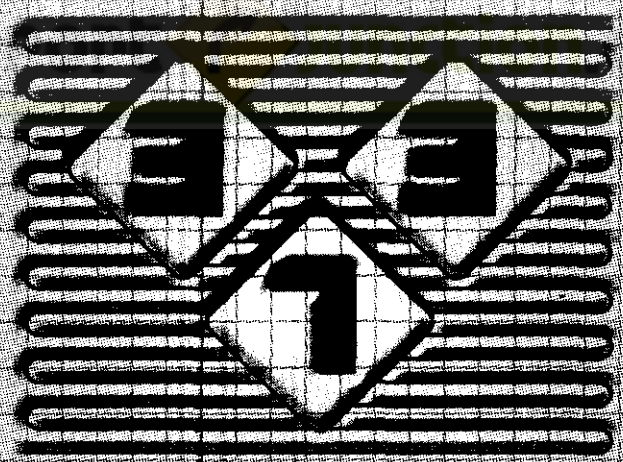


Annual Report

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Lloyd Electric
& Engineering Limited

Lloyd



Lloyd Electric & Engineering Limited

BOARD OF DIRECTORS

MR. BRIJ RAJ PUNJ
CHAIRMAN

MR. BHARAT RAJ PUNJ
WHOLE TIME DIRECTOR

MR. PAVANJIT SINGH
DIRECTOR

MR. SANDEEP SETHI
DIRECTOR

MR. RAJESH SHARMA
DIRECTOR

1. JAIPUR STOCK EXCHANGE (REGIONAL)
STOCK EXCHANGE BUILDING,
JAWAHARLAL NEHRU MARG
MALVIYA NAGAR
JAIPUR - 302017
2. THE STOCK EXCHANGE, MUMBAI
PHIROZEE JEEJEBHOY TOWERS
DALAL STREET
MUMBAI-400001
3. THE DELHI STOCK EXCHANGE ASSOCIATION LTD.
WEST PLAZA, INDIRA GANDHI INDOOR STADIUM
INDIRA PRASTHA ESTATE
NEW DELHI-110002
4. NATIONAL STOCK EXCHANGE OF INDIA LTD.
TRADE WORLD, SENAPATI BAPAT MARG
LOWER PARLET
MUMBAI-400013

COMPANY SECRETARY

MS. RAKHI CHANANA

AUDITORS

MS. R. SINHA & CO.
NEW DELHI

BANKERS

STATE BANK OF BIKANER & JAIPUR

REGD. OFFICE & FACTORY

A-146(B&C)
RIICO INDUSTRIAL AREA
BHIWADI, DISTT. ALWAR
RAJASTHAN-301019
PHONE: 20724, 21348
FAX: 20543

COPORATE OFFICE

PUNJ HOUSE
M-13A, CONNAUGHT PLACE
NEW DELHI-110001
PHONE: 3329091-98
FAX: 3326107



Lloyd Electric & Engineering Limited

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING OF LLOYD ELECTRIC & ENGINEERING LIMITED WILL BE HELD ON THURSDAY, THE 30TH SEPTEMBER, 1999 AT 9.00 AM AT RIICO GUEST HOUSE, HILL TOP, BHIWADI, DISTT. ALWAR, RAJASTHAN FOR TRANSACTING THE FOLLOWING BUSINESS :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as on March 31st, 1999 and the Profit and Loss account for the year ended on that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Sandeep Sethi, who retires by rotation and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT M/s. R. Sinha & Co., Chartered Accountants, the retiring Auditors of the Company who being eligible offer themselves for re-appointment, be and are hereby re-appointed as the auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors for this period."

SPECIAL BUSINESS

- 4). To consider and if thought fit, to pass with or without modification(s), the following resolution, as a **SPECIAL RESOLUTION**:

"RESOLVED THAT Articles of Association of the Company be and are hereby amended as under:

- 1.a The existing definition of "Member", will be substituted by the following definition:
"Member" means the duly registered shareholders from time to time of the Company and includes every person holding the equity share capital of the Company and whose name is entered as Beneficial Owner in the records of the Depository."
- 1.b To insert the following definition after the definition of "Member":
"Share" means share in the Share Capital of the Company, and includes stock except where a distinction between stock and share is expressed or implied."
- 1.c To insert the following definitions after the existing definition of the expression "Auditor"
"Beneficial Owner" means the Beneficial Owner as defined under the Depositories Act, 1996."
"Depository" means a Depository as defined under the Depositories Act, 1996 and with whom the Company has entered into an Agreement for availing its services."
"Depositories Act" means Depositories Act, 1996, and shall include any statutory modification or re-enactment thereof."
- 1.d. To insert the following Articles (a) & (b) after the existing Article 7:
(a). "The company shall cause to be kept a Register and Index of Members in accordance with sections 150 and 151 of the Act. The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be Register and Index of Members in accordance with and within the meaning of section 150 & 151 of the Act and these Articles."
(b). "The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture-holders in accordance with section 152 of the Act. The Register and Index of Beneficial Owners maintained by the Depository under the Depositories Act, shall be deemed to be Register and Index of Debenture-holders in accordance with section 152(b) of the Act."



Lloyd Electric & Engineering Limited

- 1.e To insert the following Articles (a),(b),(c) and (d) after the existing Article 24:
- (a). "Notwithstanding anything contained in these Articles,the Company shall allow a Member to hold the Share with a Depository in a dematerialised form in accordance with the provisions of the Depositories Act,and the Member shall also be entitled to rematerialise the dematerialised shares."
 - (b). "The shares shall be numbered progressively according to their several denominations and except in the manner hereinabove mentioned no Share shall be sub-divided. Every forfeited or surrendered Share shall continue to bear the number by which the same was originally distinguished, Provided however that these provisions relating to progressive numbering shall not apply to the shares which are held with a Depository in a dematerialised form."
 - (c). "Notwithstanding anything contained elsewhere in these Articles wherever relevant,the Company shall be entitled to cancel and/or issue share certificates and/or debenture certificates as per the provisions of the Depositories Act."
 - (d). "Notwithstanding anything contained elsewhere in these Articles,the provisions of Depositories Act shall apply in respect of issue,transfer,transmission and/or the related matters in respect of the shares and/or debentures held by a Member and/or Debenture holder with a Depository."
- 5). To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:
- "RESOLVED THAT** in accordance with the provisions of Section 81 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force) and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of the financial Institutions (FIs), Securities & Exchange Board of India (SEBI), Reserve Bank of India (RBI) and all other concerned authorities, if any, and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the 'Board') and/or a duly authorised committee thereof for the time being exercising the powers conferred by the Board, the consent of the Company be and is hereby accorded to the Board to issue further equity shares of Rs. 10/- each upon the following terms and conditions:
- 1) 89,06,580 equity shares shall be issued and offered at a premium not exceeding Rs. 10/- per share (Total amount inclusive of premium aggregating to Rs. 17,81,31,600/-) subject to the Memorandum and Articles of Association of the company ranking in all respects. (Including voting rights) pari passu with the existing equity shares except that such further equity shares shall entitle such holders to dividend, if any declared in respects of the company's financial years subsequent to the financial year in which they are issued, in proportion to the capital for the time being paid up during such financial years in respect of which the dividend is declared.
 - 2) 1 (one) equity share be issued and offered in the first instance to the holders of the existing equity shares on the Register of Members of the company, on such date as may be fixed by the Board of Directors on the basis of every 2 (two) fully paid up equity shares held by such holders.
 - 3) The offer aforesaid shall be made by notice specifying the number of shares offered and time limit, not being less than four weeks from the date of offer within which the offer has to be accepted failing which, it will be deemed to have been declined and the Board shall thereafter be at liberty to extend the time for acceptance as aforesaid from time to time either generally or in respect of any particular holder or holders with a right exercisable by the shareholder concerned to renounce the shares offered to him in whole or in part in favour of nominee(s) as may be approved by the Directors.
 - 4) The offer aforesaid may be made with option to the shareholders to apply for additional shares provided that a Shareholder who has renounced his right in Whole or in part shall not be entitled to the allotment of additional shares. The allotment of additional shares to the applicants will be made on equitable basis with reference to the equity shares held by them. If any further equity shares applied for are not allotted, the amount paid on application shall be refunded in due course without interest.



Lloyd Electric & Engineering Limited

- 5). The board be and is hereby authorised and empowered to dispose of and allot any of the aforesaid further equity shares not taken up by the holders of the existing equity shares entitled thereto or remaining undisposed to such person or persons whether shareholders of the company or not, on such terms and at such price or prices or at the ruling market price or the issue price, whichever is higher.
- 6). The allotment to non-resident shareholders will be subject to the sanction of the Reserve Bank of India under the Foreign Exchange Regulations Act, 1973.
- 7). The certificates in respect of the further equity shares shall be completed and be delivered within six weeks of the closing of subscription list or such extended time as may be permitted by the Stock Exchange upon a suitable justification made therefor.
- 8). For the purpose of giving effect to this resolution, the Board be and is hereby authorised to prescribe the forms of application and renunciation and other documents in respect of such further equity shares, to give such other directions as they may think fit and proper, including directions for settling any question or difficulty that may arise in regard to the issue and allotment of the further equity shares and to do all acts, deeds, matters and things as the Directors in their absolute discretion consider necessary, expedient, usual or proper for them to do."

By order of the Board of Directors
For LLOYD ELECTRIC & ENGINEERING LTD.

PLACE: New Delhi.
DATE : 02.09.1999

(B.R. PUNJ)
Chairman

KINDLY NOTE THAT THERE SHALL BE NO GIFT DISTRIBUTION AT THE ANNUAL GENERAL MEETING.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST REACH THE COMPANY AT A-146(B & C), RIICO INDUSTRIAL AREA, BHIWADI, DISTT. ALWAR, RAJASTHAN NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.
2. The relevant Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 28.09.1999 to 30.09.1999 (both days inclusive).
4. Members are requested to notify promptly any change in their addresses to the Company's Corporate Office at M-13A, Connaught Place, New Delhi-110001.
5. Members are requested to send to the company their queries, if any, on accounts and operations of the Company so as to reach atleast seven days before the date of the meeting at the corporate office in order that the same could be properly answered at the meeting.
6. Member(s)/proxy(s) desirous of attending the meeting are requested to bring the attendance slip, completed and signed and deliver the same at the entrance of the meeting Hall.
7. Members attending the Annual General Meeting are requested to bring along with them their copies of the Annual Reports as the same will not be distributed at the Meeting.



Lloyd Electric & Engineering Limited

EXPLANATORY STATEMENT

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of **Special Business:**

ITEM No.4

In terms of Section 8 of the Depositories Act, 1996, shareholders of the Company have the option to hold shares of the Company with a Depository (holding a valid certificate of registration issued under section 12(1A) of the Securities and Exchange Board of India Act, 1992) in a dematerialised form.

In order to enable the shareholders of the Company to utilise depository services, it is proposed that the Articles of Association of the Company may be suitably amended so as to incorporate the relevant provisions of the Depositories Act, 1996.

In the best interest of the shareholders, the Board recommends the proposed amendment of the existing Articles of Association of the Company.

None of the Directors is concerned or interested in the above resolution except to the extent of their shareholding in the Company, if any.

ITEM No. 5

Keeping in view the requirements of funds for general corporate purposes, including capital expenditure, working capital requirement, strategic investments as the Board may decide, the Board of Directors consider that it would become necessary to raise finance, by issue of Right Shares, as per the terms and conditions as stated in Resolution No. 5.

Consent of the shareholders is therefore, sought to authorise the Board of Directors for issuing of such further shares.

Section 81 of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81 unless the shareholders in general meeting decide otherwise.

The Listing Agreement with the Stock Exchanges provide, inter alia, that the Company in the first instance should offer all the shares to be issued for subscription pro rata to the equity shareholders unless the shareholders decide otherwise in a general meeting.

Accordingly, consent of the Shareholders is being sought pursuant to the provisions of Section 81 and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreements executed by the Company with the various Stock Exchanges in India where the Company's Shares are listed.

Directors recommend the above stated resolution for approval of the shareholders for the proposed issue of Shares.

All the Directors of the Company may be deemed to be concerned or interested to the extent they may be entitled to the shares that will be offered to them on Right basis or otherwise and allotted to them.

By order of the Board of Directors
For **LLOYD ELECTRIC & ENGINEERING LTD.**

PLACE: New Delhi.
DATE : 02.09.1999

(B.R. PUNJ)
Chairman



Lloyd Electric & Engineering Limited

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twelfth Annual Report of your Company alongwith the Audited Accounts for the Year ended 31st March, 1999.

FINANCIAL RESULTS

RUPEES IN LACS

	Current Year 1998-99	Previous Year 1997-98
Turnover	7938.35	5761.67
Gross profit before depreciation	568.54	486.74
Less: Depreciation	251.73	183.99
Provision for taxation	40.00	39.09
Profit after tax	276.81	263.66
Add: Balance brought forward	532.14	399.94
Profit available for appropriation	808.94	663.60
Transferred to General Reserve	33.00	26.50
Provision for dividend for the year 1997-98, but not utilised	95.42	95.42
Provision for Corporate Dividend tax for the year 1997-98, but not utilised	9.54	9.54
Balance carried to Balance Sheet	880.91	532.14

DIVIDEND

Keeping in view the prospective requirement of funds for implementation of projects in hand and other working capital requirements your directors have decided not to recommend any dividend.

OPERATIONS

Your directors are extremely pleased to report that Company has achieved a turnover of Rs.7938.35 lacs against the turnover of Rs.5761.67 lacs in the previous year thereby giving a growth rate of 37.78%.

PROSPECTS FOR THE CURRENT YEAR

In continuation with the development of last year, your company has diversified into the field of manufacturing of airconditioning systems for specialised applications. To start with, your company has focussed on manufacturing airconditioning systems for A.C.coaches for Indian Railway.

NEW PROJECT

Due to delay in Govt. approvals and allotment of land by the State Govt., the company has reshuffled its project at Kala Amb and is continuing its CCEUs project at Bhiwadi.

In keeping up with the tradition of being market leaders for technologically superior and innovative products, your company has entered into the foray of manufacturing fuzzy logic evaporator units for Split Airconditioners.

There appears to be a wide gap in demand versus supply of coils in India especially with multinationals like L.G. Electronics, National and Samsung entering the airconditioner market of the white goods appliance industry. Your company feels that this opportunity should not be forfeited and has envisaged putting up additional capacity for manufacturing coils.

FIXED DEPOSITS

Your company has not accepted any fixed deposit as per Section 58A of the Companies Act, 1956 and Rules made thereunder.