings	8	351.89	289.51
(b) Trade payables	9	148.56	124.68
(c) Other current liabilities	10	91.98	49.40
(d) Short-term provisions	11	26.51	21.62
Total		**1,300.37**	**1,124.99**
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	386.06	373.20
(ii) Intangible assets		9.57	12.52
(iii) Capital work-in-progress		6.04	9.70
(iv) Intangible assets under development		0.03	0.82
(b) Non-current investments	13	2.67	3.15
(c) Long term loans and advances	14	4.86	4.54
(d) Other non-current assets	15	16.90	16.86
(2) Current assets			
(a) Inventories	16	490.31	376.23
(b) Trade receivables	17	303.17	233.91
(c) Cash and cash equivalents	18	21.45	29.86
(d) Short-term loans and advances	19	42.22	35.47
(e) Other current assets	20	17.10	28.73
Total		**1,300.37**	**1,124.99**

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

(Brijesh C. Mathur)
Partner
Membership No. 083540

For and on behalf of the Board

Brij Raj Punj
Chairman & Managing Director

Place: New Delhi
Date: 29th August, 2013

Anita K. Sharma
Company Secretary

Mukat B. Sharma
CFO & Whole Time Director

A. K. Roy
Whole Time Director

K. Lall
Director

Consolidated Statement of Profit & Loss for the year ended on 31st March, 2013

(Rs. In Crores)

Particulars		Note	Year Ended 31.03.2013	Year Ended 31.03.2012
I.	**Income**			
	Revenue from operations (Gross):	21	1,491.56	1,349.43
	Less:- Excise Duty		(17.25)	(8.24)
	Revenue from operations (Net)		**1,474.30**	**1,341.20**
	Other Operating Income	22	5.03	10.15
	Total Revenue (I)		**1,479.34**	**1,351.35**
II.	**Expenses:**			
	Cost of materials consumed	23	1,136.28	1,090.24
	Purchase of Stock-in-Trade		40.35	83.43
	Changes in inventories of Finished Goods, Work-in Progress and Stock-in-Trade	24	(82.50)	(130.38)
	Employee Benefit Expenses	25	99.81	103.63
	Other Expenses	26	129.52	86.37
	Total Expenses (II)		**1,323.46**	**1,233.28**
III.	**Profit before Interest, Depreciation / Amortisation and Tax (EBITDA)**	(I - II)	**155.87**	**118.06**
	Finance Costs	27	52.70	37.10
	Depreciation & Amortisation	28	31.62	30.63
IV.	**Profit before Tax**		**71.56**	**50.33**
V.	**Tax expense:**			
	(1) Current tax		15.52	11.06
	(2) Deferred tax		3.24	4.14
VI.	**Profit(Loss) from the period from continuing operations**		**52.80**	**35.12**
VII.	**Earning per equity share:**			
	(1) Basic & Diluted		14.95	9.94

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

For and on behalf of the Board

Brij Raj Punj
Chairman & Managing Director

Place: New Delhi
Date: 29th August, 2013

Anita K. Sharma
Company Secretary

Mukat B. Sharma
CFO & Whole Time Director

A. K. Roy
Whole Time Director

K. Lall
Director

Consolidated Cash Flow Statement For the year ended 31st March 2013

(Rs. In Crores)

		Year Ended 31st March, 2013		Year Ended 31st March, 2012	
A.	**Cash Flow from Operating Activities:**				
	Net Profit before tax & Extra-ordinary items		71.55		50.33
	Adjustments:				
	Add:				
	Depreciation	31.62		30.63	
	Provision no longer required	-			
	Interest Paid	43.62		31.52	
	Loss/ (Diminution) on sale (in value) of Investment	-		-	
	Loss on sale of fixed assets	0.01	75.26	0.10	62.25
			146.81		112.58
	Less:				
	Interest Income	0.52		2.93	
	Dividend Income	0.07		0.07	
	Profit on sale of Fixed Assets	0.05		-	
	Profit on sale of Investment	2.09	2.73	-	3.00
	Operating profit before working capital changes		144.08		109.58
	Adjustments for :				
	Inventories	(114.08)		(173.55)	
	Trade & other receivables	(51.81)		37.99	
	Trade & other payables	36.35	(129.54)	(2.44)	(138.00)
	Cash generated from operations		14.54		(28.42)
	Exchange Flucutation				
	Debenture Issue Expenses		-		-
	Direct tax paid		(22.64)		13.83
	Net Cash Flow from Operating Activities		**(8.10)**		(14.59)
B	**Cash Flow from Investing Activities:**				
	Purhased of fixed assets		(37.08)		(37.42)
	Deferred Revenue in respect of acquisition				
	Sale of fixed assets		0.00		0.04
	Net Purchase of Investments		0.48		1.78
	Purchase of Business		-		
	Dividend Received		0.07		0.07
	Profit on sale Of fixed assets				
	Profit on sale of investment		2.09		-
	Interest received		0.52		2.93
	Net Cash Flow from Investing Activities		**(33.92)**		(32.60)
C	**Cash Flow from Financial Activities:**				
	Proceeds from Borrowing		80.82		48.00
	Exchange Flucutation		-		
	Proceeds from Issue of Share capital		-		-
	Interest paid		(43.62)		(31.52)
	Dividend paid		(3.10)		(4.65)
	Dividend tax		(0.50)		(0.75)
	Net Cash Flow from Financing Activities		**33.60**		11.08
	Net increase in Cash and Cash Equivalents (A+B+C)		**(8.42)**		**(36.11)**
	Net increase/ decrease in Cash and Cash Equivalents		**(8.42)**		**(36.11)**
	Opening Balance of Cash and Cash Equivalents		29.86		65.96
	Closing Balance of Cash and Cash Equivalents		21.45		29.86

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

For and on behalf of the Board of Director of Lloyd Electric & Engineering

Anita K. Sharma	Mukat Sharma	A. K. Roy	K. Lall	Brij Raj Punj
Company Secretary	CFO & Whole Time Director	Whole Time Director	Director	Chairman & Managing Director

AUDITOR'S REPORT

We have examined the above Cash Flow Statement of Lloyd Electric & Engineering Limited for the year ended 31st March, 2013. The statement has been prepared by the Company in accordance with the requirements of clause 32 of the listing agreement entered into with Stock Exchanges and is based on and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company.

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

(Brijesh C. Mathur)
(Partner)
Membership No. 083540

Place: New Delhi
Dated: 29th August, 2013

1. CORPORATE INFORMATION

Lloyd Electric & Engineering 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. The Company has also issued GDR's, which are listed on London Stock Exchange. The Company is the largest manufacturer of heat exchangers coils in India and is an OEM / ODM supplier of air conditioners to major brands in the country. It is also engaged in manufacturing and trading of Air-conditioner and consumer durables product like LCD / LED, Chest Freezer etc., after the merger of Perfect Radiator & Oil Coolers Private Limited "heat exchanger business" the activity of Company has expanded for manufacturing of locomotive and utility vehicle radiators. The Company caters to both domestic and international markets.

2. BASIS OF PREPARATION

The Consolidated 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 notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956. The Consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, except for land acquired before 1st April, 1993 which is carried at revalued amounts.

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

2.1. Principles of consolidation:

The Consolidated financial statements relate to Lloyd Electric & Engineering Limited ('the Company') and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

i) The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra-group transactions in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements". The results of operations of a subsidiary are included in the consolidated financial statements from the date on which the parent subsidiary relationship come in to existence.

ii) The difference between the cost to the group of investment in subsidiaries and the proportionate share in equity of the investee Company as the date of acquisition of stake is recognized in the consolidated financial statements as goodwill or capital reserve as the case may be.

iii) The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's standalone financial statements.

iv) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in exchange fluctuation reserve.

v) The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent Company i.e. year ended 31st March 2013.

vi) All material Inter Company Balances & Transactions are eliminated on consolidation.

vii) Considering merger as appointed date 01.04.2011 the figures of previous year are rearranged to make comparable with those of current financial years.

2.2. THE SUBSIDIARY COMPANIES CONSIDERED IN THE PREPARATION OF THESE CONSOLIDATED FINANCIAL STATEMENTS ARE:

Name Of The Subsidiary	Country Of Incorporation	Remarks
Lloyd Coils Europes s.r.o	Czech Republic	100% ownership
Janka Engineering s.r.o.	Czech Republic	100% ownership

2.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a) Use of estimates

The preparation of consolidated 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 result 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

Depreciation policy of Indian Company

i) Depreciation on fixed assets is provided on straight-line basis at the rates prescribed in schedule XIV to the Companies Act, 1956.

ii) Depreciation on assets added during the year, is calculated on pro-rata basis with reference to the date of installation.

iii) Depreciation rates applied for calculating depreciation on various categories of assets are as follows:

Type of Assets	Rates (SLM)	Schedule XIV Rates (SLM)
Building	3.34%	3.34%
Plant & Machinery	4.75%	4.75%
Office Equipments	4.75%	4.75%
Vehicles	9.50%	9.50%
Furniture & Fixtures	6.33%	6.33%

Depreciation policy of Foreign Subsidiary Company

Acquired tangible fixed assets are recorded at cost, which includes costs incurred in bringing the assets to their present location and condition, such as transport costs, duties and installation costs. The cost of internally produced assets including direct material, wages and overheads directly related to the creation of the asset until it is put into use.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful lives. Depreciation is provided over the periods stated:

Building and constructions	30 Years
Plant, machinery and equipment (above MCZK 3) (Equivalent to Rs. 75 lacs)	10 Years
Plant, machinery and equipment (less than MCZK 3) (Equivalent to Rs. 75	8 Years
Personal computers and office equipment	2 Years
Adjustment to acquired fixed assets	15 Years

Property improvements over CZK 40 000 (Equivalent to Rs.1 lacs) per item per year are capitalized to the acquisition price of the asset and depreciated over their remaining useful lives.

Tangible assets with unit cost up to CZK 40 000 (Equivalent to Rs.1 lacs) are charged to profit and loss account in the year these are acquired.

Where the net book value of an asset is greater than its estimated recoverable amount, a provision is established to adjust the net book value of the asset to this recoverable amount.

Leasehold improvements are depreciated on the straight-line basis over the shorter of the period of the lease contract or their estimated useful lives.

d) Intangible Assets

Depreciation policy of Indian Company

Intangible Assets are stated at cost of acquisition. Following intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The following are the acquired intangible assets:

i) LOGO OF BRAND "LLOYD"

Cost of logo is amortized over its useful life of 5 years.

Cost of Product Development Expenses will be amortized over its useful life of 5 years.

Depreciation policy of Foreign Subsidiary Company

Acquired intangible fixed assets are recorded at cost and amortized on a straight line basis over their estimated useful lives. Depreciation is provided as follows:

Software	4 Years

Intangible assets with unit cost up to CZK 60 000 (Equivalent to Rs. 1.25 lacs) are charged to the profit and loss account in the year that they are acquired.

e) Inventory Valuation:

i) Raw materials and consumables are valued at cost as per the Weighted average method and include(s) customs duty wherever paid, and are net of credit availed under CENVAT scheme.

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 on weighted average method 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.

v) In subsidiaries, an adjustment for slow-moving and obsolete inventory is established based on an analysis of the turnover and an individual evaluation of the inventory.

f) 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) Dividend income is recognized when the right to receive the dividend is established.

g) Investments:

Long Term Investment are stated at Cost. Investments in subsidiary Company are of long-term strategic value and the diminution if any in the value of these investment is temporary in nature.

h) 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 Difference

Exchange difference 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.

i) 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 year 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.

j) 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.

Minimum Alternate Tax

Minimum alternate tax (MAT) paid in a year 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 Alternative 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.

k) 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.

l) 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 is added to the cost of fixed assets.

m) Segment Reporting:

The Company's operations predominantly comprise of manufacturing and sale of Air-conditioning and parts thereof. Sale of Consumer Durable products other than Air-conditioners are insignificant. The geographical segmentations are also insignificant.

n) 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.

o) 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.

p) 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 2013 the effect of the same, if any which is not likely to be material will be adjusted at the time of confirmation.

Sundry Debtors Policies of Foreign Subsidiaries:

Receivables are stated at nominal value less a provision for doubtful debts. A provision for bad debts is established on the basis of an ageing analysis and individual evaluation of the solvency of the customers.

q) 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 on Accounts.

r) 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.

r) Deferred Revenue Expenditure:

Cost of traveling, Consultancy fees 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.

Notes to the Consolidated Financial Statements for the year ended 31st March 2013

(Rs. In Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE:- 3		
SHARE CAPITAL:-		
1. Authorized Capital		
5,00,00,000 Equity Share of Rs. 10/- each	50.00	50.00
(Previous year 5,00,00,000 Equity Share of Rs. 10/- each)		
Total Authorized Share Capital	**50.00**	**50.00**
2. Issued & Subscribed Capital		
3,10,13,160 Equity Shares of Rs. 10/- each	31.01	31.01
3. Paid up Capital		
3,10,00, 260 Equity Shares of Rs. 10/- each fully paid up	31.00	31.00
(Previous Year 3,10,00,260 equity shares of Rs. 10/- each)		
Add:- Equity Shares forfeited	0.01	0.01
(amount originally paid up)		
4. Share Capital Suspense Account	4.32	4.32
(*Refer Note 1D and Note No. 32 of Notes to Accounts)		
Total	**35.33**	**35.33**

NOTES:-

1. Out of the above Equity Shares

a) Includes 40,00,000 Equity Shares alloted in the year 2006-07 on conversion of warrants issued on preferential basis during the year 2005-06

b) Includes 92,00,000 underlying Equity Shares representing 46,00,000 Global Depository Receipts issued during the the year 2005-06

c) in the year 2006-07 the Company had forfeited 13,300 equity shares due to the non-payment of allotment money. The Board of Directors had annulled the forfeiture of 400 Equity shares on receipt of payment advice by the shareholders and accordingly 400 Equity Shares had been restored back. Subsequent to the annullification of forfeiture, the paid-up Equity Share Capital stands increased to Rs. 310002600 i.e. 31000260 Equity Shares of Rs. 10/- each fully paid-up.

d) 4320000 number of equity shares of Rs.10/- each are poised for allotment for consideration other than cash in favour of shareholders of Perfect Radiators & Oil Coolers Private Limited (PROC) on account of consideration of merger of PROC with the Company retrospectively since 01.04.2011. Pending allotment of said shares entire consideration money has been shown as share capital suspense account.

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

(Rs. In Crores)

Particulars	31 March, 2013		31 March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Shares outstanding at the beginning of the year	31000260	31.00	31000260	31.00
Shares Issued during the year	-	-	-	-
Shares outstanding at the End of the year	31000260	31.00	31000260	31.00

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 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.

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

Particulars	31 March, 2013		31 March, 2012	
	No. of Shares	% of holding	No. of Shares	% of holding
Equity Shares of Rs. 10 each fully paid-up				
PSL Engineering Pvt. Ltd.	3,713,520	11.98	3,713,520	11.98
Zenith Impex Pvt. Ltd.	2,975,418	9.60	2,970,233	9.58
Airserco Pvt. Ltd.	1,956,800	6.31	1,956,800	6.31
Kotak India Focus Fund.	1,355,397	4.37	1,927,255	6.22
Morgan Stanley Mauritius Company Ltd.	1,744,828	5.63	1,744,828	5.63
Lloyd Sales Private Limited	1,645,005	5.31	1,529,366	4.93

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.

Notes to the Consolidated Financial Statements for the year ended 31st March 2013

(Rs. In Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE:- 4		
RESERVES AND SURPLUS		
1) Capital Reserve	0.44	0.44
(subsidy received against fixed assets)		
2) Capital Reserve	11.25	11.25
(Share Warrants forefeited by the Company)		
3) Revaluation Reserve	0.35	0.35
(land revalued as on 31st March, 1993)		-
4) Securities Premium Account:	175.06	175.06
Add: Premium on Issue of Share *	31.80	31.80
Add: Adjustment for Depriciation on Fixed Assets*	1.22	
	208.08	**206.86**
Less: Adjustment for Merger*	9.01	9.01
(* Refer to Note No. 3C to Notes to Accounts)	199.07	197.84
5) Statutory Reserve	1.94	1.92
6) General Reserve:		
Opening balance	145.72	144.72
Add: Transfer from Profit & Loss a/c	1.50	1.00
	147.22	145.72
7) Debenture Redumption Reserve	12.50	5.00
8) Exchange Difference on Consolidation	0.17	2.63
9) Profit & Loss Account:		
Profit for the Year	52.80	35.12
Balance Brought Forward from Previous year	101.23	71.74
MAT Credit Entitelement Booked in current Year	1.85	1.47
	155.88	108.33
Less:- Appropriations		
Proposed Dividend	3.53	3.10
Tax on Proposed Dividend	0.60	0.50
Tranfer to Debenture Redumption Reserve	7.50	2.50
Transfer to General Reserve	1.50	1.00
Balance Carried TO Balance Sheet	142.75	101.23
TOTAL	**515.69**	**466.39**

(Rs. In Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE - 5		
LONG TERM BORROWINGS		
1. **Term Loans**		
From Financial Institution		-
From Schedule Banks:-		-
Foreign Currency loan	12.12	27.45
Indian Currency Loan	49.21	33.88
2. Debentures	33.33	50.00
500 Nos 11.25% secured redeemable Non Convertaible Debentures @ Rs. 10,00,000/- each)		
3. **Loan against Vehicles**	-	
(secured by hypothecation of vehicle financed)		
TOTAL	**94.67**	**111.33**

Note:-

1. Indian rupee loan of Rs. 28.00 Cr. from IDBI Ltd. carries interest @ 12.50% P.A. The Loan is repayable in 20 quarterly installment of Rs. 1.40 crores each after monotorium of 12 Months from the date of loan i.e. 31st March, 2010.
2. Indian rupee loan of Rs. 35.00 Cr. from IDBI Ltd. carries interest @ 12.25% P.A. The Loan is repayable in 20 quarterly installment of Rs. 1.75 crores each after monotorium of 12 Months from the date of loan i.e. 30th March, 2013. Bank has disbursed Amount of Rs. 17.50 Cr. till 31st March, 2013
3. Indian rupee loan of Rs. 21.00 Cr. from SBBJ carries interest @ 11.50% to 13% P.A. The loan is repayable in 16 quarterly installment of Rs. 1.31 Crores each after monotorium of 12 Months from the date of loan i.e. 24.06.2010.
4. Foreign currency loan of Rs. 27.00 Cr. from EXIM Bank carries interest LIBOR + 4.50% p.a. The loan is repayable in 17 quarterly installment of Rs. 1.59 Crores after monotorium of 12 months from the date of loan i.e. 14.07.2010. Outstanding as on 31.03.2013 in USD 3397298.07.
5. Indian rupee loan of Rs. 10.00 Cr. Dated 03.05.2012 and 10.00 Cr. Dated 30.06.2012 from Kotak Mahindra carries interest @ 12.65% P.A. The loan is repayable in 50 Monthly installment of Rs. 20.00 Lacs each from dated i.e. 31.07.2012 & 03.12.2012 respectively
6. The above loans are Secured by way of first charge on Pari-Passu basis on the fixed Assets of the Company and Second hypothecation charge on the Stock/Book Debts.
7. As per Board Resolution dated 14.03.2011 the Company has allotted 400 Nos. 11.25% secured redeemable non-convertible Debentures @ Rs. 10,00,000/- each on 14.03.2011 and balance 100 Nos., 11.25% Secured Redeemable Non-convertible Debentures @ Rs. 10,00,000/- each on 29.03.2011 for a tenure of 5 Years on private placement basis. The interest on Debentures is payable quarterly from the date of allotment @ 11.25% P.A. Debentures will be redeemed at par in Six Equal half Yearly installments at the end of 30th Month, 36th Month, 42nd month, 48th month, 54th month and 60th month from the date of allotment and secured by first ranking pari passu charge on all fixed assets including the immovable properties together with structures and appurtenances thereon and there under and movable properties, present and future.
8. Term Loan of 15.50 Crore from SBBJ taken by PROC is repayable in 20 Quarterly installment of Rs.77.50 Lacs each. Interest Shall however be served as and when applied. This pertains to erstwhile PROC which has been merged with the Company.

Notes to the Consolidated Financial Statements for the year ended 31st March 2013

(Rs. In Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE - 6		
DEFFERED TAX LIABILITIES		
Opening Balance	19.66	**16.09**
Deferred Tax Liability on account of Depreciation	3.35	3.70
Deferred Tax Asset on account of Statutory Dues	(0.11)	(0.13)
Net Deferred Tax Liability	**22.90**	**19.66**
NOTE - 7		
LONG TERM PROVISIONS		
Other Provisions	1.84	4.35
Provision for gratuity & leave encashment	2.07	2.31
Provision for Bad Debts	8.03	
Provision for Warranty	0.90	0.41
TOTAL	**12.84**	**7.07**
NOTE - 8		
SHORT TERM BORROWINGS		
1. Working Capital Loans:		
From Banks	351.89	289.51
TOTAL	**351.89**	**289.51**

1. 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 - 9		
TRADE PAYABLES		
Trade Payables		
Sundry Creditors	148.56	124.68
TOTAL	**148.56**	**124.68**

(Rs. In Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE - 10		
OTHER CURRENT LIABILITIES		
Salary Payable	2.79	4.89
F.P.F. Payable (Employees)	0.69	1.52
Other Statutory dues payable	12.03	12.33
Other expenses payable	19.72	10.38
Interest Accrued but not due	1.29	0.51
Current maturity of Long Term Borrowings		
Foreign Currency loan	17.19	6.91
Indian Currency Loan	19.31	10.85
11.5% Non Convertible Debenture	16.67	-
Loan against Vehicles (secured by hypothecation of vehicle financed)	0.20	0.17
Advances From Customer	1.84	0.19
Unclaimed Dividend	0.26	1.65
TOTAL	**91.98**	**49.40**
NOTE - 11		
SHORT TERM PROVISIONS		
Provision for Income Tax	21.18	15.73
Provision for Fringe Benefit Tax	0.26	0.26
Provision for proposed dividend	3.53	3.10
Provision for tax on proposed dividend	0.60	0.50
Leave Encashment Payable	0.93	2.03
TOTAL	**26.51**	**21.62**

Notes to the Consolidated Financial Statements for the year ended 31st March 2013

NOTE :- 12
FIXED ASSETS:

(Rs. In Crores)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions	Deduction	As at 31.3.2013	Up to 31.3.2012	For the Year	Adjustment	Up to 31.3.2013	As at 31.03.2013	As at 31.03.2012
(i) Tangible assets										
1) Leasehold Land	16.34	-	0.24	16.10	-	-	-	-	16	16
2) Temporary Constructions	0.12	-	-	0.12	0.12	-	-	0	-	-
3) Buildings	83.19	7.78	0.17	90.81	9.58	2.44	(0.00)	12	79	74
4) Plant & Machinery	381.94	36.86	0.73	418.06	147.64	18.63	0.61	166	252	234
5) Office Equipments	6.65	0.54	-	7.19	5.06	0.28	0.01	5	2	2
6) Vehicles	5.81	0.02	-	5.83	2.59	0.64	0.06	3	3	3
7) Furniture & Fixtures	1.40	0.52	-	1.92	0.30	0.11	0.00	0	2	1
8) Capital Work in Progress	8.22	0.80	7.39	1.63	0.20	-	-	0	1	8
9) Adjustment to Assets	47.68	-	-	47.68	12.66	3.70	-	16	31	35
Total (Tangible Assets)	551.34	46.52	8.52	589.34	178.14	25.81	0.67	203.28	386.06	373
(ii) Intangible assets										
1) Intangible Fixed Assets	16.07	1.34	0.20	17.21	3.55	3.90	(0.20)	7.65	9.57	13
2) Intangible Fixed Assets under Progress	0.95	0.05	0.84	0.15	0.13	-	-	0.13	0.03	1
Total (Intangible Assets)	17.02	1.39	1.04	17.37	3.68	3.90	(0.30)	7.77	9.59	13
TOTAL	**568.36**	**47.91**	**9.56**	**606.71**	**181.82**	**29.79**	**0.48**	**211.65**	**396.66**	**387**
(Previous Year)	454.34	76.51	4.28	526.57	150.54	27.92	0.90	175.34	351.23	303.80

(Rs. In Crores)

Particulars	Face Value	Number of Shares	As At 31.03.2013	Number of Shares	As At 31.03.2012
NOTE:- 13					
INVESTMENTS:					
Quoted Shares					
Blue Star Ltd.	2	375	0.00	375	0.00
Blue Star Info. Ltd.	10	25	0.00	25	0.00
Castrol (India) Ltd.	10	5	0.00	5	0.00
Castrol (India) Ltd. (bonus share)	10	15			
Chambal Fertizers & Chem. Ltd.	10	1000	0.00	1,000	0.00
D.B. International Brokers Ltd.	2	13000	0.00	16,600	0.02
Dot Com. Global Ltd.	10	24200	0.00	24,200	0.00
Shardul Securities Ltd.	10	25600	0.08	25,600	0.08
ACE India Ltd.	10	16900	0.02	16,900	0.02
Dion Global Solutions	10	320	0.00		
Religare Technologies Ltd	10	80	0.00		
Fortis Financial Services Ltd.	-	-		400	0.00
Glaxo Sithkline Pharmaceuticals Ltd.	10	125	0.01	125	0.01
HDFC Bank Ltd.	2	125	0.00	25	0.00
Hindustan Uinliver Ltd.	1	1350	0.02	3,850	0.05
JSW Steel Limited	10	1124	0.02	5,124	0.11
Lumax Industries Limited	10	4600	0.03	4,600	0.03
Panasonic Energey India Co. Ltd	10	500	0.00	500	0.00
Pan India Corpn Ltd (formealy known SRG Infotech Limited)	10	200	0.00	200	0.00
Sterlite Opiticals Limited	2	525	0.00	210	0.00
Subros Limited	2	150	0.00	30	0.00
Tata Chemicals Limited	10	50	0.00	50	0.00
Tata Consultancy Services Limited	1	832	0.07	2,458	0.21
Visesh Infotecnics Limited	1	1100	0.00	100	0.00
Voltas Limited	1	500	0.00	500	0.00
GHCL Ltd.	10	125000	1.91	125,000	1.91
Archies Ltd.	2	50000	0.11	30,000	0.32
Investment in SBI Mutual Fund			0.10		0.10
Total			**2.37**		**2.85**
Unquoted Shares:					
Lloyd Credits Ltd.	10	300,000	0.30	300,000	0.30
Lloyd Aircon (P) Ltd.	10	350	0.00	350	0.00
Carrier Aircon Ltd.	10	400	0.00	100	0.00
Subsidiary Company					
Sub-Total (B) Rs..			**0.30**		**0.30**
Total (A+B))			**2.67**		**3.15**
Additional Information :					
1) Aggregate amount of Company's -					
a) Market value of Quoted Investments			3.94		2.90
b) Unquoted Investments			0.30		0.30

Notes to the Consolidated Financial Statements for the year ended 31st March 2013

(Rs. In Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE - 14		
LONG TERM LOAN & ADVANCES		
Security Deposits	4.25	3.77
Other Advances	0.62	0.77
TOTAL	**4.86**	**4.54**
NOTE - 15		
OTHER NON CURRENT ASSETS		
MAT Credit Entitlement		
Opening	11.22	9.74
Add:- during the year	1.85	1.47
	13.07	11.22
Deferred Revenue Expenses		
Opening balance	5.64	8.35
Addition during the year	0.10	-
Total	5.74	**8.35**
Less: Written off During the year	1.91	2.71
	3.83	5.64
TOTAL	**16.90**	**16.86**
NOTE - 16		
INVENTORIES:		
Raw-materials, Consumables and Components	198.16	169.41
Stock in Process	27.65	15.72
Finished Goods	228.61	158.51
Stock for Resale	0.47	1.47
Stock in Transit (At Cost)	35.42	31.12
TOTAL	**490.31**	**376.23**

(Rs. In Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE - 17		
TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment	1.62	2.63
Other Receivables	301.55	231.28
TOTAL	**303.17**	**233.91**
NOTE - 18		
CASH & CASH EQUIVALENTS		
CASH AND BANK BALANCES:		
Cash balance in hand	0.35	0.47
Balances with Schedule banks		
In Current Accounts	20.31	28.91
HDFC Bank (Dividend A/c)	0.26	0.19
In fixed deposits	0.22	0.05
Receipt pledged with Bank for margin money (Including Interest)	0.26	0.24
Interest accrued on fixed deposit	0.05	0.01
TOTAL	**21.45**	**29.86**
NOTE -19		
SHORT TERMS LOANS & ADVANCES :		
Advances recoverable in cash or in kind or for value to be recovered	15.55	22.35
Advance to employee/Suppliers	1.07	6.18
Balance with Customs, Excise & Service Tax	7.30	3.01
Advance tax/ TDS Recoverable	16.51	3.93
Interest receivable on NSC	0.00	-
VAT Account	1.80	-
TOTAL	**42.22**	**35.47**

Notes to the Consolidated Financial Statements for the year ended 31st March 2013

(Rs. In Crores)

Particulars	As at 31.03.2013	As at 31.03.2012
NOTE - 20		
OTHER CURRENT ASSETS		
Intra Group Accounts	17.10	28.73
TOTAL	**17.10**	**28.73**

(Rs. In Crores)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
NOTE -21		
REVENUE FROM OPERATIONS		
Sale of Products		
Manufacturing Goods	1,415.83	1,268.62
Traded Goods	75.73	80.82
TOTAL	**1,491.56**	**1,349.43**
NOTE - 22		
OTHER INCOME:		
Income from scrap	0.94	5.94
Interest Income	0.52	2.93
Interest on Foreign Currency Deposit	-	-
Misc. Income	1.37	1.21
Profit on sale of investment	2.09	
Profit on Sale of Fixed Assets	0.05	
Dividend Income	0.07	0.07
TOTAL	**5.03**	**10.15**

(Rs. In Crores)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
NOTE - 23		
COST OF MATERIAL CONSUMED		
Raw materials, consumables & component consumed		
Opening stocks	169.41	187.91
Add:-Purchases	1,158.94	1,063.11
Carriage Inwards	6.09	8.63
Less: Closing stocks	198.16	169.41
Total	**1,136.28**	**1,090.24**
NOTE - 24		
CHANGES IN INVENTORY		
Decrease/(Increase) in stocks in Progress		
Opening stock	15.72	15.95
Less : Closing stock	27.65	15.72
Decrease/ (increase) in Stock in Progress	**(11.93)**	**0.23**
2) Decrease/(Increase) in finished goods:		
Opening stock	158.51	27.90
Less : Closing stock	229.08	158.51
Decrease/ (increase) in Finished Goods	**(70.57)**	**(130.61)**
Total	**(82.50)**	**(130.38)**
NOTE - 25		
EMPLOYEE BENEFIT EXPENSES		
Wages (Workes)	23.32	32.64
Labour Welfare	0.98	1.87
Salary Account	55.56	48.24
Employer contribution in PF	1.59	1.29
Staff Welfare	1.61	1.22
Social security and health insurance expenses	16.75	18.36
Total	**99.81**	**103.63**

Notes to the Consolidated Financial Statements for the year ended 31st March 2013

(Rs. In Crores)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
NOTE - 26		
OTHER EXPENSES		
Repair and Maintanance		
- Plant & Machinery	3.91	2.92
- Building & Office	1.53	0.46
Electricity Charges	8.47	4.24
Factory Overheads	19.43	1.75
Lease Charges	7.15	3.76
Insurance	2.81	2.55
Rent Rate & Taxes	2.73	3.02
Postage & Courier & Telephone Expenses	2.73	1.63
Printing and stationery	0.76	1.03
Audit Fee (including service tax)	0.45	0.27
Legal & Professional Expenses	6.06	6.59
Travelling & Conveyance Expenses	5.96	6.43
Motor Car Expenses	1.02	0.43
Misc. Expenses	6.02	7.36
Loss on sale of Fixed Assets	0.01	0.10
Loss on Investments In Subsidiary Co	-	1.56
Loss on foreign exchange fluctuation	6.89	5.12
Advertisement Expenses	12.38	4.62
Sales Promotion Expenses	4.32	-
Business Promotion	2.00	5.32
Octroi & Carriage outwards	18.92	19.72
Discount	9.35	0.27
Service Contract charges	4.57	3.12
Comission and incentive	0.64	0.99
Foreign Exibition Expenses	0.54	0.21
Free Samples	0.10	0.11
Bad debts & Provision	0.76	2.79
Total	**129.52**	**86.37**

(Rs. In Crores)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
NOTE - 27 FINANCIAL COSTS		
Interest Paid	43.62	31.52
Bank charges	9.07	5.59
Total	**52.70**	**37.10**
NOTE - 28 DEPRECIATION AND AMORTISATION		
Depreciation on Tangible Assets	25.81	24.22
Amortization of Intangible Assets	3.90	3.70
Deffered Revenue Expenses Written off during the year	1.91	2.71
Total	**31.62**	**30.63**

II) NOTES TO ACCOUNTS:

29) Contingent liability not provided for:

Particulars			Current Year (Rs. In Crores) 2012-13	Previous Year (Rs. In Crores) 2011-12
a)		Bank Guarantees	5.80	15.78
b)		Corporate Guarantee of Euro 15 million given by the Company for Euro 12 million Loans availed by Lloyd Coils Europe s.r.o.a wholly owned subsidiary from SBI, London. Balance Outstanding as at March 31, 2013 is Euro 1.50 million (Euro 4.50 Million as at March 31, 2012)	10.50	38.21
c)	(i)	Stand by Line of Credit of Euro 1.00 million from ING Vysya Bank given by the Company for Euro 2.00 million working capital facility availed by Lloyd Coils Europe s.r.o.a wholly owned subsidiary from ING Czech Republic (Euro 2 million as at March 31, 2012)	7.00	16.98
	(ii)	Stand by Line of Credit of Euro 1.50 Million from ING Vysya Bank given by the Company for Euro 2 million working capital facility availed by Jank Engineering s.r.o.a wholly owned subsidiary from ING Czech Republic. (Euro 2.00 Millions as at March 31, 2012)	10.50	13.58
	(iii)	Stand by Line of Credit of Euro 1.50 Million from Standard Chartered Bank given by the Company for Euro 1 million working capital facility availed by Jank Engineering s.r.o.a wholly owned subsidiary from Komercni Bank Czech Republic. (Euro 1.50 Millions as at March 31, 2012)	10.50	6.79

30) Contracts remaining to be executed On capital account and not provided for

NIL 2.79

31) Micro and Small Scale Business Entities:

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Accordingly, there were no interest due on the principal amount, not there was necessity to pay interest for delayed payment in terms of section 16 of the Micro, Small and Medium Enterprises Development Act.

32) Disclosure in respect of "Acquisition of Demerged business of Perfect Radiator & Oil Coolers Private Limited (PROC)":

I. A scheme of arrangement under section 391 to 394 of the Companies Act, 1956 was filed with an appointed date of 1st April, 2011 with the Hon'ble High Courts of Delhi and Rajasthan which has been approved by the shareholders in the Court convened meeting held on 24th November 2012. The said scheme duly approved by the Hon'ble High Courts became effective on 11th June, 2013 and has been given effect to in these financial statements as the Scheme became effective with retrospective effect i.e. 1st April, 2011.

II. As per the scheme, the Company has recorded the assets and liabilities forming part of the demerged undertaking vested in it at their respective book value as appearing in the books of accounts of PROC at the close of the business immediately preceding the appointed date at Net Asset Value for Rs. 27,10,05,440/- for Total Consideration of Rs. 36,11,52,000 by issuing 43,20,000 equity shares (swap ratio of 54:100) of Rs. 10 each based on the valuation of Rs. 83.60 per share arrived by independent valuer Ernst & Young. Further Rs. 4,32,00,000 has been transferred to Share capital Suspense Account and Rs.31,79,52,000 to Share Premium Account. As on 31st March, 2013, 43,20,000 number of equity share of Rs.10/- each are poised for allotment for consideration other than cash in favor of shareholders of PROC and the same has been shown as Share Capital Suspense Account.

III. The Difference in accounting policy with regard to depreciation on fixed assets between Perfect Radiator & Oil Coolers Private Limited (PROC) and the Company aggregating to Rs.1,22,48,519/- has been adjusted to the Share Premium Account.

IV. The Assets and Liabilities as on April 1, 2011 of the transferor Company taken over by the Company were as follows:-

Particulars	Amount in Rupees
Assets	
Net Fixed Assets	253,828,273.00
Long Term Loans & Advances	3,505,028.00
Inventories	211,514,577.00
Trade receivables	160,916,924.00
Cash and bank balances	5,009,378.00
Short-term loans and advances	65,924,623.00
	700,698,803.00
Liabilities	
Long-term borrowings	62,771,488.00
Long-term provisions	1,663,722.00
Short-term borrowings	124,815,477.00
Trade payables	197,556,658.00
Other current liabilities	42,356,687.00
Short-term provisions	529,331.00
	429,693,363.00
Net Worth (Assets-Liabilities)	**271,005,440.00**

V. The Excess of consideration over the net asset value of Rs. 90146560/- has been charged to Share Premium account.

Particulars	Amount in Rupees
Purchase Consideration	36,11,52,000.00
Net Assets Value	271,005,440.00
Excess of Consideration	**90,146,560.00**

Notes to the Consolidated Financial Statements for the year ended 31st March 2013

VI. The Previous year and Current Year Figures has been rearranged and restated after considering the Assets & Liabilities of demerged business of Heat-Exchangers from PROC which has been merged with LEEL as under:-

Particulars	LEEL As at 31.03.2012	Demerged Business of PROC	Post Merger as at 31.03.2012
Share Capital*	310,067,100	43,200,000	353,267,100
Share Premium Account**	-	227,805,440	227,805,440
Reserves and Surplus	4,378,569,817	57,483,349	4,436,053,167
Long-term borrowings	1,035,209,000	78,070,348	1,113,279,348
Deferred tax liabilities (Net)	196,625,871	-	196,625,871
Long term provisions	67,916,000	2,785,399	70,701,399
Short-term borrowings	2,619,786,000	275,323,381	2,895,109,381
Trade payables	1,100,360,000	146,474,542	1,246,834,542
Other current liabilities	493,254,718	794,505	494,049,223
Short-term provisions	195,560,000	20,649,677	216,209,677
Total	**10,397,348,507**	**852,586,640**	**11,249,935,147**
Fixed assets			
Tangible assets	3,386,227,716	282,456,801	3,668,684,517
Intangible assets	117,815,167	-	117,815,167
Capital work-in-progress	97,002,000	70,682,249	167,684,249
Intangible assets under development	8,237,390	-	8,237,390
Non-current investments	31,542,378	-	31,542,378
Long term loans and advances	15,045,000	30,372,704	45,417,704
Other non-current assets	168,617,039	-	168,617,039
Inventories	3,531,258,000	231,022,334	3,762,280,334
Trade receivables	2,151,351,816	187,775,335	2,339,127,151
Cash and cash equivalents	293,496,000	5,096,517	298,592,517
Short-term loans and advances	309,485,000	45,180,700	354,665,700
Other current assets	287,271,000	-	287,271,000
Total	**10,397,348,507**	**852,586,640**	**11,249,935,147**

Particulars	LEEL As at 31.03.2013	Demerged Business of PROC	Post Merger as at 31.03.2013
Share Capital *	310,067,100	43,200,000	353,267,100
Share Premium Account**	-	227,805,440	227,805,440
Reserves and Surplus ***	4,791,067,833	143,075,794	4,934,143,627
Long-term borrowings	899,318,486	47,402,628	946,721,113
Deferred tax liabilities (Net)	229,036,995	-	229,036,995
Long term provisions	124,730,598	3,628,362	128,358,960
Current Liabilities			
Short-term borrowings	3,240,599,517	278,330,104	3,518,929,621
Trade payables	1,279,994,001	205,596,654	1,485,590,654
Other current liabilities	875,759,269	44,069,824	919,829,093
Short-term provisions	220,014,944	40,000,000	260,014,944
Total	**11,970,588,742**	**1,033,108,806**	**13,003,697,548**
Fixed assets			
Tangible assets	3,509,716,515	350,893,573	3,860,610,089
Intangible assets	88,314,835	7,359,242	95,674,077
Capital work-in-progress	60,389,944		60,389,944
Intangible assets under development	274,862		274,862
Non-current investments	26,707,046		26,707,046
Long term loans and advances	17,479,507	31,125,034	48,604,541
Other non-current assets	168,957,151		168,957,151
Inventories	4,455,720,698	447,375,330	4,903,096,029
Trade receivables	2,874,635,379	157,047,215	3,031,682,594
Cash and cash equivalents	211,028,782	3,446,415	214,475,197
Short-term loans and advances	386,324,622	35,861,996	422,186,618
Other current assets	171,039,400		171,039,400
Total	**11,970,588,742**	**1,033,108,806**	**13,003,697,548**

* 4320000 number of equity share of Rs.10/- each are poised for allotment for consideration other than cash in favour of shareholders of PROC on account of consideration of merger of PROC as pending for allotment of said shares entire consideration of money has shown as Share Capital Suspense Account under Note 3 of Share Capital.

** Balance of Net Assets value of Rs. 227805440/- (Rs271005440/- - Rs.43200000/-) is shown as Security Premium Account under Note 4 of Reserve and Surplus.

***The Difference in accounting policy with regard to depreciation on fixed assets between Perfect Radiator & Oil Coolers Private Limited and the Company aggregating to Rs.12248519/- has been adjusted to the Share Premium Account under Note 4 of Reserve & Surplus

Notes to the Consolidated Financial Statements for the year ended 31st March 2013

VII The Previous year and Current Year Figures has been rearranged and restated after considering the Assets & Liabilities and Income & Expenditure of demerged Heat Exchanger Business of PROC which has been merged with LEEL as under:-

Particulars	LEEL for the year ending 31.03.2012	Demerged Business of PROC	Post Merger 31.03.2012
Revenue from operations (Net)	11,961,194,000	1,450,778,899	13,411,972,899
Other Operating Income	99,473,000	2,016,281	101,489,281
Total Income	**12,060,667,000**	**1,452,795,180**	**13,513,462,181**
Cost of materials consumed	9,739,151,031	1,163,264,537	10,902,415,569
Purchase of Stock-in-Trade	834,252,000	-	834,252,000
Changes in inventories of Finished Goods, Work-in Progress and Stock-in-Trade	(1,322,533,154)	18,737,455	(1,303,795,699)
Total Material Consumed	**9,250,869,878**	**1,182,001,992**	**10,432,871,870**
Employee Benefit Expenses	973,834,000	62,439,611	1,036,273,611
Other Expenses	787,798,000	75,873,422	863,671,422
Finance Costs	338,311,000	32,723,035	371,034,035
Depreciation & Amortisation	284,058,000	22,273,772	306,331,772
Total Exepenses	**2,384,001,000**	**193,309,839**	**2,577,310,839**
Current tax	90,645,000	20,000,000	110,645,000
Deferred tax	41,420,000	-	41,420,000
Profit(Loss) for the period from continuing Operation	**293,731,122**	**57,483,349**	**351,214,471**

Particulars	LEEL for the year ending 31.03.2013	Demerged Business of PROC	Post Merger 31.03.2013
Revenue from operations (Net)	13,066,889,772	1,676,158,254	14,743,048,026
Other Operating Income	47,344,883	2,959,984	50,304,867
Total Income	**13,114,234,655**	**1,679,118,238**	**14,793,352,893**
Cost of materials consumed	9,882,833,607	1,479,969,386	11,362,802,993
Purchase of Stock-in-Trade	403,501,510		403,501,510
Changes in inventories of Finished Goods, Work-in Progress and Stock-in-Trade	(733,600,595)	(91,443,214)	(825,043,809)
Total Material Consumed	**9,552,734,522**	**1,388,526,171**	**10,941,260,693**
Employee Benefit Expenses	928,558,724	69,583,852	998,142,576
Other Expenses	1,224,614,101	70,629,544	1,295,243,645
Finance Costs	486,499,418	40,466,202	526,965,619
Depreciation & Amortisation	299,642,680	16,568,543	316,211,223
Total Exepenses	**2,939,314,922**	**197,248,141**	**3,136,563,063**
Current tax	135,189,040	20,000,000	155,189,040
Deferred tax	32,401,580	-	32,401,580
Profit(Loss) for the period from continuing Operation	**454,594,590**	**73,343,926**	**527,938,516**

33) Disclosure as per clause 32 of the Listing Agreement:

Loan given to Subsidiary:

Name of the Company	Relationship	Amount Outstanding As on 31.03.2013 (Rs. In Crores)	Amount Outstanding As on 31.03.2012 (Rs. In Crores)
Lloyd Coils Europe s.r.o.	Subsidiary Loan	41.66	28.59
Janka Engineering s.r.o	Subsidiary Loan	2.17	1.09

34) Capital work in progress:

Capital work in progress amounting to Rs.6.04 Crores.

35) Related Party Disclosures: (in which some Directors are interested)

A. Related Companies:-

Name of Company	Nature of Relationship (Associate Co/ Subsidiary Co/Directors Interested)
Airserco Pvt.Ltd.	Director Interested
Fedders Lloyd Corporation Ltd	Director Interested
Perfect Radiators & Oil Coolers Pvt.Ltd.	Director Interested
PSL Engineering Pvt.Ltd.	Director Interested
Regal Information Technology Pvt.Ltd.	Director Interested
Lloyd Aircon Pvt.Ltd	Director Interested
Lloyd Credit Ltd.	Director Interested
Lloyd IT Technology Pvt.Ltd.	Director Interested
Lloyd Sales Pvt.Ltd.	Director Interested
Lloyd Manufacturing Pvt.Ltd.	Director Interested
Himalayan Mineral Water Pvt.Ltd.	Director Interested
Foreign Subsidiary Company:	
Lloyd Coils Europe s.r.o.	100% Subsidiary
Janka Engineering s.r.o.	100% Subsidiary

B. Key Management Personnel-

Mr.Brij Raj Punj	Chairman and Managing Director
Mr.Bharat Raj Punj	Executive Directors
Mr.A.K.Roy	Whole Time Director
Mr.Mukut Sharma	Chief Financial Officer cum Whole Time Director
Mr.Nipun Singhal	Whole Time Director

C. Transactions with Related Companies

Transactions	Amount (Rs. In Lacs)
Sale of goods	3.40
Reimbursement of Expenses	0.12
Advances	17.10
Purchase of Goods	30.12

36) Managerial Remuneration Paid to Managing Director and Whole Time Directors:

Particulars	Current Year (Rs. In Crores)	Previous Year (Rs. In Crores)
Salary	1.34	1.05
Value of Perquisites	0.37	0.26
Commission	NIL	NIL
P.F.	0.05	0.02
Total	**1.76**	**1.33**

37) Balances of sister concerns are subject to reconciliation & confirmation

i) Basic & Diluted Earnings per Share:

Earnings per share has been computed as under:

Particulars	Current Year	Previous Year
Profit after Taxation (Rs. Crores)	52.80	35.12
Number of Ordinary Shares	35320260	35320260
Basic and Diluted Earnings per share (In Rs.) (Face Value Rs.10/-per share)	14.95	9.94

38) Notes "1" to "37" form an integral part of accounts and are duly authorized.

As per our Report of even date attached
For Suresh C. Mathur & Co.
Chartered Accountants

(Brijesh C. Mathur)
Partner
Membership No. 083540
Firm Registration No. 000891N

For and on behalf of the Board

Brij Raj Punj
Chairman & Managing Director

Place: New Delhi
Date:

Anita K. Sharma
Company Secretary

Mukat B. Sharma
CFO & Whole Time Director

A. K. Roy
Whole Time Director

K. Lall
Director

Important Communications to shareholders

"Green Initiative in the Corporate Governance"

Ministry of Corporate Affairs, vide its circular no 17/95/2011 CL-V dated April 21, 2011 and subsequent to clarification issued on April 29, 2011, has announced "green initiatives in the Corporate Governance" by allowing paperless compliances by companies stating that the service of documents to shareholders by a Company can be made through electronic mode.

Keeping in view the underlying theme by the Ministry that will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment and ensuring prompt receipt of communication and to avoid loss in postal transit and to be a part of "Green Initiative in the Corporate Governance" in the right spirit members who hold share in electronic mode and who have not registered their email addresses, so far, are requested to register their email address and changes therein from time to time, with the Depository through their concerned depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses and intimate any change in e-mail id with the Company, by filling appropriate details in the below mentioned Form or register their e-mail addresses with Company's Registrars & Share Transfer Agents, SKYLINE FINANCIAL SERVICES PRIVATE LIMITED, giving their consent to receive the Notice calling the general meeting, audited financial statements, directors' report, auditors' report etc. in electronic form. The said form is also available on the Company's website www.lloydengg.com

You may kindly note that as a Member of the Company, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you, at any time.

We look forward to your support in this initiative towards a Greener Environment.

Email Address Registration Form
(For members who hold shares in physical Form)

LLOYD ELECTRIC & ENGINEERING LIMITED

Corporate Office: 159, Okhla Industrial Estate, Phase-III, New Delhi- 110020

Ledger Folio No. .....

No. of Shares Held:.....

Full Name of the Shareholder/ Joint Holder.....

.....

Email Id to be registered: .....

Contact No.....

I hereby give my/our consent to receive the Notices calling general meetings, audited financial statements, auditors' report, directors' report, explanatory statement and all other documents required by law to be attached thereto or any other communication in electronic mode at my/our above mentioned email ID.

Signed this .....day of.....2013

.....
Signature of the shareholder

LLOYD ELECTRIC & ENGINEERING LIMITED

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

ATTENDANCE SLIP

(For attending the 26th Annual General Meeting)

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE METTING HALL

NO. OF SHARE HELD..... Folio No.....

I/we record my/our presence at the **26th Annual General Meeting** of the Company held on Saturday, 28th September, 2013 at 9:00 A.M. at A-146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan-301 019.

Name and Address of the Shareholder .....

.....

NAME OF THE PROXY.....
(to be filled only when Shareholder is appointing proxy)

SIGNATURE OF THE SHAREHOLDER / PROXY

LLOYD ELECTRIC & ENGINEERING LIMITED

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

PROXY FORM

I/We .....of.....

in the district of .....being a member/members of the Company, hereby

appoint.....of .....

in the district of.....or failing him.....

in the district of.....

as my/our proxy to attend and vote for me/us on my / our behalf at the **26th Annual General Meeting** of the Company to be held on Saturday, 28th September, 2013 at 9:00 A.M. at A-146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan-301019.

Affix a Re. 1/- Revenue Stamps

Signed this .....day of .....2013.

Signature.....

Note : The proxy in order to be effective should be duly stamped, complete and signed and must be deposited at the Regd. office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company.

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Karan Johar

LLOYD ELECTRIC & ENGINEERING LIMITED
159, Okhla Industrial Estate, Phase – III, New Delhi – 110020 (INDIA)
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Website : www.lloydengg.com

FORM A

(Pursuant to Clause 31(a) of Listing Agreement)

S.No.	Particulars	Details
1.	Name of the Company	Lloyd Electric & Engineering Limited.
2.	Annual standalone and consolidated financial statements for the year ended	31st March 2013
3.	Type of Audit observation	**Matter of Emphasis - Paragraph inserted in Auditor's Report of Standalone financial statements** We have considered the earlier auditor's report dated 30th May 2013 on the original accounts for the year ended 31st March, 2013 and have examined the changes made as under : We draw attention to Note no. 32 to the financial statement and report that the financial statements have been reopened and revised by the Company's Management pursuant to the orders of the Hon'ble High Courts of Delhi and Rajasthan dated 8th April, 2013 and 31st May, 2013 respectively approving the scheme of Arrangement which became effective on 11th June, 2013 upon filling of the said orders with the Registrar of Companies. Pursuant to the order, the Heat exchanger undertaking of Perfect Radiators & Oil Coolers Pvt. Ltd. (PROC) stands demerged and transferred to Lloyd Electric & Engineering Limited (LEEL) with appointed date as 1st April 2011.
		Note No. 32 inserted in financial statements referred in Matter of Emphasis paragraph **Disclosure in respect of "Acquisition of Demerged business of Perfect Radiator & Oil Coolers Private Limited (PROC)":** A scheme of arrangement under section 391 to 394 of the Companies Act, 1956 was filed with an appointed date of 1st April, 2011 with the Hon'ble High courts of Delhi and Rajasthan which has been approved by the shareholders in the Court convened meeting held on 24th November 2012. The said scheme duly approved by the Hon'ble High courts became effective on 11th June, 2013 and has been given effect to in these financial statements as the scheme became effective with retrospective effect i.e. 1st April, 2011. As per the scheme, the Company has recorded the assets and liabilities forming part of the demerged undertaking vested in it at their respective book value as appearing in the books of

		accounts of PROC at the close of the business immediately preceding the appointed date at Net Asset Value for Rs. 27,10,05,440/- for Total Consideration of Rs. 36,11,52,000 by issuing 43,20,000 equity shares (swap ratio of 54:100) of Rs. 10 each based on the valuation of Rs. 83.60 per share arrived by independent valuer Ernst & Young. Further Rs. 4,32,00,000 has been transferred to Share capital Suspense Account and Rs.31,79,52,000 to Share Premium Account. As on 31st March, 2013, 43,20,000 number of equity share of Rs.10/- each are poised for allotment for consideration other than cash in favor of shareholders of PROC and the same has been shown as Share Capital Suspense Account.
4.	Frequency of observation	First time
5.	To be signed by:	**Signatures**
	• Chairman & Managing Director	Mr. Brij Raj Punj
	• Whole Time Director and Chief Financial Officer	Mr. Mukat B. Sharma
	• Audit Committee Chairman	Mr. Krishan Lall
	• Auditors of the Company	Refer our Audit Report of even date 29th August, 2013 On the standalone and consolidated financial statements of the Company For Suresh C. Mathur & Co. Chartered Accountants (Firm Registration No. 000891N) Brijesh C. Mathur 3/9/2013 (Partner) (Membership No. 083540) New Delhi, 3rd September, 2013

For Lloyd Electric & Engineering Limited

Anita K. Sharma
Company Secretary

New Delhi
3rd September, 2013

Area, I