

ISO 9001 COMPANY



LIVE THE FUTURE

LLOYD ELECTRIC & ENGINEERING LIMITED

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

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

Website : www.lloydengg.com

CIN : L29120RJ1987PLC012841

September 02, 2016

The Listing Department
BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

The Listing Department
National Stock Exchange of India Ltd.
"Exchange Plaza"
Bandra-Kurla Complex, Bandra (E)
Mumbai 400 051

Scrip Code: 517518

NSE Symbol: LLOYDELENG

Reg.: Annual Report for the FY 2015-16

Dear Sir,

Pursuant to provisions of Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report in soft copy duly approved and adopted in the 29th Annual General Meeting held on August 26, 2016 at the Registered Office of the Company.

Kindly acknowledge the receipt.

Thanking You,

Yours faithfully,
For Lloyd Electric and Engineering Ltd.

Anita K. Sharma
Company Secretary

Encl: a/a





LLOYD ELECTRIC AND ENGINEERING LIMITED

ANNUAL REPORT
2015-16



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Key Financial Highlights

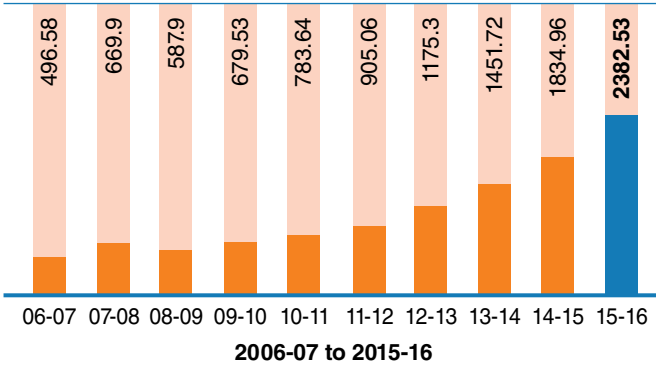
(₹ In Crores)

	Standalone										Consolidated	
	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2015-16	2014-15
Total Income	2382.53	1834.96	1451.72	1175.3	905.06	783.64	679.53	587.9	669.9	496.58	2724.22	2185.41
Operating Profit (EBITDA)	264.48	229.84	189.58	145.88	93.47	84.19	73.12	50.1	82.83	66.07	262.81	245.59
Profit Before Tax	79.78	103.02	81.77	72.87	45.28	48.66	45.28	24.77	62.18	50.82	65.1	111.11
Profit After Tax	56.06	81.64	76.09	56.15	33.59	36.06	34.38	20.37	52.71	42.96	41.94	88.41
Financial Position												
Paid up Capital	36.21	35.32	35.32	31.00	31.00	31.00	31.00	31.00	31.00	31.00	36.21	35.32
Share Capital Suspense	-	-	-	4.32	4.32	-	-	-	-	-	-	-
Total Paid up Share Capital	36.21	35.32	35.32	35.32	35.32	31.00	31.00	31.00	31.00	31.00	36.2	35.32
Reserves & Surplus	732.43	680.56	599.49	526.15	442.53	401.04	371.16	340.4	320.03	268.43	725.26	698.45
Shareholder's fund	788.08	738.69	634.81	561.48	473.54	432.05	402.17	371.4	351.04	299.44	780.91	756.58
Performance Indicator												
EPS	15.48	23.11	21.54	15.9	10.83	11.63	11.09	6.57	17.01	13.86	11.58	25.03

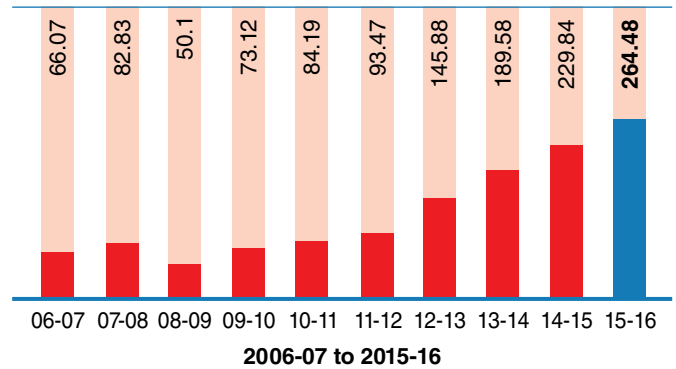


Standalone Financial Trends

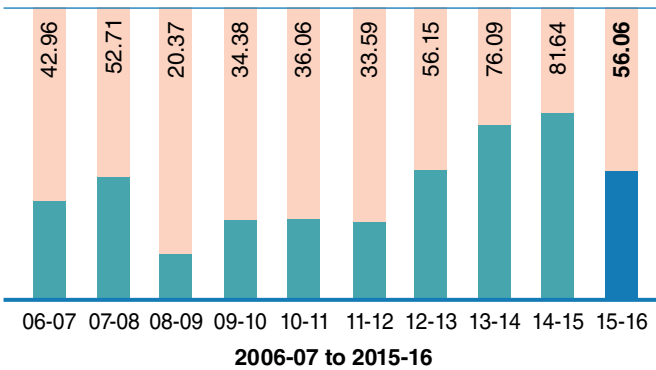
TOTAL INCOME (₹ IN CRORES)



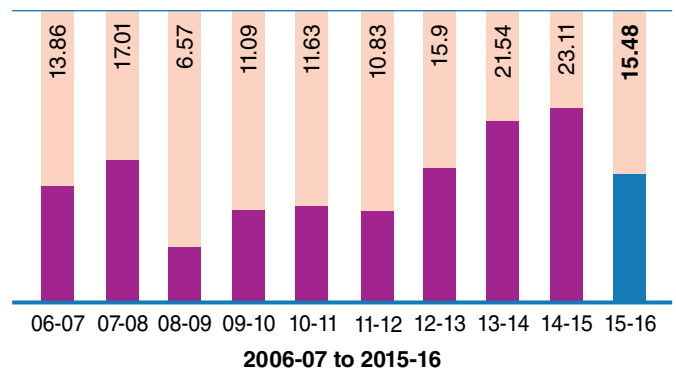
EBITDA (₹ IN CRORES)



PAT (₹ IN CRORES)



EARNING PER SHARE (₹)



Chairman's Address



“We are combining our Group-wide strengths to ensure sustainable growth and realize our long term strategic vision of developing Lloyd as a trusted brand in the global HVAC industry”

Dear Shareholders

Before I take up the Company's performance during the year 2015-16, let me first touch upon the industry scenario and the emerging market dynamics so that there is better evaluation of the performance and strategic pursuits of the Company.

In 2015, global economic activity remained subdued. Growth in emerging market and developing economies declined for the fifth consecutive year, while a modest recovery continued in advanced economies. Three key transitions continue to influence the global outlook- the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing towards consumption and services; lower prices for energy and other commodities and a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery as several other major advanced economy central banks continue to ease monetary policy. Amidst, Indian economy is expected to grow at 7-7.75 percent during FY 2016-17, despite the uncertainties in the global market.

Despite the somewhat unstable economic conditions, your Company is optimistic about the business prospects and about its capabilities to leverage them for the benefit of your Company. Your Company continued its growth momentum during 2015-16, registering 25% growth in consolidated revenue to Rs. 2715 crores. While the domestic business grew at a healthy rate of 30%, the international business declined marginally owing to general slowdown in economic conditions in Europe and uncertain business environment. The Operating margins was impacted due to the currency volatility and grew marginally by 7% to Rs. 263 crores .

On the operational front, we have made significant progress during the last year. Lloyd has emerged as a prominent brand in the Indian Consumer Durables Market with well entrenched distribution network with PAN India footprint supported by an efficient after sales service network. The Consumer Durable Segment contributed significantly with revenue growth of 60% over the previous year. This was primarily as a result of extensive marketing initiatives undertaken by the Company, expansion in dealer network and customer delight by offering quality products with after sales services. All this factors resulted in Lloyd brand enjoying 13% market share in Indian Room AC market during the year under review and ranking amongst top 5 players in Indian Room Air-Conditioning Market in India. In 2015, the Company has also launched air purifiers and refrigerators under Lloyd brand in Indian market. The Company is planning to promote its new line of product category more aggressively in the years to come.

Over the years, Lloyd has expanded its air conditioning product offerings by investing in new product development, manufacturing, marketing, brand building and distribution reach and after sales service. We manufacture wide range of room air-conditioners and area premier supplier of quality products to the original equipment manufacturers (OEMs) in Domestic and Export market.



Your Company is vertically integrated across HVAC value chain and provides solutions beginning from manufacturing components, air conditioners to selling to OEM and to the end customers, resulting in better control on cost, reduced volatility in margins and hedge against demand volatility. With constant improvement in performance of our products and services, augmented with quality and recognition of our brand, we believe that we enjoy brand equity and reliability in the market. This has even helped us in understanding the changing needs and demand of the customers in India.

The year was a significant year when the Company closed its third overseas acquisition in the HVAC space by acquiring the Rail & Vehicle business of Noske Kaeser group based in four continents- Germany, New Zealand, Australia, Brazil and United States. NK R&V has supplied and serviced the HVAC systems for the world's leading rolling stock companies and military vehicle builders in Germany. It has also been actively involved in armoured vehicle air-conditioning projects in India and has also delivered state of the art HVAC systems multiple High Speed Rail ("HSR") projects in Germany including the priced Maglev ("Magnetic Levitation") trains. We hope that NK R&V will play a crucial role in strengthening Lloyd's engineering and designing capabilities.

With these powerful synergies that Noske Kaeser Rail & Vehicle brings to Lloyd, we will be uniquely positioned to offer superior quality HVAC solutions for upcoming High Speed Rail projects in India and other international markets. We are combining our group-wide strengths to ensure sustainable growth and realize our long term strategic vision of developing Lloyd as a trusted brand in the global HVAC industry.

Another significant development was at the front of the Railway business for the supply of packaged HVAC units (Heating, Ventilation and Air-Conditioning) which further contributed to the growth. I am pleased to announce that your Company has signed Transfer of Technology Agreement (TOT) with Toshiba, Japan for the supply of the HVAC units for Delhi Metro RS10 project.

In the international market, economic situation has been close to stagnation in the major EU countries. Trade with Russia dropped enormously and does not show any sign of turnaround in the near future. Russia is actively pushing to substitute EU made goods by local production, which may change picture of the Russian market for several years. The recent political decisions within EU tend to be rather protectionist, which does not support business growth. Domestic demand has been very flat across the whole EU.

As a result of this economic instability and sharp drop of demand in the Russian market, the sales of Janka dropped drastically by 25% over previous year to Euro 11.2 Million. On the other hand, LCE reported slight decline in revenue by 3% due to metal price effect and reached Euro 34.4 Million. Major sales loss has been reported in Russia and UK, both being markets with exceptionally high margin levels. To compensate the loss, new business has been acquired primarily in Germany where the price level is much more competitive. Moreover, new sales were targeted mainly in the strategic segment of close control AC, which is a new product range for us with extremely demanding customer requirements. At the close of the year, Janka have initiated larger revitalization project consisting of three areas – design driven cost reduction; procurement; and headcount. Since February 2016 external restructuring expert was hired and proposed main cost saving actions, which will be implemented within the first half of the new financial year.

As we look to the future, we believe that we will be operating in a demanding and challenging environment. To remain competitive, the benchmark has to be high in anticipation of the stated and unstated need of the customers and markets.

Just like the four P's of Marketing (product, place, price and promotion), Human resource can build a brand with four P's of its own – people, pay, process and promotion. Human resources are a key driver of growth of Lloyd Group and we will progressively increase our emphasis on fostering human resource development going forward. Your Company's brand is driven through its culture and woven through all aspects of HR including recruiting, onboarding, training, development, rewards and performance evaluations. Our global footprint has expanded. Today, we are a global Group that is all about using technology and innovation to empower people everywhere to succeed. It has been an era of innovation and growth and I feel incredibly fortunate to have been a "hands-on" part of it.

As we enter a new financial year, the global economy continues to be fragile, now compounded by Brexit phenomenon. The silver-lining is that India is regarded as the best-growing economy and is able to attract sizable foreign investments. The fundamentals of the Indian economy are considered to be strong and the various policy initiatives by the Government to broad-base the economy can further strengthen the economic foundation for a rewarding long-term growth. The implementation of the 7th pay commission recommendations will give a much needed boost to the demand on the consumer durable sector as consumer spending is expected to rise.

Lloyd's commitment to contributing to building prosperous and sustainable societies in and around the places where we operate is deeply embedded into our corporate culture based on our corporate philosophy. Our CSR initiatives are carried under the aegis of "Pandit Kanhaya Lal Punj Trust", a philanthropic arm of Lloyd Group which undertakes all the activities on behalf of the group. The trust operates in the field of education, healthcare, empowerment of rural women through vocational training etc. A detailed report on the CSR initiatives forms the part of the Annual Report.

We have always strived to enhance stakeholder's value for investors. To sustain profitable growth by providing the best customer experience and dealer support. Customer's satisfaction is the guiding principle of your Company. With relentless commitment to quality, consistent dedication to customer satisfaction and unparalleled standards of service. Lloyd Group is recognized as a benchmark for new age technology, superior quality, concepts and personalized service that has ensured loyal customers and a wide acclaim in the industry. We remain extremely well positioned to deliver strong results, grow our businesses, our people and unlock opportunities that lie ahead of us.

I would like to thank all our stakeholders for their support and encouragement during the year. As we step into a new decade, there are many reasons to be excited about the future of our business. There will be more opportunities to deliver something meaningful and purposeful as we race ahead with our plans for your Company's future in the years to come.

Warm Regards
Yours Sincerely

Brij Raj Punj
Chairman & Managing Director

Extensive Market Strategy...

#PLAYBOLD
BE HAPPY

LLOYD

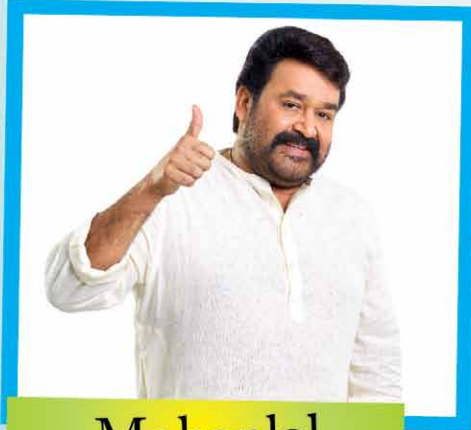


ASSOCIATE SPONSOR





LLOYD BRAND AMBASSADORS



Mohanlal

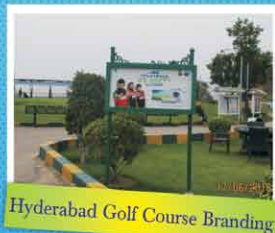


Shruti Haasan

LLOYD PRO-AM BT GOLF TOURNAMENT



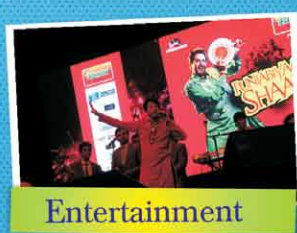
Lloyd Exclusive Store



Hyderabad Golf Course Branding

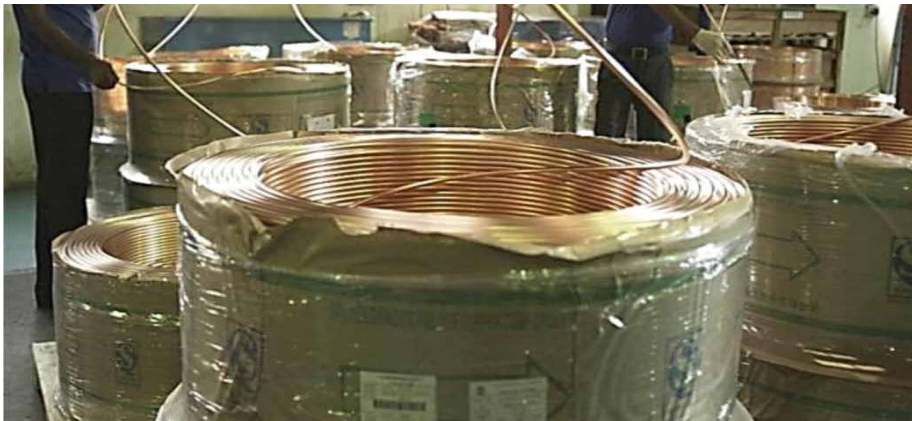


Hyderabad Airport Structure

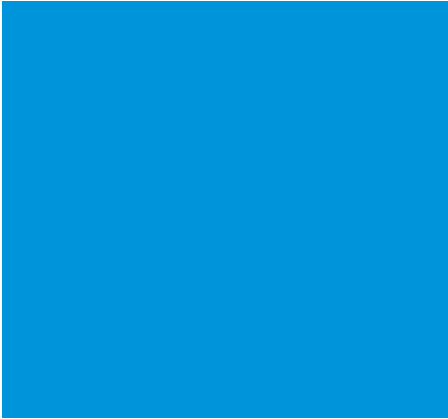


Entertainment

Glimpses of Domestic State of Art Manufacturing Facilities...



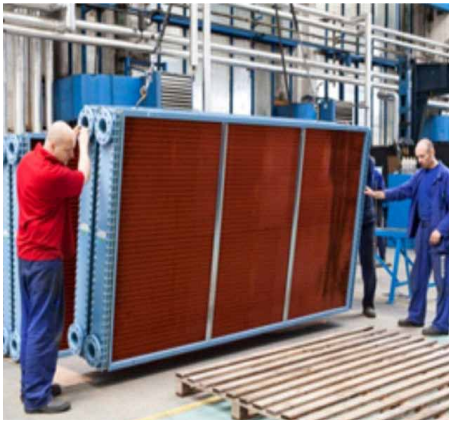






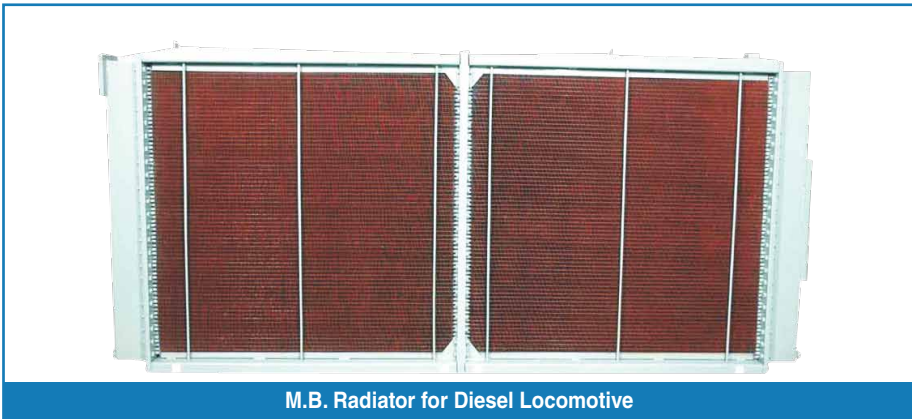
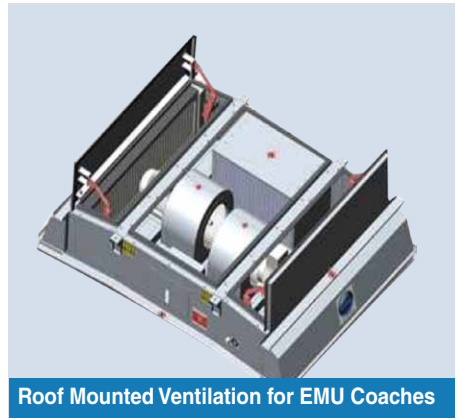
Glimpses of Overseas State of Art Manufacturing Facilities...







Products With Cutting Edge Technology...





Stainless Steel & Special Coolers



8kW Side Mounted AC Unit

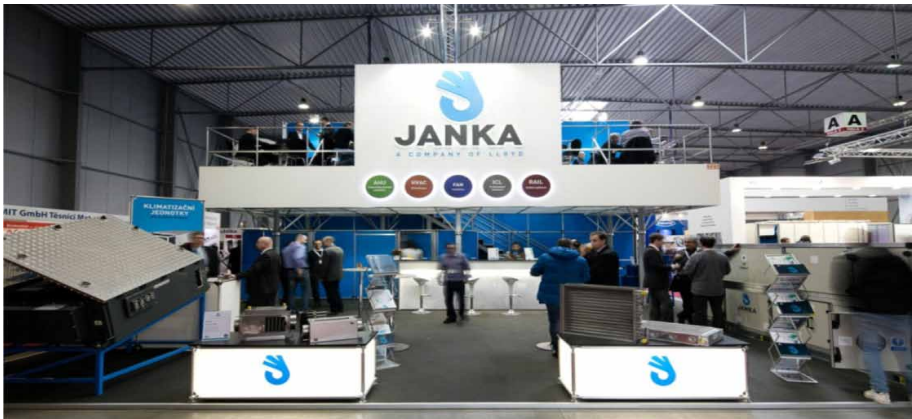


Water & Glycol Coils



Air Handling Unit

Exhibitions for Business Promotion...



Corporate Social Responsibility

Lloyd Group has always been aware about its social accountabilities and has been constantly working towards this noble cause to give back to the society predominantly towards the marginal sections with different abilities. The Group has always been a responsible corporate citizen and a steady contributor towards the well being and amelioration of the society.

Since our inception, social responsibility has always been an integral part of our business strategy, everything we do, everything we did and everything that we will be doing is based on our Social Responsibility Philosophy, it is instilled in our business decisions, strategies and management goals that play a critical role in shaping our Company's success.

Over decades, the Company's CSR activities are carried out under the flagship initiative of the Group "Pandit Kanahaya Lal Punj Trust" the philanthropic arm of the Lloyd Group with a vision to "help the underprivileged children & youth of our country to realize their potential".

The Trust is primarily engaged in developmental needs of the marginalized and underprivileged communities and apart from these core areas, as a part of long term process we do our bit to implement focused programmes on girl child welfare, primary education, skill development and vocational training to under privileged members of our society, contribution to the well being of the society through best possible health care to the needy and deprived people, children's healthcare facilities and community service for the aged and the physically/mentally challenged to make a difference to the lives of disabled section.

OUR FLAGSHIP PROJECTS:

LLOYD PLAY SCHOOL

The initiative of 'Lloyd Play Schools' is dedicated to enhance the life of the community where the units of the Lloyd group operates and to bring about a change through holistic and excellent quality education to the underprivileged rural youth of these communities with a focus on the 'girl child' with a hope that these children will become agents of change and catalyze transformation.

In addition to the Lloyd Play School at Village- Khori Kalan, Tehsil- Tauru, Haryana, we have extended our education initiative through our implementing agency Pandit Kanahaya Lal Punj Trust and inaugurated its second branch in Maneri, Jabalpur (Madhya Pradesh) whose foundation was laid in the month of March 2015 and inaugurated on 12th April 2015.



Initially 30 girls of the age of 3-6 years living below poverty line in the remote area of Jhurki, Khairani, Pauri & Maneri of Madhya Pradesh were selected for providing education.

During the year it was also decided to construct own building for school in Jabalpur and Tauru.

The basic features of the schools are:

Value Education: In Lloyd Play School, we follow Xseed pattern of teaching which is different from traditional teaching i.e. based on experiential learning, focuses on analytical thinking, observation and expression skills.

The teachers of the schools are provided regular training on child centered methodologies and they attended different workshops for the same.



Co-Scholastic Activities: Activity based learning has been introduced which focuses on co-scholastic activities like life skills, values, health, sanitation, etc. Different extra-curricular activities were organized during the year like annual day, art and craft classes, dance competitions, Children's Day, Diwali Celebration, Christmas Day etc. to impart the all round mental growth of Children.



Health & Nutrition: We strongly believe that 'healthy body translate into healthy mind' therefore to improve the health of children the Medical Checkups were held twice in a year in Bhiwadi & Jabalpur Schools where the Paedriaticians & Physicians minutely examine the children. To cater the nutrition needs of the children, kitchen of the schools provide free nutritious meals to children.

The new students were given first dose vaccinations in the month of July followed by other in the next months. Students' health have shown remarkable difference.

“Part of being a great Company is being a responsible and competent corporate citizen”



Some Glimpses of Students' Activities & Outdoor Visits Conducted During the Year.



Women Empowerment:

Social development has always been the top priority of Lloyd Group; it's our pledge to strengthen the equality and empowering the position of women belonging to weaker sections of the society. An analysis of the condition of women in India depicts a disappointing picture in almost all human development indicators; also there is a negative attitude of the rural families towards educating the girl child that leads not only towards economic poverty but also information poverty.

To continue with our efforts for creation of self-employment opportunities and to improve the economic condition of the women by earning decent livelihoods following projects were implemented:

Artificial Jewelry Making:

This Project was initiated in the month of May with the training of 15 ladies. The ladies attended the training after a lot of encouragement and were able to make beautiful pieces under the guidance of teachers.

The stalls were put up at different places like Sawan Mela in Ashiana Gardens, Ranjeet Vihar Dwarka Delhi, Basava International School's Winter Carnival 2015 & Salaria Officers Enclave to showcase their intricate work for selling. They were able to earn and were proud. The stall was also put at LLOYD corporate office in Okhla along with NGO Muskan.

Tailoring / Sticking

In the line of our motive, the tribal inhabited areas of Maneri in Mandla district of Madhya Pradesh was selected after conducting detailed survey in the remote villages of this area. On finding that there are scarce sources of livelihood, the need of providing employment oriented vocational training was felt. After studying the current scenario and interacting with the ladies, 'tailoring' was found to be the most appropriate & beneficial option.

Hence, the Lloyd Group collaborated with 'Usha', the pioneers in the world of sewing machines and established a Women Empowerment Centre ("WEC") in Maneri on 3rd September 2015. However, the task of bringing the ladies to the centre was not easy, but with the dedicated staff, we were able to train 45 ladies in a short span by providing different training sessions and professional workshops. Some of the ladies were presented free sewing machines and now at present they are earning around Rs.5000/- pm.

Further, WEC has come up as a full-fledged professional workshop where currently women are working on a big order of 500 sets of uniforms of TEX ZIPPER.

Following is the orders successfully completed by by W.E.C. from October 2015 till May 2016

S/No	Order of	No. of Shirts	No. of Pants
1	Maneri	44	44
2	Delhi	14	14
3	Bharuch	63	-
4	Ranipet	104	104
5	Bharuch	58	58
6	Ranipet	56	56
7	Tex Zipper (In Progress)	500	500
	Total	839	776

Majority of the young girls / women coming to WEC are divorced or victims of family and social violence. The achievement of WEC cannot be measured in terms of money or on a monetary magnitude but can be witnessed on the faces of these deprived and depressed ladies – the smile, the glow, the confidence, the will power and the urge to come up which they have attained after joining WEC is the true reward of our efforts.



Empowering Women:
Fostering Entrepreneurship

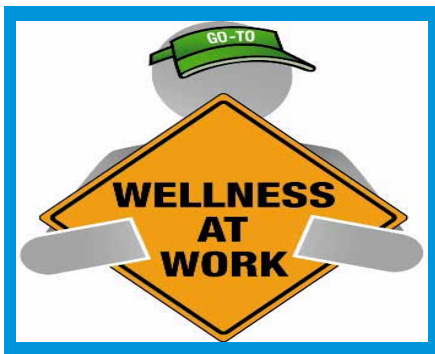


Corporate Sustainability

***“Sustainability is the ability to pursue a defined behavior eternally”
At Lloyd we conduct our business in a manner that excel the social, ethical & economical expectations that the society has from us***

Lloyd's commitment to sustainable development and responsible business practice is complementary to its mainstream business agenda. Corporate Sustainability is the core element of our business model and key to our success mantra.

Beyond business, Lloyd continues to contribute proactively towards shaping the society for a better future, we continue to be an impeccable corporate citizen while pursuing the profit motive at the same time, and this practice has helped to shape the business strategies that we have made so far.



SOCIAL, HEALTH & SAFETY:

Today, a comprehensive and structured sustainability plan is in place that defines our corporate citizenship and how we aspire to act globally. It is our endeavor to operate our business for the larger good of the society and catalyze change in the community. We have always promoted social development through education and women empowerment through our CSR efforts.

We respect the labor, the region and the community at large wherever our business operations are conducted; we are fully resolute to incorporate the principles of sustainability in each of our business decisions for the safety and prosperity of the society and the environment.

Occupational Health and Safety is a core part of our business philosophy. We are committed to providing a safe and healthy workplace to our employees and stakeholders. Employees undergo periodic training on OH&S and the performance is reviewed during business meetings and management review meetings.



ENVIRONMENT:

At Lloyd we aim to earn and retain consumer's trust by operating sustainably by abiding the environmental principles at all the time and being transparent about our business operations. We respect mother earth and care about our environment by adopting sustainable business practices achieved by maximizing the benefits while minimizing the detriments on global and local environment, society, community and the economy.

We integrate environmental responsibilities throughout our business operations while at the same time meeting our customers' expectations with respect to our products, processes, functions, quality management and service. We set our priorities based on the impact of our operations and examining every step of our product life cycle, applying green supply management practices across the organization and use of our products by our Customers.

By adopting environmentally sustainable practices and green supply chain across the organization gives us the potential to eliminate waste and foster cost savings that lead to a better and stronger bottom line.



ECONOMIC:

At Lloyd we focus on profitable business growth while at the same time adhering to the environmental concerns and ethical standards of doing business in our process, products and manufacturing activities while maintaining steady profits at the same time to enrich the lives of our stakeholders.

It is our endeavor to produce competitively priced goods and services that meets the needs of our stakeholders by progressively reducing the ecological impact and resource intensity throughout our product life cycle.

The social, environmental and economic sustainability are affinitive to each other, as we know, every economic activity has some positive or negative impact on the environment as well as on the society, hence, it's our pledge to improve the lives and prospects of the people and the society in social, environment as well as in economic terms.

We endeavor to engineer smiles and enrich lives of all the stakeholders of the Company through our varied products, quality, services and innovation.



Corporate Information

BOARD OF DIRECTORS

Mr. Brij Raj Punj
Chairman & Managing Director

Mr. Bharat Raj Punj
Deputy Managing Director

Mr. Achin Kumar Roy
Whole Time Director

Mr. Mukat B. Sharma
Whole Time Director &
Chief Financial Officer

Mr. Nipun Singhal
Whole Time Director

AVM Surjit Krishan Sharma (Retd.)
Non-Executive Independent Director

Dr. Geeta Ajit Tekchand
Non-Executive Independent Director

Mr. Ajay Dogra
Non-Executive Independent Director

Mr. Ramesh Kumar Vasudeva
Non-Executive Independent Director

Ms. Deepti Sahai
Non-Executive Independent Director
(Additional)

COMPANY SECRETARY

Ms. 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

IndusInd Bank

Axis Bank

IDBI Bank

Karnataka Bank

Jammu & Kashmir Bank

SocieteGenerale

State Bank of Travancore

State Bank of Hyderabad

Bank of Baroda

Syndicate Bank

SHARE TRANSFER AGENT

D-153A, Okhla Industrial Area
Chairman & Managing Director
Phase- I, New Delhi 110020

Tel: 011-26812682, 83

Fax: 011- 26812684

REGISTERED OFFICE

A-146 (B&C), RIICO Industrial Area
BhiwadiDistt. 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

I. DOMESTIC

1. A-146 (B&C) RIICO Industrial Area
Bhiwadi Distt. Alwar, Rajasthan 301019
2. Plot No. S21 & 22, Non SEZ, Phase
III, Sipcot Road, Mugundarayapuram
Ranipet, Vellore Distt, Tamilnadu
3. Industrial Area Kala-Amb
Trilokpur Road, Sirmour, Nahan
Himachal Pradesh
4. Bahadarabad, Mehdood
Industrial Park, 2 Salempur,
SIDCUL, Haridwar, Uttarakhand.
5. Plot No. 24, Sectro 2, IIE
SIDCUL Pantnagar, Uttarakhand.
6. Village Nizampur, Tauru- Rewari
Tauru Dist. Mewat, Haryana.

II. 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
3. Noske-Kaesar Rail & Vehicle
New Zealand Limited
20, Noel Rodgers Place,
Milsone, Palmerston
North, 4414 New Zealand.



Visit us at : www.lloydengg.com

Board's Report

To,

The Members,

Your Directors have pleasure in presenting the 29th Annual Report on the business and operations of the Company alongwith the Standalone and Consolidated Audited Accounts for the Financial Year ended on March 31, 2016.

SUMMARISED FINANCIAL RESULTS

(₹ in crore, except per Share data)

PARTICULARS	STANDALONE for the year ended		CONSOLIDATED for the year ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Revenue from Operations (net of excise)	2,382.53	1,834.96	2,715.22
Other Income	0.95	4.57	9.00	12.74
Earnings before Interest, Depreciation & Tax (EBIDTA)	264.48	229.84	262.81	245.59
Finance Expenses	104.67	92.85	105.52	94.31
Depreciation	34.22	33.96	46.38	40.18
Profit from ordinary activities but before exceptional items	125.59	103.02	110.90	111.11
Exceptional Items	45.80	-	45.80	-
Profit before tax	79.78	103.02	65.10	111.11
Less: Current Tax	17.00	21.60	17.65	22.20
MAT Credit Adjustment	6.94	-	6.94	-
Deferred Tax	(0.23)	(0.22)	(1.44)	0.50
Profit for the year	56.06	81.64	41.94	88.41
Add: Balance brought forward	266.72	205.65	274.94	206.10
MAT credit adjustment for previous year	(11.09)	3.61	(11.09)	3.61
Depreciation Adjustment	-	1.33	-	2.33
Amount available for appropriation	311.69	292.23	305.80	300.43
Less: Proposed Dividend	4.71	4.59	4.71	4.59
Tax on proposed dividend	0.96	0.92	0.96	0.92
Transfer to General Reserve	15.00	20.00	15.00	20.00
Balance Carried Forward	291.03	266.72	285.13	274.92
Basic Earnings Per Share (EPS)	15.48	23.11	11.58	25.03

PERFORMANCE OF THE COMPANY

For the year ended March 31, 2016 the revenue from the operations grew by 30% to Rs. 2,383 crores as compared to Rs. 1,835 crores during the previous year. Other expenses include the loss on the foreign currency fluctuations of Rs. 26 crores incurred during the year as against the gain of Rs. 4 crores during the last year. Operating profit for the year was higher by 15% to Rs. 264 crores as compared to Rs. 229 crores in the previous year. The profit before exceptional item and the tax stood at Rs. 125 crores as compared to Rs. 103 crores during the last year thereby registering an increase of 21%. The profit after exceptional item arising out of write off of insurance claim and tax stood at Rs. 56 Crores as against Rs. 82 crores during the previous year.

On the consolidated basis, the revenue from the operations for the year ended March 31, 2016 was Rs. 2,715 crores as compared to Rs. 2,173 crores during the previous year registering a growth of 25%. Operating profit for the year was marginally higher to Rs. 263 crores as compared to Rs. 240 crores in the previous year. Due to the losses incurred by LCE and Janka the consolidated profit before exceptional item and tax stood at Rs. 110 crores and after tax was Rs. 42 crores as compared to Rs. 111 crores and Rs. 88 crores respectively during the previous year.

Due to the volatilities and the uncertainties in the foreign exchange market company is exposed to currency risk arising out of trade exposures. Due to the diverse currency movements in FY 2015-2016 the Company reported fluctuation loss of approximately



Rs 26 crores during the year under review which affected the EBITDA margin to decline by 1.28% over the previous year. The company is taking effective measures to mitigate the risk arising out of adverse exchange rate fluctuation through various hedging options and an effective risk management policy has been redefined to mitigate the risk arising out of the exchange fluctuations.

During the year the company has provided for the fire insurance claim of Rs. 45.80 crores as an exceptional item while pursuing it legally as well.

OPERATIONS

Your Company has organized its revenue stream into three reportable business segments a) Consumer Durable Segment b) OEM & Packaged Air conditioning Segment c) Heat Exchangers & Components Segments.

Your Company has delivered a strong performance during the financial year with standalone revenue registering a growth of 30% to Rs. 2383 crores. The growth was mainly led by the consumer durable business, which reported outstanding revenue growth of 59% over the last year. This was primarily as a result of extensive marketing initiative undertaken by the company, expansion in dealer networks and customer delight by offering quality products with best after sales services.

The Company has also launched "Service Request App" through Mylloyd App which enables the customers to register for service request in less than 10 seconds, being first of a kind in India.

All these factors resulted in Lloyd band enjoying about 13% market share in the Indian room AC market during the year under review and ranking amongst the top five players in the Indian RAC market.

On standalone basis the Company derived 24% of its total revenue from sales of evaporators, heat exchangers and components and 17% of its total revenue from the sales of air conditioners to OEM, retail customers and packed air conditioning. In the Railway segment the Company has also signed the transfer technology agreement with Toshiba Japan for the supply of HVAC unit for the Delhi Metro RS-10 project. For detailed performance review, please refer Management Discussion and Analysis Report is attached herewith and forms a part of the Annual Report.

DIVIDEND

Your Directors are pleased to recommend a final dividend of Rs. 1.3 per equity share of face value Rs.10 each i.e. @ 13% for the year ended March 31, 2016, subject to approval of shareholders of the Company (previous year Rs.1.30 per equity share of Rs.10 each i.e. @13 %).

The total dividend payout would be Rs. 5.67 crore, including dividend distribution tax of Rs. 0.96 crore.

TRANSFER TO RESERVES

The Company proposes to transfer Rs. 15 crore to the general reserve out of the amount available for appropriation and an amount of Rs. 291.03 crore is proposed to be retained in the profit and loss account.

SHARE CAPITAL

During the period under review, the authorized share capital of the Company stood at Rs.70 crore, divided into 7 crore equity shares of Rs. 10 each.

During the year under review the Company has issued and allotted 8,85,000 Equity Shares of Rs. 10 each at a premium of Rs.142 each on January 29, 2016 to promoter group entities upon conversion of equivalent number of warrants allotted on preferential basis on March 13, 2015.

Pursuant to aforesaid allotment, the issued and subscribed capital of the Company stood at Rs. 36.22 crore and paid-up capital stood at Rs. 36.21 crore as at March 31, 2016.

SUBSIDIARY COMPANIES

Your Company has two wholly owned subsidiaries as of the beginning of financial year viz; Lloyd Coils Europe s.r.o. ("LCE") and Janka Engineering s.r.o. ("Janka").

During the year under review the Company has acquired the global business of Noske Kaeser Rail & Vehicle ("NK R&V") based in Germany, New Zealand, Australia, Brazil, and USA by acquiring 100% ownership interest in Noske Kaeser Rail & Vehicle Germany GmbH

(NK G), NoskeKaeser Rail & Vehicles New Zealand Ltd. ("NK NZ") (alongwith its two step-down subsidiaries in Australia & Brazilviz; Noske-Kaeser Rail & Vehicle Australia Pty Ltd. and Noske-Kaeser Empreendimentos e Participações do Brasil Ltda.) and Noske Kaeser US Rail & Vehicle LLC (NK US). As a result of the acquisition, NKG has w.e.f. August 26, 2015 and NKNZ (alongwith its subsidiaries) and NK US w.e.f Match 23, 2016 become wholly owned subsidiaries.

There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 (Act). There has been no material change in the nature of the business of the subsidiaries.

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC 1 is attached to the financial statements of the Company.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiaries, are available on our website www.lloydengg.com. These documents will also be available for inspection during business hours at our registered office.

For detailed performance review of subsidiaries, please refer Management Discussion and Analysis Report is attached herewith and forms a part of the Annual Report.

GLOBAL DEPOSITORY RECEIPTS (GDRs)

The Company has 8,000 GDRs underlying 16,000 equity shares outstanding for conversion as on March 31, 2016. The GDRs are listed on the Professional Securities Market of London Stock Exchange. The Bank of New York acts as the Depository and ICICI Bank as the domestic custodian in respect of GDRs issued.

FIXED DEPOSITS

During the year under review, the Company has not accepted any deposits from the public under Section 73 of the Companies Act, 2013 and rules made thereunder.

CORPORATE GOVERNANCE

Your Company has always laid a strong emphasis on transparency, accountability and integrity and believes that good governance is the basis for sustainable growth of the business and for enhancement of shareholder value. We keep our governance practices under continuous review and benchmark ourselves to the best governed Companies across the globe.

The report on corporate governance forms an integral part of this report and is set out as separate section to this annual report. The certificate of M/s. Suresh C. Mathur & Co., Chartered Accountants, the statutory auditors of the Company certifying compliance with the conditions of corporate governance as stipulated in Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements Regulations) 2015 is annexed with the report on corporate governance.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements Regulations) 2015, a detailed Management Discussion and Analysis Report is attached herewith and forms a part of the Annual Report.

LISTING AGREEMENT

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.

Annual Listing fees to above Exchanges for the Financial Year 2016-17, as applicable have been paid well before the due date.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Lloyd has always endeavored 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. Well rounded holistic development of children today is essential for building the leaders of the next generation. We are also promoting and encouraging the formation of self-help group program which aims at empowering rural women through financial independence



In recognition of this, Lloyd concentrates most of its sustainability / CSR efforts by actively supporting the education and social initiatives of the "Pandit Kanahaya Lal Punj Trust", the philanthropic arm of the Lloyd Group.

In accordance with the requirements of Section 135 of Companies Act, 2013, your Company has constituted a CSR Committee. The composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report.

Further, details about the CSR policy and initiatives taken by the Company on CSR during the year are available in our website. The annual report on our CSR activities is appended as Annexure 1 to the Board's Report.

EXTRACT OF THE ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as Annexure 2 to the Board's report.

NUMBER OF MEETINGS OF THE BOARD

The Board met four times during the financial year viz; on May 28, 2015, August 13, 2015, November 09, 2015, and February 12, 2016. The necessary quorum was present at all the meetings. The intervening gap between any two meetings was not more than one hundred and twenty days as prescribed by the Companies Act, 2013.

COMMITTEES OF THE BOARD

The Board has six committees viz; the Sub-Committee, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Special Committee for issue and allotment of shares.

For details of Board Meeting and Committees thereof in terms of secretarial standard -2 as issued by Institute of Company Secretaries of India, please refer corporate governance report, which forms part of the Board's Report.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Sub section (3) of Section 178 of the Companies Act, 2013, adopted by the Board, has been disclosed in the corporate governance report, which forms part of the Board's Report.

BOARD EVALUATION

In pursuance to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of committees. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, board meetings and effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the compliance with the terms of reference of the committees, composition of committees, functions and duties, committee meetings & procedures, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings, attendance, independent judgment etc. In addition, the Chairman was also evaluated on the basis of criteria such as leadership, managing relationship, conducting board meetings etc.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the Board, its committees and individual directors was discussed.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to recommendation of Nomination & Remuneration Committee, the Board of Directors at its meeting held on November 10, 2014, had re-appointed Mr. Mukat B. Sharma as Whole Time Director & Chief Financial Officer of the Company for a further period of two years from January 28, 2015, subject to the approval of the members. The said appointment was duly approved by shareholders in 28th Annual General Meeting held on July 10, 2015.

Further, Mr. Achin Kumar Roy (DIN: 01475456) was re-appointed as Whole Time Director of the Company by the Board of Directors held on February 12, 2016 for a further period of two years w.e.f. April 28, 2016, subject to the approval of the members in the ensuing 29th Annual General Meeting.

Mr. Gopal Kacker (DIN: 01047554), Non-Executive Independent Director has tendered his resignation w.e.f. May 30, 2016 due to his pre-occupations. The Board places its sincere appreciation towards the valuable contribution received from Mr. Kacker during his tenure as the Director of the Company.

In order to fill the vacancy caused by resignation of Mr. Gopal Kacker, the Board of Directors had, upon recommendation of Nomination & Remuneration Committee, in its Meeting held on May 30, 2016, appointed Ms. Deepti Sahai (DIN:07529738) as an Additional Director in the category of Non-Executive Independent Director for a term of 3 (three) consecutive years w.e.f. May 30, 2016 to 29th May, 2019 subject to the approval of the shareholders in the ensuing 29th Annual General Meeting.

Pursuant to provisions of section 152 of the Companies Act., 2013 and Articles of Association of the Company, Mr. Bharat Raj Punj (DIN: 01432035) will retire by rotation at the 29th Annual General Meeting and being eligible, has offered himself for re-appointment.

The brief profile of the Directors who are proposed to be appointed / re-appointed, are furnished in the notice of 29th Annual General Meeting. The Board recommends appointment /re-appointments of above said directors.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each independent director that he/she meets the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

The Audited Accounts for the financial year ended March 31, 2016 are in conformity with the requirements of the Companies Act, 2013. Pursuant to Section 134(5) of the Companies Act, 2013, your directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- (b) the directors, had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & AUDITORS' REPORT

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Suresh C. Mathur & Co., Chartered Accountants, were appointed as statutory auditors of the Company from the conclusion of the 27th Annual General Meeting (AGM) of the Company held on July 21, 2014 till the conclusion of the 30th AGM, subject to ratification of their appointment at every AGM. Accordingly, the appointment of M/s. Suresh C. Mathur & Co., Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Auditors' Report and the Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark. With regard to emphasis of matter as referred in Standalone and Consolidated Auditors' Report w.r.t. writing off the fire insurance claim of Rs.45.80 crores after insurance company declined to admit the same as an exceptional item. The Company as a matter of prudence has written off the claim. However, the Company has initiated the appropriate legal recourse. For further details please refer note no. 40 of the standalone financial statements.



COST AUDITOR

The Board appointed M/s. Jain Sharma & Associates, Cost accountants, as cost auditors of the Company for the financial year 2016-17 at a fee of Rs. 2,06,250/- (including out of pocket expenses) plus applicable taxes and subject to the ratification of the said fees by the shareholders at the ensuing Annual General Meeting.

The cost audit report of the financial year 2015-16 would be filed with the Central Government within the prescribed time.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed Mr. Sanjay Chugh Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is appended as Annexure 3 to this Report.

The Board has appointed Mr. Sanjay Chugh, Practicing Company Secretary, as secretarial auditor of the Company for the financial year 2016-17 also.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

PARTICULARS OF LOANS AND GUARANTEES

The particulars of loans, guarantees and investments have been disclosed in the notes to the financial statements.

PARTIULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The Company has not entered in any material related party transaction during the year.

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure 4 in Form AOC-2 and the same forms part of this report.

Please refer Note 37 to the financial statement which sets out related party disclosures as prescribed under Accounting Standard 18.

RISK MANAGEMENT

The Audit Committee in supervision of Board of Directors is responsible for identifying, evaluating and managing all significant risks faced by the Company. The detailed statement indicating the development and implementation of risk management policy including identification therein of elements of risk has been covered in the management discussion and analysis, which forms part of this report.

INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with reference to financial statement, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The detailed information about internal controls is set out in the Management Discussion & Analysis report which is attached and forms part of this Report.

VIGIL MECHANISM

The Company has implemented a Whistle Blower Policy and has established a vigil mechanism for employees and directors to report their genuine concerns. The Policy provides for a mechanism to report genuine concerns to Whistle Counselor or the Whistle Blower Committee and in exceptional cases, Chairman of the Audit Committee of the Company. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle Blowers have been denied access to the Audit Committee of the Board. The Whistle Blower Policy complies with the requirements of Vigil mechanism as stipulated under Section 177 of the Companies Act, 2013. The details of establishment of the Whistle Blower Policy/ Vigil mechanism have been disclosed on the website of the Company.

MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments, affecting the financial position of the Company which occurred during between the end of the financial year to which the financial statements relate and the date of this report.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are given in Annexure 5 to this Report.

PARTICULARS OF EMPLOYEES

The information required under section 197 of the Act Rule 5(1) & (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company is appended as Annexure 6 to the Board's report.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment or discrimination. The said policy is in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder. The Company, through the policy ensures that all such complaints are resolved within defined timelines. During the year, no case was reported.

ACKNOWLEDGEMENT

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation for the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

We also place on record deep appreciation to various Statutory Authorities, Central and State Governments and Government of various countries where we operate for their continued assistance, co-operation and encouragement they have extended to the Company and look forward to their continued support in future.

For and on behalf of the Board of Directors

Date: May 30, 2016
Place: New Delhi

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



Annexure 1 to the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDING 2015-16

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes

Lloyd recognizes and embraces its commitment to the communities in which it operates. Our CSR initiatives stems from the belief that corporations are socio-economic citizens and their objectives have to be congruent with society's goals. Today, they wield significant capacity to influence social issues, i.e. "power to do good".

Over the years, Company's CSR activities are carried out under the Flagship initiative "Pandit Kanahaya Lal Punj Trust", the philanthropic arm of the Lloyd Group. The primary objectives of the Trust are to support the developmental needs of marginalized and the underprivileged communities. We have four core areas of work - education for under privileged girl child, healthcare, environment and disaster rehabilitation. Apart from these core areas, as part of the long term process we also do our bit for the community service for the aged and the physically/mentally challenged to make a difference to the lives of the disabled sections. The Company has formulated CSR policy as per the Companies Act, 2013. A brief overview of your Company's projects is undertaken by the Company during the year are as below:

Education: With the intent and to pursue its objects for imparting education to the poor and underprivileged girls for development of the society, the Trust had taken significant initiatives towards this noble cause and has set up the "Lloyd Play School" at Village- Khori Kalan, Tehsil- Tauru, Haryana and at Jabalpur. Lloyd play school aims at delivering free of cost quality education to underprivileged children in rural India with a focus on the girl child. The programme attempts to enhance the learning levels of students by providing them with exposure especially in English, life skills and communication.

Woman Empowerment: We believe that with equal access to education, training and means, women can raise the living standards of their families and inject new life into the local economy. In line with this vision Lloyd has started giving vocational training to women from rural area through various workshops in which training has been imparted for artificial jewelry making, stitching and other soft skills etc.

In the line of this motive, the tribal inhabited areas of Maneri in Mandla district of Madhya Pradesh was selected after conducting detailed survey in the remote villages of this area. On finding that there are scarce sources of livelihood, the need of providing employment oriented vocational training was felt. After studying the current scenario and interacting with the ladies, 'tailoring' was found to be the most appropriate & beneficial option.

Lloyd Group collaborated with 'Usha', the pioneers in the world of sewing machines and established a Women Empowerment Centre ("WEC") in Maneri. The task of bringing the ladies to the centre was not easy, but with the dedicated staff, we were able to train 45 ladies in a short span by providing different training sessions and professional workshops. Some of the ladies were presented free sewing machines and now at present they are earning around Rs. 5000/- pm.

Majority of the young girls / women coming to WEC are divorced or victims of family and social violence. The achievement of WEC cannot be measured in terms of money or on a monetary magnitude but can be witnessed on the faces of these deprived and depressed ladies – the smile, the glow, the confidence, the will power and the urge to come up which they have attained after joining WEC is the true reward of our efforts.

Details of the CSR policy and projects or programmes undertaken by the Company are available on the website of the Company www.lloydeng.com. Please refer website www.lloydplayschool.com for details regarding Lloyd Play School.

Composition of the CSR Committee: The Company has a CSR committee of directors comprising of Mr. Achin Kumar Roy, Chairman of the Committee, Mr. Mukat B. Sharma and Dr. Geeta Ajit Tekchand.

2. Average net profit of the Company for last three financial years for the purpose of computation of CSR: Rs. 85.98 Cr.

3. Prescribed CSR Expenditure: Rs.1.72 Cr.

4. Details of the Expenditure on CSR during the financial year 2015-16:

a)	Total amount proposed to be spent for the financial year	Rs.1.72 Cr.
b)	Total amount spent on CSR	Rs. 0.34 Cr.
c)	Amount unspent, if any.	Rs.1.38 Cr.

5. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR Project or activity identified.	Sector in which the project is covered	Projects or programs (1)Local area or other (2)Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs. in Crore)	Amount spent on the projects or programs Sub-heads: (1)Direct expenditure on projects or programs (2) overheads (Rs. in Crore)	Cumulative expenditure up to 31st March, 2016.	Amount spent Direct or through implementing agency.
1	Training and educating Children and women and increasing employability	Promoting education, ncluding special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Tauru, Haryana and Jabalpur & Maneri, in Madhya Pradesh	1.72	0.34	0.34	Through Pandit Kanahaya Lal Punj Trust, Implementing Agency
	Total			1.72	0.34	0.34	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report:

Establishment of school projects, promoting women employability are multi -year projects.

Further, the budget has been allocated for construction of building for Lloyd Play Schools at Tauru, Haryana & Jabalpur M.P. However, construction requires obtaining NOCs and approvals from different government authorities which involves time and therefore, money proposed to be spent on construction remained unspent.

7. Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and the CSR policy of the Company.

Brij Raj Punj
Chairman & Managing Director
[DIN: 00080956]

Achin Kumar Roy
Chairman, CSR Committee
[DIN: 01475456]

Date: May 30, 2016
Place: New Delhi



Annexure 2 to the Board's Report

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN as on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L29120RJ1987PLC012841
ii	Registration Date	10.11.1987
iii	Name of the Company	LLOYD ELECTRIC AND ENGINEERING LIMITED
iv	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non- Government Company
v	Address of the Registered office & contact details	A-146,B AND C, RIICO Industrial Area, Bhiwadi, Alwar, Rajasthan, India 301019 Tel. No. : 01493-220724, 221348, Fax No. : 01493-220543 E-mail : investor.relation@lloydengg.com
vi	Whether listed company	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Private Limited D-153A, Okhla Industrial Area, Phase I, New Delhi 110020 Tel. No. : 011-64732681-88, Fax No. : 011-26812682 E-mail : admin@skylinerta.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Consumer Durable Segement	46522	59%
2	Heat Exchanger & Components	28191	24%
3	OEM Segment & Packaged Air Conditioning	28192	17%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN*	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Lloyd Coils S.r.o. Vrazska 143, 153 00 Praha 5, Radotin, Czech Republic	-	Wholly Owned Subsidiary	100	2(87)
2	Janka Engineering S.r.o. Vrazska 143, 153 00 Praha 5, Radotin, Czech Republic	-	Wholly Owned Subsidiary	100	2(87)
3	Noske Kaeser Rail & Vehicle Germany GmbH Ruwoldtweg 12, 22309, Hamburg, Germany.	-	Wholly Owned Subsidiary	100	2(87)
4	Noske Kaeser Rail & Vehicles New Zealand Limited Morrison Creed, 52 Victoria Avenue, Palmerston North, 4410, NZ	-	Wholly Owned Subsidiary	100	2(87)
5	Noske-Kaeser Empreendimentos e Participações do Brasil Ltda. # Rodovia BR-381 Fernao Dias, S/N, KM 490, Jardim Das Alterosas 1a Secao, Betim, Minas Gerais, Brasil	-	Indirect Wholly Owned Subsidiary	100	2(87)
6	Noske-Kaeser Rail & Vehicle Australia Pty Ltd # Booragoon, WA 6154, Australia.	-	Indirect Wholly Owned Subsidiary	100	2(87)
7	Noske-Kaeser US Rail & Vehicle, LLC 2640 Fountain View Drive, Houston, TX-77057, United States of America	-	Wholly Owned Subsidiary	100	2(87)

* No CIN as these are foreign subsidiaries

Wholly Owned Subsidiary through Noske Kaeser Rail & Vehicles New Zealand Limited

IV SHAREHOLDING PATTERN (Equity Share Capital Break up as % to Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	4,597,377	-	4,597,377	13.02%	4,597,377	-	4,597,377	12.70%	-0.32%
b) Central Govt. or State Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	13,055,019	-	13,055,019	36.96%	13,940,019	-	13,940,019	38.50%	1.54%
d) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL:(A) (1)	17,652,396	-	17,652,396	49.98%	18,537,396	-	18,537,396	51.20%	1.22%
(2) Foreign									
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	17,652,396	-	17,652,396	49.98%	18,537,396	-	18,537,396	51.20%	1.22%
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	60,000	-	60,000	0.17%	-	-	-	-	-0.17%
b) Banks/Financial Institutions	56,506	-	56,506	0.16%	67,663	-	67,663	0.19%	0.03%
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	2,856,013	-	2,856,013	8.09%	3,185,007	-	3,185,007	8.80%	0.71%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	2,972,519	-	2,972,519	8.42%	3,252,670	-	3,252,670	8.98%	0.57%
(2) Non Institutions									
a) Bodies corporates									
i) Indian	3,406,156	3,700	3,409,856	9.65%	2,587,166	3,900	2,591,066	7.16%	-2.50%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	5,699,193	325,847	6,025,040	17.06%	6,467,888	307,938	6,775,826	18.72%	1.66%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakhs	3,638,075	87,400	3,725,475	10.55%	3,604,817	-	3,604,817	9.96%	-0.59%
c) Others (specify)									
c-i) Public Trust	-	-	-	-	760	-	760	0.00%	0.00%
c-ii) Clearing Members	224,690	-	224,690	0.64%	227,615	-	227,615	0.63%	-0.01%
c-iii) NRI's/ OCB's	354,079	66,100	420,179	1.19%	386,811	65,700	452,511	1.25%	0.06%
c-iv) HUF	580,907	-	580,907	1.64%	450,393	-	450,393	1.24%	-0.40%
c-v) Qualified Foreign Investor-Corporate	293,198	-	293,198	0.83%	296,206	-	296,206	0.82%	-0.01%
SUB TOTAL (B)(2):	14,196,298	483,047	14,679,345	41.56%	14,021,656	377,538	14,399,194	39.77%	-1.79%
Total Public Shareholding (B)= (B)(1)+(B)(2)	17,168,817	483,047	17,651,864	49.98%	17,274,326	377,538	17,651,864	48.75%	-1.22%
C. Shares held by Custodian for GDRs & ADRs	16,000	-	16,000	0.05%	16,000	-	16,000	0.04%	0.00%
Grand Total (A+B+C)	34,837,213	483,047	35,320,260	100%	35,827,722	377,538	36,205,260	100%	-



(ii) SHARE HOLDING OF PROMOTERS

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	PSL Engineering Pvt. Ltd.	3,713,520	10.51%	-	3,713,520	10.26%	-	-0.26%
2	Lloyd Sales Pvt. Ltd.	3,315,005	9.39%	-	3,315,005	9.16%	-	-0.23%
3	Airserco Pvt. Ltd.	3,304,133	9.35%	-	3,304,133	9.13%	-	-0.23%
4	Lloyd Manufacturing Pvt. Ltd.	1,653,416	4.68%	-	1,653,416	4.57%	-	-0.11%
5	Brij Raj Punj	1,617,983	4.58%	-	1,617,983	4.47%	-	-0.11%
6	Renu Punj	1,553,994	4.40%	-	1,553,994	4.29%	-	-0.11%
7	Perfect Radiators And Oil Coolers Pvt. Ltd.	1,068,845	3.03%	-	1,243,845	3.44%	-	0.41%
8	Bharat Raj Punj	814,600	2.31%	-	814,600	2.25%	-	-0.06%
9	Pandit Kanahaya Lal Punj Pvt. Ltd.	-	0.00%	-	350,000	0.97%	-	0.97%
10	Brinda Jajoo	261,600	0.74%	-	261,600	0.72%	-	-0.02%
11	Bhavna Sareen	255,200	0.72%	-	255,200	0.70%	-	-0.02%
12	Lloyd Credits Ltd.	-	0.00%	-	200,000	0.55%	-	0.55%
13	Himalayan Mineral Waters Pvt. Ltd.	-	0.00%	-	160,000	0.44%	-	0.44%
14	Brij Raj Punj (HUF)	94,000	0.27%	-	94,000	0.26%	-	-0.01%
15	Fedders Lloyd Corporation Ltd.	100	0.00%	-	100	0.00%	-	0.00%
	Total	17,652,396	49.98%	-	18,537,396	51.20%	-	1.22%

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
1	PSL Engineering Pvt. Ltd.				
	At the beginning of the year	3,713,520	10.51%	3,713,520	10.26%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus /sweat equity etc).	No Change			
	At the end of the year	3,713,520	10.26%	3,713,520	10.26%
2	Lloyd Sales Pvt. Ltd.				
	At the beginning of the year	3,315,005	9.39%	3,315,005	9.16%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus /sweat equity etc).	No Change			
	At the end of the year	3,315,005	9.16%	3,315,005	9.16%
3	Airserco Pvt. Ltd.				
	At the beginning of the year	3,304,133	9.35%	3,304,133	9.13%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus /sweat equity etc).	No Change			
	At the end of the year	3,304,133	9.13%	3,304,133	9.13%

Contd...

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
4	Lloyd Manufacturing Pvt. Ltd.				
	At the beginning of the year	1,653,416	4.68%	1,653,416	4.57%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus /sweat equity etc).	No Change			
	At the end of the year	1,653,416	4.57%	1,653,416	4.57%
5	Brij Raj Punj				
	At the beginning of the year	1,617,983	4.58%	1,617,983	4.47%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus /sweat equity etc).	No Change			
	At the end of the year	1,617,983	4.47%	1,617,983	4.47%
6	Renu Punj				
	At the beginning of the year	1,553,994	4.40%	1,553,994	4.29%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus /sweat equity etc).	No Change			
	At the end of the year	1,553,994	4.29%	1,553,994	4.29%
7	Perfect Radiators and Oil Coolers Pvt. Ltd.				
	At the beginning of the year	1,068,845	3.03%	1,243,845	3.44%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus /sweat equity etc).	Allotment of 1,75,000 Equity Shares on 29.01.2016 pursuant to conversion of equivalent number of warrants allotted on preferential basis.			
	At the end of the year	1,243,845	3.44%	1,243,845	3.44%
8	Bharat Raj Punj				
	At the beginning of the year	814,600	2.31%	814,600	2.25%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus /sweat equity etc).	No Change			
	At the end of the year	814,600	2.25%	814,600	2.25%
9	Pandit Kanahaya Lal Punj Pvt. Ltd.				
	At the beginning of the year	-	-	350,000	0.97%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus /sweat equity etc).	Allotment of 3,50,000 Equity Shares on 29.01.2016 pursuant to conversion of equivalent number of warrants allotted on preferential basis.			
	At the end of the year	350,000	0.97%	350,000	0.97%



Contd...

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
10	Brinda Jajoo				
	At the beginning of the year	261,100	0.74%	261,100	0.72%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus /sweat equity etc).	No Change			
	At the end of the year	261,100	0.72%	261,100	0.72%
11	Bhavna Sareen				
	At the beginning of the year	255,200	0.72%	255,200	0.70%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus /sweat equity etc).	No Change			
	At the end of the year	255,200	0.70%	255,200	0.70%
12	Lloyd Credits Ltd.				
	At the beginning of the year	-	-	200,000	0.55%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus /sweat equity etc).	Allotment of 2,00,000 Equity Shares on 29.01.2016 pursuant to conversion of equivalent number of warrants allotted on preferential basis.			
	At the end of the year	200,000	0.55%	200,000	0.55%
13	Himalayan Mineral Waters Pvt. Ltd.				
	At the beginning of the year	-	-	160,000	0.44%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus /sweat equity etc).	Allotment of 1,60,000 Equity Shares on 29.01.2016 pursuant to conversion of equivalent number of warrants allotted on preferential basis.			
	At the end of the year	160,000	0.44%	160,000	0.44%
14	Brij Raj Punj (HUF)				
	At the beginning of the year	94,000	0.27%	94,000	0.26%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus /sweat equity etc).	No Change			
	At the end of the year	94,000	0.26%	94,000	0.26%
15	Fedders Lloyd Corporation Ltd.				
	At the beginning of the year	100	0.00%	100	0.00%
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer /bonus /sweat equity etc).	No Change			
	At the end of the year	100	0.00%	100	0.00%

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the year.	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Orange Mauritius Investments Ltd.*				
	At the beginning of the Year	2,300,000	6.51%	2,300,000	6.51%
	Bought during the year:	-	-	2,300,000	6.35%
	Sold during the year:	(698,830)	-1.93%	1,601,170	4.42%
	At the end of the year	1,601,170	4.42%	1,601,170	4.42%
2	Zenith Impex Pvt. Ltd *				
	At the beginning of the Year	644,417	1.82%	644,417	1.82%
	Bought during the year	-	-	644,417	1.78%
	Sold during the year	(343,215)	-0.95%	301,202	0.83%
	At the end of the year	301,202	0.83%	301,202	0.83%
3	Pivotal Business Managers LLP#				
	At the beginning of the Year	300,000	0.85%	300,000	0.85%
	Bought during the year	120,000	0.33%	420,000	1.16%
	Sold during the year	(420,000)	-1.16%	-	-
	At the end of the year	-	-	-	-
4	Polus Global Fund#				
	At the beginning of the Year	283,198	0.80%	283,198	0.80%
	Bought during the year	-	-	283,198	0.78%
	Sold during the year	(283,198)	-0.78%	-	-
	At the end of the year	-	-	-	-
5	EM Resurgent Fund*				
	At the beginning of the Year	175,000	0.50%	175,000	0.50%
	Bought during the year	80,000	0.22%	255,000	0.70%
	Sold during the year	(40,000)	-0.11%	215,000	0.59%
	At the end of the year	215,000	0.59%	215,000	0.59%
6	Emerging India Focus Funds#				
	At the beginning of the Year	175,000	0.50%	175,000	0.50%
	Bought during the year	-	-	175,000	0.48%
	Sold during the year	(125,000)	-0.35%	50,000	0.14%
	At the end of the year	50,000	0.14%	50,000	0.14%
7	Sharekhan Financial Services Pvt. Ltd#				
	At the beginning of the Year	155,900	0.44%	155,900	0.44%
	Bought during the year	239,698	0.66%	395,598	1.09%
	Sold during the year	(278,974)	-0.77%	116,624	0.32%
	At the end of the year	116,624	0.32%	116,624	0.32%
8	India Insight Value Fund#				
	At the beginning of the Year	147,600	0.42%	147,600	0.42%
	Bought during the year	55,500	0.15%	203,100	0.56%
	Sold during the year	(46,890)	-0.13%	156,210	0.43%
	At the end of the year	156,210	0.43%	156,210	0.43%
9	Ventura Securities Limited#				
	At the beginning of the Year	164,988	0.47%	164,988	0.47%
	Bought during the year	219,586	0.61%	384,574	1.06%
	Sold during the year	(354,340)	-0.98%	30,234	0.08%
	At the end of the year	30,234	0.08%	30,234	0.08%



Contd...

Sl. No.	Name of the Shareholder	Shareholding		Cumulative Shareholding during the year.	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
10	Dolly Khanna*				
	At the beginning of the Year	140,177	0.40%	140,177	0.40%
	Bought during the year	119,684	0.33%	259,861	0.72%
	Sold during the year	(27,235)	-0.08%	232,626	0.64%
	At the end of the year	232,626	0.64%	232,626	0.64%
11	HSBC Bank (Mauritius) Ltd. +				
	At the beginning of the Year	-	-	-	-
	Bought during the year	411525	1.14%	411525	1.14%
	Sold during the year	-	-	411525	1.14%
	At the end of the year	411525	1.14%	411525	1.14%
12	OHM Stock Broker Pvt. Ltd.+				
	At the beginning of the Year	-	-	-	-
	Bought during the year	332,000	0.92%	332,000	0.92%
	Sold during the year	-	-	332,000	0.92%
	At the end of the year	332,000	0.92%	332,000	0.92%
13	LTS Investment Fund Ltd.+				
	At the beginning of the Year	-	-	-	-
	Bought during the year	426,004	1.18%	426,004	1.18%
	Sold during the year	(106,232)	-0.29%	319,772	0.88%
	At the end of the year	319,772	0.88%	319,772	0.88%
14	Swiss Finance Corporation (Mauritius) Ltd.+				
	At the beginning of the Year	-	-	-	-
	Bought during the year	323,961	0.89%	323,961	0.89%
	Sold during the year	(7,043)	-0.02%	316,918	0.88%
	At the end of the year	316,918	0.88%	316,918	0.88%
15	Tarun S Jain+				
	At the beginning of the Year	-	-	-	-
	Bought during the year	165,000	0.46%	165,000	0.46%
	Sold during the year	-	-	165,000	0.46%
	At the end of the year	165,000	0.46%	165,000	0.46%
16	SAI IT Solutions Pvt. Ltd.+				
	At the beginning of the Year	-	-	-	-
	Bought during the year	159,796	0.44%	159,796	0.44%
	Sold during the year	-	-	159,796	0.44%
	At the end of the year	159,796	0.44%	159,796	0.44%
17	Rahul Dhruv*				
	At the beginning of the Year	151,899	0.43%	151,899	0.43%
	Bought during the year	86,909	0.24%	238,808	0.66%
	Sold during the year	(76,968)	-0.21%	161,840	0.45%
	At the end of the year	161,840	0.45%	161,840	0.45%

Note: The above information is based on the weekly beneficiary position received from the Depositories.

Date wise increase & decrease in Shareholding of the Top-10 Shareholders is available on the website of the Company i.e. www.lloydengg.com"

“(*) in top 10 at beginning as well as at end

(#) in top 10 only at the beginning

(+) in top 10 only at the end”

(v) Shareholding of Directors & KMP

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Brij Raj Punj				
	At the beginning of the year	1,617,983	4.58%	1,617,983	4.47%
	Date wise increase/decrease in KMP's holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus /sweat equity etc)	No Change			
	At the end of the year	1,617,983	4.57%	1,617,983	4.47%
2	Bharat Raj Punj				
	At the beginning of the year	814,600	2.31%	814,600	2.25%
	Date wise increase/decrease in KMP's holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc)	No Change			
	At the end of the year	814,600	2.25%	814,600	2.25%
3	Mukat Behari Sharma				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in KMP's holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	No Change			
	At the end of the year	-	-	-	-
4	Nipun Singhal				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in KMP's holding during the year specifying the reasons for increase/decrease (e.g. allotment /transfer/ bonus/sweat equity etc)	No Change			
	At the end of the year	-	-	-	-
5	Achin Kumar Roy*				
	At the beginning of the year	1,000	0.00%	-	-
	Date wise increase/decrease in KMP's holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer/bonus / sweat equity etc)	Sold on 31.03.2016*			
	At the end of the year	-	-	-	-
6	Anita K. Sharma (Company Secretary)				
	At the beginning of the year	-	-	-	-
	Date wise increase/decrease in KMP's holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/ bonus/ sweat equity etc)	No Change			
	At the end of the year	-	-	-	-

* Date of transfer has been considered as the date on which the beneficiary position was provided by the Depositories to the Company.



V INDEBTEDNESS

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	71,739.42	2,098.50	-	73,837.92
ii) Interest due but not paid	-	11.46	-	11.46
iii) Interest accrued but not due	158.42	-	-	158.42
Total (i+ii+iii)	71,897.84	2,109.96	-	74,007.80
Change in Indebtedness during the financial year				
Additions	16,316.66	87.25	-	16,403.91
Reduction	2,709.59	-	-	2,709.59
Net Change	13,607.07	87.25	-	13,694.32
Indebtedness at the end of the financial year				
i) Principal Amount	85,504.91	2,098.50	-	87,603.41
ii) Interest due but not paid	233.27	98.72	-	331.99
iii) Interest accrued but not due	60.84	-	-	60.84
Total (i+ii+iii)	85,799.02	2,197.22	-	87,996.24

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

(₹ in Lacs)

Sl.No	Particulars of Remuneration	Name of the MD/WTD/Manager					Total Amount
		Brij Raj Punj	Bharat Raj Punj	Mukat B. Sharma	Achin Kumar Roy	Nipun Singhal	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. *	48.00	36.00	27.60	79.68	43.20	234.48
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961.	24.00	18.00	14.07	20.89	14.97	91.93
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-	-	-	-	-	-
2	Stock option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission						
	-as % of profit	-	-	-	-	40.90	40.90
	-others, specify	-	-	-	-	-	-
5	Others, please specify (EPF)*	-	4.32	3.31	9.00	5.18	21.81
	Total (A)	72.00	58.32	44.98	109.57	104.25	389.12
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)						1,282.37

*Note: EPF means employers' contribution to Provident Fund (PF)

B. Remuneration to other directors:

(₹ in Lacs)

Sl.No	Particulars of Remuneration	Name of the Directors					Total Amount
		Gopal Kacker	Ajay Dogra	Surjit Krishan Sharma	Geeta Ajit Tekchand	Ramesh Kumar Vasudeva	
1	Independent Directors						
	(a) Fee for attending board/committee meetings.	0.30	0.60	0.60	0.60	0.60	2.70
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)	0.30	0.60	0.60	0.60	0.60	2.70
2	Other Non Executive Directors						
	(a) Fee for attending board committee meetings	-	-	-	-	-	-
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	0.30	0.60	0.60	0.60	0.60	2.70
	Total Managerial Remuneration (A+B)						391.82
	Ceiling as per the Act (@ 11% of profits calculated under Section 198 of the Companies Act, 2013)						1,410.61

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Lacs)

Sl.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO*	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	10.72	-	10.72
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.	-	14.79	-	14.79
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961.	-	-	-	-
2	Stock option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	-as % of profit	-	-	-	-
	-others, specify	-	-	-	-
5	Others, please specify (EPF)#	-	1.28	-	1.28
	Total (A)	-	26.79	-	26.79

*Mr. Mukat Behari Sharma is the Wholetime Director & CFO of the Company. Thus, CFO's salary is shown in point VI A above.

#Note: EPF means employers' contribution to Provident Fund (PF)

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

On behalf of the Board

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

Date: 30.05.2016

Place: New Delhi



Annexure 3 to the Board's Report

FORM No. MR-3 SECRETARIAL AUDIT REPORT For The Financial Year ended on 31st March, 2016

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

To,
The Members,
Lloyd Electric and Engineering Limited
A-146,B and C,
RIICO Industrial-Area, Bhiwadi,
Alwar, Rajasthan-301019

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

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2016** according to the provisions of:

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

vi) **OTHER APPLICABLE LAWS.**

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

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

- (c) Secretarial Standards issued by The Institute of Company Secretaries of India. (Applicable w.e.f. 1.7.2015).
- (d) The Listing Agreement entered into by the Company with the Stock Exchange for the period 1st April, 2015 to 30th November, 2015 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period 1st December, 2015 to 31st March, 2016

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that,

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes (during the year under review there were no instance recorded in the minutes where any director has dissented to any particular resolution).

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

I report further that during the audit period of the Company:

The Company has issued and allotted 8,85,000 equity shares of Rs.10/- each at a premium of Rs.142/- each to promoter group entities on preferential basis upon conversion of equivalent number of warrants on 29.01.2016 and such equity shares are listed and admitted to trade on the National Stock Exchange of India Ltd w.e.f. 22.03.2016 vide its trading approval no. NSE/LIST/66416 dated March 21, 2016 and BSE Ltd. w.e.f. 29.03.2016 vide its trading approval no. DCS/PREF/TP/MN/2660/2015-16 dated March 28, 2016. Consequent upon the above allotment, the warrants pending for conversion as on March 31, 2016 stood at 51,15,000.

Place: New Delhi
Date: May 30, 2016

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

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



To,
The Members,
Lloyd Electric and Engineering Ltd.
A-146,B and C,
RIICO Industrial-Area, Bhiwadi,
Alwar, Rajasthan-301019

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

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

Place: New Delhi
Date: May 30, 2016

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

Annexure 4 to the Board's Report

Form No. AOC-2

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

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

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

a. Name(s) of the related party and nature of relationship	N.A.
b. Nature of contracts/arrangements/transactions	N.A.
c. Duration of the contracts / arrangements/transactions	N.A.
d. Salient terms of the contracts or arrangements or transactions including the value, if any	N.A.
e. Justification for entering into such contracts or arrangements or transactions	N.A.
f. Date(s) of approval by the Board	N.A.
g. Amount paid as advances, if any:	N.A.
h. Date on which the special resolution was passed in general meeting as required under the first proviso to section 188	N.A.

The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2015-16.

2. Details of material contracts or arrangement or transactions at arm's length basis

a. Name(s) of the related party and nature of relationship	N.A.
b. Nature of contracts/arrangements/transactions	N.A.
c. Duration of the contracts / arrangements/transactions	N.A.
d. Salient terms of the contracts or arrangements or transactions including the value, if any:	N.A.
e. Date(s) of approval by the Board, if any	N.A.
f. Amount paid as advances, if any:	N.A.

During the year under review, no material transactions, contracts or arrangements as defined under the listing agreement/ the SEBI (Listing Obligations and Disclosure Requirements Regulations) 2015 or which were above the threshold limits mentioned under Rule 15 of the Companies (Meetings of Board & its Powers) Rules, 2014 were entered with the related parties by the Company. For details on related party transactions, members may refer to the notes to the standalone financial statement.

Place: New Delhi
Date: 30.05.2016

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



Annexure 5 to the Board's Report

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

Sustainability at Lloyd involves the awareness that a greener, healthier planet is the best legacy we can leave for our future generations and for our business. The Company has embedded a policy of reduce, reuse and recycle across all its processes. Company's technical staff and engineers are trained to identify energy-saving opportunities and consistent efforts to improve performances have resulted in considerable reduction in the use of energy and natural resources. Your Company has taken appropriate measures for environment protection by adopting green and clean technologies and designing pollution control infrastructure to achieve discharge and emissions within the statutory limits.

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

- ❖ Use of high masks light of 250w to CFL of 85 W.
- ❖ Use of electrical equipment's with high energy efficiency and low anti-environment emissions.
- ❖ Speed of conveyor has been increased by 5%.
- ❖ Enhancement of Paint facility automatic reciprocator installed to improve powder paint quality, save wastages of powder paint and save on human resources.
- ❖ Air leakages in plants have been plugged in.
- ❖ Peak load exemption has been taken to reduce electricity bill.
- ❖ Partition has been added on both side at powder curing oven to reduce energy loss.
- ❖ Switch off utility machines during off times.
- ❖ Use of portable air compressor during partial load condition to conserve energy.
- ❖ Rain water harvesting continues to be a focused activity at our manufacturing plants.
- ❖ Reduced carbon footprints and initiatives taken to continuously monitor waste generation and constantly improve effluent waste treatment plants across all our manufacturing units.

Steps taken for utilizing alternate sources of energy:

- ❖ Wind operated powerless ventilators for plant ventilation in Pantnagar manufacturing plant.
- ❖ Sky lights being used instead of powered lights on First Floor manufacturing line in Pantnagar.
- ❖ All boundary lights are being converted into solar power

Capital Investment on energy conservation equipments:

No Capital investments were incurred during the previous year.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Technology and innovation continue to be one of the key focus areas to drive growth of Lloyd group besides ensuring sustainability and helping the Company take a leap in transformation. Consistent with Lloyd's aspiration to become a best in class technology 'Lloyd Technology Team' is working as a focal point to integrate Research and Technology initiatives across the Organization. In addition to developing new products and technologies for existing businesses/ manufacturing facilities, the group is also working on building capabilities to develop breakthrough technologies that will create new business for Lloyd. Training is imparted to technical staff as an ongoing process.

C. RESEARCH AND DEVELOPMENT

In order to meet with the growing demand for latest technology products and to compete in the market place, your Company continued its efforts in strengthening the R&D activities. Efforts continued to enhance the in-house capabilities to bring in operational efficiencies and product up-gradation to meet the customer needs at both domestic and international front.

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.

Highlights of products and processes developed by your Company during the year under review include:

- ❖ Development of energy efficient models ranging from 2/3/5 star rated split air conditioners as per the new BEE standards.
- ❖ Development of DC inverter airconditioner for OEM market.
- ❖ Developed and qualified Window AC product with CB certification for UAE market
- ❖ Development of new generation PLC based controllers for metro rail HVAC units
- ❖ Development of Heat Exchangers (condensers) using micro channel technology.
- ❖ Development of Heat and Cool Split AC with R-410A refrigerant for CIS countries
- ❖ Development of Split AC with scroll compressor
- ❖ Up gradation of Ac test lab standards as per ISO 17025
- ❖ Development of Roof Mounted packaged Units with environment friendly refrigerants for LHB and conventional coaches of Indian Railways.

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. Having a 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

Total Foreign Exchange used and earned:

	₹ in Crores	
	2015-16	2014-15
Foreign Exchange Earnings	55.79	46.31
Foreign Exchange Outgo	1047.60	865.54



Annexure 6 to the Board's Report

A. The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the year 2015-16:

Sl. No.	Name of the Directors	Designation	Ratio
1	Mr. Brij Raj Punj	Chairman & Managing Director	35:1
2	Mr. Bharat Raj Punj	Deputy Managing Director	28:1
3	Mr. Mukat Behari Sharma	Whole Time Director & CFO	22:1
4	Mr. Achin Kumar Roy	Whole Time Director	53:1
5	Mr. Nipun Singhal	Whole Time Director	51:1

The Non-Executive Independent Directors of the Company are entitled for sitting fees and reimbursement of expenses as per the statutory provisions and are within the prescribed limits. The details of sitting fees of independent directors are provided in the Corporate Governance Report forms a part of the Annual Report.

2. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Sl. No.	Name of the Directors	Designation	Remuneration paid during 2014-15 (Rs. in lacs)	Remuneration paid during 2015-16 (Rs. in lacs)	Increase*
1	Mr. Brij Raj Punj	Chairman & Managing Director	72.00	72.00	No increase
2	Mr. Bharat Raj Punj	Deputy Managing Director	58.32	58.32	No Increase
3	Mr. Mukat Behari Sharma	Whole Time Director & CFO	41.34	44.98	8.80%
4	Mr. Achin Kumar Roy	Whole Time Director	94.77	104.96	10.75%#
5	Mr. Nipun Singhal	Whole Time Director	54.50	63.36	16.25%#
6	Ms. Anita K. Sharma	Company Secretary	24.43	26.79	9.66%

Note: Remuneration and % increase in remuneration include salary, PF, other allowances, lease accommodation provided but does not include payment made towards leave encashment, payment of past arrears and perquisites yet to be claimed after the date of balance sheet pertaining to financial year .

#does not include performance based commission paid with the approval of shareholders. Details of commission paid is given in corporate governance report.

There is no change in sitting fees of the Non-Executive Independent Directors during the FY 2015-16.

3. The percentage increase in the median remuneration of employees in the financial year:

There was no increase in the median remuneration of employees even though the Company gave increment of around 8%-10% to the existing employees due to that fact that around 300 new employees mostly in executive and middle level management, were recruited during the FY 2015-16 which has decreased the median at the end of the year.

4. The number of permanent employees on the rolls of company: 1,462

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

On an average, employees received an increase in remuneration of 8%-10%. The revenue grew by 30% as compared to last year. The Profit before tax registered a growth of 21% however the Profit after tax (PAT) has dipped as compared to last year due to the insurance claim written off. Please refer board's report for details.

The increase in remuneration of employees is in line with the market trends and closely linked to corporate performance, business performance and individual performance.

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

In the FY2015-16, revenue of the company registered an increase of 30% and Earnings before Interest Tax, Depreciation and Amortization (EBITDA) is higher by 15% as compared to last year. The aggregate increase in salary for Executive Directors and other KMPs was 7.58% in FY 2015-16 over FY 2014-15 (excluding the performance based commission paid).

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

The Company had made last Right issue in June, 1996 at the price of Rs.15 per equity share. The market quotations/price of the shares of the Company as at 31 March, 2016 on BSE as compared to the right issue price increased by 1,527%.

Particulars	As at March 31, 2016	As at March 31, 2015	Variation
Closing Rate of Share at BSE (Rs.)	244.10	193.20	26.34%
Market Capitalisation (Rs. in Crore)	883.77	682.38	29.52%
Price Earnings ratio	15.76	8.36	88.51%

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

The average increase in percentile of salaries of employees other than managerial personnel in 2015-16 was 6%-8%. Percentage increase in the managerial remuneration for the year was 7% (excluding commission paid during the year to director.)

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

The % of the remuneration (including commission and employers' contribution to PF) of each KMP to the Profit after tax(PAT) is given below:

Sl. No.	Name of the Directors	Designation	Percentage as PAT*
1	Mr. Brij Raj Punj	Chairman & Managing Director	1.28%
2	Mr. Bharat Raj Punj	Deputy Managing Director	1.04%
3	Mr. Mukat Behari Sharma	Whole Time Director & CFO	0.80%
4	Mr. Achin Kumar Roy	Whole Time Director	1.95%
5	Mr. Nipun Singhal	Whole Time Director	1.86%
6	Ms. Anita K. Sharma	Company Secretary	0.47%

*Including all perquisites, allowances and employer's contribution and performance linked commission paid during the year.

10. The key parameters for any variable component of remuneration availed by the directors:

The Company pays commission / incentives to the executive directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013 and approved by the shareholders. The said variable portion of remuneration of the executive director is linked to achievement of corporate goals.

During the financial year, the Company has paid performance linked commission / incentive to Mr. Nipun Singhal, Whole time Director of the Company. The details of incentive are provided in the Corporate Governance Report forms a part of the Annual Report.

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

12. Affirmation that the remuneration is as per the remuneration policy of the company:

Yes, the remuneration is as per the Remuneration Policy of the Company.



B. The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

A. Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rs. 60,00,000/-

S. No.	Name of Employees	Designation	Remuneration (Rs.)*	Nature of employment (Contractual or otherwise)	Qualification and Experience	Date of Commencement of employment	Age (Yrs.)	Last employment before joining the Company	% of Equity shares held by such employee	Whether any such employee is a relative of any director or manager of the Company
1	Mr. Brij Raj Punj	Managing Director	72,00,000	Permanent	Engineering Graduate from United Kingdom	10/11/1987	70	-	4.58 %	YES
2	Mr. Achin Kumar Roy	Whole Time Director	1,09,57,880	Permanent	B.Tech	09/10/1996	66	Eicher Motors Ltd.	NIL	NO
3	Mr. Nipun Singhal	Whole Time Director	1,04,25,904	Permanent	B.Tech	21/09/2008	44	Videocon Industries Ltd.	NIL	NO

*includes employer's contribution to PF, leave encashment and commission paid.

B. Employed for part of the Financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rs.5,00,000/- per month: NIL

C. Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company. NIL

On behalf of the Board

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

Date: 30.05.2016
Place: New Delhi

Management Discussion & Analysis Report

ECONOMIC SCENARIO AND OUTLOOK

India is set to become the fifth largest consumer durables market in the world with revenue of USD 9.7 billion in 2015 which is expected to reach USD 12.5 billion in 2016 and up to USD 20.6 billion in 2020. By 2025, India would rise from twelfth to the fifth largest position in the consumer durables market in the world with an expected Compound Annual Growth Rate (CAGR) of 13%.

India is an emerging economy and thus the domestic market is moving very fast towards the durables products. With the constant rise in disposable income of people, easy availability of credit and finance, rapid urbanization and easy accessibility to e-commerce portals via internet, the importance of high end products is growing in India at a high pace.

Fuelled by rising incomes and growing affordability backed by financing options, by 2020, the electronics market in India is expected to increase to USD 400 billion from USD 94.2 billion in 2015 and the production is expected to reach up to USD 104 billion by 2020.

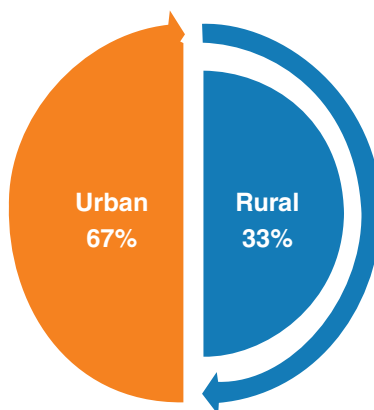
Consumer durables industry has been growing at a fast pace. Factors like easy availability of finance, growth in consumer base of rural sector, fall in prices due to increased competition and rapid growth of media and social media have become key growth drivers for the industry. The demand growth is likely to accelerate with rising disposable income and easy access to credit, increasing electrification of rural areas and wide usability of online sales would also add growth in demand.

Urban markets account for the major share of two third (around 67%) of the total revenues in the Indian consumer durables sector whereas the rural markets accounts for only (around 33%) of the total revenue in the Indian consumer durables sector. In rural markets, durables such as refrigerators and consumer electronic goods are likely to witness growing demand in the coming years, rural and semi-urban markets are likely to contribute majorly to consumer sales. The rural consumer durables market is growing at the Annual Growth (CAGR) of 25%.

Besides, massive untapped potential in both rural and urban areas also present a remarkable growth opportunity for industry players. Given these factors, a good growth is projected for the industry in the near and medium term future, too. Though, the manufacturers are witnessing increasingly demanding customers and intensely competitive rivals, more investments in the sector are likely to flow in and the share of organized sector will also grow rapidly.

Distribution of consumer durables market in India.

(FY2015-16)



INDUSTRY STRUCTURE AND DEVELOPMENT

India's consumer market is riding the crest of the country's economic boom. Driven by a young population with access to disposable incomes and easy finance options, the consumer market has been throwing up staggering figures. Demand for consumer durables in India has been drastically growing on the back of rising incomes, this trend is set to continue even as other factors like rising rural incomes, increasing urbanization, a growing middle class, changing lifestyles, and growing popularity of e-commerce platforms aid demand growth in the sector. Industry analysts expect the sector to post a CAGR of 11 % over 2005-15.



Rising disposable income of the population has increased the demand of non-essential items especially in urban areas, the demand is expected to increase for non-essential products such as LED TVs, laptops, split ACs and, beauty and wellness products. Rural and semi-urban markets are growing at a remarkable pace over the last few years on account of high sales in products such as TVs, washing machines and water purifiers. Significant increase in the discretionary income and easy financing options have led to shortened product replacement cycles and evolving life styles where consumer durables such as ACs, Washing Machines and TVs are perceived as utility items rather than luxury items. In rural markets, durables like refrigerators are likely to witness growing demand in the coming years as the government plans to invest significantly in rural electrification.

The Heating Ventilation and Air Conditioning (HVAC) market is becoming one of the key building blocks in modern infrastructure. Rise in infrastructure, rapid urbanization and growth in commercial properties are some of the key factors fuelling the market for HVAC systems in India. Growth in retail, hospitality and commercial sectors are significantly boosting the demand for such systems in the country, as these sectors involve large-scale application of HVAC systems in organized retail outlets, shopping complexes, hotels, etc. The growing population combined with government initiative to promote "Make in India" concept has heightened manufacturing activities and infrastructure development in the country, the HVAC market in India is expected to grow at a CAGR of around 11 % during 2015-19 and is expected to reach USD 3.97 billion by 2019. Moreover, with anticipated growth in Foreign Direct Investment (FDI), several international players are expected to enter and start operations in the Indian retail market. Driven by strong FDI inflow from multinational food processing companies, the retail market in India is projected to reach USD 726.62 billion by 2019, which is expected to further fuel the country's HVAC market.

The recent extension of the modified special incentive package scheme (M-SIPS) by five years will act as a catalyst and its broadened scope which covers 15 new product categories will trigger significant growth of the sector for products such as washing machines, refrigerators and air-conditioners. It is a step further to make India more investor-friendly, helping in achieving Make in India agenda, and enabling gradual growth of the requisite ecosystem.

The global HVAC market is forecast to generate over USD 68.93 billion in value, at an estimated Compound Annual Growth Rate (CAGR) of 4.34 percent, from 2016 to 2022. Rising population, revival in the housing markets, increases in income levels in emerging markets, development of reliable energy resources, and a growing industrial base are some of the key drivers pushing forward the growth of global HVAC market. Government mandates, emerging green/smart building criteria, and growing consumer concerns across the world are pushing global HVAC manufacturers, developers, and system integrators to build and provide energy efficient, technologically advanced HVAC units for major commercial, residential, institutional, and industrial applications.

Globally, Commercial HVAC has been picking up by following the recovery of construction industry in Europe. The segment is largely impacted by government regulations, which will probably bolster the demand for HVAC equipment in coming years due to forced replacement of old technologies. Large market growth has been observed in the segment of close control AC related to the need for new data centers and in the area of heat recovery, which is driven by tightening limits for energy efficiency.

BUSINESS OVERVIEW

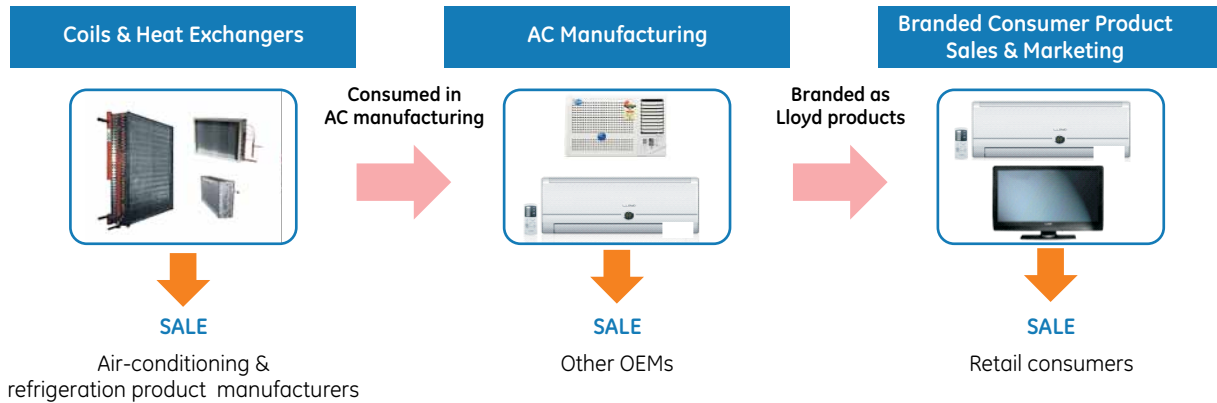
The Company has been present in the air conditioning industry for more than two decades and achieving the highest quality standards and sustaining it over an extended period of time. With an in-depth understanding of efficient manufacturing processes with cutting edge technology and consumers needs and requirements, we continue to deliver wide range of products and industrial solutions to our customers across the country and overseas.

With its extended capacity to design, develop, manufacture and maintain highly engineered HVAC systems, Lloyd is uniquely positioned in the HVAC systems space as well as in the heat transfer industry. The Company is the largest manufacturer of evaporators and condenser coils for air conditioners and heat exchangers/ radiators serving the entire spectrum of Heating, Ventilation, Air Conditioning and Refrigeration (HVAC&R) Industry. On standalone basis the Company derived 24% of its total revenue from sales of evaporators, heat exchangers and components. Your Company is also an 'Original Equipment Manufacturer'(OEM) supplier to manufacturers of air-conditioners in India and provides customized air-conditioning solutions for institutional clients like Indian Railways, Metro Rail etc. On the Standalone basis your Company derived 17% of its total revenue from the sales of air conditioners to OEM, retail customers and packed air conditioning.

The Company's diversified business solution portfolio includes 'Lloyd' branded consumer electronics products and home appliances, HVAC&R heat exchanger coils, engine cooling systems, commercial refrigeration systems, OEM supplier of window and split Air Conditioners, air handling units, industrial fans and coolers and other small appliances. Your Company ventured into Consumer Durables business under its own brand "LLOYD" in the year 2011 and since then we have gained enumerable consumer's trust from across the country.

Your Company is vertically integrated across HVAC value chain from manufacturing the heat exchanger / coils, components, air conditioners to selling to OEM's as well as under "Lloyd Brand", thereby providing an end to end solution in the air conditioning space.

Fully-Integrated across HVAC value chain.



Consumer Durable Segment

During the year, the Consumer Durable Segment for the Lloyd branded products portfolio contributed to 59% of the standalone sales. The Company has expanded its branded product portfolio to include products like air purifiers, inverter Air Conditioners, portable Air Conditioners, Dry Coolers, state-of-the-art Air Conditioners, Ultra HD technology LED TV's, Washing Machines, Chest Freezers, Refrigerators, Room Heaters, and other small appliances.

At present we have 10,000 plus direct and indirect dealers network spread across India, 34 sales branches, 485 authorized service centers and 31 Company owned service centers. We have categorized India into six zones for our service offerings. Lloyd's priority is Customer Delight, which is coined in the Brand Message –"Khushiyon Ki Guarantee" Not just quality, technology or service, but the guarantee of COMPLETE HAPPINESS!

We at Lloyd endeavor to engineer smiles and enrich lives of all the Stakeholders of the Company through our diversified products, quality & innovation and after sale services. Your company is the first Company in India to launch "Service Request App" through Mylloyd App which enables the customers to register for service request in less than 10 seconds. We believe that our products should make the lives of the customers joyful & happy by maintaining the highest standards of integrity and safety at all the time that ensures Khushiyon Ki Guarantee...

With its aggressive marketing initiative and offering of quality products with best after sales service Lloyd has gained 13 % market share in RAC market in India.

OEM Segment & Packaged Air Conditioning

Your Company is the leading supplier of room air conditioners to the leading brands in India and overseas. The Company has Global presence with six state-of-art manufacturing facilities with cutting edge technology located in Bhiwadi, (Rajasthan), Tauru (Haryana), Pantnagar (Uttarakhand), Kala-amb (Himachal Pradesh), Ranipet (Tamil Nadu), Haridwar (Uttarakhand) in India and three overseas manufacturing facilities viz. two in Prague, Czech Republic in Europe and one in New Zealand. The products manufactured are wide range of room Air Conditioners, Roof Mounted Air conditioners, wide range of Heat Exchangers, Air handling units, Fans and other components. The Company has annual capacity to manufacture over 8,00,000 AC's across all its Indian facilities. The products manufactured are splits and window AC's from 9000 BTU to 24000 BTU capacity which are energy efficient star rated products as per BEE (Bureau of Energy Efficiency) norms. Your company also supplies HVAC systems for Rail/Metro applications. With IRIS certification, the company is exploring opportunities in Railway business from international rolling stock and locomotive manufacturers. In the Railway Segment, the Company has entered into transfer technology agreement with Toshiba Japan for the supply of HVAC units for the Delhi Metro RS-10 project.

Heat Exchangers & Components

Your Company is the largest manufacturer of Heat Exchangers in India for the Heating, Ventilation, Air Conditioning and Refrigeration (HVAC&R) industry. Our extensive range of condenser and evaporator coils are used as original equipment in residential and light commercial unitary products, central plants including Air Handling Units (AHU), commercial refrigeration, precision and transport air conditioning applications.

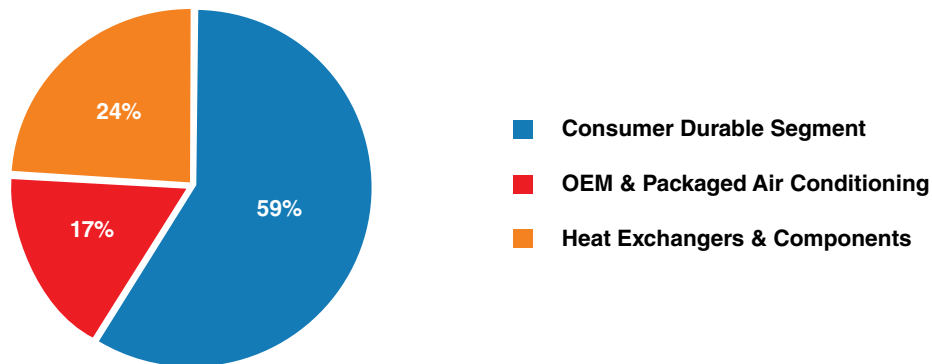


With the merger of the Radiator business in 2013, the company has extended its heat exchanger product portfolio to include products like Radiators, Condensers, Oil Coolers, Charge Coolers, after Coolers for passengers' vehicles, heavy commercial vehicles, off highway vehicles, industrial, agriculture and diesel engines.

Your Company have a capability to develop and produce industrial and heavy duty radiators for Rail, Defence and off-road vehicle applications.

Being an ISO 9001:2008 certified, we have a well-defined quality control process that is structured to meet the international benchmarks of quality. Besides, our R&D team works in concurrence with the swiftly changing industrial requirements, giving us an advantage of innovation, engineered with sophisticated technology. The Company is also rapidly expanding its footprints overseas and its product line is currently exported to the Middle East, Africa, Europe and North America.

Segment -wise Revenue Break-up on Standalone Basis



INTERNATIONAL OPERATIONS

Your Company has two wholly owned subsidiaries as of the beginning of financial year viz; Lloyd Coils Europe s.r.o. ("LCE") and Janka Engineering s.r.o. ("Janka").

During the year under review the Company has acquired the global business of Noske Kaeser Rail & Vehicle ("NK R&V") based in Germany, New Zealand, Australia, Brazil, and USA as follows:

- Germany:** the Company has acquired the assets relating to Rail & Vehicle business of Noske Kaeser Group in Germany through a Special Purpose Vehicle (SPV) (100% ownership) incorporated in Germany by the name of "Noske Kaeser Rail & Vehicle Germany GmbH".
- New Zealand, Australia & Brazil:** The Company acquired 100% ownership interest of "Noske Kaeser Rail & Vehicles New Zealand Limited. It has two wholly owned subsidiaries by the name of Noske-Kaeser Rail & Vehicle Australia Pty Ltd and Noske-Kaeser Empreendimentos e Participações do Brasil Ltda. Accordingly the Company have two step down subsidiaries in Australia and Brazil; and
- United States:** the Company has acquired 100% membership interest in Noske-Kaeser US Rail & Vehicle LLC based at United States

With this acquisition, Lloyd has become the first Indian based global company in the Rail & Defence HVAC industry. This acquisition perfectly aligns with our focus on high technology and customized engineering solutions together with unprecedented levels of customer support. NK R&V has supplied and serviced HVAC systems for the world's leading rolling stock companies. It has also designed and supplied HVAC equipment for the Maglev ("Magnetic Levitation") high speed trains and other high speed rail projects in Germany. With this powerful synergy that NK R&V brings to Lloyd, we will be uniquely positioned to offer superior quality HVAC solutions for upcoming High Speed Rail (HSR) projects in India. Lloyd is well placed to serve the entire spectrum of the rolling stock industry from diesel/electric locomotives to mass transit/metro rail systems. Lloyd and NK R&V will also actively work on light rail/tramways, regional and sub-urban trains and high speed rail projects globally. NK R&V has also supplied its HVAC systems on a military vehicle platform in India. Hence, this transaction will also enable Lloyd to further strengthen its presence in the combat/military vehicle market in India's growing Defence sector while gaining access to customers in international markets.

In the international business the overall situation in Europe was significantly influenced by continuing difficulties in the Russian markets. Revenue of LCE decreased by less than 3% mainly on account of metal price effect and reached Euro 34.4 million. Major sales loss has been reported in Russia and UK both being markets with exceptionally high margin level. To compensate the loss, new business has been acquired primarily in Germany where the price level is much more competitive.

Moreover new sales were targeted mainly in the strategic segment of close control AC which is a new product range for LCE. During the year under review, the profitability of LCE decreased dramatically with EBITDA being only Euro 0.7 million. Steps has been taken to regain the part of the lost volume in UK and few opportunities in Italy.

After a tremendous sales growth in Janka during the previous year, the year 2016 suffered a huge decline in the sales. The total sales dropped by 24% to Euro11 million. Most of the sales loss comes from the air handling unit business while railway, HVAC and industrial cooling stay at similar level as the previous year.

Similarly Janka also suffered substantial loss due to the market development in Russia. Also couple of larger projects in the domestic market have been postponed by few months thus making a gap in the factory load during the year. As a result thereof Janka reported a loss of EBITDA being Euro 1.1 million. In the recent months we have initiated larger revitalization project for Janka consisting of three areas designed driven cost reduction, procurement and head count.

FINANCIAL HIGHLIGHTS

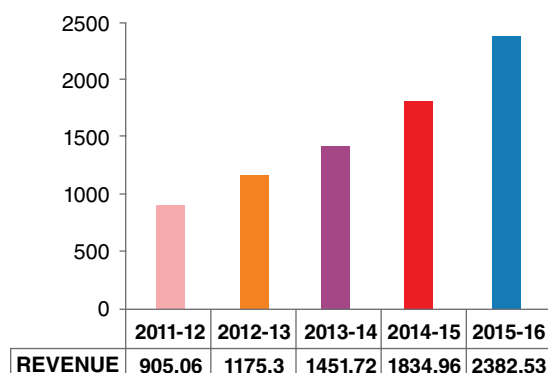
For the year ended March 31, 2016 the revenue from the operations grew by 30% to Rs. 2,383 crores as compared to Rs. 1,835 crores during the previous year. Other expenses include the loss on the foreign currency fluctuations of Rs. 26 crores incurred during the year as against the gain of Rs. 4 crores during the last year. Operating profit for the year was higher by 15% to Rs. 264 crores as compared to Rs. 229 crores in the previous year. The profit before exceptional item and the tax stood at Rs. 125 crores as compared to Rs. 103 crores during the last year thereby registering an increase of 21%. The profit after exceptional item arising out of write off of insurance claim and tax stood at Rs. 56 Crores as against Rs. 82 crores during the previous year.

On the consolidated basis, the revenue from the operations for the year ended March 31, 2016 was Rs. 2,715 crores as compared to Rs. 2,173 crores during the previous year registering a growth of 25%. Operating profit for the year was marginally higher to Rs. 263 crores as compared to Rs. 240 crores in the previous year. Due to the losses incurred by LCE and Janka the consolidated profit before exceptional item and tax stood at Rs. 110 crores and after tax was Rs. 42 crores as compared to Rs. 111 crores and Rs. 88 crores respectively during the previous year.

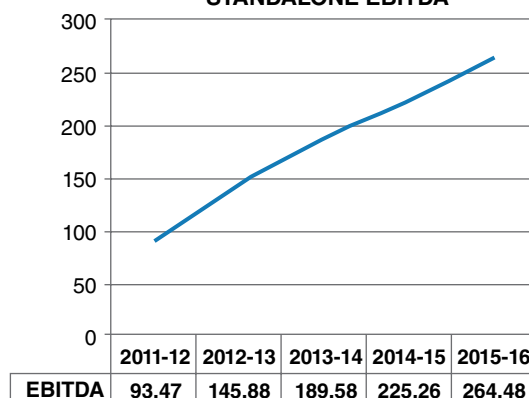
In respect of the segmental information, the consumer durable segment turnover stood at Rs. 1,385 crores as compared to Rs. 870 crores during the previous year registering a growth of 59%. In respect of the OEM and packaged air conditioning segment the segment revenue was higher at Rs. 850 crores as compared to Rs. 751 crores and the segment results stood at Rs. 50 crores as against Rs. 40 crores. The Railway business for the supply of package HVAC units further contributed towards the growth. In the Railway segment the company has during the year signed the transfer technology agreement with Toshiba Japan for the supply of HVAC unit for the Delhi Metro RS-10 project.

In respect of heat exchangers and the component segment, the segment revenue and the result was higher at Rs. 589 crores and Rs. 82 crores as compared to Rs. 581 crores and Rs. 69 crores respectively during the last year. This segment caters to the manufacturing of heat exchangers and evaporator coils for the HVAC and refrigeration and copper and brass heat exchangers and radiators for the railways, heavy automobiles and other industrial application. Due to the decline in the aluminium and copper prices on the LME, the segment revenue increased marginally whereas the segment results has increased on account of increased margin from the engine cooling business.

STANDALONE REVENUE



STANDALONE EBITDA





EXPORTS

The Company plans to expand its capacities to meet with the growing demand of air conditioners in India and overseas. Besides OEM supplier to major domestic and multi-national brands, the Company also supplies air conditioners as OEM to major brands in Middle East, Nepal & Sri Lanka. For the heat exchangers, the Company is focusing on US and European market by providing value added products across all the categories. The Company has also developed air conditioner with CB certifications for UAE market. New products have been developed for T3 conditions for Saudi Arabia Market with SASO certification. Being IRIS (International Railway Industry Standard) certified, the company is also exploring opportunity with the international rolling stock manufacturer for the HVAC system.

OPPORTUNITIES & OUTLOOK, THREAT & CONCERNS.

OPPORTUNITIES

Days of robust growth seem to have returned to the consumer durables market after a long time. By 2020 India would rise from the twelfth position to the fifth position in the consumer durables market in the world with expected market revenue of USD 20.6 billion in 2020, the market is estimated to reach USD 12.5 billion in 2016.

The sector is expected to grow at 13% Compound Annual Growth Rate (CAGR) to US\$ 12.5 billion in FY16 from US\$ 9.7 billion in FY15.

<p>Drivers of Growth</p> <ul style="list-style-type: none"> ⌘ Rising disposable incomes and easy availability & affordability of consumer finance provides impetus to growth. ⌘ Increasing electrification of rural areas. ⌘ Wide usability of online sales. ⌘ Rise in working age population. 	<p>Opportunities</p> <ul style="list-style-type: none"> ⌘ Rural markets currently contributes 33 % to the total sales. ⌘ Consumer durable market expected to grow at CAGR of 13 % from FY 2005 to 2020. ⌘ Hugely untapped rural market, only 2% penetration for refrigerators and 0.5 % for washing machines. 	<p>Policy Support</p> <ul style="list-style-type: none"> ⌘ Setting up of EHTPs. ⌘ Increasing liberalization, favorable FDI climate. ⌘ Policies like National Electronics Mission and Digitalization of television.
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The urban markets accounted for the major share of around 67 % of the total revenue generated in the Consumer Durables sector in India in FY2015 whereas the rural markets contributed around 33 % of the total sectoral revenue.

The demand of consumer durables products are growing at brisk pace in urban as well as rural markets and one of the key enablers of this growth has been the increasing penetration of organized retail. Though, there are established distribution networks in both rural and urban India, the presence of well-known brands and organized sector is increasing. In rural markets, durables like refrigerators as well as consumer electronic goods are likely to witness growing demand in the coming years due to rural electrification.

Trend Favoring Growth of Consumer Durable Industry.



Room Air Conditioner (RAC): Rac sales are projected to grow at a healthy pace of 12-13% CAGR between 2015-16 and 2020-21 to about 7.1 million units. The catalysts such as falling product prices, improving affordability, rising household incomes, growing real estate sector, low interest rates, salary hikes from the seventh pay commission recommendation etc. will guide long term sales.

However, unlike refrigerators, demand will be largely be driven by urban and tier-I, tier-II and tier-III cities as consumers in rural areas will be reluctant to buy RACs. Thus, penetration in urban markets is expected to rise to about 37% by 2020-21 and a mere 6% in rural areas as compared to 25% in the urban markets.

TVs: Panel TVs are replacing cathode ray tube TVs, within panel TVs. Although CTVs have the highest penetration (51% of the total households) among household appliances, rural penetration is still low at 33%. Replacement of cathode ray tube TVs in rural areas and multiple ownership in urban areas could drive long-term growth. It is expected that cathode ray tube TVs to disappear from the market by 2017-2018, while panel TVs are likely to grow by about 9-11% CAGR in volume terms between 2015-16 and 2020-21.

Refrigerator: In the refrigerator segment, the direct cool and frost-free segments are likely to grow at 8-9% CAGR and 7-8% CAGR respectively in volume terms between 2015-2016 and 2020-2021. While urban areas will drive demand for frost-free refrigerators, semi-urban and rural areas will drive demand for direct cool refrigerators, with rural consumers now considering the refrigerator as necessity.

Washing Machine: In the washing machine segment, growth in demand in volume terms for fully automatic machines (about 10-11% CAGR) could outpace demand for semi-automatic machines (8-9% CAGR) over the next five years. While urban areas are likely to drive demand for fully automatic machines, with growing number of working women and rising disposable incomes, price-sensitive consumers in semi-urban areas will drive demand for semi-automatic machines. Conversely, demand from rural markets, where washing machines have 3-4% penetration, is likely to grow at a slower pace due to availability of low-cost domestic help.

India is still an urban centric market with around two-thirds of the total domestic demand of the consumer appliances triggered by the top 40 cities of the country. However, the ratio of demand is transforming on the back of growing demand in rural markets. Growing rural income with higher non-farm income, increasing availability of power, online shopping option, rising product awareness through advertising and customized products for rural consumers are the major factors for such a tremendous change in the purchasing power of the rural customers. Lower penetration of durables in rural market is also generating huge demand for first time buyers in that market which is a big opportunity of durables manufactures. Rural Consumer durables market is growing by average annual growth rate of around 30 percent and thus the manufactures are also increasing their distribution networks to rural towns so that they can tap these markets as well. Furthermore, various companies are coming up with customized products which suits for rural demand. Rural consumer durables market is expected to post much faster growth than the urban markets in future and its share is expected to reach near 45 percent in near future.

In order to boost the domestic consumer durables sector, the Government of India (GOI) has taken various initiatives like easing duty rate and providing more benefits under the EPCG, EHTP schemes. In the Union Budget 2016, the government has announced various tax sops and duty cuts for intermediary products to help increase local manufacturing and reduce import dependency.

In the Packaged HVAC systems, we are approved to bid for the international Railway jobs for the supply of air conditioning and ventilation units to the international rolling stock manufacturer. This provides us an edge over our competitors in India as we are amongst the few Indian Companies to be IRIS certified. There is a huge potential in the Defence segment, which is untapped.

THREATS & CONCERNS

a) Pricing

Profit margins are expected to remain stable in 2016, but competition is very strong as Indian consumers continue to be very price sensitive, with sales price remaining the primary decision factor for purchase. Growing competition among the players has forced them to spend more on advertisement and also lessen their pricing power, thereby lowering industry margins. Advancement in technology and higher competition are driving price reductions across various consumer durable product segments such as refrigerators, AC's and TVs.

b) Expansion of Product Portfolio

The consumer durable market has been transformed by the entry of over a dozen new brands and thus the competition among



players has intensified. Companies are expanding their product portfolio into new segments, demands for which are rising with consumer's income, easy availability of finance and wide use of online sales.

c) Consumer Preference:

Consumer preference is changing rapidly; there is need for industry players to become more observant and better prepared to make strategic decisions. With wide usability of internet and online portals all the information about products are easily available with customers which increases the bargaining power and there is a huge propensity to substitute.

d) Innovation and technology:

The continuous innovation and technology advancement leads to intense rivalry amongst the producers. Consumer durables products are required to undergo persistent changes to meet the varying demand of consumers due to the continuous change in the psychographic and demographic profile of the customer. Thus, the firms would continue to rely heavily on advancement in technology. Furthermore, major raw materials such as metals are exhibiting increasing trend over the past few years posing margin pressures.

e) Poor distribution chain:

As around 69 percent of India's population still lives in rural areas, availability of products to rural villages located in remote areas are difficult due to inadequate infrastructure and distribution channels and poor road connectivity.

f) Inadequate power supply:

India is still power deficit Country and has been witnessing peak hour power deficit at around 3-5 percent with the southern India remaining the most affected region registering a peak power deficit of 8-10 percent. Therefore, the sector's growth is impacted by the inadequate infrastructure of the country as regular power supply is imperative for any consumer electronics products, which depends majorly on power.

g) Air conditioner is a seasonal product therefore delayed/ short duration summer affects the overall business performance.

h) India's core inflation has gone up significantly over the past few years. Thereby input costs of raw material especially of Aluminum, Copper and Sheet Metal has gone up and has led to reduction of margins. Increasing freight cost and operational costs have led to increase in overall cost of the products.

OUTLOOK

The growing purchasing power and rising influence of the social media have enabled Indian consumers to splurge on good things. The Indian consumer sector has grown at an annual rate of 5.7% between FY 2005 to FY 2015. India is an emerging economy and thus the domestic market is fast moving towards durables products. With the constant rise in real disposable income of people, the importance of high end products is growing in India. The demand of non-essential products is drastically increasing due to high living standards, social values, changing life styles, urbanization and rural modernization. Consumer durables industry has been growing at a fast pace. Besides, massive untapped potential in both rural and urban areas also present a remarkable growth opportunity for industry players. Given these factors, a good growth is projected for industry in the near and medium term future, too. Though, the manufactures are witnessing increasingly demanding customers and intensely competitive rivals, more investments in the sector are likely to flow in and the share of organized sector will also grow rapidly.

RISK

Risks which could impact the Company relate to exchange rates, interest rates, credit risks and volatile commodity prices risks as well as operating risks, arising out of high input costs, especially in the case of fixed price contracts and changes in technology which impact the Company's product offerings. In addition, a general slow- down in the global and local economy tends to aggravate risks faced by the Company. All such risks are periodically identified and assessed in terms of the Company's risk management framework and appropriate action is undertaken to minimize and mitigate the impact. Risks and the effectiveness of the risk management process are also periodically reviewed by the senior management and the Board.

CONCERNS

The possibility of a slow -down in economic growth due to the need to bring inflation under control are cause for concern and this could impact the growth of the Company to some extent in the coming year. The Company will, however, continue to remain vigilant and will proactively take steps to mitigate the adverse impact, if any, arising out of these concerns. The strong fundamentals of the Company and its sound financial base place it in a strong position to face the vagaries of the market and the overall uncertain economic scenario.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

We have effective and adequate internal audit and control systems, commensurate with our business size to safeguard assets and protect against loss from any un-authorized use or disposition. Regular internal audit visits to the operations are undertaken to ensure that high standards of internal controls are maintained at each level. The Company's internal controls are supplemented by an extensive programme of internal audits, review by management and documented policies, guidelines and procedures.

ENVIRONMENT, HEALTH & SAFETY

The Company undertakes all its operations with a high concern and sincerity for environment and its surroundings as well as the safety and health of people. To improve the consistency of the organization's approach towards environment safety controls, the Company implemented ISO 9001 and OHSAS 18001 and introduced a series of global standards, principles and practices that each operation should adopt. ISO 9001 focuses on managing organization's impact on the external environment, to reduce pollution and comply with regulations and OHSAS 18001 focuses on managing your organization's internal environment to ensure a safe and healthy workplace.

Audits were conducted against these standards and improvements are ongoing. Improving safety performance continues to be a priority for the Company. Improvements have been made in the methods of internal communication, knowledge sharing and reporting on safety matters. The HR team conducts EHS programs to educate employees about safety programs, make them aware of the Company's health and safety policy and conduct formal safety trainings for all workers to prevent accidents, report unsafe conditions and protect the environment.

HUMAN RESOURCE

The Company strongly believes in nurturing talent within the Company. In line with this belief, the Company has put in place several initiatives that focus on leadership and talent development across grades. We have built a robust leadership bench not only at the senior management level but also for all critical positions up to the middle management level and frontline roles in sales, service & operations. The Company continues to strive at providing employees with a rewarding, productive and successful association. The Company's HR strategies are aimed at finding a balance between employees' goals and aspirations with those of the Company. With a view to equip the Company to address the business challenges of a dynamic economic environment, the HR function focused on retaining and attracting suitable talent, enhancing the technical / behavioral skills of employees and optimizing employee costs.

Our philosophy and Goals:

- To create a friendly, dynamic work environment under a team concept while maintaining professionalism.
- To recruit & retain best people, develop their skills, cultivate New Leaders & capitalise on their collective intelligence by applying Human insights to transform the organization.
- Provide an enjoyable and rewarding environment for all individuals to learn, grow and develop to their fullest potential.
- To develop all professionals to their fullest potential through the following:
 - i. Progressive Experience and Responsibilities Based on Ability
 - ii. Performance Review Process
- Encourage our staff to be involved in and contribute to the community and to professional activities and organizations.
- Provide a competitive environment, products and services to attract and retain a diverse, high calibre staff.



- Support Lloyd leadership efforts with a strategic workforce plan that creates a climate of innovation and excellence
- Create strategic processes that support Organisational goals with innovation

The Company does not engage in any form of child labour/forced labour/involuntary labour and does not adopt any discriminatory employment practices. Lloyd Group has implemented OHSAS 18001 which focuses on managing organization's internal environment to ensure a safe and healthy workplace. The Company has a policy against sexual harassment and a formal process for dealing with complaints of harassment or discrimination. The said policy is in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder. The Company, through the policy ensures that all such complaints are resolved within defined timelines. During the year, no case was reported.

The total permanent staff strength of the Company as on March 31, 2016 was 1,462.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as Annexure to the Board Report.

CAUTIONARY STATEMENT

"Statements in the "Management Discussion and Analysis" describing the Company's objectives, projections, estimates and expectations or predictions may be 'forward looking statement' 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 effecting demand/supply and price conditions in the domestic 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

Good and sound corporate governance is about ensuring that companies are managed as sustainably, responsibly and efficiently as possible in the interests of the shareholders. It is the application of best management practices, orderly compliance of law in true letter and spirit and adherence to the ethical standards to achieve the Company's objectives for sustainable development of all the Stakeholders. We believe, Good Governance is about upholding fairness, independence, transparency and accountability.

The Board of Directors ("the Board") is committed to ensuring that the highest standards of corporate governance are practised throughout the Company and its subsidiaries (the Group), as a fundamental part of its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

Our pursuit towards achieving good governance is an ongoing process. The Company believes that sound corporate governance is a critical factor in enhancing and retaining investor's trust. It is a reflection of our culture, our policies, our relationship with our stakeholders and our commitment to values. Accordingly, we always seek to ensure that our performance is driven by integrity and core values.

In pursuance of the SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015 (hereinafter referred as "Listing Regulations"), Corporate Governance Voluntary Guidelines issued by the Ministry of Corporate Affairs (MCA) and some of the best practices followed internationally on Corporate Governance, the following report on governance lays down the ethos of Lloyd Electric & Engineering Limited and its commitment to conduct business in accordance with sound Corporate Governance practices.

I. COMPANY'S PHYLOSOPHY ON CORPORATE GOVERNANCE

At Lloyd, Corporate Governance practices aims to adhere to the highest governance standards through continuous evaluation and benchmarking.

Hence, they are based on the following broad principles:

- ❖ Our corporate governance framework ensures effective engagement with our stakeholders and helps us evolve with changing times;
- ❖ We believe that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. At Lloyd, the Board of Directors is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of our stakeholders;
- ❖ Adopt transparent procedures and practices and arrives at decisions based on adequate information;
- ❖ Ensures compliance with regulatory and fiduciary requirements in letter and spirit;
- ❖ Offers high levels of disclosures to disseminate corporate, financial and operational information to all stakeholders;
- ❖ Creates various committees for audit, senior management compensation, HR policy and management compensation and Investor grievances.
- ❖ Ensures complete and timely disclosure of relevant financial and operational information to enable the Board to play an effective role in the guiding strategy.
- ❖ Keeps in place a well-defined corporate structure that establishes checks and balances and delegates decision making to appropriate levels in the organization though the Board remains in effective control of affairs at all times.



II. BOARD OF DIRECTORS

The Board has overall responsibility for establishing and maintaining a framework of good corporate governance in the Company, including the risk management systems and internal control to safeguard shareholders' interests and the Group's assets. All Board members bring their independent judgement, diversified knowledge and experience to bear on issues of strategy (including social and environmental issues), performance, resources and standards of conduct and ethics. The Board regularly reviews the Company's strategic business plans, the assessment of key risks by management and the operational and financial performance of the Company to enable the Company to meet its objectives.

1. Your Company has a broad-based Board of Directors, comprises of eminent persons with considerable professional experience and expertise in diverse fields and constituted in compliance with the Companies Act, 2013, Listing Regulations and in accordance with good corporate governance practices.
2. The Board of Directors of the Company comprises of an optimum combination of Executive & Non-Executive Independent Directors including Women Directors. The Chairman is an Executive Promoter Director. During the Financial Year 2015-16, the Board comprised of Ten Directors, out of which five directors were Non-Executive Independent Directors.
3. Independent directors are non-executive directors as defined under Regulation 16 (1) (b) of the Listing Regulations. The independent directors are all experienced individuals from a range of industries and geographies. Their mix of professional skills and experience is an important element in the proper functioning of the Board and in ensuring a high standard of objective debate and overall input to the decision-making process. The Board has received from each independent director a written confirmation of their independence confirming that they meet the criteria of independence as mentioned under Regulation 16 (1) (b) of the Listing Regulations read with Section 149 of the Companies Act, 2013.
4. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company.
5. 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 under Regulation 26(2) of the Listing Regulations regarding the directorship and Committee positions in other public companies as on March 31, 2016 have been made by the Directors.
6. There is no inter-se relationship between the directors except Mr. Bharat Raj Punj, Deputy Managing Director who is the son of Mr. Brij Raj Punj, Chairman & Managing Director of the Company.
7. During the Financial Year under review none of the Non-Executive Directors has held Shares and Convertible instruments in the Company and had any material pecuniary relationship or transactions with the Company.
8. The details of the familiarisation programme of the Independent Directors are available on the website of the Company at the following link

<http://www.lloydengg.com/corporate-governance.html>
9. During the Financial Year under review, four (4) meetings of the Board of Directors were held on May 28, 2015, August 13, 2015, November 09, 2015 and February 12, 2016. The necessary quorum was present at all the meetings. The intervening period between two Board Meetings was well within the maximum time gap of 120 days, as prescribed under the Companies Act, 2013.
10. During the Financial Year 2015-16, information as mentioned in Part A of Schedule II of the Listing Regulations has been placed before the Board for its consideration.

11. Composition, Category and Attendance of Directors at Board Meetings, Last Annual General Meeting and number of other Directorships and chairmanships/memberships in Committees of each director in various companies as on March 31, 2016 are as follows:

S. No	Name of the Directors	Category of Directorship	No. of Board Meetings attended	Last AGM attended	No. of Directorship 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 & Promoter.	4	Yes	2	-	-
2.	Mr. Bharat Raj Punj DIN 01432035	Deputy Managing Director & Promoter.	3	No	1	-	-
3.	Mr. Achin Kumar Roy DIN 01475456	Whole Time Director	4	Yes	-	-	-
4.	Mr. Mukat Behari Sharma DIN 02942036	Whole Time Director	4	Yes	-	-	-
5.	Mr. Nipun Singhal DIN 02026825	Whole Time Director	3	No	-	-	-
6.	Mr. Surjit Krishan Sharma DIN 00058581	Non-Executive Independent Director	4	Yes	-	-	-
7.	Dr. Geeta Ajit Tekchand DIN 02937277	Non-Executive Independent Director	4	No	-	-	-
8.	Mr. Ramesh Kumar Vasudeva DIN 06368045	Non-Executive Independent Director	4	No	-	-	-
9.	Mr. Ajay Dogra DIN 02430117	Non-Executive Independent Director	4	No	-	-	-
10.	Mr. Gopal Kacker* 01047554	Non-Executive Independent Director	2	No	-	-	-

Notes:

#Other directorships do not include directorships in private companies, foreign companies, companies under section 8 of the Companies Act, 2013.

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

*Mr. Gopal Kacker resigned from the directorship of the Company w.e.f. May 30, 2016 and Ms. Deepti Sahai appointed as a Non-Executive Independent Director (Additional) w.e.f. May 30, 2016 in place of him subject to the approval of shareholders in 29th Annual General Meeting

III. AUDIT COMMITTEE

Audit Committee of the Company has been established with an aim of enhancing confidence in the integrity of your Company's processes and procedures relating to internal control systems including financial reporting. 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 monetary implications on the functioning of the Company. Audit Committee provides an 'Independent' reassurance to the Board through its oversight and monitoring role. The nomenclature, constitution and terms of reference of the Audit Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

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

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;



- To recommend the appointment, remuneration and terms of appointment of auditors of the Company;
- To review with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
 - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b) changes, if any, in accounting policies and practices and reasons for the same;
 - c) major accounting entries involving estimates based on the exercise of judgment by management;
 - d) significant adjustments made in the financial statements arising out of audit findings;
 - e) compliance with listing and other legal requirements relating to financial statements;
 - f) disclosure of any related party transactions;
 - g) modified opinion(s) in the draft audit report
- To review with the management, the quarterly financial statements before submission to the Board for approval;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- To approve related party transactions of the Company;
- To scrutinize the inter-corporate loans and investments;
- To review with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- To review the functioning of the Whistle Blower Mechanism;
- To approve the appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.

During the year under review Audit Committee comprised of 3 members, out of which 2 members were Independent Directors. Ms. Anita K. Sharma, Company Secretary acts as the secretary to the Committee. Mr. Surjit Krishan Sharma, Chairman of the Audit Committee was present at the last Annual General Meeting which was held on July 10, 2015.

During the year under review, four (4) meetings of the audit committee were held on May 28, 2015, August 13, 2015, November 09, 2015 and February 12, 2016. Adequate Quorum was present at all the meetings.

As on March 31, 2016, 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. Surjit Krishan Sharma	Chairman	Non- Executive Independent Director	4	4
Dr. Geeta Ajit Tekchand	Member	Non- Executive Independent Director	4	4
Mr. Mukat B. Sharma	Member	Whole Time Director	4	4

IV. NOMINATION & REMUNERATION COMMITTEE

In pursuance of the provisions of section 178 of the Companies Act, 2013, Regulation 19 of the Listing Regulations and keeping in view its philosophy of voluntary transparency in operations, the Company has in place a Nomination and Remuneration Committee comprising of Independent Directors viz. Mr. Surjit Krishan Sharma, Dr. Geeta Ajit Tekchand and Mr. Ajay Dogra.

Mr. Surjit Krishan Sharma is the Chairman of the Committee. Ms. Anita K. Sharma, Company Secretary is acting as the Secretary to the Committee. Mr. Surjit Krishan Sharma, Chairman of the Nomination & Remuneration Committee was present at the last Annual General Meeting of the Company held on July 10, 2015.

Nomination and Remuneration Committee recommends the appointment of diversified Board members and also recommend the terms of appointment including remuneration of the Executive Directors of the Company, further it reviews and recommends the

payment of annual salaries, commission and finalizes service agreements and other employment conditions of the Executive Directors. The guiding principle of the Committee is that the remuneration and the other terms of employment for the Executives shall be Competitive in order to ensure that the Lloyd group can attract and retain competent Executives and the rewards shall commensurate with their contributions towards the growth of your Company.

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- To formulate criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board diversity and to ensure that;
 - ❖ The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - ❖ Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - ❖ Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal.
- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.

During the year under review, three (3) meetings of the Nomination and Remuneration Committee were held on May 28, 2015, August 13, 2015 and February 12, 2016. Adequate Quorum was present at all the meetings.

As on March 31, 2016, 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. Surjit Krishan Sharma	Chairman	Non- Executive Independent Director	3	3
Dr. Geeta Ajit Tekchand	Member	Non- Executive Independent Director	3	3
Mr. Ajay Dogra	Member	Non- Executive Independent Director	3	3

A. Remuneration Policy

The Nomination and Remuneration Committee recommends to the Board the compensation package of the Executive Directors and also the compensation payable to the Non- Executive Directors of the Company in accordance with the provisions contained in the Act. The Non-Executive Directors are paid sitting fees for attending the Meetings of the Board of Directors and Committees within the ceiling prescribed by the Central Government

The key components of the Company's Remuneration Policy are:

1. Remuneration Policy for the Executive Team.

This Policy concerns the remuneration and other terms of employment for the Lloyd's Executive Team. The members of the Executive Team, including the Managing Director, Key Managerial Personnel, Whole Time Directors and Executive Directors are hereinafter referred to as the "Executives". The broad terms governing their remuneration are as follows:

- Guiding principles for remuneration and other terms of employment: The guiding principle is that the remuneration and the other terms of employment for the Executives shall be Competitive in order to ensure that the Lloyd group can attract and retain competent Executives.
- The principles for fixed salaries and variable salary: The Nomination and Remuneration Committee shall recommend the remuneration structure of the Executives based on various factors such as industry benchmarks, the Company's performance, experience and expertise of the Executive, responsibilities shouldered by him, his contributions in bringing strategic upsurges and other economic factors appropriate to the working of the Company and its long term goals. The remuneration may be paid as salary, perquisites, allowances, incentives and commission (Fixed or variable Component) within the overall ceiling approved by the Shareholders of the Company.



- Annual Enhancement of Remuneration: The annual enhancement in remuneration of the executives shall be within the salary scale approved by the Shareholders of the Company.

2. Remuneration Policy for the Non- Executive and Independent Directors

- The Non-Executive and Independent Directors shall be paid sitting fees of Rs.15,000/- for attending each meeting of the Board, which may be revised from time to time within the overall limits specified by the Companies Act, 2013.
- The Company shall reimburse out-of-pocket expenses to Directors for attending the meeting held at a City other than the one in which the Director resides.

B. Evaluation Criteria:

The Company has put in place the system for annual evaluation of Board as a whole, its committee and directors. The performance of the Board will be evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, board meetings and effectiveness of board processes, information and functioning, etc. The performance of the committees will be evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the compliance with the terms of reference of the Committees, composition of committees, functions and duties, committee meetings & procedures, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviews the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings, attendance, independent judgment etc. In addition, the Chairman will also be evaluated on the basis of criteria such as leadership, managing relationship, conducting board meetings etc.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman will be evaluated, taking into account the views of executive directors and non-executive directors.

Details of Remuneration paid to directors during the Financial Year 2015-16:

Executive Directors:

(Salary in ₹)

S. No.	Name of the Directors	Salary	Perquisites and other benefits	Commission / Incentive	Provident Fund	Total
1.	Mr. Brij Raj Punj	72,00,000	-	-	-	72,00,000
2.	Mr. Bharat Raj Punj	54,00,000	-	-	4,32,000	58,32,000
3.	Mr. Achin Kumar Roy	89,46,600	11,10,488	-	9,00,792	1,09,57,880
4.	Mr. Mukat Behari Sharma	39,21,792	2,45,004	-	3,31,200	44,97,996
5.	Mr. Nipun Singhal	43,20,000	14,97,504	40,90,000	5,18,400	1,04,25,904

- No severance fee is payable on termination of contract.
- The Company does not have any Stock Options Scheme.
- The above excludes the provisions for gratuity and leave encashment, as the same is calculated on overall Company basis.

Non- Executive Independent Directors:

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

Name of Director	Sitting Fees paid during the FY 2015-16 (In ₹)
Mr. Surjit Krishan Sharma	60,000
Dr. Geeta Ajit Tekchand	60,000
Mr. Ramesh Kumar Vasudeva	60,000
Mr. Ajay Dogra	60,000
Mr. Gopal Kacker	30,000

V. STAKEHOLDERS RELATIONSHIP COMMITTEE

In pursuance of the Listing Regulations and provisions of section 178 of the Companies Act, 2013, the Company has constituted Stakeholders Relationship Committee to redress the Shareholders and investors grievances.

The committee comprises Four (4) members out of which three (3) are Non-Executive Independent Directors. The Committee deals with the matters related to redressal of Shareholders and investor grievances, including but not limited:

- To consider and resolve the grievances and request of the Shareholders and other security holders of the Company pertaining to transfer/transmission of shares, non-receipt of Annual Reports, non-receipt of dividend, dematerialization/ re-materialization of shares, issuance of duplicate share certificates, etc.
- To oversee performance of the Registrar and Share Transfer Agent of the Company including to review their appointment/ re-appointment and terms of reference,
- To periodically review the implementation and compliance of Company's Code of Conduct for Prohibition of Insider Trading.
- To monitor the compliances with respect to the provisions of Companies Act, 2013 pertaining to shareholders and stakeholders, payment of dividend, Rules and Regulations prescribed by Securities & Exchange Board of India, BSE, National Stock Exchange and other regulatory bodies, etc.

The Stakeholders Relationship Committee focuses primarily on strengthening investor relations and ensuring the rapid resolution of the shareholder or investor concerns.

All the requests pertaining to Share transfers/transmission, issue of duplicate share certificate, received are being approved by Stakeholders Relationship Committee, which meets at least thrice in a month. During the year ended March 31, 2016 the Committee met 37 times. The details of the meetings are as follows:

14.04.2015, 21.04.2015, 30.04.2015, 07.05.2015, 21.05.2015, 30.05.2015, 06.06.2015, 17.06.2015, 30.06.2015, 14.07.2015, 24.07.2015, 31.07.2015, 14.08.2015, 21.08.2015, 31.08.2015, 07.09.2015, 21.09.2015, 30.09.2015, 07.10.2015, 16.10.2015, 30.10.2015, 07.11.2015, 19.11.2015, 30.11.2015, 07.12.2015, 14.12.2015, 21.12.2015, 30.12.2015, 07.01.2016, 11.01.2016, 21.01.2016, 30.01.2016, 13.02.2016, 23.02.2016, 29.02.2016, 14.03.2016, and 29.03.2016.

The Chairman of the Committee was present in the last AGM.

The composition of the stakeholders' relationship committee and the details of meetings attended by its members are given below:

Name of the Directors	Designation	Category of Director	No. of Meetings Held	No. of Meetings attended
Mr. Surjit Krishan Sharma	Chairman	Non- Executive Independent Director	37	37
Dr. Geeta Ajit Tekchand	Member	Non- Executive Independent Director	37	37
Mr. Ramesh Kumar Vasudeva	Member	Non- Executive Independent Director	37	37
Mr. Achin Kumar Roy	Member	Whole Time Director	37	37

Ms. Anita K. Sharma, Company Secretary acts as the secretary to the Committee. She is also the Compliance Officer of the Company.

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

Opening Balance	Received During the year	Resolved During the year	Closing Balance
Nil	36	33	3*

*The pending complaints have also been resolved on the date of signing of report.

VI. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

CSR Committee of the Company has been constituted in line with the provisions of Section 135 of the Companies Act, 2013. The broad terms of reference of CSR committee is as follows:

1. Formulate and recommend to the board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act;
2. Recommend the amount of expenditure to be incurred on the activities referred to above;
3. Monitor the CSR Policy of the Company.



Two meetings of the CSR committee were held during the year on May 28, 2015 and November 9, 2015. The composition of the CSR Committee and details of the meeting attended by its members are given below:

Name of the Directors	Designation	Category of Director	No. of Meetings Held	No. of Meetings attended
Mr. Achin Kumar Roy	Chairman	Whole Time Director	2	2
Mr. Mukat B. Sharma	Member	Whole Time Director	2	2
Dr. Geeta Ajit Tekchand	Member	Non- Executive Independent Director	2	2

VII. SUB-COMMITTEE OF THE BOARD OF DIRECTORS

To aid the smooth and efficient functioning for administration and management of day to day affairs of the Company a Sub-Committee of the Board of Directors had been constituted and vested with the essential powers to perform various responsibilities. The Committee is authorized to transact all the businesses which the Board of Directors of the Company are empowered to transact except for the transactions that are mandated to be dealt in at the Board Meeting and have been specifically barred pursuant to the provisions of the Companies Act, 2013 from being delegated to the Committee. The committee meets at regular intervals to decide upon matters of routine nature and the minutes of the Committee meeting held during the quarter are placed before the Board for consideration and ratification in the succeeding Board Meeting.

Pursuant to the provisions of section 179 and other applicable provisions of the Companies Act, 2013, the sub- committee of the Board of Directors was re-constituted vesting in them additional powers to manage the routine matters effectively, comply with the various provisions of the Companies Act, 2013 and to ensure efficient conduct of the Company's business. As per Section 179 of the Companies Act, 2013, the Committee of Board of Directors shall be entitled to exercise all such powers, and to do all such acts and things, as the Board of Directors are authorized to exercise and do except for the businesses that are mandated by the Companies Act to be dealt in at the Meeting of Board of Directors only.

Composition:

As on 31st March, 2016 the committee consists of the following Directors:

1. Mr. Brij Raj Punj as Chairman
2. Mr. Surjit Krishan Sharma as member
3. Dr. Geeta Ajit Tekchand as member

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

There were 22 meetings held during the year and all members were present in all the meetings. The details of the meetings held during the year are as follows:

06.04.2015, 04.05.2015, 03.06.2015, 29.06.2015, 13.07.2015, 24.07.2015, 06.08.2015, 20.08.2015, 03.09.2015, 29.09.2015, 01.10.2015, 23.10.2015, 31.10.2015, 09.11.2015, 01.12.2015, 23.12.2015, 06.01.2016, 13.01.2016, 04.02.2016, 22.02.2016, 01.03.2016, and 14.03.2016.

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

VIII. SPECIAL COMMITTEE FOR ALLOTMENT OF SHARES

The Special Committee of the Board has been constituted for issue and allotment of Shares issued time to time in pursuance of preferential allotments, private placements, right issues etc. to expedite the process of allotment and issue of shares.

The Committee comprises of following Directors:

1. Mr. Surjit Krishan Sharma;
2. Dr. Geeta Ajit Tekchand and;
3. Mr. Nipun Singhal.

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

There was one meeting held during the year on January 29, 2016 and all members were present in the aforesaid meeting. The proceedings of the committee are placed before the Board in its meeting for confirmation.

IX. GENERAL BODY MEETINGS

ANNUAL GENERAL MEETINGS:

The last three Annual General Meetings were held as under:

Financial Year	Date & Time	Venue	Details of Special Resolution passed thereat
2014-2015	July 10, 2015 at 9.30 A.M	Regd. Office: A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.	No special resolution passed.
2013-2014	July 21, 2014 at 9.30 A.M	Regd. Office: A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.	Re-appointment of Mr. Brij Raj Punj as Managing Director for a period of 5 years w.e.f. 31.10.2013 and payment of remuneration.
2012-2013	September 28, 2013 at 9.00 A.M	Regd. Office: A – 146 (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan.	No special resolution passed.

During the financial year under review, the Company has not passed any Special Resolutions by way of Postal Ballot.

At present, there is no special resolution proposed to be passed through Postal Ballot.

X. MEANS OF COMMUNICATION

The Company disseminates information to all the stakeholders through various channels:

Financial Results	Quarterly & Annual Results are published in 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, equity analyst etc.
Presentations to Institutional Investors/ analysts.	Yes
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 Details in case of appointment / re-appointment of directors have been provided in the Notice convening AGM.

XI. GENERAL SHAREHOLDERS INFORMATION

- Registered Office** : A-146, B&C, RIICO Industrial Area, Bhiwadi
Distt. Alwar, Rajasthan 301019.
- Corporate Office** : 159, Okhla Industrial Estste, Phase III,
New Delhi 110020.
- Annual General Meeting**
 - Date : August 26, 2016.
 - Time : 09.30 A.M
 - Venue : A-146, B&C, RIICO Industrial Area, Bhiwadi,
Distt. Rajasthan 301019.



4. **Financial Year** : The financial year of the Company covers the fiscal period from 1st April to 31st March.
5. **Date of Book Closure/ Record date** : August 20, 2016
6. **Dividend Payment** : The final dividend of Rs. 1.30 per share, if declared, shall be paid / credited on or after August 29, 2016

7. **Listing of Equity Shares / Shares underlying GDR's on Stock Exchanges:**

The equity shares of the company are listed at BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The GDR'S are listed on London Stock Exchange.

Annual Listing fees to the above Exchanges for the Financial Year 2016-17, as applicable, have been paid well before the due date.

8. **Custodial Fees to Depositories:**

Annual Custody/Issuer fee for the financial year 2016-17 has been paid within the due date.

9. **Stock Code/ Symbol:**

Corporate Identification No (CIN) : L29120RJ1987PLC012841

Equity Shares

BSE : 517518

NSE : LLOYDELENG

ISIN : INE245C01019

10. **GDR's**

London Stock Exchange : LLD

Overseas Depository (For GDR's) : The Bank of New York

Domestic Custodian (For GDR's) : ICICI Bank Limited

11. **Unclaimed/Unpaid Dividend:**

As per the provisions of section 205A and 205 C of 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 up to the financial year 2007-08 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
2009-2010 (Final)	September 28, 2010	November 03, 2017
2010-2011 (Final)	September 30, 2011	November 05, 2018
2011-2012 (Final)	September 8, 2012	October 14, 2019
2012-2013 (Final)	September 28, 2013	November 03, 2020
2013-2014 (Final)	July 21, 2014	August 26, 2021
2014-2015 (Final)	July 10, 2015	August 8, 2022

12. Share Transfer System:

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

As on March 31, 2016, 98.6% 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. Ltd. (Registrar & Transfer Agent) of the Company. 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.

13. Reconciliation of Share Capital Audit:

A Practicing Company Secretary carries out reconciliation audit of the share capital in each quarter to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and total issued and listed capital. The audit reports confirm that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized Shares held with NSDL and CDSL. The reconciliation of share capital audit reports for each quarter of the Financial Year ended March 31, 2016 have been filed with Stock Exchanges within one month of the end of each quarter.

14. Financial Calendar for the financial year 2016-2017 (Provisional):

Declaration of Results for the Quarter ended on	Tentative Date
Financial Reporting for the quarter ending June 30, 2016	On or before August 14, 2016
Financial Reporting for the quarter ending September 30, 2016	On or before November 14, 2016
Financial Reporting for the quarter ending December 31, 2016	On or before February 14, 2016
Financial Reporting for the quarter and year ending March 31, 2017	On or before May 30, 2017
Annual General Meeting for the year ended March 31, 2017	Before the end of September, 2017

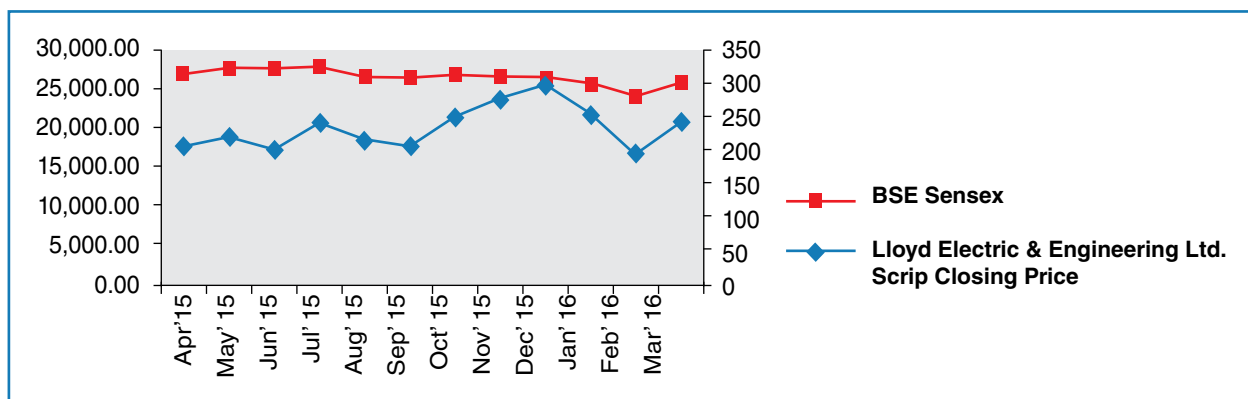
15. Market Price Data

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

Particulars	BSE		NSE	
	High (Rs./share)	Low (Rs./share)	High (Rs./share)	Low (Rs./share)
Months for the Financial Year 2015-2016				
April' 15	244.80	171.70	244.85	171.50
May' 15	218.80	170.00	219.00	172.00
June' 15	219.90	180.10	220.00	180.00
July' 15	257.90	188.10	258.00	187.00
August' 15	276.70	176.30	276.70	176.55
September' 15	208.50	179.90	206.90	180.00
October' 15	270.50	191.70	270.40	190.50
November' 15	300.60	248.00	300.60	246.95
December' 15	328.80	277.70	328.90	277.55
January' 16	314.00	226.20	313.75	226.75
February' 16	265.00	175.90	264.90	175.10
March' 16	247.50	180.00	247.80	178.35

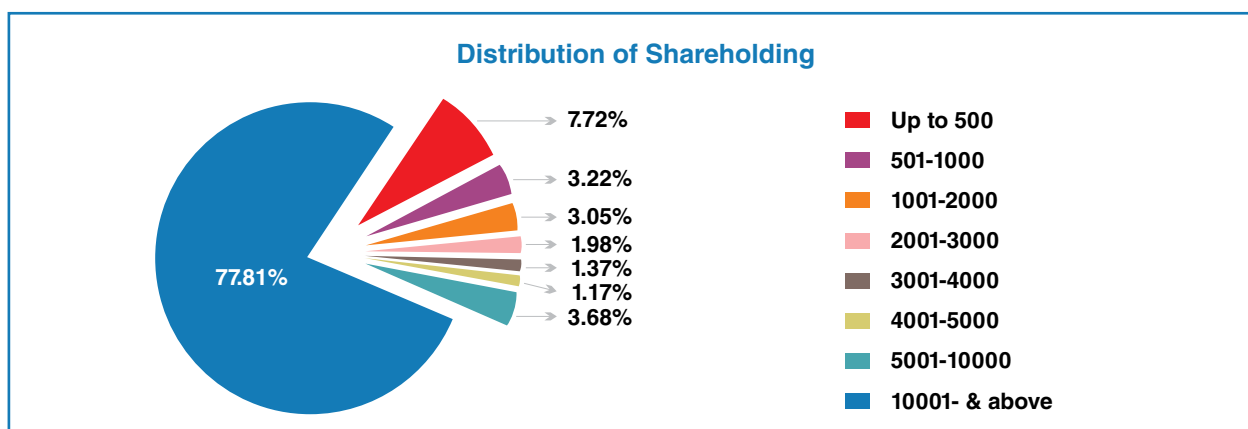


16. Performance of the Company in comparison to BSE Sensex during the financial Year 2015-16:



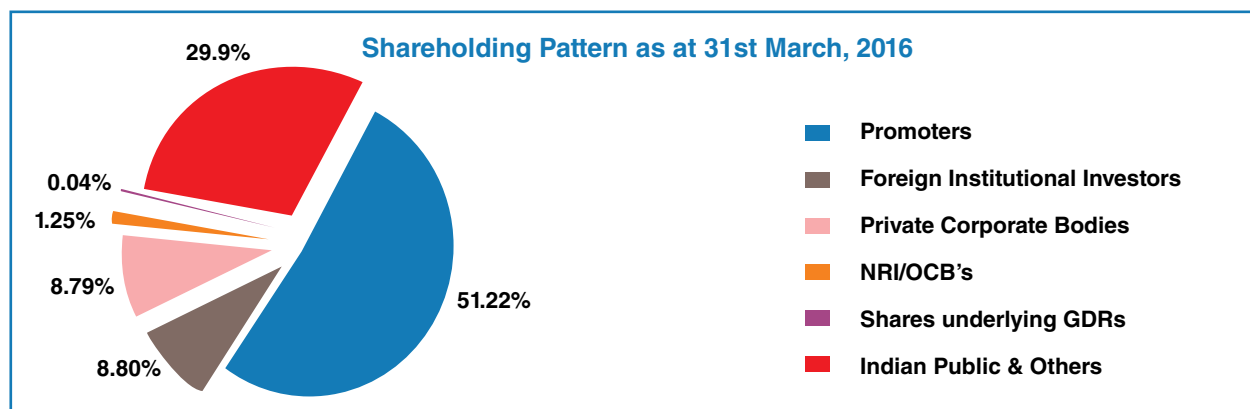
17. Distribution of Shareholding as on March 31, 2016.

No. of Share held of Rs.10 each	No. of Shareholders	% age of Total	No. of Shares	% age of Total
Up to 500	22,646	88.18	27,96,932	7.72
501 – 1000	1,437	5.60	11,64,625	3.22
1001 – 2000	729	2.84	11,04,094	3.05
2001 – 3000	279	1.09	7,17,135	1.98
3001 – 4000	137	0.53	4,97,498	1.37
4001 – 5000	90	0.35	4,22,090	1.17
5001 – 10000	181	0.70	13,31,947	3.68
10001 - & above	184	0.72	2,81,70,939	77.81
Total	25,683	100	3,62,05,260	100



18. Shareholding Pattern as at 31st March, 2016.

Category	No. of Shares held	% of shareholding
Promoters	1,85,37,396	51.22%
Foreign Institutional Investors	31,85,007	8.80%
Private Corporate Bodies	31,82,550	8.79%
NRI/OCB's	4,52,511	1.25%
Shares underlying GDRs	16,000	0.04%
Indian Public & Others	1,08,31,796	29.9%
Total	3,62,05,260	100%



19. 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. NSDL and CDSL. As on March 31, 2016, 3,58,27,722 equity shares of the Company, forming 98.6% of the shareholding stand dematerialized.

The Shares of the Company are regularly traded at the National Stock Exchange of India Ltd. and the BSE Ltd.

20. Outstanding GDR's/ ADR's/ Warrants or any Convertible Instruments, Conversion date and Likely impact on equity.

GDRs: The outstanding GDRs are backed by underlying equity shares which are part of the existing paid-up capital of the Company. 8,000 GDRs underlying 16,000 equity shares of the Company are outstanding as on March 31, 2016. Each GDR represents two underlying equity shares.

Warrants: During the Financial Year 2014-15, the Company issued to its Promoter/Promoters Group 60,00,000 Warrants at a price of Rs. 152 each entitling them for subscription of equivalent number of Equity Shares of Rs. 10/- each (including premium of Rs.142/- each Share) in accordance with chapter VII of SEBI (Issue of Capital & Discloser Requirements) Regulations, 2009.

During the period under review, the warrant holders exercised their right to convert 8,85,000 warrants (out of 60,00,000 warrants) into equivalent no. of equity shares by payment of balance 75% consideration to the Company. Pursuant to the this conversion, the new paid up equity share capital stands 3,62,05,260 equity shares and the promoter/ promoter's group shareholding has increased from 49.98% to 51.20% of the total paid- up share capital.

The holder of the remaining warrants would need to exercise the option to subscribe to equity shares before the expiry of 18 months from the date of allotment made on 13th March, 2015 upon payment of the balance 75% of the consideration of warrants. After the full conversion, the new equity paid up share capital would stand at 4,13,20,260 equity shares and promoter/ promoters' group shareholding shall increase from 51.20% to 57.24% of total paid up capital.

21. 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.



22. Plant Locations

Domestic Manufacturing Locations;

a) A – 146, (B & C), RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajashtan	d) Plot No. S 21 & S 22, Non SEZ, Phase III, Sipcot Road, Mugundarayapuram, Ranipet, Vellore District (Tamilnadu)
b) Industrial Area, Kala-Amb, Trilokpur Road, Sirmour, Nahan, Himachal Pradesh	e) Village Nizampur, Tauru, - Rewari Road, Tehsil- Tauru, Distt.- Mewat
c) Plot No. 24, Sector 2, IIE, Sidcul, Pantnagar, Haryana-122 105	f) Khasra No. 1511-1512, Village Salempur Mehdood, Industrial Park-II, SIDCUL, Bahadrabad Bypass Road, Distt. Haridwar, Uttarakhand- 249 402

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	c) Noske-Kaesar Rail & Vehicle New Zealand Limited 20 Noel Rodgers Place, Milsone, Palmerston North 4414, NZ
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Address for Correspondence:

Corporate Office

Investor Relation Department
Lloyd Electric & Engineering Limited
159, Okhla Industrial Estate,
Phase-III, New delhi-110020
Tel No. 91-11-40627200, 40627300
Fax: 91-11-41609909
E mail id: investor.relation@lloydengg.com
Website: www.lloydengg.com

Registrar & Share Transfer Agent

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
E mail id: admin@skylinerta.com
Website: www.skylinerta.com

COMPLIANCE OFFICER

Anita K. Sharma
Company Secretary
FCS No: F7373

XII. OTHER DISCLOSURES

1. Code of Conduct

The Company has adopted a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct has been posted on the website of the Company for general viewing at <http://www.lloydengg.com/code-of-conduct.html>

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.

2. Related Party Transactions

During the year under review, besides the transactions reported in Notes forming part of the financial statements for the year ended March 31, 2016, which are entered in ordinary course of business and on arm's length basis, there were no other material related party transactions of the Company with its promoters, Directors or the management or their relatives and subsidiaries. These transactions do not have any potential conflict with the interest of the Company at large. These have been approved by the audit committee and Board of Directors of the Company. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the following link :

<http://www.lloydengg.com/corporate-governance.html>

3. Disclosure of Accounting Treatment

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.

4. Risk Management

The Risk Management of the Company is overseen by the Senior Management and the Board at various levels. The Company is actively engaged in assessing and monitoring the risks of each of the businesses and overall for the Company as a whole. The top tier of risks for the Company is captured by the operating management after serious deliberations on the nature of the risk and thereafter in a prioritized manner presented to the Board for their inputs on risk mitigation/management efforts.

5. Disclosure by Senior Management

Senior Management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.

6. CEO / CFO Certification

The Managing Director and Chief Financial Officer (CFO) have certified to the Board in accordance with Regulation 17 (8) and Part B of Schedule II of the Listing Regulations pertaining to CEO/CFO certification for the financial year ended 31 March, 2016, which is annexed hereto.

7. Whistle Blower Policy/ Vigil Mechanisim

In compliance with section 177 of the Companies Act, 2013 and regulation 22 of the Listing Regulations, the Company has adopted a Whistle Blower Policy / Vigil Mechanisim which enables every employee of Lloyd to promptly report to the management about any actual or possible violations of the policy or an event he/ she becomes aware of that could affect the business or reputation of your Company. The Company affirms that no personnel has been denied access to the Audit Committee in respect to reporting of any unlawful information. The said policy has been also put up on the website of the Company at the following link:

<http://www.lloydengg.com/corporate-governance.html>

8. Subsidiary companies

The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The Company does not have any material non-listed Indian subsidiary company. The Company has a policy for determining 'material subsidiaries' which is disclosed on its website at the following link.

<http://www.lloydengg.com/corporate-governance.html>

9. Prohibition of Insider Trading

The Company has adopted a Code of Conduct to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code for practices and procedures for fair disclosure of unpublished price sensitive information and has been made available on the Company's website at <http://www.lloydengg.com/code-of-conduct.html>

10. The Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents. The same are available at following link.

<http://www.lloydengg.com/corporate-governance.html>

11. Adoption of mandatory and discretionary requirements

The Company has complied with all the mandatory requirements as specified in the Listing Regulations.

The Company has adopted non-mandatory requirements as specified under Part E of Schedule II of the Listing Regulations such as financial statements of the Company are unqualified and the Internal Auditor directly reports to the Audit Committee.

12. Commodity price risk or foreign exchange risk and hedging activities;

Please refer management discussion analysis and notes to financial statements for details

13. Management Discussion And Analysis

The Management Discussion and Analysis forms part of the Annual Report and is given separately.



DECLARATION OF CODE OF CONDUCT

To,

The Members of Lloyd Electric & Engineering Limited

This is to confirm that the Company has obtained from all the members of the Board and the Senior Management Personnel affirmations that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2016.

For Lloyd Electric & Engineering Ltd.

Date: May 30, 2016
Place: New Delhi

Brij Raj Punj
Chairman and Managing Director
DIN: 00080956

CEO/ CFO CERTIFICATION

The Board of Directors
Lloyd Electric & Engineering Limited

Dear Sirs,

Sub: CEO/CFO Certificate

We have reviewed the financial statements and the cash flow statement of Lloyd Electric & Engineering Limited for the year ended March 31, 2016 and that to the best of our knowledge and belief, we state that;

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2015-2016 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibilities for establishing and maintaining internal controls for the financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting 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, if any, and that we have taken the required steps to rectify these deficiencies.

We further certify that the following information have been indicated to the Auditors and the Audit Committee:

- 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

Date: May 30, 2016
Place: New Delhi

Mukat B. Sharma
Chief Financial Officer and Whole Time Director
(DIN: 02942036)

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

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 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement entered with the Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, for the period 1st December, 2015 to 31st March, 2016.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of 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 prescribed under the Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

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

For **Suresh C. Mathur & Co.**
Chartered Accountants

Brijesh C. Mathur
Partner

M. No. : 083540

Firm Registration No.: 000891N

Date: 30.05.2016

Place: New Delhi



Standalone

Financial

Statements

Independent Auditors' Report

To the Members of Lloyd Electric & Engineering Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Lloyd Electric & Engineering Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinion

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

Emphasis of Matter

We draw attention to Note No. 40 of the Standalone financial Results regarding writing off Rs. 45.80 Crores as an exceptional item which relate to fire loss occurred on August 24, 2013 at Company's warehouse in Kalkaji, New Delhi resulted in loss of stocks and warehouse. The Insurance Company has declined the insurance claim on certain technical grounds including post claim endorsement. The Management of the Company has decided to write off the same as a matter of prudence. However, the Company is perusing its entitlement and has initiated appropriate legal recourse. Our opinion is not modified in respect of the matter.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The financial statement have disclosed the impact of pending litigations on the financial position of the Company as referred to in Note No. 30;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

Place: New Delhi
Dated: 30.05.2016

Annexure - A to the Auditors' Report

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

1.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2.
 - a) The inventory has been physically verified during the 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.
 - a) The Company has granted loans, secured or unsecured to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - b) The loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule in the loans are repayable on demand. Accordingly, paragraph 4(iii)(c) of the Order is not applicable to the Company in respect of repayment of the principal amount.
 - c) There are no overdue amounts in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. According to the information and explanations given to us, the Company has not accepted any deposit, in terms of the directive issued by the Reserve Bank of India and the provisions of the Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
6. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7.
 - a) According to the records of the Company, the Company is regular in depositing undisputed Statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Excise, valued added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Service Tax, Excise Duty and Cess were outstanding, at the financial reporting period ending on 31st March 2016 for a period of more than six months from the date they became payable.



- b) As on 31st March, 2016 according to the records of the Company the following are the particulars of disputed dues on account of Excise duty, HP State Electricity Board & Income Tax and have not been deposited.

Particulars	Financial Year	Amount (Rs. in Crores)	Dispute Pending
HP Electricity Board	2009-2010	0.11	Divisional Commissioner Court Shimla Camp at Nahan
Central Excise & Customs Matters*	2006-2007	0.22	CESTAT New Delhi
	2014-2015	2.97	Commissioner of Customs(Appeals), New Delhi
	2014-2015	0.11	CESTAT, Allahabad
	2014-2015	0.19	Deputy Commissioner of Customs, ICD TKD, New Delhi
	2015-2016	0.04	Deputy Commissioner, Customs, Noida
Income Tax Matters (Pending rectification)	2004-2005	0.04	Assessing officer, New Delhi
	2008-2009	0.15	Assessing officer, New Delhi
	2009-2010	0.40	CIT(Appeals), New Delhi
	2010-2011	0.25	CIT(Appeals), New Delhi
	2011-2012	0.05	CIT(Appeals), New Delhi
	2011-2012	2.61	Assessing officer, New Delhi

*In addition to the above, during the period under review, the Company has received total demand of Rs. 46.23 Cr. under show cause notices from custom department. The Company has made suitable reply of the same.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to its financial institutions, bankers and government. The Company did not have any outstanding debentures during the year.
9. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. However, during the period under review, the Company has allotted 8,85,000 equity shares to promoters group entities upon conversion of equivalent number warrants after receiving balance 75% consideration.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

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

Place: New Delhi
Dated: 30.05.2016

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Lloyd Electric & Engineering Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

(Brijesh C. Mathur)
Partner

M. No. 083540

Place: New Delhi
Dated: 30.05.2016

Balance Sheet

AS AT 31ST MARCH, 2016

(₹ In Crores)

Particulars	Note	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	36.21	35.33
(b) Reserves and Surplus	4	732.43	680.56
(c) Share Warrants (Pending Allotment)	3	19.44	22.80
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	78.98	91.81
(b) Deferred tax liabilities (Net)	6	2.99	3.22
(c) Long term provisions	7	2.81	3.08
(3) Current Liabilities			
(a) Short-term borrowings	8	737.95	593.11
(b) Trade payables	9	273.51	214.56
(c) Other current liabilities	10	171.37	105.75
(d) Short-term provisions	11	22.23	34.92
TOTAL		2,077.92	1,785.14
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	320.28	310.96
(ii) Intangible assets		3.04	4.66
(iii) Capital work-in-progress		6.71	7.69
(b) Non-current investments	13	100.93	85.81
(c) Long term loans and advances	14	16.63	4.57
(d) Other non-current assets	15	3.16	22.23
(2) Current assets			
(a) Inventories	16	876.91	719.31
(b) Trade receivables	17	598.59	458.13
(c) Cash and cash equivalents	18	66.56	57.46
(d) Short-term loans and advances	19	61.52	97.40
(e) Other current assets	20	23.59	16.92
TOTAL		2,077.92	1,785.14

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

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

Place:- New Delhi
Dated:-30.05.2016

Anita K. Sharma
Company Secretary

For and on behalf of the Board

Mukat B. Sharma
CFO & Whole Time Director
(DIN:02942036)

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

Surjit Krishan Sharma
Director
(DIN:00058581)

Achin Kumar Roy
Whole Time Director
(DIN:01475456)



Statement of Profit & Loss

FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ In Crores)

Particulars	Note	Year Ended 31.03.2016	Year Ended 31.03.2015
I. Revenue from operations (Gross):	21	2,434.51	1,882.34
Less:- Excise Duty		(51.98)	(47.38)
Revenue from operations (Net)		2,382.53	1,834.96
Other Income	22	0.95	4.57
Total Revenue (I)		2,383.48	1,839.53
II. Expenses:			
Cost of materials consumed	23	1,700.22	1,465.52
Purchase of Stock-in-Trade		142.74	59.89
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(4.90)	(94.67)
Employee benefit expense	25	72.15	56.45
Other expenses	26	208.79	122.52
Total Expenses (II)		2,119.00	1,609.70
III. Profit before Interest, Depreciation/Amortisation and Tax (EBITDA)	(I - II)	264.48	229.84
Finance Costs	27	104.67	92.85
Depreciation & Amortisation	28	34.22	33.96
IV. Profit from Ordinary Activities but before Exceptional Items		125.59	103.02
Exceptional Items	29	45.80	-
V. Profit After Exceptional Items		79.78	103.02
VI. Tax expense:			
(a) Current tax		17.00	21.60
(b) MAT Credit Adjustment		6.94	-
(c) Deferred tax		(0.22)	(0.22)
VII. Profit(Loss) from the period from continuing operations	(V-VI)	56.06	81.64
VIII. Earning per equity share (in ₹):			
(1) Basic	38 (d)	15.48	23.11
(2) Diluted	38 (d)	13.57	19.76

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

For and on behalf of the Board

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

Mukat B. Sharma
CFO & Whole Time Director
(DIN:02942036)

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

Place:- New Delhi
Dated:-30.05.2016

Anita K. Sharma
Company Secretary

Surjit Krishan Sharma
Director
(DIN:00058581)

Achin Kumar Roy
Whole Time Director
(DIN:01475456)

Cash Flow Statement

FOR THE YEAR ENDED 31ST MARCH 2016

(₹ In Crores)

Particulars	Year Ended 31.03.2016		Year Ended 31.03.2015	
A. Cash Flow from Operating Activities:				
Net Profit before tax & Extra-ordinary items		125.59		103.02
Adjustments:				
Add:				
Depreciation & Amortization		33.20		32.05
Provision no longer required		1.03		1.91
Interest Paid		85.74		77.72
Loss/ (Diminution) on sale (in value) of Investment		(0.53)		(0.39)
Loss on sale of fixed assets		0.52		111.29
		245.54		214.31
Less:				
Interest Income		(0.05)		(0.08)
Dividend Income		(0.05)		(0.05)
Gain on Foreign Exchange Fluctuation		-		(3.92)
Profit on sale of Investment		-		(4.05)
Operating profit before working capital changes		245.44		210.26
Adjustments for :				
Inventories		(157.60)		(154.61)
Trade & other receivables		(130.09)		(133.40)
Trade & other payables		123.86	(163.83)	85.32
Cash generated from operations		81.61		7.56
Exceptional Items		(45.80)		-
Direct tax paid		(22.64)		(18.18)
Net Cash Flow from Operating Activities		13.17		(10.61)
B. Cash Flow from Investing Activities:				
Purchase of fixed assets		(39.91)		(23.14)
Deferred Revenue in respect of acquisition		-		(4.19)
Net Purchase of Investments		(15.12)		-
Dividend Received		0.05		0.05
Interest received		0.05		0.08
Net Cash Flow from Investing Activities		(54.93)		(27.19)
C. Cash Flow from Financial Activities:				
Proceeds from Borrowing		132.02		103.32
Proceeds from Issue of Share capital/Share Warrants		10.09		22.80
Interest paid		(85.74)		(77.72)
Dividend paid		(4.59)		(3.53)
Dividend tax		(0.92)		(0.60)
Net Cash Flow from Financing Activities		50.86		44.27
Net increase in Cash and Cash Equivalents (A+B+C)		9.10		6.47
Net increase/ decrease in Cash and Cash Equivalents		9.10		6.47
Opening Balance of Cash and Cash Equivalents		57.46		50.99
Closing Balance of Cash and Cash Equivalents		66.56		57.46

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

Place:- New Delhi

Dated:-30.05.2016

Anita K. Sharma
Company SecretaryMukat B. Sharma
CFO & Whole Time Director
(DIN:02942036)Surjit Krishan Sharma
Director
(DIN:00058581)

For and on behalf of the Board

Brij Raj Punj
Chairman & Managing Director
(DIN:00080956)Achin Kumar Roy
Whole Time Director
(DIN:01475456)

AUDITOR'S REPORT

We have examined the above Cash Flow Statement of Lloyd Electric & Engineering Limited for the year ended 31st March, 2016, The statement has been prepared by the Company in accordance with the requirements of the SEBI (Listing Obligations & Disclosure Requirements), Regulation, 2015 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:- 30.05.2016



Notes to Financial Statements

FOR THE YEAR ENDED 31ST MARCH 2016.

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 is the largest manufacturer of heat exchangers coils in India. It manufactures air conditioners for various brands as OEM / ODM including its own brand of LLOYD. It is also engaged in the consumer durable business under "Lloyd" brand which includes product portfolio like Air-Conditioner, LED TV, Washing Machines, Chest Freezers and other small home appliances. The Company caters to both domestic and international markets.

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 the relevant provision of the Companies Act, 2013. 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) After Notification of the New Companies Act, 2013 which comes into effect from April 01, 2014, Depreciation on fixed assets is provided on straight-line basis at the rates prescribed in schedule II to the Companies Act, 2013.
- ii) Depreciation on assets added during the year, is calculated on pro-rata basis with reference to the date of installation.
- iii) Depreciation rates has been arrived after applying estimated life provided in the Schedule-II, for calculating depreciation on various categories of assets following estimated life has been provided in the schedule

Type of Assets	Life in Years
Building	30 Years
Plant & Machinery	15 Years
Office Equipments	5 Years
Computers	3 Years
Vehicles	8 Years
Furniture & Fixtures	10 Years

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 6 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. The diminution in value of these investments has been provided.

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 Company 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 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

i. Business Segment

As per Accounting Standard 17 on segment reporting of ICAI, the Company has reportable segments viz. Radiators & Heat Exchanger, OEM & Railways and Consumer Durable Products during the year under review. Accordingly, the reporting is done segment wise.

ii. Geographical Segment

The analysis of geographical segment is based on the geographical location of the customers. The Company operates primarily in India and has presence in international markets as well. Its business is accordingly aligned geographically, catering to two markets. The Company has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows;

- Sales within India represent sales made to customers located within India.
- Sales outside India represent sales made to customers located outside India.

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

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 2016 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.30

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.

NOTE 3 : SHARE CAPITAL

(₹ In Crores)

Particulars	As at 31.03.2016	As at 31.03.2015
1. Authorized Capital		
7,00,00,000 Equity Shares of Rs. 10/- each (Previous year 7,00,00,000 Equity Shares of Rs. 10/- each)	70.00	70.00
Total Authorized Share Capital	70.00	70.00
2. Issued & Subscribed Capital		
3,62,18,160 Equity Shares of Rs. 10/- each (Previous Year 3,53,33,160 equity shares of Rs. 10/- each)	36.22	35.33
3. Paid up Capital		
3,62,05,260 Equity Shares of Rs. 10/- each fully paid up (Previous Year 3,53,20,260 equity shares of Rs. 10/- each)	36.21	35.32
Add:- Equity Shares forfeited (amount originally paid up)	0.01	0.01
TOTAL	36.21	35.33

NOTES:-**1. Out of the above Equity Shares**

- Includes 40,00,000 Equity Share allotted in the year 2006-07 on conversion of warrants issued on preferential basis during the year 2005-06.
- Includes 92,00,000 underlying Equity Shares representing 46,00,000 Global Depository Receipts issued during the year 2005-06.
- 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.
- 43,20,000 no of Equity Shares of Rs. 10/- each were allotted during the financial year 2013-14 in favour of shareholders of erstwhile Perfect Radiators & Oil Coolers Pvt. Ltd. (PROC) on account of merger of PROC with the Company retrospectively since 01.04.2011.
- Includes 8,85,000 equity shares allotted to Promoter Group Entities on January 29, 2016, upon conversion of equivalent no. of warrants issued on preferential basis.

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

Particulars	31 March, 2016		31 March, 2015	
	No. of Shares	Amount (₹ in Crores)	No. of Shares	Amount (₹ in Crores)
Equity Shares				
Shares outstanding at the beginning of the year	35,320,260	35.32	35,320,260	35.32
Shares Issued during the year	885,000	0.89	-	-
Shares outstanding at the end of the year	36,205,260	36.21	35,320,260	35.32

(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, 2016		31 March, 2015	
	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	10.26	3,713,520	10.51
Lloyd Sales Private Limited	3,315,005	9.16	3,315,005	9.39
Airserco Pvt. Ltd.	3,304,133	9.13	3,304,133	9.35
Orange Mauritius Investments Ltd.	1,601,170	4.42	2,300,000	6.51

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.

(d) Share Warrants (Pending Allotments)

(₹ In Crores)

Particulars	As at	
	31.03.2016	31.03.2015
25% Upfront Payment	19.44	22.80
TOTAL	19.44	22.80

Money received against Share Warrants represents amounts received towards warrants which entitles the warrant holders, the option to apply for and be allotted equivalent number of equity shares of the face value of Rs. 10/- Each.

During the previous financial year, the Company has issued to its Promoter Group Entities 60,00,000 Warrants at a price of Rs. 152/- each entitling them for subscription of equivalent number of Equity Shares of Rs. 10/- each (including premium of Rs. 142/- each share) in accordance with chapter VII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009. During the current year, allottees of 8,85,000 warrants have exercised their right to convert the warrants into equity shares by paying balance 75% of the consideration aggregating Rs.10,08,90,000 and consequently 8,85,000 equity shares were issued to them.

The holder of the remaining warrants are required to exercise the option to subscribe to equity shares before the expiry of 18 months from the date of allotment of warrants i.e. on or before on 12th September, 2016 upon payment of the balance 75% of the consideration of warrants.

NOTE 4 : RESERVES AND SURPLUS

(₹ In Crores)

Particulars	As at 31.03.2016	As at 31.03.2015
1) Capital Reserve (subsidy received against fixed assets)	0.44	0.44
2) Capital Reserve (Share Warrants forfeited by the Company)	11.25	11.25
3) Revaluation Reserve (land revalued as on 31st March, 1993)	0.35	0.35
4) Securities Premium Account:	211.64	199.07
5) General Reserve		
Opening balance	202.72	182.72
Add: Transfer from Profit & Loss A/c	15.00	20.00
	217.72	202.72
6) Profit & Loss Account		
Profit for the Year	56.06	81.64
Balance Brought Forward from Previous year	266.72	205.65
MAT Credit Adjustment for Previous Year	(11.09)	3.61
Depreciation Adjustment	-	1.33
	311.69	292.23
Appropriations		
Proposed Dividend	4.71	4.59
Tax on Proposed Dividend	0.96	0.92
Transfer to General Reserve	15.00	20.00
Balance Carried to Balance Sheet	291.03	266.72
TOTAL	732.43	680.56

NOTE 5 : LONG TERM BORROWINGS

1. Term Loans		
From Scheduled Banks		
Indian Currency Loan	78.98	91.81
TOTAL	78.98	91.81

Note:-

- Indian rupee loan for Rs. 35.00 Crores from IDBI Ltd. carries interest @ 12.25% P.A on Rs. 17.50 Crores and @ 11.50% P.A. on Rs. 17.50 Crores. The Loan is repayable in 16 quarterly installments of Rs. 2.19 crores each after moratorium of 12 Months from the date of loan i.e. 31st March, 2013. Company has taken disbursement of Rs. 31.50 Crores.
- Indian rupee loan for Rs. 120.00 Crores from SBI carries interest @ 11.00% P.A. The Loan is repayable in 24 quarterly installments of Rs. 5.00 crores each after moratorium of 12 Months from the date of loan i.e. 30.06.2013.
- Indian rupee loan for Rs. 20.00 Crores from SBBJ carries interest @ 12% P.A. The Loan is repayable in 16 Quarterly installments of Rs. 1.25 Crores each after moratorium of 9 Months from the date of Loan i.e. 01.09.2015.
- 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.

**NOTE 6 : DEFERRED TAX LIABILITIES**

(₹ In Crores)

Particulars	As at 31.03.2016	As at 31.03.2015
Opening Balance	3.22	3.43
Add/(Less):- During the Year	(0.23)	(0.22)
Net Deferred Tax Liability	2.99	3.22

NOTE 7 : LONG TERM PROVISIONS

Provision for Gratuity	2.81	3.08
TOTAL	2.81	3.08

NOTE 8 : SHORT TERM BORROWINGS

1. Working Capital Loans:		
Working Capital Loan from Banks	737.95	593.11
TOTAL	737.95	593.11

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 future and second charge on pari-passu basis on the fixed assets of the Company.

NOTE 9 : TRADE PAYABLES

Sundry Creditors	273.51	214.56
TOTAL	273.51	214.56

NOTE 10 : OTHER CURRENT LIABILITIES

Due to Statutory Bodies	39.34	24.74
Interest Accrued but not due	0.61	1.58
Others Liability	68.75	24.02
Unpaid Dividend	0.27	0.25
Current maturity of Long Term Borrowings	-	-
Foreign Currency Loan	-	4.07
Indian Currency Loan	38.75	28.75
Loan from Subsidiary Company-Lloyd Coils Europe s.r.o.(including interest)	21.97	21.10
Loan against Vehicles (secured by hypothecation of vehicle finances)	1.69	1.24
TOTAL	171.37	105.75

NOTE 11 : SHORT TERM PROVISIONS

Provision for Income Tax	15.54	27.95
Provision for proposed dividend	4.71	4.59
Provision for tax on proposed dividend	0.96	0.92
Leave Encashment Payable	1.02	1.46
TOTAL	22.23	34.92

NOTE 12 : FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2015	Additions	Deductions	As at 31.3.2016	Up to 31.3.2015	For the year	Adjustment	Up to 31.3.2016	As at 31.03.2016	As at 31.03.2015
i) Tangible assets										
1) Leasehold Land	2.33	-	0.89	1.44	-	-	-	-	1.44	2.33
2) Temporary Constructions	0.12	-	-	0.12	0.11	-	-	0.11	0.01	0.01
3) Buildings	59.20	3.78	0.13	62.85	9.32	1.86	(0.02)	11.17	51.69	49.88
4) Plant & Machinery	407.94	35.11	0.56	442.49	154.89	28.11	(0.03)	182.97	259.52	253.06
5) Office Equipments	5.06	1.44	-	6.50	3.47	0.78	-	4.25	2.25	1.60
6) Vehicles	6.51	1.66	0.85	7.32	4.23	0.52	(0.81)	3.94	3.38	2.28
7) Furniture & Fixtures	2.59	0.48	0.00	3.07	0.78	0.30	-	1.08	1.99	1.81
Total (Tangible Assets)	483.76	42.48	2.44	523.80	172.80	31.58	(0.86)	203.52	320.28	310.96
(ii) Intangible assets										
1) Intangible Fixed Assets	13.87	-	-	13.87	9.94	1.62	-	11.56	2.31	3.93
2) Product Development Expenses	0.74	-	-	0.74	-	-	-	-	0.74	0.74
Total (Intangible Assets)	14.61	-	-	14.61	9.94	1.62	-	11.56	3.04	4.66
TOTAL	498.37	42.48	2.44	538.41	182.75	33.20	(0.86)	215.08	323.33	315.62
(Previous Year)	476.78	21.59	-	498.37	152.03	32.05	(1.33)	182.75	315.62	-



NOTE 13 : INVESTMENTS

(₹ In Crores)

	Face Value	Number of Shares	As at 31.3.2016	Number of Shares	As at 31.3.2015
Quoted Shares					
Blue Star Ltd.	2	375	0.00	375	0.00
Blue Star Infotech 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	-	15	-
Chambal Fertilizers & Chemicals Ltd.	10	1000	0.00	1000	0.00
DB International Stock Brokers Ltd.	2	13000	0.00	13000	0.00
Dot Com. Global Ltd.	10	24200	0.00	24200	0.00
Shardul Securities Ltd.	10	25600	0.08	25600	0.08
ACE Edutrend Ltd.	10	16900	0.02	16900	0.02
Dion Global Solutions Ltd.	10	160	0.00	320	0.00
Healthfore Technologies Ltd.	10	80	0.00	80	0.00
Glaxosmithkline Pharmaceuticals Ltd.	10	125	0.01	125	0.01
HDFC Bank Ltd.	2	125	0.00	125	0.00
Hindustan Uniliver Ltd.	1	1350	0.02	1350	0.02
JSW Steel Ltd.	10	1124	0.02	1124	0.02
Lumax Industries Ltd.	10	4600	0.03	4600	0.03
Panasonic Energy India Co.Ltd.	10	500	0.00	500	0.00
Pan India Corporation Ltd.	10	200	0.00	200	0.00
Sterlite Technologies Ltd.	2	525	0.00	525	0.00
Subros Ltd.	2	150	0.00	150	0.00
Tata Chemicals Ltd.	10	50	0.00	50	0.00
Tata Consultancy Services Ltd.	1	832	0.07	832	0.07
Visesh Infotecnics Ltd.	1	1100	0.00	1100	0.00
Voltas Ltd.	1	500	0.00	500	0.00
GHCL Ltd.	10	15000	0.23	125000	1.91
Archies Ltd.	2	50000	0.11	50000	0.11
Investment in SBI Mutual Fund			0.10		0.10
		Sub-Total (A)	0.69		2.37
Less:- Diminution in Value of Investments			-		0.53
			0.69		1.84
Unquoted Shares:					
Lloyd Credits Ltd.	10	300000	0.30	300000	0.30
Lloyd Aircon (P) Ltd.	10	350	0.00	350	0.00
Carrier Airconditioning & Refrigeration Ltd.	10	400	0.00	400	0.00
Subsidiary Company			-		-
Lloyd Coils Europe s.r.o			45.01		45.01
Janka Engineering s.r.o			38.66		38.66
Noske-Kaeser Rail & Vehicle Germany GmbH			2.72		-
Noske-Kaeser Rail & Vehicles New Zealand Ltd.			13.54		-
Noske-Kaeser US Rail & Vehicles LLC			0.01		-
		Sub-Total (B)	100.25		83.97
			100.93		85.81
Additional Information :					
1) Aggregate amount of Company's -					
a) Market value of Quoted Investments			0.69		1.84
b) Unquoted Investments			100.25		83.97

NOTE 14 : LONG TERM LOAN & ADVANCES

(₹ In Crores)

Particulars	As at 31.03.2016	As at 31.03.2015
Security Deposits	5.67	4.57
Loan to subsidiary Companies	10.96	-
TOTAL	16.63	4.57

NOTE 15 : OTHER NON CURRENT ASSETS

MAT Credit Entitlement		
Opening	18.04	14.43
Add(Less):- (i) During the Previous year	(11.09)	3.61
(ii) For the year	(6.94)	-
	-	18.04
Deferred Revenue Expenses		
Opening balance	4.19	1.91
Addition during the year	-	4.19
	4.19	6.10
Less: 1/5 Written off during the year	1.03	1.91
	3.16	4.19
TOTAL	3.16	22.23

NOTE 16 : INVENTORIES

Raw-materials, Consumables & Components	344.95	202.70
Stock in Progress	20.96	20.98
Finished Goods	453.83	448.91
Stock in Transit (At Cost)	57.16	46.72
TOTAL	876.91	719.31

NOTE 17 : TRADE RECEIVABLES

Outstanding for a Period exceeding six months from the date they are due for payment	5.15	4.84
Other Receivables	593.44	453.29
TOTAL	598.59	458.13

**NOTE 18 : CASH & CASH EQUIVALENTS
CASH AND BANK BALANCES**

Cash balance in Hand	0.38	0.23
Balances with Scheduled Banks	-	-
In Current Accounts	64.99	56.03
Dividend Account	0.27	0.25
In Fixed Deposits	0.13	0.13
Receipt pledged with Bank for margin money (Including Interest)	0.78	0.78
Interest accrued on fixed deposit	0.02	0.04
TOTAL	66.56	57.46

**NOTE 19 : SHORT TERMS LOANS & ADVANCES**

(₹ In Crores)

Particulars	As at 31.03.2016	As at 31.03.2015
Advance recoverable in cash or in kind or for value to be recovered	10.81	3.38
Advance to Employees	0.93	0.55
Advance for Capital Goods	5.04	-
Balance with Statutory/Government Authorities	18.31	14.89
Prepaid Expenses	16.38	15.22
Advance tax/TDS Recoverable	10.05	16.82
Insurance Claims Receivables	-	46.54
TOTAL	61.52	97.40

NOTE 20 : OTHER CURRENT ASSETS

Security Deposit to Associates/Group Company	23.59	16.92
TOTAL	23.59	16.92

NOTE 21 : REVENUE FROM OPERATIONS

(₹ In Crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Sale of Products		
Manufacturing Goods	2,280.47	1,809.79
Traded Goods	153.10	68.97
Other Operating Income	0.94	3.58
TOTAL	2,434.51	1,882.34

NOTE 22 : OTHER INCOME

1) Interest Income	0.05	0.08
2) Interest Income from subsidiary	0.18	-
3) Miscellaneous Income	0.67	0.52
4) Dividend Income	0.05	0.05
5) Gain on Foreign Exchange Fluctuation	-	3.92
TOTAL	0.95	4.57

NOTE 23 : COST OF MATERIAL CONSUMED

Raw materials, consumables and components consumed		
Opening Stock	202.70	147.32
Add:-Purchases	1,788.26	1,466.33
Carriage Inward	54.21	54.56
	2,045.17	1,668.22
Less:- Closing Stock	344.95	202.70
Cost of Raw Material, Consumables & Components Consumed	1,700.22	1,465.52

NOTE 24 : CHANGES IN INVENTORY

(₹ In Crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Decrease/(Increase) in Stocks in Progress		
Opening Stock	20.98	21.01
Less:- Closing Stock	20.96	20.98
Decrease/(Increase) in Stocks in Progress	0.02	0.03
Decrease/(Increase) in Finished Goods:		
Opening Stock	448.91	354.21
Less:- Closing Stock	453.83	448.91
Decrease/(Increase) in Finished Goods	(4.92)	(94.70)
TOTAL	(4.91)	(94.67)

NOTE 25 : EMPLOYEE BENEFIT EXPENSES

Salaries /wages (including Bonus)	66.18	51.14
Employer contribution in PF/ESIC	3.46	2.30
Staff Welfare	2.51	3.01
TOTAL	72.15	56.45

NOTE 26 : OTHER EXPENSES

Repair and Maintenance		
-Plant & Machinery	3.98	3.12
-Building & Office	0.39	0.37
Electricity Charges	6.98	6.71
Factory Overheads	9.15	10.25
Insurance	2.01	2.05
Rent Rate & Taxes	10.37	4.83
Communication Expenses	3.71	2.73
Printing and stationery	0.68	0.52
Payment to Auditors	0.25	0.21
Legal & Professional Expenses	4.65	4.48
Travelling & Conveyance Expenses	7.37	6.20
Motor Car Expenses	0.40	0.58
Foreign Exchange Fluctuations	25.58	-
Diminution/Increase in Value of Investments	(0.53)	(0.39)
Donation	0.34	1.25
Advertisement & Sales Promotions	51.52	34.52
Business Promotion	7.05	3.16
Octroi & Carriage outwards	14.57	10.48
Schemes & Discounts	46.88	24.15
Service Contract charges/Installations/Warranty	11.36	4.69
Loss on Sale of Fixed Assets	0.52	-
Other Miscellaneous Expenses	1.55	2.59
TOTAL	208.79	122.52

**NOTE 27 : FINANCIAL COSTS**

(₹ In Crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Interest Paid	84.86	77.60
Interest on Loan to Subsidiary Companies	0.87	0.11
Bank Charges	18.94	15.14
TOTAL	104.67	92.85

NOTE 28 : DEPRECIATION AND AMORTISATION

Depreciation on Tangible Assets	31.58	30.43
Amortization of Intangible Assets	1.62	1.62
Deferred Revenue Expenses Written off during the year	1.03	1.91
TOTAL	34.22	33.96

NOTE 29 : EXCEPTIONAL ITEMS

Insurance Claim Written off (Refer Note No. 40)	45.80	-
TOTAL	45.80	-

NOTES TO ACCOUNTS:

30 Contingent liability not provided for

Particulars	Current Year (₹ in Crore) 2015-16	Previous Year (₹ in Crore) 2014-15
A. Claims against the Company / disputed liabilities not acknowledged as debts*		
a. HP State Electricity Board	0.11	0.11
b. Central Excise & Customs Matters*	3.53	0.22
c. Sales Tax Matters	NIL	0.84
d. Income Tax Matters (Pending Rectifications)	3.50	NIL
B. Guarantees		
(i) Bank Guarantees	8.59	5.95
(ii) Stand by Line of Credit of Euro 3.785 million from IndusInd Bank Limited given by the Company for Euro 4.00 million Term Loan facility availed by Lloyd Coils Europe s.r.o. a wholly owned subsidiary from SBI Paris (Euro 2.89 million as at March 31, 2015.)	NIL	19.51
(iii) Stand by Line of Credit of Euro 1.25 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 Komerčni Bank Czech Republic. (Euro 1.25 millions as at March 31, 2015.)	NIL	8.44
(iv) Corporate Guarantee of Euro 3 Million issued by the Company in favour of GE Money Bank, a.s. for credit facility availed by Lloyd Coils Europe s.r.o.	20.25	20.25

*During the year the Company has received total demand of Rs. 46.23 Cr. under show cause notices from custom department. The Company has made suitable reply of the same. Since there is no confirm demand, hence no provision is required.

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

NIL NIL

32 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.

33 Investment in Subsidiary Companies

During the year under review, the Company has acquired "Rail & Vehicle" business of Noske-Kaeser Group based in Germany, New Zealand, Australia, Brazil and the United States by acquiring 100% of the assets relating to Rail & Vehicle business of Noske-Kaeser Group situated in Germany through a Special Purpose Vehicle formed in Hamburg, Germany and 100% of the shares in Noske-Kaeser's group companies located in New Zealand, Australia, Brazil and the US after carve out of the non-Rail & Vehicle business for total consideration of Euro 2.3 Million (INR 16.27Cr.) which includes an upfront payment of Euro 2.00 Million (INR 13.70 Cr.) and earn out of Euro 0.30 Million (INR 2.57 Cr.) payable in the next year as per the Assets & Share Purchase Agreement (ASPA) entered with seller.

For the purpose of the acquisition, including the above purchase consideration, the Company has made Equity Investment in wholly owned subsidiary, Noske-Kaeser Rail & Vehicles Germany GmbH of Euro 0.36 Million (equivalent to INR 2.72 crores), Noske-Kaeser Rail & Vehicles New Zealand Ltd (having two step down subsidiaries viz; Noske-Kaeser Rail & Vehicle Australia Pty Ltd and Noske-Kaeser Empreendimentos e Participações do Brasil Ltda.) of Euro 1.8 Million (Equivalent to INR 13.54 Cr.), Noske-Kaeser US Rail & Vehicles LLC of Euro 1000 (equivalent to INR 0.008 Cr). The Loan provided in addition to equity investment during the year is mentioned in note no. 35.



34 Unquoted investment in subsidiary Company

Unquoted 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 regulation 34 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

a) Loan given to Subsidiary and outstanding as on 31.03.2016

Name of the Company	Relationship	Amount Outstanding as on 31.03.2016 (₹ in crores)	Amount Outstanding as on 31.03.2015 (₹ in crores)
Lloyd Coils Europe s.r.o. Czech Republic	Subsidiary	7.72	NIL
Noske-Kaesar Rail & Vehicles, Germany GmbH	Subsidiary	3.06	NIL

b) Loan taken from Subsidiary and payable as on 31.03.2016

Name of the Company	Relationship	Amount Outstanding as on 31.03.2016 (₹ in crores)	Amount Outstanding as on 31.03.2015 (₹ in crores)
Lloyd Coils Europe s.r.o.	Subsidiary	20.99	20.99

36 Capital work in progress

Capital work in progress amounting to Rs. 6.70 Crores

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

A. Names of related parties and related party relationships

i. Wholly Owned Subsidiaries

- a. Lloyd Coils Europe s.r.o. Czech Republic
- b. Janka Engineering s.r.o. Czech Republic
- c. Noske Kaeser Rail & Vehicle Germany GmbH;
- d. Noske Kaeser US Rail & Vehicle LLC;
- e. Noske Kaeser Rail & Vehicles New Zealand Limited ("NK NZ");
- f. Noske-Kaeser Rail & Vehicle Australia Pty Ltd (Indirect Wholly owned subsidiary through NK NZ)
- g. Noske-Kaeser Empreendimentos e Participações do Brasil Ltda. (Indirect Wholly owned subsidiary through NK NZ)

ii. List of Key management personnel as defined under Accounting Standard (AS) 18, 'Related party disclosures:

- a. Mr. Brij Raj Punj Chairman and Managing Director
- b. Mr. Bharat Raj Punj Deputy Managing Director
- c. Mr. Achin Kumar Roy Whole Time Director
- d. Mr. Mukat B. Sharma Chief Financial Officer and Whole Time Director
- e. Mr. Nipun Singhal Whole Time Director

iii. Enterprises owned or significantly influenced by key management personnel or their relatives;

- a. Fedders Lloyd Corporation Ltd
- b. Fedders Lloyd Trading FZE
- c. Airserco Pvt. Ltd.
- d. Perfect Radiators & Oil Coolers Pvt. Ltd.
- e. PSL Engineering Pvt. Ltd.
- f. Regal Information Technology Pvt. Ltd.

(Contd...)

- g. Lloyd Aircon Pvt. Ltd.
- h. Lloyd Credits Ltd.
- i. Lloyd IT Technology Pvt. Ltd.
- j. Lloyd Sales Pvt. Ltd.
- k. Lloyd Manufacturing Pvt. Ltd.
- l. Lloyd Infotech (India) Pvt. Ltd.
- m. Lloyd Stock & Investments Pvt. Ltd.
- n. Himalayan Mineral Waters Pvt. Ltd.
- o. Punj Engineering Pvt. Ltd.
- p. Punj Services Pvt. Ltd.
- q. Pandit Kanahaya Lal Punj Pvt. Ltd.
- r. PSL Wolfe JV Pvt. Ltd.
- s. Pandit Kanahaya Lal Punj Trust
- t. Brij Raj Punj(HUF)

B. Transactions during the period with Related Parties are as under:

(₹ in Crore)

Name of Related Party	2015-16	2014-15
Fedders Lloyd Corporation Ltd.		
Sales of Goods	10.61	6.72
Purchase of Goods	39.76	46.26
Security Deposit	16.92	16.92
Lloyd Infotech (I) Pvt. Ltd.		
Services Received	14.01	27.01
Lloyd Manufacturing Pvt. Ltd.		
Money received against Share Warrants (25% upfront Money against 6.00 Lacs warrant of Rs. 152 each)	NIL	2.28
Perfect Radiators and Oil Coolers Pvt. Ltd.		
Money received against Share Warrants Balance 75 % consideration on 1.75 Lac warrants (previous year 25% upfront money against 6.00 Lacs warrants of Rs. 152 each)	2.00	2.28
Pandit Kanahaya Lal Punj Pvt. Ltd.		
Money received against Share Warrants Balance 75% consideration on 3.50 Lac warrants (previous year 25% upfront money against 16.00 Lacs warrants of Rs. 152 each)	3.99	6.08
Rent Paid	0.47	NIL
Security Deposit	3.36	NIL
Himalayan Mineral Waters Pvt. Ltd.		
Money received against Share Warrants Balance 75 % consideration on 1.60 Lac warrants (previous year 25% upfront money against 16.00 Lacs warrants of Rs. 152 each)	1.82	6.08
Security Deposit	1.56	NIL
Lloyd Stock & Investments Pvt. Ltd.		
Money received against Share Warrants (25% upfront money against 8.00 Lacs warrants of Rs. 152 each)	NIL	3.04
Lloyd Credits Ltd.		
Balance 75 % consideration on 2.00 Lac warrants (previous year 25% upfront money against 8.00 Lacs warrants of Rs. 152 each)	2.28	3.04



(Contd...)

Name of Related Party	2015-16	2014-15
Pandit Kanahaya Lal Punj Trust		
Donation	0.34	1.24
Lloyd Aircon Pvt. Ltd.		
Security Deposits	1.75	NIL
Subsidiary Companies		
Lloyd Coils Europe s.r.o.		
Purchase of Goods	0.06	NIL
Loan Received during the year	-	20.99
Interest payable on Loan taken	0.87	0.11
Loan Given during the year	7.72	NIL
Interest Receivables on Loan given	0.18	NIL
Others	NIL	0.01
Janka Engineering s.r.o.		
Purchase of Goods	0.01	0.02
Sale of Goods	0.05	NIL
Exhibition Expenses	NIL	0.07
Others	NIL	0.01
Noske-Kaeser Rail & Vehicle Germany GmbH		
Loan Given during the year	3.06	NIL
Key Management Personnel		
Managerial Remuneration Paid		
-Mr. Brij Raj Punj	0.72	0.72
-Mr. Bharat Raj Punj	0.58	0.58
-Mr. Achin Kumar Roy	1.10	1.93
-Mr. Mukat B. Sharma	0.45	0.41
-Mr. Nipun Singhal	1.04	1.27

38 Additional Information

a) Earnings & Expenditures in Foreign Currency

Particulars	Current Year Amount (₹ in Crore) 2015-16	Previous Year Amount (₹ in Crore) 2014-15
a) Expenditure in foreign currency:		
1. Raw Material & Trade Goods	1041.25	862.17
2. Foreign Travelling	1.55	1.65
3. Exhibition & other Expenses	0.14	0.64
4. Consultancy Paid	4.60	1.02
5. Godown Rent	0.06	0.06
b) Earning in foreign currency		
1. Export of goods on FOB basis	55.79	46.31

b) Sale

Particulars	Current Year Value (₹ in Crore) 2015-16	Previous Year Value (₹ in Crore) 2014-15
Consumer Durables	1,384.22	869.94
OEM & Packaged Air-conditioning	418.58	425.87
Heat Exchangers & Components	579.73	539.15
TOTAL	2,382.53	1,834.96

All the values mentioned above are without excise duty. The excise duty charged on sale amounts to Rs.51.98 Crores. (Previous year Rs.47.38 Crores).

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

Particulars	Current Year (₹ in Crore)	Previous Year (₹ in Crore)
Indigenous	771.07(41.84%)	695.62(45.60%)
Imported	1,071.89(58.16%)	829.79(54.40%)

d) Basic & Diluted Earnings Per Share

Earnings Per Share have been computed as under

Particulars	Current Year (₹ in Crore)	Previous Year (₹ in Crore)
Profit after Taxation	56.06	81.64
Number of Equity Shares	36,205,260	35,320,260
Basic Earnings Per Share (Face Value Rs.10/-per share)	15.48	23.11
*Diluted Earnings Per Share (Face Value Rs. 10/- per Share)	13.57	19.76

Assuming full conversion of remaining 51,15,000 convertible warrants issued on 13.03.2015 on preferential basis as per SEBI (ICDR) Regulations, 2009.

39 Segment Information

A. Primary Segment Reporting (By Business Segment)

The Company has following Business Segments as its primary reportable segments

- a. Consumer Durables
- b. OEM & Packaged Air-conditioning
- c. Heat Exchangers & Components

Segment Revenues, Results and Other Information:

Particulars	2015-16 (₹ in Crore)	2014-15 (₹ in Crore)
I. Segment Revenue*		
i. Consumer Durables	1,384.22	870.65
ii. OEM & Packaged Air-conditioning	850.79	751.18
iii. Heat Exchangers & Components	588.81	581.19
Sub:- Total (i+ii+iii)	2,823.82	2,203.02
Less:- Inter Segment Revenue	441.29	368.05
Net Sales/Income from Operations	2,382.53	1,834.96



(Contd...)

Particulars	2015-16 (₹ in Crore)	2014-15 (₹ in Crore)
II. Segment Results		
(PROFIT (+)/LOSS(-))		
i. Consumer Durables	105.65	96.25
ii. OEM & Packaged Air-conditioning	50.15	39.61
iii. Heat Exchangers & Components	81.77	68.67
Sub:- Total (i+ii+iii)	237.57	204.53
Less:-		
i. Finance Cost	104.67	92.85
ii. Other un-allocable expenditure net of un-allocable Income	7.31	8.66
iii. Exceptional Items	45.80	NIL
Operating Profit before tax	79.79	103.02
III. Capital Employed**		
i. Consumer Durables	238.00	230.00
ii. OEM & Packaged Air-Conditioning	231.00	222.00
iii. Heat Exchangers & Components	323.00	312.00
iv. Unallocated	98.00	98.00
Total	890.00	862.00

* The segment revenue of Consumer Durable business for the previous year ended March 31, 2015 excluded 91.16 Cr, being one-time inter-segmental sale to OEM Segments. The same has been re-grouped to make it comparable with the current year figures.

**As certain assets of the Company including manufacturing facilities are often deployed interchangeably across segments, the Company has to the extent possible identified segment-wise Capital Employed.

B) Information pertaining to Geographical Segment:

Sale of Products

Particulars	31 st March, 2016 (₹ in Crore)	31 st March, 2015 (₹ in Crore)
Within India	2,292.02	1,788.65
Outside India	90.51	46.31
Total	2,382.53	1,834.96

Fixed Assets as per Geographical Locations

The Company has common fixed assets, other assets and liabilities for domestic as well as overseas market. Hence, separate figures for assets and liabilities have not been furnished.

- 40** During the year under review, the insurance Company declined to admit the insurance claim of Rs.46.44 Crores in respect of fire which occurred on 24th August, 2013 at Company's Warehouse in Kalkaji, New Delhi on certain technical grounds including post claim endorsement. In view of the uncertainty arising therefrom, the Company as a matter of prudence has written off Rs.45.80 Crores and charged it to the statement of Profit & Loss Account as an exceptional item. Nevertheless, the Company is pursuing its entitlement and has initiated appropriate legal recourse.

41 Financial Statements and Derivatives Instruments

Derivative Contracts entered into by the Company and Outstanding as on 31st March, 2016

- i) For Hedging Currency and Interest rate related risks:

Nominal amount of derivative contracts entered into by the Company and outstanding as on 31st March, 2016 Rs. 7.58 Crores (Previous year Rs. 100 Crores) Category wise breakup is given below:

S. No.	Particulars	As at 31.03.2016 (₹ in Crore)	As at 31.03.2015 (₹ in Crore)
1.	Forward Contract	7.58	NIL
2.	Currency Swap	NIL	100.00
3.	Interest Rate Swap	NIL	NIL
4.	Option	NIL	NIL

- ii) For hedging Commodity related risks: the Company held open commodity derivatives in the total positive fair value of NIL amount (previous Year USD 308,780)

42 Previous year figures have been regrouped and rearranged wherever necessary.

43 Notes '1' to '42' 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

For and on behalf of the Board

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

Mukat B. Sharma
CFO & Whole Time Director
(DIN:02942036)

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

Place:- New Delhi
Dated:-30.05.2016

Anita K. Sharma
Company Secretary

Surjit Krishan Sharma
Director
(DIN:00058581)

Achin Kumar Roy
Whole Time Director
(DIN:01475456)



Consolidated

Financial

Statements

Independent Auditors' Report on Consolidated Financial Statements

To the Members of Lloyd Electric & Engineering Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Lloyd Electric & Engineering Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinion

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

Emphasis of Matter

We draw attention to the emphasis of matter as stated in Standalone Auditors' Report of even date.



Other Matters:

We did not audit the financial statements of subsidiary companies, whose financial statements reflect total assets of Rs. 284.02 Crores as at March 31, 2016, total revenues of Rs. 341.62 Crores and net cash inflows amounting to Rs. 0.92 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

The financials of Noske Kaeser Rail & Vehicles New Zealand Limited, one of the wholly owned subsidiary, are consolidated financials and includes financials of its two step down subsidiaries viz; Noske-Kaeser Rail & Vehicle Australia Pty Ltd. and Noske-Kaeser Empreendimentos e Participações do Brasil Ltda.

Noske Kaeser US Rail & Vehicle LLC, wholly owned subsidiary, acquired during the year, is yet to commence its operations.

Our opinion is not qualified in respect of these matters

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company none of the Directors of the company is disqualified as on 31 March 2016 from being appointed as a Director of that Company in terms of sub-section 2 of Section 164 of the Act. None of the subsidiaries of the Company is incorporated in India.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements;
 - ii. The Holding Company, its subsidiary companies did not have any long term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

(Brijesh C. Mathur)
Partner

M. No. 083540

Place: New Delhi
Dated: 30.05.2016

Annexure - A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Lloyd Electric & Engineering Limited ("the Holding Company") (none of its subsidiary companies are companies incorporated in India), as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Place: New Delhi
Dated: 30.05.2016

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

Consolidated Balance Sheet

AS AT 31ST MARCH, 2016

(₹ In Crores)

Particulars	Note	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	36.21	35.33
(b) Reserves and Surplus	4	725.26	698.45
(c) Share Warrants (Pending Allotment)	3	19.44	22.80
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	91.64	108.55
(b) Deferred tax liabilities (Net)	6	8.60	9.20
(c) Long term provisions	7	2.91	3.08
(3) Current Liabilities			
(a) Short-term borrowings	8	806.33	633.37
(b) Trade payables	9	338.49	258.02
(c) Other current liabilities	10	171.42	119.32
(d) Short-term provisions	11	26.10	40.83
TOTAL		2,226.40	1,928.96
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	411.82	402.30
(ii) Intangible assets		9.34	8.15
(iii) Capital work-in-progress		6.71	7.69
(b) Non-current investments	13	1.00	2.14
(c) Long term loans and advances	14	5.81	5.84
(d) Other non-current assets	15	3.16	22.23
(2) Current assets			
(a) Inventories	16	938.93	772.34
(b) Trade receivables	17	675.67	524.89
(c) Cash and cash equivalents	18	74.72	64.69
(d) Short-term loans and advances	19	75.65	101.77
(e) Other current assets	20	23.59	16.92
TOTAL		2,226.40	1,928.96

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

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

Place:- New Delhi
 Dated:-30.05.2016

Anita K. Sharma
 Company Secretary

For and on behalf of the Board

Mukat B. Sharma
 CFO & Whole Time Director
 (DIN:02942036)

Surjit Krishan Sharma
 Director
 (DIN:00058581)

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

Achin Kumar Roy
 Whole Time Director
 (DIN:01475456)



Consolidated Statement of Profit & Loss

FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ In Crores)

Particulars	Note	Year Ended 31.03.2016	Year Ended 31.03.2015
I. Revenue from operations (Gross):	21	2,767.20	2,220.06
Less:- Excise Duty		(51.98)	(47.38)
Revenue from operations (Net)		2,715.22	2,172.67
Other Income	22	8.99	12.74
Total Revenue (I)		2,724.21	2,185.41
II. Expenses:			
Cost of materials consumed	23	1,914.64	1,666.99
Purchase of Stock-in-Trade		142.74	59.89
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	(16.74)	(86.13)
Employee benefit expenses	25	148.54	125.03
Other expenses	26	272.22	174.05
Total Expenses (II)		2,461.41	1,939.82
III. Profit before Interest, Depreciation/Amortisation and Tax (EBITDA)	(I - II)	262.81	245.59
Finance Costs	27	105.52	94.31
Depreciation & Amortisation	28	46.38	40.18
IV. Profit from Ordinary Activities but before Exceptional Items		110.90	111.11
Exceptional Items	29	45.80	-
V. Profit After Exceptional Items		65.10	111.11
VI. Tax expense:			
(a) Current tax		17.65	22.20
(b) MAT Credit Adjustment		6.94	-
(c) Deferred tax		(1.44)	0.50
VII. Profit(Loss) from the period from continuing operations	(V-VI)	41.94	88.41
VIII. Earning per equity share (In ₹):			
(1) Basic	36 (b)	11.58	25.03
(2) Diluted	36 (b)	10.14	21.40

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

For and on behalf of the Board

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

Mukat B. Sharma
CFO & Whole Time Director
(DIN:02942036)

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

Place:- New Delhi
Dated:-30.05.2016

Anita K. Sharma
Company Secretary

Surjit Krishan Sharma
Director
(DIN:00058581)

Achin Kumar Roy
Whole Time Director
(DIN:01475456)

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31ST MARCH 2016

(₹ In Crores)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
A. Cash Flow from Operating Activities:		
Net Profit before tax & Extra-ordinary items	110.90	111.11
Adjustments:		
Add:		
Depreciation & Amortization	45.35	38.26
Provision no longer required	1.03	1.91
Interest Paid	86.52	79.09
Loss/ (Diminution) on sale (in value) of Investment	(0.53)	(0.39)
Loss on sale of fixed assets	0.52	-
	132.90	118.87
	243.80	229.98
Less:		
Interest Income	(0.14)	(0.08)
Dividend Income	(0.09)	(0.05)
Gain on Foreign Exchange Fluctuation	(0.05)	(0.05)
Profit on sale of Investment	-	(0.27)
	(0.27)	(0.18)
Operating profit before working capital changes	243.53	229.80
Adjustments for :		
Inventories	(166.59)	(154.40)
Trade & other receivables	(133.01)	(120.56)
Trade & other payables	132.08	67.08
	(167.52)	(207.88)
Cash generated from operations	76.01	21.92
Exchange Fluctuation	(10.34)	6.42
Exceptional Items	(45.80)	-
Direct tax paid	(30.52)	(22.48)
Net Cash Flow from Operating Activities	(10.66)	5.87
B. Cash Flow from Investing Activities:		
Purchase of fixed assets	(55.08)	(27.74)
Deferred Revenue in respect of acquisition	-	(4.19)
Net Purchase of Investments	1.14	-
Dividend Received	0.05	0.05
Profit on Sale from Fixed Assets	0.09	0.05
Interest received	0.14	0.08
Net Cash Flow from Investing Activities	(53.67)	(31.74)
C. Cash Flow from Financial Activities:		
Proceeds from Borrowing	156.05	95.65
Proceeds from Issue of Share capital/Share Warrants	10.34	22.80
Interest paid	(86.52)	(79.09)
Dividend paid	(4.59)	(3.53)
Dividend tax	(0.92)	(0.60)
Net Cash Flow from Financing Activities	74.36	35.23
Net increase in Cash and Cash Equivalents (A+B+C)	10.03	9.35
Net increase/ decrease in Cash and Cash Equivalents	10.03	9.35
Opening Balance of Cash and Cash Equivalents	64.69	55.34
Closing Balance of Cash and Cash Equivalents	74.72	64.69

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

Place:- New Delhi
Dated:-30.05.2016Anita K. Sharma
Company SecretaryMukat B. Sharma
CFO & Whole Time Director
(DIN:02942036)Surjit Krishan Sharma
Director
(DIN:00058581)

For and on behalf of the Board

Brij Raj Punj
Chairman & Managing Director
(DIN:00080956)Achin Kumar Roy
Whole Time Director
(DIN:01475456)

AUDITOR'S REPORT

We have examined the above Cash Flow Statement of Lloyd Electric & Engineering Limited for the year ended 31st March, 2016. The statement has been prepared by the Company in accordance with the requirements of the SEBI (Listing Obligations & Disclosure Requirements), Regulation, 2015 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

Place: New Delhi
Dated:- 30.05.2016

(Brijesh C. Mathur)
Partner
Membership No. 083540



Notes to Consolidated Financial Statements

FOR THE YEAR ENDED 31ST MARCH 2016.

1. CORPORATE INFORMATION

Lloyd Electric & Engineering Limited is a public Company domiciled in India and incorporated under the provisions of the erstwhile 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 durable products like LCD/LED, Chest freezers, washing machine and 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) Rule, 2006 (as amended) and the relevant provision of the Companies Act, 2013. 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 subsidiaries are included in the consolidated financial statements from the date of 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 in 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 uses for the purpose of consolidation are drawn up to the same reporting date of the parent Company i.e. year ended 31st March 2016.
- vi) All material Inter Company Balances & Transactions are eliminated on consolidation.

2.2 THE LIST OF SUBSIDIARIES:

Name of the Subsidiary	Nature of Relationship	Country of Incorporation	Extent of holding (%)	
			31.03.2016	31.03.2015
Lloyd Coils Europe s.r.o.	Wholly Owned Subsidiary	Czech Republic	100	100
Janka Engineering s.r.o.	Wholly Owned Subsidiary	Czech Republic	100	100
Noske Kaeser Rail & Vehicle Germany GmbH ("NK G")#	Wholly Owned Subsidiary	Germany	100	-
Noske Kaeser Rail & Vehicles New Zealand Ltd. ("NK NZ")#	Wholly Owned Subsidiary	New Zealand	100	-
Noske Kaeser US Rail & Vehicle LLC ("NK US")#	Wholly Owned Subsidiary	United States	100	-
Noske-Kaeser Rail & Vehicle Australia Pty Ltd.#	Indirect Wholly owned Subsidiary*	Australia	100	-
Noske-Kaeser Empreendimentos e Participações do Brasil Ltda.#	Indirect Wholly owned Subsidiary*	Brasil	100	-

*wholly owned subsidiary of Noske Kaeser Rail & Vehicles New Zealand Ltd.

The Company has acquired the Rail & Vehicle Business of Noske-Kaeser Group based in Germany, New Zealand, Australia, Brazil & United States by acquiring 100% ownership interest in NKG, NK NZ (alongwith its two step-down subsidiaries in Australia & Brazil) and NK US. As a result of the acquisition, NKG has w.e.f. August 26, 2015 and NKNZ (alongwith its subsidiaries) and NK US w.e.f. Match 23, 2016 become wholly owned subsidiaries. The consolidated financials includes their results w.e.f. the respective dates except NK US, a newly incorporated Company, which is yet to commence its operations.

For details with respect to the investment made on aforesaid acquisition, please refer note no. 33 of the standalone statements.

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 results and estimates are recognized in the period in which the results are known / materialized.

b) Tangible Fixed Assets

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

Capital Work-in-Progress

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

c) Depreciation on tangible fixed assets

- i) After Notification of the New Companies Act, 2013 which comes into effect from April 01, 2014, Depreciation on fixed assets is provided on straight-line basis at the rates prescribed in schedule II to the Companies Act, 2013.
- ii) Depreciation on assets added during the year, is calculated on pro-rata basis with reference to the date of installation.



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

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

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 6 years.

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

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 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.
- 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 Investments are stated at cost.

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 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.

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 Company 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 assets 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

i. Business Segment

As per Accounting Standard 17 on segment reporting of ICAI, the Company has reportable segments viz. Radiators & Heat Exchanger, OEM & Railways, Consumer Durable Products during the year under review. Accordingly the reporting is done segment wise.

ii. Geographical Segment

The analysis of geographical segment is based on the geographical location of the customers. The Company operates primarily in India and has presence in international markets as well. Its business is accordingly aligned geographically, catering to two markets. The Company has considered domestic and exports markets as geographical segments and accordingly disclosed these as separate segments. The geographical segments considered for disclosure are as follows;

- Sales within India represent sales made to customers located within India.
- Sales outside India represent sales made to customers located outside India.

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 2016 the effect of the same, if any which is not likely to be material will be adjusted at the time of confirmation.

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 Note of 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.

s) 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.

NOTE 3 : SHARE CAPITAL

(₹ In Crores)

Particulars	As at 31.03.2016	As at 31.03.2015
1. Authorized Capital		
7,00,00,000 Equity Shares of Rs. 10/- each (Previous year 7,00,00,000 Equity Shares of Rs. 10/- each)	70.00	70.00
Total Authorized Share Capital	70.00	70.00
2. Issued & Subscribed Capital		
3,62,18,160 Equity Shares of Rs. 10/- each (Previous Year 3,53,33,160 equity shares of Rs. 10/- each)	36.22	35.33
3. Paid up Capital		
3,62,05,260 Equity Shares of Rs. 10/- each fully paid up (Previous Year 3,53,20,260 equity shares of Rs. 10/- each)	36.21	35.32
Add:- Equity Shares forfeited (amount originally paid up)	0.01	0.01
TOTAL	36.21	35.33

NOTES:-**1. Out of the above Equity Shares**

- a) Includes 40,00,000 Equity Share allotted 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.
- d) 43,20,000 no of Equity Shares of Rs. 10/- each were allotted during the financial year 2013-14 in favour of shareholders of erstwhile Perfect Radiators & Oil Coolers Pvt. Ltd. (PROC) on account of merger of PROC with the Company retrospectively since 01.04.2011.
- e) Includes 8,85,000 equity shares allotted to Promoter Group Entities on January 29, 2016, upon conversion of equivalent no. of warrants issued on preferential basis.

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

Particulars	31 March, 2016		31 March, 2015	
	No. of Shares	Amount (₹ in Crores)	No. of Shares	Amount (₹ in Crores)
Equity Shares				
Shares outstanding at the beginning of the year	35,320,260	35.32	35,320,260	35.32
Shares Issued during the year	885,000	0.89	-	-
Shares outstanding at the end of the year	36,205,260	36.21	35,320,260	35.32

(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, 2016		31 March, 2015	
	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	10.26	3,713,520	10.51
Lloyd Sales Private Limited	3,315,005	9.16	3,315,005	9.39
Airserco Pvt. Ltd.	3,304,133	9.13	3,304,133	9.35
Orange Mauritius Investments Ltd.	1,601,170	4.42	2,300,000	6.51

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.

(d) Share Warrants (Pending Allotments)

(₹ In Crores)

Particulars	As at 31.03.2016	As at 31.03.2015
25% Upfront Payment	19.44	22.80
TOTAL	19.44	22.80

Money received against Share Warrants represents amounts received towards warrants which entitles the warrant holders, the option to apply for and be allotted equivalent number of equity shares of the face value of Rs. 10/- Each.

During the previous financial year, the Company has issued to its Promoter Group Entities 60,00,000 Warrants at a price of Rs. 152/- each entitling them for subscription of equivalent number of Equity Shares of Rs. 10/- each (including premium of Rs. 142/- each share) in accordance with chapter VII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009. During the current year, allottees of 8,85,000 warrants have exercised their right to convert the warrants into equity shares by paying balance 75% of the consideration aggregating Rs.10,08,90,000 and consequently 8,85,000 equity shares were issued to them. The holder of the remaining warrants are required to exercise the option to subscribe to equity shares before the expiry of 18 months from the date of allotment of warrants i.e. on or before on 12th September, 2016 upon payment of the balance 75% of the consideration of warrants.

NOTE 4 : RESERVES AND SURPLUS

(₹ In Crores)

Particulars	As at 31.03.2016	As at 31.03.2015
1) Capital Reserve (subsidy received against fixed assets)	0.44	0.44
2) Capital Reserve (Share Warrants forfeited by the Company)	11.25	11.25
3) Revaluation Reserve (land revalued as on 31st March, 1993)	0.35	0.35
4) Securities Premium Account:	211.64	199.07
5) Statutory Reserve	1.95	1.70
6) General Reserve		
Opening balance	202.72	182.72
Add: Transfer from Profit & Loss A/c	15.00	20.00
	217.72	202.72
7) Exchange Difference on Consolidation	(3.22)	7.97
8) Profit & Loss Account		
Profit for the Year	41.94	88.41
Balance Brought Forward from Previous year	274.94	206.10
MAT Credit Adjustment for Previous Year	(11.09)	3.61
Depreciation Adjustment	-	2.33
	305.80	300.45
Appropriations		
Proposed Dividend	4.71	4.59
Tax on Proposed Dividend	0.96	0.92
Transfer to General Reserve	15.00	20.00
Balance Carried to Balance Sheet	285.13	274.94
TOTAL	725.26	698.45

NOTE 5 : LONG TERM BORROWINGS

1. Term Loans		
From Scheduled Banks		
Foreign Currency Loan	12.66	16.73
Indian Currency Loan	78.98	91.81
TOTAL	91.64	108.55

Note:-

- Indian rupee loan for Rs. 35.00 Crores from IDBI Ltd. carries interest @ 12.25% P.A on Rs. 17.50 Crores and @ 11.50% P.A. on Rs. 17.50 Crores. The Loan is repayable in 16 quarterly installments of Rs. 2.19 crores each after moratorium of 12 months from the date of loan i.e. 31st March, 2013. Company has taken disbursement of Rs. 31.50 Crores.
- Indian rupee loan for Rs. 120.00 Crores from SBI carries interest @ 11.00% P.A. The Loan is repayable in 24 quarterly installments of Rs. 5.00 crores each after moratorium of 12 months from the date of loan i.e. 30.06.2013.
- Indian rupees loan for Rs. 20.00 Crores from SBBJ carries interest @ 12% P.A. The Loan is repayable in 16 Quarterly installments of Rs. 1.25 Crores each after moratorium of 9 months from the date of Loan i.e. 01.09.2015.
- Foreign Currency Loan for Euro 40,00,000 from State Bank of India. The Loan is repayable in 6 installments.
- 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.

**NOTE 6 : DEFERRED TAX LIABILITIES**

(₹ In Crores)

Particulars	As at 31.03.2016	As at 31.03.2015
Opening Balance	9.20	9.42
Add/(Less):- During the Year	(0.60)	(0.22)
Net Deferred Tax Liability	8.60	9.20

NOTE 7 : LONG TERM PROVISIONS

Provision for Gratuity	2.91	3.08
TOTAL	2.91	3.08

NOTE 8 : SHORT TERM BORROWINGS

1. Working Capital Loans:		
Working Capital Loan from Banks	806.33	633.37
TOTAL	806.33	633.37

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 future and second charge on pari-passu basis on the fixed assets of the company.

NOTE 9 : TRADE PAYABLES

Sundry Creditors	338.49	258.02
TOTAL	338.49	258.02

NOTE 10 : OTHER CURRENT LIABILITIES

Due to Statutory Bodies	48.96	31.61
Interest Accrued but not due	0.61	1.58
Others Liability	75.48	29.77
Unpaid Dividend	0.27	0.25
Advance from Customers	5.67	0.74
Current maturity of Long Term Borrowings		
Foreign Currency Loan	-	25.38
Indian Currency Loan	38.75	28.75
Loan against Vehicles (secured by hypothecation of vehicle finances)	1.69	1.24
TOTAL	171.42	119.32

NOTE 11 : SHORT TERM PROVISIONS

Provision for Income Tax	15.63	30.22
Provision for proposed dividend	4.71	4.59
Provision for tax on proposed dividend	0.96	0.92
Leave Encashment Payable	4.80	5.11
TOTAL	26.10	40.83

NOTE 12 : FIXED ASSETS

(₹ In Crores)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2015	Additions	Deductions	As at 31.3.2016	Up to 31.3.2015	For the year	Adjustment	Up to 31.3.2016	As at 31.03.2016	As at 31.03.2015
i) Tangible assets										
1) Leasehold Land	16.10	-	0.89	15.20	-	-	-	-	15.20	16.10
2) Temporary Constructions	0.19	0.39	(1.54)	2.12	0.11	-	-	0.11	2.00	0.07
3) Buildings	96.11	5.67	0.39	101.38	17.08	2.77	(0.02)	19.83	81.55	79.03
4) Plant & Machinery	488.00	40.62	1.67	526.95	213.85	32.99	(0.03)	246.82	280.13	274.15
5) Office Equipments	8.20	1.78	(0.02)	10.00	6.62	0.99	-	7.61	2.38	1.57
6) Vehicles	7.50	1.66	0.85	8.31	4.90	0.52	(0.81)	4.60	3.70	2.60
7) Furniture & Fixtures	2.59	1.42	0.00	4.02	0.78	0.37	-	1.16	2.86	1.81
8) Capital Work in Progress	2.39	0.20	(0.51)	3.10	0.20	-	-	0.20	2.90	2.19
9) Adjustment to Assets	48.39	-	(0.02)	48.41	23.61	3.72	-	27.33	21.08	24.77
Total (Tangible Assets)	669.46	51.75	1.72	719.48	267.16	41.37	(0.86)	307.66	411.82	402.30
(ii) Intangible assets										
1) Intangible Fixed Assets	20.58	4.21	1.90	22.89	14.18	3.99	-	18.17	4.72	6.40
2) Product Development Expenses	1.88	0.88	(1.99)	4.75	0.12	-	-	0.12	4.63	1.76
Total (Intangible Assets)	22.46	5.09	(0.09)	27.64	14.30	3.99	-	18.29	9.34	8.15
TOTAL	691.91	56.83	1.62	747.12	281.46	45.35	(0.86)	325.95	421.17	410.45
(Previous Year)	664.39	33.29	5.77	691.91	240.89	38.26	2.33	281.46	410.45	-



NOTE 13 : INVESTMENTS

(₹ In Crores)

	Face Value	Number of Shares	As at 31.3.2016	Number of Shares	As at 31.3.2015
Quoted Shares					
Blue Star Ltd.	2	375	0.00	375	0.00
Blue Star Infotech 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	-	15	-
Chambal Fertilizers & Chemicals Ltd.	10	1000	0.00	1000	0.00
DB International Stock Brokers Ltd	2	13000	0.00	13000	0.00
Dot Com. Global Ltd.	10	24200	0.00	24200	0.00
Shardul Securities Ltd.	10	25600	0.08	25600	0.08
ACE Edutrend Ltd	10	16900	0.02	16900	0.02
Dion Global Solutions Ltd.	10	160	0.00	320	0.00
Healthfore Technologies Ltd	10	80	0.00	80	0.00
Glaxosmithkline Pharmaceuticals Ltd	10	125	0.01	125	0.01
HDFC Bank Ltd.	2	125	0.00	125	0.00
Hindustan Uniliver Ltd.	1	1350	0.02	1350	0.02
JSW Steel Limited	10	1124	0.02	1124	0.02
Lumax Industries Limited	10	4600	0.03	4600	0.03
Panasonic Energy India Co.Ltd	10	500	0.00	500	0.00
Pan India Corporation Ltd	10	200	0.00	200	0.00
Sterlite Technologies Ltd	2	525	0.00	525	0.00
Subros Limited	2	150	0.00	150	0.00
Tata Chemicals Limited	10	50	0.00	50	0.00
Tata Consultancy Services Limited	1	832	0.07	832	0.07
Visesh Infotecnics Limited	1	1100	0.00	1100	0.00
Voltas Limited	1	500	0.00	500	0.00
GHCL Ltd.	10	15000	0.23	125000	1.91
Archies Ltd.	2	50000	0.11	50000	0.11
Investment in SBI Mutual Fund			0.10		0.10
		Sub-Total (A)	0.69		2.37
Less:- Diminution in Value of Investments			-		0.53
			0.69		1.84
Unquoted Shares:					
Lloyd Credits Ltd.	10	300000	0.30	300000	0.30
Lloyd Aircon (P) Ltd.	10	350	0.00	350	0.00
Carrier Airconditioning & Refrigeration Ltd.	10	400	0.00	400	0.00
Subsidiary Company					
Noske-Kaeser US Rail & Vehicles LLC			0.01		-
		Sub-Total (B)	0.31		0.30
			1.00		2.14
Additional Information :					
1) Aggregate amount of Company's -					
a) Market value of Quoted Investments			0.69		1.84
b) Unquoted Investments			0.31		0.30

NOTE 14 : LONG TERM LOAN & ADVANCES

(₹ In Crores)

Particulars	As at 31.03.2016	As at 31.03.2015
Security Deposits	5.67	4.57
Other Advances	0.14	1.27
TOTAL	5.81	5.84

NOTE 15 : OTHER NON CURRENT ASSETS

MAT Credit Entitlement		
Opening	18.04	14.43
Add(Less):- (i) During the Previous year	(11.09)	3.61
(ii) For the year	(6.94)	-
	-	18.04
Deferred Revenue Expenses		
Opening balance	4.19	1.91
Addition during the year	-	4.19
	4.19	6.10
Less: 1/5 Written off During the year	1.03	1.91
	3.16	4.19
TOTAL	3.16	22.23

NOTE 16 : INVENTORIES

Raw-materials, Consumables & Components	375.22	229.37
Stock in Progress	33.55	27.87
Finished Goods	471.66	460.57
Stock for Resale	1.34	0.22
Stock in Transit (At Cost)	57.16	54.32
TOTAL	938.93	772.34

NOTE 17 : TRADE RECEIVABLES

Outstanding for a Period exceeding six months from the date they are due for payment	5.30	10.57
Other Receivables	670.37	514.32
TOTAL	675.67	524.89

**NOTE 18 : CASH & CASH EQUIVALENTS
CASH AND BANK BALANCES**

Cash balance in Hand	0.46	0.32
Balances with Scheduled Banks		
In Current Accounts	69.26	63.17
Dividend Account	0.27	0.25
In Fixed Deposits	3.93	0.13
Receipt pledged with Bank for margin money (Including Interest)	0.78	0.78
Interest accrued on fixed deposit	0.02	0.04
TOTAL	74.72	64.69

**NOTE 19 : SHORT TERMS LOANS & ADVANCES**

(₹ In Crores)

Particulars	As at 31.03.2016	As at 31.03.2015
Advance recoverable in cash or in kind or for value to be recovered	10.81	3.49
Advance to Employees	1.27	0.77
Advance for Capital Goods	5.04	-
Other Advances	5.51	0.24
Balance with Statutory/Government Authorities	19.79	17.28
Prepaid Expenses	17.44	15.94
Advance tax/TDS Recoverable	15.79	17.50
Insurance Claims Receivables	-	46.54
TOTAL	75.65	101.77

NOTE 20 : OTHER CURRENT ASSETS

Security Deposit to Associates/Group Company	23.59	16.92
TOTAL	23.59	16.92

NOTE 21 : REVENUE FROM OPERATIONS

(₹ In Crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Sale of Products		
Manufacturing Goods	2,613.16	2,147.51
Traded Goods	153.10	68.97
Other Operating Income	0.94	3.58
TOTAL	2,767.20	2,220.06

NOTE 22 : OTHER INCOME

1) Income from Scrap	6.94	7.36
2) Interest Income	0.14	0.08
3) Gain from Exchange Fluctuation	-	1.94
4) Miscellaneous Income	1.77	3.25
5) Profit on Sale of Fixed Assets	0.09	0.05
6) Dividend Income	0.05	0.05
TOTAL	8.99	12.74

NOTE 23 : COST OF MATERIAL CONSUMED

Raw materials, consumables and components consumed:-		
Opening Stock	233.41	172.82
Add:-Purchases	1,997.16	1,672.10
Carriage Inward	59.28	55.48
	2,289.86	1,900.40
Less:- Closing Stock	375.22	233.41
Cost of Raw Material, Consumables & Components Consumed	1,914.64	1,666.99

NOTE 24 : CHANGES IN INVENTORY

(₹ In Crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Decrease/(Increase) in Stocks in Progress		
Opening Stock	27.87	33.05
Less:- Closing Stock	33.55	27.87
Decrease/(Increase) in Stocks in Progress	(5.69)	5.19
Decrease/(Increase) in Finished Goods:		
Opening Stock	460.61	369.29
Less:- Closing Stock	471.66	460.61
Decrease/(Increase) in Finished Goods	(11.05)	(91.32)
TOTAL	(16.74)	(86.13)

NOTE 25 : EMPLOYEE BENEFIT EXPENSES

Salaries /wages (including Bonus)	123.31	103.63
Employer contribution in PF/ESIC	3.46	2.30
Staff Welfare	3.60	1.87
Social Security and Health Insurance Expenses	18.18	17.23
TOTAL	148.54	125.03

NOTE 26 : OTHER EXPENSES

Repair and Maintenance		
-Plant & Machinery	6.29	5.34
-Building & Office	1.43	0.83
Electricity Charges	7.01	6.71
Factory Overheads	22.74	22.83
Lease Charges	5.60	3.88
Insurance	2.60	3.17
Rent Rate & Taxes	10.63	5.03
Communication Expenses	4.60	3.58
Printing and stationery	0.87	0.52
Payment to Auditors	0.68	0.48
Legal & Professional Exp.	7.09	6.55
Travelling & Conveyance Expenses	9.06	8.39
Motor Car Expenses	0.42	0.58
Foreign Exchange Fluctuations	30.86	-
Diminution/Increase in Value of Investments	(0.53)	(0.39)
Donation	0.34	1.25
Advertisement & Sales Promotions	53.59	35.24
Business Promotion	7.41	3.16
Octroi & Carriage outwards	23.24	18.82
Schemes & Discounts	46.88	24.15
Service Contract charges/Installations/Warranty	11.36	4.69
Bad debts & Provision	0.07	0.06
Loss on Sale of Fixed Assets	0.52	-
Other Miscellaneous Expenses	19.46	19.19
TOTAL	272.22	174.05

**NOTE 27 : FINANCIAL COSTS**

(₹ In Crores)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Interest Paid	86.52	79.09
Bank Charges	19.00	15.21
TOTAL	105.52	94.31

NOTE 28 : DEPRECIATION AND AMORTISATION

Depreciation on Tangible Assets	41.37	35.84
Amortization of Intangible Assets	3.99	2.43
Deferred Revenue Expenses Written off during the year	1.03	1.91
TOTAL	46.38	40.18

NOTE 29 : EXCEPTIONAL ITEMS

Insurance Claim Written off (Refer Note No. 38)	45.80	-
TOTAL	45.80	-

NOTES TO ACCOUNTS:

30 Contingent liability not provided for

Particulars	Current Year (₹ in Crore) 2015-16	Previous Year (₹ in Crore) 2014-15
A. Claims against the Company / disputed liabilities not acknowledged as debts*		
a. HP State Electricity Board	0.11	0.11
b. Central Excise & Customs Matters*	3.53	0.22
c. Sales Tax Matters	NIL	0.84
d. Income Tax Matters (Pending Rectifications)	3.50	NIL
B. Guarantees		
(i) Bank Guarantees	8.59	5.95
(ii) Stand by Line of Credit of Euro 3.785 million from IndusInd Bank Limited given by the Company for Euro 4.00 million Term Loan facility availed by Lloyd Coils Europe s.r.o. a wholly owned subsidiary from SBI Paris (Euro 2.89 million as at March 31, 2015.)	NIL	19.51
(iii) Stand by Line of Credit of Euro 1.25 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 Komerčni Bank Czech Republic. (Euro 1.25 millions as at March 31, 2015.)	NIL	8.44
(iv) Corporate Guarantee of Euro 3 Million issued by the Company in favour of GE Money Bank, a.s. for credit facility availed by Lloyd Coils Europe s.r.o.	20.25	20.25

*During the year the Company has received total demand of Rs. 46.23 Cr. under show cause notices from custom department. The Company has made suitable reply of the same. Since there is no confirm demand, hence no provision is required.

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

NIL NIL

32 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.

33 Disclosure as per regulation 34 (3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

a) Loan given to Subsidiary and outstanding as on 31.03.2016

Name of the Company	Relationship	Amount Outstanding as on 31.03.2016 (₹ in crores)	Amount Outstanding as on 31.03.2015 (₹ in crores)
Lloyd Coils Europe s.r.o. Czech Republic	Subsidiary	7.72	NIL
Noske-Kaeser Rail & Vehicles, Germany GmbH	Subsidiary	3.06	NIL

b) Loan taken from Subsidiary and payable as on 31.03.2016

Name of the Company	Relationship	Amount Outstanding as on 31.03.2016 (₹ in crores)	Amount Outstanding as on 31.03.2015 (₹ in crores)
Lloyd Coils Europe s.r.o.	Subsidiary	20.99	20.99



34 Capital work in progress

Capital work in progress amounting to Rs. 9.61 Crores

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

A. Names of related parties and related party relationships

i. Wholly Owned Subsidiaries

- a. Lloyd Coils Europe s.r.o. Czech Republic
- b. Janka Engineering s.r.o. Czech Republic
- c. Noske Kaeser Rail & Vehicle Germany GmbH;
- d. Noske Kaeser US Rail & Vehicle LLC;
- e. Noske Kaeser Rail & Vehicles New Zealand Limited ("NK NZ");
- f. Noske-Kaeser Rail & Vehicle Australia Pty Ltd (Indirect Wholly owned subsidiary through NK NZ)
- g. Noske-Kaeser Empreendimentos e Participações do Brasil Ltda. (Indirect Wholly owned subsidiary through NK NZ)

ii. List of Key management personnel as defined under Accounting Standard (AS) 18, 'Related Party Disclosures:

- a. Mr. Brij Raj Punj Chairman and Managing Director
- b. Mr. Bharat Raj Punj Deputy Managing Director
- c. Mr. Achin Kumar Roy Whole Time Director
- d. Mr. Mukat B. Sharma Chief Financial Officer and Whole Time Director
- e. Mr. Nipun Singhal Whole Time Director

iii. Enterprises owned or significantly influenced by key management personnel or their relatives;

- a. Fedders Lloyd Corporation Ltd
- b. Fedders Lloyd Trading FZE
- c. Airserco Pvt. Ltd.
- d. Perfect Radiators & Oil Coolers Pvt. Ltd.
- e. PSL Engineering Pvt. Ltd.
- f. Regal Information Technology Pvt. Ltd.
- g. Lloyd Aircon Pvt. Ltd.
- h. Lloyd Credits Ltd.
- i. Lloyd IT Technology Pvt. Ltd.
- j. Lloyd Sales Pvt. Ltd.
- k. Lloyd Manufacturing Pvt. Ltd.
- l. Lloyd Infotech (India) Pvt. Ltd.
- m. Lloyd Stock & Investments Pvt. Ltd.
- n. Himalayan Mineral Waters Pvt. Ltd.
- o. Punj Engineering Pvt. Ltd.
- p. Punj Services Pvt. Ltd.
- q. Pandit Kanahaya Lal Punj Pvt. Ltd.
- r. PSL Wolfe JV Pvt. Ltd.
- s. Pandit Kanahaya Lal Punj Trust
- t. Brij Raj Punj (HUF)

B. Transactions during the period with Related Parties are as under:

(₹ in Crore)

Name of Related Party	2015-16	2014-15
Fedders Lloyd Corporation Ltd.		
Sales of Goods	10.61	6.72
Purchase of Goods	39.76	46.26
Security Deposit	16.92	16.92
Lloyd Infotech (I) Pvt. Ltd.		
Services Received	14.01	27.01
Lloyd Manufacturing Pvt. Ltd.		
Money received against Share Warrants (25% upfront money against 6.00 Lacs warrants of Rs. 152 each)	NIL	2.28
Perfect Radiators and Oil Coolers Pvt. Ltd.		
Money received against Share Warrants Balance 75 % consideration on 1.75 Lac warrants (previous year 25% upfront money against 6.00 Lacs warrants of Rs. 152 each)	2.00	2.28
Pandit Kanahaya Lal Punj Pvt. Ltd.		
Money received against Share Warrants Balance 75% consideration on 3.50 Lac warrants (previous year 25% upfront money against 16.00 Lacs warrants of Rs. 152 each)	3.99	6.08
Rent Paid	0.47	NIL
Security Deposit	3.36	NIL
Himalayan Mineral Waters Pvt. Ltd.		
Money received against Share Warrants Balance 75 % consideration on 1.60 Lac warrants (previous year 25% upfront money against 16.00 Lacs warrants of Rs. 152 each)	1.82	6.08
Security Deposit	1.56	NIL
Lloyd Stock & Investments Pvt. Ltd.		
Money received against Share Warrants (25% upfront money against 8.00 Lacs warrants of Rs. 152 each)	NIL	3.04
Lloyd Credits Ltd.		
Balance 75 % consideration on 2.00 Lac warrants (previous year 25% upfront money against 8.00 Lacs warrants of Rs. 152 each)	2.28	3.04
Pandit Kanahaya Lal Punj Trust		
Donation	0.34	1.24
Lloyd Aircon Pvt. Ltd.		
Security Deposits	1.75	NIL
Subsidiary Companies		
Lloyd Coils Europe s.r.o.		
Purchase of Goods	0.06	NIL
Loan Received during the year	-	20.99
Interest payable on Loan taken	0.87	0.11
Loan Given during the year	7.72	NIL
Interest Receivables on Loan given	0.18	NIL
Others	NIL	0.01



(Contd...)

(₹ in Crore)

Name of Related Party	2015-16	2014-15
Janka Engineering s.r.o.		
Purchase of Goods	0.01	0.02
Sale of Goods	0.05	NIL
Exhibition Expenses	NIL	0.07
Others	NIL	0.01
Noske-Kaeser Rail & Vehicle Germany GmbH		
Loan Given during the year	3.06	NIL
Key Management Personnel		
Managerial Remuneration Paid		
-Mr. Brij Raj Punj	0.72	0.72
-Mr. Bharat Raj Punj	0.58	0.58
-Mr. Achin Kumar Roy	1.10	1.93
-Mr. Mukat B. Sharma	0.45	0.41
-Mr. Nipun Singhal	1.04	1.27

36 Additional Information

- Balances of sister concerns are subject to Reconciliation & Confirmation
- Basic & Diluted Earnings Per Share : Earnings Per Share have been computed as under

Particulars	Current Year (₹ in Crore) 2015-16	Previous Year (₹ in Crore) 2014-15
Profit after Taxation	41.94	88.41
Number of Equity Shares	36,205,260	35,320,260
Basic Earnings Per Share (Face Value Rs.10/-per share)	11.58	25.03
*Diluted Earnings Per Share (Face Value Rs. 10/- per Share)	10.14	21.40

Assuming full conversion of remaining 51,15,000 convertible warrants issued on 13.03.2015 on preferential basis as per SEBI (ICDR) Regulations, 2009

37 Segment Information

A. Primary Segment Reporting (By Business Segment)

The Company has following Business segments as its primary reportable segments

- Consumer Durables
- OEM & Packaged Air-conditioning
- Heat Exchangers & Components

Segment Revenues, Results and Other Information:

Particulars	2015-16 (₹ in Crore)	2014-15 (₹ in Crore)
I. Segment Revenue*		
i. Consumer Durables	1,384.22	870.65
ii. OEM & Packaged Air-conditioning	850.79	751.18
iii. Heat Exchangers & Components	588.81	581.19
iv. Wholly owned subsidiaries	332.76	347.85
Sub:- Total (i+ii+iii+iv)	3,156.58	2,550.87
Less:- Inter Segment Revenue	441.36	378.20
Net Sales/Income from Operations	2,715.22	2,172.67
II. Segment Results (PROFIT (+)/LOSS(-))		
i. Consumer Durables	105.65	96.25
ii. OEM & Packaged Air-conditioning	50.15	39.61
iii. Heat Exchangers & Components	81.77	68.67
iv. Wholly Owned subsidiaries	-13.84	9.55
Sub:- Total (i+ii+iii+iv)	223.73	214.08
Less:-		
i. Finance Cost	105.52	94.31
ii. Other un-allocable expenditure net of un-allocable Income	7.31	8.66
iii. Exceptional Items	45.80	-
Operating Profit before tax	65.10	111.11
III. Capital Employed**		
i. Consumer Durables	238.00	230.00
ii. OEM & Packaged Air-Conditioning	231.00	222.00
iii. Heat Exchangers & Components	323.00	312.00
iv. Wholly owned subsidiaries / unallocated	119.30	155.00
Total	911.30	919.00

* The segment revenue of Consumer Durable Business for the previous year ended March 31, 2015 excluded 91.16 Cr, being one-time inter-segmental sale to OEM Segments. The same has been re-grouped to make it comparable with the current year figures.

**As certain assets of the Company including manufacturing facilities are often deployed interchangeably across segments, the Company has to the extent possible identified to the Capital Employed.

B) Information pertaining to Geographical Segment:

Sale of Products

Particulars	31 st March, 2016 (₹ in Crore)	31 st March, 2015 (₹ in Crore)
Within India	2,292.02	1,788.65
Outside India	423.20	384.02
Total	2,715.22	2,172.67

Fixed Assets as per Geographical Locations

The Company has common fixed assets, other assets and liabilities for domestic as well as overseas market. Hence, separate figures for assets and liabilities have not been furnished.

- 38** During the year under review, the insurance Company declined to admit the insurance claim of Rs.46.44 Crores in respect of fire which occurred on 24th August, 2013 at Company's Warehouse in Kalkaji, New Delhi on certain technical grounds including post claim endorsement. In view of the uncertainty arising therefrom, the Company as a matter of prudence has written off Rs.45.80 Crores and charged it to the statement of Profit & Loss Account as an exceptional item. Nevertheless, the Company is pursuing its entitlement and has initiated appropriate legal recourse.



39. Financial Statements and Derivatives Instruments

Derivative Contracts entered into by the Company and Outstanding as on 31st March, 2016

i) For Hedging Currency and Interest rate related risks:

Nominal amount of derivative contracts entered into by the Company and outstanding as on 31st March, 2016 Rs. 7.58 Crores (Previous year Rs. 100 Crores) Category wise breakup is given below:

S. No.	Particulars	As at 31.03.2016 (₹ in Crore)	As at 31.03.2015 (₹ in Crore)
1.	Forward Contract	7.58	NIL
2.	Currency Swap	NIL	100.00
3.	Interest Rate Swap	NIL	NIL
4.	Option	NIL	NIL

ii) For hedging Commodity related risks: the Company held open commodity derivatives in the total positive fair value of NIL amount (previous Year USD 308780).

40. Additional information, as required under Schedule III to the Companies Act, 2013 pertaining to the Parent Company and Subsidiaries

Name of the Enterprise	Net Assets. (Total Assets – Total Liabilities)		Share in Profit or Loss.	
	As a % of Consolidated Net Assets.	Amount (₹ In Crores)	As a % of Total Profit or Loss.	Amount (₹ In Crores)
1	2	3	4	5
Parent:				
Lloyd Electric & Engineering Ltd.	100.92%	788.08	133.67%	56.06
Foreign Subsidiaries:				
Lloyd Coils Europe s.r.o.	9.80%	76.52	(14.43%)	(6.05)
Janka Engineering s.r.o.	0.42%	3.25	(28.33%)	(11.88)
Noske Kaeser Rail & Vehicle Germany GmbH #	0.39%	3.10	0.91%	0.38
Noske Kaeser Rail & Vehicles New Zealand Limited	1.71%	13.35	(4.15%)	(1.74)
Adjustment arising out of consolidation	(13.24%)	(103.39)	12.33%	5.17
Total	100%	780.91	100%	41.94

* Noske Kaeser US Rail & Vehicle LLC ,a newly incorporated entity, is yet to commence its operations and hence, not considered for the purpose of consolidation.

The financials of Noske Kaeser Rail & Vehicles New Zealand Limited are consolidated financials and includes financials of its two step down subsidiaries viz; Noske-Kaeser Rail & Vehicle Australia Pty Ltd. and Noske-Kaeser Empreendimentos e Participações do Brasil Ltda.

For other details w.r.t. subsidiaries please refer Note 2.2 of the Consolidated Financial Statements

41 Previous year figures have been regrouped and rearranged wherever necessary.

42 Notes '1' to '41' 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

For and on behalf of the Board

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

Mukat B. Sharma
CFO & Whole Time Director
(DIN:02942036)

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

Place:- New Delhi
Dated:-30.05.2016

Anita K. Sharma
Company Secretary

Surjit Krishan Sharma
Director
(DIN:00058581)

Achin Kumar Roy
Whole Time Director
(DIN:01475456)

Form AOC- 1

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

₹ in Crore

Name of the Subsidiary		Lloyd Coils Europe s.r.o.	Janka Engineering s.r.o.	Noske Kaeser Rail & Vehicle Germany GmbH	Noske Kaeser Rail & Vehicles New Zealand Limited.
S.No.	Reporting Period	March 31, 2016	March 31, 2016	March 31, 2016	March 31, 2016
1	Reporting Currency	CZK	CZK	EURO	NZD
2	Exchange Rate	2.79	2.79	75.1	45.85
3	Share Capital	50.11	41.88	2.70	15.09
4	Reserves and Surplus	26.41	(38.63)	0.40	(1.73)
5	Total Assets	180.45	65.70	13.94	23.93
6	Total Liabilities	103.93	62.46	10.84	10.57
7	Investments	-	-	-	-
8	Turnover	235.97	78.99	6.43	11.29
9	Profit before taxation	(7.16)	(11.88)	0.56	(1.38)
10	Provision for taxation	(1.11)	-	0.18	0.37
11	Profit after taxation	(6.05)	(11.88)	0.38	(1.74)
12	Proposed Dividend	-	-	-	-
13	% of shareholding	100%	100%	100%	100%

Notes:

- Noske Kaeser US Rail & Vehicle LLC, wholly owned subsidiary, acquired during the year, is yet to commence its operations.
- The financials of Noske Kaeser Rail & Vehicles New Zealand Limited are consolidated financials and includes financials of its two step down subsidiaries viz; Noske-Kaeser Rail & Vehicle Australia Pty Ltd. and Noske-Kaeser Empreendimentos e Participações do Brasil Ltda.
- There is no subsidiary which has been liquidated or sold during the year.
- For other details w.r.t. subsidiaries please refer note 2.2 of the Consolidated Financial Statements.
- There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013. Hence, Part B is not applicable.

For and on behalf of the Board

Mukat B. Sharma
CFO & Whole Time Director
(DIN:02942036)

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

Place:- New Delhi
Dated:-30.05.2016

Anita K. Sharma
Company Secretary

Surjit Krishan Sharma
Director
(DIN:00058581)

Achin Kumar Roy
Whole Time Director
(DIN:01475456)

Khushiyon ki Guarantee...



LLOYD ELECTRIC & ENGINEERING LIMITED
CIN: L29120RJ1987PLC012841
Corp. Off.: 159, Okhla Industrial Estate, Phase-III, New Delhi-110020 (INDIA)
Ph: 91-11-40627200-300, Fax: 91-11-41609909
Email: investor.relation@lloydengg.com
Website: www.lloydengg.com