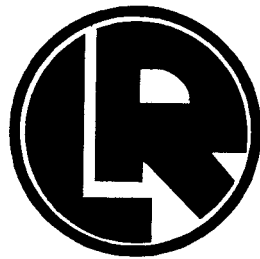


*24th*  
*Annual Report*  
*2012-2013*



**LLOYD ROCKFIBRES LIMITED**

# LLOYD ROCKFIBRES LIMITED

## BOARD OF DIRECTORS

SHRI R.P. PUNJ  
CHAIRMAN

SHRI GAURAV PUNJ  
MANAGING DIRECTOR

SHRI B.D. MALLIAH  
DIRECTOR

SHRI A.K. SRIVASTAVA  
WHOLETIME DIRECTOR

SHRI RAKESH VOHRA  
DIRECTOR

SHRI S.N. PANDITA  
DIRECTOR

## AUDITORS

M/S. DUBEY & CO.  
CHARTERED ACCOUNTANTS  
NEW DELHI

## REGISTRAR AND SHARE TRANSFER AGENT

M/S. BEETAL FINANCIAL & COMPUTER  
SERVICES (P) LTD.  
BEETAL HOUSE, 99, MADANGIR,  
3RD FLOOR, BEHIND LOCAL SHOPPING CENTRE,  
NEAR DADA HARSUKHDAS MANDIR,  
NEW DELHI-110062

## BANKERS

ORIENTAL BANK OF COMMERCE, NEW DELHI  
ICICI BANK, AURANGABAD  
BANK OF BARODA, AURANGABAD  
IDBI, NEW DELHI

## REGISTERED OFFICE

Plot No. 2, Punjsons Premises,  
Kalkaji Industrial Area,  
New Delhi-110019  
Phone No. : 011-26462157  
Fax No. : 011-26464344  
E-mail : gpl3@vsnl.com  
Website : www.lrfl.in

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# LLOYD ROCKFIBRES LIMITED

## NOTICE

To,  
The Members,

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the Company will be held at the registered office of the Company at Plot No. 2, Kalkaji, Industrial Area, Punjsons Premises, New Delhi-110019 on Monday, the 30<sup>th</sup> day of September, 2013, at 11.00 A.M. to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2013, and Statement of Profit & Loss Account of the Company for the year ended 31<sup>st</sup> March, 2013 and the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. B. D. Malliah, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. A.K.Srivastava, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Dubey & Co., Chartered Accountants, as Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT Mr. S.N.Pandita, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:  
"RESOLVED THAT as the company has become a Sick Company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985, the decision of the Board of Directors taken at their meeting held on 12-08-2013 forming an opinion as to the sickness of the company consequent upon the erosion of the net worth of the company as on 31.03.2013 as reflected in the audited balance sheet as at 31.03.2013 be and is hereby confirmed and that consent be and is hereby accorded to file reference before Hon'ble BIFR u/s 15(1) of the SICA for determination of the measures which shall be adopted with respect to the company.  
**RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby authorized to take such necessary steps and to do such necessary acts as are incidental and consequential thereto in the best interest of the company."

*By Order of the Board*  
for **LLOYD ROCKFIBRES LIMITED**  
*Sd/-*  
**(R. P. PUNJ)**  
**CHAIRMAN**  
**DIN No.00686475**

Place: New Delhi  
Date : 12.08.2013

### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ATTACHED.**
2. **MEMBERS/PROXIES SHOULD BRING THE ATTENDANCE SLIP DULY FILLED IN FOR ATTENDING THE MEETING.**
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Book of the Company will remain closed on 28<sup>th</sup> September, 2013, 29<sup>th</sup> September, 2013 and 30<sup>th</sup> September, 2013.
5. The Members are requested to:  
(a) Take the advantage of dematerialization of shares as Company's scrip has been put under compulsory dematerialization. Members are requested to get in touch with any Depository Participant for getting the shares demitted.  
b) Bring their copy of Annual Report at the Annual General Meeting.
6. Members are entitled to make nomination in respect of shares held by them in physical form. Members desirous of making nomination are requested to send their request in Form 2B to the Registrars and Transfer Agents M/s Beetal Financial and Computer Services (P) Ltd. The members can request for nomination form either to the company or to M/s Beetal Financial and Computer Services (P) Ltd.
7. Members desirous of any information concerning the accounts and operation of the Company are requested to send their queries to the Company at least one week before the meeting, so as, to enable the management to keep information ready. Replies will be provided only at the meeting.
8. Members are requested to bring their Client ID and DP ID or Folio numbers as may be applicable, for easy identification of attendance at the meeting.
9. All documents referred to, in the accompanying notice are open for inspection at the registered office of the Company on all working days, during regular business hours and upto date of this meeting.

# LLOYD ROCKFIBRES LIMITED

10. The Ministry of Corporate Affairs has introduced "Green Initiative" by allowing paperless compliances by the companies and has issued circulars stating the service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of Government in full measure, member who have not registered their e-mail addresses, so far are requested to register their e-mail addresses, in respect of electronic holdings with Depository through their concerned Depository Participant whereby the documents are permitted to be served on the members through electronic mode i.e. e-mail. This initiative is a step towards protection of environment and enabling faster communication with members. Members holding shares in physical form are requested to intimate their e-mail address to M/s. Beetal Financial and Computer Services (P) Ltd. (RTA) either by beetal@beetalfinancial.com or by sending a communication at the M/s. Beetal Financial and Computer Services (P) Ltd., 3rd Floor, 99 Madangir, B-H, Local Shopping Complex near Dada Harsukhdas Mandir, New Delhi-110062.

By Order of the Board  
for LLOYD ROCKFIBRES LIMITED

Sd/

(R. P. PUNJ  
CHAIRMAN)

DIN No.0068647

Place: New Delhi  
Date : 12.08.2013

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE NOTICE**

### **ITEM NO. 5**

Mr. S. N. Pandita was appointed as an Additional Director (Independent) w.e.f. 1<sup>st</sup> April, 2013 by the Board of Directors, pursuant to provision of Section 260 of the Companies Act, 1956. He is holding office up to the date of ensuring Annual General Meeting and being eligible he is proposed to be appointed as a Director of the Company. The status of Mr. S.N. Pandita shall be of an independent director. The Company has received a notice from one of the members of the Company signifying his intention to propose to appoint Mr. S.N. Pandita as the Director of the Company, pursuant to Section 257 of the Companies Act, 1956 along with a sum Rs. 500/- as deposit.

Your Directors recommend the resolution for approval of the Shareholders.

None of the Directors of the company is concerned or interested in the resolution except Mr. S. N. Pandita himself.

### **ITEM NO. 6**

The company has suffered huge losses on account of various factors e.g. shortage of working capital, low capacity utilization, increasing in manufacturing cost, low value addition due to stiff competition from the small players in the organized sector. Further, the plant and machinery has also become very old. It cannot match with the efficiency and yield given by new plants. This has led to high cost of production and very less margin. Consequently, the "Net Worth" of the company has been eroded and the company has become a sick company in terms of the Sick Industrial Companies (Special Provisions) Act, 1985. Your Board formed an opinion that it would be beneficial to the company if a reference is made to the Board for Industrial Financial Reconstruction for the revival and normal working of the company. Accordingly, a reference in the prescribed form will be made to the BIFR. Company is in the process of making a revival package to the BIFR. Your management is putting all efforts to increase the turn over.

Your Directors recommend the resolution for approval of the Shareholders.

None of the Directors of the company is concerned or interested in the resolution except as the member of the company.

By Order of the Board  
for LLOYD ROCKFIBRES LIMITED

Sd/

(R. P. PUNJ  
CHAIRMAN)

DIN No.0068647

Place: New Delhi  
Date : 12.08.2013

# LLOYD ROCKFIBRES LIMITED

## DIRECTORS' REPORT

To,  
The Members,  
Lloyd Rockfibres Limited

Your Directors have pleasure in presenting the 24<sup>th</sup> Annual Report along with the Audited Statement of Accounts of the Company for the financial year ended 31<sup>st</sup> March, 2013.

### FINANCIAL HIGHLIGHTS

	Current Year 2012-13 (Rs. In Lac)	Previous Year 2011-12 (Rs. In Lac)
Total Income	671.10	1539.59
Depreciation	27.45	32.72
Profit/Loss after Depreciation	(145.96)	(25.48)
W/off & deferred tax liability	(5.35)	(6.48)
Interest & Bank Charges	—	1.65
Profit/(Loss) for the year	(140.60)	(19.00)

### DIVIDEND

In view of the losses incurred by the Company, the Directors regret their inability to recommend any dividend for the current year under review.

### PERFORMANCE

The turnover of the Company has decreased from Rs. 1539.59 Lacs to Rs. 671.10 Lacs and the Company has incurred a loss of Rs. 140.60 Lacs as compared to losses of Rs. 19.00 Lacs. Your Directors are quit hopeful for better results in the coming financial years.

### REFERENCE TO BIFR MATTERS

As already discussed above due to heavy financial losses the entire net worth of the company has been eroded. Thus, your company has become a sick company and requires to make a reference to BIFR. Accordingly, your Board formed an opinion to make a reference to BIFR. A resolution has been added in the notice of AGM for your approval. Your company for its rehabilitation will make a reference shortly and submit a revival scheme for smooth running of the company.

### FUTURE OUTLOOK

Your company is facing stiff competition from the players in the unorganized sectors. Your management is trying its best to beat the Competition.

### MATERIAL CHANGES

No material changes have occurred from the date of balance sheet till the date of this report which has any adverse affect on the working of the company.

### PUBLIC DEPOSITS

Your Company has not accepted any deposits with in the meaning of Section 58A & 58AA of the Companies Act, 1956, and the rules made there under.

### AUDITORS' REPORT

There is no adverse qualification/remark in the Auditor's Report which needs to be examined except that accumulated losses of the Company at the year end are more than its net worth. The Company has incurred cash losses during the financial year.

Management's reply:

Your Company is facing stiff competition from the small players in organized sector. Further, the plant and machinery has also become very old. It cannot match with the efficiency and yield given by new plants. This has lead to high cost of production and very less margin. Your management is trying to upgrade plant and machinery and technical aspects whenever possible to wipe out the loss.

### AUDITORS

M/s. Dubey & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Company has received letter from them to the effect that their appointment, if made, would be within the limits prescribed U/s 224(1B) of the Companies Act, 1956. M/s. Dubey & Co, Chartered Accountants, is required to be reappointed as Statutory Auditors of the Company at the ensuing Annual General Meeting. Their appointment has also been recommended by the Audit Committee.

# LLOYD ROCKFIBRES LIMITED

## DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. B.D.Malliah and Mr. A.K.Srivastava would retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Further Mr. S.N.Pandita was appointed as an additional director of the company w.e.f. 01.04.2013. Your directors recommend their reappointment.

Mr. Naresh Kumar Thanai resigned from the Board of the company w.e.f. 31.03.2013. Your directors would like to place their appreciation for the valuable services rendered by him during his tenure as Director.

## DIRECTOR'S RESPONSIBILITY STATEMENT

The Board of Directors of your Company states:

- a.) that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- b.) that 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 Loss of the Company for that period;
- c.) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d.) that the directors had prepared the annual accounts on a going concern basis.

## AUDIT COMMITTEE

The audit committee has met and reviewed the financial statements for the financial year ended 31.03.2013 and has not given any adverse observations. It has also recommended the re-appointment of M/s. Dubey & Co., Chartered Accountants, as statutory auditors of the Company. The role and scope of the Committee is as per the requirement of Section 292A of the Companies Act, 1956 and Listing Agreement. Mr. Naresh Kumar Thanai ceased to be a member consequent upon his resignation w.e.f. 31.03.2013. Mr. S.N. Pandita was appointed in his place w.e.f. 01.04.2013. Presently Mr. R. P. Punj, Mr. B. D. Malliah, Mr. S.N.Pandita and Mr. Rakesh Vohra are the members of Audit Committee. Mr. Rakesh Vohra is the Chairman of the Audit Committee.

## CORPORATE GOVERNANCE

As per clause 49 of the listing agreement with Stock Exchange(s), Management Discussion & Analysis Report and Corporate Governance Report is annexed as Annexure I and Annexure II & form part of this Directors' Report.

## PARTICULARS OF EMPLOYEES

There was no employee receiving remuneration during the year in excess of limits prescribed u/s 217 (2A) of the Companies Act, 1956, and the relevant rules made there under.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The particulars required under Section 217(1) (e) of the Companies Act, 1956 and the Rules made there under have not been specified for our industry. The Company has neither incurred any expenditure nor earned any income in the Foreign Currency during the year. Your Company is not using any Foreign Technology.

## EMPLOYEES RELATIONS

The industrial relations continued to be cordial and harmonious. Your directors wish to place on record the appreciation for the devoted services rendered by the workers, staff and executives of the Company at all levels who have contributed to the efficient and successful management of the Company.

## LISTING

Hon'ble BIFR had while sanctioning the rehabilitation scheme of the Company approved the delisting of Companies securities from Delhi and Calcutta Stock Exchanges. A copy of the said order has been forwarded to the said exchanges with a request to delist the securities, various reminders have also been sent to the said exchanges. However, the shares of the Company are listed at Bombay Stock Exchange and the fee has been paid.

## ACKNOWLEDGEMENT

Your directors take this opportunity to offer their sincere thanks to various departments of the Central and State Governments, Financial Institutions, Banks and Investors for their unstinted support, assistance and valuable guidance.

*By Order of the Board*  
for LLOYD ROCKFIBRES LIMITED  
Sd/-  
(R. P. PUNJ)  
CHAIRMAN  
DIN No. 00686475

Place: New Delhi  
Date : 12th August, 2013

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### INDUSTRIAL SCENE

Lloyd Rockfibres Limited is engaged in manufacture and supply of Rockwool Insulation products, which are used for industrial application to reduce heat loss and also used in building and construction industry to reduce energy cost. The growth of the insulation industry is dependent on the development of Infrastructure and Power Sectors. Sectors like Power, Oil & Gas & other infrastructure projects have been major thrust focus areas of government; hence, these sectors have shown a continuous growing trend. Various new power projects have been sanctioned recently by the government some of which are in commissioning stage. There is potential source of consumption of rockwool and insulation products in power sectors, thereby, making rockwool and insulation industry a real growth sector. With the growth of Infrastructure Sector, there has also been a growth in its allied sectors e.g. Buildings, PEB, Gensets, Pharma, Food Processing etc. These factors taken together along with increased awareness among users to decrease energy consumption have lead to continuous increase in the demand of insulation and rockwool products. This growth trend in rockwool requirement will continue to show a rising trend for next many years.

### STRENGTHS

The company is endowed with superior human resources of sound technical knowledge, expertise and experience. The competitive strength of the company has increased and has become good enough to stay in the market for years to come. This has really helped the Company to have its presence felt in the insulation products market. With continuous in house training and development Program Company is able to maintain a pool of professional, abreast with latest trends & technology.

### THREATS

With present huge demand in insulation industry in the years to come, Indian Rockwool industry is not able to cope up with the increasing pressure of demand and supply. There is still a gap between demand and supply equation for Rockwool with demand exceeding supply continuously fin past and is expected to remain same in future also. There is a possibility of foreign players coming into the market and increasing competition, thereby reducing margins. However due to increase demand there is no immediate danger of any volatility in Rock wool market. We feel that with its competent manpower and sound technical progress, the company will be able to stay ahead of competition.

### COMPANY'S OUTLOOK

It is the endeavor of the Company to improve its performance by adopting latest techniques of production, improve product acceptability and cutting / reducing costs wherever possible.

### RISK MANAGEMENT

The Risk Management policies of the Company have been implemented to ensure that all the moveable and immoveable assets of the Company are adequately covered and the same are renewed by the Board from time to time. Government policy towards Rockwool Sector has remained unchanged for many years and we do not foresee any immediate changes adversely affecting our position.

### INTERNAL CONTROL SYSTEM

The Company has developed an internal control system and procedures to ensure efficient conduct of business and security of its assets. Management Information system is being developed through which production performance and financial dealings are monitored by management on regular basis.

### HUMAN RESOURCES

The Company believes that the workers are the backbone of the Company. It has provided & will provide opportunities to all the employees to utilize their full potential and grow in the organization. There was no strike or labour unrest during the last financial year. As on 31.03.2013 the total numbers of employees were 33.

# LLOYD ROCKFIBRES LIMITED

## ANNEXURE - II Report on Corporate Governance

- Company's Philosophy on Corporate Governance**  
Your Company has always endeavoured for bringing excellence in all spheres of its working, be it production and quality control, customer satisfaction, shareholders servicing, relationship with workers, etc. The basic Corporate Governance norms have been adopted at the Board, Management and Operational levels. These norms are reviewed and reaffirmed on an ongoing basis.
- Board of Directors**  
The composition of the board is in agreement with the Listing Agreement. The Company has a Non-Executive Chairman. The Board's composition meets the stipulated requirement of at least 1/3<sup>rd</sup> of the Board comprising of independent Directors who have no material business relationship with the Company.
- Board Meetings**  
During the financial year 2012-13 Seven Board meetings were held. These were held on 28.05.2012, 29.05.2012, 31.05.2012, 14.08.2012, 28.08.2012, 08.11.2012 and 06.02.2013. The intervening period between two meetings was well within the maximum time gap of 4 months as prescribed under Corporate Governance norms. The details of directors and their attendance record at the Board Meeting held during the year under review are as follows:

Name	Category	Designation	No. of Meetings Attended	No. of Membership In Boards of Other Companies	Attendance of each Director At last AGM
Mr. R P Punj	Non Executive	Chairman	7	9	Yes
Mr. Gaurav Punj	Non Independent Director	Managing Director	7	9	Yes
	Non Executive				
Mr. B D Malliah	Non Executive	Director	5	1	No
	Independent Director				
Mr. A K Srivastava	Whole Time Director	Whole Time Director	6	15	Yes
Mr. Rakesh Vohra	Non Executive	Director	4	2	Yes
	Independent Director				
*Mr. Naresh Kumar Thanai	Non Executive	Director	4	2	Yes
	Independent Director				

\*Mr. Naresh Kumar Thanai resigned with effect from 31.03.2013.

### Board's Procedures

It has always been the Company's policy and practice that apart from matters requiring Board's approval by statute, all major decisions including quarterly results of the Company, financial restructuring, capital expenditure proposals, collaborations, material investment proposals in joint venture/promoted companies, sale and acquisition of material nature of assets, mortgages, guarantees, donations, etc. are regularly placed before the Board. This is in addition to information with regard to actual operations; major litigation feedback reports, information on senior level appointments just below the Board level and minutes of all Committee Meetings.

### 4. Committees of the Board

#### a) Audit Committee

Pursuant to the provisions of Section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement, an audit committee comprising of four Directors has been constituted to perform all such powers and functions as are required to be performed under the said provisions. Three members of the Committee viz. Mr. Rakesh Vohra, Mr. S.N. Pandita and Mr. B.D. Malliah are Non-Executive Independent Directors and one member viz. Mr. R. P. Punj, is a Non-Executive Non Independent Director. Mr. Naresh Kumar Thanai ceased to be a member consequent upon his resignation w.e.f. 31.03.2013. Mr. S.N. Pandita was appointed in his place w.e.f. 01.04.2013. Mr. Rakesh Vohra, chartered Accountant is the Chairman of Audit committee. All members of the Audit Committee are financially literate.

#### Audit Committee Meetings

During the financial year 2012-13, four meetings were held. These were held on 28.05.2012, 14-08-2012, 08.11.2012 and 06.02.2013. The intervening period between two meetings was well within the maximum time gap of 4 months as prescribed under Corporate Governance norms.

#### b) Remuneration Committee

The Board of Directors constituted a Remuneration Committee comprising three non-executive and independent directors, Mr. B. D. Malliah, Mr. Rakesh Vohra and Mr. S.N. Pandita. Chaired by Mr. Rakesh Vohra. Mr. Naresh Kumar Thanai ceased to be a member consequent upon his resignation w.e.f. 31.03.2013. Mr. S.N. Pandita was appointed in his place w.e.f. 01.04.2013. The committee has been constituted to review and approve the annual salaries, commission, service agreement and other employment conditions for the executive directors.

#### Remuneration Committee Meeting

During the financial year 2012-13, One meeting was held. This was held on 28.08.2012 for fixing the remuneration of Mr. Gaurav Punj, Managing Director of the Company.

#### Remuneration Policy

Subject to the approval of the Board of Directors and the subsequent approval by the shareholders at the General Body Meeting and such authorities as the case may be, remuneration of the Managing/Whole-time Directors is fixed by the Remuneration Committee. The remuneration is fixed considering various factors such as qualification, experience, expertise, prevailing remuneration in the competitive industries, financial position of the Company, etc. The remuneration structure comprises basic salary, commission, perquisites and allowances, contribution to provident fund and other funds in accordance with various related provisions of the Companies Act, 1956. The remuneration policy for Whole-time Directors is directed towards regarding of performance, based on review of achievements. The non-executive Directors have not drawn any remuneration from the Company except sitting fee for meetings of the Board and Committees attended by them.

#### c) Investors Grievance Committee

The Board of Directors constituted an Investor Grievance Committee, comprising of three directors viz. Mr. R. P. Punj, Mr. A. K. Srivastava and Mr. Gaurav Punj. The Committee has been constituted to specifically look into redressal of shareholders and investor grievance such as transfer of shares, dividend and dematerialization related matters. Mr.