

25th
Annual Report

2013-2014



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
WHOLE TIME DIRECTOR

SHRI S.N.PANDITA
DIRECTOR

SHRI A.C. SHARMA
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
BANK OF BARODA,
AURANGABAD

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

Web site: www.lrfi.in

CIN- L20293DL1989PLC218564

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NOTICE

To,
The Members,

Notice is hereby given that the 25th Annual General Meeting of the Company will be held at the registered office of the Company at Plot No. 2, Punjsons Premises, Kalkaji Industrial Area, New Delhi-110019 on Tuesday, the 30th day of September, 2014, at 11.30 A.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014, and Statement of Profit & Loss Account of the Company for the year ended on that date together with 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 M/s Dubey & Co., Chartered Accountants (Firm Registration No. 007515N) as the Statutory Auditors of the Company and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. B.D. Malliah (DIN No: 00117393), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company w.e.f. September 30, 2014 to hold office for 5 (five) consecutive years for a term up to the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2019."
5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. S.N. Pandita (holding DIN No. 06543853), a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company w.e.f. September 30, 2014 to hold office for 5 (five) consecutive years for a term up to the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2019."
6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. A.C. Sharma (holding DIN No. 00048235), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as Independent Director of the Company w.e.f. September 30, 2014 to hold office for 5 (five) consecutive years for a term up to the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2019."
7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT in supersession of all the resolutions passed by shareholders in the past and pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or amendments thereof) and Rules made there under, consent of the Shareholders be and is hereby accorded to the Board of Directors and its Committee(s), to mortgage or create charge on all or any of the immovable and movable properties (including pledge of securities held in subsidiaries/associates) of the Company, its subsidiaries and associates where so ever situated, present and future, and /or conferring power to enter upon and to take possession of assets of the Company in certain events, to or in favour of any Bank(s) or Financial Institution(s) situated within or outside India (hereinafter referred to as "the Lenders") to secure repayment of rupee term loans or working capital loans or foreign currency loans or a combination of all, advanced or agreed to lend and advanced by the lender(s) to the Company either jointly or severally or in any other combination thereof, as the case may be, in terms of the loan agreement(s), entered

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into/ to be entered into by the Company with each of the lenders for the purpose of implementation of the project(s) of the Company, its subsidiaries and associates upto a limit of 50 Crore."

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

"RESOLVED THAT in supersession of all the resolutions passed by shareholders in the past and pursuant to Section 180(1)(c) and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modifications or amendments thereof), consent of the shareholders be and is hereby accorded to the Board of Directors and its Committee(s) to borrow any sum or sums of money, from time to time, not exceeding at any time, a sum of Rs. 50 Crores (Rupees Fifty Crores Only) for the purpose of business of the Company notwithstanding, that such borrowing(s), together with the monies already borrowed by the Company (apart from temporary loans, if any, obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose."

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

ADOPTION OF NEW ARTICLES OF ASSOCIATION OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of section 14 and all other applicable provisions of the Companies Act 2013 read with (incorporation) rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), draft regulations contained in Articles of Association submitted to this meeting be and is hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board
For LLOYD ROCKFIBRES LIMITED

Sd/-

(R.P. PUNJ)

CHAIRMAN

DIN NO. 00686475

Place: New Delhi

Date: 13.08.2014

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 /HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies / bodies corporate etc., must be supported by an appropriate resolution/ authority, as applicable.
2. As per Section 105 of the Companies Act, 2013 and relevant rules made there under, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
4. Additional information pursuant to Clause 49 of the listing agreement with the stock exchanges in respect of all the Directors seeking appointment as mentioned under items nos. 4,5 and 6 contained in the notice of annual general meeting are furnished and forms part of this Notice. The said Directors have furnished necessary consents/ declarations for their appointment. Further, all the Independent Directors have affirmed that they meet the requirements specified under Clause 49 I(A)(iii) of the listing agreement in respect of their position as an "Independent Director" of the Company.
5. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item nos. 4,5,6,7, 8 and 9 of the accompanying notice is annexed hereto.
6. Copies of all documents referred to in the notice are available for inspection at the registered office of the Company during normal business hours on all working days upto and including the date of the annual general meeting of the Company.
7. The Register of Members and the Share Transfer Books of the Company will remain closed on Monday, September 29, 2014 and Tuesday, September 30, 2014 .

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8. Members seeking any information with regard to accounts are requested to write to the Compliance Officer at least ten days in advance of the annual general meeting, to enable the Company to keep the information ready.
9. Members are requested to:
 - a. Bring their copy of the annual report for the meeting.
 - b. Note that all correspondence relating to share transfers should be addressed to registrar and transfer agents of the Company, viz. Beetal Financial and Computer Services (P) Ltd. – 500 081, India
 - c. Quote their DP ID No. /Client ID No. or folio number in all their correspondence.
10. The annual report for 2013-14 along with the notice of annual general meeting, attendance slip and proxy form is being sent by electronic mode to all the shareholders who have registered their email ids with the depository participants/registrar and share transfer agent unless where any member has requested for the physical copy. Members who have not registered their email ids, physical copies of the annual report 2013-14 along with the notice of annual general meeting, attendance slip and proxy form are being sent by the permitted mode. Members may further note that the said documents will also be available on the Company's website www.lrfi.in for download. Physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's email id viz. gpl3@vsnl.com.
11. Pursuant to Section 101 of the Companies Act, 2013 and rules made there under, the companies are allowed to send communication to shareholders electronically. We thus, request you to kindly register/update your email ids with your respective depository participant and Company's registrar and share transfer agent (in case of physical shares) and make this initiative a success.
12. SEBI has made the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Beetal Financial & Computer Services (P) Ltd.
13. Members holding shares in physical form are requested to consider converting their holdings to dematerialised form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Beetal Financial & Computer Services (P) Ltd. for assistance in this regard.
14. Members who hold shares in physical form in multiple folios in identical names or join holding in same order of names are requested to send share certificates to Beetal Financial & Computer Services (P) Ltd., for consolidation in to single folio.

PROCESS AND MANNER FOR MEMBERS OPTING FOR E-Voting ARE AS UNDER:

The instructions for members for voting electronically are as under

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN*

Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

- ☐ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.

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- ☐ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
- DOB#** Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
- Dividend Bank Details#** Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
- ☐ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant LLOYD ROCKFIBRES LIMITED on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- ☐ Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- ☐ They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- ☐ After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- ☐ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- ☐ They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 23.09.2014(10:00 A.M) and ends on 25.09.2014(6:00 P.M.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com
- (D) Mr. R.S. Bhatia, Practicing Company Secretary (CP No.2514) has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.

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- (E) The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of e-Voting period, unblock the votes in the presence of at least 2 witnesses not in employment of the company and make a Scrutinizers Report for the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (F) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be available for inspection and will also be placed on the website of the Company within the prescribed period.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

As per the provisions of Section 149 of the Act which has come in to force with effect from April 01, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. B.D. Malliah has given a declaration to the Board that they meet the criteria of independence as provided under Sec 149(6) of the Act. In the opinion of the Board, Mr. B.D. Malliah fulfills the conditions specified in the Act, and the Rules made there under for the appointment of Independent Directors and he is Independent of the management.

Mr. B.D. Malliah is a qualified engineer with the experience of 45 years.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. B.D. Malliah as Independent Director is now being placed before the members for their approval.

The terms and conditions of the appointment of Mr. B.D. Malliah pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during the normal business hours on any working day of the Company.

Mr. B.D. Malliah is interested and concerned in the Resolution as mentioned at Item no. 4 of the Notice. Other than Mr. B.D. Malliah, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution.

Item No 5.

As per the provisions of Section 149 of the Act which has come in to force with effect from April 01, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. S.N. Pandita has given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, Mr. S.N. Pandita fulfills the conditions specified in the Act, and the Rules made there under for the appointment of Independent Directors and he is Independent of the management.

Mr. S.N. Pandita is a Research Scholar with the experience of 21 years.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. S.N. Pandita as Independent Director is now being placed before the members for their approval.

The terms and conditions of the appointment of Mr. S.N. Pandita pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during the normal business hours on any working day of the Company.

Mr. S.N. Pandita is interested and concerned in the Resolution as mentioned at Item no 5 of the Notice. Other than Mr. S.N. Pandita, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution.

Item No. 6.

As per the provisions of Section 149 of the Act which has come in to force with effect from April 01, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation.

Mr. A. C. Sharma has given a declaration to the Board that they meet the criteria of independence as provided under Sec 149(6) of the Act. In the opinion of the Board, Mr. A.C. Sharma fulfills the conditions specified in the Act, and the Rules made there under for the appointment of Independent Directors and he is Independent of the management.

Mr. A.C. Sharma is Post Graduate with the experience of 32 years.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. A.C. Sharma as Independent Director is now being placed before the members for their approval.

The terms and conditions of the appointment of Mr. A.C. Sharma pursuant to the provisions of Schedule IV of the Act, shall be open for inspection at the Registered Office of the Company by any Member during the normal business hours on any working day of the Company.

Mr. A.C. Sharma is interested and concerned in the Resolution as mentioned at Item no 6 of the Notice. Other than Mr. A.C. Sharma, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution.

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A brief profile of the Directors to be appointed/re-appointed is given below:

Name	Mr. S.N. Pandita	Mr. B.D. Malliah	Mr. A.C. Sharma	Mr. R.P. Punj
Age	61 yrs	72 Yrs	57 Yrs	79 years
Qualification	PHD (Research Scholar)	Graduate (Engineer)	Post Graduate	Graduate
Experience	21 years	45 years	32 years	57 years
Directorship in Boards of other Companies	NIL	1	16	10
Shareholding as on 31.03.2014	NIL	NIL	NIL	390300

Item Nos. 7 and 8

Pursuant to notification of Section 180 of the Companies Act, 2013, prior consent of the Shareholders by a special resolution is required to enable the Board of Directors to exercise these powers which, in aggregate, may exceed the paid-up capital and free reserves of the Company and to create charge on movable/immovable properties of the Company in favour of the lenders.

Any such mortgages and borrowings after this date would require a fresh prior approval of the shareholders under section 180 of the Companies Act, 2013 through a special resolution. It is imperative that such an authority is required to be delegated to the Board of Directors or its Committee for carrying on the business of the Company in the ordinary course and the Board is of the view that borrowing limits of up to Rs. 50 Crores would be sufficient to carry on the business. Accordingly, the Board of Directors of the company at its meeting held on 13.08.2014 had approved these proposals subject to your approval.

None of the Directors / Key Managerial Personnel and their relatives are interested or concerned, financially or otherwise in the above special resolution set out under Item No: 7 & 8 of the Notice.

Item No. 9

The Articles of Association ("AOA") of Company are presently in force are based on Companies Act, 1956 and several regulations in existing AOA contain references to specific sections of Companies Act 1956 and some regulations in existing AOA are no longer in conformity with Companies Act, 2013.

With coming into force the Companies Act 2013 several regulations of the existing AOA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AOA by a new set of Articles.

The new Article of Association to be substituted in place of existing AOA are based on Table F of the Act which sets out the model article of association for a company limited by shares. Shareholder's attention is required to certain salient provisions in the new draft AOA of the Company viz:

- Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares
- new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- existing articles have been streamlined and aligned with the Act;
- the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- provisions of the existing AOA which are already part of statute in the Act have not been reproduced in the new draft AOA as they would only lead to duplication – their non-inclusion makes the new AOA crisp, concise and clear and aids ease of reading and understanding;

The proposed new draft AOA is being uploaded on the Company's website for perusal by the shareholders;

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 9 of the Notice.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders

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

Place: New Delhi
Date: 13.08.2014

LLOYD ROCKFIBRES LIMITED

DIRECTORS' REPORT

To,
The Members,
Lloyd Rockfibres Limited

Your Directors have pleasure in presenting the 25th Annual Report along with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS

	Current Year 2013-14 (Rs. In Lac)	Previous Year 2012-13 (Rs. In Lac)
Total Income	171.08	671.10
Depreciation	16.21	27.45
Profit/Loss after Depreciation	145.31	(145.96)
W/off & deferred tax liability	2.59	(5.35)
Interest & Bank Charges	---	---
Profit/(Loss) for the year	(142.72)	(140.60)

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. 671.10 to Rs. 171.08 and the Company has incurred a loss of Rs. 142.72 as compared to losses of Rs. 140.60.

REFERENCE TO BIFR MATTERS

In view of the erosion of the total net worth of the company an application was made to BIFR for registration as a sick industrial company. BIFR has not accepted our application on the ground that the justification given by the company for erosion of net worth is not justified.

FUTURE OUTLOOK

Owing to stiff competition, outdated technology, old and obsolete plant and machinery coupled with working capital crunch. Your management was left with no alternative except to shut down the plant. There are no operations since September 13, 2013. As under the existing circumstances it was not possible to revive the operation, your management decided to sell the assets for which necessary approval of shareholders was obtained through the process of postal ballot. Your management is looking into some alternatives for reviving the company.

MATERIAL CHANGES

Except that the shareholders approval was obtained for sale of plant and other assets, no other 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 neither accepted any deposits during the financial year under review nor any deposits were outstanding as at the close of the financial year 31.03.2014

AUDITORS' REPORT

There is no adverse qualification/remark in the Auditor's Report which needs to be examined except that:

1. The company is required to maintain Cost records as per section 209(1) (d) of the Companies Act, 1956. The Company is also required to get the records audited by a qualified Cost Accountant. A compliance report is also required to be filed with the Central Government. The Company has not complied with these requirements.
2. The 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 covered by our audit. The Company's heavy accumulated losses of Rs. 14,92,01,236/- (Previous Year Rs. 13,49,28,910/-) is contrary to the fundamental accounting assumption of 'Going Concern' and dependent on the company's ability to infuse requisite funds and resume normal operations. An application U/s 15(1) of SICA to the Hon'ble BIFR for registration has been declined.

Management's reply:

1. As already informed that the company is facing tight financial position and has virtually lost its entire net worth, therefore it was not in a position to appoint any cost auditor and obtain any report. However the Company is maintaining all the cost records.
2. 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 looking for ways and means 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 affect that their appointment, if made, would be

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within provisions of section 139 of Companies Act, 2013. M/s. Dubey & Co, Chartered Accountants, is required to be reappointed as Statutory Auditors of the Company. Their appointment has also been recommended by the Audit Committee.

DIRECTORS

Appointment by rotation

In accordance with the provisions of the Companies Act 2013 read with Articles of Association of the Company Mr. R. P. Punj, Director of the Company would retire by rotation at this Meeting and being eligible, offer himself for reappointment.

Independent Directors

In terms of sub-section (10) of section 149 of the Companies Act, 2013 (effective from 01-04-2014), every listed company shall appoint Independent Directors, who shall hold office for a term up to 5 (five) consecutive years on the Board of a company and sub section (11) of section 149 states that no Independent Director shall be eligible to be appointed for more than 2 (two) consecutive terms of 5 (five) years.

Further, it may be noted that sub-section (5) of section 149 of the Companies Act, 2013, provides for a transitional period of one year (from 01-04-2014) for re-appointment of the Independent Directors, if eligible, for a consecutive period of 5 (five) years (if, it is intended so by the Board) subject to compliance with the eligibility and other prescribed conditions.

In Compliance of section 149 of the Companies Act 2013, regarding appointment of independent directors, your board have decided to recommend the appointment of Mr. B.D. Malliah, Mr. S.N. Pandita and Mr. A.C. Sharma as independent Directors

Key Managerial Personnel

Mr. R.P. Punj, Chairman, Gaurav Punj, Managing Director & Compliance Officer of the Company and Mr. A.K. Srivastava, Whole time director are nominated as Key Managerial Personnel (KMP) of the Company under the provisions of section 203 of the Companies Act, 2013.

Since the Company is a sick company with no operations, no professional is showing interest. Management is trying taking all efforts to appoint suitable person(s).

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 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;
- 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.
- 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 31.03.2014 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 provisions of Companies Act and the Listing Agreement.

Presently Mr. R. P. Punj, Mr. B. D. Malliah and Mr. A.C. Sharma are the members of Audit Committee. Mr. A.C. Sharma is the Chairman of the Committee.

Vigil Mechanism

The Audit Committee has established a Vigil Mechanism and adopted a Revised Whistle-Blower Policy at its meeting held on August 13, 2014, which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no director or employee of the Company has been denied access to 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

During the year, there were no employees who were in receipt of remuneration as per the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975

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

Conservation of Energy:

Company continues to pay significant attention towards the conservation of energy and all necessary measures have been taken to optimize the use of electricity, which is being used for manufacturing.

Research & Development and Technology Absorption:

The Company has been improving the quality of its products as per latest fashions through its skilled technical staff. The Company has not imported any technology from abroad.