



## Lloyds Metals and Energy Limited

Regd. Office: Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur - 442 505, Maharashtra. Tel. 07172 285099 /103/398 Fax: 07172 285003.  
Corporate Office: Trade World, "C" Wing, 16<sup>th</sup> Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, Tel. No.: 3041 8111, Fax No. 30418260  
CIN : L40300MH1977PLC019594 Website : www.lloyds.in

LMEL/SEC/2018/BSE/43

10<sup>th</sup> August, 2018

**The Deputy General Manager**  
Department of Corporate Services  
The Bombay Stock Exchange Limited  
27th Floor, P.J. Towers, Dalal Street,  
Mumbai - 400 001

Company Code No. 512455

Dear Sir/ Madam,

**Sub: Submission of Annual Report for the financial year 2017-2018**

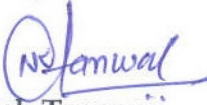
Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2017-2018 which is approved and adopted by the members in 41<sup>st</sup> Annual General Meeting of the Company held on Wednesday, 08<sup>th</sup> August, 2018 at 12.30 p.m. at Registered office of the Company.

Kindly take note of the same and acknowledge receipt.

Thanking you,

Yours faithfully,

For Lloyds Metals and Energy Limited

  
Nitesh Tanwar  
Company Secretary  
M. No. ACS-28498





# Lloyds Metals and Energy Limited

  
**41<sup>st</sup> Annual Report**  
**2017 - 18**

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# Lloyds Metals and Energy Limited

CIN: L40300MH1977PLC019594

## Corporate Information

### BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNAL

Mr. Mukesh R. Gupta (DIN:00028347)	<i>Chairman</i>
Mr. Babulal Agarwal (DIN:00029389)	<i>Managing Director</i>
Mr. Rajesh R. Gupta (DIN:00028379)	<i>Non-Executive Director</i>
Mr. Shantanu Mohapatra (DIN:00176836)	<i>Independent Director</i>
Mr. Devidas Kambale (DIN:00020656)	<i>Independent Director</i>
Mr. Jagannath Dange (DIN:01569430)	<i>Independent Director</i>
Mrs. Bhagyam Ramani (DIN:00107097)	<i>Independent Director</i>
Dr. B. R. Singh (DIN:02843001)	<i>Independent Director</i>

### Chief Financial Officer

Mr. Riyaz Shaikh

### Statutory Auditor

M/s VSS & Associates  
306, Dalamal Chambers,  
Behind Aayakar Bhawan,  
Maharashtra

### Cost Auditor

M/s Manisha & Associates  
238, Shri Ram Shyam Towers,  
2<sup>nd</sup> Floor, Near N.I.T. Sadar,  
Nagpur- 440001, Maharashtra

### Company Secretary

Mr. Nitesh Tanwar

### Secretarial Auditor

M/s K.C. Nevatia & Associates  
Suravi House, Ground Floor,  
53-A, Pali Village, Off:16<sup>th</sup> Road,  
Bandra (West), Mumbai – 400050,  
Maharashtra

### Internal Auditor

RSM Astute Consulting Pvt. Ltd.  
3<sup>rd</sup> Floor, A- Wing, Technopolis  
Knowledge Park, Mahakali Caves  
Road, Andheri (East),  
Mumbai-400093, Maharashtra.

### CORPORATE IDENTIFICATION NUMBER

L40300MH1977PLC019594

### BANKERS

Bank of India

Union Bank of India

Punjab and Maharashtra Co-operative Bank Ltd.

Kotak Mahindra Bank Ltd.

### REGISTERED OFFICE & WORKS

#### SPONGE IRON & POWER PLANT

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

### CORPORATE OFFICE

Trade World, 'C' Wing, 16<sup>th</sup> Floor,  
Kamala City, Senapati Bapat Marg,  
Lower Parel (West), Mumbai – 400 013.  
Tel : 022 – 3041 8111 Fax : 022-3041 8260  
E-Mail: [investor@lloyds.in](mailto:investor@lloyds.in), [Infolme@lloyds.in](mailto:Infolme@lloyds.in)

### REGISTRAR & SHARE TRANSFER AGENT

#### BIGSHARE SERVICES PRIVATE LIMITED

1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri (E), Mumbai - 400059,  
Phone : 022 - 6263 8200  
Fax : 022 - 6263 8299  
E-Mail : [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

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### 41<sup>st</sup> Annual General Meeting

Date : 8<sup>th</sup> August, 2018 Time : 12.30 P.M.

#### Venue

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

## NOTICE

**NOTICE** is hereby given that the **Forty-First (41<sup>st</sup>)** Annual General Meeting (“**AGM**”) of the Members of the **Lloyds Metals and Energy Limited (CIN: L40300MH1977PLC019594)** will be held on **08<sup>th</sup> August, 2018 at 12.30 p.m.** at the Registered Office of the Company at Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur- 442 505, Maharashtra, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial year ended 31<sup>st</sup> March, 2018, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Rajesh R. Gupta (**DIN: 00028379**), who retires by rotation and being eligible, offers himself for re-appointment.
3. **To ratify the appointment of M/s VSS & Associates, Chartered Accountants, Mumbai (ICAI Firm Registration No. 105787W) as the Statutory Auditors of the Company.**

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

“**RESOLVED THAT** pursuant to Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof, for the time being in force) and pursuant to the resolution passed by the Members at the Fortieth (40<sup>th</sup>) Annual General Meeting held on 19<sup>th</sup> September 2017, the Company hereby ratifies the appointment of M/s. VSS & Associates, Chartered Accountants, Mumbai (ICAI Firm Registration No. 105787W), as the Statutory Auditors of the Company to hold office from the conclusion of this Forty-First (41<sup>st</sup>) Annual General Meeting till the conclusion of the Forty Second (42<sup>nd</sup>) Annual General Meeting of the Company to be held in the calendar year 2019, at such remuneration plus applicable tax (“GST”) thereon and reimbursement of out of pocket and travelling expenses, if any, as approved and recommended by the Board of Directors based on the recommendation of the Audit Committee of the Company.”

### **SPECIAL BUSINESS:**

4. **Ratification of Remuneration of Cost Auditors of the Company.**

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

“**RESOLVED THAT** pursuant to provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification/s or re-enactment/s thereof, for the time being in force), M/s. Manisha and Associates, Cost Accountants, Nagpur (Firm Registration No. 000321), whose appointment as the Cost Auditors of the Company for the financial year 2018-2019 has been duly approved by the Board of Directors based on the recommendations of the Audit Committee of the Company, be paid a sum

₹ 30,000/- (Thirty Thousand Only) plus applicable tax and reimbursement of actual out of pocket expenses, if any, as a remuneration for audit of cost records of the Company for the financial year 2018-2019, as recommended by the Board of Directors based on the recommendations of the Audit Committee of the Company, be and are hereby ratified.

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

5. **To amend the “Lloyds Metals and Energy Limited Employee Stock Option Plan – 2017” of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the Rules made thereunder (including any amendment thereto or re-enactment thereof), SEBI (Share Based Employee Benefits) Regulations, 2014 and the Memorandum and Articles of Association of the Company, subject to any other applicable laws / regulatory requirements and Lloyds Metals and Energy Limited Employee Stock Option Plan – 2017 of the Company, as amended from time to time (“ESOP 2017 Scheme” / “ the Scheme”), the consent of shareholders of the Company be and is hereby accorded to amend the clause 11 for the Lloyds Metals and Energy Limited Employee Stock Option Plan – 2017 pertaining to vesting periods provided as under:

#### **Clause 11 :**

“The options granted under Plan shall vest based upon the performance of the Employee, subject to completion of minimum 1 (One) year from the date of Grant and as may be decided by the Committee subject to maximum period of 5 (Five) years.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company [hereinafter referred to as “the Board” which term shall be deemed to include Nomination & Remuneration Committee of the Board (“NRC”) and/or any persons authorized by the Board or NRC in this regard) be and is hereby authorized to make modifications, changes, variations, alterations or amendment in ESOP 2017 Scheme, settle all questions, queries, difficulties or doubts that may arise in relation to the implementation of the Scheme and incur expenses in relation thereto, as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Act and Rules made thereunder, the Memorandum and Articles of Association of the Company, any other applicable laws and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for the purpose of giving effect to this resolution with power to settle any issues, questions, difficulties or doubts that may arise in this regard.”

**By Order of the Board of Directors  
For Lloyds Metals and Energy Limited**

**Date: 16<sup>th</sup> April, 2018  
Place: Mumbai**

**Nitesh Tanwar  
Company Secretary**

# LLOYDS METALS AND ENERGY LIMITED

## NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy/proxies need not be a member of the Company.**
2. **The instrument appointing proxy, in order to be effective, must be received by the Company at the Registered Office not later than 48 hours before the commencement of the Meeting. Members / Proxies are requested to sign the attendance slip annexed to the proxy form and hand it over at the gate of the venue of the Meeting.**
3. A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. The proxy form should be in writing and be signed by the appointer or his/her attorney duly authorized in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.
5. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 01<sup>st</sup> August, 2018 to Wednesday, 08<sup>th</sup> August, 2018 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013.
7. The information regarding the Director who is proposed to be re-appointed, as required to be provided under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard on General Meetings issued, is annexed hereto. [Refer Note No. 19]
8. An explanatory Statement setting out details relating to the special business to be transacted at the Annual General meeting pursuant to Section 102(1) of the Companies Act, 2013, is annexed hereto.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the Registrar and Share Transfer Agent.
10. Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or Arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
11. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 17.
12. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. In line with the Green Initiative of the Ministry of Corporate Affairs, hard copy of the Annual Report containing the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement etc. will be sent to those shareholders who have not registered their e-mail addresses. Shareholders who have registered their e-mail addresses will be sent the soft copies by e-mail. However, a shareholder continues to retain the right to request the Company for a hard copy of the Report.  
  
Relevant documents referred to in the accompanying Notice and the Explanatory Statement, the Statutory Registers, the Audited Financial Statements, the Directors' Report and the Auditor's Report, will remain open for inspection at the Registered Office of the Company on all working days between 09:00 a.m. to 5:00 p.m. excluding Saturdays, Sundays and public holidays upto the date of the AGM. The Audited Financial Statements, the Directors' Report and the Auditor's Report will be placed on the Company's website on [www.lloyds.in](http://www.lloyds.in).  
  
During the period shareholder's of the Company holding shares either in physical form or in Dematerialised forms as on Benpos date (Record Date) i.e. 30<sup>th</sup> June, 2018 will receive Annual Report 2018.
14. 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.
15. Members are requested to notify any changes in their address to the Company's Registrar & Share Transfer Agent, M/s. Bigshare Services Pvt. Ltd., 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis Makwana Road, Marol, Andheri East, Mumbai – 400059.
16. 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.

**17. Information and other instructions relating to E-Voting are as under:**

- a. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (**‘Remote E-Voting’**).
- b. The facility for voting through Ballot shall be made available at the Meeting and the members attending the Meeting who have not cast their vote by Remote E-Voting shall be able to vote at the Meeting through **‘Ballot’**.
- c. The members who have cast their vote by Remote E-Voting may also attend the Meeting but shall not be entitled to cast their vote again. Please note that if a Member casts vote by both the modes, then votes cast through E-Voting shall prevail and voting at the Meeting will be treated invalid.
- d. The Company has engaged the services of Central Depository Services Limited (“CDSL”) as the Agency to provide E-Voting facility.
- e. The Board of Directors of the Company has appointed K.C. Nevatia, Practicing Company Secretary (Membership No. FCS 3963 CP No. 2348), as the Scrutinizer, to scrutinize the voting and Remote E-Voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- f. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. **01<sup>st</sup> August, 2018**.
- g. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. **01<sup>st</sup> August, 2018** only shall be entitled to avail the facility of Remote E-Voting /Ballot.
- h. The Scrutinizer, after scrutinizing the votes cast at the meeting (**“Ballot”**) and through Remote E-Voting, will, not later than three days of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer’s report shall be placed on the website of the Company www.lloyds.in. The results shall simultaneously be communicated to the Stock Exchanges.
- i. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. **08<sup>th</sup> August, 2018**.

- j. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.

**The instructions for shareholders voting electronically are as under:**

- i) The voting period begins on 05<sup>th</sup> August, 2018 at 10.00 a.m. (IST) and ends on 07<sup>th</sup> August, 2018 at 5.00 p.m. (IST) During this period, Shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 01<sup>st</sup> August, 2018 may cast their vote electronically. The E-Voting module shall be disabled by CDSL for voting thereafter.
- ii) The shareholders should log on to the E-Voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- iii) Click on “Shareholders” tab.
- iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID;
  - b. For NSDL: 8 Character DP ID followed by 8 digits Client ID;
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>● In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

# LLOYDS METALS AND ENERGY LIMITED

<b>Dividend Bank Details</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the Member ID / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>
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- viii) After entering these details appropriately, click on “**SUBMIT**” tab.
- ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach ‘**Password Creation**’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x) For Members holding shares in physical form, the details can be used only for E-Voting on the resolutions contained in this Notice.
- xi) Click on the EVSN for “**LLOYDS METALS AND ENERGY LIMITED**” on which you choose to vote.
- xii) On the voting page, you will see “**RESOLUTION DESCRIPTION**” and against the same the option “**YES/NO**” for voting. Select the option **YES** or **NO** as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolutions details.
- xiv) After selecting the resolution you have decided to vote on, click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click on “**OK**”, else to change your vote, click on “**CANCEL**” and accordingly modify your vote.
- xv) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on “**Click here to print**” option on the Voting page.
- xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on **Forgot Password** & enter the details as prompted by the system.

In case you have any queries or issues regarding E-Voting, you may refer the Frequently Asked Questions (“FAQs”) and E-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an E-Mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

18. The route map of the venue of the 41<sup>st</sup> Annual General Meeting is appended to this Notice.
19. Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the following information is furnished in respect of Director seeking reappointment.

### Details of Director seeking re-appointment

Disclosure required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 in respect of Directors seeking re-appointment:

<b>Name of Director</b>	Rajesh R. Gupta
<b>DIN</b>	00028379
<b>Age</b>	53 years
<b>Date of first appointment on the Board</b>	21 <sup>st</sup> November, 1991
<b>A Brief Resume of the Director &amp; Nature of his Expertise in Specific Functional Areas;</b>	He is commerce graduate and a successful industrialist having vast knowledge and rich experience of over 27 years in Production, Management, Consultancy and other areas in Steel, Power and Trading Industry. Under his Leadership, the Company and Uttam Value Steels Ltd. (Formerly Lloyds Steel Industries Ltd.) implemented several projects in Steel Sector, including power plant. He is Founder Board Member of Lloyds Group.
<b>Disclosure of Relationships Between Directors Inter-Se;</b>	Mr. Babulal Agarwal is maternal uncle of Mr. Rajesh R. Gupta and Mr. Mukesh R. Gupta. Mr. Rajesh R. Gupta and Mr. Mukesh R. Gupta are brothers
<b>Names of Listed Entities in which the person also holds the Directorship and the Membership / Chairmanship of Committees of the Board</b>	<b>Directorship</b> 1. Lloyds Metals and Energy Ltd. 2. Shree Global TradeFin Ltd. <b>Membership of Committees<sup>s</sup>-</b> Nil
<b>No. of Shares held in the Company</b>	56,91,720 shares
<b>No. of Board meetings attended during last Financial Year</b>	4 (Four)
<b>Terms and conditions of appointment</b>	Non-Executive Director (Non-Independent), liable to retire by rotation.

*\$ Includes only Audit Committee and Shareholders’ / Investors’ Grievance Committee.*

**By Order of the Board of Directors**  
For **Lloyds Metals and Energy Limited**

**Date: 16<sup>th</sup> April, 2018**  
**Place: Mumbai**

**Nitesh Tanwar**  
**Company Secretary**

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**Item No. 4**

The Board on recommendations of the Audit Committee in their meeting held on 16<sup>th</sup> April, 2018 has approved the Re-appointment of M/s. Manisha and Associates, Cost Accountants as Cost Auditor to conduct the Cost Audit of the Company for the Financial year 2018-19 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Cost Auditor.

In accordance with the provisions of section 148 of the Act read with Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the cost auditor has to be ratified by the Shareholders of the Company.

Accordingly, consent of the member is sought for passing the Ordinary Resolutions as set out at item No. 4 of the Notice for re-appointment and ratification of remuneration payable to the cost auditors for the financial year ending 31<sup>st</sup> March, 2019.

None of the Directors/ Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution as set out at item No. 4 of the Notice except to the extent of their Shareholding in the Company, If any.

The Board recommends the Ordinary Resolution set out at the item no. 4 of the Notice for member’s approval of the Company.

**Item No. 5**

The Company vide Special Resolution dated 19<sup>th</sup> September, 2017 has already introduced The Lloyds Metals and Energy Limited Employee Stock Option Plan – 2017 to grant option to eligible employees of the Company. The scheme was ratified by shareholders through Postal Ballot on 08<sup>th</sup> March, 2018.

The Nomination and Remuneration Committee recommended that with the Company’s proposed expansion in the upcoming years and the sustainable performance the Company is highly dependent on the hard work, dedication and commitment of its employees therefore it is required to amend **clause 11** for extension of vesting period from 3 years to 5 years.

The Company has not granted any Options till date hence the proposed amendment is not detrimental to the interest of the employees.

The existing and proposed amended clause 11 of the scheme has provided provision for vesting period which is as follows:

Old Clause 11	New proposed Clause 11
“The options granted under Plan shall vest based upon the performance of the Employee, subject to completion of minimum 1 (One) year from the date of Grant and as may be decided by the Committee subject to maximum period of 3 (Three) years.”	“The options granted under Plan shall vest based upon the performance of the Employee, subject to completion of minimum 1 (One) year from the date of Grant and as may be decided by the Committee subject to maximum period of 5 (Five) years.”

On recommendation of Nomination and Remuneration Committee and further approval of the Board of Directors in their meeting held on 16<sup>th</sup> April, 2018 subject to further approval of Shareholders in the ensuing Annual General Meeting held in 2018, the maximum period of vesting required be extended and amended up to 5 years and the specific Vesting schedule and Vesting conditions subject to which Vesting would take place would be outlined in the document given to the Option Grantee at the time of Grant of Options.

The Company shall comply with the disclosures, the accounting policies / standards and other requirements as may be prescribed under the Act, Rules, and other applicable laws from time to time. NRC shall have all the powers to take necessary decisions / actions for effective implementation of ESOP 2017 Scheme, as amended from time to time.

In terms of Rule 12 of the Rules, the Company may by special resolution, vary the terms of Employees Stock Options Scheme not yet exercised by the employees provided such variation is not prejudicial to the interest of the option holders.

Accordingly, the resolution set out at Item No. 5 is being placed for the approval of members pursuant to the provisions of Section 62(1) (b) of the Act read with the Rules and all other applicable provisions of law for the time being in force.

A copy of the amended ESOP Scheme 2017 incorporating the proposed amendments will be available for inspection on all working days (Monday to Friday) between 9.30 a.m. to 1:00 p.m. at the registered office of the Company.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned, financially or otherwise in the resolution No. 5 except to the extent of their entitlements, if any, under the ESOP Scheme.

The Board of Directors recommends the passing of the resolution at item no. 5 above as special resolutions by the members of the Company.

**By Order of the Board of Directors  
For Lloyds Metals and Energy Limited**

**Date: 16<sup>th</sup> April, 2018**

**Place: Mumbai**

**Nitesh Tanwar  
Company Secretary**



# LLOYDS METALS AND ENERGY LIMITED

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Company's Forty-First (41<sup>st</sup>) Annual Report and the Company's Audited Financial Statement for the financial year ended 31<sup>st</sup> March, 2018.

### 1. FINANCIAL PERFORMANCE

The Company's financial performance, for the year ended 31<sup>st</sup> March, 2018 is summarized below:

(₹ in Lakhs)

Particulars	Current Year 2017-18	Previous Year 2016-17
<b>Income from Operations</b>	<b>42,327.11</b>	<b>40,099.27</b>
<b>Other Income</b>	<b>2,468.34</b>	<b>1,392.12</b>
<b>Total Income :</b>	<b>44,795.45</b>	<b>41,491.39</b>
Profit before Interest, Depreciation & Tax	4,112.80	2,879.05
Less : Finance Cost	1,041.38	1,016.39
Depreciation	1,368.01	1,297.34
Exceptional Items	00.00	00.00
Profit/(Loss) before tax	1,703.41	557.20
Less : Tax Provision	-	-
<b>Net Profit/ (Loss) after Tax</b>	<b>1,703.41</b>	<b>557.20</b>

### 2. APPLICABILITY OF INDIAN ACCOUNTING STANDARDS

Your Company had adopted IND AS with effect from April 1, 2017 pursuant to Ministry of Corporate Affairs notification dated February 16, 2015 notifying the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and the relevant provisions of the Companies Act, 2013 ("the Act") and guidelines issued by the Securities and Exchange Board of India ("SEBI"). Your Company has published Ind AS Financials for the year ended March 31, 2018 along with comparable as on March 31, 2017.

### 3. OPERATIONS AND OVERALL PERFORMANCE

#### Sponge iron Industries Scenario

India was the world's third-largest steel producer in 2017. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

The Indian steel industry is very modern with state-of-the-art steel mills. It has always strived for continuous modernization and up-gradation of older plants and higher energy efficiency levels. Indian steel industries are classified into three categories such as major producers, main producers and secondary producers.

India's crude steel output grew 5.87 per cent year-on-year to 101.227 million tonnes (MT) in CY 2017. Crude steel production reached 93.183 MT during April-February 2017-18. India's finished steel exports rose 102.1 per cent to 8.24 MT, while imports fell by 36.6 per cent to 7.42 MT in 2016-17. Exports and Imports of iron and steel stood at 14.6 MT and 13.1 MT during April-February 2017-18, respectively. Total consumption of finished steel stood at 81.943 MT during April-February 2017-18. Steel industry and its associated mining and metallurgy sectors have seen a number of major investments and developments in the recent past.

According to the data released by Department of Industrial Policy and Promotion (DIPP), the Indian metallurgical industries attracted Foreign Direct Investments (FDI) to the tune of US\$ 10.56 billion in the period April 2000–December 2017.

Government of India's focus on infrastructure and restarting road projects is aiding the boost in demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel.

The Union Cabinet, Government of India has approved the National Steel Policy (NSP) 2017, as it seeks to create a globally competitive steel industry in India. NSP 2017 targets 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030.

Metal Scrap Trade Corporation (MSTC) Limited and the Ministry of Steel have jointly launched an e-platform called 'MSTC Metal Mandi' under the 'Digital India' initiative, which will facilitate sale of finished and semi-finished steel products.

The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of ₹ 200 crore (US\$ 30 million).

India is expected to overtake Japan to become the world's second largest steel producer soon, and aims to achieve 300 million tonnes of annual steel production by 2025-30.

India is expected to become the second largest steel producer in the world by 2018, based on increased capacity addition in anticipation of upcoming demand, and the new steel policy, that has been approved by the Union Cabinet in May 2017, is expected to boost India's steel production. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

#### Power Industries Scenario

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy. India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-

conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

India ranks third among 40 countries in EY's Renewable Energy Country Attractiveness Index, on back of strong focus by the government on promoting renewable energy and implementation of projects in a time bound manner. India has moved up 73 spots to rank 26<sup>th</sup> in the World Bank's list of electricity accessibility in 2017.

In September 2017, the Government of India launched the Saubhagya scheme to provide electricity connections to over 40 million families in rural and urban areas by December 2018 at a cost of US\$ 2.5 billion. Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

Total installed capacity of power stations in India stood at 3,34,146.91 Megawatt (MW) as on February, 2018. The Ministry of Power has set a target of 1,229.4 billion units (BU) of electricity to be generated in the financial year 2017-18, which is 50 BU's higher than the target for 2016-17. The annual growth rate in renewable energy generation has been estimated to be 27 per cent and 18 per cent for conventional energy.

The total estimated potential of tidal energy in India is about 8,000 megawatt (MW), of which 7,000 MW is in the Gulf of Kambhat, 1,200 MW is in the Gulf of Kutch and 100 MW in the Gangetic Delta. The number of small hydro power projects set up in India stood at 1,085 with total installed capacity of 4,399.355 megawatt (MW) as of November 30, 2017.

## REVIEW OF OPERATIONS

The Total Income of the Company was ₹ 447.95 crores during the year as against ₹ 414.91 crores in the previous year, showed increased or decreased of 7.96%. The Company has reported net profit of ₹ 17.03 crores during the year under review as against profit of ₹ 5.57 crores in the previous year.

## SETTING-UP MINERAL BASED STEEL PLANT

The Company during the period under review has in the process of setting-up mineral based steel plant proposed to be setup at Konsari Village, Chamroshi Tehsil, Gadchiroli District for manufacturing of Sponge Iron, Electric Power Generation with Waste Heat Recovery Boiler, Crushing and Screening of Iron Ore, Pelletisation of Iron Ore and Beneficiation of Iron Ore. In this regard the company signed as memorandum of undertaking on 15.02.2018 with Government of Maharashtra during the Magnetic Maharashtra Convergence – 2018. By this Memorandum of Undertaking the Company has agreed to make an investment of ₹ 700 Crores provided that the Government of Maharashtra will facilitate the Company

to obtain necessary permission / registrations / approvals / clearances / fiscal incentives etc. from the concerned department of the state, as per the existing policies / rules and regulations of the Government of Maharashtra and the expected date of commencement of initial production would be 30<sup>th</sup> June, 2020.

## IRON ORE MINING ACTIVITIES

In respect of Iron ore mining activities, the Company has resumed the iron ore mining operations and mining activities are carried out regularly at the Surjagarh area of Gadchiroli district that was stopped for the rainy season, as rains often hamper mobility in the remote district. Due to Naxalites' threat mining takes place under police protection at Surjagarh. Around 200 strong force is deployed in the area to ensure safe transport of iron ore from the mines. The Company has received all the necessary approval from the concerned authority and 20 years mining lease is now in principal extended upto 50 years and we are awaiting for the formal signing lease agreement.

As per the mining report, the mining reserve is around 90 Million MT and Movable reserve is around 68 Million MT. Government of Maharashtra has supported us in every possible manner because this is the first mining in the Gadchiroli district and road is being developed from mine to main road.

The Company is at present undertaking only surface mining and the entire mined Iron Ore is used for captive consumption. It also has plans to start a Sponge Iron plant in the Gadchiroli district. Iron ore which is the raw material will be sourced from the Surjagarh mine.

However, in order to start the plant, the company needs to have an assured supply from the mine first. At present only Float ore mining is done and shortly open Cast Mining will commence as per the mining plan. To get sizeable quantity advanced machinery will have to be deployed for excavation.

## SPONGE IRON DIVISION

The production of Sponge Iron Division during the year under review was 1,71,320 MT against 1,83,007 MT in the previous year showing decrease of 6.82%. The total income of the division was ₹347.37 Crores (including trading) as against ₹342.12 Crores during the previous year, showing increase of 7.21% as a result increase in trading of Steel and realization of high price of sponge iron.

## POWER DIVISION

The production of the division was 24.59 MWH during the year under review as compared to 23.54 MWH for the previous year. The total income of the division was ₹63.83 Crores during the year under review as against ₹63.46 Crores during the previous year showing an increase of 0.59%.

## ENVIRONMENT & SOCIAL OBLIGATION

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

# LLOYDS METALS AND ENERGY LIMITED

## 4. MANAGEMENT DISCUSSION AND ANALYSIS

The management of Lloyds Metals and Energy Limited presents its analysis report covering performance and outlook of the Company. The core business of the Company is manufacturing of sponge Iron and generation / distribution of Power. The management accepts responsibility for integrity and objectivity of the financial statements.

**a) Industry structure and development:** Industry structure and development: Sponge iron is an intermediate product; a source of metallics for the secondary steel making through EAF or EOF/IF route. Other sources of metallics are either steel scrap and hot metal produced in the blast furnace. Steel scrap becomes a direct substitute of sponge iron; since both of them are tradable commodities, unlike hot metal.

Further, sponge iron industry is also classified into two categories (i) gas based and (ii) coal based using coal as reductant. Lloyds Metals and Energy Limited is a coal based sponge iron producer.

**b) Opportunities and threats:** Opportunities abound in growing economies and opening of economy in India has created opportunities for India enterprise to move beyond national boundaries as well to create productive assets. Presently, the Company is consolidating its gains out of creating additional production capabilities.

Competition in Steel industry is escalating and technological changes will spur or drag the forward march of individual units in steel industry. Supply side could also be an issue in next few years because of increase in production capacity by steel industry in India and expression of interest by foreign companies to set up new steel making units. However, coming years are also going to witness substantial additions particularly in the Asian regions. The Company's thrust on improving productivity and reducing cost of production will, in such a scenario, help in forging ahead in globally competitive environment.

**c) Segment-wise performance:** The Company is operating two segments, Iron and Steel and Power Generation. Segment Wise results are given at Note No. 33 of significant accounting policies & notes to financial statements. The Company has no activity outside India.

**d) Outlook:** The basic aim of the Company is to be able to produce Sponge Iron and Steel Products as per market requirements and be able to manage market trends to its advantage. "Opportunities abound in growing economies and opening of economy in India has created opportunities for Indian enterprise to move beyond national boundaries as well to create productive assets".

The Company is currently engaged in steel and steel related products activity and is looking for new avenues of business in various areas like infrastructure and trading. Since Infrastructure has linkages to other industries like cement, brick and steel through backward and forward linkages. The

outlook for the industry looks reasonable, since India has good iron ore deposits, skilled manpower and growing demand for steel. The improved demand is expected to continue in the current fiscal as well on the back of ongoing government funded infrastructure projects. In spite of a downturn in the Global Steel demand, Indian steel demand could survive showing an upward trend, setting a road ahead for the growth of the domestic steel industry in the long run. The upward trend is expected to be continued on account of fiscal measures taken by the Government such as infusion of funds for development of infrastructure sector, introduction of stimulus packages for revival of industry besides factors like increase in consumption and production of steel, upcoming infrastructure and Greenfield projects, stabilization of prices etc. The National Steel Policy has a target for taking Indian Steel production upto 110 MT by 2019-20.

**e) Risk and concerns:** Global economic uncertainties have affected India's economy, Key risks synonymous to industry include the global recessionary trend, economic slowdown, increase in financial charges, non-availability (or undue increase in cost) of raw materials, such as, iron ore, coal and labour etc., coupled with market fluctuations. The Company does not apprehend any inherent risk in the long run, with the exception of certain primary concerns that have afflicted the progress of our industry in general, like:

- Shortage of Labour
- Rising manpower and material costs,
- Approvals and procedural difficulties.
- Lack of adequate sources of finance.

Apart from this Industry is highly labour intensive and is subject to stringent labour laws. Your Company has identified the major thrust areas to concentrate on, which it believes to be critical to achievement of organizational goals. Company annually re-visits the 'List of Risk Area' to identify potential business threats and suitable corrective actions are initiated. Confirmations of compliance with appropriate statutory requirements are obtained from the respective units/divisions. Corporate Governance Policy clearly laying down roles, duties and responsibilities of various entities in relation to risk management is in place.

**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 and Audit:** The Company believes in systematic working and placing of proper checks. Proper systems are in place and regular reviews are held at higher levels to check efficacy and relevance of these systems. These reviews

also prescribe changes wherever required. The internal auditors of the company conducts audit of various department and areas. Their reports are placed before the Audit Committee, which reviews these reports and comments/suggestions of the Internal Auditors. The Audit Committee also oversees financial systems/procedures and internal controls and is competent to call for any information/document from any department.

- 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 Performance' & 'Operations and Overall Performance' in the current year.
- i) Human resources and industrial relations:** Human Resources Department ("HRD") works continuously for maintaining healthy working relationship with the workers and other staff members. The underlying principle is that workers and staff at all levels are equally instrumental in attaining the Company's goals. Training programmes are regularly conducted to update their skills and apprise them of latest techniques. Senior management is easily accessible for counseling and redressal of grievances. The HR department continuously strives to maintain and promote harmony and co-ordination among workers, staff and members of the senior management. The total number of employees as on 31<sup>st</sup> March, 2018 was 334.

**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.

## 5. DIVIDEND

With a view to conserve the resources in long run, your Directors have not recommended any dividend for the year ended 31<sup>st</sup> March, 2018.

## 6. TRANSFER TO RESERVES

During the year under review, no amount was transferred to general reserves.

## 7. SHARE CAPITAL

During the financial year under review, there is no change in the Capital Structure of the Company and accordingly, the Issued, Subscribed and paid-up Share Capital of the Company stand at ₹ 22,25,82,580 as on 31<sup>st</sup> March, 2018

## 8. NATURE OF BUSINESS ACTIVITIES AND CHANGES THEREOF

During the financial year 2017-2018 under review, the Board of Directors, though exploring addition to existing business and commercial activities, had neither been explored any change in nature of business and commercial activities for the Company nor there is a change in nature of business and commercial activities of the Company. As such, no specific details regarding change in nature of business activities are required to be given or provided.

## 9. PUBLIC DEPOSIT

Your Company has neither invited nor accepted public deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014. As such, no specific details prescribed in Rule 8(1) of the Companies (Accounts) Rules, 2017 are required to be given or provided.

## 10. SUBSIDIARY & CONSOLIDATED FINANCIAL STATEMENTS

The Company is not having any subsidiary Company.

## 11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

There was no change in the composition of the Board of Directors during the reporting period, however, the Board has re-appointed Mr. Babulal Agarwal as Managing Director with revision/ modification in the existing remuneration with the consent of the shareholders accorded in last AGM held on 19<sup>th</sup> September, 2017. Further, Mr. Rajesh R. Gupta (DIN: 00028379), Non-Executive and promoter Director of Company shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

### The following are the Key Managerial Personnel of the Company:

Mr. Babulal Agarwal - Managing Director

Mr. Riyaz Shaikh – Chief Financial Officer

Mr. Nitesh Tanwar – Company Secretary

During the year 2017-18, there were no changes in Key Managerial Personnel of the Company.

- a) **Declaration by Independent Directors:** All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b) **Familiarization Programme for Independent Directors:** The Company has formulated a Programme for Familiarization of Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The details of the Familiarization Programmes as conducted

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by the Company during last fiscal are available on the website of the Company (www.lloyds.in). However during the year under review, there was no change in the nature of business of the company and its business vertical/ structure/ operational strategy, etc. which would have necessitated a fresh Familiarization Programme for Independent Directors.

## 12. ESOP /STOCK APPRECIATION RIGHTS SCHEMES

**Lloyds Metals and Energy Limited Employee Stock Option Plan 2017** : The Members of the Company at their 40<sup>th</sup> Annual General Meeting held on September 19, 2017 approved the Lloyds Metals and Energy Limited Employee Stock Option Plan 2017 ("the Scheme") for the benefit to the present and /or future permanent employees of the Company including its holding and subsidiaries, in accordance with the applicable laws. The scheme will be implemented via Trust Route wherein the Company will issue and allot fresh 1,11,29,129 Equity Shares i.e 5% of current paid-up share capital of the Company as on 31<sup>st</sup> March, 2017 to trust and the trust will transfer the shares to the Employees who successfully exercised their vested options.

Later on the scheme was ratified by the shareholder through Postal Ballot and result of same was announced on 08<sup>th</sup> March, 2018. The scheme has become effective from date of approval of members of the Company for ratification of the scheme. The Nomination and Remuneration Committee ('NRC') of the Board of Directors of your Company is entrusted with the responsibility of administering the plan and during the financial year 2017-18 and the committee has not granted any stock option in pursuance thereof.

## 13. DISCLOSURE RELATED TO BOARD AND CORPORATE GOVERNANCE

- a) **Number of Meeting of the Board:** The Board met 5 (Five) times during financial year 2017-18 viz. 12<sup>th</sup> April, 2017; 18<sup>th</sup> July, 2017; 07<sup>th</sup> August, 2017; 25<sup>th</sup> October, 2017 and 22<sup>nd</sup> January, 2018. In respect of such 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.
- b) **Committees of the Board:** The detailed information with regard to the composition of Board and its Committee(s) and their respective meetings etc. are stated in the Corporate Governance Report of Company, for sake of brevity, which forms part of this Annual Report.
- c) **Corporate Governance:** The Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with. The report on Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is annexed hereto marked as 'Annexure-D' and forms part of this report.

- d) **Performance evaluation of the Board and it's Committee(s):** The Board has carried out an annual performance evaluation of its own performance and that of its Committees and individual Directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.
- e) **Meeting of Independent Directors:** During the year under review, the Independent Directors met on 22<sup>nd</sup> January, 2018, inter alia, to:
  - a) Review the performance of Non Independent Directors, and the Board of Directors as a whole;
  - b) Review the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
  - c) Assess the quality, content and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at this meeting. The observations made by the Independent Directors have been adopted and put into force.

## 14. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGES EARNING AND OUTGO

The Information on conservation of energy, technology absorption, foreign exchange earnings and out go, which is required to be given pursuant to the provisions of section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of Companies (Account) Rules, 2014 is annexed hereto marked as 'Annexure-A' and forms part of this report.

## 15. AUDITORS

**The matters related to Auditor and their Reports are as under:**

- (A) **Statutory Auditor:** Pursuant to Section 139 of the Companies Act, 2013, rules made there under, the Board of Directors on the recommendation of the Audit Committee appointed M/s VSS & Associates, Chartered Accountants (Firm Registration No. 105787W), as the Statutory Auditors of the Company for the period of five financial years from the conclusion of 40<sup>th</sup> Annual General Meeting till the conclusion of the 45<sup>th</sup> Annual General Meeting of the Company to be held in 2022. Further the Shareholders approval has been accorded in last AGM held on 19<sup>th</sup> September, 2017.

Further, the provision of ratification of appointment of Statutory Auditor every year has been omitted by the companies (Amendment) act, 2017. Therefore ratification of Auditor is not required, although your company is proposing ratification of auditor in ensuing Annual General Meeting for the financial year 2018-19.

- (B) Audit Report:** During the Financial Year 2017-18 there is no fraud occurred, noticed and/or reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 read with the Companies(Audit and Auditors) Rules, 2014 (as amended from time to time).

The observations made by the Statutory Auditor in their Audit Report read with the relevant notes thereof as stated in the Notes to the Audited Financial Statements of Company for the Financial Year ended 31<sup>st</sup> March, 2018 are self explanatory and being devoid of any reservation(s), qualification(s) or adverse remark(s) etc do not call for any further information(s)/ explanation(s) or comments from the Board under Section 134(3)(f)(i) of the Companies Act, 2013.

- (C) Secretarial Auditor:** Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, The Board has re-appointed Mr. K. C Nevatia, Practicing Company Secretary (Membership No. FCS 3963 and Certificate of Practice No. 2348) as the Secretarial Auditor of your Company to conduct Secretarial Audit for the financial year 2018-19.
- (D) Secretarial Audit Report:** Secretarial Audit Report as issued by the Secretarial Auditor, in Form No. MR-3 for the financial year 2017-18 is annexed herewith vide '**Annexure E**' and forms integral part of this Annual Report. The said Secretarial Audit Report being devoid of any reservation(s), adverse remark(s) and qualification(s) etc. does not call for any further explanation(s)/ information or comment(s) from the Board under Section 134(3) (f) (ii) of the Companies Act, 2013.
- (E) Cost Auditor:** As per the requirement of Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records of the Company.

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s. Manisha & Associates, Cost Accountants as Cost Auditor to audit the cost accounts of the Company for the financial year 2018-19 at a remuneration of ₹ 30,000/- per annum and reimbursement of out of pocket expenses if any. As required under the Companies Act, 2013 a Resolution seeking members approval for the remuneration payable to the Cost Auditors forms part of the Notice convening the Annual General Meeting. The cost audit report for the financial year 2016-17 was filed with the Ministry of Corporate Affairs.

## 16. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2018, the applicable accounting standards have been followed and there are no material departures from the same;

- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2018 and of the profit of the Company for the year ended on that date;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a 'going concern' basis;
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 17. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEE GIVEN AND SECURITIES PROVIDED

Particulars of loans, advances and investments made by Company during the financial year 2017-18 are stated in Note No. 5 to Standalone Audited Financial Statements of Company as annexed to this Annual Report. Company has neither made any investment nor provided any guarantee or Security during the reporting period.

## 18. PARTICULARS OF CONTRACT(S)/TRANSACTION(S)/ARRANGEMENT(S) WITH RELATED PARTIES:

All Related Party Contract(s)/Transaction(s)/Arrangement(s) entered by Company during F.Y. 2017- 18 were in its ordinary course of business and on arm's length basis. According to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there were no materially significant related party contract(s)/ transaction(s)/arrangements entered by the Company with the Related Parties which may have a potential conflict with the interest of Company. All related party transaction(s) are first placed before Audit Committee for approval and thereafter such transactions are also placed before the Board for seeking their approval, wherever required. Since all the Related Party Transactions (RPTs) entered into by the Company were in ordinary course of business and were on arm's length basis, Form AOC -2 is not applicable. However the details of RPTs, as required pursuant to respective Accounting Standards, have been stated in Note No. 32 to the Standalone Audited Financial Statement of Company forming part of this Annual Report. The Policy on dealing with Related Party Transactions has been placed on the Company's website and can be accessed at [www.lloyds.in](http://www.lloyds.in).

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## 19. VARIOUS COMPANY'S POLICIES

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 the Company has formulated and implemented the following policies. All the Policies are available on Company's website ([www.lloyds.in](http://www.lloyds.in)) under the Policies sub-caption of the Investor Caption. The policies are reviewed periodically by the Board and updated based on need and requirements.

Name of the Policy	Brief Description
Whistle Blower or Vigil Mechanism Policy	The policy is meant for directors, stakeholders and employees etc. of the Company to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct and ethics etc.
Policy for Related Party Transactions	The policy regulates all transactions taking place between the Company and its related parties in accordance with the applicable provisions.
Policy for preservation of documents	The policy deals with the retention of corporate records of Company.
Policy for determination of materiality of events	This policy applies for determining and disclosures of material events taking place in the Company.
Archival policy	The policy deals with the retention and archival of corporate records of Company for a particular period, as may be applicable.
Code of conduct for Director(s) and Senior Management Personnel	The Policy is aimed to formulate a Code of Conduct for the Directors and Senior Management Personnel to establish highest standard of their ethical, moral and legal conduct in the business affairs.
Nomination and Remuneration Policy	The policy formulates the criteria for determining qualifications/competencies/ positive attributes and independence for the appointment of a Director (Executive / Non-Executive) and also the criteria for determining the remuneration of the Directors, Key Managerial Personnel and other employees covered under the prescribed criteria, if any.
Corporate Social Responsibility Policy	The policy outlines the Company's strategy to bring about a positive impact on society through its activities/programmes relating to Health, Happy Childhood, Education, Social welfare activities, Hunger eradication, Environmental Sustainability, Promoting Gender Equality, Upliftment for deserving and underprivileged sections of society, Promotion of sport, Art & Culture etc.

Code of Conduct for Prohibition of Insider Trading	The Policy provides framework for dealing with the securities of Company in mandated manner.
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## 20. LISTING OF SHARES

The Equity shares of the Company are continued to be listed and actively traded on the Bombay Stock Exchange Limited (BSE) and during the period under review the Company has listed its Equity Shares with the Metropolitan Stock Exchange India Limited (MSE) with effect from 18<sup>th</sup> September, 2017 vide listing approval letter dated 14<sup>th</sup> September, 2017. The listing fees payable for the financial year 2018-2019 will be paid to both the Stock Exchanges (BSE & MSE) within due dates.

## 21. DEMATERIALIZATION OF SHARES

As on 31<sup>st</sup> March 2018, there were approximately 21,76,99,220 Equity Shares dematerialized through depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited, which represents about 97.81% of the total issued, subscribed and paid-up capital of the Company.

## 22. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Provision of Section 135(2) read with Schedule VII of the Companies Act, 2013, pertaining to Corporate Social Responsibility are applicable to our Company from financial year 2017-18 though the company is not required to spend 2% of average profit of last 3 years as the company has average net loss for last 3 Financial Years. Despite of that your Company has voluntarily spend some amount on the CSR activities during the period under review. The Details pertaining to the Corporate Social Responsibility (CSR) activities together with details of expenditure is enclosed herewith as 'Annexure – B' and the same is attached to this Report.

## 23. EXTRACT OF THE ANNUAL RETURN

The Extract of the Annual Return as on 31<sup>st</sup> March, 2018 pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 (as amended) is furnished in the 'Annexure-C' attached to this report, which forms an integral part of this report.

## 24. PERSONNEL/PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the requisite details are annexed herewith vide 'Annexure-F' and are also available at the Registered Office of the Company for inspection during its business hours upto the date of AGM and any member interested in obtaining such information may directly write to the Company Secretary of the Company and the same shall be provided on such request.

## 25. SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

Your Director's further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## 26. INVESTOR SERVICES

The Company and its Registrar 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.

## 27. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

## 28. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate Internal Financial Controls with reference to Financial Statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

## 29. GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/ activities pertaining to these matters during F.Y. 2017-18:

- a. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- b. Issue of Equity Shares with differential rights as to dividend, voting or otherwise.
- c. Issue of shares (including sweat Equity Shares and ESOP) to employees of the Company under any scheme.
- d. Instances with respect to voting rights not exercised directly by the employees of Company.
- e. Neither the Managing Director nor Chief Financial Officer of the Company receive any remuneration or commission from any other Company.
- f. No significant or material orders were passed by the Regulators or Courts or Tribunals which can impact the going concern status and Company's operations in future.
- g. There was no revision of the financial statements of the Company during Financial Year 2017-18.

- h. No fraud has been reported by the Auditor in their Audit Report for F.Y. 2017-18, hence the disclosure u/s 134(3) (ca) is not applicable.

## 30. ENCLOSURES

- a) Annexure-A : Report on Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo;
- b) Annexure-B : Annual Report on Corporate Social Responsibility (CSR) activities together with expenditure details;
- c) Annexure-C: Extract of Annual Return as of 31<sup>st</sup> March, 2018 in the prescribed **Form No. MGT-9**;
- d) Annexure-D : Corporate Governance Report;
- e) Annexure-E: Secretarial Auditors Report in Form No. MR-3;
- f) Annexure-F: Details of personnel/particulars of employees.

## 31. 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 and Vendors 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 of Directors  
For Lloyds Metals and Energy Limited**

**Date: 16<sup>th</sup> April, 2018  
Place: Mumbai**

**Mukesh R. Gupta  
Chairman**



**SPONGE IRON PLANT****A. CONSERVATION OF ENERGY**

Energy Conservation Measures Taken:-

Following are the measures on account of energy conservation:

1. Automatic control of field lighting by providing Timer switches at different Location.
2. Replacement of Steam Traps by Thermodynamic type to reduce the steam loss.
3. DRI making process is well performed in sustainable temperature zone in rotary kiln. By forming uniform accretion coating inside the rotary kiln, heat radiation loss has been reduced to a significant range. The recurring requirement of energy in terms of conventional fuel like coal consumption is reduced.

**B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION**

1. Fills replacement in Cooling Tower – The PVC fill are replaced with new one. The air flow got increased due to which effectiveness of cooling tower got increased and the requirement of running of standby cooling tower fan to maintain required parameters got eliminated. Now, we are achieving operating parameters with running of two cooling tower fans only instead of three cooling tower fans. Thus, there is 110kW power saving hourly.
2. Re use of Blow down Water of Cooling Tower – Blow down Water from cooling tower is used for water sprinkling on Road and Ground for dust suppression.
3. Raw materials mix with heat bearing elements like shale stone in coal, laterite & BHQ in ore is being restricted in input . We have engaged fully mechanized mobile screen in our raw materials processing plan. In this way we are getting 2% more yield in our finished product. Overall energy saving is 4% in this avenue.

**POWER PLANT****A. CONSERVATION OF ENERGY**

1. Automatic control of field lighting by providing Timer switches at different Location.
2. Replacement of Steam Traps by Thermodynamic type to reduce the steam loss.

**B. R & D and Technology Absorption**

1. Fills replacement in Cooling Tower – The PVC fill are replaced with new one. The air flow got increased due to which effectiveness of cooling tower got increased and the requirement of running of standby cooling tower fan to maintain required parameters got eliminated. Now, we are achieving operating parameters with running of two cooling tower fans only instead of three cooling tower fans. Thus, there is 110kW power saving hourly.
2. Re use of Blow down Water of Cooling Tower – Blow down Water from cooling tower is used for water sprinkling on Road and Ground for dust suppression.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Total Foreign exchange Earned and Used

( ₹ in Lakhs)

Foreign Exchange earned in terms of Actual Inflows	NIL
Foreign Exchange outgo in terms of Actual Outflows	₹ 66.49

For and on behalf of the Board of Directors  
For Lloyds Metals and Energy Limited

Date: 16<sup>th</sup> April, 2018  
Place: Mumbai

Mukesh R. Gupta  
Chairman

## REPORT ON CSR ACTIVITIES UNDERTAKEN

DURING F. Y. 2017-18

**1. A brief outline of Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programmes:**

The Company has adopted a CSR Policy which encompasses wide range of activities enumerated vide Schedule VII to the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 which is primarily comprised of:

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. Rural development projects.

The Company is inclined at present to undertake CSR activities pertaining to education support to the poor students, digging of bore wells for fresh drinking water, provide support in agriculture and farming field, sport development and food for hungry people in rural area around the Surjagarh and Chandrapur districts, Maharashtra, which enables the inhabitants of neighbouring areas to be immensely benefited by way of availing good education and opportunity for skill developments of their children and deprived section of the society.

The Company's CSR policy is available at:

<http://lloyds.in/wp-content/uploads/2017/04/Corporate-Social-Responsibility-Policy.pdf>

**2. The composition of the CSR Committee:**

- a. Mr. Mukesh Gupta – Chairman
- b. Mr. B.R. Singh – Member
- c. Mr. Rajesh Gupta – Member

**3. Average Net Profit or (Loss) of the Company for last three financial years: (469.23) Lakhs****4. Prescribed CSR Expenditure (2% of the amount as per item 3 above): (9.38) Lakhs****5. Details of CSR spent during the Financial Year 2017-18:**

- a) Total amount to be spent for the financial year: *Not applicable (due to loss)*
- b) Amount unspent if any: NIL

# LLOYDS METALS AND ENERGY LIMITED

c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects/ Programs (1) Local area or other (2) Specify the state & District where Projects or Programmes was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Digging of Borewell at Hedri, Aldandi, Tumargunda, Gurupalli, Pusampalli and Surjagarh villages and distribution of cloths to needful people nearby mine site for the cleanses and change of living style	Rural Development viz making available fresh Drinking water, rural health & Sanitation.	Hedri, Aldandi, Tumargunda, Gurupalli, Pusampalli and Surjagarh villages in Maharashtra	17,20,603.84	17,20,603.84	17,20,603.84	Direct
2.	Donation to Handicapped and Meritorious student for educational support and Free educational items and school Bags distributed for the children of the local Adivasis at Tumargunda village	Education	Gadchiroli District, Maharashtra	3,70,145	3,70,145	20,90,748.84	Direct
3.	Distribution of Sports materials	Promotion of Sports	Gadchiroli District, Maharashtra	31,100	31,100	21,21,848.84	Direct
4.	For the support of development in agriculture field and forming, Distribution of Phawada and Gamellas to the needful Adiwasi farmers at near by mine site villages.	Promotion of Agriculture and farming	Gadchiroli District, Maharashtra	30,000	30,000	21,51,848.84	Direct
<b>Total</b>				<b>21,51,848.84</b>	<b>21,51,848.84</b>	<b>21,51,848.84</b>	

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide reasons for not spending the amount in its Board Report: N.A.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company:

This is to affirm that the CSR Policy of the Company was designed, implemented and periodically monitored and the CSR Programmes are being carried out in consonance with the CSR objectives and Policy of the Company.

Babulal Agarwal  
(Managing Director)  
DIN: 00029389

Mukesh Gupta  
(CSR Committee Chairman)  
DIN: 00028347

Place: Mumbai  
Date: 16<sup>th</sup> April, 2018

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31<sup>st</sup> March, 2018**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1.	<b>CIN</b>	L40300MH1977PLC019594
2.	<b>Registration Date</b>	5 <sup>th</sup> April, 1977
3.	<b>Name of the Company</b>	LLOYDS METALS AND ENERGY LIMITED
4.	<b>Address of the Registered office and contact details.</b>	Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur - 442 505, Maharashtra, India. Tel: 07172-398500, Fax: 07172-285003
5.	<b>Category/Sub Category of the Company</b>	Company Limited by Shares/Indian Non Government Company
6.	<b>Whether Listed Company (Yes/No)</b>	Yes (Listed in BSE & MSE)
7.	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	<b>M/s Bigshare Services Private Limited</b> 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai - 400059, Phone: 022-62638200, Fax: 022-62638299, E-mail Id: investor@bigshareonline.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

S. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Sponge Iron & Steel	24102	84.92
2	Power	35106	15.08

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/Associate of the Company	% of Shares held	Applicable Section
Not Applicable					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No of Shares held at the end of the year [As on 31-03-2017]				No. of Shares held at the end of the Year [As on 31-03-2018]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1. Indian</b>									
a. Individual /HUF	2,37,21,720	0	2,37,21,720	10.66	2,37,21,720	0	2,37,21,720	10.66	0.00
b. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c. State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d. Bodies Corp.	11,61,47,354	0	11,61,47,354	52.18	11,68,24,354	0	11,68,24,354	52.49	0.31
e. Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
f. Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total-A(1)</b>	<b>13,98,69,074</b>	<b>0</b>	<b>13,98,69,074</b>	<b>62.84</b>	<b>14,05,46,074</b>	<b>0</b>	<b>14,05,46,074</b>	<b>63.14</b>	<b>0.30</b>

# LLOYDS METALS AND ENERGY LIMITED

Category of Shareholders	No of Shares held at the end of the year [As on 31-03-2017]				No. of Shares held at the end of the Year [As on 31-03-2018]				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Foreign</b>									
a. NRI Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b. Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c. Body Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d. Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total-A(2)</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total Shareholders of Promoters (1+2)</b>	<b>13,98,69,074</b>	<b>0</b>	<b>13,98,69,074</b>	<b>62.84</b>	<b>14,05,46,074</b>	<b>0</b>	<b>14,05,46,074</b>	<b>63.14</b>	<b>0.30</b>
<b>B. Public Shareholding</b>									
<b>1. Institution</b>									
a. Mutual Funds	2,000	5,000	7,000	0.00	2,000	0	2,000	0.00	0.00
b. Bank/FI	6,000	11,000	17,000	0.01	6,000	2,000	8,000	0.00	0.01
c. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d. State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f. Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g. FIs	0	0	0	0.00	0	0	0	0.00	0.00
h. Foreign portfolio Corporate	0	0	0	0.00	0	0	0	0.00	0.00
i. Foreign Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
j. Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total-B(1)</b>	<b>8,000</b>	<b>16,000</b>	<b>24,000</b>	<b>0.01</b>	<b>8,000</b>	<b>2,000</b>	<b>10,000</b>	<b>0.00</b>	<b>0.01</b>
<b>2. Non-Institution</b>									
a. Body Corporate	1,53,42,886	3,25,000	1,56,67,886	7.04	1,44,74,867	2,95,000	1,47,69,867	6.64	-0.40
b. Individual									
i. Individual Shareholders holding nominal share capital upto ₹ 2 lakh	1,63,00,690	54,14,210	2,17,14,900	9.76	1,79,04,183	41,60,360	2,20,64,543	9.91	0.15
ii. Individual Shareholders holding nominal share capital in excess of ₹ 2 lakh	2,61,43,649	0	2,61,43,649	11.75	2,47,32,623	0	2,47,32,623	11.11	-0.64
c. Others									
i. NRI (Non - Rep)	34,99,355	5,84,000	40,83,355	1.83	1,53,06,527	4,25,000	1,57,31,527	7.07	5.24
ii. NRI (Rep)	7,28,324	0	7,28,324	0.33	1,54,769	0	1,54,769	0.07	-0.26
iii. Foreign National	0	0	0	0.00	0	0	0	0.00	0.00
iv. OCB	1,12,00,000	0	1,12,00,000	5.03	0	0	0	0.00	-5.03
v. Trust	0	1,000	1,000	0.00	0	1,000	1,000	0.00	0.00
vi. In Transit	11,61,892	0	11,61,892	0.52	16,16,327	0	16,16,327	0.73	0.21
vii. Unclaimed Suspense Account	17,38,500	0	17,38,500	0.78	29,55,850	0	29,55,850	1.33	0.55
viii. NBFC	2,50,000	0	2,50,000	0.11	0	0	0	0.00	-0.11
<b>Sub Total-B(2)</b>	<b>7,63,65,296</b>	<b>63,24,210</b>	<b>8,26,89,506</b>	<b>37.15</b>	<b>7,71,45,146</b>	<b>48,81,360</b>	<b>8,20,26,506</b>	<b>36.86</b>	<b>-0.29</b>
<b>Net Total(1+2)</b>	<b>7,63,73,296</b>	<b>63,40,210</b>	<b>8,27,13,506</b>	<b>37.16</b>	<b>7,71,53,146</b>	<b>48,83,360</b>	<b>8,20,36,506</b>	<b>36.86</b>	<b>-0.30</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
Promoter & Promoter Group	0	0	0	0	0	0	0	0.00	0.00
Public	0	0	0	0	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>21,62,42,370</b>	<b>63,40,210</b>	<b>22,25,82,580</b>	<b>100</b>	<b>21,76,99,220</b>	<b>48,83,360</b>	<b>22,25,82,580</b>	<b>100.00</b>	<b>0</b>

## ii) Share Holding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the Year [01-04-2017]			Shareholding at the end of the Year [31-03-2018]			% Change in Shareholding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total Shares	
1	Shree Global Tradefin Limited	2,88,90,380	12.98	12.98	2,88,90,380	12.98	12.98	0.00
2	ASP Technologies Private Limited	3,64,00,340	16.35	0.00	3,64,00,340	16.35	0.00	0.00
3	Triumph Trade & Properties Developers Private Limited	2,91,58,208	13.10	0.00	2,91,58,208	13.10	0.00	0.00
4	Ravi Agarwal	77,30,000	3.47	0.00	77,30,000	3.47	0.00	0.00
5	Renu R. Gupta	12,04,420	0.54	0.00	12,04,420	0.54	0.00	0.00
6	Mukesh R. Gupta	57,07,300	2.56	0.00	57,07,300	2.56	0.00	0.00
7	Rajesh R. Gupta	56,91,720	2.56	0.00	56,91,720	2.56	0.00	0.00
8	Abha M. Gupta	6,69,540	0.30	0.00	6,69,540	0.30	0.00	0.00
9	Shreekrishna Gupta	6,02,000	0.27	0.00	6,02,000	0.27	0.00	0.00
10	Madhur R. Gupta	6,00,000	0.27	0.00	6,00,000	0.27	0.00	0.00
11	Chitralkha R. Gupta	5,16,740	0.23	0.00	5,16,740	0.23	0.00	0.00
12	Priyanka Rajesh Gupta	5,00,000	0.22	0.00	5,00,000	0.22	0.00	0.00
13	Dipti M. Gupta	5,00,000	0.22	0.00	5,00,000	0.22	0.00	0.00
14	Lloyds Metals and Minerals Trading LLP	2,16,98,426	9.75	0.00	2,23,75,426	10.05	0.00	0.30

## iii) Change in Promoters' Shareholding (please specify, if there is no change)\*

S. No.	Name of Promoter	Shareholding at the beginning of the Year		Cumulative Shareholding during the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Lloyds Metals and Minerals Trading LLP	2,16,98,426	9.75	2,16,98,426	9.75
	<i>Acquired during the year</i>	6,77,000	0.30	2,23,75,426	10.05

\* Except Lloyds Metals and Minerals Trading LLP, there is no change in other promoters holding during the year.

## iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Top Ten Shareholders	Shareholding at the beginning of the Year [01-04-2017]		Shareholding at the end of the Year [31-03-2018]	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Sanjeev Garg	16,00,000	0.7188	1,28,11,000	5.7556
2	Halan Properties Private Limited	80,23,000	3.6045	80,23,000	3.6045
3	Premlata Harlalka	28,36,000	1.2741	28,36,000	1.2741
4	Om Hari Mahabir Prasad Halan	20,98,717	0.9429	21,00,000	0.9435
5	Narayan Hari Mahabir Prasad Halan	20,60,000	0.9255	20,60,000	0.9255
6	Ajay Kumar Mahabir Prasad Halan	20,00,000	0.8985	20,00,000	0.8985
7	G G Trading Private Limited	15,71,294	0.7059	15,71,294	0.7059
8	Vivek Bhimsaria	8,77,702	0.3943	15,05,734	0.6765
9	Alkesh Mahasukh Gopani	13,12,766	0.5898	13,12,766	0.5898
10	Arya Consolidated Private Limited	-	-	11,69,362	0.5254

# LLOYDS METALS AND ENERGY LIMITED

## v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Directors and KMP  Name of the Director/KMP	Shareholding at the beginning of the Year		Shareholding at the end of the Year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mukesh R. Gupta	57,07,300	2.56	57,07,300	2.56
2	Rajesh R. Gupta	56,91,720	2.56	56,91,720	2.56

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
1. Principal Amount	1,668.14	924.34	0	2,592.48
2. Interest due but not paid	10.98	0	0	10.98
3. Interest accrued but not due	0	0	0	0
<b>Total of (1+2+3)</b>	<b>1,679.12</b>	<b>924.34</b>	<b>0</b>	<b>2,603.46</b>
<b>Change in Indebtedness during the financial year</b>				
+Addition	571.87	0	0	571.87
-Reduction	(28.22)	(194.6)	0	(222.82)
Net Change	<b>543.65</b>	<b>(194.6)</b>	<b>0</b>	<b>349.05</b>
<b>Indebtedness at the end of the financial year</b>				
1. Principal Amount	2,204.44	729.74	0	2,934.18
2. Interest due but not paid	18.33	0	0	18.33
3. Interest accrued but not due	0	0	0	0
<b>Total of (1+2+3)</b>	<b>2,222.77</b>	<b>729.74</b>	<b>0</b>	<b>2,952.51</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total
		Mr. Babulal Agarwal Managing Director	
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act	63,56,004	63,56,004
	(b) Value of perquisites u/s 17 (2) of Income Tax Act	0	0
	(c) Profits in lieu of salary u/s 17 (3) of Income tax Act	0	0
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - As % of profit - Others, specify	0	0
5.	Others, please specify Provident Fund & other Funds	1,44,000	1,44,000
	Performance Bonus	0	0
	<b>Total (A)</b>	<b>65,00,004</b>	<b>65,00,004</b>
	Ceiling as per the Act		<b>84,00,000</b>

**B. Remuneration to other Directors:**

S. No	Particulars of Remuneration	Name of Directors							Total Amount
		Mukesh Gupta	Rajesh Gupta	Shantanu Mohapatra	Jagannath Dange	B.R. Singh	Devidas Kambale	Bhagyam Ramani	
<b>1.</b>	<b>Independent Directors</b>								
	A. Fee for attending Board Committee meetings	-	-	12,000	10,000	20,000	22,000	10,000	74,000
	B. Commission	-	-	-	-	-	-	-	-
	C. Others	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	-	-	<b>12,000</b>	<b>10,000</b>	<b>20,000</b>	<b>22,000</b>	<b>10,000</b>	<b>74,000</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>								
	A. Fee for attending Board Committee meetings	22,000	8,000	-	-	-	-	-	30,000
	B. Commission	-	-	-	-	-	-	-	-
	C. Others	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>22,000</b>	<b>8,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,000</b>
	<b>Total = (1+2)</b>	<b>22,000</b>	<b>8,000</b>	<b>12,000</b>	<b>10,000</b>	<b>20,000</b>	<b>22,000</b>	<b>10,000</b>	<b>104,000</b>

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

S. No	Particulars of Remuneration	Name of Key Managerial Personnel			Total
		CEO	CFO (Riyaz Shaikh)	Company Secretary (Nitesh Tanwar)	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act		21,38,288	6,89,421	28,27,709
	(b) Value of perquisites u/s 17 (2) of Income Tax Act		-	-	-
	(c) Profits in lieu of salary u/s 17 (3) of Income tax Act		-	-	-
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission - As % of profit - Others, specify	Not Applicable	-	-	-
5.	Others, please specify Provident Fund & other Funds		1,43,868	42,565	1,86,433
6.	Performance Bonus		-	-	-
	<b>Total (C)</b>		<b>22,82,156</b>	<b>7,31,986</b>	<b>30,14,142</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES (under the Companies Act):**

There were no Penalties / Punishment / Compounding of Offences for Financial Year ended 31<sup>st</sup> March, 2018



**REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2017-18****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****Size and composition of the Board**

The Board of Directors of the Company comprises of Eight (8) members, of which One (1) Executive Director, Two (2) are Non-executive Directors and Five are Independent Directors. The Chairman of the Board is a Non-Executive Director. None of the Directors on the Board holds Directorships in more than ten public Companies. Further, none of them is a Member of more than ten committees or Chairman of more than five Committees across all public companies in which he/she is a director. The necessary disclosures regarding Committee positions have been made by the Directors. Mr. Babulal Agarwal is maternal uncle of Mr. Rajesh R. Gupta and Mr. Mukesh R. Gupta and Mr. Rajesh R. Gupta and Mr. Mukesh R. Gupta are brothers. None of the other Directors are related to each other.

**Memberships of other Boards / Board Committees**

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the number of Directorships and Committee Memberships held by them in other companies are given below in **Table - 1**:

**Table-1**

S. No	Name and Designation (DIN)	Status /Category	Attendance in FY 2016-17		Number of Directorships in other Companies		Committee Membership and Chairmanship in other public \$		Shareholding in the Company
			Board Meetings (5 Meeting held)	AGM	Private	Public	Chairmanship	Membership	
1.	Mr. Mukesh R. Gupta Chairman (00028347)	Promoter and Non – Executive	5	Yes	-	-	-	-	57,07,300
2.	Mr. Rajesh R. Gupta Director (00028379)	Promoter and Non – Executive	4	Yes	-	1	-	-	56,91,720
3.	Mr. Babulal Agarwal Managing Director (00029389)	Promoter and Executive	5	Yes	-	-	-	-	-
4.	Mr. Shantanu Mohapatra Director (00176836)	Non Executive and Independent	3	Yes	-	1	-	1	-
5.	Mr. Devidas Kambale Director (00020656)	Non Executive and Independent	4	No	-	3	-	-	-
6.	Mr. Jagannath Dange Director (01569430)	Non Executive and Independent	5	Yes	2	3	-	-	-
7.	Dr. B.R. Singh Director (02843001)	Non Executive and Independent	4	Yes	1	-	-	-	-
8.	Mrs. Bhagyam Ramani Director (00107097)	Non Executive and Independent	4	No	1	8	-	4	-

**Note:**

\$ Includes only Audit Committee and Shareholders' / Investors' Grievance Committee in all public limited companies (whether listed or not) and excludes private limited companies, foreign companies and Section 8 companies.

The information as required under Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is being made available periodically to the Board. The Board periodically reviews the compliance status of the Company. The company has adopted the Code of Conduct for Executive Directors, Senior Management Personnel and other executives of the company.

The Company has received confirmation from Executive Directors (i.e. the Managing Director) as well as the senior management personnel regarding compliance of the Code during the year under review. The Company has also adopted the Code of Conduct for the Non-Executive Directors of the Company. The company has received confirmations from the Non-Executive Directors regarding compliance of the Code for the period ended 31<sup>st</sup> March, 2018. Both the Codes are posted on the website of the Company i.e. [www.lloyds.in](http://www.lloyds.in).

### Board Meeting

The Board meets at regular intervals to discuss and decide on Company's business policies and strategy apart from other regular business matters. Board Meetings are usually held at the Corporate Office of the Company at Mumbai. During the financial year ended on 31<sup>st</sup> March, 2018, **Five** Board Meetings were held on 12<sup>th</sup> April, 2017; 18<sup>th</sup> July, 2017; 07<sup>th</sup> August, 2017; 25<sup>th</sup> October, 2017 and 22<sup>nd</sup> January, 2018. Maximum time gap between two consecutive meetings had not exceeded 120 days.

The agenda and notes are circulated to the Directors in advance. All material information is included in the agenda for facilitating meaningful discussions at the meeting. In case of urgent necessity, resolutions are passed by circulation in accordance with the provisions of Companies Act, 2013. Business Unit heads and senior management personnel make presentations to the Board. The Board is updated on the discussions held at the Committee meetings and the recommendations made by various Committees.

### Familiarization programme for Independent Directors

Whenever any person joins the Board of the Company as an Independent Director, an induction programme is arranged for him / her wherein he / she is familiarized with the Company, their roles, rights and responsibilities in the Company, the code of conduct to be adhered, nature of the industry in which the Company operates, business model of the Company, meeting with the senior management team members, etc.

The detail of such familiarization programme is disclosed on the Company's website at [www.lloyds.in](http://www.lloyds.in).

## 3. BOARD COMMITTEES

The Board Committees play a vital role in strengthening the Corporate Governance practices and focus effectively on the issues and ensure expedient resolution of the diverse matters. The Committees also make specific recommendations to the Board on various matters

when required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. The Board of Directors has, from time to time, constituted the following Committees, namely:

### (i) AUDIT COMMITTEE

The Company had re-constituted an Audit Committee in Board Meeting held on 06<sup>th</sup> November, 2015 in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The broad terms of reference of the Audit Committee were:

#### Powers of the Audit Committee

- a. To investigate any activity within its terms of reference;
- b. To seek information from any employee;
- c. To obtain outside legal or other professional advice;
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### Role of the Audit Committee, inter alia, includes the following

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment, remuneration and terms of appointment of statutory auditors including cost auditors of the Company.
3. Approving payment to statutory auditors, including cost auditors, for any other services rendered by them.
4. Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by the management;
  - Significant adjustments made in financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;

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- Disclosure of any related party transactions; and
  - Modified opinions in draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
  6. Monitoring and reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  7. Reviewing and monitoring the auditors independence and performance, and effectiveness of audit process.
  8. Approval or any subsequent modification of transactions of the Company with related parties.
  9. Scrutiny of inter-corporate loans and investments.
  10. Valuation of undertakings or assets of the Company, wherever it is necessary.
  11. Evaluation of internal financial controls and risk management systems.
  12. Reviewing, with the management, the performance of statutory auditors and internal auditors, adequacy of internal control systems Formulating the scope, functioning, periodicity and methodology for conducting the internal audit.
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  14. Discussion with internal auditors of any significant findings and follow-up thereon.
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
  17. To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  18. To review the functioning of the Whistle Blower mechanism.
  19. Approval of appointment of the CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background, etc. of the candidate.
  20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  21. Reviewing the following information:
    - The Management Discussion and Analysis of financial condition and results of operations;
    - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
    - Management letters/letters of internal control weaknesses issued by the statutory auditors;
    - Internal audit reports relating to internal control weaknesses; and
    - Reviewing the appointment, removal and terms of remuneration of the Chief internal auditor / internal auditor(s);
    - Statement of deviations:
      - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
      - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The scope of the Audit Committee has been in compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of the Audit Committee and the details of meetings attended by the Directors during F.Y 2017-18, are given below in **Table - 2**.

**Table - 2**

S. No	Name of Directors	Status	Category	Meetings held (4 Meetings Held)	Meetings Attended
1.	Mr. Shantanu Mohapatra	Chairman	Non-Executive & Independent	4	3
2.	Mr. Mukesh Gupta	Member	Non-Executive & Non Independent	4	4
3.	Mr. Devidas Kambale	Member	Non-Executive & Independent	4	3
4.	Dr. B. R. Singh	Member	Non-Executive & Independent	4	3

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The chairman of the Audit Committee, Mr. Shantanu Mohapatra, was present at the Fortieth Annual General Meeting held on 19<sup>th</sup> September, 2017.

**Dates of Audit meeting:** Four Audit Committee meeting were held during the year 2017-18 vis. 12<sup>th</sup> April, 2017; 07<sup>th</sup> August, 2017; 25<sup>th</sup> October, 2017 and 22<sup>nd</sup> January, 2018.

Audit Committee meetings are attended by the Chief Financial Officer and the Head (Internal Audit). The Statutory Auditors are invited to each meeting and the Managing Director/other persons are invited to the meetings as and when required. The Company Secretary acts as the Secretary of the Audit Committee. The necessary quorum was present at the meetings.

### (ii) NOMINATION AND REMUNERATION COMMITTEE

The Board at its meeting held on 06<sup>th</sup> November, 2015, reconstituted the Remuneration Committee as 'Nomination and Remuneration Committee' with the scope as prescribed under the provisions of Section 178 of the Companies Act, 2013.

**Terms of Reference of the Committee, inter alia, includes the following:**

- i. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal;

- ii. To carry out evaluation of every Director's performance;
- iii. To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees;
- iv. To formulate the criteria for evaluation of Independent Directors and the Board;
- v. To decide whether to extend or continue the term of appointment of Independent Director, on the basis of the report of performance evaluation of independent directors;
- vi. To devise a policy on Board diversity;
- vii. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria;
- viii. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by the Directors are given below in **Table - 3**.

**Table – 3**

S. No	Name of Directors	Status	Category	Meetings held (2 Meetings Held)	Meetings Attended
1.	Dr. B. R. Singh	Chairman	Non-executive & Independent	2	2
2.	Mr. Devidas Kambale	Member	Non-executive & Independent	2	2
3.	Mr. Mukesh R. Gupta	Member	Non-executive & Non Independent	2	2

**Meeting Details:** During the year under review two (2) meetings of the Nomination and Remuneration Committee was held on 07<sup>th</sup> August, 2017 & 22<sup>nd</sup> January, 2018

### Remuneration of Directors:

S. No	Name of the Director	Salary	Perquisites and allowances	Performance Linked Incentive	Sitting Fees\$	Total	Stock options granted
1.	Mr. Babulal Agarwal*	65,00,004	-	-	-	65,00,004	-
2.	Mr. Mukesh R. Gupta	-	-	-	22,000	22,000	-
3.	Mr. Rajesh R. Gupta	-	-	-	8,000	8,000	-
4.	Mr. Shantanu Mohapatra	-	-	-	12,000	12,000	-
5.	Mr. Devidas Kambale	-	-	-	20,000	20,000	-
6.	Mr. Jagannath Dange	-	-	-	12,000	12,000	-
7.	Mr. B.R. Singh	-	-	-	20,000	20,000	-
8.	Mrs. Bhagyam Ramani	-	-	-	10,000	10,000	-

\* The tenure of office of the Mr. Babulal Agarwal, Managing Director is for three years from 1<sup>st</sup> January, 2015 to 31<sup>st</sup> December, 2017. There is no provision for notice period and payment of severance fees.

\$The Non Executive Directors are paid only sitting fees on the recommendation of Nomination and Remuneration Committee.

**Note: There were no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Non-Executive Directors.**

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## Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and in compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Key Managerial Personnel. The Directors expressed their satisfaction with the evaluation process.

## Appointment and remuneration policy for Directors, Key Managerial Personnel and Senior Management

The Nomination and Remuneration Committee ("NRC") has adopted a policy which, inter alia, deals with the manner of selection of Board of Directors, Managing Director/Executive Director, other Key Managerial Personnel and their remuneration. The details of the policy disclosed on the website of the company at [www.lloyds.in](http://www.lloyds.in).

## (iii) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board at its meeting held on 15<sup>th</sup> October, 2014, reconstituted the "Shareholders' Grievance Committee" as "Stakeholders' Relationship Committee" in compliance with the provisions of Section 178 of the Companies Act, 2013, for redressal of Shareholders' grievances like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc. The Committee meets the requirements as specified in the composition of the Stakeholders' Relationship Committee and the details of composition of committee are given below in **Table - 4**.

**Table - 4.**

S. No	Name of Directors	Status	Category
1.	Mr. Mukesh R. Gupta	Chairman	Non-executive & Non Independent
2.	Mr. Devidas Kambale	Member	Non-executive & Independent
3.	Dr. B. R. Singh	Member	Non-executive & Independent

<b>Name, Designation and address of Compliance officer</b>	<b>Mr. Nitesh Tanwar</b> Company Secretary & Compliance Officer 16 <sup>th</sup> Floor, C-Wing, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai -400013 Phone: 022-3041 8263 E-Mail: <a href="mailto:nrtanwar@lloyds.in">nrtanwar@lloyds.in</a>
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## Report on number of shareholder complaints received and resolved by the Company during the year ended March 31, 2018

No. of complaints pending as on 1 <sup>st</sup> April, 2017.	01
No. of complaints identified and reported during FY 2017-18	10
No. of Complaints disposed of during the year ended 31 <sup>st</sup> March, 2018	11
No. of pending complaints as on 31 <sup>st</sup> March, 2018	0

## 4. SUBSIDIARY COMPANY

There is no subsidiary company.

## 5. GENERAL BODY MEETINGS

### A. Annual General Meeting

The Annual General Meetings of the Company during the preceding three years were held at registered office of the Company at **Plot No. A 1-2, MIDC Area, Ghugus, Dist – Chandrapur, 442 505, Maharashtra** on the following dates and times, wherein the following special resolutions were passed:

AGM	Year	Date, Day & Time	Brief Description of Special Resolution
38 <sup>th</sup>	2014-2015	10 <sup>th</sup> August, 2015 Monday, 12.30 P.M.	No Special resolution was passed.
39 <sup>th</sup>	2015-2016	10 <sup>th</sup> June, 2016 Friday, 12.30 P.M	1. Sub-division of Equity Shares from the Face Value of ₹ 2/- per share to Face Value of ₹ 1/- per share. 2. Alteration of the Capital Clause of Memorandum of Association of the Company.
40 <sup>th</sup>	2016-2017	19 <sup>th</sup> September, 2017 Tuesday, 12.30 P.M	1. Revision in terms of Remuneration of Mr. Babulal Agarwal, Managing Director of The Company w.e.f. 1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> December, 2017. 2. Reappointment of Mr. Babulal Agarwal as a Managing Director of The Company for the further Periods of 5 Years. 3. Approval of Employees Stock Options Plan ("LLOYDS ESOP-2017") and grant of Employee Stock Options to the employees of the Company through trust.

**B. Extra Ordinary General Meeting (EGM)**

No Extra Ordinary General Meeting (EGM) was held during the last financial year i.e 2017-2018.

**C. Postal Ballot**

During the financial year 2017-18, Company has passed following Three Special Resolutions and One Ordinary Resolution through Postal ballot for approving:

1	Ratification of the Approval and Implementation of the Lloyds ESOP – 2017, Through Trust Route
2	Issue of equity shares to the employees of the holding and subsidiary company (ies) under Lloyds metals and energy limited employee stock option plan – 2017
3	Provisioning of money to “Lloyds Employees Welfare Trust”
4	To consider and determine the fees for delivery of any document through a particular mode of delivery to a member

The result or summary of Postal Ballot are available on the following weblink: <http://lloyds.in/wp-content/uploads/2017/04/BSE-Postal-Ballot-result.pdf>

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

**6. MEANS OF COMMUNICATION**

Information like Quarterly / Half yearly / Annual Financial Results and press releases on significant developments in the Company that have been made available from time to time, are hosted on the Company's website www.lloyds.in and have also been submitted to the Stock Exchanges to enable them to put them on their websites and communicate to their members. The quarterly half yearly / annual financial results are published in Business Standard (English) and Mumbai Lakshadweep (Marathi) newspapers. The Company is electronically filing all reports / information including Quarterly Results, Shareholding Pattern and Corporate Governance Report etc on the BSE website i.e www.listing.bseindia.com and on the MSE website i.e www.msei.in.

**7. GENERAL SHAREHOLDER INFORMATION**

<b>7.1 Annual General Meeting</b>	<b>Date : 8<sup>th</sup> August, 2018</b> <b>Time : 12.30 p.m</b> <b>Venue: Plot No. A 1-2, MIDC Area, Ghugus, Dist Chandrapur, 442 505, Maharashtra.</b>
<b>7.2 Financial Year</b>	1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018
<b>7.3 Financial calendar</b>	Approval of Quarterly Results: April, July, October and January. Annual General Meeting in July/August/September.
<b>7.4 Date of Book Closure</b>	<b>01<sup>st</sup> August, 2018 to 08<sup>th</sup> August, 2018</b>
<b>7.5 Dividend Payment Date</b>	No Dividend was declared during the financial year 2017-18.
<b>7.6 Listing on Stock Exchanges</b>	Equity Shares <b>Stock Code: 512455</b> <b>ISIN No.: INE281B01032</b> <b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 <b>MSEI Limited (MSEI)</b> Vibgyor Towers, 4 <sup>th</sup> floor, Plot No. C 62, G - Block, Opp. Trident Hotel, Bandra Kurla Complex, Bandra (E), Mumbai – 400 098, India.
<b>7.7 Annual listing fee</b>	Annual listing fee for the year 2018-19 shall be paid to BSE & MSE within due date.
<b>7.8 Correspondence Address</b>	Trade World, “C” Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai-400 013. Tel.No. 3041 8111. Fax No. 3041 8260

**7.9 Stock Market Price Data – BSE**

The monthly movement of Equity Share Price on Bombay Stock Exchange			
2017-2018	Share Price (In ₹)		BSE Sensex
Months	High	Low	Close
April	19.80	15.10	29,918.40
May	23.00	16.90	31,145.80
June	22.95	15.05	30,921.61
July	19.00	16.25	32,514.94
August	20.30	15.00	31,730.49
September	22.20	15.55	31,283.72
October	20.70	16.05	33,213.13
November	22.95	18.10	33,149.35
December	19.45	16.20	34,056.83
January	22.55	17.20	35,965.02
February	19.05	15.35	34,184.04
March	17.20	13.50	32,968.68

# LLOYDS METALS AND ENERGY LIMITED

## 7.10 Registrar and Share Transfer Agent

Bigshare Services Private Limited, 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai - 400059, Phone: 022-62638200, Fax: 022-62638299, E-mail Id: investor@bigshareonline.com

## 7.11 Share Transfer System

The Company has retained M/s. Bigshare Services Private Limited of Mumbai to carry out the transfer related activities. Authorized personnel are approving the transfer on periodical basis. All valid transfers are affected within stipulated days. Share certificates received at Registered Office are also sent to Registrars and Share Transfer Agents for doing the needful. In case of electronic transfers, the bye laws of Depositories are complied with.

## 7.12 Reconciliation of Share Capital Audit

The Reconciliation of Share Capital Audit is conducted by a Chartered Accountant in practice to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited ("Depositories") and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with Depositories) and that the requests for dematerialisation of shares are processed by the R&T agent within stipulated period of 21 days and uploaded with the concerned depositories.

## 7.13 Distribution of Shareholding

The Shareholding distribution of Equity Shares as on 31<sup>st</sup> March, 2018 is given hereunder: (Nominal value of each share ₹ 1/-)

NO. OF SHAREHOLDERS	% OF TOTAL	SHARE HOLDING	NO OF SHARES	% OF TOTAL
2248	19.04	1-500	5,22,011	0.23
7263	61.53	501-1000	71,29,397	3.20
1086	9.20	1001-2000	20,00,864	0.90
282	2.39	2001-3000	7,75,957	0.35
144	1.22	3001-4000	5,44,274	0.25
163	1.38	4001-5000	7,94,240	0.36
247	2.09	5001-10000	19,42,775	0.87
372	3.15	10001 AND ABOVE	20,88,73,062	93.84
<b>11805</b>	<b>100.00</b>	<b>Total</b>	<b>22,25,82,580</b>	<b>100.00</b>

## 7.14 Categories of Shareholders (as on 31<sup>st</sup> March, 2018)

The categories of shareholders are shown hereunder:

CATEGORY	NO OF SHAREHOLDERS	NO OF SHARES	% OF HOLDING
PROMOTERS	17	140,546,074	63.14
BANK / FINANCIAL INSTITUTIONS	2	8,000	0.00
MFs & UTI	1	2,000	0.00
FII/ NRI /OCB's	288	15,886,296	7.14
CLEARING MEMBERS	64	1,616,327	0.73
CORPORATE BODIES	131	14,769,867	6.64
PUBLIC	11,300	46,797,166	21.02
TRUST	1	1,000	0.00
UNCLAIMED SUSPENSE ACCOUNT	1	29,55,850	1.33
<b>TOTAL</b>	<b>11,805</b>	<b>222,582,580</b>	<b>100.00</b>

## 7.15 Top Ten Shareholders across all categories as on 31<sup>st</sup> March, 2018 :

S. NO.	NAME OF SHAREHOLDERS	NO OF SHARES	% OF HOLDING
1	Asp Technologies Private Limited	3,64,00,340	16.3536
2	Triumph Trade & Properties Developers Private Limited	2,91,58,208	13.1000
3	Shree Global Tradefin Limited	2,88,90,380	12.9796
4	Lloyds Metals And Minerals Trading LLP	2,23,75,426	10.0526
5	Sanjeev Garg	1,28,11,000	5.7556
6	Halan Properties Private Limited	80,23,000	3.6045
7	Ravi Agarwal	77,30,000	3.4729
8	Mukesh R Gupta	57,07,300	2.5641
9	Rajesh R Gupta	56,91,720	2.5571
10	Premlata Harlalka	28,36,000	1.2741

**7.16 Dematerialization of Shares**

As per SEBI's direction the Company had signed tripartite agreements with both the Depositories (NSDL & CDSL) and Registrars and Transfer Agents. Accordingly, dematerialisation facility for the shares of the Company is available and it is in the interest of all the shareholders to convert their physical holdings into electronic holdings by dematerialization. As on 31<sup>st</sup> March, 2018, 217,699,220 shares were held in dematerialized form which constitutes approx. 97.81% of total number of subscribed shares.

**7.17 Liquidity**

Company's Shares are traded on the Bombay Stock Exchange.

**7.18 Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, Conversion date and date and likely impact on the Equity: *Not applicable*****7.19 Information on Deviation from Accounting Standards, if any**

There has been no deviation from the Accounting Standards in preparation of annual accounts for the financial year 2017-18

**7.20 Commodity price risk or foreign exchange risk and hedging activities: *Not applicable*****7.21 Plant & Registered office:****Sponge Iron & Power Plant**

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

**7.22 Address for Correspondence**

**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 Limited**

1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis,  
Makwana Road, Marol, Andheri (E), Mumbai - 400059,  
Phone: 022-6263 8200; Fax: 022-6263 8299

E-mail Id: [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**Any query on Annual Report****Secretarial Department:**

Trade World, 'C' wing, 16<sup>th</sup> Floor, Senapati Bapat Marg,  
Lower Parel (W), Mumbai- 400 013.

Tel. No. 022-3041 8263, Fax No. 022-3041 8260

E mail: [investor@lloyds.in](mailto:investor@lloyds.in)

**8. OTHER DISCLOSURES****a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;**

There were no transactions with related parties pursuant to section 188 of Companies Act, 2013. The policy on dealing with related party transaction is placed on the Company's website at [www.lloyds.in](http://www.lloyds.in).

**b. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years :**

None

**c. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:**

The Company has a Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach the Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.

The disclosures reported are addressed in the manner and within the time frames prescribed in the policy. Under the policy, each employee has an assured access to the Ethics Chairman of the Audit Committee. The Whistle Blower Policy is displayed on the website of the Company, viz, [www.lloyds.in](http://www.lloyds.in).

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

The Company has complied with all applicable mandatory requirements as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**e. Web link where policy for determining material subsidiaries is disclosed: Not Applicable****f. Weblink where policy on dealing with Related Party Transactions:**

<http://lloyds.in/wp-content/uploads/2017/04/Policy-on-Materiality-of-Related-Party-Transaction.pdf>

**g. Disclosure of Commodity Price risks and commodity hedging activities: Not Applicable****h. Green Initiative**

Pursuant to section 101 and 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and Companies (Accounts) Rules, 2014, the Company can send Notice of Annual General Meeting, financial statements and other Communication in electronics forms. This Company is sending the Annual Report including the Notice of Annual



## LLOYDS METALS AND ENERGY LIMITED

General Meeting, Audited Financial Statements, Directors Report, Auditors Report along with their annexure etc. for the financial year 2017-18 in the electronic mode to the shareholders who have registered their e-mail ids with the Company and/or their respective Depository Participates (DPS).

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail addresses with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the Company, by sending a letter, duly signed by the first/sole holder quoting details of Folio No.

### 9. Non-compliance of any requirement of corporate governance report of sub-paras mentioned above with reasons thereof shall be disclosed

There was no non-compliance of any of the provisions applicable to the Company.

### 10. The disclosures of the compliance with corporate governance requirements specified in regulations 17 to 27 and clause (b) to clause (i) of sub-regulation (2) of regulation 46 shall be made in the section of corporate governance of the annual report:

Complied wherever applicable.

### 11. Disclosure by key managerial personnel about related party transactions:

There was no related party transactions during the financial year ended 31<sup>st</sup> March, 2018.

The Company has laid down a policy for dealing with Related Party Transactions. This policy is displayed on the website of the Company, viz, [www.lloyds.in](http://www.lloyds.in)

### 12. Disclosure of Accounting Treatment

The applicable Accounting Standards as issued by the Institute of Chartered Accountants of India and notified by the Central Government under Companies (Accounting Standards) Rules, 2006 as amended from time to time, have been followed in preparation of the financial statements of the company.

### 13. Proceeds from public issues, rights issues, preferential issues etc.

The company has not made any capital issues during the financial year.

### 14. Matters related to Capital Markets

The company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the company by any Stock Exchange or SEBI or any statutory authority, on any matter relating to capital markets, during the last three years.

### 15. Management Discussion & Analysis Report

The Management Discussion & Analysis Report is a part of Director's Report.

### 16. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the listed entity shall disclose the following details in its annual report, as long as there are shares in the unclaimed suspense account. The details of Lloyds Metals and Energy Limited unclaimed suspense account are as follows:-

SR. NO.	PARTICULARS	DEMAT	
		NUMBER OF SHAREHOLDERS	NUMBER OF EQUITY SHARES
1	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	1,568	17,38,500
2	Number of shareholders who approached listed entity for transfer of shares from suspense account.	8	8,000
3	Aggregate number of shareholders and the outstanding shares lying in the suspense account as on 31 <sup>st</sup> March, 2018.	1,560	17,30,500
4	Number of shareholders to whom shares were transferred from suspense account during the year.	1,016	12,25,350
5	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	2,576	29,55,850

The voting rights on the shares in the unclaimed suspense accounts as on 31<sup>st</sup> March, 2018 shall remain frozen till the rightful owners of such shares claim the shares.

### 17. CEO/CFO Certification

The Managing Director and the Chief Financial Officer of the Company have given a certificate to the Board of Directors as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulation, for the year ended 31<sup>st</sup> March, 2018.

**By order of the Board of Directors  
For Lloyds Metals and Energy Limited**

Place : Mumbai

(Mukesh R. Gupta)

Dated : 16<sup>th</sup> April, 2018

Chairman

**ANNEXURE – E**

Form No. MR-3  
**SECRETARIAL AUDIT REPORT**

For the Company's Financial Year from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel)]

To,

The Members,  
**Lloyds Metals and Energy Limited**  
**Chandrapur**  
(Maharashtra)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Lloyds Metals and Energy Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

Based on our verification of **Lloyds Metals and Energy Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **March 31, 2018**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2018** according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, were not attracted to the Company during the financial year under report.
4. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. Employees Provident Fund and Miscellaneous Provisions Act, 1952;
7. Employees State Insurance Act, 1948;
8. Employers Liability Act, 1938;
9. Environment Protection Act, 1986 and other environmental laws;
10. Equal Remuneration Act, 1976;
11. Factories Act, 1948;
12. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;
13. Indian Contract Act, 1872;
14. Income Tax Act, 1961 to the extent of Tax Deducted at Source under various Section and T.D.S. Returns filed;
15. Indirect Tax Laws relating to collections, deductions, wherever applicable, payments made and returns filed;
16. Indian Stamp Act, 1899;
17. The Maharashtra Stamp Act, 1958;
18. Industrial Dispute Act, 1947;
19. Maternity Benefits Act, 1961;
20. Minimum Wages Act, 1948;
21. Negotiable Instruments Act, 1881;
22. Payment of Bonus Act, 1965;
23. Payment of Gratuity Act, 1972;
24. Payment of Wages Act, 1936 and other applicable labour laws.
25. Indian Boiler Act, 1950;
26. Indian Electricity Act, 2003.
27. Indian Accounting Standard

**According to the records of the Company, the disputed dues in respect of Excise Duty as at 31<sup>st</sup> March, 2018 as per details furnished hereunder have not been deposited with appropriate authorities:**

S. No.	Name of the Statute	Amount (₹ In Lacs)	Forum where dispute is pending
1	The Central Excise Act, 1944	5.20	Supreme Court
2	The Central Excise Act, 1944	584.46	CESSTAT, Mumbai
	<b>Total</b>	<b>589.66</b>	

# LLOYDS METALS AND ENERGY LIMITED

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. No Change took place in the composition of Board of Directors and Committees thereof during the financial year under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the Board/Committee decisions are taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

We further report that during the audit period the Company has been listed with Metropolitan Stock Exchange of India Limited.

**For K. C. Nevatia & Associates**  
Company Secretaries

K. C. Nevatia  
Proprietor  
FCS No.: 3963  
C P No.: 2348

**Place:** Mumbai  
**Date:** 16.04.2018

This Report is to be read with our letter of even date which is annexed and forms an integral part of this report.

To,

The Members,  
**Lloyds Metals and Energy Limited**  
**Chandrapur**  
(Maharashtra)

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For K. C. Nevatia & Associates**  
Company Secretaries

K. C. Nevatia  
Proprietor  
FCS No.: 3963  
C P No.:2348

**Place:** Mumbai  
**Date:** 16.04.2018

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2017-18 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 are as under:

S. No	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial year 2017-18 (in ₹)	% increase in Remuneration in the Financial Year 2017-18	Ratio of Remuneration of each Director/ to median remuneration of employees
1.	Mr. Babulal Agarwal Managing Director	65,00,004	155.50	19.24
2.	Mr. Riyaz Shaikh Chief Financial Officer	22,82,156	6.01	Not Applicable
3.	Mr. Nitesh Tanwar Company Secretary and Compliance Officer	7,31,986	2.88	

*Note: Except Key Managerial Personnel i.e. Managing Directors, Chief Financial officer and Company Secretary, no other directors received any remuneration from the company other than sitting fees for attending Board meetings and committees meetings.*

- (ii) The median remuneration of employees of the Company during the financial year was ₹ 3,37,824/-
- (iii) In the Financial Year, there was Increase of 27.86 % in the median remuneration of Employees.
- (iv) There were 334 permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2018.
- (v) Average percentile increase already made in the salaries of employees other than the Managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- Details are not given as there was no increase or decrease in the salary of the employees.
- (vi) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

**Information as per Rule 5(2) & 5(3) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Top 10 employees in terms of remuneration drawn during the year:**

S. No.	Name	Designation	Age (in years)	Remuneration	Qualification	Experience (in years)	Last Employment Held	Commencement of Employment	Percentage of equity shares held by the employees
01.	Mr. Babulal Agarwal	Managing Director	72	65,00,004	B. Com, LL.B.	49	-	NA	NA
02.	Mr. Atul M Khadiolkar	Vice President - Mines	48	56,32,571	B. Com	27	-	02.01.2014	NA
03.	Mr. A. Nagendra Kumar	CEO-Plant	53	24,26,302	BE, MBA	32	Middeast Integrated Steels Ltd.	05.10.2017	NA
04.	Mr. Pranab Mohanty	Vice President	47	25,00,020	B.E. Mettu.	24	Feedback Energy & Distribution Company	10-08-2017	NA
05.	Mr. Subhash Singh	Assistant General Manager	46	24,00,012	Dip. In Mines Surveying	20	Jaiswal Neco Ltd.	03-10-2017	NA

## LLOYDS METALS AND ENERGY LIMITED

06.	Mr. Riyaz Shaikh	Chief Financial Officer	44	22,82,156	B. Com, PGDBA	25	Lloyds Steel Industries Limited	01.09.2012	NA
07.	Mr. Dinesh Patidar	Senior Vice President	55	22,44,000	B.E. - Electrical	31	Uttam Galva Metallic Ltd.	12.09.2015	NA
08.	Mr. Vinod Pandey	General Manager	47	21,63,276	B.E. - Electrical	24	M/s Crest Steel & Power (P) Ltd.,	20.01.2011	NA
09.	Mr. Suni Kumar Jha	Deputy General Manager	46	20,00,016	B.com, C.A	17	Electro Steels Ltd.	21.09.2017	NA
10.	Mr. Shyamal Jana	Deputy General Manager	46	18,52,944	Dip. - Metallurgy	22	Gopani Iron & Power (I) Pvt. Ltd.	01.02.2007	NA

### Notes:

- Details of Employees who were:
  - Employed throughout the Financial Year under review and in receipt of remuneration for the Financial Year in the aggregate of not less than ₹.1,02,00,000 per annum- **None**
  - Employed for the part of the Financial Year under review and in receipt of remuneration at the rate of not less than ₹ 8,50,000/- per month - **None**
- Except details of employees contained from serial no. 1 to 2 in the above table there was no other employee either throughout the financial year or part thereof who was in receipt of remuneration which in the aggregate was in excess of that drawn by the Managing Director or Whole-time Director and who held by himself or along with his spouse or dependent children two percent or more of the Equity Shares of the Company.
- None of the above employees is a relative of any Director of the Company except Managing Director

### Auditors' Certificate regarding compliance of conditions of Corporate Governance

#### To the Members,

#### Lloyds Metals and Energy limited

CIN: L40300MH1977PLC019594

Plot No. A 1-2, MIDC Area,

Ghugus, Dist. Chandrapur - 442 505,

Maharashtra

We have examined the compliance of conditions of Corporate Governance by Lloyds Metals and Energy Limited, for the year ended on 31<sup>st</sup> March, 2018, as mentioned in regulation 27 and other related Corporate Governance Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as mentioned in Regulation 27 and other related Corporate Governance Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

For M/s VSS and Associates,

**Sanjay Jain**  
Partner

## CEO/CFO CERTIFICATE

[Regulation 17(8)]

To,  
The Board of Directors,  
**Lloyds Metals and Energy Limited**

We hereby certify that we have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31<sup>st</sup> March, 2018 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the aforesaid period which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal control systems, if any, of which we are aware, and that we have taken the required steps to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee that:
  - (a) There have been no significant changes in internal control over financial reporting during the year.
  - (b) There have been no significant changes in accounting policies during the year.
  - (c) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Mr. Babulal Agarwal**  
Managing Director  
DIN: 00029389

**Mr. Riyaz Shaikh**  
Chief Financial Officer

**Date: 16<sup>th</sup> April, 2018**  
**Place: Mumbai**

**DECLARATION REGARDING COMPLIANCES OF COMPANY'S CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL OF COMPANY**

This is to confirm that the Company has adopted a Code of Conduct for its Directors and Senior Management Personnel of the Company.

Based on the declarations received from the respective Directors and Senior Management Personnel of the Company, I hereby confirm that the Company has duly complied with the Code of Conduct of Company in respect of Financial Year ended on 31<sup>st</sup> March, 2018.

For the purpose of this declaration, Senior Team Management includes Managing Director, Executive Director, Chief Financial Officer (CFO), Company Secretary and President Level employees of the Company.

**Date: 16<sup>th</sup> April, 2018**  
**Place: Mumbai**

**Mr. Babulal Agarwal**  
Managing Director  
DIN: 00029389

# LLOYDS METALS AND ENERGY LIMITED

## CERTIFICATE

### ***Sexual Harassment of Women at the Workplace and its Prevention, Prohibition & Redressal [Pursuant to Section 22 & 28 of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013]***

This is to certify that:

Lloyds Metals and Energy Limited ("the Company") has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees etc) are covered under this Policy.

The following is the Summary of sexual harassment complaints received and disposed off during the year under review i.e. Financial Year 2017 - 2018:

Number of Complaints received	Nil
Number of Complaints disposed off	Nil

For **Lloyds Metals and Energy Limited**

**Date: 16<sup>th</sup> April, 2018**  
**Place: Mumbai**

**Mr. Babulal Agarwal**  
**Managing Director**  
**DIN: 00029389**

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF M/S LLOYDS METALS AND ENERGY LIMITED****Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of M/s Lloyds Metals and Energy Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), and cash flows, and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules, 2015 (as Amended) under Section 133 of the Act

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, on a test basis, about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the

assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

**Opinion**

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

- (a) in the case of the Balance Sheet, of the state of affairs (financial position) of the Company as at 31<sup>st</sup> March, 2018;
- (b) in the case of the Statement of Profit and Loss, of the profit (financial performance including other comprehensive income) for the year ended on that date;
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date; and
- (d) in the case of the Statement of Changes in Equity, of the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the 'Annexure I', a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Company has no branch office and hence the company is not required to conduct audit under section 143 (8) of the Act;
- d) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash flow statement, and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards



# LLOYDS METALS AND ENERGY LIMITED

(Ind AS) prescribed in the Companies (Accounts) Rules, 2014 (as Amended) under Section 133 of the Act.

- f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure II". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over financial Reporting; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position as per the Notes to Standalone Ind AS Financial Statement.
  - The Company has made provision, as required under the applicable law or Indian Accounting Standards (Ind AS), for material foreseeable losses, as per Notes to the Standalone Ind AS Financial Statement.
  - During the year, no amounts were required to be transferred to the Investor Education and Protection Fund by the Company. The question of delay in transferring such sums does not arise.
  - The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended 31<sup>st</sup> March 2018.

For **VSS & Associates**

Chartered Accountants

ICAI Firm Reg. no.: 105787W

Sanjay Jain

Partner

M.No.: 046565

Dated: 16<sup>th</sup> April, 2018

## **ANNEXURE I TO AUDITORS' REPORT**

**[Referred to in above the Auditor's Report of even date to the Lloyds Metals and Energy Limited on the Financial Statements for the year ended 31<sup>st</sup> March 2018]**

- The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets
  - 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.
  - According to the information and explanation given to us and on verification, the title deeds of immovable properties are held in the name of the company except for the ones kept as collateral security against the Cash Credit limit given by PMC Bank of ₹ 20 crores below:

Plot no A-1, Ghugus Industrial Area, Dist Chandrapur admeasuring 40,000 sq mtrs
Plot no A-2, Ghugus Industrial Area, Dist Chandrapur admeasuring 8,95,200 sq mtrs

- As per the information provided to us, Inventory has been physically verified by the management during the year and no material discrepancies were noticed.
- According to information and explanation given to us, the Company has not granted any secured or unsecured loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.  
In view of the above, provisions of clause 3(iii) (b) and (c) are not applicable to the company.
- In our opinion and according to information and explanation given to us, the company has, in respect of loans, investments, guarantees, and security provisions, complied with section 185 and 186 of the Companies Act, 2013.
- According to the information and explanation given to us, the company has not accepted any deposits, whether the directives issued by the Reserve Bank of India, and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. Hence the provisions of clause 3(v) are not applicable to the company.
- Pursuant to the rules made by the Central Government, the maintenance of Cost Records have been prescribed u/s. 148(1) of the Companies Act, 2013. 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.

7. (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, Employees' state insurance, Income Tax, Sales Tax, Service tax, Custom duty, Excise duty, Value added tax, GST, Cess and other 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 ₹ 589.66 Lakhs as at 31<sup>st</sup> March 2018 have not been deposited with appropriate authorities and no provision has been made for the same:

Sr. No.	Name of the Statute	Amount (In Lakhs)	Forum where dispute is pending
1	The Central Excise Act, 1944	5.20	Supreme Court
2.	The Central Excise Act, 1944	584.46	CESTAT, Mumbai
<b>Total</b>		<b>589.66</b>	

8. In our opinion and according to the information and explanation given to us and the books of accounts verified by us, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.
9. As per information given to us, no money was raised by way of initial public offer or further public offer (including debt instruments) nor have any fresh term loans been taken by the Company during the year. Hence the provisions of clause 3(ix) are not applicable to the company.
10. 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.
11. According to the information and explanation given to us and the books of accounts verified by us, the Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. The Company is not a Nidhi Company, hence the provision of clause 3(xii) are not applicable to the company.
13. According to the information and explanation given to us, all transactions entered with the related parties are in compliance with section 177 and 188 of Companies Act 2013 and the details have been disclosed in the financial statements.

14. According to information and explanation given to us, the Company during the year, has not made any preferential allotment or private placement of shares or fully or partly convertible debentures, hence the provision of clause 3(xiv) are not applicable to the company
15. According to the information and explanation given to us and the books of accounts verified by us, the company has not entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

**For VSS & Associates**

Chartered Accountants

ICAI Firm Reg. no.: 105787W

Sanjay Jain

Partner

M.No.: 046565

Dated: 16<sup>th</sup> April 2018

Place: Mumbai

**ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF LLOYDS METALS AND ENERGY LIMITED AS ON 31<sup>ST</sup> MARCH 2018**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

To the Members of Lloyds Metals and Energy Limited

We have audited the internal financial controls over financial reporting of Lloyds Metals and Energy Limited ("the Company") as of 31<sup>st</sup> March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

# LLOYDS METALS AND ENERGY LIMITED

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## For VSS & Associates

Chartered Accountants

ICAI Firm Reg. no.: 105787W

Sanjay Jain

Partner

M.No.: 046565

Dated: 16<sup>th</sup> April 2018

Place: Mumbai

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018

(₹ in Lakhs)

Particulars		Note No.	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017 (Restated)	As at 01 <sup>st</sup> April, 2016 (Restated)
<b>ASSETS</b>					
(1)	<b>Non-Current Assets</b>				
	(a) Property, Plant and Equipment	4	34,823.52	31,988.84	29,265.94
	(b) Capital Work in Progress		2,299.17	845.88	725.65
	(c) Financial Assets				
	(i) Investments	5	13.15	13.15	13.15
	(d) Other Non-current Assets	6	3,851.82	3,882.20	3,881.02
	<b>Total Non Current Assets</b>		<b>40,987.66</b>	<b>36,730.07</b>	<b>33,885.75</b>
(2)	<b>Current Assets</b>				
	(a) Inventories	7	6,785.85	6,813.69	5,654.11
	(b) Financial Assets				
	(i) Trade Receivables	8(i)	1,553.83	1,094.66	2,172.10
	(ii) Cash and Cash Equivalent	8(ii)	36.02	23.60	53.08
	(iii) Bank Balances Other than (ii) above	8(iii)	677.40	792.46	694.27
	(iv) Other Financial Assets	8(iv)	1,518.66	1,844.97	1,832.13
	(v) Prepayments	8(v)	119.22	291.38	157.93
	(c) Other Current Assets	9	3,933.31	2,677.66	1,876.64
	<b>Total Current Assets</b>		<b>14,624.29</b>	<b>13,538.42</b>	<b>12,440.25</b>
	<b>TOTAL ASSETS</b>		<b>55,611.95</b>	<b>50,268.49</b>	<b>46,326.00</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
	(a) Equity Share Capital	10	2,243.05	2,243.05	2,243.05
	(b) Other Equity	11	6,200.38	4,519.32	3,954.00
	<b>Total Equity</b>		<b>8,443.43</b>	<b>6,762.37</b>	<b>6,197.05</b>
<b>Liabilities</b>					
(1)	<b>Non Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	12(i)	1,003.39	929.06	1,004.41
	(ii) Trade Payables	12(ii)	5,168.52	5,401.95	9,615.43
	(iii) Other Financial Liabilities	12(iii)	2,405.75	2,384.79	2,462.19
	(b) Provisions	13	434.83	396.22	372.69
	(c) Other Non-Current Liabilities	14	28,726.24	25,329.73	19,564.40
	<b>Total Non Current Liabilities</b>		<b>37,738.73</b>	<b>34,441.75</b>	<b>33,019.11</b>
(2)	<b>Current Liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	15(i)	1,914.79	1,653.35	193.49
	(ii) Trade Payables	15(ii)	6,760.33	5,988.62	6,406.71
	(iii) Other Financial Liabilities	15(iii)	174.09	799.96	53.28
	(b) Provisions	16	223.84	204.08	147.57
	(c) Other Current Liabilities	17	356.74	418.36	308.79
	<b>Total Current Liabilities</b>		<b>9,429.79</b>	<b>9,064.37</b>	<b>7,109.84</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>55,611.95</b>	<b>50,268.49</b>	<b>46,326.00</b>

See accompanying notes 1 to 37 are integral part of these Financial Statements

As per our Report of Even Date

**For VSS & ASSOCIATES**

Chartered Accountants

Firm Registration No. 105787W

**For and on behalf of the Board of Directors of****Lloyds Metals and Energy Limited****Sanjay Jain**

Partner

Membership No 46565

**Babulal Agarwal**

Managing Director

DIN: 00029389

**Mukesh R. Gupta**

Chairman

DIN: 00028347

**Riyaz Shaikh**

Chief Financial Officer

**Nitesh Tanwar**

Company Secretary

Membership No.-ACS-28498

**Place : Mumbai****Date : 16<sup>th</sup> April, 2018**

# LLOYDS METALS AND ENERGY LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

(₹ in Lakhs)

Particulars		Note No	For the Year ended 31 <sup>st</sup> March, 2018	For the Year ended 31 <sup>st</sup> March, 2017
<b>INCOME</b>				
I.	Revenue from Operations (gross)	18	42,327.11	40,099.27
II.	Other income	19	2,468.34	1,392.12
III.	<b>TOTAL INCOME (I+II)</b>		<b>44,795.45</b>	<b>41,491.39</b>
<b>EXPENSES:</b>				
IV.	(a) Cost of Materials Consumed	20	30,335.56	24,576.16
	(b) Purchases of Stock-in-trade	21	3,070.61	5,813.57
	(c) Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	22	(699.37)	(774.32)
	(d) Employee Benefit Expenses	23	1,609.46	1,534.78
	(e) Finance Cost	24	1,041.38	1,016.39
	(f) Depreciation and Amortisation Expense	25	1,368.01	1,297.34
	(g) Excise Duty		1,206.14	3,204.93
	(h) Other Expenses	26	5,160.25	4,265.34
	<b>TOTAL EXPENSES (IV)</b>		<b>43,092.04</b>	<b>40,934.19</b>
V.	<b>PROFIT /(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)</b>		<b>1,703.41</b>	<b>557.20</b>
VI.	Exceptional Items		-	-
VII.	<b>PROFIT / (LOSS) BEFORE TAX (V-VI)</b>		<b>1,703.41</b>	<b>557.20</b>
VIII.	Tax Expenses:			
	(1) Current Tax		-	-
	(2) Deferred Tax		-	-
IX.	<b>PROFIT / (LOSS) FROM ORDINARY ACTIVITIES AFTER TAX (VII-VIII)</b>		<b>1,703.41</b>	<b>557.20</b>
X.	<b>OTHER COMPREHENSIVE INCOME</b>			
	(a) (i) Items that will be reclassified subsequently to the statement of profit and loss		-	-
	(ii) Income tax on items that will be reclassified subsequently to the statement of profit and loss		-	-
	(b) (i) Items that will not be reclassified subsequently to the statement of profit and loss		(22.36)	8.12
	(ii) Income tax on items that will not be reclassified subsequently to the statement of profit and loss		-	-
	<b>TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES)</b>		<b>(22.36)</b>	<b>8.12</b>
XI.	<b>TOTAL COMPREHENSIVE INCOME OF THE YEAR (IX+X)</b>		<b>1,681.05</b>	<b>565.32</b>
XII.	<b>EARNING PER EQUITY SHARES:</b>			
	(1) Basic (in ₹)	34	0.77	0.25
	(2) Diluted (in ₹)		0.77	0.25

See accompanying notes 1 to 37 are integral part of these Financial Statements

As per our Report of Even Date

**For VSS & ASSOCIATES**

Chartered Accountants

Firm Registration No. 105787W

**For and on behalf of the Board of Directors of**

**Lloyds Metals and Energy Limited**

**Sanjay Jain**

Partner

Membership No 46565

**Babulal Agarwal**

Managing Director

DIN: 00029389

**Mukesh R. Gupta**

Chairman

DIN: 00028347

**Riyaz Shaikh**

Chief Financial Officer

**Nitesh Tanwar**

Company Secretary

Membership No.-ACS-28498

**Place :** Mumbai

**Date :** 16<sup>th</sup> April, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

		(₹ in Lakhs)	
Particulars		Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>A.</b>	<b>CASH FLOW FROM OPERATION ACTIVITIES :</b>		
	<b>Net Profit before Tax and Extraordinary Items</b>	<b>1,703.41</b>	<b>557.20</b>
	<b>Adjustments for:</b>		
	Depreciation	1,368.01	1,297.34
	Other comprehensive Income	(22.36)	8.12
	(Profit) / Loss on disposal of Property, Plant and equipment	0.29	1.28
	Interest/Dividend/MEGA Sales Tax incentive Received	(52.97)	(169.21)
	Interest & Financial Charges	1,041.38	1,016.39
	<b>Operating Profit Before Working Capital Changes</b>	<b>4,037.76</b>	<b>2,711.12</b>
	<b>Change in operating assets and liabilities</b>		
	(Increase)/Decrease in Trade and other Receivables	(459.17)	1,077.44
	(Increase)/Decrease in Financial Assets other than Trade Receivables	498.47	(146.29)
	(Increase)/Decrease in Other Current Assets	(1,255.65)	(801.01)
	(Increase)/Decrease in Inventories	27.84	(1,159.58)
	Increase/(Decrease) in Borrowings	261.44	1,459.86
	Increase/(Decrease) in Trade Payable	538.28	(4,631.57)
	Increase/(Decrease) in Other Financial Liabilities	(625.87)	746.68
	Increase/(Decrease) in Other Current Liabilities	(61.62)	109.57
	Increase/(Decrease) in Provisions	51.98	95.02
	<b>Cash Generated from Operations</b>	<b>3,013.46</b>	<b>(538.76)</b>
	Direct Taxes Paid (Net of Refunds)	6.39	(14.98)
	<b>Net cash inflow (outflow) from operating activities</b>	<b>3,019.85</b>	<b>(553.74)</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Purchase of Property, Plant & Equipment	(4,271.91)	(3,949.28)
	(Increase)/Decrease on FDR	115.06	(98.19)
	Sale of Property, Plant & Equipment	68.95	2.50
	Interest/Dividend/MEGA Sales Tax incentive Received	52.97	169.21
	(Increase)/Decrease in Loan	30.38	(1.18)
	(Increase)/Decrease in Capital WIP	(1,453.29)	(194.99)
	<b>Net cash inflow (outflow) from investing activities</b>	<b>(5,457.84)</b>	<b>(4,071.93)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Interest & Financial Charges Paid	(1,041.38)	(1,016.39)
	Proceeds /( Repayments ) in Borrowing	74.33	(75.35)
	Proceeds /( Repayments ) in Other financial Liabilities	20.96	(77.40)
	Proceeds /( Repayments ) in Other Non Current Liabilities	3,396.50	5,765.33
	<b>Net cash inflow /(outflow) from financing activities</b>	<b>2,450.41</b>	<b>4,596.19</b>
	<b>Net Increase /(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>12.42</b>	<b>(29.48)</b>
	Cash & Cash Equivalents as on 01 <sup>st</sup> April, 2017	23.60	53.08
	Cash & Cash Equivalents as on 31 <sup>st</sup> March, 2018	36.02	23.60
	<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b>	<b>12.42</b>	<b>(29.48)</b>
	<b>Components of Cash and Cash Equivalents</b>		
	(a) Cash on Hand	7.47	11.92
	(b) Balance with Schedule Bank in : Current account	28.55	11.68
	<b>Total Cash and Cash Equivalents</b>	<b>36.02</b>	<b>23.60</b>

**Notes:**

- Cash Flow Statement has been prepared following the indirect method as set out in Ind AS -7 specified under Section 133 of the Companies Act, 2013 except in case of interest paid / received, purchase and sale of Investments which have been considered on the basis of actual movements of cash with necessary adjustments in the corresponding assets and liabilities.
- Cash and Cash Equivalents represent Cash & Bank balances.

See accompanying notes 1 to 37 are integral part of these Financial Statements

As per our Report of Even Date

**For VSS & ASSOCIATES**

Chartered Accountants

Firm Registration No. 105787W

**For and on behalf of the Board of Directors of**

**Lloyds Metals and Energy Limited**

**Sanjay Jain**

Partner

Membership No 46565

**Babulal Agarwal**

Managing Director

DIN: 00029389

**Mukesh R. Gupta**

Chairman

DIN: 00028347

**Riyaz Shaikh**

Chief Financial Officer

**Nitesh Tanwar**

Company Secretary

Membership No.-ACS-28498

**Place :** Mumbai

**Date :** 16<sup>th</sup> April, 2018

# LLOYDS METALS AND ENERGY LIMITED

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

## A. Equity Share Capital

(₹ in Lakhs)

Particulars	Note No.	Equity Share capital
<b>As at 1<sup>st</sup> April, 2016</b>		<b>2,243.05</b>
Changes in equity share capital		-
<b>As at 31<sup>st</sup> March, 2017</b>	<b>10</b>	<b>2,243.05</b>
Changes in equity share capital		-
<b>As at 31<sup>st</sup> March, 2018</b>		<b>2,243.05</b>

## B. Other Equity

(₹ in Lakhs)

Particulars	Note No.	Reserves and Surplus			Total
		Capital Reserve	Surplus	Other comprehensive income	
<b>As at 1<sup>st</sup> April, 2016</b>		<b>7,756.22</b>	<b>(3,802.22)</b>	-	<b>3,954.00</b>
Profit for the year		-	557.20	-	557.20
Acturial Gain/ (Loss) for the year		-	-	8.12	8.12
<b>As at 31<sup>st</sup> March, 2017</b>	<b>11</b>	<b>7,756.22</b>	<b>(3,245.02)</b>	<b>8.12</b>	<b>4,519.32</b>
Profit for the year		-	1,703.42	-	1,703.42
Acturial Gain/ (Loss) for the year		-	-	(22.36)	(22.36)
<b>As at 31<sup>st</sup> March, 2018</b>		<b>7,756.22</b>	<b>(1,541.60)</b>	<b>(14.24)</b>	<b>6,200.38</b>

See accompanying notes 1 to 37 are integral part of these Financial Statements

As per our Report of Even Date

**For VSS & ASSOCIATES**

Chartered Accountants

Firm Registration No 105787W

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Lloyds Metals and Energy Limited**

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Chief Financial Officer

**Nitesh Tanwar**  
Company Secretary  
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**NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018.**

**1. Background**

Lloyds Metals and Energy Limited was incorporated in 1977 having its registered office in Plot No A 1-2, MIDC Area Ghugus Chandrapur - 442505, Maharashtra State. The Company is into the business of manufacture of Sponge Iron and Steel, Power Generation and Mining activities.

**2. Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Statement of Compliance/Adoption of Ind AS for first time**

In accordance with the notification issued by the ministry of corporate affairs, the company has adopted Indian Accounting Standards (referred to as "Ind-AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2017 previous period have been restated to Ind-AS.

For all periods up to and including the year ended 31st March 2017, the Company prepared its Standalone financial statements in accordance with requirements of the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP"). These are the first financial statements of the Company that is prepared in accordance with Ind-AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013. The date of transition to Ind AS is 1st April 2016.

These Standalone Financial Statements have been prepared in accordance with Ind-AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

**b) Basis of preparation**

i) Compliance with Ind AS The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS, refer note no. 37 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

ii) Historical cost convention the financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value wherever applicable;
- Defined benefit plans – plan assets measured at fair value;

**c) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified Managing Director and Chief Financial Officer as chief operating decision maker. Refer note no. 33 for segment information presented.

**d) Foreign currency translation**

i) Functional and presentation currency: Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Indian National rupee (₹), which is the Company's functional and presentation currency.

ii) Transactions and balances: Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. 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 period/year are translated at the period/ year end rate. The exchange difference is credited / charged to Profit & Loss Account in case of revenue items and capital items.

Forward exchange contracts entered into, to hedge foreign currency risk of an existing asset/ liability. The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.



# LLOYDS METALS AND ENERGY LIMITED

## e) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, sales incentive, rebate granted value added taxes and amounts collected on behalf of third parties. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable. Revenue from sale of by-products are included in revenue. The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below.

**Sale of products:** Revenue from the sale of manufactured and traded goods is recognized when the goods are delivered and titles have been passed, significant risks transferred, effective control over the goods no longer exists with the company, amount of revenue / costs in respect of the transactions can reliably be measured and probable economic benefits associated with the transactions will flow to the company.

**Measurement of revenue:** Revenue from sales is based on the price specified in the sales contracts, net of all discounts and returns at the time of sale.

### Other Revenue

#### 1) Customs duty

Customs duty/incentive entitlement eligible is accounted on accrual basis. Accordingly, import duty benefits against exports effected 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.

#### 2) Interest income

Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate.

#### 3) Other Income/Miscellaneous Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

## f) Government grants

Grants from the government are recognized at fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit and loss on a straight line basis over the expected lives of the related assets and presented within other income.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

## g) Income tax

Income tax expenses comprise current tax expense and the net changes in the deferred tax asset or liability during the year. Current & deferred taxes are recognized in the statement of Profit & Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current & deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

### 1) Current income tax

Income tax expense is the aggregate amount of Current tax. Current tax is the amount of income tax determined to be payable in respect of taxable income for an accounting period or computed on the basis of the provisions of Section 115JB of Income Tax Act, 1961 by way of minimum alternate tax at the prescribed percentage on the adjusted book profits of a year, when Income Tax Liability under the normal method of tax payable basis works out either a lower amount or nil amount compared to the tax liability u/s 115JA.

### 2) Deferred Tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognized to the extent it is probable that taxable profit will be available, against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax asset is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply in the year when the assets are realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

**h) Leases**

The Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**i) Impairment of assets**

Property plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverable amount of assets to be held and used is the higher of fair value less cost of disposal or value in use as envisaged in Ind-AS 36. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the recoverable value of the asset. Impairment loss is recognized in the statement of profit and loss except for properties previously revalued with revaluation taken to other comprehensive income. For such properties impairment loss is recognized in other comprehensive income up to the amount of any previous revaluation.

**j) Inventories**

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

- i) Raw Materials                      \*At lower of cost and net realizable value.

- ii) Stores and spares                At cost
- iii) Work-in-process/ semi-finished goods            At material cost plus labour and other appropriate portion of production and administrative overheads and depreciation
- iv) Finished Goods/ Traded Goods            At lower of cost and market value.
- v) Finished Goods at the end of trial run            At net realizable value.
- vi) Scrap material                    At net realizable value.
- vii) Tools and equipments            At lower of cost and disposable value.

***\*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.***

**k) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**l) Trade receivables**

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using effective interest method, less provision for impairment.

**m) Investments and other financial assets**

**i. Classification:** The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through other comprehensive income.

# LLOYDS METALS AND ENERGY LIMITED

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

## ii. Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

### **Debt instruments:**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

**Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income

from these financial assets is included in other income.

### **Equity instruments:**

The Company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in the other income. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

## iii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note no. 28 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

## iv. De-recognition of financial assets

Financial asset is derecognized only when:

- The Company has transferred the rights to receive cash flow from the financial asset or
- retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the

financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

**n) Cost recognition**

Costs and expenses are recognized when incurred and have been classified according to their nature.

The costs of the Company are broadly categorized in to material consumption, cost of trading goods, employee benefit expenses, depreciation and amortization, other operating expenses and finance cost. Employee benefit expenses include employee compensation, gratuity, leave encashment, contribution to various funds and staff welfare expenses. Other expenses broadly comprise manufacturing expenses, administrative expenses and selling and distribution expenses.

**o) Derivatives**

The derivative contracts to hedge risks which are not designated as hedges are accounted at fair value through profit or loss and are included in profit and loss account.

**p) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

**q) Property, plant and equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and impairment loss, if any in accordance with Ind-AS 16. The Company reviews the fair value with sufficient frequency to ensure that the carrying amount does not differ materially from its fair value.

Cost excludes CENVAT credit, sales tax, service tax credit, Input credit under GST and such other levies / taxes. Depreciation on assets is claimed on such 'reduced' cost. All items of repairs and maintenance are recognized in the statement of profit and loss, except those meet the recognition principle as defined in Ind-AS 16. Any revaluation of an asset is recognized in other comprehensive income and shown as revaluation reserves in other equity

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that

carrying value as the deemed cost of the property, plant and equipment.

**Depreciation/Amortisation methods, estimated useful lives and residual value**

Depreciation is calculated using the straight-line basis at the rates arrived at based on the useful lives prescribed in Schedule II of the Companies Act, 2013. The company follows the policy of charging depreciation on pro-rata basis on the assets acquired or disposed off during the year. Leasehold assets are amortized over the period of lease.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses on disposal are determined by comparing proceeds with carrying amount.

**r) Intangible assets**

**i) Recognition**

Intangible assets are recognized only when future economic benefits arising out of the assets flow to the enterprise and are amortized over their useful life. Intangible assets purchased are measured at cost or fair value as of the date of acquisition, as applicable, less accumulated amortization and accumulated impairment, if any.

**ii) Amortization methods and periods**

The Company amortizes intangible assets on a straight line method over their estimated useful life not exceeding 5 years. Software is amortized over a period of three years.

**iii) Transition to Ind AS**

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

**s) Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**t) Borrowings**

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any

# LLOYDS METALS AND ENERGY LIMITED

difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

## u) **Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as defined in Ind-AS 23 are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization. Any related foreign currency fluctuations on account of qualifying asset under construction is capitalized and added to the cost of asset concerned. Other borrowing costs are expensed as incurred.

## v) **Employee benefits**

### i) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as

current employee benefit obligations in the balance sheet.

### ii) **Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations.

Remeasurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### iii) **Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund and superannuation fund.

#### **Gratuity obligations**

The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other

comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss.

#### **Defined contribution plans**

The company pays provident fund contributions to publicly administered funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

#### **iv) Bonus plans**

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### **w) Contributed equity**

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **x) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### **y) Earnings per share**

**i) Basic earnings per share:** Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company.
- By the weighted average number of equity shares outstanding during the financial year.

**ii) Diluted earnings per share:** Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### **z) Custom duty and its benefits**

Customs Duty payable on imported raw materials, components and stores and spares is recognized to

the extent assessed by the customs department.

Customs duty entitlement eligible under pass book scheme / DEPB is accounted on accrual basis. Accordingly, import duty benefits against exports effected 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.

#### **aa) The Treatment of expenditure during construction period**

All expenditure and interest cost during the project construction period, are accumulated and shown as Capital Work-in- Progress until the project/assets commences commercial production. Assets under construction are not depreciated. Expenditure/ Income arising out of trial run is part of pre-operative expenses included in Capital Work-in-Progress.

#### **ab) Fair value measurement**

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Company wherever required has measured the financial / non – financial Assets and Liabilities at fair value in the Financial Statement.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

#### **ac) Amortization of expenses**

- i) Equity Issue expenses: Expenditure incurred in equity issue is being treated as Deferred and Revenue Expenditure to be amortized over a period of 10 years;
- ii) Debenture Issue Expenses: Debenture Issue expenditure is amortized over the period of 10 years.
- iii) Deferred Revenue Expenses: Deferred Revenue expenses are amortized over a period of 5 years.

#### **ad) Research and development expenses**

Research and Development costs (other than cost of fixed assets acquired) are expensed in the year in which they are incurred.

#### **ae) Investment in Associates:**

Investments in associates are recognized at cost. The company provides for any permanent diminution, if any, in value of such investment.

#### **af) Accounting for Provisions, Contingent Liabilities & Contingent Assets**

In conformity with Ind-AS 37, 'Provisions, Contingent Liabilities and Contingent Assets', issued by the ICAI. A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will

# LLOYDS METALS AND ENERGY LIMITED

be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognised nor disclosed in financial statements.

## ag) Provision for doubtful debts

The management reviews on a periodical basis the outstanding debtors with a view to determine as to whether the debtors are good, bad or doubtful after taking into consideration all the relevant aspects. On the basis of such review and in pursuance of other prudent financial considerations the management determines the extent of provision to be made in the accounts.

## ah) Development Expenditure

When proved reserves are determined and Development of mines / project is sanctioned, capitalised exploration and evaluation cost is recognised as assets under construction and disclosed as a component of capital work in progress under the head development. All subsequent Development expenditure is also capitalised. The Development expenditure capitalised is net off proceeds from the sale of iron ore if any extracted during the Development phase.

## ai) Commercial Operation

The project / mines are brought to revenue, when commercial readiness of a project / mine to yield production on a sustainable basis is established on the basis of conditions specifically stated in the project report.

On being brought to revenue, the asset under capital work in progress are reclassified as a component of property, plant and equipment. Once reclassified under Property, plant and equipment, the asset is amortised over the working life of the project.

## aj) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

## ak) Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company's financial statements are disclosed below:

### i. Ind AS 115, Revenue from contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that revenue should be recognized when a customer obtains

control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Company will adopt the standard on April 1, 2018 and the effect on adoption of Ind AS 115 is expected to be insignificant.

### ii. Ind AS 21, foreign currency transactions and advance consideration:

On March 28, 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. This amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

## 3. Critical estimates and Judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected. Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

### Impairment of Investments

The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

### Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

## Note: 4 Property, Plant and Equipment

(₹ In Lakhs)

Particulars	Gross carrying amount			Accumulated depreciation/amortisation				Net carrying amount		
	As at 1 <sup>st</sup> April, 2016	Additions	Disposals	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016	For the Year	On Disposals	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2017	As at 1 <sup>st</sup> April, 2016
<b>Owned Assets</b>										
Land	418.65	-	-	418.65	-	-	-	-	418.65	418.65
Factory Building & Site Development	2,421.84	-	-	2,421.84	872.63	71.78	-	944.40	1,477.44	1,549.21
Residential Building: Housing Complex	784.09	-	-	784.09	281.89	31.01	-	312.90	471.19	502.20
Plant and Machinery	32,705.39	3,915.20	-	36,620.59	21,703.54	1,087.42	-	22,790.96	13,829.63	11,001.85
Plant and Machinery- Power	19,654.81	-	-	19,654.81	4,185.19	-	-	4,185.20	15,469.61	15,469.62
Furniture & Fixture	99.63	4.22	-	103.85	53.04	6.57	-	59.61	44.24	46.59
Motor Vehicles	161.66	-	10.62	151.04	68.87	20.16	6.84	82.19	68.85	92.79
Office Equipments	80.64	29.20	-	109.84	67.14	4.74	-	71.86	37.98	13.50
Computers Equipments	141.13	0.61	-	141.74	138.20	0.90	-	139.09	2.65	2.93
<b>Assets taken on Lease</b>										
Leasehold Land	168.60	-	-	168.60	-	-	-	-	168.60	168.60
<b>Total - Property, Plant and Equipment</b>	<b>56,636.44</b>	<b>3,949.23</b>	<b>10.62</b>	<b>60,575.05</b>	<b>27,370.50</b>	<b>1,222.58</b>	<b>6.84</b>	<b>28,586.21</b>	<b>31,988.84</b>	<b>29,265.94</b>

(₹ In Lakhs)

Particulars	Gross carrying amount			Accumulated depreciation/amortisation				Net carrying amount		
	As at 1 <sup>st</sup> April, 2017	Additions	Disposals	As at 31 <sup>st</sup> March, 2018	As at 1 <sup>st</sup> April, 2017	For the Year	On Disposals	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Owned Assets</b>										
Land	418.65	13.00	67.71	363.94	-	-	-	-	363.94	418.65
Factory Building & Site Development	2,421.84	-	-	2,421.84	944.40	88.47	-	1,032.87	1,388.97	1,477.44
Residential Building: Housing Complex	784.09	-	-	784.09	312.90	45.11	-	358.01	426.08	471.19
Plant and Machinery	36,620.59	3,588.86	-	40,209.45	22,790.96	725.65	-	23,516.61	16,692.84	13,829.63
Plant and Machinery- Power	19,654.81	165.19	-	19,820.00	4,185.20	455.60	-	4,640.80	15,179.20	15,469.61
Furniture & Fixture	103.85	113.56	-	217.41	59.61	16.83	-	76.44	140.97	44.24
Motor Vehicles	151.04	382.33	22.54	510.83	82.19	30.37	21.25	91.31	419.52	68.85
Office Equipments	109.84	3.37	-	113.21	71.86	5.03	-	76.89	36.32	37.98
Computers	141.74	5.62	4.82	142.54	139.09	0.95	4.58	135.46	7.08	2.65
<b>Assets Taken on Lease</b>										
Leasehold Land	168.60	-	-	168.60	-	-	-	-	168.60	168.60
<b>Total - Property, Plant and Equipment</b>	<b>60,575.05</b>	<b>4,271.93</b>	<b>95.07</b>	<b>64,751.91</b>	<b>28,586.21</b>	<b>1,368.01</b>	<b>25.83</b>	<b>29,928.39</b>	<b>34,823.52</b>	<b>31,988.84</b>



# LLOYDS METALS AND ENERGY LIMITED

## Note 5 : Investments- Non Current

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
Investments in Equity Instruments (unquoted - fully paid up)			
Other entities - at cost through Profit and Loss			
i) Shine Trade & Properties Developers Private Limited (Previously known as Gadchiroli Metals & Minerals Ltd.)			
19,000 Equity Shares of ₹10/- Each (Previous Year 19,000 Equity Shares of ₹10 Each)	1.90	1.90	1.90
ii) Vimala Infrastructure Private Limited (12,500 Equity Shares of ₹10/- Each) (Previous Year 12,500 Equity Shares of ₹ 10 Each)	1.25	1.25	1.25
iii) Punjab & Maharashtra Co-op. Bank Limited (40,000 Equity Shares of ₹ 25/- Each (Previous Year 40,000 Equity Shares of ₹ 25/- Each)	10.00	10.00	10.00
<b>Total Investment in Equity Shares</b>	<b>13.15</b>	<b>13.15</b>	<b>13.15</b>
Less: Provision for Diminution of value of Investments	-	-	-
<b>Aggregate amount of unquoted investments</b>	<b>13.15</b>	<b>13.15</b>	<b>13.15</b>

## Note 6 : Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
Unsecured, considered good			
Capital Advances	3,851.82	3,882.20	3,881.02
<b>Total Other Non - Current Assets</b>	<b>3,851.82</b>	<b>3,882.20</b>	<b>3,881.02</b>

## Note 7 : Inventories

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
(a) Raw Materials	1,122.77	1,796.01	1,357.39
(b) Work-in-Progress	63.09	45.74	56.62
(c) Finished Goods	1,409.37	2,197.21	1,345.03
(d) Stock-in-trade	-	-	486.09
(e) Stores and Spares	955.34	1,009.31	1,062.66
(f) Saleable Scrap & By products	2,345.57	875.70	493.38
(g) Intangible Inventory - Energy Saving certificate	836.88	836.88	836.88
(h) Intangible Inventory - Certified Emission Reduction (CER's)	52.83	52.83	16.06
<b>Total - Inventories</b>	<b>6,785.85</b>	<b>6,813.69</b>	<b>5,654.11</b>

## Note 8 : (i) Trade Receivables - Current

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
Unsecured, Considered Doubtful	54.92	54.92	54.92
Unsecured, Considered Good	1,504.41	1,042.49	2,117.18
	1,559.33	1,097.41	2,172.10
Less: Provision for Doubtful Debts	5.50	2.75	-
<b>Total - Trade Receivables</b>	<b>1,553.83</b>	<b>1,094.66</b>	<b>2,172.10</b>

## Note 8 : (ii) Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>Cash and Cash Equivalents :</b>			
Cash in hand	7.47	11.93	28.27
Balances with Banks In Current Accounts	28.55	11.67	24.81
<b>Total - Cash and Cash Equivalents</b>	<b>36.02</b>	<b>23.60</b>	<b>53.08</b>

## Note 8 : (iii) Other Balances with Banks

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>Other Bank Balances</b>			
Balances held as Margin money in the form of FDR*	677.40	792.46	694.27
<b>Total - Other Balances with Banks</b>	<b>677.40</b>	<b>792.46</b>	<b>694.27</b>

\* Held against various Bank Guarantees and Letter of Credit facilities.

## Note 8 : (iv) Other Financial Assets - Current

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
Advance to Suppliers	1,518.66	1,844.97	1,832.13
<b>Total - Other Financial Assets</b>	<b>1,518.66</b>	<b>1,844.97</b>	<b>1,832.13</b>

## Note 8 : (v) Prepayments

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
Prepaid Expenses	119.22	291.38	157.93
<b>Total - Prepayments</b>	<b>119.22</b>	<b>291.38</b>	<b>157.93</b>

## Note 9 : Other Current Assets

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
Advance to Others	63.65	508.72	62.16
Interest Receivable	25.55	24.55	21.21
Balance Receivable from Govt. Authorities	3,844.11	2,144.39	1,793.27
<b>Total - Other Current Assets</b>	<b>3,933.31</b>	<b>2,677.66</b>	<b>1,876.64</b>

## Note 10 : Equity Share Capital

(₹ in Lakhs)

Particulars	(₹ in Lakhs)		
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>AUTHORIZED</b>			
Equity Shares:			
75,00,00,000 Equity Shares of ₹ 1/- Each (In 2017- 75,00,00,000 Equity Shares of ₹ 1/- each, and in 2016 - 37,50,00,000 Equity Shares of ₹ 2/- each)	7,500.00	7,500.00	7,500.00
Preference Shares :			
2,50,00,000 Preference Shares of ₹ 10/- each (In 2017 - 2,50,00,000 and in 2016 - 2,50,00,000 Preference Shares of ₹ 10/- each )	2,500.00	2,500.00	2,500.00
<b>Total</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>10,000.00</b>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL</b>			
22,25,82,580 Equity Shares of ₹ 1/- each (In 2017- 22,25,82,580 Equity Shares of ₹ 1/- each , and in 2016 - 11,12,91,290 Equity Shares of ₹ 2/- each)	2,225.83	2,225.83	2,225.83
Add: Shares forfeited - 3,97,875 Equity Shares of ₹ 10/- each (Amount originally paid-up) (In 2017- 3,97,875 and in 2016 - 3,97,875 Equity Shares of ₹ 10/- each)	17.22	17.22	17.22
<b>Total - Equity Share Capital</b>	<b>2,243.05</b>	<b>2,243.05</b>	<b>2,243.05</b>

## (A) Movement in Equity Share Capital:

(₹ in Lakhs)

Particulars	Number of shares	Amount
<b>Balance at April 1, 2016</b>	<b>111,291,290</b>	<b>2,225.83</b>
Movement during the year refer note no. 10(a)(1)	111,291,290	-
<b>Balance at March 31, 2017</b>	<b>222,582,580</b>	<b>2,225.83</b>
Movement during the year	-	-
<b>Balance at March 31, 2018</b>	<b>222,582,580</b>	<b>2,225.83</b>

Note no. 10(a) (1) : The Company had Sub-divided its Equity Shares from face value of ₹ 2/- per share to ₹ 1 per share during the year 2016-17.

## (B) Terms/Rights attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 1/- each. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees. In the event of liquidation of the company, the equity shareholders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(C) The Company has not issued any share as fully paid up without payment being received in cash or as bonus shares nor any share has been bought back by the Company in last 5 years.

## (D) Details of the shareholders holding more than 5% shares in the Company

Name of Shareholder	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 01 <sup>st</sup> April, 2016	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
<b>Equity shares of ₹ 1/- each fully paid up</b>						
ASP Technologies Private Limited	36,400,340	16.35	36,400,340	16.35	36,400,340	16.35
Shree Global Tradefin Limited	28,890,380	12.98	28,890,380	12.98	43,890,380	19.72
Triumph Trade & Properties Developers Private Limited	29,158,208	13.10	29,158,208	13.10	29,158,208	13.10
Lloyds Metals & Minerals Trading LLP	22,375,426	10.05	21,698,426	9.75	10,648,426	4.78
Sanjeev Garg	12,811,000	5.76	1,600,000	0.72	1,600,000	0.72

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## Note 11 : Other Equity

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>Reserves and surplus</b>			
<b>(a) Capital Reserve</b>	7,756.22	7,756.22	7,756.22
<b>(b) Retained Earnings</b>			
As per last Financial Statement	(3,245.02)	(3,802.22)	(3,874.34)
Add: Profit for the year	1,703.42	557.20	72.12
<b>Closing Balance</b>	<b>(1,541.60)</b>	<b>(3,245.02)</b>	<b>(3,802.22)</b>
<b>(c) Other Comprehensive Income (OCI)</b>			
As per last Financial Statement	8.12	-	-
Add: Movement in OCI (Net) during the year	(22.36)	8.12	-
<b>Closing Balance</b>	<b>(14.24)</b>	<b>8.12</b>	<b>-</b>
<b>Total - Other Equity</b>	<b>6,200.38</b>	<b>4,519.32</b>	<b>3,954.00</b>

## Note 12 : (i) Borrowings - Non-current

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>Secured</b>			
Term Loan from Banks and Financial Institutions (Ref. Note 12(i)(a))	275.69	4.71	25.78
	<b>275.69</b>	<b>4.71</b>	<b>25.78</b>
<b>Unsecured</b>			
Deferral payment Loans (Sales Tax)	727.70	924.35	978.63
<b>Total -Non-Current Borrowings</b>	<b>1,003.39</b>	<b>929.06</b>	<b>1,004.41</b>

Note No. 12(i)(a) : The term loans from Banks and financial institutions are secured by way of hypothecation on respective motor vehicles.

## Note 12 : (ii) Trade Payables - Non Current

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
Micro, Small and Medium Enterprises (Refer Note No. 12(ii) (a))	-	-	-
Others	5,168.52	5,401.95	9,615.43
<b>Total - Non Current Trade Payables</b>	<b>5,168.52</b>	<b>5,401.95</b>	<b>9,615.43</b>

Note No. 12(ii) (a) : There are no amounts outstanding to Micro, Small and Medium Enterprises as at March 31, 2018 and no amount were over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

## Note 12 : (iii) Other Financial Liabilities - Non-current

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
Deposit from Customers Ageing > 365 Days - from Subsidiaries	-	-	-
- from Others	2,405.75	2,384.79	2,462.19
<b>Total - Other Non Current Liabilities</b>	<b>2,405.75</b>	<b>2,384.79</b>	<b>2,462.19</b>

## Note 13 : Provisions - Long Term

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>Provision for employee benefits</b>			
Unfunded Gratuity Liability (Refer Note no. 27)	384.36	318.52	292.09
Unfunded Compensated Absences Liability	50.47	77.70	80.60
<b>Total - Long Term Provisions</b>	<b>434.83</b>	<b>396.22</b>	<b>372.69</b>

## Note 14 : Other Non Current Liabilities

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
Other Long Term Liabilities	28,726.24	25,329.73	19,564.40
<b>Total - Other Non Current Liabilities</b>	<b>28,726.24</b>	<b>25,329.73</b>	<b>19,564.40</b>

## Note 15 : (i) Borrowings - Current

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>Secured:</b>			
Working Capital Loans: From Bank			
Rupee Loans (Refer Note No. 15(i)(a))	1,914.79	1,653.35	193.49
<b>Total - Short Term Borrowings</b>	<b>1,914.79</b>	<b>1,653.35</b>	<b>193.49</b>

Note No. 15(i)(a) Working Capital Loans from Banks of ₹ 1,914.79 Lakhs (Previous Year ₹ 1,653.35 Lakhs) are primarily secured by hypothecation of present and future stock of raw materials, work-in-progress, finished goods, stores and spares (not relating to plant and machinery), book debts, outstanding monies, receivables, claims, bills, materials in transit, etc. and are also secured by way of collateral security in the form of mortgage of plot no. A-1 and A-2 admeasuring 40,000 sq.mtr. and 8,95,200 sq.mtr. respectively situated at Ghugus Industrial Area, village Ghugus, Dist. Chandrapur together with all building and structure thereon & all plant and machinery both present and future.

## Note 15 : (ii) Trade Payables - Current

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
Micro, Small and Medium Enterprises (Refer note no. 15(ii)(a))	-	-	-
Acceptances - Secured (Refer note no. 15(i)(b))	3,413.72	3,086.49	3,490.46
Dues to creditors other than micro enterprises and small enterprises	3,346.61	2,902.13	2,916.25
<b>Total - Trade Payables</b>	<b>6,760.33</b>	<b>5,988.62</b>	<b>6,406.71</b>

Note no. 15(ii)(a): There are no amounts outstanding to Micro, Small and Medium Enterprises as at March 31, 2018 and no amount were over due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

**Note no. 15(ii)(b):** Inland letter of credit limits are primarily secured by hypothecation on all current assets of the company namely, Stock of raw materials, work-in-progress, finished goods, stores and spares, Bill receivable and book debts and all other moveable assets present and future and are also secured by way of collateral security in the form of Second Charge on all fixed assets of the company - all that piece parcel of land or ground together with all building and structure thereon and all moveable plant and machinery both present and future.

**Note 15 : (iii) Other Financial Liabilities - Current** (₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
Current Maturity of long term debts (Refer note no. 12(i)(a))	32.29	21.06	21.06
Advances from Customers - from Others	141.80	778.90	32.22
<b>Total - Other Financial Liabilities</b>	<b>174.09</b>	<b>799.96</b>	<b>53.28</b>

**Note 16 : Provisions -Current** (₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
Unfunded Gratuity & Compensated absences	19.86	14.30	14.61
Others- Bonus & Expenses	203.98	189.78	132.96
<b>Total - Provisions</b>	<b>223.84</b>	<b>204.08</b>	<b>147.57</b>

**Note 17 : Other Current Liabilities** (₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
(a) Statutory Remittances (Contributions to PF and ESIC, Withholding Taxes, TDS, Excise Duty, VAT, Service Tax, GST etc.)	279.67	334.80	234.59
(b) Other payables	9.63	16.60	7.30
(c) Salaries and Wages payable	67.44	66.96	66.90
<b>Total - Other Current Liabilities</b>	<b>356.74</b>	<b>418.36</b>	<b>308.79</b>

**Note 18 : Revenue from Operations** (₹ in Lakhs)

Particulars	2017-18	2016 -17
<b>Sale of Products (including excise duty)</b>		
Finished Goods	38,009.96	32,483.06
Traded Goods	3,075.66	6,311.07
<b>Other Operating Revenues</b>	<b>1,241.49</b>	<b>1,305.14</b>
<b>Total - Revenue from Operations</b>	<b>42,327.11</b>	<b>40,099.27</b>

**Note 19 : Other Income** (₹ in Lakhs)

Particulars	2017-18	2016 -17
Interest Income - Operational	-	-
- Non-Operational	52.97	169.21
Other Non-Operating Income	2,324.41	1,203.82
Sundry Balance Written back	90.96	19.09
<b>Total - Other Income</b>	<b>2,468.34</b>	<b>1,392.12</b>

**Note 20 : Cost of Materials Consumed** (₹ in Lakhs)

Particulars	2017-18	2016 -17
(a) Iron Ore	16,004.90	12,393.49
(b) Coal	14,142.93	11,963.86
(c) Dolomite	187.73	218.81
<b>Total - Cost of Material Consumed</b>	<b>30,335.56</b>	<b>24,576.16</b>

**Note 21 : Purchase of Traded Goods** (₹ in Lakhs)

Particulars	2017-18	2016 -17
<b>Purchase of Trade goods</b>		
Trading Purchases Hot Rolled Coil - Domestic	3,070.61	5,813.57
<b>Total -Purchase of Traded Goods</b>	<b>3,070.61</b>	<b>5,813.57</b>

**Note 22 : Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-Progress**

Particulars	2017-18	2016 -17
<b>(a) Opening inventory:</b>		
(i) Finished Goods at Plant	2,197.21	1,345.03
(ii) Saleable Scrap & By products	875.70	493.37
(iii) Work-in-Process	45.74	56.62
(iv) Traded Goods	889.71	1,339.03
<b>Total (a)</b>	<b>4,008.36</b>	<b>3,234.05</b>
<b>(b) Closing inventory:</b>		
(i) Finished Goods at Plant	1,409.37	2,197.21
(ii) Saleable Scrap & By products	2,345.56	875.71
(iii) Work-in-Process	63.09	45.74
(iv) Traded Goods	889.71	889.71
<b>Total (b)</b>	<b>4,707.73</b>	<b>4,008.37</b>
<b>Total (a-b)</b>	<b>(699.37)</b>	<b>(774.32)</b>

**Note 23 : Employee benefits expense** (₹ in Lakhs)

Particulars	2017-18	2016 -17
Salaries and Wages	1,316.11	1,288.27
Contributions to Provident and other Funds	106.72	92.40
Staff Welfare Expenses (Refer Note No. 23(a))	66.66	65.33
Gratuity & Leave Encashment Expenses (Refer Note No. 27)	56.41	64.78
Remuneration to Managing Director	63.56	24.00
<b>Total - Employee Benefit Expenses</b>	<b>1,609.46</b>	<b>1,534.78</b>

**Note No. 23(a) Corporate Social Responsibility (CSR) expenditure**

Particulars	2017-18	2016 -17
Amount required to be spent as per Section 135 of the Act*	-	-
<b>Amount spent during the year on :</b>		
Construction/ acquisition of any assets	-	-
On purposes other than (1) above	21.52	-
<b>Total - Corporate social responsibility (CSR) expenditure</b>	<b>21.52</b>	<b>-</b>

# LLOYDS METALS AND ENERGY LIMITED

## Note 24 : Finance Costs

(₹ in Lakhs)

Particulars	2017-18	2016-17
<b>Interest Expense:</b>		
(i) Fixed Loans	162.00	69.08
(ii) Others	109.88	180.28
<b>Finance Charges :</b>		
(i) Bills Discounting Charges	735.80	748.40
(ii) Bank Charges & Commission	2.02	2.78
(iii) Others	31.69	15.85
<b>Total - Finance Cost</b>	<b>1,041.38</b>	<b>1,016.39</b>

## Note 25 : Depreciation and Amortisation Expenses

(₹ in Lakhs)

Particulars	2017-18	2016-17
<b>Depreciation (Refer Note No. 4)</b>	1,368.01	1,222.58
Amortisation Expenses	-	74.76
<b>Total -Depreciation and Amortisation Expenses</b>	<b>1,368.01</b>	<b>1,297.34</b>

## Note 26 : Other Expenses

(₹ in Lakhs)

Particulars	2017-18	2016-17
Power Consumption	940.24	947.27
Fuel Consumption	1.54	50.34
Water Charges	16.79	11.90
Stores & Spares Consumed	522.95	456.59
Repairs & Maintenance to Plant	154.63	84.91
Other Manufacturing Expenses	1,291.99	1,052.47
Local Freight	988.80	623.67
Other Expenses	195.54	137.57
Packing Material Consumed	0.50	-
Provision for Bad & Doubtful Debts	2.75	2.75
Insurance	46.30	56.78
Travelling & Conveyance	247.27	301.94
Rent, Rates & Taxes	117.52	112.42
Legal , Professional & Consultancy Charges	183.60	108.51
Repairs & Maintenance to Building	5.01	3.34
Repairs & Maintenance to others	49.15	26.49
Other Expenses	371.44	281.62
Sundry Balance Written Off	18.86	0.52
Payment to Auditors (Refer Note 26(a))	4.07	3.93
Director Sitting Fees	1.04	1.05
Loss on Sale of Fixed Assets	0.29	1.28
<b>Total - Other Expenses</b>	<b>5,160.25</b>	<b>4,265.34</b>

## Note No. 26 (a) Payment to auditor

(₹ in Lakhs)

Particulars	2017-18	2016-17
<b>(a) To statutory auditors</b>		
-Statutory Audit Fees	2.75	2.75
-Tax Audit & Certifications	0.75	0.75
-Expenses Reimbursed	0.27	0.13
<b>(b) To others</b>		
-Cost Audit fees	0.30	0.30
<b>Total - Payment to auditor</b>	<b>4.07</b>	<b>3.93</b>

## 27. Disclosure as required by the Ind AS -24 "Employee Benefit" is given below:

Defined benefit plan: The Company operates one defined benefit plan, viz., gratuity benefit, for its employees. The Gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service. The company does not have any fund for gratuity liability and the same is accounted for as provision.

Under the other long term employee benefit plan, the company extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment upon retirement / separation or during tenure of service. The Plan is not funded by the company.

## The details of defined benefit obligations are as under:

(₹ in Lakhs)

S. No.	Particulars	Gratuity	
		31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
1.	Obligation as at beginning of the year	332.75	306.70
2.	Current service cost	40.62	31.27
3.	Interest cost	24.96	24.53
4.	Benefits paid	(16.47)	(21.63)
5.	Remeasurements	22.36	(8.12)
6.	Obligation as at Close of the year	404.22	332.75
7.	Current portion	19.86	14.23
8.	Non-current portion	384.36	318.52
<b>Total</b>		<b>404.22</b>	<b>332.75</b>

(₹ in Lakhs)

S. No.	Particulars	Gratuity	
		31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
1.	Current service cost	40.62	31.27
2.	Interest cost	24.96	24.53
<b>Total</b>		<b>65.58</b>	<b>55.80</b>

## Amount recognized in other comprehensive income:

(₹ in Lakhs)

S. No.	Particulars	Gratuity	
		31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
1.	Remeasurements	22.36	(8.12)
<b>Total</b>		<b>22.36</b>	<b>(8.12)</b>

Due to its defined benefit plans, the Company is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Existing assumptions:**

S. No.	Particulars	Gratuity		
		31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	01 <sup>st</sup> April, 2016
1.	Discount rate	7.75%	7.50%	7.75%
2.	Rate of salary increase	8.50%	8.00%	8.00%
3.	Withdrawal rate	1.00%	1.00%	1.00%
4.	Mortality rate	Indian Assured Lives (2006-08)	Indian Assured Lives (2006-08)	Indian Assured Lives (2006-08)
5.	Retirement age	62 years	62 years	62 years

**Note:** The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

**The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:**

(₹ in Lakhs)

Particulars	Change in assumption	Gratuity	
		31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
Discount Rate	+1%	355.48	294.84
	-1%	462.41	378.30
Salary Growth Rate	+1%	461.39	377.61
	-1%	355.37	294.68

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular under-lying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

**The table below summarizes the maturity profile and duration of the gratuity liability:**

(₹ in Lakhs)

Particulars	Gratuity		
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	01 <sup>st</sup> April, 2016
Within one year	15.00	10.00	10.00
Within one-three years	14.26	9.06	8.29
Within three-five years	28.89	30.14	31.17
Above five years	346.07	283.55	257.24
Weighted average duration (in years)	5 years	3 years	3 years

**28. Financial instrument and risk management Fair values**

- The carrying amounts of trade payables, other financial liabilities (current), borrowings (current), trade receivables, cash and cash equivalents, other bank balances and loans are considered to be the same as fair value due to their short term nature.
- Borrowings (non-current) consists of loans from banks and government authorities, other financial liabilities (non current) consists of interest accrued but not due on deposits other financial assets consists of employee advances where the fair value is considered based on the discounted cash flow.
- The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies and interest rate curves.

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

(₹ in Lakhs)

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 01 <sup>st</sup> April, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>(a) Financial Assets</b>						
<b>Measured at amortized cost:</b>						
<b>Non-current</b>						
(i) Investments	13.15	13.15	13.15	13.15	13.15	13.15
<b>Current</b>						
(i) Trade Receivables	1,553.83	1,553.83	1,094.66	1,094.66	2,172.10	2,172.10
(ii) Cash and Cash Equivalent	36.02	36.02	23.60	23.60	53.08	53.08
(iii) Bank Balances Other than (ii)above	677.40	677.40	792.46	792.46	694.27	694.27
(iv) Other Financial Assets	1,518.66	1,518.66	1,844.97	1,844.97	1,832.13	1,832.13
(v) Prepayments	119.22	119.22	291.38	291.38	157.93	157.93
<b>Total Financial assets</b>	<b>3,918.28</b>	<b>3,918.28</b>	<b>4,060.22</b>	<b>4,060.22</b>	<b>4,922.66</b>	<b>4,922.66</b>
<b>(b) Financial Liabilities</b>						
<b>Measured at amortized cost:</b>						
<b>Non-current</b>						
(i) Borrowings	1,003.39	1,003.39	929.06	929.06	1,004.41	1,004.41
(ii) Trade Payables	5,168.52	5,168.52	5,401.95	5,401.95	9,615.43	9,615.43
(iii) Other Financial Liabilities	2,405.75	2,405.75	2,384.79	2,384.79	2,462.19	2,462.19
<b>Current</b>						
(i) Borrowings	1,914.79	1,914.79	1,653.35	1,653.35	193.49	193.49
(ii) Trade Payables	6,760.33	6,760.33	5,988.62	5,988.62	6,406.71	6,406.71
(iii) Other Financial Liabilities	174.09	174.09	799.96	799.96	53.28	53.28
<b>Total Financial liabilities</b>	<b>17,426.87</b>	<b>17,426.87</b>	<b>17,157.73</b>	<b>17,157.73</b>	<b>19,735.51</b>	<b>19,735.51</b>

## 29. Financial risk and capital risk management

### 1) Financial Risk

The business activities of the Company expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management strategies focus on the un-predictability of these elements and seek to minimize the potential adverse effects on its financial performance.

The financial risk management for the Company is driven by the Company's senior management and internal/ external experts subject to necessary supervision.

The Company does not undertake any speculative transactions either through derivatives or otherwise. The senior management is accountable to the Board of Directors and Audit Committee. They ensure that the Company's financial risk-taking activities are governed by appropriate financial risk governance frame work, policies and procedures. The Board of Directors periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

### 2) Foreign currency Risk

Foreign exchange risk arises on all recognized monetary assets and liabilities and on highly probable forecasted transactions which are denominated in a currency other than the functional currency of the Company. The Company does not have any foreign currency trade payables and receivables.

The foreign exchange risk management policy of the Company requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency.

No Forward contracts were entered into by the company either during the year or previous years since the company has very minimum exposure to foreign currency risk as stated in above table.

i. **Foreign currency sensitivity –**

Particulars	Change in currency exchange rate	Effect on profit before tax	Effect on equity (OCI)
<b>For the year ended March 31, 2018</b>			
USD	+5%	Nil	--
	-5%	Nil	--
Others	+5%	Nil	--
	-5%	Nil	--
<b>For the year ended March 31, 2017</b>			
USD	+5%	Nil	--
	-5%	Nil	--
Others	+5%	Nil	--
	-5%	Nil	--

The sensitivity disclosed in the above table is mainly attributable to, in case of foreign exchange gains / (losses) on trade payables and trade receivables. The above sensitivity analysis is based on a reasonably possible change in the under-lying foreign currency against the respective functional currency while assuming all other variables to be constant.

Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

ii. **Price risk**

The company uses surplus fund in operations and for further growth of the company. Hence, there is no price risk associated with such activity.

iii. **Credit risk**

Credit risk refers to the risk of default on its obligation by the counter-party the risk of deterioration of creditworthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Company to potential financial losses. The Company is exposed to credit risk mainly with respect to trade receivables.

**Trade receivables**

The Trade receivables of the Company are typically non interest bearing un-secured. As there is no independent credit rating of the customers available with the Company, the management reviews the credit-worthiness of its customers based on their financial position, past experience and other factors. The credit risk related to the trade receivables is managed / mitigated by concerned team based on the

Company's established policy and procedures and by setting appropriate payment terms and credit period. The credit period provided by the Company to its customers depend upon the contractual terms with the customers.

The ageing analysis of trade receivables as at the reporting date is as follows:

(₹ in Lakhs)

Particulars	Less than six months	More than six months
Trade Receivables as at March 31, 2018	1,504.41	54.92
Trade Receivables as at March 31, 2017	1,042.49	54.92
Trade Receivables as at April 1, 2016	2,117.18	54.92

The Company performs on-going credit evaluations of its customers' financial condition and monitors the credit-worthiness of its customers to which it grants credit in its ordinary course of business. The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount due or there are some disputes which in the opinion of the management is not in the Company's favour. Where the financial asset has been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit and loss.

iv. **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system.

Based on past performance and current expectations, the Company believes that the Cash and cash equivalents and cash generated from operations will satisfy its working capital needs, capital expenditure, investment requirements, commitments and other liquidity requirements associated with its existing operations, through at least the next twelve months.



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The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:-

(₹ in Lakhs)

Particulars	As at March 31, 2018	
	Less than one year	More than one year
Trade payables	6,760.33	5,168.52
Other financial liabilities	174.09	2,405.75
<b>Total Financial Liabilities</b>	<b>6,934.42</b>	<b>7,574.27</b>

Particulars	As at March 31, 2017	
	Less than one year	More than one year
Trade payables	5,988.62	5,401.95
Other financial liabilities	799.96	2,384.79
<b>Total Financial Liabilities</b>	<b>6,788.58</b>	<b>7,786.74</b>

Particulars	As at April 1, 2016	
	Less than one year	More than one year
Trade payables	6,406.71	9,615.43
Other financial liabilities	53.28	2,462.19
<b>Total Financial Liabilities</b>	<b>6,459.99</b>	<b>12,077.62</b>

### 3) Capital Risk

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and/ or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. However, the key objective of the Company's capital management is to, ensure that it maintains a stable capital structure with the focus on total equity, uphold investor; creditor and customer confidence, and ensure future development of its business activities. In order to maintain or adjust the capital structure, the Company may issue new shares, declare dividends, return capital to shareholders, etc.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

### 30. Contingent Liability

(₹ in Lakhs)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
a)	Letter of Credit/ Guarantees issued by Banks	769.35	601.32	506.21
b)	Disputed claims of Excise/Service Tax and CST Authorities	589.66	598.97	6.23
c)	Claims against the Company not acknowledged as Debts	184.30	184.30	184.3

### 31. Capital Management

Capital management and Gearing Ratio

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

(₹ in Lakhs)

Particulars	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
<b>Borrowing</b>			
Current	1,914.79	1,653.35	193.49
Non-Current	1,003.39	929.06	1,004.41
<b>Total Debts</b>	<b>2,918.18</b>	<b>2,582.41</b>	<b>1,197.90</b>
Cash and Marketable Securities	36.02	23.60	53.08
<b>Net Debts</b>	<b>2,882.16</b>	<b>2,558.81</b>	<b>1,144.82</b>
<b>Equity</b>			
Equity Share capital	2,243.05	2,243.05	2,243.05
Other Equity	6,200.38	4,519.32	3,954.00
<b>Total Capital</b>	<b>8,443.43</b>	<b>6,762.37</b>	<b>6,197.05</b>
<b>Gearing ratio in % (Net Debts/ Capital)</b>	<b>34.13%</b>	<b>37.84%</b>	<b>18.47%</b>

**32. Related party transactions under Ind AS -24****Names of related parties and nature of relationships:**

Names of the related parties	Nature of relationship
<b>i) Key Managerial Personnel (KMP):</b>	
Mr. Babulal Agarwal	Managing Director
Mr. Riyaz Shaikh	Chief Financial Officer
Mr. Nitesh Tanwar	Company Secretary & Compliance Officer
<b>ii) Non-whole-time Directors</b>	
Mr. Mukesh R. Gupta	Chairman & Non-Executive Director
Mr. Rajesh R. Gupta	Director
Mr. Shantanu Mohapatra	Director
Mr. Devidas Kamble	Director
Mr. J.P. Dange	Director
Mr. B.R. Singh	Director
Mrs. Bhagyam Ramani	Director
<b>iii) Relatives of key managerial personnel:</b>	
Mr. Ravi Agarwal	Son of Mr. Babulal Agarwal
Mrs. Kiran Agarwal	Spouse of Mr. Babulal Agarwal

**Details of transactions during the year where related party relationship existed:**

Names of the related parties	Nature of Transactions	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Mr. Babulal Agarwal	Remuneration	65,00,004	25,44,000
Mr. Riyaz Shaikh	Remuneration	22,82,156	21,52,776
Mr. Nitesh Tanwar	Remuneration	7,31,986	7,11,502
Mr. Mukesh R. Gupta	Sitting Fees	22,000	18,000
Mr. Rajesh R. Gupta	Sitting Fees	8,000	8,000
Mr. Shantanu Mohapatra	Sitting Fees	12,000	18,000
Mr. Devidas Kamble	Sitting Fees	22,000	20,000
Mr. J.P. Dange	Sitting Fees	10,000	10,000
Mr. B.R. Singh	Sitting Fees	18,000	20,000
Mrs. Bhagyam Ramani	Sitting Fees	10,000	10,000

**33. Segment reporting under Ind AS – 108**

Disclosures as required by the Ind AS - 108 on "Segment Reporting" are given below:

For management purposes, the Company is organized into business units based on its services and has two reportable segments, as follows:

1. The Sponge Iron & Steel segment which including production and manufacturing of Sponge Iron and Steels.
2. The Power segment which including generation of power.

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(₹ in Lakhs)

Sr. No.	Particulars	31 <sup>st</sup> March, 2018			31 <sup>st</sup> March, 2017		
		Sponge Iron & Steel	Power	Consolidated	Sponge Iron & Steel	Power	Consolidated
I)	<b>Segment Revenue :</b>						
	<b>Sales :</b>						
	External turnover	39,271.34	5,524.11	44,795.45	36,030.27	6,345.66	42,375.93
	Less : Inter division transfer	-	859.20	859.20	-	884.54	884.54
	<b>Total</b>	<b>39,271.34</b>	<b>4,664.91</b>	<b>43,936.25</b>	<b>36,030.27</b>	<b>5,461.12</b>	<b>41,491.39</b>
II)	<b>Segment Result :</b>						
	Operating Net Profit	(1,447.82)	5,078.46	3,630.64	(3,148.38)	5,461.10	2,312.72
	Common Expenses (Net)			(908.17)			(731.01)
	Interest			(1,041.38)			(1,016.39)
	Exceptional items			-			-
	<b>Profit before tax</b>			<b>1,681.05</b>			<b>565.32</b>
III)	<b>Segment Assets :</b>	<b>38,678.71</b>	<b>16,845.10</b>	<b>55,523.81</b>	<b>33,384.34</b>	<b>16,810.09</b>	<b>50,194.43</b>
	Common Assets			88.14			74.06
	<b>Total</b>	<b>38,678.71</b>	<b>16,845.10</b>	<b>55,611.95</b>	<b>33,384.34</b>	<b>16,810.09</b>	<b>50,268.49</b>
IV)	<b>Segment Liabilities :</b>	<b>43,095.62</b>	<b>2,942.52</b>	<b>46,038.14</b>	<b>37,088.26</b>	<b>5,391.95</b>	<b>42,480.21</b>
	Common Liabilities			94.70			75.79
	<b>Total</b>	<b>43,095.62</b>	<b>2,942.52</b>	<b>46,132.84</b>	<b>37,088.26</b>	<b>5,391.95</b>	<b>42,556.00</b>
V)	<b>Capital Employed (including goodwill) Segment assets – segment liabilities</b>	(4,416.91)	13,902.58	9,485.67	(3,703.92)	11,418.14	7,714.22
	<b>Common assets/ Liabilities</b>			(6.56)			(1.73)
	<b>Total</b>	<b>(4,416.91)</b>	<b>13,902.58</b>	<b>9,479.11</b>	<b>(3,703.92)</b>	<b>11,418.14</b>	<b>7,712.49</b>

## 34. Earnings per share (EPS)

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Profit for the year	1,703.41	557.20
Weighted average number of equity shares in calculating Basic and Diluted EPS (Nos. in Lakhs)	2,225.83	2,225.83
<b>Face Value per share ₹</b>	<b>1</b>	<b>1</b>
<b>Basic and Diluted Earnings per Share (EPS) ₹</b>	<b>0.77</b>	<b>0.25</b>

- 35) a) The Company does not envisage any liability for Income tax for the Current Year in absence of any taxable income  
b) Disclosure as required by Ind AS -12 “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 ending 31.03.2018. The deferred tax asset has not been recognized as there is no probable certainty of sufficient future taxable income available against which this deferred tax assets can be realized.

## 36. Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on April 16, 2018.

**37. Reconciliation between previous GAAP and Ind AS ( as at 31<sup>st</sup> March, 2017 and 1<sup>st</sup> April, 2016)**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income for prior periods.

The following tables represent the reconciliations from previous GAAP to Ind AS.

(₹ in Lakhs)

Particulars	Notes	As at 31 March 2017			As at 1 April 2016		
		Previous GAAP*	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP*	Effect of transition to Ind AS	As per Ind AS balance sheet
<b>I. ASSETS</b>							
<b>Non-Current Assets</b>							
(a) Property, Plant and Equipment	4	31,988.84	-	31,988.84	29,265.94	-	29,265.94
(b) Capital Work in Progress		845.88	-	845.88	725.65	-	725.65
(c) Financial Assets							
(i) Investments	5	13.15	-	13.15	13.15	-	13.15
(d) Other Non-current Assets	6	3,882.20	-	3,882.20	3,881.02	-	3,881.02
<b>Total Non Current Assets</b>		<b>36,730.07</b>	<b>-</b>	<b>36,730.07</b>	<b>33,885.75</b>	<b>-</b>	<b>33,885.75</b>
<b>Current Assets</b>							
(a) Inventories	7	6,813.69	-	6,813.69	5,654.11	-	5,654.11
(b) Financial Assets							
(i) Trade Receivables	8(i)	1,094.66	-	1,094.66	2,172.10	-	2,172.10
(ii) Cash and Cash Equivalent	8(ii)	23.60	-	23.60	53.08	-	53.08
(iii) Bank Balances Other than (ii) above	8(iii)	792.46	-	792.46	694.27	-	694.27
(iv) Other Financial Assets	8(iv)	1,844.97	-	1,844.97	1,832.13	-	1,832.13
(v) Prepayments	8(v)	291.38	-	291.38	157.93	-	157.93
(c) Other Current Assets	9	2,714.36	36.70	2,677.66	1,876.64	-	1,876.64
<b>Total Current Assets</b>		<b>13,575.12</b>	<b>36.70</b>	<b>13,538.42</b>	<b>12,440.25</b>	<b>-</b>	<b>12,440.25</b>
<b>TOTAL ASSETS</b>		<b>50,305.19</b>	<b>36.70</b>	<b>50,268.49</b>	<b>46,326.00</b>	<b>-</b>	<b>46,326.00</b>
<b>II. EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
(a) Equity Share Capital	10	2,243.05	-	2,243.05	2,243.05	-	2,243.05
(b) Other Equity	11	4,556.02	36.70	4,519.32	3,954.00	-	3,954.00
<b>Total Equity</b>		<b>6,799.07</b>	<b>36.70</b>	<b>6,762.37</b>	<b>6,197.05</b>	<b>-</b>	<b>6,197.05</b>
<b>Liabilities</b>							
<b>Non Current Liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings	12(i)	929.06	-	929.06	1,004.41	-	1,004.41
(ii) Trade Payables	12(ii)	5,401.95	-	5,401.95	9,615.43	-	9,615.43
(iii) Other Financial Liabilities	12(iii)	2,384.79	-	2,384.79	2,462.19	-	2,462.19
(b) Provisions	13	396.22	-	396.22	372.69	-	372.69
(d) Other Non-Current Liabilities	14	25,329.73	-	25,329.73	19,564.40	-	19,564.40
<b>Total Non Current Liabilities</b>		<b>34,441.75</b>	<b>-</b>	<b>34,441.75</b>	<b>33,019.11</b>	<b>-</b>	<b>33,019.11</b>
<b>Current Liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings	15(i)	1,653.35	-	1,653.35	193.49	-	193.49
(ii) Trade Payables	15(ii)	5,988.62	-	5,988.62	6,406.71	-	6,406.71
(iii) Other Financial Liabilities	15(iii)	799.96	-	799.96	53.28	-	53.28
(b) Provisions	16	204.08	-	204.08	147.57	-	147.57
(c) Other Current Liabilities	17	418.36	-	418.36	308.79	-	308.79
<b>Total Current Liabilities</b>		<b>9,064.37</b>	<b>-</b>	<b>9,064.37</b>	<b>7,109.84</b>	<b>-</b>	<b>7,109.84</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>50,305.19</b>	<b>36.70</b>	<b>50,268.49</b>	<b>46,326.00</b>	<b>-</b>	<b>46,326.00</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

# LLOYDS METALS AND ENERGY LIMITED

Reconciliation of total comprehensive income for the year ended 31<sup>st</sup> March, 2017

(₹ in Lakhs)

	Particulars	Notes	Previous GAAP*	Adjustments	Ind AS
	<b>INCOME</b>				
I	(a) Revenue from Operations	18	40,099.27	-	40,099.27
II	(b) Other Income	19	1,392.12	-	1,392.12
III	<b>Total Income (I+II)</b>		<b>41,491.39</b>		<b>41,491.39</b>
	<b>IV EXPENSES</b>				
	(a) Cost of Materials Consumed	20	24,576.16	-	24,576.16
	(b) Purchases of Stock-in-trade	21	5,813.57	-	5,813.57
	(c) Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-progress	22	(774.32)	-	(774.32)
	(d) OEmployee Benefit Expenses	23	1,526.66	(8.12)	1,534.78
	(e) Finance Cost	24	1,016.39	-	1,016.39
	(f) Depreciation and Amortisation Expense	25	1,297.34	-	1,297.34
	(g) Excise Duty		3,204.93	-	3,204.93
	(h) Other Expenses	26	4,228.64	(36.70)	4,265.34
	<b>Total Expenses(IV)</b>		<b>40,889.37</b>	<b>(44.82)</b>	<b>40,934.19</b>
V	<b>PROFIT /(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III-IV)</b>		<b>602.02</b>	<b>44.82</b>	<b>557.20</b>
VI	Exceptional Items		-	-	-
VII	<b>PROFIT / (LOSS) BEFORE TAX (V-VI)</b>		<b>602.02</b>	<b>44.82</b>	<b>557.20</b>
VIII	<b>Tax Expenses:</b>				
	(1) Current Tax		-	-	-
	(2) Deferred Tax		-	-	-
	(3) Deferred Tax Reversals		-	-	-
IX	<b>PROFIT / (LOSS) FROM ORDINARY ACTIVITIES AFTER TAX (VII-VIII)</b>		<b>602.02</b>	<b>44.82</b>	<b>557.20</b>
	<b>X OTHER COMPREHENSIVE INCOME</b>				
	(a) (i) Items that will be reclassified subsequently to the statement of profit and loss		-	-	-
	(ii) Income tax on items that will be reclassified subsequently to the statement of profit and loss		-	-	-
	(b) (i) Items that will not be reclassified subsequently to the statement of profit and loss		-	(8.12)	8.12
	(ii) Income tax on items that will not be reclassified subsequently to the statement of profit and loss		-	-	-
	<b>TOTAL OTHER COMPREHENSIVE INCOME/(LOSSES)</b>		<b>-</b>	<b>(8.12)</b>	<b>8.12</b>
XI	<b>TOTAL COMPREHENSIVE INCOME OF THE YEAR (IX+X)</b>		<b>602.02</b>	<b>36.70</b>	<b>565.32</b>

See accompanying notes 1 to 37 are integral part of these Financial Statements

As per our Report of Even Date  
**For VSS & ASSOCIATES**  
 Chartered Accountants  
 Firm Registration No 105787W

**For and on behalf of the Board of Directors of  
 Lloyds Metals and Energy Limited**

**Sanjay Jain**  
 Partner  
 Membership No 46565

**Babulal Agarwal**  
 Managing Director  
 DIN: 00029389

**Mukesh R. Gupta**  
 Chairman  
 DIN: 00028347

**Place :** Mumbai  
**Date :** 16<sup>th</sup> April, 2018

**Riyaz Shaikh**  
 Chief Financial Officer

**Nitesh Tanwar**  
 Company Secretary  
 Membership No.-ACS-28498



## Lloyds Metals and Energy Limited

**Regd. Office :** Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442 505, Maharashtra. **Tel.** 07172 285099 /103/398 **Fax** 07172 285003.  
**Corporate Office :** Trade World, "C" Wing, 16<sup>th</sup> Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai-400 013. **Tel. No.** 3041 8111. **Fax No.** 3041 8260  
**CIN :** L40300MH1977PLC019594 **Website :** www.lloyds.in

Dear Shareholder,

**Sub: Registration of E-Mail ID for servicing of documents by the Company under the Companies Act, 2013 – A Green Initiative by Ministry of Corporate Affairs, Govt. of India**

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

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

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

- By registering with your Depository Participant ("DP") in case the Company's shares are held in Demat form.
- By sending an E-Mail to Bigshare Services Private Limited, Registrar and Share Transfer Agent ("RTA") at 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (E), Mumbai - 400059.
- By returning the duly filled in form to the RTA, in case the Company's shares are held in physical form.

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

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

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

Best Regards,

**For Lloyds Metals and Energy Limited**

**Nitesh Tanwar**  
**Company Secretary**

Tear Here

## E-COMMUNICATION REGISTRATION FORM

Date:

To,

**Bigshare Services Private Limited**  
 1<sup>st</sup> Floor, Bharat Tin Works Building,  
 Opp. Vasant Oasis, Makwana Road, Marol,  
 Andheri (E), Mumbai - 400059,

**UNIT – LLOYDS METALS AND ENERGY LIMITED**

Dear Sir,

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

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

<b>Folio No. / DP ID / Client ID</b>	:
<b>E-mail ID</b>	:
<b>Name of the First / Sole Shareholder</b>	:
<b>Signature</b>	:

Note: Shareholder(s) are requested to notify the Company as and when there is any change in the E-Mail address.



## SHAREHOLDER INFORMATION

To,  
Bigshare Services Private Limited  
Unit: **Lloyds Metals and Energy Limited**  
1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road, Marol,  
Andheri East, Mumbai – 400059

### Update of Shareholder Information for Physical holdings

I/We request you to record the following information against my/our Folio No.:

#### General Information:

Folio No.	
Name of the sole/first shareholder	
PAN*	
CIN/Registration No.:* (applicable to corporate shareholders)	
Tel. No. with STD Code	
Mobile No	
E-mail Id	

\* Self attested copy of the document(s) enclosed

#### Bank Details:

IFSC: (11 Digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c Type:*
Name of the Bank:	
Bank Branch Address:	

\* A blank cancelled cheque is enclosed to enable verification of bank details.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We shall not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place:

Date:

Encl.:

Signature of sole/first holder

#### Notes:

Scanned copy of the above form, duly completed, along with the necessary documents, can also be sent to us on the following e-mail IDs: [investor@bigshareonline.com](mailto:investor@bigshareonline.com) or [investor@lloyds.in](mailto:investor@lloyds.in).

For Members holding shares in electronic form, any change in the above details must be intimated directly to their Depository Participant only and not to the Company or its Registrars and Share Transfer Agents.







## Lloyds Metals and Energy Limited

**Regd. Office :** Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442 505, Maharashtra. **Tel.** 07172 285099 /103/398 **Fax** 07172 285003.  
**Corporate Office :** Trade World, "C" Wing, 16<sup>th</sup> Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai-400 013. **Tel. No.** 3041 8111. **Fax No.** 3041 8260  
**CIN :** L40300MH1977PLC019594 **Website :** www.lloyds.in

### Form No. MGT-11

### Proxy Form

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

**CIN: L40300MH1977PLC019594**

Name of the Company : **Lloyds Metals and Energy Limited**  
Registered Office : Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur - 442 505, Maharashtra.

Name of the member(s): .....
Registered Address: .....
E-mail Id: .....
Folio No./Client Id: .....
DP ID: .....

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

1. Name:  
Address:  
  
E-mail Id:  
  
Signature: ....., or failing him

2. Name:  
Address:  
  
E-mail Id:  
  
Signature: ....., or failing him

3. Name:  
Address:  
  
E-mail Id:  
  
Signature: .....

# LLOYDS METALS AND ENERGY LIMITED

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 41<sup>st</sup> Annual General Meeting of the Company, to be held on **Wednesday, 8<sup>th</sup> August, 2018 at 12.30 p.m.** at Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442505, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

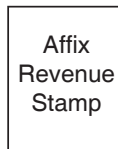
\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No	RESOLUTIONS	For	Against
1.	To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial year ended 31 <sup>st</sup> March, 2018, together with the Reports of the Board of Directors and the Auditors thereon.		
2.	To appoint a Director in place of Mr. Rajesh R. Gupta (DIN: 00028379), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To ratify the appointment of M/s VSS and Associates, Chartered Accountants, Mumbai (ICAI Firm Registration No. 105787W) as the Statutory Auditors of the Company.		
4.	Ratification of Remuneration of Cost Auditors of the Company.		
5.	To amend the "Lloyds Metals and Energy Limited Employee Stock Option Plan – 2017" of the Company.		

Signed this..... day of ..... 2018

Signature of Shareholder(s)

Signature of Proxy holder(s)



## Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A Proxy need not be a member of the Company.
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*\* This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
- This form of proxy shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a Body Corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
- This form of proxy will be valid only if it is duly complete in all respect, properly stamped and submitted as per the applicable law. Incomplete form or forms which remains unstamped or inadequately stamped or form upon which the stamps have not been cancelled will be treated as invalid.
- Undated proxy form will not be considered valid.
- If company receives multiple proxies for the same holdings of a member, the proxy which is dated last will be considered valid, if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.



## Lloyds Metals and Energy Limited

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

### 41<sup>ST</sup> Annual General Meeting

#### ATTENDANCE SLIP

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

DP ID *	
Client ID *	

Folio No.	
No. of Shares	

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

I, Certify that I am a registered Member/ Proxy for the registered Member of the Company, I hereby record my presence at the 41<sup>st</sup> Annual General Meeting of the Company held at Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442 505, Maharashtra on **Wednesday, 8<sup>th</sup> August, 2018 at 12.30 p.m.**

Full Name of Member (in BLOCK LETTERS) \_\_\_\_\_

Name of the Proxy (in BLOCK LETTERS) \_\_\_\_\_

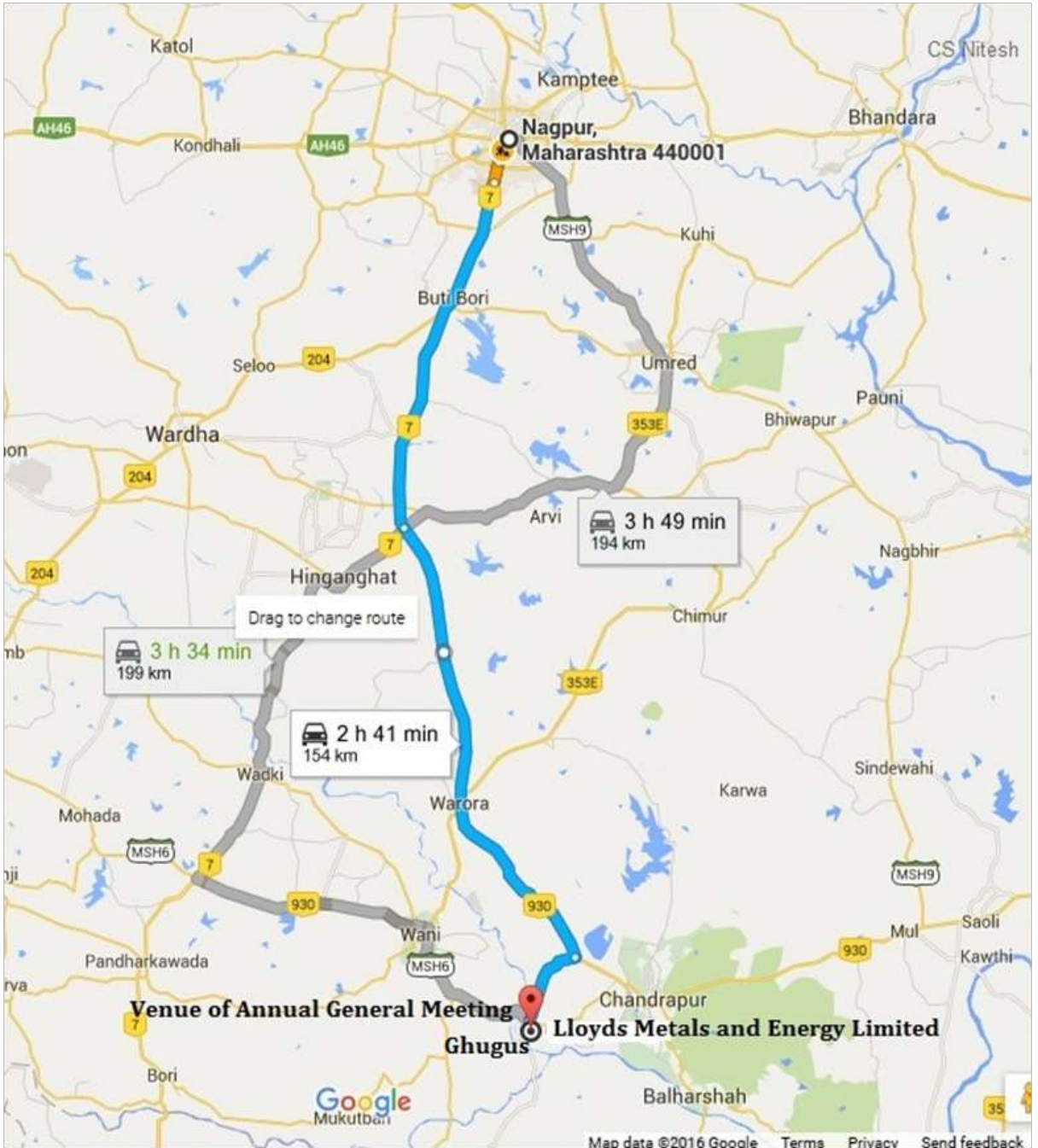
(To be filled in if the Proxy attends instead of Member/s)

Member's/Proxy's Signature \_\_\_\_\_

\* Applicable for investors holding shares in electronic form.



**Route Map:** Nagpur, Maharashtra to Lloyds Metals and Energy Limited, Plot No. A-1/2, MIDC Area, Ghugus, Dist. Chandrapur – 442 505.









**BY COURIER**

If undelivered please return to :

**BIGSHARE SERVICES PRIVATE LIMITED**

**(Unit : Lloyds Metals and Energy Ltd.)**

1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis,  
Makwana Road, Marol, Andheri (E), Mumbai - 400059.

Phone : 022-6263 8200

Fax : 022-6263 8299