

35th Annual Report
2011- 2012



Lloyds Metals and Energy Limited

(Formerly Lloyds Metals and Engineers Limited)

BOARD OF DIRECTORS

CHAIRMAN MUKESH R. GUPTA

MANAGING DIRECTOR B.L. AGARWAL

DIRECTORS

RAJESH R. GUPTA

V.M.BHARATHY (IDBI NOMINEE)

SHANTANU MOHAPATRA

B.B.CHADHA

J.S.CHARLU

AUDITORS

TODARWAL & TODARWAL

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

REGISTRAR & SHARE TRANSFER AGENTS

BIGSHARE SERVICES PRIVATE LIMITED

E-2/3, Ansa Industrial Estate,

Sakivihar Road,

SakiNaka, Andheri (E),

Mumbai – 400 072.

Tel. No. : 022- 4043 0200 / 299

Fax No. : 022 - 2847 5207

E-mail : investor@bigshareonline.com

CONTENTS	Page No.
Notice	03
Directors' Report	04
Corporate Governance	08
Auditors' Report	12
Balance Sheet	14
Profit & Loss Account	15
Cash Flow Statement	16
Notes to the Financial Statement	17
Statement Pursuant to Section 212	22
Subsidiary Company	23
Consolidated Statement	26

NOTICE

NOTICE is hereby given that the 35th 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 **Tuesday, 10th July, 2012** 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, 2012 and the Balance Sheet as at that date together with Auditors' and Directors' Report thereon.
- To appoint a Director in place of Shri J.S.Charlu, who retires by rotation and being eligible offers himself for re-appointment.
- To appoint a Director in place of Shri Rajesh Gupta, who retires by rotation and being eligible offers himself for re-appointment.
- To appoint Statutory Auditors and to fix their remuneration.

By Order of the Board,

Date : 26.05.2012
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 **Monday, 2nd July, 2012 to Tuesday, 10th July, 2012** (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.
- The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. Therefore we request you to **provide your email id** to our Registrar M/s Bigshare Services Pvt. Ltd. Unit : Lloyds Metals and Energy Ltd. on the address given in this notice to send various notices / documents etc.

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING 35th ANNUAL GENERAL MEETING (Pursuant to clause 49 of the Listing Agreement)

1. Name	Shri J.S.Charlu	Shri Rajesh Gupta
2. Brief Resume		
Age	73 years	47 years
Qualification	M.A.(Economics), JGEDP – IIM, Sr. Marketing Management Course-AISA, Hyderabad	B.Com
Experience	48 years	26 years
Date of appointment on the Board of the company	29.05.2009	21.11.1991
3. Nature of expertise in Specific Functional Areas	Having a rich and wider experience in the field of marketing of steel and allied products	Rich Experience in production, management and other areas in Steel and Power Industry.
4. Name(s) of other Companies in which Directorship Held	-	1. Lloyds Steel Industries Ltd. 2. Vidarbha Power Ltd.
5. Name(s) of other companies in which he is Chairman / Member of the *Committee(s)	-	1. Lloyds Steel Industries Ltd. – Member – Shareholders' / Investor Grievance Committee
6. No. of shares held of ₹ 2/- each	-	345860
7. Relationship between Directors inter se (As per Section 6 and Schedule 1A of the Companies Act, 1956)	-	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 : 26.05.2012
Place : Mumbai

Shyamal Padhiar
Company Secretary

DIRECTORS' REPORT

The Directors present their 35th Annual Report on the business and operations of your Company and Audited Statement of Accounts for the year ended 31st March, 2012.

FINANCIAL HIGHLIGHTS (₹ in Lacs)

	Current Year 2011-12	Previous Year 2010-11
Sales (Net)	100,680.39	68,999.73
Other Income	1,718.94	2,368.80
Total Income :	102,399.33	71,368.53
Profit before Interest, Depreciation & Tax	4,468.97	4,584.92
Less : Finance Cost	1,494.59	732.64
Depreciation	2,601.15	1,991.80
Profit/(Loss) before tax	373.23	1,860.48
Less : Tax Provision	-	-
Net Profit/ (Loss) after Tax	373.23	1,860.48

DIVIDEND

With a view to conserve the resources in long run, your Directors have not recommended any Dividend for the year ended 31st March, 2012.

OPERATIONS & OVERALL PERFORMANCE

The Global Steel consumption has witnessed a steady growth during the last year. However, the Indian Steel Industry has witnessed a setback during the year under review. Despite some positive influences, overall steel consumption growth in the country during the year under review was subdued because of steep declines in the growth of end use sectors like Manufacturing, Mining, Capital Goods, Consumer Durables etc. The total Indian finished Steel consumption registered a growth of 5 % during the year under review. During the last few years, the Indian Sponge Iron Industry grew at an annual rate of 9.8% mainly due to remarkable expansion in the small-scale coal based units with short gestation period and low capital intensity.

Globally, the Steel prices has risen during the first three quarters of the year, but showed a sharp fall during the last quarter. However, domestic steel prices were remained stable during the year under review. The volatility in raw materials prices coupled with fluctuating demand has put pressure on operating margins of the Steel Producers and trend is expected to continue during the current year as well.

The Power sector is one of the crucial inputs to the growth of the other industrial sectors and overall economic growth of India. India is world's 6th largest energy consumer, accounting for 3.4% of global energy consumption. The Indian

Power Sector has witnessed a very challenging phase and almost hits a bottom during the year under review as a result of fuel scarcity, funds paucity, regulatory, policy and investments hurdles amongst the other factors. The High fuel prices and low merchant realization has put pressure on operating margins of the power companies, however, the trend is expected to change in the coming years backed by higher coal production and tariff hike by State Electricity Boards.

The Total Income of the Company was ₹ **1,024.00** crores during the year as against ₹ 713.69 crores in the previous year, showed an increase of **43 %**. The Company has reported Net profit of ₹ **3.73** crores during the year under review as against ₹ 18.61 crores in the previous year.

SPONGE IRON DIVISION

The production of Sponge Iron Division during the year under review was **156698 MT** against 186882 MT in the previous year showing decrease of **16 %**. The total income of the division was ₹ **934.14 Crores** as against ₹ 656.95 Crores during the previous year, showing an increase of **42 %**.

POWER DIVISION

During the previous 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 **24.54 MWH** during the year under review as compared to 22.64 MWH for the previous year. The total income of the division was ₹ **72.65 Crores** during the year under review as against ₹ 33.04 Crores during the last six months of the previous year.

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. 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 and the mining operations have commenced on trial basis.

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.

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 domestic steel sector was hit badly during the last year due to slow down in infra projects, high interest rates and falling capex. However, the industry is expected to perform well due to increase in consumption of steel backed by growing demand in consumer durables and infrastructure industries. The Indian Power sector is one of the fastest growing sector in the world and energy availability in the country has increased rapidly during past few years.
- b) **Opportunities and threats:** The Steel industry has a very good growth potential in years to come with rising domestic as well as global consumption. The main challenges to the industry are low labour productivity, high energy cost, operational agility. The upward trend in increase in steel prices during the major part of the year is unlikely to sustain in the current year. The Indian Power Sector is undergoing a rapid growth phase with vision to provide reliable, affordable and quality power to all. The demand for power is growing exponentially in accordance with high level of developments on both infrastructure and social fronts. The main challenges to the power industry are tariff structure, fuel availability, plant equipment / skilled manpower shortage and financial assistance.
- c) **Segment-wise performance:** The Company is operating two segments, Iron and Steel and Power Generation. Segment Wise results are given at Note No. 15 under 'Notes to the Accounts' forming part of balance sheet. The Company has no activity outside India.
- d) **Outlook:** The outlook for the Global steel industry remains cautious. The Global steel demand will vary depending on the outlook for different regions and countries. The outlook for the domestic steel industry is optimistic, driven by modest growth in infrastructure industries. With the sufficient raw material resources and surplus raw material production coupled with expected demand growth, Indian Steel Industry makes attractive investment destination for global majors. Considering the huge demand of power from India's rising population and rapid industrialization and urbanization, the outlook for the Power sector outlook looks positive.
- 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:** The Company maintains adequate internal control systems, which provide adequate safeguards and proper monitoring of the transactions. The Company has appointed an Internal Auditor who reports to the Managing Director and Audit Committee of the Board. The Internal Auditor conducts quarterly audits to ensure that the Company's control systems are adequately followed and all statutory requirements are complied with.
- 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, 2012 was **430**.
- 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

The Statement required Under Section 212 of the Companies Act, 1956, the Audited Accounts and the Reports of the Directors and Auditors of **M/s. Gadchiroli Metals and Minerals Limited**, wholly owned subsidiary is attached herewith. In accordance with the Accounting Standard AS -

21, the Consolidated Financial Statements are attached herewith which forms part of the Annual Report and Accounts.

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 J.S.Charlu and Shri Rajesh Gupta, Directors of your Company, retires by rotation and being eligible, offers themselves for re-appointment.

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 2012, 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 appoint Auditors for the next financial year 2012-2013.

Auditors' observations in Clause No. 9 (b) in the Annexure to Audit Report (CARO Report) are self explanatory and do not require further explanation.

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 Accountant was appointed as Cost Auditor of the Company for the financial year 2011-12 and offered themselves for re-appointment for the financial year 2012-13 subject to approval of the Central Government.

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: 26.05.2012
Place: Mumbai

Mukesh R Gupta
Chairman

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. Replacement of conventional motors with Inverter duty energy efficient motors for Shell Air Fans of 500TPD kiln to increase the efficiency and reduction in power consumption.
2. Optimizing the size of De-dusting blower motor from 55 KW to 37 KW.
3. Replacement of higher rating nose cooling fan motor in Kiln outlet of 500 TPD kiln by suitable rating fan motor resulting in reduction of power consumption.
4. Reduction of one number of slinger coal conveyor from two numbers resulting in saving of energy.
5. Recycling of power plant cooling tower blow down water in DRI process on rotary coolers thereby conserving substantial quantity of water and energy.

(B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

1. Installation of coal dust injection system to inject bag filters dust in to After Burning Chamber (ABC) of kilns to increase the flue gas temperature and gas volume thereby increasing the steam generation from WHR boilers.
2. Replacement of steel trough by RCC trough underneath the rotary coolers of both 500 tpd kiln and 4x100tpd kilns for better/direct air contact to the hot water falling from the coolers to enable fast/natural cooling of the water thereby eliminating the operation of cooling tower and save energy.
3. Reclamation of 2mm to 5mm fraction of Iron Ore from Iron Ore Fines dump and use as Iron Ore in DRI manufacturing thereby reducing specific consumption of Iron Ore per ton of DRI.
4. Installation of Flip Flow screens in Iron ore & coal screening plants to improve the quality of feed material into Kiln there by improving campaign life of the kilns and produce quality of Finished Goods.

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. Installation of variable frequency drive for LT BFP in power plant.
2. The project of generation of 30 MW Power from Waste Heat Recovery has been registered under Carbon Development Mechanism (CDM) and expected to get CDM certification.
3. As a measure of energy conservation, Replacement of Copper ballasts by electronic ballasts.
4. Auto switching of all street lights.
5. Provision of Localized switching arrangements to control the office and building lights.

(B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

1. In 55 TPH Waste Heat Recovery Boiler, MS deflector plates are provided in Economizer casing to enable proper distribution of the flue gasses to flow through the maximum area of the coils to enable proper heat transfer and also reduce the erosion of coils.
2. In 55 TPH Waste Heat Recovery Boiler, SS plate shielding on Screen tubes is done to protect erosion of tubes with the direct impact of flue gasses.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

	2011-12	2010-11
(1) Earnings		
Exports including Third Party	-	2699.31
(2) Outgo:		
Travelling Expenses	22.31	20.76

FORM - A

Form for Disclosure of Particulars with respect to Conservation of Energy

(Sponge Iron)

UNIT	2011-12	2010-11
1 Electricity		
a) Purchased		
Units	Kwh 1683873	17211220
Total Amount	₹ 24,176,280	105,952,580
Rate/Unit	₹/kwh 14.36	6.16
b) Own Generation		
i) Through Diesel Generator		
Units	Kwh NIL	NIL
Units per ltr. of	Kwh/tr —	—
Diesel Oil Cost/Unit	₹/kwh —	—
ii) Through Steam		
Turbine / Generator		
(Consumption) *		
Units	Kwh 19152446	9509822
Total Amount	₹ 95,886,713	47610921
Cost per Unit	₹/kwh 5.01	5.01
* Consumption excludes 24143614 (P.Y. 8085956)		
KWH consumed in power plant and 172295940 (P.Y. 70425302) KWH sold.		
2 Coal *		
Quantity	Ton 428514	436137
Total Cost	₹ 1506421502	1127563367
Average Rate	₹/Tonne 3515.45	2585.34
*includes Used in Power Plant.		
3 Fuel Oil		
a) Furnace Oil		
Quantity	Ltr. NIL	NIL
Total Amount	₹ NIL	NIL
Average Rate	₹/Ltr -	-
b) LDO/		
Quantity	Ltr. 115300	185571
Total Amount	₹ 4105273	5975445
Average Rate	₹/Ltr. 35.61	32.15
Consumption per unit of Production		
1 PRODUCT Sponge/Iron-		
- Electricity	Kwh/MT 132.97	142.98
- Coal	Ton/MT 2.04	2.17
- LDO	Ltr / MT 0.74	0.99

For and on behalf of the Board

Dated: 26.05.2012
Place: Mumbai

Mukesh R Gupta
Chairman

CORPORATE GOVERNANCE

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, 2012, 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 : 26th May, 2012
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 2011-12, four (4) Board Meetings were held on 18th May, 2011, 29th July, 2011, 9th November, 2011 and 14th February, 2012 respectively.

Details of Directors attendance at Board Meetings and the last Annual General Meeting and number of directorship / membership as on 31st March, 2012 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	1	1(M)
Mr. Rajesh R Gupta	Non-Executive/ Promoter	4	4	Yes	2	1(M)
Mr. B.L. Agarwal	Executive/ Promoter	4	4	Yes	2	1(C) / 1(M)
Mr. Shantanu Mohapatra	Non-Executive Independent	4	1	Yes	2	-
Mr. B.B. Chadha	Non-Executive Independent	4	2	No	4	1(C)/ 2(M)
Mrs. V.M. Bharathy	Independent IDBI Nominee	4	4	No	-	-
Mr. J.S. Charlu	Non-Executive Independent	4	3	No	-	-

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, 2012. 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 292 A of the Companies Act, 1956, 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.

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

As on 31st March, 2012, the Audit Committee comprised of 5 Non-executive Directors including 1 Nominee Director.

During the financial year 2011-12, four (4) Meetings of Audit Committee were held on 18th May, 2011, 29th July, 2011, 9th November, 2011 and 14th February, 2012 respectively.

Name of Director	Position	No. of Meetings held	No. of meetings attended	Remarks
Mr. Shantanu Mohapatra	Chairman	4	1	-
Mr. Mukesh R Gupta	Member	4	4	-
Mr. B. B.Chadha	Member	4	2	-
Mrs. V.M.Bharathy	Member	4	4	-
Mr. J.S.Charlu	Member	4	3	Appointed as member w.e.f. 29 th July, 2011

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

4. REMUNERATION COMMITTEE

The Remuneration Committee comprises of 3 Non-executive independent Directors namely Shri Shantanu Mohapatra, Shri B.B.Chadha and Mrs. V.M.Bharathy. During the financial year 2011-12, 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. B.L.Agarwal, Managing Director, no other director has drawn remuneration during the financial year 2011-12.

Mr. B.L.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. B.L.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 Schedule XIII of the Companies Act, 1956.

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

❖ **Details of shares held by Non-Executive directors in their own name as on 31st March, 2012.**

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.	Mrs. V.M.Bharathy	NIL
6.	Mr. J.S.Charlu	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..B.L.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 **i'Boss**, the most advanced tool to interact with shareholders. The investors may login into **i'Boss** (www.bigshareonline.com) to help the company to serve better.

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

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

Description	Received	Replied
Direct	49	49
Bombay Stock Exchange	-	-
SEBI Complaints	-	-
MCA	-	-
Investor's Association	-	-
TOTAL	49	49

6. GENERAL BODY MEETING

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

Year	Location	Date	Time
2008-2009	Plot No. A 1-2, MIDC Area, Ghugus, Dist – Chandrapur, 442 505, Maharashtra.	28.07.2009	2.00 p.m.
2009-2010	Plot No. A 1-2, MIDC Area, Ghugus, Dist – Chandrapur, 442 505, Maharashtra.	27.07.2010	12.30 p.m.
2010-2011	Plot No. A 1-2, MIDC Area, Ghugus, Dist – Chandrapur, 442 505, Maharashtra.	03.08.2011	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
28.07.2009	No Special Resolution passed
27.07.2010	Authority to Board of Directors to make investments or to give loans or to provide guarantee u/s 372A of the Companies Act, 1956
03.08.2011	No Special Resolution passed

d. The Company has passed following Resolutions through Postal Ballot during the last year.

Type of Resolution	Details of Transaction
Special	Alteration of Main Object Clause of Memorandum of Association of Company
Special	Change of name of the company

Mr. K.C. Nevatia, Practising Company Secretary who was appointed as Scrutinizer, conducted the postal ballot exercise. Based on the Report of the Scrutinizer, the Chairman declared that both the above resolutions were passed with majority votes of 99.98 %.

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

As provided under 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 Navshakti and Free Press Journals and are displayed on Company's website www.lloyds.in.

10. GENERAL SHAREHOLDER INFORMATION

I Annual General Meeting

Date	Tuesday, 10 th July, 2012.
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 30.06.2012	Fourth Week of July, 2012
Results for half year ending 30.09.2012	Fourth week of October, 2012
Results for quarter ending 31.12.2012	Fourth week of January, 2013
Results for year ending 31.03.2013	Fourth week of May, 2013

III Book Closure Date

Monday, 2nd July, 2012 to Tuesday, 10th July, 2012 (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 2012-2013 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 2011	52.00	42.40	19135.96
May 2011	45.80	36.35	18503.28
June 2011	47.35	38.00	18845.87
July 2011	42.15	35.25	18197.20
August. 2011	38.45	27.00	16676.75
September. 2011	35.00	24.90	16453.76
October. 2011	34.50	21.35	17705.01
November. 2011	34.00	21.80	16123.46
December. 2011	31.80	25.40	15454.92
January. 2012	31.00	23.00	17193.55
February.2012	31.00	24.20	17752.68
March. 2012	31.00	24.50	17404.20

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

Bigshare 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, 2012

	No. of Shares	%
Promoters	53173570	47.78
Banks/Financial Institutions	13500	0.01
MFs & UTI	3500	0.00
FII	0	0.00
Others	58100720	52.21
Total	111291290	100.00

No. of Shares Held	No. of Shareholders		No. of Shares Held	
	Total	% of Total	Total	% of Total
1 - 500	12769	85.97	5660318	5.09
501 - 1000	1208	8.13	1157136	1.04
1001 - 2000	380	2.56	608692	0.55
2001 - 3000	167	1.13	437055	0.39
3001 - 4000	40	0.27	145884	0.13
4001 - 5000	65	0.44	316471	0.28
5001 - 10000	68	0.46	530613	0.48
10001 and Above	155	1.04	102435121	92.04
Total	14852	100.00	*111291290	100.00

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

XI Dematerialisation of Shares

Over **95.96** % of the shares have been dematerialized upto 31st March, 2012.

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	Plot No. A-1/2, MIDC Area, Ghugus, Dist. Chandrapur- 442 505. Maharashtra State.
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 – 40430200/ 299
Fax No. – 022 – 2847 5207
E-mail : investor@bigshareonline.com

(II) Any query on Annual Report

Secretarial Department:
Trade World, 'C' wing,
16th 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, 2012.

For Lloyds Metals and Energy Ltd.

Date : 26.05.2012
Place : Mumbai

B L Agarwal
Managing Director

AUDITORS' 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**, which comprise the Balance sheet as at March 31, 2012 and the Statement of Profit and Loss and Cash Flow statement for the year ended then, 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 principles generally accepted in India, including accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.

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 auditing standards 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 of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditors' Report) Order, 2003, as amended by Companies (Auditors' Report) (Amendment) 2004 (together 'the order') issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, of India (the Act) and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

Opinion

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Act;
- (e) On the basis of the written representations received from the Directors and taken on record by the Board of

Directors of the Company, none of the Directors is disqualified as on March 31, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

- (f) In view of the foregoing paragraphs, in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss Account and Cash flow together with the Notes thereon and attached thereto, give in the prescribed manner, the information required by the Act and also give, a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) In the case of the Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

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

Sunil Todarwal
Partner
M. No. : 32512

Dated : 26th May 2012
Place: Mumbai

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 2012]

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) In our opinion and according to the information and explanation given to us, the company has not disposed off any 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. (a) 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) as at March 31st, 2012 have not been deposited with appropriate authorities and no provision has been made for the same.*
 - 10 The Company has no accumulated losses at the end of the current year and has not incurred any cash losses during the year or in the immediately preceding financial year.
 - 11 According to the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank as at the date of the balance sheet.
 - 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 any loans taken by others from a bank or financial institutions.
 - 16 As per information given to us, no fresh term loans have been taken by the Company during the year. Hence the provisions of clause 4(xvi) are not applicable to the company.
 - 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.

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)
2	The Central Excise Act, 1944	6.00	High Court
	Total	12.50	

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

Dated : 26th May 2012
Place: Mumbai

Sunil Todarwal
Partner
M. No. – 32512

BALANCE SHEET AS AT 31ST MARCH, 2012

(₹ in Lacs)

PARTICULARS	Note No	As at 31.03.2012	As at 31.03.2011
I EQUITY & LIABILITIES			
SHARE HOLDER'S FUND			
(a) Share capital	1	2,243.05	2,243.05
(b) Reserves and surplus	2	10,050.30	9,677.07
		12,293.35	11,920.12
NON-CURRENT LIABILITIES			
(a) Long-term borrowings	3	2,669.70	3,233.09
(b) Long-term provisions	4	281.60	244.38
		2,951.30	3,477.47
CURRENT LIABILITIES			
(a) Trade payables	5	32,545.90	28,648.25
(b) Other current liabilities	6	7,241.98	6,994.10
		39,787.88	35,642.35
TOTAL		55,032.53	51,039.94
II ASSETS			
NON-CURRENT ASSETS			
(a) Fixed assets	7		
(i) Tangible assets		31,680.85	33,437.14
(ii) Capital work-in-progress		202.46	400.90
		31,883.31	33,838.04
(b) Non-current investments	8	11.25	11.25
(c) Long-term loans and advances	9	3,934.72	3,933.64
		35,829.28	37,782.93
CURRENT ASSETS			
(a) Inventories	10	7,876.80	5,820.10
(b) Trade receivables	11	4,941.71	2,032.81
(c) Cash and cash equivalents	12	1,204.82	783.95
(d) Short-term loans and advances	13	5,179.92	4,620.15
		19,203.25	13,257.01
TOTAL		55,032.53	51,039.94

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

Date : 26th May, 2012

Place : Mumbai

SHYAMAL PADHIAR

Company Secretary

B. L. AGARWAL

Managing Director

MUKESH R. GUPTA

Chairman

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)

PARTICULARS	Note No	Current Year 31.03.2012	Previous Year 31.03.2011
INCOME			
I. Revenue from Operations (gross)	14	104,487.19	72,827.11
Less: Excise Duty		3,806.80	3,827.38
Revenue from Operations (net)		100,680.39	68,999.73
II. Other income	15	1,718.94	2,368.80
III. Total Revenue (I + II)		102,399.33	71,368.53
IV. EXPENSES			
(a) Cost of materials consumed		38,734.28	37,074.50
(b) Purchases of Traded Goods		54,746.67	25,140.73
(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	16	(298.95)	(237.91)
(d) Employee benefits expense	17	1,449.72	990.97
(e) Finance costs	18	1,494.59	732.64
(f) Depreciation		2,601.15	1,991.80
(g) Other expenses	19	3,298.64	3,815.32
Total expenses		102,026.10	69,508.05
V Profit/(Loss) before exceptional items and Tax (III-IV)		373.23	1,860.48
VI Exceptional Items		-	-
VII Profit/(Loss) before Tax (V-VI)		373.23	1,860.48
VIII Tax expense:			
Current tax		-	-
IX Profit/(Loss) for the year from continuing operations (VII-VIII)		373.23	1,860.48
Earnings per equity share:			
Basic & Diluted Earning per Share (₹)		0.34	1.67

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

Date : 26th May, 2012

Place : Mumbai

SHYAMAL PADHIAR

Company Secretary

B. L. AGARWAL

Managing Director

MUKESH R. GUPTA

Chairman

CASH FLOW STATEMENT

(₹ in Lacs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items	373.23	1,860.48
Adjustments for:		
Depreciation	2,601.15	1,991.80
Loss / (Profit) on Sale of Fixed Assets (Net)	0.08	(17.77)
Interest Income	(190.66)	(43.07)
Interest Expense	1,494.58	732.64
Loss / (Profit) on Sale of Investment	-	(648.00)
	3,905.15	2,015.60
Operating Profit before working capital changes	4,278.38	3,876.08
Adjustments for:		
Trade Receivables	(2,908.90)	(961.17)
Short-term loan and advances	(560.85)	(1,671.29)
Inventories	(2,056.69)	(2,646.91)
Trade Payables Short Term	3,897.65	8,149.28
Other Liabilities	285.09	(1,643.70)
Cash generated from operations	2,934.68	5,102.29
TDS (Paid) /Refunded	-	-
Cash Flow before extraordinary items	2,934.68	5,102.29
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(647.57)	(4,202.71)
Sale of Fixed Assets	1.07	276.36
Sale of Investment	-	1,526.75
Interest Received	190.66	43.07
Net cash used in investing activities	(455.84)	(2,356.53)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Reduction in Loans	(563.39)	(1,719.90)
Interest Paid	(1,494.58)	(732.64)
Net cash from financing activities	(2,057.97)	(2,452.54)
Net increase / (decrease) in cash and cash equivalents	420.87	293.22
Cash and cash equivalents as at 01.04.2011	783.95	490.73
Cash and cash equivalents as at 31.03.2012	1,204.82	783.95
Components of cash and cash equivalents		
Cash on hand	4.43	5.59
Balance with Schedule Banks in : Current Account	568.74	393.31
In Margin Account (Including FDR)	631.65	385.05
Total cash and cash equivalents (as per Note 12)	1,204.82	783.95

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

Date : 26th May, 2012
Place : Mumbai

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lacs)

	(₹ in Lacs)	
	As at 31.03.2012	As at 31.03.2011
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)	7,500.00	7,500.00
Preference Shares :		
2,50,00,000 Preference Shares of ₹ 10/- each (Previous Year 2,50,00,000 Equity Shares of ₹ 10/- each)	2,500.00	2,500.00
	10,000.00	10,000.00
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)	2,225.83	2,225.83
3,97,875 Forfeited Equity Shares of ₹ 10/- each (Amount originally paidup) (Previous Year 3,97,875 shares)	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	31.03.2012		31.03.2011	
	In Nos.	Amount (In ₹)	In Nos.	Amount (In ₹)
At the beginning of the year	111291290	222582580	111291290	222582580
Issued during the year	-	-	-	-
Outstanding at the end of the year	111291290	222582580	111291290	222582580

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

Equity shares of ₹ 2/- each fully paid up	31.03.2012		31.03.2011	
	In Nos.	% holding	In Nos.	% holding
ASP Technologies Ltd	18690170	16.79%	18690170	16.79%
Shree Global Tradefin Ltd.	17409490	15.64%	17409490	15.64%
Trump Investments Ltd.	14078050	12.64%	14078050	12.64%
Halan Properties Pvt. Ltd.	7711500	6.93%	7461500	6.70%
Uttam Exports Pvt. Ltd.	7390000	6.64%	7390000	6.64%

Note 2

Reserves & Surplus

Capital Reserves

Balance as per the last financial statements	7,756.21	7,756.21
Add : Addition during the year	-	-
	7,756.21	7,756.21

Revaluation Reserve

Balance as per the last financial statements	-	7.03
Less : Transferred to Profit & Loss Account	-	7.03
	-	-

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

Balance as per the last financial statements	1,920.86	60.38
Profit for the year	373.23	1,860.48
	2,294.09	1,920.86
	10,050.30	9,677.07

Note 3

Long Term Borrowings

SECURED

Term Loans

Indian Rupee Loan from Financial Institutions	1,693.19	2,256.58
Total	1,693.19	2,256.58

UNSECURED

Other Loans and Advances

Sales Tax Deferral	976.51	976.51
Total	976.51	976.51
Total	2,669.70	3,233.09

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

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

- 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.
- 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.

Note 4

Long Term Provisions

Provision for Employee Benefits

Leave Encashment & Gratuity

Gratuity	176.05	120.19
Leave Encashment	105.55	124.19
	281.60	244.38

Note 5

Trade Payables

Sundry Creditors

Total outstanding dues of creditors

other than Micro and Small Enterprises

	32,545.90	28,648.25
	32,545.90	28,648.25

Note 6

Other Current Liabilities

Current maturities of Long Term borrowings	564.14	564.14
Advance from Customers	6,158.73	5,888.12
Interest Accrued but not due on Loans	33.21	35.46
Interest Accrued and due on borrowings	-	0.76
Overdraft from the Banks	130.05	295.33
Other Payables :		
Duties & Taxes	171.29	92.14
Expenses Payable	178.72	95.41
Others	5.84	22.74
	7,241.98	6,994.10

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7

FIXED ASSETS - Tangible Assets

(₹ in Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT 01.04.2011	ADDITIONS	DISCARDED/ SOLD/TRANSFER	AS AT 31.03.2012	AS AT 01.04.2011	FOR THE YEAR	WRITTEN BACK	AS AT 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
FREE HOLD LAND	205.48	100.13	-	305.61	-	-	-	-	305.61	205.48
LEASEHOLD LAND	168.60	-	-	168.60	-	-	-	-	168.60	168.60
FACTORY BUILDING	2,090.63	172.98	-	2,263.61	513.03	64.87	-	577.90	1,685.71	1,577.62
STAFF RESIDENTIAL BUILDING	784.09	-	-	784.09	174.42	12.78	-	187.20	596.89	609.67
PLANT & MACHINERY	28,827.92	121.05	-	28,948.97	16,083.88	1,523.16	-	17,607.04	11,341.93	12,744.04
PLANT & MACHINERY-POWER	18,385.90	425.57	-	18,811.46	387.13	973.72	-	1,360.85	17,450.61	17,998.75
COMPUTERS	106.93	7.48	-	114.41	69.31	15.48	-	84.79	29.62	37.62
ELECTRICAL INSTALLATION	17.06	-	-	17.06	14.18	0.81	-	14.99	2.06	2.88
AIR CONDITIONERS	29.16	6.62	0.51	35.27	7.52	1.47	0.05	8.94	26.33	21.64
OFFICE EQUIPMENTS	12.71	0.26	-	12.97	4.19	0.59	-	4.78	8.19	8.52
FURNITURE & FIXTURES	50.91	1.32	0.81	51.42	35.01	2.19	0.11	37.09	14.33	15.90
MOTOR VEHICLES	56.59	10.62	-	67.21	10.17	6.07	-	16.24	50.97	46.42
TOTAL	50,735.98	846.03	1.32	51,580.68	17,298.84	2,601.15	0.16	19,899.82	31,680.85	33,437.14
Capital Work in Progress	400.90	647.58	846.02	202.46					202.46	400.90
TOTAL	51,136.88	1,493.60	847.34	51,783.14	17,298.84	2,601.15	0.16	19,899.82	31,883.31	33,838.04
PREVIOUS YEAR	49,195.38	23,702.25	21,760.75	51,136.89	17,302.63	1,998.83	2,002.62	17,298.84	33,838.04	

NOTE 8

NON-CURRENT INVESTMENTS

Long Term (At Cost)

Equity Shares - Unquoted

(i) Investment in Subsidiary

Gadchiroli Metals & Minerals Ltd

1,00,000 Equity Shares of ₹ 10/- Each

(Previous Year 1,00,000

Equity Shares of ₹ 10/- Each)

(ii) Investment in Others

Vimala Infrastructure Pvt. Ltd

500 Equity Shares of ₹ 10/- Each

(Previous Year 500 Equity

Shares of ₹ 10/- Each)

TOTAL

No. of Shares	Face value per Share (₹)	(₹ in Lacs)	
		As at 31.03.2012	As at 31.03.2011
100,000.00	10.00	10.00	10.00
500.00	10.00	1.25	1.25
		11.25	11.25

NOTE 9

Long Term Loans and Advances

(Unsecured, considered good unless otherwise stated)

Security deposits

3,934.72	3,933.64
3,934.72	3,933.64

NOTE 10

Inventories

Raw Materials

Work in Process

Finished Goods

Stores, Spare Parts

Saleable Scrap

5,582.86	3,993.37
5.08	5.43
1.55	252.30
1,218.11	1,049.85
1,069.20	519.15
7,876.80	5,820.10

NOTE 11

Trade Receivables

(Unsecured unless otherwise stated)

Unsecured

Outstanding for a period exceeding six months

Considered Good

Other Debts

Considered Good

-	390.31
4,941.71	1,642.50
4,941.71	2,032.81

NOTE 12

Cash and cash equivalents

Balances with Banks in : In Current Accounts

In Margin Account (FDR)

Cash on hand

568.74	393.31
631.65	385.05
4.43	5.59
1,204.82	783.95

NOTE 13

Short Term Loans and Advances

(Unsecured and Considered Good)

Amount recoverable in cash or kind or for value to be received

Loan and advance to related parties

Premises and Other deposits

Advance Tax and Tax deducted at source

Total

5,078.14	4,435.04
37.35	37.26
62.31	128.18
2.12	19.67
5,179.92	4,620.15

NOTE 14

Revenue from Operations

Sale of Products

Finished Goods

Traded Goods

Less: Claims, Trade Discounts etc.

Other Operating Revenues

Saleable Scrap & By products

Less : Excise Duty

Net Revenue

(₹ in Lacs)	
Current Year 31.03.2012	Previous Year 31.03.2011
45,789.76	42,732.40
56,435.60	25,765.59
6.04	10.03
102,219.32	68,487.96
2,267.87	4,339.15
104,487.19	72,827.11
3,806.80	3,827.38
100,680.39	68,999.73

NOTE 15

OTHER INCOME

Interest Income on ;

Bank Deposits

From Customers and Others

Net Gain on Foreign currency transaction

Liabilities no longer required written back

Profit on Fixed Assets sold/Discarded

Compensation Earned

Sales Tax Refund

Profit on Sale of Investment (Net)

Miscellaneous Receipts

69.58	34.19
121.08	8.88
190.66	43.07
66.91	80.37
17.85	18.40
-	17.77
-	2.40
1,443.37	856.92
-	648.00
0.15	701.87
1,718.94	2,368.80

NOTE 16

Change in Inventories of finished goods,

work in progress and stock in trade

OPENING STOCKS

Finished Goods

Work - in - process

Stock in Trade

LESS: CLOSING STOCKS

Finished Goods

Work - in - process

By Products

Net Change in Inventory

252.30	28.98
5.43	3.76
519.15	506.23
776.88	538.97
1.55	252.30
5.08	5.43
1,069.20	519.15
1,075.83	776.88
(298.95)	(237.91)

NOTE 17

Employee benefits expense

Salaries, Wages and Allowances

Employer's Contribution to Provident Fund and other Fund

Gratuity & Leave Encashment Expenses

Staff Welfare/ Workmen Expenses

Managerial Remuneration

1,182.00	762.96
93.88	69.77
104.50	73.21
45.34	61.03
24.00	24.00
1,449.72	990.97

NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lacs)

	Current Year 31.03.2012	Previous Year 31.03.2011
Note 18		
Finance costs		
Interest Expenses :		
Fixed Loans	438.40	460.61
Others	56.94	77.40
Finance Charges :		
Bills Discounting Charges	932.87	69.01
Bank Charges & Commission	58.97	19.97
Others	7.41	105.65
	1,494.59	732.64
Note 19		
Other Expenses		
Consumables of Stores & Spares	819.58	779.03
Power & Fuel	1,000.98	1,063.05
Rent	60.41	115.65
Repairs & Maintenance :		
- Plant & Machinery	17.96	48.03
- Buildings	13.33	10.02
- Others	22.35	24.87
	53.64	82.92
Insurance	48.45	31.32
Rates & Taxes	28.03	13.12
Misc. Exp. For Production	927.98	875.71
Fuel & Gases	41.80	46.89
Other Selling Expenses	18.66	10.20
Freight & Forwarding	1.62	54.82
Commission & Brokerage	7.02	154.33
Advertisement (Including Sales promotion Expenses)	2.80	2.53
Auditors' Remuneration :		
- Audit Fee	2.10	1.10
- Tax Audit Fee	0.50	0.35
- In Other Manner - For certifications	0.22	0.15
- Travelling & Out of Pocket Expenses	0.01	0.01
	2.83	1.61
Items pertaining to Previous Years		
- At Debit	0.73	3.29
- Less: At Credit	0.93	(2.28)
	(0.20)	1.01
Legal Expenses	7.75	17.03
Professional Fees	46.08	263.93
Travelling & Conveyance Expenses	51.18	111.05
Postage, Telephone & Telex Expenses	9.75	13.55
Printing & Stationary	5.36	7.67
Vehicle Hire & Maintenance Charges	52.74	47.39
Sundry Expenses	111.78	122.18
Sitting Fees to Directors	0.32	0.33
Loss on Fixed Assets sold/Discarded (Net)	0.08	-
	3,298.64	3,815.32

NOTE 20 : NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31st MARCH, 2012 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2012.

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 principles 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, whichever is lower

(Also refer Accounting Policy G)

Traded goods : At cost

Scrap material : At cost or net realizable value, whichever 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.

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 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 31.03.12	As at 31.03.11
a) Letter of Credit/ Guarantees issued by Banks	456.16	384.56
b) Disputed claim of Excise Authorities	12.50	12.50
c) Claims against the Company not acknowledged as Debts	237.25	237.25

3 Amount held in Margin / Fixed deposit accounts with banks having lien for facilities given by Banks ₹ 631.65 Lacs (Previous year ₹ 385.05 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 31.03.2012. 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 Short term loans & advances includes loans and advances given to subsidiary Gadchiroli Metals & Minerals Ltd. of ₹ 37.35 Lacs (Previous year ₹ 37.26 Lacs)

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. (₹ in Lacs)

	2011-2012	2010-2011
Obligation as at the beginning of the year	120.19	85.53
Current Services Cost	27.00	20.81
Interest Cost	9.91	7.06
Actuarial (Gain)/Loss	30.44	16.96
Benefits paid	(11.49)	(10.16)
Obligation as at the end of the year	176.05	120.19

d) Expenses recognized during the year.

Current Services Cost	27.00	20.81
Interest Cost	9.92	7.06
Actuarial (Gain)/Loss	30.44	16.96
Total Expenses recognized during the year	67.36	44.83

e) Actuarial Assumptions.

- (i) Rate of Interest : 8.50% per annum
(ii) Salary Growth : 7.50% per annum
(iii) Withdrawal Rate : 1%
(iv) Mortality Rate : LIC (1994-96) ultimate Mortality Rates.
(v) Retirement Age : 60 years

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

Particulars	(₹)	
	2011-12	2010-11
NPBT	3,73,22,772	18,60,47,313
Tax Expenses	—	—
Numerator (A)	3,73,22,772	18,60,47,313
Denominator (B)	11,12,91,290	11,12,91,290
Basic & Diluted EPS (A/B)	0.34	1.67

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

1. Parties where control exist : (₹ in Lacs)

A	Name of related party and relationship		
	i) Name of the Related Party	Gadchiroli Metals & Minerals Limited	
	ii) Relationship	Wholly Owned Subsidiary Company	
		Current Year 2011-2012	Previous Year 2010-2011
A1	Transaction with related parties Nature of Transaction		
	Loans & Advances	00.09	00.05
2	Balance outstanding at the end of the year		
	Equity	10.00	10.00
	Loans & Advances	37.35	37.26

2. Key Managerial Personnel

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 Sales During the year includes ₹ 958.87 Lacs from Power Division to Sponge Iron Division (Previous year ₹ 476.11 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

I Break up of stores and spares consumed

	2011-2012		2010-2011	
	₹ in Lacs	%	₹ in Lacs	%
Indigenous	710.42	100	825.92	100

II Expenditure incurred in foreign currency on account of

(₹ in Lacs)

	2011-2012	2010-2011
Travelling Expenses	22.31	20.76

III F.O.B. Value of Exports

(₹ in Lacs)

	2011-2012	2010-2011
Steel Tubes & Pipes Direct Export	Nil	2699.31

- 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.

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

(₹ in Lacs)

Sr. No.	Particulars	Year Ended 31.03.2012				Year Ended 31.03.2011			
		Sponge Iron & Steel	Power	Elimination	Consolidated	Sponge Iron & Steel	Power	Elimination	Consolidated
I)	Segment Revenue :								
	Sales :								
	External	93,414.74	6,306.78	-	99,721.52	65,695.26	2,828.36	-	68,523.62
	Inter - Segment	-	958.87	(958.87)	-	-	476.11	(476.11)	-
	Total	93,414.74	7,265.65	(958.87)	99,721.52	65,695.26	3,304.47	(476.11)	68,523.62
II)	Segment Result :								
	Operating Net Profit	(245.21)	2,258.99	-	2,013.78	(188.80)	2,580.10	-	2,391.30
	Common Expenses (Net)				(145.96)				201.82
	Interest				(1,494.59)				(732.64)
	Exceptional items				-				-
	Profit before tax				373.23				1,860.48
III)	Segment Assets :								
	Common Assets	35,617.65	18,689.22	-	54,306.87	30,059.25	19,115.60	-	49,174.85
	Total				55,021.26				51,028.68
IV)	Segment Liabilities :								
	Common Liabilities	33,313.08	-	-	33,313.08	18,028.62	-	-	18,028.62
	Total				39,505.32				35,321.83
V)	Capital Expenditure during the year								
	Segment	222.00	425.57	-	647.57	450.30	19,100.00	-	19,550.30
	Total				647.57				19,550.30
VI)	Depreciation during the year								
	Segment	1,603.84	997.31	-	2,601.15	1,590.95	397.60	-	1,988.55
	Total				2,601.15				1,991.80
VII)	Non Cash Expenses other than Depreciation								
	Segment				-				-
	Total				79.94				79.55

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.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956,

Name of Subsidiary Company		Gadchiroli Metals & Minerals Limited
1	The Financial year of the Subsidiary ended on	March 31, 2012
2	Date from which they became Subsidiary Companies	15.02.2005
3	a. Number of Shares in the Subsidiary Company held by Lloyds Metals and Energy Limited.	100000 Equity Shares of ₹10/- each Fully paid-up
	b. Percentage of holding	100%
4	The net aggregate of profits, less losses of the Subsidiary Company so far as they concern the members of Lloyds Metals and Energy Ltd.	
	a. Not Dealt within the accounts of Lloyds Metals and Energy Limited amounted to :	
	i) For the financial year ended 31 st March, 2012	-
	ii) For the previous financial years of the Subsidiary, since it became a Subsidiary of Lloyds Metals and Energy Ltd.	N.A.
	b. Dealt within the accounts of Lloyds Metals and Energy Limited amounted to :	
	i) For the financial year ended 31 st March, 2012	N.A.
	ii) For the previous financial years of the Subsidiary, since it became a Subsidiary of Lloyds Metals and Energy Ltd.	N.A.

For and on behalf of the Board

Date : 26th May, 2012
Place : Mumbai

SHYAMAL PADHIAR
Company Secretary

B. L. AGARWAL
Managing Director

MUKESH R. GUPTA
Chairman

ANNUAL REPORT OF SUBSIDIARY COMPANY GADCHIROLI METALS & MINERALS LTD.

DIRECTORS' REPORT

To

The Members,

Your Directors present the Eighth Annual Report of the Company together with the Audited Statement of Accounts for the Financial Year ended on 31st March 2012.

OPERATIONS

Since the Company has not yet commenced any activities, the Profit and Loss Account for the year ended has not been prepared.

As at the end of the year the Company has incurred ₹ 46.20 Lacs towards the preliminary expenses, which will be amortised over a period of five years after commencement of business.

DIVIDEND

By reason of non-commencement of any activities during the year, your Directors have not recommended any dividend for the year.

DIRECTORS

Shri Ravi Agarwal, Director of your Company, retire by rotation and being eligible, offer himself for reappointment.

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 2012, 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.
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.

FIXED DEPOSITS:

The Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules made thereunder.

AUDITORS

The members are requested to appoint Auditors for the Current year and fix their remuneration.

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

Since the Company has not yet started activities, there is no material information in accordance with the provision of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988. The expenditure on account of Foreign Currency is NIL.

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 the Companies (Particulars of Employee) Rules, 1975.

COMPLIANCE CERTIFICATE

As required by the provisions of Section 383A of the Companies Act, 1956, Compliance Certificate issued by the Practising Company Secretary is set out in the Annexure 'A' forming part of this report.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the assistance and support extended by all Government Authorities, Financial Institutions, Banks, Consultants, Solicitors and Shareholders of the Company.

For and on behalf of the Board of Directors

Dated: 26.05.2012

Place: Mumbai

Ravi Agarwal
Chairman

ANNEXURE 'A'

To,

The Members

GADCHIROLI METALS & MINERALS LIMITED,
Nagpur

We have examined the registers, records, books and papers of Gadchiroli Metals & Minerals Limited, as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, We certify that in respect of the aforesaid financial year:

1. The Company has **kept and maintained** all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has **duly filed** the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the time as prescribed under the Act and the rules made thereunder.
3. The Company, being a public limited Company, this para is not applicable to it..
4. The **Board of Directors duly met** 4 (four) times respectively on 18.05.2011, 20.08.2011, 26.12.2011 and 05.03.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolutions were passed by the Company during the financial year under review.
5. The Company **has not closed** its Register of Members during the financial year under review.
6. The **Annual General Meeting** for the financial year ended on 31.03.2011 was held on **09.07.2011** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. **No Extra-Ordinary General Meeting** was held during the financial year under review.
8. The Company **has not advanced** any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. As informed to us, there were **no instances** necessitating the compliance of the provisions of section 297 of the Act by the Company in respect of contracts specified in that section.
10. As informed to us, the Company **has not** entered into any contract during the financial year requiring entries in the register maintained under section 301 of the Act.
11. As there were **no instances** falling within the purview of section 314 of the Act, the Company was not required to obtain any approvals from the Board of directors, members or Central Government.
12. The Company has **not issued** any duplicate share certificates during the financial year.
13. The Company has :
 - (i) **not** allotted any securities during the year under review. It has delivered all the certificates of shares on lodgment thereof for transfer / transmission in accordance with the provisions of the Act.
 - (ii) **was not** required to deposit any amount in a separate Bank Account as no dividend was declared during the financial year under review.
 - (iii) **was not** required to post warrants to any member of the Company as no dividend was declared during the financial year under review.
 - (iv) **does not have** any amount in the unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years and hence the question of transferring the same to the Investor Education and Protection Fund does not arise.
 - (v) **duly complied** with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is **duly constituted**. There was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancies during the financial year under review.
15. The Company **has not appointed** any Managing Director / Whole-time Director / Manager during the financial year under review.
16. The Company **has not appointed** any sole-selling agents during the financial year under review.
17. There were **no instances** requiring to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act during the financial year.
18. The directors **have disclosed** their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company **has not issued** any shares, debentures or other securities during the financial year under review.

20. The Company **has not bought** back any shares during the financial year under review.
21. The Company has **neither** Preference Share Capital **nor** it has issued any debentures and therefore the question of redemption of the same does not arise.
22. There were **no instances** necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company **has not** invited/accepted any deposits including any unsecured loans falling within the purview of section 58A and 58AA of the Act read with Companies (Acceptance of Deposit) rules 1975 during the financial year under review.
24. The Company **has not borrowed** any amount during the year under review except advance received from the holding company.
25. The Company **has not** made any investments in securities of nor advanced loans or given guarantees or provided securities to other bodies corporate during the financial year under review.
26. The Company **has not altered** the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company **has not altered** the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company **has not altered** the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company **has not altered** the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company **has not altered** its Articles of Association during the financial year under review.
31. As per the information and according to the explanations furnished to us by the Company, there were **no prosecution** initiated against or show cause notices received by the Company for alleged offences under the Act during the financial year under review.
32. The Company **has not received** any money as security from its employees during the financial year under review.
33. As per information and explanations furnished to us, The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 is **not applicable** to the Company.

For K.C. NEVATIA & ASSOCIATES
COMPANY SECRETARIES

Place : Mumbai
Date : 26.05.2012

K.C. NEVATIA
PROPRIETOR
C.P.NO. 2348

ANNEXURE 'A'

Registers as maintained by the Company

- | | |
|--|-------------|
| 1. Register of Members | u/s 150(1) |
| 2. Minutes of Board Meetings & Shareholder' meetings | u/s 193(1) |
| 3. Register of Directors | u/s 303 (1) |
| 4. Register of Director's Share holding | u/s 307 (1) |
| 5. Books of Accounts | u/s 209 |

ANNEXURE 'B'

Forms and Returns as filed by the Company with Registrar of Companies during the financial year ending **31st March, 2012**

Sr. No.	Form No./ Return	Filed U/S	For	Date of filing	Whether filed within prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes/ No
1	Form No.23AC & 23ACA	220	Balance Sheet (Year ended 31/03/2011)	11.11.2011	Yes	—
2	Form No.66	383A	Compliance Certificate (Year ended 31/03/2011)	06.09.2011	No	Yes
3	Form No.20B	159	Annual Return as on 09.07.2011	06.09.2011	Yes	—

For K.C. NEVATIA & ASSOCIATES
COMPANY SECRETARIES

Place : Mumbai
Date : 26.05.2012

K.C. NEVATIA
PROPRIETOR
C.P.NO. 2348

AUDITORS' REPORT

To,
The Members of

GADCHIROLI METALS & MINERALS LIMITED

1. We have audited the attached balance sheet of **GADCHIROLI METALS & MINERALS LIMITED** as at 31st March, 2012. The financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on the financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As the Company has not yet started its activities no Annexure is enclosed as required by the Companies' (Auditor's Report) Order, 2003 in terms of sub-section (4A) of section 227 of the Companies Act, 1956.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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;
 - (iii) The Balance Sheet and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors and taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31st March 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In view of the foregoing paragraphs ,in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet and Cash Flow together with the Notes thereon and attached thereto, give in the prescribed manner, the information required by the Companies Act, 1956 and also give, a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of the balance sheet, of the state of affairs of the company as at 31st March 2012.
 - ii) In the case of the Cash Flow Statement, of the Cash Flow of the company for the year ended on 31st March 2012

For **PATEL, SHAH & JOSHI**
Chartered Accountants

Jayant I. Mehta
Partner
M.No. : 42630

Date : 26th May, 2012
Place : Mumbai

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	₹ in Lacs	
		As At 31.03.2012	As At 31.03.2011
I. EQUITY AND LIABILITIES			
SHARE HOLDER'S FUND			
Share Capital	1	10.00	10.00
CURRENT LIABILITIES			
(a) Short-Term Borrowings	2	37.35	37.26
(b) Short-Term Provisions	3	0.11	0.11
<i>Total</i>		47.47	47.37
II. ASSETS			
NON-CURRENT ASSETS			
(a) Long term loans and advances	4	1.26	1.26
(b) Unamortised Expenditure	5	46.20	46.11
<i>Total</i>		47.47	47.37
Summary of Significant Accounting Policies	6		

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

For and on behalf of For and on behalf of the Board

PATEL, SHAH & JOSHI
Chartered Accountants

JAYANT I. MEHTA
Partner
Membership No. : 42630

P. R. RAVIGANESAN
Director

RAVI AGARWAL
Director

Dated: 26th May, 2012
Place: Mumbai

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	₹ in Lacs	
	Year Ended 31.03.12	Year Ended 31.03.11
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items	-	-
Provision for expenses	-	-
Operating Profit before working capital changes	-	-
Cash generated from operations	-	-
Net cash from operating activities	-	-
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Deferred Revenue Expenditure	(0.09)	(0.05)
Net cash used in investing activities	(0.09)	(0.05)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Advance received from Lloyds Metals And Energy Ltd	0.09	0.05
Net cash from financing activities	0.09	0.05
Net increase / (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents as at 01.04.2011	-	-
Cash and cash equivalents as at 31.03.2012	-	-
Net increase/decrease in cash and cash equivalents	-	-

As per our Report of even date attached

For and on behalf of For and on behalf of the Board

PATEL, SHAH & JOSHI
Chartered Accountants

JAYANT I. MEHTA
Partner
Membership No. : 42630

P. R. RAVIGANESAN
Director

RAVI AGARWAL
Director

Dated: 26th May, 2012
Place: Mumbai

NOTES TO THE FINANCIAL STATEMENTS

Note 1

Share Capital

Particulars	₹ in Lacs	
	As at 31.03.2012	As at 31.03.2011
AUTHORISED		
Equity Shares :		
1,00,000 Equity Shares of ₹ 10/- each (Previous Year 1,00,000 Equity Shares of ₹10/- Each)	10.00	10.00
	10.00	10.00
ISSUED, SUBSCRIBED & FULLY PAID UP		
Equity Shares :		
1,00,000 Equity Shares of ₹10/- each fully paid up Wholly owned subsidiary of Lloyds Metals And Energy Ltd (Previous Year 1,00,000 Equity Shares of ₹ 10/- each fully paid up)	10.00	10.00
	10.00	10.00

Notes :

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

Equity Shares	31.03.2012		31.03.2011	
	In Nos.	Amount (In ₹)	In Nos.	Amount (In ₹)
At the beginning of the year	100,000	1,000,000	100,000	1,000,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	100,000	1,000,000	100,000	1,000,000

2. Terms/rights attached to equity shares

The company has only one class of shares having a par value at ₹ 10/- 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

Equity shares of ₹10/- each fully paid up	31.03.2012		31.03.2011	
	In Nos.	% holding	In Nos.	% holding
Lloyds Metals And Energy Ltd.	1,00,000	100.00	1,00,000	100.00

NOTES TO THE FINANCIAL STATEMENTS

Particulars	(₹ in Lacs)	
	As at 31.03.2012	As at 31.03.2011
Note : 2		
Short Term Borrowings		
Advance Received from Holding Co - Lloyds Metals And Energy Ltd.	37.35	37.26
Total	37.35	37.26
Note : 3		
Short Term Provisions		
Audit Fees Provision	0.11	0.11
Total	0.11	0.11
Note : 4		
Long Term Loans and Advances		
Other Loans & Advances		
Capital Advance (Secured considered good)	1.26	1.26
Total	1.26	1.26
Note : 5		
Unamortised Expenditure (to be extend not written off or adjusted)		
Preliminary Expenses	46.20	46.11
Total	46.20	46.11

NOTE - 6 :

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2012.

1. SIGNIFICANT ACCOUNTING POLICIES

- System of Accounting:** The financial statements are prepared on the basis of going concern under the historical cost convention and accrual basis, to comply in all material aspects with applicable accounting principle in India, accounting standards notified under sub- sec.(3C) of Sec.211 of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.
- Deferred Revenue Expenditure:** Preliminary expenses will be amortised over a period of five years after commencement of business.

2. Related Party Disclosure:

Sr.No	Party	Relationship
I.	Lloyds Metals and Energy Ltd	Holding company
II.	a. Mr. Ravi Agarwal b. Mr. P. R. Raviganesan	Key Managerial personnel

3. Transaction with the related parties.

Sr. No.	Transaction	(₹ in Lacs)	
		31.03.2012	31.03.2011
	Holding Company		
I	Advance Received	00.09	00.05
	Balance outstanding at the end of the year		
I	Share Capital	10.00	10.00
II	Advance Received	37.35	37.26

Related parties are identified by the management of the company.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF LLOYDS METALS AND ENERGY LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **Lloyds Metals and Energy Limited**, which comprise the Consolidated Balance sheet as at March 31, 2012 and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow statement for the year ended then, and a summary of Significant Accounting Policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated 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 principles generally accepted in India, including accounting standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.

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 Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the auditing standards 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 of material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We further report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21 – Consolidated Financial Statements, issued by the institute of chartered Accountants of India and on the basis of the separated audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.

In view of the foregoing paragraphs, in our opinion and to the best of our information and according to the explanations given to us, the Consolidated Balance Sheet, Consolidated Profit and Loss Account and Consolidated Cash flow together with the Notes thereon and attached thereto, give in the prescribed manner, the information required by the Act and also give, a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
- In the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
- In the case of the Consolidated Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

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

Sunil Todarwal
Partner
M. No. : 32512

Dated : 26th May 2012
Place: Mumbai

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012

(₹ in Lacs)

Note No	As at 31.03.2012	As at 31.03.2011
I EQUITY & LIABILITIES		
SHARE HOLDER'S FUND		
(a) Share capital	2,243.05	2,243.05
(b) Reserves and surplus	10,050.30	9,677.07
	12,293.35	11,920.12
NON-CURRENT LIABILITIES		
(a) Long-term borrowings	2,669.70	3,233.09
(b) Long-term provisions	281.60	244.38
	2,951.30	3,477.47
CURRENT LIABILITIES		
(a) Trade payables	32,545.90	28,648.25
(b) Other current liabilities	7,242.08	6,994.21
	39,787.98	35,642.46
TOTAL	55,032.63	51,040.05
II ASSETS		
NON-CURRENT ASSETS		
(a) Fixed assets		
(i) Tangible assets	31,680.85	33,437.14
(ii) Capital work-in-progress	202.46	400.90
	31,883.31	33,838.04
(b) Non-current investments	1.25	1.25
(c) Un-amortized Expenditure	46.20	46.11
(d) Long-term loans and advances	3,935.97	3,934.90
	35,866.73	37,820.20
CURRENT ASSETS		
(a) Inventories	7,876.80	5,820.10
(b) Trade receivables	4,941.71	2,032.81
(c) Cash and cash equivalents	1,204.82	783.95
(d) Short-term loans and advances	5,142.57	4,582.89
	19,165.90	13,219.75
TOTAL	55,032.63	51,040.05
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

For and on behalf of the Board

TODARWAL & TODARWAL

Chartered Accountants

ICAI Reg. No. : 111009W

SUNIL L. TODARWAL **SHYAMAL PADHIAR** **B. L. AGARWAL** **MUKESH R. GUPTA**
Partner Company Secretary Managing Director Chairman
M.No. 32512

Date : 26th May, 2012

Place : Mumbai

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

(₹ in Lacs)

Note No	Current Year 31.03.2012	Previous Year 31.03.2011
INCOME		
I. Revenue from Operations (gross)	104,487.19	72,827.11
Less: Excise Duty	3,806.80	3,827.38
Revenue from Operations (net)	100,680.39	68,999.73
II. Other income	1,718.94	2,368.80
III. Total Revenue (I + II)	102,399.33	71,368.53
IV. EXPENSES:		
(a) Cost of materials consumed	38,734.28	37,074.50
(b) Purchases of Traded Goods	54,746.67	25,140.73
(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(298.95)	(237.91)
(d) Employee benefits expense	1,449.72	990.97
(e) Finance costs	1,494.59	732.64
(f) Depreciation	2,601.15	1,991.80
(g) Other expenses	3,298.64	3,815.32
Total expenses	102,026.10	69,508.05
V Profit/(Loss) before exceptional items and Tax (III-IV)	373.23	1,860.48
VI Exceptional Items	-	-
VII Profit/(Loss) before Tax (V-VI)	373.23	1,860.48
VIII Tax expense:		
Current tax	-	-
IX Profit/(Loss) for the year from continuing operations (VII-VIII)	373.23	1,860.48
Earnings per equity share:		
Basic & Diluted Earning per Share (₹)	0.34	1.67
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

For and on behalf of the Board

TODARWAL & TODARWAL

Chartered Accountants

ICAI Reg. No. : 111009W

SUNIL L. TODARWAL **SHYAMAL PADHIAR** **B. L. AGARWAL** **MUKESH R. GUPTA**
Partner Company Secretary Managing Director Chairman
M.No. 32512

Date : 26th May, 2012

Place : Mumbai

CONSOLIDATED CASH FLOW STATEMENT

(₹ in Lacs)

	Year Ended 31.03.2012	Year Ended 31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax and extraordinary items	373.23	1,860.48
Adjustments for:		
Depreciation	2,601.15	1,991.80
Loss / (Profit) on Sale of Fixed Assets (Net)	0.08	(17.77)
Interest Income	(190.66)	(43.07)
Interest Expense	1,494.58	732.64
Loss / (Profit) on Sale of Investment	-	(648.00)
	3,905.15	2,015.60
Operating Profit before working capital changes	4,278.38	3,876.08
Adjustments for:		
Trade Receivables	(2,908.90)	(961.17)
Short-term loan and advances	(560.76)	(1,671.29)
Inventories	(2,056.69)	(2,646.91)
Trade Payables Short Term	3,897.65	8,149.33
Other Liabilities	285.09	(1,643.70)
Cash generated from operations	2,934.77	5,102.34
Cash Flow before extraordinary items	2,934.77	5,102.34
Extraordinary Items	(0.09)	(0.10)
Cash generated from operations	2,934.68	5,102.24
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(647.57)	(4,202.71)
Sale of Fixed Assets	1.07	276.36
Sale of Investment	-	1,526.75
Interest Received	190.66	43.07
Net cash used in investing activities	(455.84)	(2,356.53)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Reduction in Loans	(563.39)	(1,719.85)
Interest Paid	(1,494.58)	(732.64)
Net cash from financing activities	(2,057.97)	(2,452.49)
Net increase / (decrease) in cash and cash equivalents	420.87	293.22
Cash and cash equivalents as at 01.04.2011	783.96	490.73
Cash and cash equivalents as at 31.03.2012	1,204.82	783.95
Components of cash and cash equivalents		
Cash on hand	4.43	5.59
Balance with Schedule Banks in : banks in current account	568.74	393.31
In Margin Account (Including FDR)	631.66	385.06
Total cash and cash equivalents (as per Note 2)	1,204.82	783.95

Notes:
 1. 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.
 2. Previous year's figures have been regrouped/reclassified wherever applicable.
 3. Figures in brackets represent outflows.

As per our Report of even date attached

For and on behalf of the Board

TODARWAL & TODARWAL

 Chartered Accountants
 ICAI Reg. No. : 111009W

SUNIL L. TODARWAL

Partner

M.No. 32512

 Date : 26th May, 2012

Place : Mumbai

SHYAMAL PADHIAR

Company Secretary

B. L. AGARWAL

Managing Director

MUKESH R. GUPTA

Chairman

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lacs)

Note 1

	As at 31.03.2012	As at 31.03. 2011
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)	7,500.00	7,500.00
Preference Shares :		
2,50,00,000 Preference Shares of ₹ 10/- each (Previous Year 2,50,00,000 Equity Shares of ₹ 10/- each)	2,500.00	2,500.00
	10,000.00	10,000.00
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)	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	31.03.2012		31.03. 2011	
	In Nos.	Amount (In ₹)	In Nos.	Amount (In ₹)
At the beginning of the year	111291290	222582580	111291290	222582580
Issued during the year	-	-	-	-
Outstanding at the end of the year	111291290	222582580	111291290	222582580

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

Equity shares of ₹ 2/- each fully paid up	31.03.2012		31.03. 2011	
	In Nos.	% holding	In Nos.	% holding
ASP Technologies Ltd	18690170	16.79%	18690170	16.79%
Shree Global Tradefin Ltd.	17409490	15.64%	17409490	15.64%
Trump Investments Ltd.	14078050	12.64%	14078050	12.64%
Halan Properties Pvt. Ltd.	7711500	6.93%	7461500	6.70%
Uttam Exports Pvt. Ltd.	7390000	6.64%	7390000	6.64%

(₹ in Lacs)

	As at 31.03.2012	As at 31.03.2011
Note 2		
Reserves & Surplus		
Capital Reserves		
Balance as per the last financial statements	7,756.21	7,756.21
Add : Addition during the year	-	-
	7,756.21	7,756.21
Revaluation Reserve		
Balance as per the last financial statements	-	7.03
Less : Transferred to Profit & Loss Account	-	7.03
	-	-
Surplus/(Deficit) in the statement of profit & loss		
Balance as per the last financial statements	1,920.86	60.38
Profit for the year	373.23	1,860.48
	2294.09	1920.86
	10,050.30	9,677.07
Note 3		
Long Term Borrowings		
SECURED		
Term Loans		
Indian Rupee Loan from Financial Institutions	1,693.19	2,256.58
Total	1,693.19	2,256.58
UNSECURED		
Other Loans and Advances		
Sales Tax Deferral	976.51	976.51
Total	976.51	976.51
Total	2,669.70	3,233.09

- IDBI Loan Carries interest @ 4-18% p.a. The loan is repayable in 11 - 12 years avg. yield 9%
- The details of Security of the loans are as follows:
 - 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.
 - 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.

Note No 4
Long Term Provisions

Provision for Employee Benefits

Leave Encashment & Gratuity

Gratuity	176.05	120.19
Leave Encashment	105.55	124.19
	281.60	244.38

Note 5
Trade Payables
Sundry Creditors

Total outstanding dues of creditors other than Micro and Small Enterprises	32,545.90	28,648.25
	32,545.90	28,648.25

Note 6
Other Current Liabilities

Current maturities of Long Term borrowings	564.14	564.14
Advance from Customers	6,158.73	5,888.12
Interest Accrued but not due on Loans	33.21	35.46
Interest Accrued and due on borrowings	-	0.76
Overdraft from the Banks	130.05	295.33
Other Payables :		
Duties & Taxes	171.29	92.14
Expenses Payable	178.82	95.52
Others	5.84	22.74
	7,242.08	6,994.21

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

NOTE 7

CONSOLIDATED FIXED ASSETS - Tangible Assets

(₹ in Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT 01.04.2011	ADDITIONS	DISCARDED/ SOLD/TRANSFER	AS AT 31.03.2012	AS AT 01.04.2011	FOR THE YEAR	WRITTEN BACK	AS AT 31.03.2012	AS AT 31.03.2012	AS AT 31.03.2011
FREE HOLD LAND	205.48	100.13	-	305.61	-	-	-	-	305.61	205.48
LEASEHOLD LAND	168.60	-	-	168.60	-	-	-	-	168.60	168.60
FACTORY BUILDING	2,090.63	172.98	-	2,263.61	513.03	64.87	-	577.90	1,685.71	1,577.62
STAFF RESIDENTIAL BUILDING	784.09	-	-	784.09	174.42	12.78	-	187.20	596.89	609.67
PLANT & MACHINERY	28,827.92	121.05	-	28,948.97	16,083.88	1,523.16	-	17,607.04	11,341.93	12,744.04
PLANT & MACHINERY-POWER	18,385.90	425.57	-	18,811.46	387.13	973.72	-	1,360.85	17,450.61	17,998.75
COMPUTERS	106.93	7.48	-	114.41	69.31	15.48	-	84.79	29.62	37.62
ELECTRICAL INSTALLATION	17.06	-	-	17.06	14.18	0.81	-	14.99	2.06	2.88
AIR CONDITIONERS	29.16	6.62	0.51	35.27	7.52	1.47	0.05	8.94	26.33	21.64
OFFICE EQUIPMENTS	12.71	0.26	-	12.97	4.19	0.59	-	4.78	8.19	8.52
FURNITURE & FIXTURES	50.91	1.32	0.81	51.42	35.01	2.19	0.11	37.09	14.33	15.90
MOTOR VEHICLES	56.59	10.62	-	67.21	10.17	6.07	-	16.24	50.97	46.42
T O T A L	50,735.98	846.03	1.32	51,580.68	17,298.84	2,601.15	0.16	19,899.82	31,680.85	33,437.14
Capital Work in Progress	400.90	647.58	846.02	202.46					202.46	400.90
T O T A L	51,136.88	1,493.60	847.34	51,783.14	17,298.84	2,601.15	0.16	19,899.82	31,883.31	33,838.04
PREVIOUS YEAR	49,195.38	23,702.25	21,760.75	51,136.89	17,302.63	1,998.83	2,002.62	17,298.84	33,838.04	

Note 8

NON-CURRENT INVESTMENTS

(₹ in Lacs)

No. of Shares	Face value per Share (₹)	As at	
		31.03.2012	31.03.2011
Long Term (At Cost)			
Equity Shares - Unquoted			
Investment in Others			
Vimala Infrastructure Pvt. Ltd	500.00	10.00	1.25
500 Equity Shares of ₹ 10/- Each (Previous Year 500 Equity Shares of ₹ 10/- Each)			
TOTAL			1.25

Note 9

Long Term Loans and Advances

(Unsecured, considered good unless otherwise stated)

	As at 31.03.2012	As at 31.03.2011
Capital Advances	1.26	1.26
Securily deposits	3,934.71	3,933.64
	3,935.97	3,934.90
Note 10		
Inventories		
Raw Materials	5,582.86	3,993.37
Work-in-Process	5.08	5.43
Finished Goods	1.55	252.30
Stores, Spare Parts	1,218.11	1,049.85
Saleable Scrap	1,069.20	519.15
	7,876.80	5,820.10
Note 11		
Trade Receivables		
(Unsecured unless otherwise stated)		
Unsecured		
Outstanding for a period exceeding six months		
Considered Good	-	390.31
Other Debts		
Considered Good	4,941.71	1,642.50
	4,941.71	2,032.81
Note 12		
Cash and cash equivalents		
Balances with Banks in : In Current Accounts	568.74	393.31
In Margin Account (FDR)	631.65	385.05
Cash on hand	4.43	5.59
	1,204.82	783.95
Note 13		
Short Term Loans and Advances		
(Unsecured and Considered Good)		
Amount recoverable in cash or kind or for value to be received	5,078.14	4,435.04
Premises and Other deposits	62.31	128.18
Advance Tax and Tax deducted at source	2.12	19.67
Total	5,142.57	4,582.89

Note 14

Revenue from Operations

Sale of Products
Finished Goods
Traded Goods
Less: Claims, Trade Discounts etc.

Other Operating Revenues

Saleable Scrap & By products

Less : Excise Duty

Net Revenue

Note 15

OTHER INCOME

Interest Income on ;

Bank Deposits
From Customers and Others

Net Gain on Foreign currency transaction

Liabilities no longer required written back

Profit on Fixed Assets sold/Discarded

Compensation Earned

Sales Tax Refund

Profit on Sale of Investment

Miscellaneous Receipts

Note 16
Change in Inventories of finished
goods, work in progress and stock in trade
OPENING STOCKS

Finished Goods
Work - in - process
Stock in Trade

LESS: CLOSING STOCKS

Finished Goods
Work - in - process
By Products

Net Change in Inventory

Note 17

Employee benefits expense

Salaries, Wages and Allowances
Employer's Contribution to Provident
Fund and other Fund
Gratuity & Leave Encashment Expenses
Staff Welfare/ Workmen Expenses
Managerial Remuneration

Note 18

Finance costs

Interest Expenses :

Fixed Loans
Others

Finance Charges :

Bills Discounting Charges
Bank Charges & Commission
Others

	Current Year 31.03.2012	Previous Year 31.03.2011
Revenue from Operations		
Sale of Products		
Finished Goods	45,789.76	42,732.40
Traded Goods	56,435.60	25,765.59
Less: Claims, Trade Discounts etc.	6.04	10.03
	102,219.32	68,487.96
Other Operating Revenues		
Saleable Scrap & By products	2,267.87	4,339.15
	104,487.19	72,827.11
Less : Excise Duty	3,806.80	3,827.38
Net Revenue	100,680.39	68,999.73
OTHER INCOME		
Interest Income on ;		
Bank Deposits	69.58	34.18
From Customers and Others	121.08	8.88
	190.66	43.07
Net Gain on Foreign currency transaction	66.91	80.37
Liabilities no longer required written back	17.86	18.40
Profit on Fixed Assets sold/Discarded	-	17.77
Compensation Earned	-	2.40
Sales Tax Refund	1,443.37	856.92
Profit on Sale of Investment	-	648.00
Miscellaneous Receipts	0.15	701.87
	1,718.94	2,368.80
Change in Inventories of finished goods, work in progress and stock in trade		
OPENING STOCKS		
Finished Goods	252.30	28.98
Work - in - process	5.43	3.76
Stock in Trade	519.15	506.23
	776.88	538.97
LESS: CLOSING STOCKS		
Finished Goods	1.55	252.30
Work - in - process	5.08	5.43
By Products	1,069.20	519.15
	1,075.83	776.88
Net Change in Inventory	(298.95)	(237.91)
Employee benefits expense		
Salaries, Wages and Allowances	1,182.00	762.96
Employer's Contribution to Provident Fund and other Fund	93.88	69.77
Gratuity & Leave Encashment Expenses	104.49	73.21
Staff Welfare/ Workmen Expenses	45.34	61.03
Managerial Remuneration	24.00	24.00
	1,449.72	990.97
Finance costs		
Interest Expenses :		
Fixed Loans	438.40	460.61
Others	56.94	77.40
Finance Charges :		
Bills Discounting Charges	932.87	69.01
Bank Charges & Commission	58.97	19.97
Others	7.41	105.65
	1,494.59	732.64

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lacs)

	Current Year 31.03.2012	Previous Year 31.03.2011
Note 19		
Other Expenses		
Consumables of Stores & Spares	819.58	779.03
Power & Fuel	1,000.98	1,063.05
Rent	60.41	115.65
Repairs & Maintenance :		
- Plant & Machinery	17.96	48.03
- Buildings	13.33	10.02
- Others	22.35	24.87
Insurance	53.64	82.92
Rates & Taxes	48.45	31.32
Misc. Exp. For Production	28.03	13.12
Fuel & Gases	927.98	875.71
Other Selling Expenses	41.80	46.89
Freight & Forwarding	18.66	10.20
Commission & Brokerage	1.62	54.82
Advertisement (Including Sales promotion Expenses)	7.02	154.33
Auditors' Remuneration :	2.80	2.53
As Auditor		
- Audit Fee	2.10	1.10
- Tax Audit Fee	0.50	0.35
In Other Manner - For certifications	0.22	0.15
Travelling & Out of Pocket Expenses	0.01	0.01
	2.83	1.61
Items pertaining to Previous Years		
- At Debit	0.73	3.29
- Less: At Credit	0.93	(2.28)
	(0.20)	1.01
Legal Expenses	7.75	17.03
Professional Fees	46.08	263.93
Travelling & Conveyance Expenses	51.18	111.05
Postage, Telephone & Telex Expenses	9.75	13.55
Printing & Stationary	5.36	7.67
Vehicle Hire & Maintenance Charges	52.74	47.39
Sundry Expenses	111.78	122.18
Sitting Fees to Directors	0.32	0.33
Loss on Fixed Assets sold/Discarded (Net)	0.08	-
	3,298.64	3,815.32

NOTE 20 : CONSOLIDATED NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2012 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012.

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 :

i) 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.
ii) 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.

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 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.

(C) Principles of Consolidation:

The financial statements of the Company and its Subsidiary company have been combined on a line by line basis by adding together book values of like items of the assets, liabilities, income and expenses, after fully eliminating there from intra group balances and intra group transactions as per "AS 21 - Consolidated Financial Statements" prescribed under the Companies (Accounting Standards) Rules, 2006. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's standalone financial statements.

2 The Subsidiary considered in the Consolidated Financial Statements is:-

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest
Gadchiroli Metals & Minerals Limited	India	100%

3 Contingent liabilities not provided for —

	(₹ in Lacs)	
	As at 31.03.12	As at 31.03.11
a) Letter of Credit/Guarantees issued by Banks	456.16	384.56
b) Disputed claim of Excise Authorities	12.50	12.50
c) Claims against the Company not acknowledged as Debts	237.25	237.25

4 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 31.03.2012. 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.

5 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 have not been identified.

6 The company has disclosed only such policies and notes from the individual financial statements, which fairly present the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed, when referred from the individual financial statements.

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

LLOYDS METALS AND ENERGY LIMITED

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

DP ID *	
Client ID *	

PROXY FORM

Folio No.	
No. of Shares	

I / We
of

being a Member/s of **LLOYDS METALS AND ENERGY LIMITED**, hereby appoint

of or failing him

of as my/ our proxy to vote for me/us on my/our behalf at the 35th Annual General Meeting of the Company to be held on **Tuesday, 10th July, 2012** at 12.30 p.m. at Plot No.A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442 505, Maharashtra or at any adjournment thereof.

Signed at this day of 2012.

Affix
Revenue
Stamp

Note : The form duly completed and signed must be deposited at the Registered Office of the Company not less than 48 hours before the Meeting.

* Applicable for investors holding shares in electronic form.

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LLOYDS METALS AND ENERGY LIMITED

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

35th Annual General Meeting

DP ID *	
Client ID *	

ATTENDANCE SLIP

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

Folio No.	
No. of Shares	

I, Certify that I am a registered Member/ Proxy for the registered Member of the Company, I hereby record my presence at the 35th Annual General Meeting of the Company held at Plot No.A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442 505, Maharashtra on **Tuesday, 10th July, 2012** at 12.30 p.m.

Full Name of Member (in BLOCK LETTERS)

Name of PROXY (in BLOCK LETTERS)
(To be filled in if the Proxy attends instead of the Member)

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 Limited)

E-2/3, Ansa Industrial Estate, Sakivihar Road,

Saki Naka, Andheri (East),

Mumbai - 400 072.

Phone : 022-4043 0200

Fax : 2847 5207