



**Lloyds Metals and
Energy Limited**

**37th Annual Report
2013 - 14**

LLOYDS METALS AND ENERGY LIMITED

BOARD OF DIRECTORS

CHAIRMAN MUKESH R. GUPTA

MANAGING DIRECTOR BABULAL AGARWAL

DIRECTORS

RAJESH R. GUPTA

SONAM BODH (w.e.f. 23.10.2013)
(IDBI NOMINEE)

SHANTANU MOHAPATRA

B.B. CHADHA

DEVIDAS KAMBALE (w.e.f. 12.11.2013)

JAGANNATH DANGE (w.e.f. 26.05.2014)

REGISTERED OFFICE & WORKS

Plot No. A 1-2,
MIDC Area, Ghugus,
Dist. Chandrapur, 442 505,
Maharashtra

CORPORATE OFFICE

Trade World,
'C' Wing, 16th Floor,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai – 400 013.
Tel : 022 – 3041 8111
E-mail : investor@lloyds.in

REGISTRAR & SHARE TRANSFER AGENTS

BIGSHARE SERVICES PRIVATE LIMITED

E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai – 400 072.
Phone : 022- 4043 0200
Fax : 022 - 2847 5207
E-mail : investor@bigshareonline.com

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NOTICE

NOTICE is hereby given that the 37th Annual General Meeting of the Members of the **Lloyds Metals and Energy Limited** will be held at Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442 505, Maharashtra on **Wednesday, 30th July, 2014** at 12.30 p.m. to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March, 2014 and the Balance Sheet as at that date together with Auditors' and Directors' Report thereon.
- To appoint a Director in place of Shri Rajesh Gupta, who retires by rotation and being eligible offers himself for re-appointment.
- To ratify appointment of M/s Todarwal & Todarwal, Chartered Accountants as Statutory Auditors for the financial year 2014-15 including their remuneration.
- To ratify appointment of M/s Manisha & Associates, Cost Accountants as Cost Auditors for the financial year 2014-15 including their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT in accordance with the provisions of Section 161 and all other applicable provisions, if any, of the Companies Act, 2013, Shri Devidas Kambale, who was appointed as an Additional Director of the company with effect from 12th November, 2013 to hold office up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company for a period of 5 years not liable to retire by rotation."

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

"RESOLVED THAT in accordance with the provisions of Section 161 and all other applicable provisions, if any, of the Companies Act, 2013, Shri Jagannath P. Dange, who was appointed as an Additional Director of the company with effect from 26th May, 2014 to hold office up to the date of this Annual General Meeting be and is hereby appointed as Director of the Company for a period of 5 years not liable to retire by rotation."

- To consider, and if thought fit, to pass, with or without modifications, the following Resolution as an **Special Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such other approvals / consents as may be required, Consent of the members be and is hereby accorded to the reappointment of Shri Babulal Agarwal as Managing Director of the Company for a period of three years with effect from 1st January, 2015 upon remuneration, perquisites, and other allowances as set out below with the liberty to the Board of Directors to alter and

vary the terms and conditions of appointment including remuneration payable in such manner within the overall limits specified in schedule V to the said Act:-

- | | |
|-----------------------------|------------------------|
| a) Basic Salary | : ₹ 1,00,000 per month |
| b) House Rent Allowance | : 60% of Basic Salary |
| c) Medical Allowance | : } |
| d) Leave Travel Allowance & | : } ₹ 40,000 per month |
| e) Other Perquisites | : } |
- f) Leave :- One Month's leave with full salary for every 11 months.

In addition to this he is also eligible for:

- Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- Encashment of leave as per Company rules

RESOLVED FURTHER THAT notwithstanding loss or inadequacy of profits by the company in any financial years during the period of three years from 1st January, 2015, Shri Babulal Agarwal, shall be paid aforesaid remuneration by way of Salary, perquisites and other allowances as minimum remuneration subject to and in accordance with the provisions of Schedule V of the Companies Act, 1956.

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

By Order of the Board,

Date : 26.05.2014

Place : Mumbai

Shyamal Padhiar

Company Secretary

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.**
- Proxy Form and Attendance Slip are enclosed. Proxies, in order to be valid, must reach the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
- The Register of Members and Share Transfer Books of the Company shall remain closed from **Wednesday, 23rd July, 2014 to Wednesday, 30th July, 2014** (both days inclusive).
- Members desiring any information as regards to Accounts are requested to write 7 days in advance to the Company before the date of the meeting to enable the Management to keep full information ready.
- Members are requested to notify any changes in their address to the Company's Registrar & Transfer Agent, M/s. Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai - 400 072.
- Members are requested to quote their Folio No. or DP ID / Client ID, in case shares are in physical / dematerialized form, as the case may be, in all correspondence with the Company / Registrar and Share Transfer Agent.

LLOYDS METALS AND ENERGY LIMITED

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING 37th ANNUAL GENERAL MEETING (Pursuant to clause 49 of the Listing Agreement)

| | | | | |
|---|--|---|--|--|
| 1. Name | Shri Rajesh Gupta | Shri Devidas Kambale | Shri Jagannath Dange | Shri Babulal. Agarwal |
| 2. Brief Resume | | | | |
| Age | 49 years | 63 years | 63 years | 68 years |
| Qualification | B.Com | M.Com., AIIB, MFM | M.Sc., MBA, L.L.B. | B.Com., L.L.B. |
| Experience | 28 years | 38 years | 38 years | 48 years |
| Date of appointment on the Board of the Company | 21.11.1991 | 12.11.2013 | 26.05.2014 | Prior to 1987 |
| 3. Nature of expertise in Specific Functional Areas | Expertise in production, management and other areas in Steel, Power and Retail Trading industry. | Expertise in Project appraisal, monitoring, CDR, Rehabilitation and recovery areas in banking industry. | Having a rich and wider experience as IAS in various judicial and quasi-judicial matters in various positions held by him. | Vast and varied experience in Steel, Power and Retail Trading Industry and exposure in legal, management and administration areas. |
| 4. Name(s) of other Companies in which Directorship Held | 1. Vidarbha Power Ltd. | 1. Sanghi Industries Ltd. 2. SKS Ispat and Power Ltd. | - | - |
| 5. Name(s) of other companies in which he is Chairman / Member of the *Committee(s) | - | - | - | - |
| 6. No. of shares held of ₹ 2/- each | 345860 | - | - | - |
| 7. Relationship between Directors inter se (As per Section 2(76) and (77) of the Companies Act, 2013) | He is related to Mr. Mukesh Gupta, Chairman of the company. | - | - | - |

* Committees for the above purpose only Audit and Share transfer and Investors' Grievance Committees is considered.

By Order of the Board,

Date : 26.05.2014

Place : Mumbai

**Shyamal Padhiar
Company Secretary**

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 5

The Board of Directors at their meeting held on 12th November, 2013 appointed Shri Devidas Kambale as Non Executive additional Independent Director of the company who holds office upto the ensuing Annual General Meeting of the Company.

Shri Devidas K. Kambale aged about 63 years and resident of Mumbai is M.Com, CAIIB and MFM and has worked with IDBI as Manager and Chief General Manager. During his long period of service, he worked in all the Operational Departments like Project Appraisal, Corporate Finance and Rehabilitation and also headed Corporate Debt Restructuring Cell (CDR). He was involved in appraisal of various Green Projects including projects like Binani Cement Ltd. and Neelachal Ispat Ltd. He has also rich exposure in the areas like Project Monitoring & follow up, Recovery, CDR, Priority Sector Dept, and also represented IDBI on the Board of the various companies like Balrampur Chini, S. Kumars Nationwide, SJK Steel Co. Ltd (now taken over by Kalyani Group), Kumar Metallurgical, Sanghi Industries Ltd, Ashok Papers, Gayatri Sugars.

At present, he is acting as independent Director on the board of M/s Sanghi Industries Ltd. and SKS Ispat and Power Ltd. and advising a few corporate on restructuring, OTS matters.

The detailed profile and information about Shri Devidas

Kambale required to be given under Clause 49 of the Listing Agreement is annexed to this Notice.

Considering the overall experience and expertise of Shri Devidas Kambale, his appointment on Board as Non Executive Independent Director will be in the best interest of the Company. His term of appointment would be five years from the date of this annual general meeting and he shall not be liable to retire by rotation.

The Board recommends your approval for Resolution No. 5 in respect of his appointment.

None of the Directors, except Shri Devidas Kambale is in any way concerned or interested in the above resolution.

Item No. 6

The Board of Directors at their meeting held on 26th May, 2014 appointed Shri Jagannath P. Dange as Non Executive additional Independent Director of the company who holds office upto the ensuing Annual General Meeting of the Company.

Shri Jagannath P. Dange aged about 63 years and resident of Mumbai is Commerce and Law Graduate, has done post graduation in Business Administration Development from Nagpur University, Pune University and bath university from U.K.

He commenced his career as IAS officer in 1973 in Maharashtra Cadre. He has served for more than 38 years in different positions including districts, Govt. of Maharashtra and Govt.

of India and gained hands-on experience for the management of Govt. organizations, Public Sector undertakings and NGOs. During his tenure, he worked in various positions from Sub-divisional Magistrate to Chief Secretary of the Govt. of Maharashtra which has enabled him to acquire appropriate skills in co-ordinating with Governments and multiple agencies at the Districts, States and Central Govt. level. He has also handled various judicial and quasi-judicial matters in various positions held by him. He along with other subjects handled the work of various depts. concerned with infrastructure and social sector including poverty alleviation and employment generation programmes for the entire state and for the entire country.

The detailed profile and information about Shri Jagannath P. Dange required to be given under Clause 49 of the Listing Agreement is annexed to this Notice.

Considering the overall experience and expertise of Shri Jagannath P. Dange, his appointment on Board as Non Executive Independent Director will be in the best interest of the Company.

The Board recommends your approval for Resolution No. 6 in respect of his appointment.

None of the Directors, except Shri Jagannath P. Dange is in any way concerned or interested in the above resolution.

Item No. 7

The members of the company at their 32nd Annual General Meeting held on 28th July,2009 had re-appointed Shri Babulal Agarwal as Managing Director for five years with effect from 1st January, 2010. The present tenure of Shri Babulal Agarwal expires on 31st December, 2014, hence it is proposed to reappoint him for further period of three years on such terms and conditions including remuneration in accordance with the Section 196,197,198 and other applicable provisions including Schedule V of the Companies Act,2013 subject to approval of the members and any other authorities as may be required.

Accordingly, the Board of Directors at their meeting held on 26th May,2014 reappointed Shri Babulal Agarwal as Managing Director for further period of three years with effect from 1st January, 2015. The Remuneration Committee also at it's meeting held on 26th May,2014 approved the remuneration payable to him on his reappointment.

The Board recommends your approval for Resolution No. 7 in respect of his re-appointment.

None of the Directors, except Shri Babulal Agarwal is in any way concerned or interested in the above resolution.

STATEMENT AS REQUIRED TO BE GIVEN TO THE SHAREHOLDERS IN TERMS OF SCHEDULE V OF THE COMPANIES ACT, 2013 (In respect of Item No. 7)

I. GENERAL INFORMATION

1. **Nature of Industry** - Manufacturing of Sponge Iron & Power
2. **Date or expected date of commencement** - The company has commenced of commercial Production it's production activities since 1977.
3. **In case of new Companies, expected date of Commencement of activities as per project approved by financial institutions appearing in the prospectus** - N.A..
4. **Financial performance based on given indicators :**

₹ In Lakhs

| Particulars | 2011-12 | 2012-13 | 2013-14 |
|-------------------|-----------|----------|-----------|
| Total Income | 102399.33 | 77546.51 | 58442.27 |
| Profit Before Tax | 373.23 | 191.55 | (4244.57) |
| Profit after tax | 373.23 | 191.55 | (4244.57) |

5. **Foreign Investments or collaborations, if any** - NIL

II. INFORMATION ABOUT THE APPOINTEE

| | Shri Babulal Agarwal |
|---|---|
| 1. Background Details | B.Com. and L.L.B., having more than 45 years of experience in steel and power industry, has implemented several projects of company. He was appointed as director prior to 1987 and designated as managing Director since 1995. |
| 2. Past Remuneration | Salary – ₹ 1,00,000/- per month, HRA@ 60 % of basic salary and Other allowances – ₹ 40,000/- per month |
| 3. Recognition or Awards | - |
| 4. Job Profile and it's Suitability | At present, Managing Director of the company. He was appointed as director prior to 1987 and designated as managing Director since 1995. He is responsible for day to day affairs of the company. |
| 5. Remuneration proposed | Same as mentioned at Point 2 |
| 6. Comparative remuneration profile with respect to industry, size of the company, profile and position of person | The remuneration proposed is reasonable as compared to size of the company, profile and position of the person as well as with respect to the industry. |
| 7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial person, if any. | He is a promoter director. He has no other pecuniary relationship with company except remuneration and not related with managerial personnel. |

III. OTHER INFORMATION

1. Reasons of loss or inadequate profits
 - High Input Costs
 - Lower realizations
 - Adverse market conditions
 - Inadequate working capital
2. Steps taken or proposed to be taken for improvement.
 - Reduction in cost of production
 - Obtaining working capital facilities
3. Expected increase in productivity and profits in measurable terms.
The Company is expecting to improve the productivity and to earn the profits in the nearest future.

IV. DISCLOSURE

The disclosure on remuneration package payable to the managerial person is given under the head " Corporate Governance " in this report.

By Order of the Board,

**Date : 26th May,2014
Place : Mumbai**

**Shyamal Padhiar
Company Secretary**

LLOYDS METALS AND ENERGY LIMITED

DIRECTORS' REPORT

The Directors present their 37th Annual Report on the business and operations of your Company and Audited Statement of Accounts for the year ended 31st March, 2014.

FINANCIAL HIGHLIGHTS

(₹ in Lacs)

| | Current Year 2013-14 | Previous Year 2012-13 |
|---|-------------------------|--------------------------|
| Sales (Net) | 56,774.61 | 75,920.22 |
| Other Income | 1,667.66 | 1,626.29 |
| Total Income : | 58,442.27 | 77,546.51 |
| Profit before Interest, Depreciation & Tax | (855.96) | 3,693.33 |
| Less : Finance Cost | 715.86 | 849.93 |
| Depreciation | 2,672.75 | 2,651.85 |
| Profit/(Loss) before tax | (4,244.57) | 191.55 |
| Less : Tax Provision | - | - |
| Net Profit/ (Loss) after Tax | (4,244.57) | 191.55 |

DIVIDEND

In view of the losses incurred by the company, your Directors have not recommended any dividend for the year ended 31st March, 2014.

OPERATIONS & OVERALL PERFORMANCE

Global Steel demand grew at a moderate pace of 3.3 % in spite of subdued economy worldwide on the back of improvement of output in the European market which has partly set off the downturn in China, a world's largest steel maker, which moved from an investment to service-driven economy. The Indian Steel Industry witnessed muted growth during the year under review due to various reasons like issue in the global economy, high interest rates, slow pace of public infrastructure projects, slow investment- demand cycle and the reduced steel consumption. Persistent weakness in demand from key end-user industries kept the domestic steel consumption growth at a meager of 0.7 % during the financial year under review. The India became a net exporter of total finished steel during the year due to major factors such as the sustained fall of the rupee, slowdown in domestic demand and the gradual recovery of the global markets. India remained to be the world's largest producer of Direct Reduced Iron (DRI) or sponge iron with a host of coal based units, located in the mineral – rich states of the country.

Steel Prices, Globally and domestically witnessed a sustained downside mainly due to overcapacity, cheaper imports, economic conditions and shift towards other substitutes which significantly impacted the steel prices. Steel makers margins have consistently contracted since FY'11 due to

overcapacity and demand –supply gap. Margins of steel producers would continue to be under pressure, given the high cost of production on the back of higher input costs and their limited ability to pass on hikes in costs. The credit profile of steel makers to remain weak next fiscal due to their large debt for working capital and capex coupled with modest EBITDA (earnings before interest, taxes, depreciation, and amortization) margins. Global steel prices will continue to trend downward which will in turn, exert tremendous pressure on global contract prices of raw materials such as iron ore and coal. On the domestic front too, the steel prices are expected to come under pressure and decline by around 3-4 %. The recovery in the world steel pricing momentum would be driven by a reviving economy, stabilization in the Euro-zone and a rebound in the construction industry in developed countries.

A robust and thriving Power sector is central to India's sustained economic growth. India's power sector has evolved substantially over the last few decades and is now witnessing unprecedented interest and investments across the value chain. With the global economic growth and industrialization, power consumption is escalating rapidly, creating demand for more power and compelling industry players to manage their power portfolio efficiently. In 2013-14 as a whole, total power generation in India grew by six per cent to 966.4 billion units. The power transmission sector in India has not been able to keep pace with the rising power demand and generation capacity in the country. In spite of flurry of reforms declared by the Government during the year under review, the Indian Power Sector registered a monthly average power deficit of 4.5 % as compared to 8.7 % for the preceding year despite having 225 GW of installed generation capacity mainly due to reluctance of State Electricity Boards to buy power due to their financial weakness which has led many power producers to operate at sub-optimal capacities. The Indian Power Sector faced a challenging year under review as it juggled with increasing power demand, the poor paying capability of power distribution companies, inadequate domestic coal/gas availability, an inefficient power tariff mechanism and rising financing costs.

The Total Income of the Company was ₹ **584.42** crores during the year as against ₹775.46 crores in the previous year, showed substantial decrease of **25 %**. The Company has reported Net Loss of ₹**42.45** crores during the year under review as against profit of ₹ 1.91 crores in the previous year.

SPONGE IRON DIVISION

The production of Sponge Iron Division during the year under review was **165631 MT** against 153371 MT in the previous year showing an increase of **8 %**. The total income of the division was ₹ **528.87 Crores** (including trading) as against ₹ 686.63 Crores during the previous year, showing decrease of **23 %**. due to reduction of trading business and realization of lower prices of Sponge Iron.

POWER DIVISION

During the financial year 2010-11, in order to utilize the waste heat and convert into productive energy, the Company has commissioned it's 30 MW co-generation Waste Heat Recovery

Based (WHRB) Power Plant, at Ghugus, Maharashtra. The production of the division was 17.05 MWH during the year under review as compared to 23.96 MWH for the previous year. The total income of the division was ₹ 38.88 Crores during the year under review as against ₹ 72.57 Crores during the previous year showing a decrease of 46 %.

By virtue of issuance of Commercial Circular No. 154 & 156 dated 23.01.2012 by Maharashtra State Electricity Distribution Company Limited and other laws and circulars of authority, the scope of distribution/supply/utilization of electricity through Open Access has been expanded. Due to this, the prospectus of the industry is expected to improve in the nearest future. The company is exploring all the possibilities, strictly adhering to and complying with the parameters and conditions laid down in the said circulars & other laws to utilize the power generated by its power generation unit.

In respect of Iron ore mining activities, the company has received all statutory permissions and necessary sanctions from the concerned authorities to commence mining operations. However, due to insurrection by Naxals near Surjagarh Iron Ore Mine in which one of the official of the Company was killed, the Mining Operations of the Company at Surjagarh Iron Ore Mine at Surjagarh Village, Gadchiroli District, Maharashtra has been temporarily discontinued w.e.f. July, 2013 and the same facts has been informed to the concerned Govt. Authority. The company is taking adequate steps to commence mining operations.

ENVIRONMENT & SOCIAL OBLIGATION

The Company maintains the pollution free environment in and around its plants. The Company's plants comply with all norms set up for clean & better environment by Competent Authorities.

UNFCCC REGISTRATION

The Waste Heat based power plant of the Company has been accorded final registration with UNFCCC as a 'Clean Development Mechanism' (CDM) project activity. The waste heat based power plant generates power using waste heat from flue gases coming out of 4 numbers 100 TPD and 1 number 500 TPD Sponge Iron Kilns. The project involves 5 numbers waste heat recovery boilers.

The reduction in CO₂ emission from project facility arises from the displacement of an equivalent amount of electricity to the extent of electricity generated from project activity which would have been otherwise generated and supplied by grid.

The project shall be eligible for 109660 Carbon Emission Reductions (CER) Certificates every year for 10 years duration from 2013-2023.

As per the records of UNFCCC, this is the first large scale project from Sponge Iron industry to be accorded the registration by UNFCCC as per the new methodology ACM 0012 introduced by UNFCCC.

MANAGEMENT DISCUSSION AND ANALYSIS

The core business of the Company is manufacturing / marketing of Iron and Steel and generation / distribution of Power. The Management discussions and analysis is given hereunder :-

a) Industry structure and development: The Steel Industry faced sluggish consumption growth mainly on account of execution delay of planned infrastructure and construction projects due to economic slow down and environment clearances. Better GDP growth in FY'15 on the back of a revival in industry growth would lead to better steel demand growth next fiscal. The domestic steel industry expects no major hike in prices next fiscal due to overcapacity which will continue to limit prices amid the demand increase. Imports are not a major threat and will prevail at this year's level. Recognizing that electricity is one of the key drivers for rapid economic growth and poverty alleviation, the industry has set itself the target of providing access to all households over the next few years. Over the past few years, there had been a splendid growth in the power generation and capacity and with proper enactment of several policies; the trend is likely to continue in the coming years as well.

b) Opportunities and threats: Infrastructure, automobiles and consumer durables are the main drivers for growth of steel industry. While near-term demand is expected to remain muted, long-term prospects are forecast to be steady. The domestic steel demand is expected to pick up from next fiscal with an expected pick up in demand in key end-user sectors such as construction, infrastructure and automobiles. The profitability of the Indian steel industry will come under pressure due to deterioration in the demand-supply equation on the back of macroeconomic challenges being faced by the country. The main issues confronting the industry are non-availability of raw materials, high price volatility, growing raw materials prices, cheap imports, environmental issues and lack of demand.

The National Tariff Policy (2006) has ensured adequate return on investment to companies engaged in power generation, transmission and distribution and assured electricity to end-users at affordable and competitive rates. In order to attract foreign investments in the power sector, FDI up to 100 per cent is permitted under the automatic route for projects of electricity generation (except atomic energy), transmission, distribution and power trading. Coal shortages, scams, hike in prices of imported coal, lack of land availability, shortage in supply of equipments for new capacities and policy logjam have together paralyzed the prospects of power sector in India in the recent past. The key problems hindering the growth of the power sector are land, fuel, environment, slow regulatory processes, inadequate equipments and forest clearances.

c) Segment-wise performance: The Company is operating two segments, Iron and Steel and Power Generation. Segment Wise results are given at Note No.

LLOYDS METALS AND ENERGY LIMITED

15 under 'Notes to the Accounts' forming part of balance sheet. The Company has no activity outside India.

- d) **Outlook:** The longer term outlook for Global Steel Industry would continue to depend on few key issues such as overcapacity, raw materials pricing volatility and potential for economic growth. India's Steel Demand is expected to go up by 3-5 per cent in the next financial year on higher economic growth although margin pressure would continue due to high production costs and limited scope to pass them on to customers. India has the world's fifth-largest electricity generation capacity and demand is expected to surge in the coming years owing to growth in the economy. The long-term average demand growth rate is expected to remain in the higher single digit growth levels given the lower per capita power consumption in india as compared to the global average.
- e) **Risk and concerns:** Steel Industry always runs risk of Industry cycle. The Company is continuously monitoring the supply management practices, Technological obsolescence, input prices, price sensitivity and demand volatility are an inherent business risks. The Company undertakes continuous development, training and modernization programme to keep its business efficient. The risks faced by the Power sector are irregular tariff structures, fuel availability, project execution, land acquisition, financial assistance and environment clearance etc. The Company is taking proper actions against the possible industry risks which may affect the business activities of the Company.
- f) **Mitigation of Risks:** The Company in order to mitigate the risks, threats and concerns, is taking necessary short term and long term steps like exploring Open Access Market for sale of power, expanding customer base, forward integration and energy management etc. The Company has already taken effective steps for raw material security in the long term.
- g) **Internal control system:** In order to attain the corporate objectives, strict internal control systems are required to be implemented across the organization. The same is ensured by the senior management through a mix of periodic reviews, implementation of Standard Operating Procedures, defining delegation of powers and constant up gradation of IT systems.

The efficacy of Internal Control systems is ensured as a combined result of the following activities :

- i. Operational performance is reviewed each month by Senior Management.
- ii. Performance of each function is closely monitored by the Senior Management through various Weekly / Monthly review meetings. Reviews of all independent functions are regularly undertaken. Simultaneously, cross functional activities are also subject to periodic review.
- iii. Various policies are introduced from time to time, to ensure effective functioning of various independent departments, such as, Marketing, Finance, HR, etc.

h) **Discussion on financial performance with respect to operating performance :** The operating performance of the Company has been discussed in Directors Report under the head 'Financial Highlights' & 'Operations and Overall Performance' in the current year.

i) **Human resources and industrial relations :** During the year under review the Employee/ Industrial relations remained harmonious. Steps were taken continuously by the Company for training its employees in various disciplines. Number of employees as on 31st March 2014 was **411**.

j) **Cautionary Statement :** The Management Discussions and Analysis describe Company's projections, expectations or predictions and are forward looking statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand and supply and price conditions in domestic and international market, changes in Government regulations, tax regimes, economic developments and other related and incidental factors.

SUBSIDIARY & CONSOLIDATED FINANCIAL STATEMENTS

M/s. Gadchiroli Metals and Minerals Limited, ceased to be wholly owned subsidiary of the Company due to dilution of shareholding during the year under review. Hence, the Company is not required to consolidate it's Financial Statements for the year ended 31st March, 2014.

INVESTOR SERVICES

The Company and its Registrars M/s. Bigshare Services Private Limited who is looking after the physical as well as Demat work and also shareholders correspondence in terms of SEBI direction, for having a common Registrar and Share Transfer Agent, endeavored their best to service the Investors satisfactorily.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public during the year.

DIRECTORS

Shri Rajesh Gupta, Director of your Company, retires by rotation and being eligible, offers himself for reappointment. The tenure of Shri Babulal Agarwal as a Managing Director expires on 31st December, 2014 and it is proposed to re-appoint him for a further period of three years with effect from 1st January, 2015.

During the year under review, Shri J.S.Charlu, Independent Director ceased to be director w.e.f.19.08.2013 due to sudden and sad demise. The Board of Directors hereby pays homage to Late Shri J.S.Charlu with a prayer to the almighty for his soul to rest in peace and records its deep appreciation for the valuable guidance and services rendered by him as a member of Board / Committee to the Company."

Mrs. V.M.Bharathy, IDBI Nominee Director was withdrawn as Nominee and Shri Sonam Bodh was appointed in her place w.e.f. 23.10.2013. The Board hereby places on record its sincere appreciation for the valuable guidance and meaningful contribution made by Mrs. V.M. Bharathy as member of the Board / Committees during the period of her association with the Company

Shri Devidas Kambale and Shri Jagannath Dange were appointed as additional Non Executive Independent Directors of the company w.e.f. 12.11.2013 and 26.05.2014 respectively subject to approval of the members at the ensuing annual general meeting for a term of five years effective from that general meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. In the preparation of annual accounts for the financial year ended 31st March 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 profit or loss of the Company for the year under review.
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. Final accounts have been prepared on going concern basis.

CORPORATE GOVERNANCE

Pursuant to the revised Clause 49 of the Listing Agreement your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the Listing Agreement of the Stock Exchange with which the Company is listed are complied with.

A separate report on Corporate Governance and the Auditor's Certificate on its compliance are annexed hereto and forms part of this Annual Report.

STATUTORY AUDITORS & AUDITORS' REPORT

The members are requested to ratify appointment of Auditors for the next financial year 2014-2015.

As regards Auditors' observation in Point No. 10 of annexure to the Auditors' Report in respect of cash losses, it is factually correct that the company has incurred cash losses during the year due to adverse market conditions.

COST AUDITORS

In terms of provisions of Section 233B (2) of the Companies Act, 1956 and in accordance with notification issued by the Ministry Of Corporate Affairs, F.No.52 /26/ CAB – 2010 dated 02.05.2011, M/s Manisha & Associates, Nagpur, Cost Accountants was appointed as Cost Auditor of the Company for the financial year 2013-14 and offered themselves for re-appointment for the financial year 2014-15 subject to Central Government approval. The Company has filed Cost Audit Report for the financial year ended 31.03.2013 with the Central Government within the time limit prescribed under the Companies Act, 1956.

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

Information in accordance with Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in **Annexure 'A'** forming part of this report.

PARTICULARS OF EMPLOYEES

The Company does not have any employees, whose particulars are required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended by MCA vide its Circular No. 23/2011 dated 03.05.2011.

ACKNOWLEDGEMENT:

Your Directors place on record their sincere appreciation and gratitude for the assistance and generous support extended by all Government authorities, Financial Institutions, Banks, Customers, Vendors and Members during the year under review. Your Directors wish to express their immense appreciation for the devotion, commitment and contribution shown by the employees of the company while discharging their duties.

For and on behalf of the Board

Dated: 26.05.2014
Place: Mumbai

Mukesh R Gupta
Chairman

LLOYDS METALS AND ENERGY LIMITED

ANNEXURE - A

STATEMENT PURSUANT TO SECTION 217(1)(E) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

SPONGE IRON PLANT

(A) CONSERVATION OF ENERGY

Energy Conservation Measures Taken:-

The Sponge Iron Plant has achieved Electrical System Power Factor at Unity level since 2006-07 and expected to continue the same for the current year and following measures were taken for reducing electrical energy consumption:

1. Installation Variable Frequency Drives in Lobe Compressors of 4 x 100TPD kiln to increase the efficiency and reduction in power consumption.
2. Installation of Variable Frequency Drives in Combustion Air Fan of 4 x 100TPD kiln to increase the efficiency and reduce in Power Consumption.
3. Installation of Variable Frequency Drive in After Burning Chamber (ABC) Fan for optimizing the process parameters and reduction in Power Consumption.

(B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

In 500TPD kiln, there are 09 nos. Shell Air Fans (SAF 1 to SAF9) with a capacity of 18.5kW motor for each fan along the kiln length for air supply into kiln through Air tubes. As an experiment, SAF1 fan motor was kept isolated and it was found that there was no de-gradation in quality of product. As a result, the cost of maintenance is reduced and power consumption is reduced to 18.5 kW/hr.

POWER PLANT

(A) CONSERVATION OF ENERGY

Note : Form 'A' is not applicable to power generation activities as it does not fall under the list of industries specified in the Schedule attached to Rule 2.

Energy Conservation Measures Taken:-

1. Replacement of Conventional GRP Blades of Cooling Tower Fan to Energy Efficient FRP Blades to reduce the Power Consumption.
2. The project of generation of 30 MW Power from Waste Heat Recovery has been registered under Carbon Development Mechanism (CDM)
3. Auto switching of street Lights.

(B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

1. Installation of Additional Condenser in addition to Main Condenser of Turbine for improvement of Vacuum. The excess steam of LP heater which was going to main condenser directly, is partially routed through Additional Condenser to condense the steam and thus reduce the loading of Main Condenser which contributes to increase of Vacuum and thus reduction in Specific Steam Consumption.
2. Modification of Coal Top Plate in AFBC Boiler – Guide vanes are provided in Coal Top Plates for uniform spreading of Fuel over the bed. Due to which Bed temperatures are maintained uniformly through- out the bed.
3. Drag Chain Feeders are modified to reduce the travelling

time. Advantages of modification –

- a) Power saving achieved because of low RPM set .
- b) Reduction in breakdown period because of low length of Chain.
- c) Low maintenance cost.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of Foreign Exchange Earnings and Outgo are as under:

| (Rs in Lacs) | | |
|---------------------|---------|---------|
| | 2013-14 | 2012-13 |
| (1) Earnings | - | - |
| (2) Outgo: | | |
| Travelling Expenses | 25.04 | 15.64 |

FORM – A

Form for Disclosure of Particulars with respect to Conservation of Energy (Sponge Iron)

| | UNIT | 2013-14 | 2012-13 |
|--|----------|---------------|---------------|
| 1 Electricity | | | |
| a) Purchased | | | |
| Units | Kwh | 309730 | 996101 |
| Total Amount | ₹ | 8,926,932 | 20,491,051 |
| Rate/Unit | Rs/kwh | 28.82 | 20.57 |
| b) Own Generation | | | |
| i) Through Diesel Generator | | | |
| Units | Kwh | NIL | NIL |
| Units per ltr. of Diesel Oil | Kwh/ltr | - | - |
| Cost/Unit | Rs/kwh | - | - |
| ii) Through Steam Turbine / Generator (Consumption) * | | | |
| Units | Kwh | 20,299,924 | 18,760,409 |
| Total Amount | ₹ | 101,631,571 | 93,923,987 |
| Cost per Unit | Rs/kwh | 5.01 | 5.01 |
| *Consumption excludes 17071656 (P.Y. 23520926) KWH consumed in power plant and 112003419 (P.Y. 167610665) KWH sold. | | | |
| 2 Coal * | | | |
| Quantity | Ton | 338868 | 398680 |
| Total Cost | ₹ | 1,250,171,438 | 1,388,839,887 |
| Average Rate | Rs/Tonne | 3689.26 | 3483.60 |
| * includes Used in Power Plant. | | | |
| 3 Fuel Oil | | | |
| a) Furnace Oil | | | |
| Quantity | Ltr. | NIL | NIL |
| Total Amount | ₹ | NIL | NIL |
| Average Rate | Rs/Ltr | - | - |
| b) LDO/ | | | |
| Quantity | Ltr. | 117000 | 102600 |
| Total Amount | ₹ | 4,868,546 | 39,95,527 |
| Average Rate | Rs/Ltr. | 41.61 | 38.94 |
| 1 Consumption per unit of Production | UNIT | 2013-14 | 2012-13 |
| PRODUCT Sponge/Iron | | | |
| - Electricity | Kwh/MT | 124.52 | 130.78 |
| - Coal | Ton/MT | 1.83 | 1.94 |
| - LDO | Ltr / MT | 0.71 | 0.68 |

For and on behalf of the Board

Dated: 26.05.2014

Place: Mumbai

Mukesh R Gupta

Chairman

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of **Lloyds Metals and Energy Limited**

We have examined the compliance of the conditions of Corporate Governance by **Lloyds Metals and Energy Limited**, for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (As stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
TODARWAL & TODARWAL.
Chartered Accountants

Sunil Todarwal
Partner
M.No. 32512

Dated : 26.05.2014
Place : Mumbai

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :-

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operation, and all its interactions with the stakeholders including shareholders, employees, customers, government and suppliers.

2. BOARD OF DIRECTORS

The Board of the Company has a combination of Executive, Non-Executive and Independent Directors headed by Non-Executive Chairman.

During the financial year 2013-14, four (4) Board Meetings were held on 21st May, 2013, 13th August, 2013, 12th November, 2013 and 30th January, 2014 respectively.

Details of Directors attendance at Board Meetings and the last Annual General Meeting and number of directorship / membership as on 31st March, 2014 are as follows:

| NAME | CATEGORY | NO. OF BOARD MEETINGS HELD | NO. OF BOARD MEETINGS ATTENDED | WHETHER LAST AGM ATTENDED | NO. OF DIRECTORSHIP IN OTHER PUBLIC COMPANY | NO. OF OTHER COMPANY'S COMMITTEES WHERE HE IS A CHAIRMAN (C)/ MEMBER (M) |
|------------------------|----------------------------|----------------------------|--------------------------------|---------------------------|---|--|
| Mr. Mukesh .R Gupta | Non-Executive/ Promoter | 4 | 4 | Yes | - | - |
| Mr. Rajesh .R Gupta | Non-Executive/ Promoter | 4 | 4 | Yes | 1 | - |
| Mr. Babulal Agarwal | Executive/ Promoter | 4 | 4 | Yes | - | - |
| Mr. Shantanu Mohapatra | Non-Executive/ Independent | 4 | 3 | Yes | 1 | 1(M) |
| Mr. B.B.Chadha | Non-Executive/ Independent | 4 | 3 | No | 3 | 2(C)/1(M) |
| *Mrs. V. M. Bharathy | Independent IDBI Nominee | 4 | 2 | No | - | - |
| **Mr. Sonam Bodh | Independent IDBI Nominee | 4 | 2 | No | 1 | 1(M) |
| #Mr. J. S. Charlu | Non-Executive/ Independent | 4 | 1 | No | - | - |
| ## Mr. Devidas Kambale | Non-Executive/ Independent | 4 | 2 | No | 2 | - |

* Withdrawn as Nominee Director w.e.f. 23rd October, 2013.

** Appointed as Nominee Director w.e.f. 23rd October, 2013.

Ceased to be Director w.e.f. 19th August, 2013.

Appointed as Director w.e.f. 12th November, 2013.

Note: Committees for the above purpose, only Audit and Share transfer and Investors' Grievance Committees is considered.

CODE OF CONDUCT

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management Personnel. The said code has been communicated to the Directors and the Members of the Senior Management Personnel which is also affirmed by them for the financial year ended 31st March, 2014. The declaration to this effect by Managing Director is annexed at the end of this report.

The Code has also been posted on the Company's website at www.lloyds.in.

3. AUDIT COMMITTEE:-

❖ Terms of Reference

The role and terms of reference of the Audit Committee covers the areas mentioned in the Clause 49 of the Listing Agreement with the Stock Exchanges and Section 177 of the Companies Act, 2013, as amended from time to time, besides other matters as may be referred by the Board of Directors. These, inter alia, include the Review of Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, Review of the adequacy of internal control systems and advising the necessary steps to be taken to correct the weaknesses, Review of the quarterly and annual financial statements before submission to the Board for approval, Review of financial and risk management policies and practices etc..

LLOYDS METALS AND ENERGY LIMITED

❖ Composition, No. of meetings held and attendance during the year

As on 31st March, 2014, the Audit Committee comprised of 5 Non-executive Directors including 1 Nominee Director. In view of changes in the Directorship of the Company during the year under review, the Audit Committee was reconstituted as under :

| Name of the Director | Position |
|-----------------------|----------|
| Mr.Shantanu Mohapatra | Chairman |
| Mr.Mukesh R Gupta | Member |
| Mr. B.B.Chadha | Member |
| Mr. Sonam Bodh | Member |
| Mr. Devidas Kambale | Member |

During the financial year 2013-14, four (4) Meetings of Audit Committee were held on 21st May, 2013, 13th August, 2013, 12th November, 2013 and 30th January, 2014 respectively.

| Name of Director | Position | No. of Meetings held | No. of meetings attended | Remarks |
|------------------------|----------|----------------------|--------------------------|---|
| Mr. Shantanu Mohapatra | Chairman | 4 | 3 | - |
| Mr. Mukesh R Gupta | Member | 4 | 4 | - |
| Mr. B.B.Chadha | Member | 4 | 3 | - |
| Mrs. V.M.Bharathy | Member | 4 | 2 | Ceased to be a member w.e.f. 23.10.2013 |
| Mr. Sonam Bodh | Member | 4 | 2 | Appointed as a member w.e.f. 12.11.2013 |
| Mr. Devidas Kambale | Member | 4 | 2 | Appointed as a member w.e.f. 12.11.2013 |
| Mr. J.S.Charlu | Member | 4 | 1 | Ceased to be a member w.e.f. 19.08.2013 |

Mr. Shyamal Padhiar is acting as secretary to the committee.

4. REMUNERATION COMMITTEE

The Remuneration Committee was reconstituted during the year under review and comprises of 3 Non-executive independent Directors namely Shri Shantanu Mohapatra, Shri B.B.Chadha and Mr. Devidas Kambale. During the financial year 2013-14, no Remuneration Committee Meeting was held.

The remuneration of Director in all the cases is decided by the Board as per the Remuneration policy of the company subject to necessary approval of shareholders, remuneration committee and other applicable approvals, if any. Save and except Mr. Babulal.Agarwal, Managing Director, no other director has drawn remuneration during the financial year 2013-14.

Mr. Babulal Agarwal was re-appointed as a Managing Director for a term of five years w.e.f. 1st January, 2010 and is responsible for day to day affairs of the Company. During the year Mr. Babulal Agarwal has been paid minimum remuneration of ₹ 25.44 Lacs by way of Salary, Perquisites & Contribution to Provident Fund, in accordance with the provisions of the erstwhile Companies Act, 1956.

All the Directors except Managing Director, are in receipt of sitting fees of ₹ 1000/- per Board / Audit and Other Committee meetings attended by them.

❖ Details of shares held by Non-Executive directors in their own name as on 31st March, 2014.

| S. No. | Name of the Director | Equity shares of ₹ 2/- each Held in their own name |
|--------|------------------------|--|
| 1. | Mr. Mukesh Gupta | 353650 |
| 2. | Mr. Rajesh Gupta | 345860 |
| 3. | Mr. Shantanu Mohapatra | NIL |
| 4. | Mr. B.B.Chadha | NIL |
| 5. | Mr. Sonam Bodh | NIL |
| 6. | Mr. Devidas Kambale | NIL |

5. SHAREHOLDER'S AND INVESTOR'S GRIEVANCE COMMITTEE

The company has constituted the Share Transfer & Investor Grievance Redressal Committee comprising of 3 Directors namely Mr. Mukesh R. Gupta, Mr. Babulal Agarwal and Mr. Rajesh R. Gupta. The committee is headed by Mr. Mukesh R. Gupta, a Non-executive Director.

The committee oversees the performance of the Registrar and Share Transfer Agents, recommends the measures to improve the level of investor services and matters pertaining to shareholder's complaints and grievances.

The Board has designated Mr. Shyamal Padhiar, Company Secretary, as the Compliance Officer.

The company has incorporated a grievance redressal division for the purpose of registering complaints by investors and for its speedy disposal. The investors therefore are requested to send their grievance, if any, on investor@lloyds.in.

The Company's Registrar & Transfer Agent M/s Bigshare Services Pvt. Ltd. had launched Gen-next investor Module **iBoss**, the most advanced tool to interact with shareholders. The investors may login into **iBoss** (www.bigshareonline.com) to help the company to serve better.

The committee meets weekly for the approval of the share transfer / split / consolidation / replacement and issue of duplicate share certificates etc.

As per the provisions of the amended Clause 5A of the Listing Agreement, the Company was required to send at least 3 reminders to shareholders who are holding shares in physical form and which remained unclaimed, asking for the correct particulars and if no response is received, the issuer Company shall transfer all the unclaimed shares into one folio in the name of "**Unclaimed Suspense Account**" after dematerializing the same.

In compliance with the above Clause, the Company has sent 3 reminders to the shareholders who are holding shares in physical form and which remained unclaimed.

After receiving the response from some of the shareholders and after proper verification, the Company has sent share certificates to those eligible shareholders. The remaining Unclaimed Shares has been transferred to Unclaimed Suspense Account, the summary of which is as under:

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| Particulars | No. of Shareholders | No. of Shares |
|--|---------------------|---------------|
| Aggregate number of shareholders and the outstanding shares lying as Unclaimed as on 01.04.2013 | 1587 | 883250 |
| Number of shareholders who approached the issuer for issue of share certificates | 0 | 0 |
| Number of shareholders to whom share certificates were dispatched | 0 | 0 |
| Aggregate number of shareholders and the outstanding shares lying in Unclaimed Suspense Account as on 31.03.2014 | 1587 | 883250 |

The total number of complaints received and replied to the satisfaction of the shareholders during the year are as follows:

| Description | Received | Replied |
|------------------------|----------|----------|
| Direct | 9 | 9 |
| Bombay Stock Exchange | - | - |
| SEBI Complaints | - | - |
| MCA | - | - |
| Investor's Association | - | - |
| TOTAL | 9 | 9 |

6. GENERAL BODY MEETING

a. Details of last 3 Annual General Meetings (AGM) :

| Year | Location | Date | Time |
|-----------|---|------------|------------|
| 2010-2011 | Plot No. A 1-2, MIDC Area, Ghugus, Dist – Chandrapur, 442 505, Maharashtra. | 03.08.2011 | 12.30 p.m. |
| 2011-2012 | Plot No. A 1-2, MIDC Area, Ghugus, Dist – Chandrapur, 442 505, Maharashtra. | 10.07.2012 | 12.30 p.m. |
| 2012-2013 | Plot No. A 1-2, MIDC Area, Ghugus, Dist – Chandrapur, 442 505, Maharashtra. | 19.07.2013 | 12.30 p.m. |

b. No Extra Ordinary General Meeting (EGM) was held during the last year.

c. Details of Special Resolution passed in last 3 AGMs :

| Date of AGM | Details of Special Resolution |
|-------------|---|
| 03.08.2011 | No Special Resolution passed |
| 10.07.2012 | No Special Resolution passed |
| 19.07.2013 | Authority to Board of Directors to make investments u/s 372A of the erstwhile Companies Act, 1956 |

d. The Company has not passed any Resolutions through Postal Ballot during the last year.

At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

7. DISCLOSURES

a) Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflicts with the interest of the company at large:

There were no such transactions during the year. The details of transactions with related parties are disclosed in the accounts.

b) Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

No personnel have been denied access to the audit committee.

c) Details of Non-Compliance by the Company, penalties strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to Capital Markets during the last three years:

None

d) Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:

The company has complied with all the mandatory requirements. As regards the Non-Mandatory requirements they are complied with to the extent possible.

8. CEO/CFO CERTIFICATION

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, the Managing Director of the Company has certified to the Board in compliance with the Clause 49 (V) regarding CEO/CFO certification.

9. MEANS OF COMMUNICATION

The Quarterly and Annual Results are published in Business Standard (English) and Mumbai Lakshadweep (Marathi) and are displayed on Company's website www.lloyds.in.

10. GENERAL SHAREHOLDER INFORMATION

I Annual General Meeting

Date Wednesday, 30th July, 2014.

Time 12.30 p.m.

Venue Plot No. A 1-2, MIDC Area, Ghugus, Dist Chandrapur, 442 505, Maharashtra.

II Financial Calendar (tentative)

Results for quarter ending 30.06.2014 Fourth Week of July 2014

Results for half year ending 30.09.2014 Fourth week of October 2014

Results for quarter ending 31.12.2014 Fourth week of January 2015

Results for year ending 31.03.2015 Fourth week of May 2015

LLOYDS METALS AND ENERGY LIMITED

| | | |
|-----|---|--|
| III | Book Closure Date | Wednesday, 23 rd July, 2014 to Wednesday, 30 th July, 2014 (both days inclusive) |
| IV | Dividend Payment date | Not declared |
| V | Listing of Equity Shares on Stock Exchanges at | Bombay Stock Exchange, Mumbai The Company has paid annual Listing fees for the financial year 2014-2015 to the Bombay Stock Exchange. |
| VI | Stock Code | 512455 ISIN No.: INE281B01024 |

VII Stock Market Data

The monthly movement of equity Share Price on on Bombay Stock Exchange

| | Share Price (In.₹) | | BSE Sensex |
|-----------------|--------------------|-------|------------|
| | High | Low | Close |
| April 2013 | 15.45 | 11.00 | 19504.18 |
| May 2013 | 14.25 | 10.15 | 19760.30 |
| June 2013 | 12.59 | 8.91 | 19395.81 |
| July 2013 | 10.95 | 8.92 | 19345.70 |
| August. 2013 | 17.61 | 10.01 | 18619.72 |
| September. 2013 | 18.15 | 15.25 | 19379.77 |
| October. 2013 | 18.15 | 12.10 | 21164.52 |
| November. 2013 | 13.90 | 9.79 | 20791.93 |
| December. 2013 | 10.29 | 8.60 | 21170.68 |
| January. 2014 | 10.00 | 7.89 | 20513.85 |
| February. 2014 | 8.51 | 6.30 | 21120.12 |
| March. 2014 | 9.24 | 6.15 | 22386.27 |

VIII Registrar and Share Transfer Agents (share transfer and communication regarding share certificates, dividends and change of address)

Big share Services Private Limited
E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai.-400 072.

IX Share Transfer System

Share Transfer request are registered within an average period of 15 to 20 days from the day of receipt.
Share transfer request in physical form with demat request have been discontinued from February 2004 in terms of SEBI directive.

X Distribution of shareholding as on 31st March, 2014

| | No. of Shares | % |
|------------------------------|------------------|---------------|
| Promoters | 59085324 | 53.09 |
| Banks/Financial Institutions | 13000 | 0.01 |
| MFs & UTI | 3500 | 0.00 |
| FII / NRI / OCB's | 7101646 | 6.38 |
| Others | 45087820 | 40.52 |
| Total | 111291290 | 100.00 |

| | No. of Shareholders | | No. of Shares Held | |
|-----------------|---------------------|---------------|--------------------|---------------|
| | Total | % of Total | Total | % of Total |
| 1 - 500 | 10803 | 84.40 | 4700187 | 4.22 |
| 501 - 1000 | 1135 | 8.87 | 1074945 | 0.97 |
| 1001 - 2000 | 375 | 2.93 | 603196 | 0.54 |
| 2001 - 3000 | 158 | 1.23 | 414993 | 0.37 |
| 3001 - 4000 | 42 | 0.33 | 151564 | 0.14 |
| 4001 - 5000 | 63 | 0.49 | 302209 | 0.27 |
| 5001 - 10000 | 72 | 0.56 | 545463 | 0.49 |
| 10001 and Above | 152 | 1.19 | 103498733 | 93.00 |
| Total | 12800 | 100.00 | *111291290 | 100.00 |

Note : * Excludes 397875 forfeited shares of ₹10/- each.

| | | |
|---------|---|--|
| XI | Dematerialisation of Shares | Over 96.86 % of the shares have been dematerialized upto 31 st March, 2014. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 08.05.2000 as per notification issued by the Securities and Exchange Board of India. |
| | Liquidity | Company's Shares are traded on the Bombay Stock Exchange. |
| XII | Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, Conversion date and date and likely impact on the Equity. | Not Applicable |
| XIII | Plant Locations | Sponge Iron & Power Plant Plot No. A-1/2, MIDC Area, Ghugus, Dist. Chandrapur- 442 505, Maharashtra State. |
| XIV (i) | Investor Correspondence | For transfer / dematerialisation of shares payment of dividend on shares, interest and redemption of debentures, and any other query relating to the shares and debentures of the Company. |
| | | Bigshare Services Private Ltd E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri(East), Mumbai – 400072. Tel No. – 022 – 4043 0200 Fax No. – 022 – 2847 5207 E-mail : investor@bigshareonline.com |
| | (ii) Any query on Annual Report | Secretarial Department: Trade World, 'C' wing, 16 th Floor, Senapati Bapat Marg, Lower Parel(W), Mumbai- 400 013. Tel. No. 022-3041 8111 Fax No. 022-3041 8260 E mail : investor@lloyds.in |

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management personnel have confirmed compliance with the code of conduct during the financial year ended March 31, 2014.

For Lloyds Metals and Energy Ltd.

Date : 26.05.2014
Place : Mumbai

Babulal Agarwal
Managing Director

AUDITOR'S REPORT**TO THE MEMBERS OF LLOYDS METALS AND ENERGY LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **Lloyds Metals and Energy Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, on a test basis, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013;
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
Todarwal & Todarwal
Chartered Accountants
ICAI Reg No : 111009W

Sunil Todarwal
Partner
M. No. : 32512

Dated : 26th May, 2014
Place: Mumbai

LLOYDS METALS AND ENERGY LIMITED

ANNEXURE TO AUDITORS' REPORT

[Referred to in above the Auditor's Report of even date to the Members of Lloyds Metals and Energy Limited on the Financial Statements for the year ended 31st March 2014]

- 1 (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) As per the information and explanation given to us, fixed assets are physically verified by the management according to a phased programme designed to cover all the locations which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, the management during the year physically verified the fixed assets at certain locations and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanation given to us, the company has disposed off an insignificant part of the fixed assets during the year. Thus, paragraph 4(i) (c) of the Companies (Auditor's Report) Order, 2003 is not applicable.
2. (a) Inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information & explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. According to information and explanation given to us, the Company has neither granted nor taken any secured or unsecured loans to / from companies, firms, parties covered in the register maintained under Section 301 of the Act.

In view of the above, provisions of clause 4(iii) (b), (c), (d), (e), (f) and (g) are not applicable to the company.
 4. In our opinion and according to information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
5. (a) On the basis of our examination of the books of account, we are of the opinion that the transactions that need to be entered in the register in pursuance of Section 301 of the Act have been entered in the said register.
 - (b) In our opinion, and according to the information & explanation given to us, the transactions made during the year with parties covered under Sec.301 of the Act have been at prices which are reasonable, having regard to the prevailing market price for such goods and materials or prices at which transaction for similar goods or material have been made with other parties.
6. According to the information and explanation given to us, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules framed there under. Hence the provisions of clause 4(vi) are not applicable to the company.
 7. In our opinion and according to information and explanation given to us, the Company's present internal audit system is commensurate with its size and the nature of its business.
 8. Pursuant to the rules made by the Central Government, the maintenance of Cost Records have been prescribed u/s. 209(1) (d) of the Companies Act, 1956. We are of the view that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
 9. (a) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also Management representations, undisputed statutory dues in respect of Provident fund, Profession tax, Income Tax, Sales Tax, Value added tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues, if any, applicable to it, has been regularly deposited with the appropriate authorities.
 - (b) According to the records of the Company, the disputed dues in respect of Excise Duty of ₹ **12.50 Lacs** (Previous year ₹ 12.50 Lacs) ; Service tax of ₹ **14.65 Lacs** (Previous year ₹ 14.70 lacs) and Sales Tax ₹ **1.03 Lacs** (Previous year Nil) as at March 31st, 2014 have not been deposited with appropriate authorities and no provision has been made for the same.

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| Sr. No. | Name of the Statute | Amount (In Lacs) | Forum where dispute is pending |
|--------------|---------------------------------|---------------------|--|
| 1 | The Central Excise Act, 1944 | | |
| | | 6.50 | Customs, Excise, Service Tax Appellate Tribunal (CESTAT) |
| | | 4.25 | High Court |
| | | 1.75 | Supreme Court |
| | | 14.65 | Joint Commissioner - Service Tax |
| 2 | The Central Sales Tax Act, 1956 | 1.03 | Joint Commissioner - Sales Tax |
| Total | | 28.18 | |

- 10 The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and the company *has incurred cash losses during the year* but not in the immediately preceding financial year.
- 11 In our opinion and according to the information and explanation given to us and the books of accounts verified by us, the company has not defaulted in repayment of dues to a financial institution or bank.
- 12 According to information and explanation given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities during the year.
- 13 In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to it. Hence the provisions of clause 4(xiii) are not applicable to the company.
- 14 According to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments. Hence clause 4(xiv) is not applicable to the company.
- 15 According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from a bank or financial institutions.
- 16 As per information given to us, new Vehicle Term Loans have been taken by the Company during the year, and the term loans were applied for the purpose for which the loans were obtained.
- 17 On the basis of overall examination of the Balance Sheet of the Company and according to information and

explanations given to us, there are no funds raised on short-term basis, which have been used for long-term investments.

- 18 According to information and explanation given to us, the Company has during the year, not made any preferential allotment of shares to the party covered in the register maintained under section 301.
- 19 According to information and explanation given to us, the company has not issued any fresh debenture during the year. Hence the provisions of clause 4(xix) are not applicable to the company.
- 20 According to information and explanation given to us, the Company has not raised any money by public issue during the year. Hence the provisions of clause 4(xx) are not applicable to the company.
- 21 During the course of our examination of the books of account carried in accordance with the generally accepted auditing standards in India, we have neither come across any instance of fraud on or by the Company, either noticed or reported during the year, nor have we been informed of such case by the Management.

For and on behalf of
Todarwal & Todarwal
Chartered Accountants
ICAI Reg No : 111009W

Dated : 26th May, 2014
Place: Mumbai

Sunil Todarwal
Partner
M. No. : 32512

LLOYDS METALS AND ENERGY LIMITED

BALANCE SHEET AS AT 31ST MARCH 2014

(₹ in Lacs)

| | Note No | As at 31.03.2014 | As at 31.03.2013 |
|------------------------------------|---------|---------------------|---------------------|
| I. EQUITY & LIABILITIES | | | |
| SHARE HOLDER'S FUND | | | |
| (a) Share capital | 1 | 2,243.05 | 2,243.05 |
| (b) Reserves and surplus | 2 | 5,997.28 | 10,241.85 |
| | | 8,240.33 | 12,484.90 |
| NON-CURRENT LIABILITIES | | | |
| (a) Long-term borrowings | 3 | 1,566.33 | 2,058.54 |
| (b) Long-term provisions | 4 | 355.12 | 318.92 |
| | | 1,921.45 | 2,377.46 |
| CURRENT LIABILITIES | | | |
| (a) Trade payables | 5 | 25,357.85 | 22,373.11 |
| (b) Other current liabilities | 6 | 8,243.45 | 8,489.18 |
| | | 33,601.30 | 30,862.29 |
| | | 43,763.08 | 45,724.65 |
| TOTAL | | | |
| II. ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| (a) Fixed assets | 7 | | |
| (i) Tangible assets | | 27,536.98 | 29,491.19 |
| (ii) Capital work-in-progress | | 469.36 | 394.08 |
| | | 28,006.34 | 29,885.27 |
| (b) Non-current investments | 8 | 3.15 | 11.25 |
| (c) Long-term loans and advances | 9 | 3,837.45 | 4,006.04 |
| | | 31,846.94 | 33,902.56 |
| CURRENT ASSETS | | | |
| (a) Inventories | 10 | 4,896.83 | 3,114.57 |
| (b) Trade receivables | 11 | 1,586.73 | 3,654.26 |
| (c) Cash and cash equivalents | 12 | 985.74 | 785.53 |
| (d) Short-term loans and advances | 13 | 4,446.84 | 4,267.73 |
| | | 11,916.14 | 11,822.09 |
| | | 43,763.08 | 45,724.65 |
| TOTAL | | | |
| 43,763.08 | | | |

Summary of Significant Accounting Policies

20

The accompanying notes are an integral part of the financial statements.
As per our Report of even date attached.

For and on behalf of
TODARWAL & TODARWAL
Chartered Accountants
ICAI Reg. No. 111009W

For and on behalf of the Board

SUNIL L. TODARWAL
Partner
M. No. - 32512

SHYAMAL PADHIAR
Company Secretary

B. L. AGARWAL
Managing Director

MUKESH R. GUPTA
Chairman

Dated : 26th May, 2014
Place : Mumbai.

PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lacs)

| | Note No | Current Year 31.03.2014 | Previous Year 31.03.2013 |
|---|---------|----------------------------|-----------------------------|
| Income | | | |
| I. Revenue from Operations (gross) | 14 | 60,980.76 | 80,156.03 |
| Less: Excise Duty | | 4,206.15 | 4,235.81 |
| Revenue from Operations (net) | | 56,774.61 | 75,920.22 |
| II. Other income | 15 | 1,667.66 | 1,626.29 |
| III. Total Revenue (I + II) | | 58,442.27 | 77,546.51 |
| IV. Expenses: | | | |
| (a) Cost of materials consumed | | 35,448.80 | 36,308.33 |
| (b) Purchases of Traded Goods | | 19,674.90 | 32,112.86 |
| (c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | 16 | (677.33) | 49.73 |
| (d) Employee benefits expense | 17 | 1,517.42 | 1,514.93 |
| (e) Manufacturing and Other expenses | 18 | 3,334.44 | 3,867.33 |
| (f) Finance costs | 19 | 715.86 | 849.93 |
| (g) Depreciation | | 2,672.75 | 2,651.85 |
| Total expenses | | 62,686.84 | 77,354.96 |
| V Profit/(Loss) before exceptional and extraordinary items and Tax (III-IV) | | (4,244.57) | 191.55 |
| VI Exceptional Items | | - | - |
| VII Profit/(Loss) before Tax (V-VI) | | (4,244.57) | 191.55 |
| VIII Tax expense: | | | |
| Current tax | | - | - |
| IX Profit/(Loss) for the period from continuing operations (VII-VIII) | | (4,244.57) | 191.55 |
| Earnings per equity share: | | | |
| Basic & Diluted Earning per Share (₹) | | (3.81) | 0.17 |

Summary of Significant Accounting Policies

20

The accompanying notes are an integral part of the financial statements.
As per our Report of even date attached.

For and on behalf of
TODARWAL & TODARWAL
Chartered Accountants
ICAI Reg. No. 111009W

For and on behalf of the Board

SUNIL L. TODARWAL
Partner
M. No. - 32512

SHYAMAL PADHIAR
Company Secretary

B. L. AGARWAL
Managing Director

MUKESH R. GUPTA
Chairman

Dated : 26th May, 2014
Place : Mumbai.

LLOYDS METALS AND ENERGY LIMITED

CASH FLOW STATEMENT

(₹ in Lacs)

A. CASH FLOW FROM OPERATING ACTIVITIES :

Net Profit before tax and extraordinary items

Adjustments for:

Depreciation

Loss / (Profit) on Sale of Fixed Assets (Net)

Interest Income

Interest Expense

Operating Profit before working capital changes

Adjustments for:

Trade Receivables

Long-term loan and advances

Short-term loan and advances

Inventories

Trade Payables Short Term

Other Liabilities

Cash generated from operations

TDS (Paid) /Refunded

Cash Flow before extraordinary items

B. CASH FLOW FROM INVESTING ACTIVITIES :

Purchase of Fixed Assets

Sale of Fixed Assets

Sale of Investment

Interest Received

Net cash used in investing activities

C. CASH FLOW FROM FINANCING ACTIVITIES :

Reduction in Loans

Interest Paid

Net cash from financing activities

Net increase / (decrease) in cash and cash equivalents

Cash and cash equivalents as at 01.04.2013

Cash and cash equivalents as at 31.03.2014

Components of cash and cash equivalents

Cash on hand

Balance with Schedule Banks in : Current account

In Margin Account (Including FDR)

Total cash and cash equivalents

| Year Ended 31.03.2014 | Year Ended 31.03.2013 |
|-----------------------|-----------------------|
| (4,244.57) | 191.55 |
| 2,672.75 | 2,651.85 |
| 2.93 | (0.07) |
| (86.81) | (75.67) |
| 715.86 | 849.93 |
| 3,304.73 | 3,426.04 |
| (939.84) | 3,617.59 |
| 2,067.53 | 1,287.45 |
| 168.59 | (71.32) |
| (179.10) | 912.19 |
| (1,782.24) | 4,762.22 |
| 2,984.74 | (10,172.80) |
| (209.53) | 1,284.53 |
| 2,110.15 | 1,619.86 |
| - | - |
| 2,110.15 | 1,619.86 |
| (800.47) | (654.00) |
| 3.71 | 0.27 |
| 8.10 | - |
| 86.81 | 75.67 |
| (701.85) | (578.06) |
| (492.23) | (611.16) |
| (715.86) | (849.93) |
| (1,208.09) | (1,461.09) |
| 200.21 | (419.29) |
| 785.53 | 1,204.82 |
| 985.74 | 785.53 |
| 9.89 | 8.33 |
| 249.12 | 107.89 |
| 726.73 | 669.31 |
| 985.74 | 785.53 |

Notes:

- Cash Flow statement has been prepared following the indirect method except in case of dividend paid/received and taxes paid which have been considered on the basis of actual movements of cash.
- Previous year's figures have been regrouped/reclassified wherever applicable.
- Figures in brackets represent outflows.

As per our Report of even date attached.

For and on behalf of
TODARWAL & TODARWAL
 Chartered Accountants
 ICAI Reg. No. 111009W

For and on behalf of the Board

SUNIL L. TODARWAL
 Partner
 M. No. - 32512

SHYAMAL PADHIAR
 Company Secretary

B. L. AGARWAL
 Managing Director

MUKESH R. GUPTA
 Chairman

Dated : 26th May, 2014
 Place : Mumbai.

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lacs)

Note 1

Share Capital

AUTHORISED

Equity Shares :

37,50,00,000 Equity Shares of ₹ 2/- each

(Previous Year 37,50,00,000 Equity Shares of ₹ 2/- each)

Preference Shares :

2,50,00,000 Preference Shares of ₹ 10/- each

(Previous Year 2,50,00,000 Preference Shares of ₹ 10/- each)

ISSUED, SUBSCRIBED & FULLY PAID UP

Equity Shares :

11,12,91,290 Equity Shares of ₹ 2/- each

(Previous Year 11,12,91,290 Equity Shares of ₹. 2/- each fully paid up)

3,97,875 Forfeited Equity Shares of ₹ 10/- each (Amount originally paidup)

(Previous Year 3,97,875 shares)

| | As at 31.03.2014 | As at 31.03.2013 |
|--|---------------------|---------------------|
| | 7,500.00 | 7,500.00 |
| | 2,500.00 | 2,500.00 |
| | 10,000.00 | 10,000.00 |
| | 2,225.83 | 2,225.83 |
| | 17.22 | 17.22 |
| | 2,243.05 | 2,243.05 |

Notes :

1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| Equity Shares | 31 st March 2014 | | 31 st March 2013 | |
|------------------------------------|-----------------------------|---------------|-----------------------------|---------------|
| | In Nos. | Amount (In ₹) | In Nos. | Amount (In ₹) |
| At the beginning of the year | 11,12,91,290 | 22,25,82,580 | 11,12,91,290 | 22,25,82,580 |
| Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 11,12,91,290 | 22,25,82,580 | 11,12,91,290 | 22,25,82,580 |

2 Terms/rights attached to equity shares

The company has only one class of shares having a par value at ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share.

3 Details of Shareholders holding more than 5 % shares in the company

| | 31 st March 2014 | | 31 st March 2013 | |
|---|-----------------------------|------------------------|-----------------------------|------------------------|
| | In Nos. | % holding in the class | In Nos. | % holding in the class |
| Equity shares of ₹. 2/- each fully paid up | | | | |
| ASP Technologies Ltd | 18200170 | 16.35% | 18690170 | 16.79% |
| Shree Global Tradefin Ltd. | 21945190 | 19.72% | 21159490 | 19.01% |
| Trump Investments Ltd. | 14579104 | 13.10% | 14078050 | 12.64% |
| Halan Properties Pvt. Ltd. | 8761500 | 7.87% | 7711500 | 6.93% |
| Uttam Exports Pvt. Ltd. | 7390000 | 6.64% | 7390000 | 6.64% |

(₹ in Lacs)

Note 2

Reserves & Surplus

Capital Reserves

Balance as per the last financial statements

Add : Addition during the year

Surplus/(Deficit) in the statement of profit & loss

Balance as per the last financial statements

Profit for the year

Note 3

Long Term Borrowings

SECURED

Term Loans

Indian Rupee Loan from Financial Institutions

Vehicle Loan From ICICI Bank-I

Vehicle Loan From ICICI Bank - II

Total

UNSECURED

Other Loans and Advances

Sales Tax Deferral

Total

| | As at 31.03.2014 | As at 31.03.2013 |
|--|---------------------|---------------------|
| | 7,756.21 | 7,756.21 |
| | - | - |
| | 7,756.21 | 7,756.21 |
| | 2,485.64 | 2,294.09 |
| | (4,244.57) | 191.55 |
| | (1,758.93) | 2,485.64 |
| | 5,997.28 | 10,241.85 |
| | 517.13 | 1,082.03 |
| | 31.49 | - |
| | 41.20 | - |
| | 589.82 | 1,082.03 |
| | 976.51 | 976.51 |
| | 1,566.33 | 2,058.54 |

1. IDBI Loan Carries interest @ 4-18% p.a. The loan is repayable in 11 - 12 years avg. yeild 9%

2. The details of Security of the loans are as follows:

a) The term Loan from Financial Institution, is secured by first mortgage and charge on all, the Company's immovable & movable properties, both present & future, subject to prior, charge on specified movable assets created/ to be created in favour of Company's, Bankers for Working Capital facilities.

b) Security by way of hypothecation of all the movable, except aforesaid specified assets, has already been created in respect of the entire aforesaid Term Loans.

LLOYDS METALS AND ENERGY LIMITED

(₹ in Lacs)

| | As at 31.03.2014 | As at 31.03.2013 |
|--|---------------------|---------------------|
| Note No 4 | | |
| Long Term Provisions | | |
| Provision for Employee Benefits | | |
| Leave Encashment & Gratuity | | |
| Gratuity | 234.81 | 211.27 |
| Leave Encashment | 120.31 | 107.65 |
| | 355.12 | 318.92 |
| Note 5 | | |
| Trade Payables | | |
| Acceptances | 3,496.42 | 3,498.62 |
| Sundry Creditors | | |
| Total outstanding dues of creditors other than Micro and Small Enterprises | 21,861.43 | 18,874.49 |
| | 25,357.85 | 22,373.11 |

(₹ in Lacs)

| | As at 31.03.2014 | As at 31.03.2013 |
|--|---------------------|---------------------|
| Note 6 | | |
| Other Current Liabilities | | |
| Current maturities of Long Term borrowings - | | |
| i. IDBI | 564.14 | 564.14 |
| ii. VEHICLE LOAN-I | 8.62 | - |
| iii. VEHICLE LOAN-II | 1.92 | - |
| Advance from Customers | 7,188.01 | 6,952.17 |
| Overdraft from the Banks | - | 278.38 |
| Other Payables : | | |
| Duties & Taxes | 178.47 | 491.98 |
| Expenses Payable | 294.87 | 196.80 |
| Others | 7.42 | 5.71 |
| | 8,243.45 | 8,489.18 |

NOTE NO : 7 FIXED ASSETS - Tangible Assets (₹ in Lacs)

| PARTICULARS | GROSS BLOCK | | | | DEPRECIATION | | | NET BLOCK | | |
|----------------------------|---------------------|-----------------|------------------------------------|---------------------|---------------------|-----------------|-----------------|---------------------|---------------------|---------------------|
| | AS AT 01.04.2013 | ADDITIONS | DEDUCTIONS/ SOLD / DISCARDED | AS AT 31.03.2014 | AS AT 01.04.2013 | FOR THE YEAR | WRITTEN BACK | AS AT 31.03.2014 | AS AT 31.03.2014 | AS AT 31.03.2013 |
| FREE HOLD LAND | 418.67 | - | - | 418.67 | - | - | - | - | 418.67 | 418.67 |
| LEASEHOLD LAND | 168.60 | - | - | 168.60 | - | - | - | - | 168.60 | 168.60 |
| FACTORY BUILDING | 2,312.61 | 50.08 | - | 2,362.69 | 646.81 | 59.73 | - | 706.54 | 1,656.15 | 1,665.80 |
| STAFF RESIDENTIAL BUILDING | 784.09 | - | - | 784.09 | 199.98 | - | - | 199.98 | 584.11 | 584.11 |
| PLANT & MACHINERY | 28,997.04 | 288.42 | - | 29,285.46 | 19,156.73 | 1,575.56 | - | 20,732.29 | 8,553.17 | 9,840.31 |
| PLANT & MACHINERY-POWER | 18,960.73 | 282.34 | - | 19,243.07 | 2,354.10 | 1,010.42 | - | 3,364.52 | 15,878.55 | 16,606.63 |
| COMPUTERS | 138.79 | 0.36 | 0.29 | 138.86 | 98.60 | 8.65 | 0.17 | 107.08 | 31.78 | 40.19 |
| ELECTRICAL INSTALLATION | 17.33 | - | - | 17.33 | 15.81 | 0.37 | - | 16.18 | 1.15 | 1.52 |
| AIR CONDITIONERS | 35.27 | - | - | 35.27 | 10.62 | - | - | 10.62 | 24.65 | 24.65 |
| OFFICE EQUIPMENTS | 20.97 | 0.33 | - | 21.30 | 5.72 | 2.66 | - | 8.38 | 12.92 | 15.24 |
| FURNITURE & FIXTURES | 52.86 | 43.78 | 0.38 | 96.26 | 38.64 | 1.48 | 0.18 | 39.94 | 56.32 | 14.22 |
| MOTOR VEHICLES | 135.44 | 59.86 | 10.87 | 184.43 | 24.19 | 13.88 | 4.54 | 33.52 | 150.91 | 111.25 |
| T O T A L | 52,042.39 | 725.18 | 11.54 | 52,756.03 | 22,551.20 | 2,672.75 | 4.89 | 25,219.05 | 27,536.98 | 29,491.19 |
| Capital Work in Progress | 394.08 | 536.11 | 460.83 | 469.36 | | | | | 469.36 | 394.08 |
| T O T A L | 52,436.47 | 1,261.29 | 472.37 | 53,225.39 | 22,551.20 | 2,672.75 | 4.89 | 25,219.05 | 28,006.34 | 29,885.27 |
| PREVIOUS YEAR | 51,783.14 | 825.07 | 171.74 | 52,436.47 | 19,899.82 | 2,651.85 | 0.47 | 22,551.20 | 29,885.27 | - |

(₹ in Lacs)

| | No. of Shares | Face value per Share (₹) | As at 31.03.2014 | As at 31.03.2013 |
|---|------------------|-----------------------------|---------------------|---------------------|
| Note 8 | | | | |
| NON-CURRENT INVESTMENTS (At Cost) | | | | |
| Long Term (Trade) | | | | |
| Equity Shares - Unquoted | | | | |
| Investment in Others | | | | |
| (i) Gadchiroli Metals & Minerals Ltd 19,000 Equity Shares of ₹ 10/- Each (Previous Year 1,00,000 Equity Shares of ₹ 10/- Each) | 19,000.00 | 10.00 | 1.90 | 10.00 |
| (ii) Vimala Infrastructure Pvt. Ltd 500 Equity Shares of ₹ 10/- Each) (Previous Year 500 Equity Shares of ₹ 10/- Each) | 500.00 | 10.00 | 1.25 | 1.25 |
| TOTAL | | | 3.15 | 11.25 |

(₹ in Lacs)

| | As at 31.03.2014 | As at 31.03.2013 |
|---|---------------------|---------------------|
| Note 9 | | |
| Long Term Loans and Advances | | |
| (Unsecured, considered good unless otherwise stated) | | |
| Security deposits | 3,837.45 | 4,006.04 |
| | 3,837.45 | 4,006.04 |

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| | (₹ in Lacs) | |
|--|---------------------|---------------------|
| | As at 31.03.2014 | As at 31.03.2013 |
| Note 10 | | |
| Inventories | | |
| Raw Materials | 2,060.95 | 838.76 |
| Work-in Process | 10.02 | 9.60 |
| Finished Goods | 704.42 | 332.66 |
| Trading Goods | 483.21 | - |
| Stores, Spare Parts | 1,132.46 | 1,249.71 |
| Saleable Scrap | 505.77 | 683.84 |
| | 4,896.83 | 3,114.57 |
| Note 11 | | |
| Trade Receivables (Unsecured unless otherwise stated) Outstanding for a period exceeding six months | | |
| Considered Good | 54.92 | - |
| Other Debts | | |
| Considered Good | 1,531.81 | 3,654.26 |
| | 1,586.73 | 3,654.26 |
| Note 12 | | |
| Cash and cash equivalents | | |
| Balances with Banks in : | | |
| In Current Accounts | 249.12 | 107.89 |
| In Margin Account (FDR) | 726.73 | 669.31 |
| Cash on hand | 9.89 | 8.33 |
| | 985.74 | 785.53 |
| Note 13 | | |
| Short Term Loans and Advances | | |
| (Unsecured and Considered Good) | | |
| Amount recoverable in cash or kind or for value to be received | 4,240.43 | 4,109.23 |
| Loan and advance to related parties | - | 37.50 |
| Other deposits | 100.52 | 65.53 |
| Tax deducted at source | 105.89 | 55.47 |
| Total | 4,446.84 | 4,267.73 |
| Note 14 | | |
| Revenue from Operations | | |
| Sale of Products | | |
| Finished Goods | 39,329.92 | 43,564.90 |
| Traded Goods | 19,231.03 | 34,543.76 |
| Less: Claims, Trade Discounts etc. | 386.25 | 207.36 |
| | 58,174.70 | 77,901.30 |
| Other Operating Revenues | | |
| Saleable Scrap & By products | 2,806.06 | 2,254.73 |
| | 60,980.76 | 80,156.03 |
| Less : Excise Duty | 4,206.15 | 4,235.81 |
| Net Revenue | 56,774.61 | 75,920.22 |

| | (₹ in Lacs) | |
|---|----------------------------|-----------------------------|
| | Current Year 31.03.2014 | Previous Year 31.03.2013 |
| Note 15 | | |
| OTHER INCOME | | |
| Interest Income on : | | |
| Bank Deposits | 86.81 | 75.67 |
| From Customers and Others | - | - |
| | 86.81 | 75.67 |
| Net Gain on Foreign currency transaction | - | 0.16 |
| Lease Rent Received | 196.11 | 294.61 |
| Profit on Fixed Assets sold/ Discarded | - | 0.07 |
| Industrial Promotion Subsidy Refund | 1,372.16 | 1,240.91 |
| Miscellaneous Receipts | 12.58 | 14.87 |
| | 1,667.66 | 1,626.29 |
| Note 16 | | |
| Change in Inventories of finished goods, work in progress and stock in trade | | |
| OPENING STOCKS | | |
| Finished Goods | 332.66 | 1.55 |
| Work - in - process | 9.60 | 5.08 |
| By Products | 683.84 | 1,069.20 |
| | 1,026.10 | 1,075.83 |
| LESS: CLOSING STOCKS | | |
| Finished Goods | 704.41 | 332.66 |
| Work - in - process | 10.02 | 9.60 |
| By Products | 505.78 | 683.84 |
| Stock in Trade | 483.22 | - |
| | 1,703.43 | 1,026.10 |
| Net Change in Inventory | (677.33) | 49.73 |
| Note 17 | | |
| Employee benefits expense | | |
| Salaries, Wages and Allowances | 1,278.07 | 1,249.20 |
| Employer's Contribution to Provident Fund and other Fund | 101.45 | 101.09 |
| Gratuity & Leave Encashment Expenses | 54.83 | 64.60 |
| Staff Welfare/ Workmen Expenses | 59.07 | 76.04 |
| Managerial Remuneration | 24.00 | 24.00 |
| | 1,517.42 | 1,514.93 |

LLOYDS METALS AND ENERGY LIMITED

Note 18

Manufacturing & Other Expenses

(₹. in Lacs)

| | Current Year 31.03.2014 | Previous Year 31.03.2013 | |
|--|----------------------------|-----------------------------|--------|
| Manufacturing Expenses | | | |
| Consumables of Stores & Spares | 355.62 | 757.10 | |
| Power & Fuel | 1,135.52 | 1,174.96 | |
| Misc. Exp. For Production | 875.39 | 1,087.26 | |
| Fuel & Gases | 49.21 | 40.40 | |
| Other Expenses | | | |
| Rent | 87.03 | 69.08 | |
| Repairs & Maintenance : | | | |
| - Plant & Machinery | 42.73 | 120.26 | |
| - Buildings | 0.62 | 24.53 | |
| - Others | 20.61 | 32.81 | 177.60 |
| Insurance | 25.36 | 64.50 | |
| Rates & Taxes | 36.52 | 29.90 | |
| Other Selling Expenses | 110.14 | 44.54 | |
| Freight & Forwarding | 79.87 | - | |
| Commission & Brokerage | 50.89 | 26.95 | |
| Advertisement (Including Sales promotion Expenses) | 1.37 | 2.16 | |
| Auditors' Remuneration : | | | |
| As Auditor | | | |
| - Audit Fee | 2.80 | 2.32 | |
| - Tax Audit Fee | 0.70 | 0.50 | |
| In Other Manner - For certifications | - | - | |
| Travelling & Out of Pocket Expenses | 0.02 | 0.03 | 2.85 |
| Items pertaining to Previous Years | | | |
| - At Debit | - | 6.11 | |
| - Less: At Credit | - | - | 6.11 |
| Legal Expenses | 40.73 | 8.01 | |
| Professional Fees | 48.77 | 76.15 | |
| Travelling & Conveyance Expenses | 142.73 | 65.74 | |
| Postage, Telephone & Telex Expenses | 15.20 | 11.78 | |
| Printing & Stationary | 9.12 | 8.39 | |
| Vehicle Hire & Maintenance Charges | 73.28 | 63.35 | |
| Sundry Expenses | 116.51 | 150.20 | |
| Sitting Fees to Directors | 0.38 | 0.30 | |
| Loss on Fixed Assets sold/Discarded (Net) | 2.93 | - | |
| Sundry Balances writtenoff | 10.38 | - | |
| | 3,334.44 | 3,867.33 | |

(₹. in Lacs)

| | Current Year 31.03.2014 | Previous Year 31.03.2013 |
|----------------------------|----------------------------|-----------------------------|
| Note 19 | | |
| Finance costs | | |
| Interest Expenses : | | |
| Fixed Loans | 238.70 | 336.55 |
| Others | 15.87 | 29.06 |
| Finance Charges : | | |
| Bills Discounting Charges | 412.70 | 428.42 |
| Bank Charges & Commission | 39.22 | 36.61 |
| Others | 9.37 | 19.29 |
| | 715.86 | 849.93 |

Note 19

Finance costs

Interest Expenses :

Fixed Loans

Others

Finance Charges :

Bills Discounting Charges

Bank Charges & Commission

Others

NOTE 20 : NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2014 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2014.

1. SIGNIFICANT ACCOUNTING POLICIES

A) System of Accounting :

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with accounting principal generally accepted in india and comply with the Accounting Standards notified under sub-section (3C) of section 211 of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

B) Fixed Assets :

- All fixed assets are valued at cost net of Cenvat unless if any assets are revalued and for which proper disclosure is made in the Accounts.
- In the case of ongoing projects, all pre-operative expenses for the project incurred up to the date of commercial production are capitalized and apportioned to the cost of respective assets.

C) Depreciation :

Depreciation on all the assets has been provided on Straight Line Method as per Schedule XIV of the Companies Act, 1956. Lease hold land will be amortized on the expiry of Lease Agreement.

D) Inventories :

The general practice adopted by the company for valuation of inventory is as under :

Raw materials : *At lower of cost and net realizable value.

Store & spares : At cost (weighted average cost)

Work in process : At cost

Finished goods : At cost or net realizable value, which ever is lower (Also refer Accounting Policy G)

Traded goods : At cost

Scrap material : At cost or net realizable value, which ever is lower

*Material and other supplies held for use in the production of the inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

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E) Investments :

Investments are valued at cost of acquisition, which includes charges such as Brokerage, Fees and Duties.

F) Expenditure during construction period:

Expenditure incurred on projects under implementation are being treated as pre-operative expenses pending allocation to the assets which are being apportioned on commencement of commercial production.

G) Excise Duty :

The Excise duty payable on finished goods dispatches is accounted on the clearance thereof from the factory premises. Excise duty is provided on the finished goods lying at the factory premises and not yet dispatched as at the year end as per the Accounting Standard 2 "Valuation of Inventories"

H) Customs Duty :

Customs Duty payable on imported raw materials, components and stores and spares is recognized to the extent assessed by the customs department.

I) Foreign Currency Transaction :

Foreign currency transactions during the accounting year are translated at the rates prevalent on the transaction date. Exchange differences arising from foreign currency fluctuations are dealt with on the date of payment/receipt. Assets and Liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at the year end rate. The exchange difference is credited / charged to Profit & Loss Account in case of revenue items and capital items.

J) Provision for Gratuity :

Provision for Gratuity is made on the basis of actuarial valuation based on the provisions of the Payment of Gratuity Act, 1972.

K) Leave Salary :

Provision is made for value of unutilized leave due to employees at the end of the year.

L) Customs Duty Benefit :

Customs duty entitlement eligible under pass book scheme / DEPB is accounted on accrual basis. Accordingly, import duty benefits against exports affected during the year are accounted on estimate basis as incentive till the end of the year in respect of duty free imports of raw material yet to be made.

M) Amortization of Expenses :

i) Equity Issue Expenses :

Expenditure incurred in equity issue is being treated as Deferred Revenue Expenditure to be amortized over a period of ten years.

ii) Preliminary Expenses :

Preliminary expenses are amortized over a period of ten years.

iii) Debenture Issue Expenses :

Debenture Issue expenditure is amortized over the period of the Debentures.

N) Impairment of Assets :

The company determines whether a provision should

be made for impairment loss on fixed assets (including Intangible Assets), by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard – 28 "Impairment of Assets". Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made.

O) Revenue Recognition :

Sales/Income of contracts/orders are booked based on work billed. Sales are net of sales return & trade discounts.

P) Contingent Liability :

Unprovided Contingent Liabilities are disclosed in the accounts by way of notes giving the nature and quantum of such liabilities.

2) Contingent liabilities not provided for --

(₹ in Lacs)

| | As at 31/03/14 | As at 31/03/13 |
|---|-------------------|-------------------|
| a) Letter of Credit/Guarantees issued by Banks | 524.75 | 478.00 |
| b) Service Tax and CST Authorities | 28.18 | 27.20 |
| c) Claims against the Company not acknowledged as Debts | 118.90 | 118.90 |

3 Amount held in Margin / Fixed deposit accounts with banks having lien for facilities given by Banks ₹ **726.73 Lacs** (Previous year ₹ 669.31 Lacs).

4 The computation of net profit for the purpose of calculation of managerial remuneration u/s 349 of Companies Act, 1956 has not been enumerated since minimum remuneration has been paid to the Managing Director.

5 a) The company does not envisage any liability for Income Tax for the current year in absence of taxable income.

b) Disclosure as required by the Accounting Standard – 22 "Accounting for Taxes on Income" are given below:

In the event of carry forward losses and unabsorbed depreciation no Deferred Tax Liability has been created for the financial year ending 31.03.2014. The deferred tax asset has not been recognized as there is no virtual certainty of sufficient future taxable income available against which this deferred tax asset can be realized.

6 During the year, M/s Gadchiroli Metals & Minerals Limited ceased to be Wholly Owned Subsidiary of the company.

7 Disclosure as required by the Accounting Standard-15 "Employee Benefit" are given below:

a) General Description of Plan : Defined Gratuity Benefit obligation (Unfunded)

b) Method of Valuation of Gratuity: Projected Unit Credit Method.

c) Reconciliation of opening and closing balance of defined benefit obligation

LLOYDS METALS AND ENERGY LIMITED

(₹ in Lacs)

| | 2013-2014 | 2012-2013 |
|--|-----------|-----------|
| Obligation as at the beginning of the year | 211.27 | 176.05 |
| Current Services Cost | 33.55 | 33.45 |
| Interest Cost | 17.43 | 14.96 |
| Actuarial (Gain)/Loss | (18.33) | 3.76 |
| Benefits paid | (9.10) | (16.95) |
| Obligation as at the end of the year | 234.81 | 211.27 |

d) Expenses recognized during the year.

(₹ in Lacs)

| | 2013-2014 | 2012-2013 |
|---|-----------|-----------|
| Current Services Cost | 33.55 | 33.45 |
| Interest Cost | 17.43 | 14.96 |
| Actuarial (Gain)/Loss | (18.33) | 3.76 |
| Total Expenses recognized during the year | 32.65 | 52.17 |

e) Actuarial Assumptions.

- (i) Rate of Interest : 9.25% per annum
- (ii) Salary Growth : 8.00% per annum
- (iii) Withdrawal Rate : 1%
- (iv) Mortality Rate : Indian Assured Lives (2006-08) ultimate Mortality Rates.
- (v) Retirement Age : 60 years

8 Disclosure as required by the Accounting Standard – 20 “Earning Per Share” are given below.

(₹)

| Particulars | 2013-14 | 2012-13 |
|---------------------------|----------------|--------------|
| NPBT | (42,44,56,601) | 1,91,54,664 |
| Tax Expenses | -- | -- |
| Numerator (A) | (42,44,56,601) | 1,91,54,664 |
| Denominator (B) | 11,12,91,290 | 11,12,91,290 |
| Basic & Diluted EPS (A/B) | (3.81) | 0.17 |

9 Disclosure as required by the Accounting Standard – 18 “Related Party Disclosure” are given below.:

1. Parties where control exist:

(₹ in Lacs)

| | | Current Year 2013-2014 | Previous Year 2012-2013 |
|-----|---|---------------------------------------|----------------------------|
| A | Name of related party and relationship | | |
| i) | Name of the Related Party | Gadchiroli Metals & Minerals Limited* | |
| ii) | Relationship | Wholly owned Subsidiary Company | |
| A1 | Transaction with related parties Nature of Transaction | | |
| | Loans & Advances | 00.02 | 00.15 |
| 2 | Balance outstanding at the end of the year | | |
| | Equity | 1.90 | 10.00 |
| | Loans & Advances | 37.52 | 37.50 |

*Ceased to be related party w.e.f. 4th September 2013.

2. Key Managerial Personnel

(₹ in Lacs)

| | | | |
|-----|---|--------------------------|-------|
| A | Name of related party and relationship | | |
| i) | Name of the Related Party | Shri. B L Agarwal | |
| ii) | Relationship | Key Managerial Personnel | |
| B | Transaction with related parties Nature of Transaction | | |
| a) | Salary | 24.00 | 24.00 |
| b) | PF Contribution | 1.44 | 1.44 |

10 Debtors, Creditors and Loans & Advances are subject to confirmation by the parties. Difference (if any), shall be accounted on such reconciliation.

11 During the year power division sales includes sale of power amounting to ₹ 1016.32 lacs at selling price to sponge iron division (Previous year ₹ 939.24 Lacs).

12 The Company has no information as to whether any of its suppliers constitute micro, small & medium enterprises as per Micro, Small & Medium Enterprises Development Act, 2006 and therefore, the amount due to such suppliers has not been identified.

13 Additional information pursuant to the provisions of paragraph 3 and 4 of Part II of Schedule VI to the Companies Act, 1956

Break up of stores and spares consumed

| | 2013-2014 | | 2012-2013 | |
|------------|-----------|-----|-----------|-----|
| | ₹ in Lacs | % | ₹ in Lacs | % |
| Indigenous | 404.83 | 100 | 797.50 | 100 |

Expenditure incurred in foreign currency on account of (₹ in Lacs)

| | 2013-2014 | 2012-2013 |
|---------------------|-----------|-----------|
| Travelling Expenses | 25.04 | 15.64 |

14 Previous year figures have been regrouped and recast wherever necessary to confirm to the classification of the current year as per the revised Schedule VI of the Companies Act 1956.

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15) Disclosures as required by the Accounting Standard 17 on "Segment Reporting " are given below :

(₹ in Lacs)

| Sr. No. | Particulars | Year Ended 31.03.2014 | | | | Year Ended 31.03.2013 | | | |
|---------|--|-----------------------|------------------|-------------------|-------------------|-----------------------|------------------|-----------------|------------------|
| | | Sponge Iron & Steel | Power | Elimination | Consolidated | Sponge Iron & Steel | Power | Elimination | Consolidated |
| I) | Segment Revenue : | | | | | | | | |
| | Sales : | | | | | | | | |
| | External | 52,886.88 | 2,871.41 | – | 55,758.29 | 68,663.00 | 6,317.97 | – | 74,980.98 |
| | Inter – Segment | – | 1,016.32 | (1,016.32) | – | – | 939.24 | (939.24) | – |
| | Total | 52,886.88 | 3,887.73 | (1,016.32) | 55,758.29 | 68,663.00 | 7,257.21 | (939.24) | 74,980.98 |
| II) | Segment Result : | | | | | | | | |
| | Operating Net Profit | (4,182.08) | 1,124.16 | – | (3,057.92) | (630.60) | 1,976.69 | – | 1,346.09 |
| | Common Expenses (Net) | | | | (470.79) | | | – | (304.61) |
| | Interest | | | | (715.86) | | | – | (849.93) |
| | Exceptional items | | | | – | | | | – |
| | Profit before tax | | | | (4,244.57) | | | – | 191.55 |
| III) | Segment Assets : | 26,848.65 | 16,546.38 | | 43,395.03 | 28,315.12 | 17,226.58 | – | 45,541.70 |
| | Common Assets | | | | 364.90 | | | – | 171.69 |
| | Total | 26,848.65 | 16,546.38 | | 43,759.93 | 28,315.12 | 17,226.58 | – | 45,713.39 |
| IV) | Segment Liabilities : | 17,973.03 | 15,378.98 | – | 33,352.01 | 14,951.71 | 15,638.61 | – | 30,590.32 |
| | Common Liabilities | | | | 604.41 | | | – | 590.89 |
| | Total | 17,973.03 | 15,378.98 | – | 33,956.42 | 14,951.71 | 15,638.61 | – | 31,181.21 |
| V) | Capital Expenditure during the year | | | | | | | | |
| | Segment | 483.19 | 317.28 | – | 800.47 | 436.32 | 217.69 | – | 654.00 |
| | Common | | | | – | | | – | – |
| | Total | 483.19 | 317.28 | – | 800.47 | 436.32 | 217.69 | – | 654.00 |
| VI) | Depreciation during the year | | | | | | | | |
| | Segment | 1,638.74 | 1,034.00 | – | 2,672.75 | 1,634.68 | 1,017.16 | – | 2,651.84 |
| | Common | | | | – | | | | – |
| | Total | 1,638.74 | 1,034.00 | – | 2,672.75 | 1,634.68 | 1,017.16 | – | 2,651.84 |
| VII) | Non Cash Expenses other than Depreciation | | | | | | | | |
| | Segment | | | | – | – | – | – | – |
| | Common | | | | 107.70 | | | – | 111.51 |
| | Total | | | | 107.70 | | | – | 111.51 |

Notes :-

- 1) Business Segment : The business operations of the Company comprise Sponge Iron & Power. The business segments have been identified and reported taking into account, the nature of products and services, the differing risks and returns and the internal financial reporting systems.
- 2) Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the enterprise as a whole.



Lloyds Metals and Energy Limited

Regd. Office : Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442 505, Maharashtra.
Tel. 07172 285099 /103/398 Fax 07172 285003.

Corporate Office : Trade World, "C" Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai-400 013.
Tel.No. 3041 8111. Fax No. 3041 8260

Visit us at : www.lloyds.in

Dear Shareholder,

Sub: Registration of E-mail ID for servicing of documents by the Company under the Companies Act,1956 – A Green Initiative by Ministry of Corporate Affairs, Govt. of India

Ministry of Corporate Affairs ("MCA") vide its circular no. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively has notified a "Green Initiative in the Corporate Governance", by allowing paperless compliances by Companies. In terms of the said circulars, the Companies are permitted to send Annual Reports and various notices / documents to the shareholders through electronic mode to the registered e-mail addresses of shareholders.

The "Green Initiative" proved a welcome step for benefits of society at large for creating sustainable greener environment and your Company continues to fully support the above initiative.

As a step forward to implement the above initiative, we propose to send documents such as notices of general meeting(s), annual reports and other shareholder communications to you by electronic mode. Hence, we appeal all the shareholders, who have yet to register their e-mail id, to register / update the same at the earliest in any of the following manner :

- By registering with your Depository Participant ("DP") in case the Company's shares are held in demat form.
- By sending an e-mail to Bigshare Services Private Limited, Registrar and Share Transfer Agent ("RTA") at
- By returning the duly filled in form to the RTA, in case the Company's shares are held in physical form.

Please note that these documents shall be available on Company's website www.lloyds.in. and shall also be kept open for inspection by the Members at the registered office of the Company during office hours.

The Shareholders will also be entitled to receive Annual Reports & other communications, free of cost, upon receipt of a requisition from you, any time, as a member of the Company.

We are sure, that as a responsible citizen, you will whole heartedly support and co-operate with the Company in implementing this initiative of the MCA.

Best Regards,

For Lloyds Metals and Energy Limited

Shyamal Padhiar
Company Secretary

----- Tear Here -----



E-COMMUNICATION REGISTRATION FORM

To,

Bigshare Services Private Ltd.
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri(East), Mumbai – 400072.

Date :

UNIT – LLOYDS METALS AND ENERGY LIMITED

Dear Sir,

Sub : Registration of E-mail ID for serving of Notices / Annual Reports through electronic mode by Company

We hereby register our E-mail ID for the purpose of receiving the notices, Annual Reports and other documents / information in electronic mode to be sent by the Company.

| | |
|---|--|
| Folio No. / DP ID / Client ID | |
| E-mail ID | |
| Name of the First / Sole Shareholder | |
| Signature | |

Note:

Shareholder(s) are requested to notify the Company as and when there is any change in the e-mail address.



Lloyds Metals and Energy Limited

Regd. Office : Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442 505, Maharashtra.
Tel. 07172 285099 /103/398 Fax 07172 285003.

Corporate Office : Trade World, "C" Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai-400 013.
Tel.No. 3041 8111. Fax No. 3041 8260

CIN : L40300MH1977PLC019594 Website : www.lloyds.in

Form No. MGT-11

Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN: L40300MH1977PLC019594

Name of the Company : Lloyds Metals and Energy Limited

Registered Office : Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442 505, Maharashtra.

Name of the member(s):

Registered Address:

E-mail Id:

Folio No./Client Id:

DP ID:

I/We, being the member(s) of Shares of the above named Company, hereby appoint,

1. Name:

Address:

E-mail Id:

Signature:, or failing him

2. Name:

Address:

E-mail Id:

Signature:, or failing him

3. Name:

Address:

E-mail Id:

Signature:

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting of the Company, to be held on the **Wednesday, 30th day of July, 2014, at 12:30 p.m** at Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442505, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1.....

5.....

2.....

6.....

3.....

7.....

4.....

Affix
Revenue
Stamp

Signed this..... day of 2014

Signature of Shareholder



Lloyds Metals and Energy Limited

Regd. Office : Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442 505, Maharashtra.
Tel. 07172 285099 /103/398 Fax 07172 285003.

Corporate Office : Trade World, "C" Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai-400 013.
Tel.No. 3041 8111. Fax No. 3041 8260
CIN : L40300MH1977PLC019594 **Website** : www.lloyds.in

37th Annual General Meeting

ATTENDANCE SLIP

(To be handed at the entrance of the Meeting Hall)

| | |
|-------------|--|
| DP ID * | |
| Client ID * | |

| | |
|---------------|--|
| Folio No. | |
| No. of Shares | |

(To be handed over at the entrance of the Meeting Hall)

I, Certify that I am a registered Member/ Proxy for the registered Member of the Company, I hereby record my presence at the 37th Annual General Meeting of the Company held at Plot No.A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442 505, Maharashtra on **Wednesday, 30th day of July, 2014**, at 12:30 p.m.

Full Name of Member (in BLOCK LETTERS) _____

Name of the Proxy (in BLOCK LETTERS) _____

(To be filled in if the Proxy attends instead of Member/s)

Member's/Proxy's Signature _____

* Applicable for investors holding shares in electronic form.

BOOK - POST

If undelivered please return to :

BIGSHARE SERVICES PRIVATE LIMITED

(Unit : Lloyds Metals and Energy Ltd.)

E-2/3, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (East),

Mumbai - 400 072.

Phone : 022-4043 0200

Fax : 2847 5207