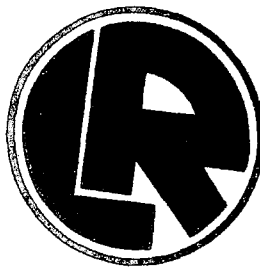


LLOYD ROCKFIBRES LTD.

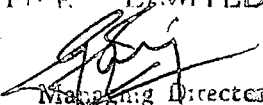
MD	✓	BKC	✓
CS	NA	DPY	NA
RO	✓	NGV	NA
TRA	NA		✓
AGM	✓		✓
YE	✓		✓

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9th Annual Report
1997-98

CHIEF OF SE Asia City
LLOYD ROCKFIBRES LIMITED


Managing Director





LLOYD ROCKFIBRES LTD.

BOARD OF DIRECTORS

Shri R.P.Punj	Chairman
Shri Gaurav Punj	Managing Director
Smt. Malini Punj Bhasin	
Shri Digvijay Chand	
Shri B.D.Mallah	
Shri R.M.Bhandari	
Shri Manoj Verma	
Shri T.V.Prasad	
Shri D.G.Choudhary	IFCI Nominee

BANKERS	State Bank Of Hyderabad
	Shahgunj Branch
	Aurangabad(Maharashtra)

AUDITORS	M/S. DUBEY & CO
	New Delhi

REGISTERED OFFICE	No. 5, Kamarajer Salai,
	Manali, Chennai-600 068

CORPORATE OFFICE	Punjsons Premises
	Kalkaji Industrial Area,
	New Delhi- 110 019

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LLOYD ROCKFIBRES LTD.

REGISTERED OFFICE : NO. 5, KAMARAJER SALAI, MANALI, CHENNAI-600 068

NOTICE

Notice is hereby given that the 9th Annual General Meeting of the Members of the Company will be held the Registered Office at **NO.5, KAMARAJER SALAI, MANALI, CHENNAI - 600 068** on **Wednesday, the 30th of September, 1998, at 9.30 A.M.** to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1998, and the Profit & Loss Account for the period ended on that date and the Report of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Mr. R. P. Punj who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. B. D. Maliah who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

5. SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Digvijay Chand be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

6. To consider and, if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 311 and all other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII of the said Act and subject to such other approvals and sanctions as may be necessary, the approval be and is hereby accorded to the appointment of Mr. Divijay Chand as a Wholetime Director (DIRECTOR OF OPERATIONS) of the Company for a period of 5 years with effect from 01.06.98 within the following terms as to remuneration as set out hereafter and with further liberty to the Board of Directors from time to time to alter the said terms in such manner as may deem fit by the Board of Directors in the best interests of the Company within the limitations in that behalf as contained in Schedules XIII of the Companies Act, 1956.

SALARY : Rs. 20,000 per month.

PERQUISITES : Normally given to Wholetime Director subject to restrictions stipulated under Schedule XIII of the Companies Act, 1956 i.e. Car(s), with driver(s) and telephone(s) at the residence.

LEAVE AND TRAVEL

CONCESSION : For self and family once in a year subject to a ceiling of one months' salary.

MEDICAL EXPENSES : Incurred by the family shall be reimbursed subject to a ceiling of one month's salary over a period of 2 years.

RETIREMENT BENEFITS : Contribution to P. F., Superannuation Scheme and Gratuity as per the rules laid in this regard of the Company.

HOUSING AND OTHER MISC. EXP. : As may be allowed from time to time under the Companies Act, 1956.



LLOYD ROCKFIBRES LTD.

"RESOLVED FURTHER THAT subject to the control and superintendence of the Board of Directors, Mr. Digvijay Chand, Wholetime director, shall perform such duties and functions as may be delegated to him from time to time."

7. To consider and if thought fit, to pass with or without modification(s), the following resolutions as a **Special Resolution**:

"RESOLVED THAT subject to the terms and condition(s) of the listing Agreement and statutory approval(s) if any, consent be and is hereby accorded to the delisting of the Company's shares and other securities, if any, from Ahmedabad Stock Exchange.

"RESOLVED FURTHER THAT approval be and is hereby given to the Board to do all such acts, deeds, things on behalf of the Company as may be necessary to give effect to the above said resolution."

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

RESOLVED THAT pursuant to the provisions of Sec, 198, 269, 309, 311 and all other applicable provisions, if any of the Companies Act, 1956, read with schedule XIII of the said Act and subject to such other approvals and sanctions as may be necessary, the approval be and is hereby accorded to the appointment of M/S. Malini Punj Bhasin, as the Wholetime director of the company, for a period of 5 years with effect from 01.04.98 within the following terms as to remuneration as set out hereafter and with further liberty to the Board of Directors from time to time to alter the said terms in such manner as may deem fit by the the Board of Directors in the best interests of the company within the limitations in that behalf as contained in Schedule XIII to the Companies Act, 1956.

SALARY	: Rs. 20,000 per month.
PERQUISITES	: Normally given to Whole Time Director subject to restrictions stipulated under schedule XIII of the Companies Act 1956 e.g. Car(s) with Drivers and telephone(s) at the residence.
LEAVE TRAVEL CONCESSION	: For self and family once in a year subject to a ceiling of one months' salary.
MEDICAL EXPENSES	: Incurred by the appointee and her family shall be reimbursed subject to a ceiling of one months salary in a year or two months salary over a period of 2 years.
CLUB FEES	: Fees of clubs subject to a maximum of two clubs except Admission and life Membership fees.
PERSONAL ACCIDENT INSURANCE	: Premium not exceeding Rs.1,000/- per annum.
OTHER MISC	: As may be allowed from time to time under the companies Act, 1956.

RESOLVED FURTHER THAT subject to the control and superintendence of the Board of Directors, M/S. Malini Punj Bhasin the Whole time Director shall perform such duties and functions as may be delegated to her from time to time."

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

"RESOLVED THAT in partial modifications of the Ordinary Resolution passed in the 8th Annual General Meeting held on 26.09.1997 with respect to the payment of remuneration, and pursuant to the provisions if any, of the Companies Act, 1956, consent of the company be and is hereby accorded for payment of increased salary from Rs.15,000/- to Rs. 20,000/- per month to Mr. Gaurav Punj, Managing Director of the Company for the period commencing from 01.04.98 to the rest of the terms of his office.

RESOLVED FURTHER THAT all other terms and conditions of the appointment and remuneration of Mr. Gaurav Punj Managing Director as approved by shareholders in the Annual General meeting held on 26.09.98 shall remain unchanged.

RESOLVED FURTHER THAT Board of Directors of the company are at liberty to revise the remuneration from time to time with in the limits provided for in the Schedule XIII and/or any other relevant provisions of the Companies Act, 1956, in this regard."

By order of the Board

Sd/-

(GAURAV PUNJ)

Managing Director

PLACE : NEW DELHI

DATE : 25.08.98



LLOYD ROCKFIBRES LTD.

NOTES

1. A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself/herself and a Proxy need not be a member.
2. Proxies in order to be valid and effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 29th September, 1998, to 30th September, 1998, (both days inclusive).
4. All requests for transfer of shares and allied matters alongwith the relevant documents should be sent to the Company. The members may note that w.e.f. 1.4.98, the Company has started during in house share transfer and allied work.
5. Members are requested to notify immediately any change in their address quoting their Folio Numbers.
6. Shareholders desiring any information, regarding the accounts of the Company are requested to write to the Company at least 7 days in advance so as to enable us to keep the information ready.
7. Members are requested to bring their Notice and Annual Report alongwith them at the time of Annual General Meeting.

EXPLANATORY STATEMENT

[Pursuant to Section 173 of the Companies Act, 1956, in respect of the Special business, forming part of the Notice convening the 8th Annual General Meeting].

ITEM NO. 5 & 6

Mr. Digvijay Chand has been appointed as an Additional Director and Whole Time Director in the Board meeting held on 29.05.98. Mr. Digvijay Chand, is associated with the Company for quite a long time and has contributed a lot in the upliftment of the Company. His term as an Additional Director expires on this Annual General Meeting. Company has received a notice from a member, signifying his intentions he proposed the name of Mr. Digvijay Chand as a regular Director of the Company.

Your Board feels his appointment will be of immense use to the Company therefore, recommends the passing of the resolution regarding the appointment of Mr. Digvijay Chand as a Director and Whole Time Director of the Company on the terms and conditions as set-out in the Resolution(s).

None of the Directors except Mr. Digvijay Chand is in anyway concerned or is interested in the Resolution.

ITEM NO. 7

Your Company at the time of Public Issue got its Shares listed at the Ahmedabad Stock Exchange, but the response of the Public Issue was very poor from the vicinity of the area where Ahmedabad Stock Exchange is situated. Further during the last 2 years it has been observed that the trading of the Company's shares at Ahmedabad Stock Exchange is almost negligible therefore, it was proposed to get the Shares Delisted from the Ahmedabad Stock Exchange. The matter was taken up with the Stock Exchange Ahmedabad, who vide its letter dated 03.07.98 informed us to complete certain formalities which includes prior approval of the holders of the securities by way of a Special Resolution passed in a General meeting after giving due notices in the manner provided in the Company's Act, by special notice in the newspaper with detailed explanation and proposed delisting.

The proposed resolution is for getting the approval of the shareholders. None of the Directors are concerned or interested in the Resolution.

ITEM NO. 8

M/S. Malini Punj Bhasin, Director of the Company was appointed as Whole Time Director of the Company on 01.04.98 in the Board Meeting held on 12.02.98 M/S. Malini Punj Bhasin is looking after the Marketing and Financial aspects of the Company besides assisting the Managing Director in running the day to day affairs of the Company. The terms and conditions of her appointment are set out in the Resolution.

The proposed resolution is passed after getting the approval of the Shareholders.

None of the Directors except M/S. Malini Punj Bhasin, Mr. Gaurav Punj and Mr. R. P. Punj being the relatives of M/S. Malini Punj Bhasin are concerned and are interested in the resolution.

ITEM NO. 9

Mr. Gaurav Punj was reappointed as Managing Director and his terms of appointment were approved by the shareholders in the last Annual General Meeting held on 26.09.97. Keeping in view the increased level of operations and inflationary trend of the market. The Directors are of the opinion that his Basic Salary should be increased from the existing level of Rs.15,000/- to Rs.20,000/- per month for the rest of the terms of the office.

The proposed resolution is for getting the approval of the Shareholders.

None of the Directors except Mr. Gaurav Punj, Mr. Malini Punj Bhasin and Mr. R. P. Punj being the relatives of Mr. Gaurav Punj are interested or concerned in the Resolution.

FOR AND ON BEHALF OF THE BOARD

Sd/-

(GAURAV PUNJ)
Managing Director

PLACE : NEW DELHI
DATE : 25.8.98



LLOYD ROCKFIBRES LTD.

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 9th Annual Report and Annual Accounts of the Company for the financial year ended 31st March'98.

1. FINANCIAL RESULTS :

(RUPEES IN LACS)

PARTICULARS	1997-98	1996-97
Sales	513.25	414.35
Profit/loss before interest & depreciation	38.53	39.38
Financial expenses	62.28	57.34
Depreciation & written off	36.87	37.33
Profit/loss for the year	(60.62)	(55.29)

2. DIVIDEND

Since the company incurred loss during the year under review, your Directors do not recommend any dividend for the year under review.

3. OPERATIONS

Though your company had faced various problems in the past, it has grown consistently over the years. Having implemented process modifications to reduce cost in the previous year, the company proposes to retain its competitive edge in the market by implementing further cost reductions in the ensuing financial year. The capacity utilisation has increased and losses have been reduced marginally.

4. FUTURE OUTLOOK

Your Directors are pleased to announce that your company had received the single largest product sale order for Rockwool products in the history of Indian Insulation industry from Reliance Petroleum for their grass root Refinery project at Jamnagar. This order coupled with the regular orders would result in 80% capacity utilisation as against the existing capacity utilisation of 40%.

Further, the efficient execution of these orders should result in good cash accruals during the ensuing financial year.

5. FIXED DEPOSITS

The Company has not accepted any deposit from Public, and therefore, the information may be taken as Nil.

6. BOARD OF DIRECTORS

Mr. R. P. Punj and Mr. B. D. Maliah retires by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

Mr. Digvijay Chand has been appointed as whole time Director because of his achievement, experience and outlook in the products knowledge of your company and his appointment as a whole time director would be of immense benefit to the company.

Mr.D.G.Chowdhary has been appointed as nominee Director vice Mr. R. N. Kundu by IFCI, your directions have placed on record their appreciation for the valuable services rendered by Mr. R. N. Kundu during his tennure as Director.

Mr. Naresh Chibba had resigned from the Board, your Director have placed on record the valuable services rendered by Mr. Naresh Chibba during his tennure as a Director.



LLOYD ROCKFIBRES LTD.

7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS/OUTGO

The particulars required under section 217 (i) (e) of the Companies Act, 1956 and the rules made thereunder have not been specified for our industry.

The Company has not incurred any expenditure in foreign currency during the year.

8. PERSONNEL

The Industrial relations of the company have been extremely cordial and the Management thanks all the employees for their continued co-operation towards the growth of the organisation.

The company has not employed any employee during the year in respect of whom particulars as required under section 217(2A) of the Companies Act, 1956 are to be given.

9. AUDITOR'S REPORT

Observations made by the auditors in their report are self explanatory and do not call for any further comments.

10. M/S. Dubey & Co., Chartered Accountant, New Delhi, auditors of the company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

11. ACTUAL V/S. PROJECTED PROFITABILITY

Persuant to clause 43 of the Listing agreement, comparison of actual and projected profitability as given in the prospectus dated 03.11.95 is as under :

(RS. IN LAKHS)		
PARTICULARS	AS PER PROSPECTUS	ACTUALS
Sales and other income	2748.84	513.25
Profit after tax	400.27	(-)60.62
EPS (in Rupees)	3.96	—

Delay of certain Power Projects by various Government Agencies, constituting major component of the company's projections at the time of public issue, has resulted in the lower turnover during 1997-98.

12. ACKNOWLEDGEMENT

The Board is sincerely thankful to the Financial Institutions, Bankers of the Company, Members, Suppliers and the Customers for their continued patronage of your Company. The Board also recommends their deep appreciation for loyalty and commitment shown by the employees at all levels.

FOR AND ON BEHALF OF THE BOARD

PLACE : NEW DELHI

DATE : 25.08.98

SD/-
R.P. PUNJ
(CHAIRMAN)