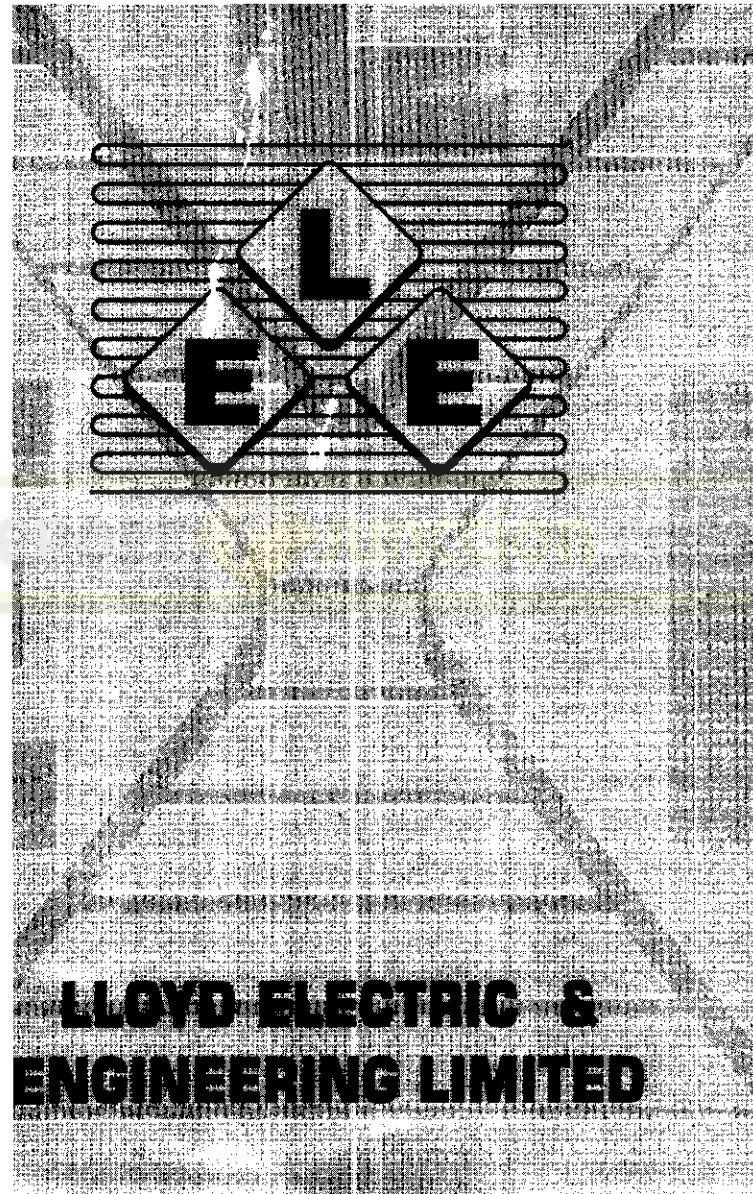


**Annual
1999 - Report
2000**





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.
3/1, ASAF ALI ROAD NEW DELHI-110001
4. NATIONAL STOCK EXCHANGE OF INDIA LTD.
TRADE WORLD, SENAPATI BAPAT MARG
LOWER PARLET
MUMBAI-400013

COMPANY SECRETARY
MS. RENUKA JAIN

AUDITORS
M/S. R. SINHA & CO.
NEW DELHI

BANKERS
STATE BANK OF BIKANER & JAIPUR
STATE BANK OF INDIA

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

CORPORATE 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 THIRTEENTH ANNUAL GENERAL MEETING OF LLOYD ELECTRIC & ENGINEERING LIMITED WILL BE HELD ON SATURDAY, THE 30TH SEPTEMBER, 2000 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, 2000 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. Rajesh Sharma, 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. Suresh C. Mathur & Co., Chartered Accountants, be and are hereby 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 Article No.133 of the Articles of Association of the company be substituted as follow:

Deeds How Executed, : Subject to the provisions of the Act and these Articles every deed or other instrument, to which the seal of the Company is required to be affixed by the authority of the resolution of the Board or by Committee of the Board shall, unless the same is executed by a duly constituted attorney of the Company be signed by atleast one Director and countersigned by the Secretary or some other person appointed by the Board of Directors for the purpose, on every such deed or instrument. The Directors may provide an official seal for use in any territory, district or place not situated in India where the Company may at any time carry on business which shall be a facsimile of the Common Seal of the Company with the addition on its face of the name of the territory, district or place and the Directors shall have power from time to time, to destroy the same and to substitute a new official seal in lieu thereof and the Directors may by writing under the Seal authorise any person or persons to affix the official seal to any deed or document to which the company may be a party in any such territory, district or place.

RESOLVED FURTHER THAT Mr.B.R.Punj-Chairman of the company be and is hereby authorised to do all the acts, deeds and things as may be necessary for the abovesaid purpose."

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

PLACE : New Delhi
DATE : 2.09.2000

Sd/-
(RENUKA JAIN)
COMPANY SECRETARY



Lloyd Electric & Engineering Limited

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 28.09.2000 to 30.09.2000 (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.

EXPLANATORY STATEMENT

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

ITEM No.4

As per existing Article No.133 of the Articles of Association of the company, every document on which common seal of the company is to be affixed, requires to be signed by two Directors, due to which sometimes undue delay to the execution of documents is caused for non-availability of two directors, which is not in the interest of the company.

So, it is necessary to amend the Articles of Association of the company, as given in the respective resolution.

As per the provisions of Section 31 of the Companies Act, 1956, amendment of the Articles of Association requires approval from Shareholders of the Company by way of Special resolution.

Hence, this resolution.

None of the directors are concerned or interested in the above resolution.

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

PLACE : New Delhi.
DATE : 2.09.2000

Sd/-
(RENUKA JAIN)
COMPANY SECRETARY



Lloyd Electric & Engineering Limited

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirteenth Annual Report of your Company along with the Audited Accounts for the Year ended 31st March, 2000.

FINANCIAL RESULTS

	RUPEES IN LACS	
	Current Year 1999-00	Previous Year 1998-99
Turnover	8412.06	7938.35
Gross profit before depreciation	596.80	568.54
Less: Depreciation	291.94	251.73
Provision for taxation	42.00	40.00
Profit after tax	262.86	276.81
Add: Balance brought forward	880.91	532.14
Profit available for appropriation	1143.77	808.95
Transferred to General Reserve	-	33.00
Provision for dividend for the year 1997-98, but not utilised	-	95.42
Provision for corporate Dividend tax for the year 1997-98, but not utilised	-	9.54
Balance carried to Balance Sheet	1143.77	880.91

DIVIDEND

Considering the prospective requirement of funds for projects under implementation and other working capital requirements, your directors are not able to recommend any dividend.

OPERATIONS

Your directors are extremely pleased to report that Company has achieved a turnover of Rs. 8412.06 lacs giving a growth rate of 5.97%.

NEW PROJECT

In the last few years, your Company has become the market leader and is catering to the demand of Airconditioning Industry in the National as well as International market.

With the entry of Multinationals like L.G. Electronic, National and Samsung etc. in the Indian Market, demand for Coils has been increased tremendously and to utilise this opportunity, your company has decided to increase the installed capacity of Condensor Coils and to manufacture Condensing Units in Bhiwadi, Rajasthan.

ISO 9002

Company was granted ISO 9002 Certificate on 11.4.2000 by Det Norske Veritas (DNV). Due to implementation of ISO 9002 procedures, efficiency and quality in all the areas has improved.

FIXED DEPOSITS

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



Lloyd Electric & Engineering Limited

DIRECTORS

In accordance with the requirement of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Rajesh Sharma-Director of the Company is liable to retire by rotation and being eligible, offers himself for reappointment.

AUDITORS

M/s R. Sinha & Co., Chartered Accountants, statutory auditors of the company retire at the conclusion of forthcoming Annual General Meeting but have expressed their inability to continue as Auditors of the Company. They have given their resignation w.e.f. the conclusion of forthcoming Annual General Meeting.

M/s Suresh C. Mathur & Co., Chartered Accountants, have been appointed by the Board of Directors, subject to approval from shareholders, as Auditors of the Company in their meeting held on 2.9.2000, w.e.f. the conclusion of forthcoming Annual General Meeting. They have given the certificate as required under section 224(1B) of the Companies Act, 1956.

The observation of the Auditors as contained in the Auditor's Report read with Notes on Accounts are self explanatory and do not call for any further clarification.

PARTICULARS OF EMPLOYEES:

Information as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars of Employees) Rules, 1975 and forming part of the Directors' Report is given as under:

A. Employed for the whole year and were in receipt of remuneration which was not less than Rs. 6,00,000/- P.A. in aggregate.

NIL

B. Employed for part of the year and were in receipt of remuneration which was not less than Rs. 50,000/- P.M. in aggregate.

NIL

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

Information as per Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure -1 forming part of this report.

LISTING OF SECURITIES

The securities of the company are listed on Delhi Stock Exchange, Bombay Stock Exchange, National Stock Exchange and Jaipur Stock Exchange (Regional).

The company has paid the listing fees to all the above stated Stock Exchanges for the Year 2000-2001.

Y2K TRANSITION

The company had a smooth transition to the Year 2000 without any disruptions.

INDUSTRIAL RELATIONS

The company continued to maintain harmonious and cordial relations with its employees in all its divisions which enabled it to achieve higher performance and growth at all levels.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation and gratitude for the support extended by the Industrial Finance Corporation of India Ltd. (IFCI), State Bank of Bikaner & Jaipur, State Bank of India and other Bankers, Central and State Government and other concerned agencies. The Directors are grateful for the continued cooperation, assistance and support given to the Company by the valued Customers, Distributors, Suppliers and the Shareholders of the Company.

On behalf of the Board of Directors
for LLOYD ELECTRIC & ENGINEERING LTD.

PLACE : New Delhi.
DATE : 2.09.2000

Sd/-
(B.R.PUNJ)
CHAIRMAN



Lloyd Electric & Engineering Limited

ANNEXURE -1

ANNEXURE TO THE DIRECTORS' REPORT

Statement pursuant to Section 217(1)(e) of the Companies Act, 1956 and the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the Year ended 31st March, 2000:

A. CONSERVATION OF ENERGY:

1. Energy Conservation measures taken:

Being a National objective, all areas of Power consumption are monitored regularly and leakage loop holes have been plugged.

2. Additional investments and proposals have been made to reduce the consumption of energy.

The company has invested in implementing ISO 9002 procedures bringing about close monitoring and control over all areas of operations.

3. Impact of measures 1 & 2 above for reduction of energy consumption and consequent impact on the cost of production of goods:

- a). Relaying of Pneumatic air pipelines to reduce leakages.
- b). By installing a Chilling unit to maintain Hydraulic Oil Temperature for smooth running machinery during peak summer season.
- c). Preventive maintenance schedules using computer programmes with a detailed spare parts list.
- d). Use of alternative fuel for brazing thereby achieving production in cost and pollution.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

The Company through investment in Research and Development has upgraded its Test Lab for measuring cooling capacity of various types of Airconditioner and Refrigerator Units. Data monitoring is done through electronic meters capable of noting temperature at 12 points. Simultaneously also various designs of coils for small manufacturers have been successfully developed which has helped the Small Scale Industry to compete with International Brands.

Further unique technologies have been productionised to improve corrosion resistance during sea travel for exports. Customers can now study drawings facilitated by new Autocad R 14 Software implemented in design. Also net connectivity has improved technical data transfer with overseas customers.

Within the ISO 9002 guidelines, various areas of activity have been identified for using calibrated instruments thus helping to produce quality product to National and International standards like JIS, ASHRAE etc.

Also new type of Copper Tube has been launched which improves heat transfer efficiency.

The R & D effort of the company is continuously to achieve customers hidden and apparent requirements.

EXPENDITURE INCURRED FOR RESEARCH & DEVELOPMENT

Capital Expenditure	:	NIL
Revenue Expenditure	:	Rs.2.05 Lacs

C. FOREIGN EXCHANGE EARNING AND OUTGOINGS:

Foreign Exchange Earned	:	Rs.142.90 Lacs
Foreign Exchange Outgo	:	Rs.651.25 Lacs