

Twentieth
Annual Report
2008-2009

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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 HARISH KUMAR ATTAVAR
DIRECTOR

SHRI NARESH KUMAR THANAI
DIRECTOR

BANKERS

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

REGISTERED OFFICE

NO. 5, KAMARAJER SALAI
MANALI, CHENNAI - 600 068

CORPORATE OFFICE

PUNJSONS PREMISES,
KALKAJI INDUSTRIAL AREA,
NEW DELHI - 110019

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

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LLOYD ROCKFIBRES LIMITED

NOTICE

To,
The Members,

Notice is hereby given that the 20th Annual General Meeting of the Company will be held at the registered office of the Company at No-5, Kamarajar Salai, Manali, Chennai-600 068 on Tuesday, the 29th September, 2009, at 2.00 P.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2009, and Profit & Loss Account of the Company for the year ended 31st March, 2009 and the Reports of the 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. Malliah, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Dubey & Co., Chartered Accountants, as Statutory Auditors 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 a Special Resolution:
"RESOLVED THAT pursuant to provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956 read with schedule XIII of the said Act as amended to date and subject to the approval of the Central Government, if required, reappointment of Mr. Gaurav Punj, as Managing Director of the Company for the period of three years i.e. from 31.08.2009 to 30.08.2012, be and is hereby approved on terms of remuneration, perquisites and amenities set out as follows:

- a. Salary: 2,50,000/- per month,
- b. Perquisites: Mr. Gaurav Punj, Managing Director shall be eligible to the following perquisites which shall not be included in the computation of ceiling of remuneration as specified above:
 1. Provident Fund, Superannuation Fund and Annuity Fund- The Company's contribution to the Provident Fund, Superannuation Fund and Annuity Fund will be in accordance with the rules and regulations of the Company.
 2. Gratuity- Gratuity at the rate not exceeding half a month salary for each completed year of service.
 3. Earned leave- on full pay and allowances as per the rules of the Company. Leave accumulated but not availed of, during his tenure, may be allowed to be encashed as per the rules of the Company.

RESOLVED FURTHER THAT the Board be and is authorized to take all such steps as may be necessary, proper and expedient to give effect to the said resolution."

By Order of the Board
For LLOYD ROCKFIBRES LIMITED

Place: New Delhi

Date: 28/07/2009

(R. P. PUNJ)
CHAIRMAN

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.**
2. **MEMBERS/PROXIES SHOULD BRING THE ATTENDANCE SLIP DULY FILLED IN FOR ATTENDING THE MEETING.**
3. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, is enclosed.
4. The Register of Members and Share Transfer Book of the Company will remain closed from 24th September, 2009 to 29th September, 2009 (both days inclusive).
5. The Members are requested to:
 - (a) take the advantage of dematerialisation of shares as Company's scrip has been put under compulsory dematerialisation. Shareholders are requested to get in touch with any Depository Participant for getting the shares dematted.
 - (b) Bring their copy of Annual Report at the Annual General Meeting.
6. 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.
7. All documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company between 10.00 A.M. to 1.00 P.M. on all working days except Sundays and other holidays upto the date of the Annual General Meeting.

By Order of the Board
For LLOYD ROCKFIBRES LIMITED

Place: New Delhi
Date: 28/07/2009

(R. P. PUNJ)
CHAIRMAN

LLOYD ROCKFIBRES LIMITED

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

ITEM NO. 5

Mr. Gaurav Punj has been re-appointed as Managing Director of the Company for the period of 3 years w.e.f 31.08.2009 to 30.08.2012. His re-appointment was approved by the Board of Directors at their meeting held on 28.07.2009 as recommended by the remuneration committee meeting held on 28.07.2009, on the remuneration as mentioned in the resolution, subject to the approval of Central Government pursuant to the provisions of Section 198, 269, 309 read with Schedule XIII of Companies Act, 1956.

None of the Directors except Mr. Gaurav Punj himself and Mr. R. P. Punj being relative is interested in the resolution.

Information pursuant to the relevant provision of Schedule XIII of Companies Act, 1956 is as under:

S.NO	INFORMATION REQUIRED	STATUS
1.	GENERAL INFORMATION	
	A) Nature of Industry	Manufacturing of Insulation Material
	B) Date of Commencement of Commercial Production	01.07.1994
	C) Export Performance and Collaboration net Foreign Exchange	Since incorporation, the company has not undertaken any export business
	D) Foreign Investment of Collaboration agreement	Nil
2.	INFORMATION ABOUT THE APPOINTEE	
	A) Background	<p>A) Brief Introduction: Mr. Gaurav Punj, S/o Mr. R.P.Punj, Chairman of the Company is the Managing Director of the company for the last over 17 years. His last remuneration was approved by the Central Government vide its letter Dated LRFL/RSB/2007-08/01 for a Period 01.06.2006 to 30.08.2009</p> <p>B) Academic qualification & Experience: Mr. Gaurav Punj has done his Bachelor in Business Administration from University of DUQUESNE and having an experience of more than 37 years in industry.</p> <p>C) Key Position Held as a director in other companies:</p> <ol style="list-style-type: none"> 1. M/s. Ravishivam Investment(p) Ltd. 2. M/s. Radita Investment pvt. Ltd. 3. M/s. Lloyd Project Pvt. Ltd 4. M/s. Super Urethane Products Pvt. Ltd. 5. M/s. Pushpanjali Holding pvt. Ltd. 6. M/s. Fiber Glass Pvt. Ltd 7. M/s. Sumaya Investment Pvt. Ltd 8. M/s Lloyd Rockwool Pvt. Ltd. 9. M/s PIBCO Ltd.
	B) Past Remuneration	During his tenure as Managing Director i.e. from 01.04.2001, Mr. Gaurav Punj was not drawing any remuneration as the Company was in losses. From 01.06.2006 he was drawing remuneration of Rs.1,50,000/- p.m. as approved by Central Govt.
	C) Recognition & Awards	NIL.
	D) Job Profile & his Suitability	<p>Mr. Gaurav Punj, Managing Director is managing the affair of the Company under the superintendence and control of Board of Directors.</p> <p>Job Responsibility:</p> <ol style="list-style-type: none"> 1. Responsible for coordination of all the activities of the Corporation. 2. Responsible for the effectiveness of the organization in pursuit of the Company's goals and objectives.

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E) Proposed Remuneration

As per details given in the resolution at item no. 5 of the Notice.

F) Pecuniary relationship with the company or relationship with the Managerial person, If any

Mr. Gaurav Punj one of the promoter of the Company holds 213021-equity shares in the Company. Mr. R.P. Punj, chairman is the father of Mr. Gaurav Punj.

G) Comparative remuneration Profile with respect to Industry

The proposed remuneration is in line with the existing industry norms.

4. DISCLOSURES

The requisite information has been given under the section on Corporate Governance attached to the Director's report.

"The above may also be treated as notice under Section 302 of the Companies Act, 1956."

By Order of the Board
For LLOYD ROCKFIBRES LIMITED

Place: New Delhi
Date: 28/07/2009

(R. P. PUNJ)
CHAIRMAN

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LLOYD ROCKFIBRES LIMITED

DIRECTORS' REPORT

To,
The Members,
Lloyd Rockfibres Limited

Your Directors have pleasure in presenting the **20th Annual Report** along with the Audited Statement of Accounts of the company for the financial year ended **31st March, 2009**.

FINANCIAL HIGHLIGHTS

	Current Year 2008-09 (Rs.in Lac)	Previous Year 2007-08 (Rs. in Lac)
Total Income	1248.05	1453.55
Profit / Loss before interest, Depreciation, W/off & Deferred tax liability	(18.97)	138.51
Interest & Bank Charges	(60.02)	(67.33)
Depreciation	1.25	5.97
Profit/ (Loss) for the year	51.11	54.70
	(10.06)	151.14

DIVIDEND

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

PERFORMANCE

The turnover of the Company has gone down by Rs. 205.50 lacs approximately over the previous year, and the Company incurred a loss of Rs. 10.06 lacs during the year as compared to a profit of Rs. 151.14 lacs of previous year. Your directors hope for better results in the current financial year.

FUTURE

At present your Company is facing stiff competition from the players in the unorganized sectors. The profit margins have come down. 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 effect on the working of the Company.

PUBLIC DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 58A & 58AA of the Companies Act, 1956, and the rules made thereunder.

AUDITORS' REPORT

There is no adverse qualification/remark in the Auditor's Report. However, for other notes Directors would like to state that notes are self explanatory and there is no need to give any further remarks.

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.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. R. P. Punj and Mr. B.D. Malliah, would retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Your directors recommend their reappointment.

DIRECTOR'S RESPONSIBILITY STATEMENT

The Board of Directors of your Company state:

- that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are

LLOYD ROCKFIBRES LIMITED

- 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;
- iii) 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.
 - iv) 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 31.03.2009 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. Presently Mr. R. P. Punj, Mr. Harish Kumar Attavar, Mr. Naresh Kumar Thanai & Mr. B. D. Malliah are the members of Audit Committee. Mr. Naresh Kumar Thanai, a non-executive independent director is the Chairman of the Committee. The role and scope of the Committee is as per the requirement of Section 292A of the Companies Act, 1956 and Listing Agreement.

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 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, Madras 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 fees 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

Place: New Delhi
Date: 28/07/2009

(R. P. PUNJ)
CHAIRMAN

LLOYD ROCKFIBRES LIMITED

ANNEXURE – I

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRIAL SCENE

The Company is engaged in manufacture and supply of Rockwool Insulation products which are used in various industries. The growth of the insulation industry is mainly dependent on the development of Infrastructure and Power Sectors. Government has been focusing on these areas as major thrust areas for development and growth of the country; hence, these sectors have shown a continuous growing trend. Various new power projects have been sanctioned recently by the government and this has paved way for potential source of consumption of rockwool and insulation products, 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. construction and construction materials. These factors taken together have increased the demand of insulation and rockwool products in such a way that for many years to come, the demand for rockwool and insulation products will continue to show a rising trend.

SEGMENT WISE PERFORMANCE

Since the Company operates in one segment only, no information is required to be given.

OPPORTUNITIES

The Company is endowed with human resources of sound technical knowledge, expertise and experience. With the association of M/s NGP Industries Limited, who are one of the leading manufacturers of insulation products, 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. As discussed above in the para "Industrial Scene" a lot of opportunity is available.

THREATS

As described above there is expectation of huge demand in insulation industry in the years to come and Indian industry may not be able to cope up with the increasing pressure of demand and supply as per the inflated demand. Thus, there is a great possibility of foreign players coming into the market and increasing competition, thereby reducing margins. With the entry of foreign players, Indian Companies may be adversely affected competition for the unorganized sector is also increasing. Further, the industry has to keep pace with the latest technology with continuous research & development. However, your directors feel that with its competent man power 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. Besides the Company is prone to usual business risks like change in demand, change in Government policy (ies), International agreements on trade and tariffs etc.

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 31.03.2009 the total numbers of employees were 31.