Lloydsteel

LLOYDS STEELS INDUSTRIES LIMITED

Corporate Office : Trade World, 'C' Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (W), Mumbai 400 013.
Tel: 91-22-3041 8111 **Fax** 91-22-3041 8260 **email :** infoengg@lloyds.in, website: www.lloydsengg.in **CIN** : L28900MH1994PLC081235

PRRG/LSIL/ NSEL/2017/78 01.07.2017

The National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051

Dear Sirs,

Sub: Submission of Annual Report for the Financial Year 2016-2017

Ref: Symbol: LSIL

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 2016-2017 which is approved and adopted by the members in 23rd Annual General Meeting of the Company held on Friday, the 30th June, 2017 11.30 a.m. at Registered Office of the Company.

We request you to kindly take a note of the above in your records.

Thanking You,

Yours faithfully,
For Lloyds Steels Industries Limited

P.R. Ravi Ganesan
CFO & Company Secretary

LLOYDS STEELS INDUSTRIES LTD. MUMBAI 400 013

Encl: A/a.

Lloydsteel

Lloyds Steels Industries Limited

23rd Annual Report
2016 - 17

Lloyds Steels Industries Limited

CIN: L28900MH1994PLC081235

Corporate Information

BOARD OF DIRECTORS

Mr. Ashok Tandon *(DIN:00028301)*	Managing Director
Mr. S. N. Singh *(DIN:00398484)*	Independent Director
Mr. Vishal Agarwal *(DIN:00168370)*	Independent Director
Mrs. Bela Sundar Rajan *(DIN:00548367)*	Independent & Woman Director

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY
Mr. P. R. Ravi Ganesan

AUDITORS

Statutory Auditor
M/s. Todarwal & Todarwal
12, Maker Bhavan No.3
1st Floor, 21 New Marine Lines,
Mumbai – 400 020
Maharashtra

Cost Auditor
M/s. Manisha & Associates
238, Shri Ram Shyam Towers,
2nd Floor, Near N.I.T. Sadar,
Nagpur – 440 001,
Maharashtra

Secretarial Auditor
M/s. AKM & Associates,
30-A, First Floor,
Om Heera Panna,
Near Oshiwara Police Station,
Oshiwara, Andheri (West),
Mumbai – 400 053

Internal Auditor
RSM Astute Consulting Pvt. Ltd.
3rd Floor, A Wing,
Technopolis Knowledge Park,
Mahakali Caves Road,
Andheri (E), Mumbai – 400 093

CORPORATE IDENTIFICATION NUMBER

CIN: L28900MH1994PLC081235

BANKERS

HDFC Bank Limited
State Bank of India
Union Bank of India
Bank of Maharashtra
Punjab and Maharashtra Co-Operative Bank Limited

REGISTERED OFFICE & WORKS

Plot No. A-5/5,
MIDC Industrial Area,
Murbad, Dist. Thane – 421 401
Maharashtra

CORPORATE OFFICE

Trade World, "C" Wing, 16th Floor,
Kamala City, Senapati Bapat Marg,
Lower Parel (West), Mumbai – 400 013
Tel. +91 22 3041 8111
Fax +91 22 3041 8220
E-mail: infoengg@lloyds.in

REGISTRAR & SHARE TRANSFER AGENT

BIGSHARE SERVICES PRIVATE LIMITED
E-2/3. Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East), Mumbai – 400 072
Tel. +91 22 4043 0200
Fax +91 22 2847 5207
E-mail: investor@bigshareonline.com

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23rd Annual General Meeting

Date : 30th June, 2017 Time : 11.30 A.M.

Venue

Registered Office :
Plot No. A-5/5,
MIDC Industrial Area,
Murbad, Dist. Thane – 421 401
Maharashtra

NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the Members of the **Lloyds Steels Industries Limited** will be held on **Friday, 30th June, 2017 at 11.30 A.M.** at the Registered Office of the Company at Plot No. A-5/5, MIDC Industrial Area, Murbad, Thane – 421 401, Maharashtra, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended 31st March, 2017, the reports of the Board of Directors and Auditors Report thereon.

2. To ratify the appointment of M/s Todarwal & Todarwal, Chartered Accountants (Firm Registration No. 111009W) as Statutory Auditors for the Financial Year 2017-2018, including their remuneration.

3. To reappoint M/s Manisha & Associates, Cost Accountants as Cost Auditor for the Financial Year 2017-18 including their remuneration.

***By Or*der of the Board of Directors**

Date : 20th April, 2017 **P. R. Ravi Ganesan**
Place : Mumbai **Company Secretary**

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 /herself and the proxy 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 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.
7. 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.
8. 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. 16**.
9. 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.
10. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, 23rd June, 2017 to Friday, 30th June, 2017 (both days inclusive**) in terms of the provisions of Section 91 of the Companies Act, 2013.
11. 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.
12. Relevant documents referred to in the accompanying Notice and 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.lloydsengg.in**
13. 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.
14. Members are requested to notify any changes in their address to the Company's Registrar & Share Transfer Agent, M/s. Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai - 400 072.
15. 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.

16. **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 M/s. 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. **23rd June, 2017.**

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. **23rd June, 2017** 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.lloydsengg.in.** The results shall simultaneously be communicated to the Stock Exchange.

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 **30th June, 2017**.

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 27th June, 2017 at 9.00 a.m. and ends on 29th June, 2017 at 5.00 p.m. During this period, Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd June, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

iii. The shareholders should log on to the e-voting website **www.evotingindia.com** during the voting period.

iv. Click on "**Shareholders**" tab.

v. 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.

vi. Next enter the Image Verification as displayed and Click on Login.

vii. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ● Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. ● In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio. ● Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the Member ID / folio number in the Dividend Bank details field as mentioned in instruction (v).

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 STEELS INDUSTRIES LIMITED**" on which you choose to vote.

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

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

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

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

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

xvii. If Demat account holder has forgotten the 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.

xviii. Note for Non-Individual Shareholders and Custodians :

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** under help section or write an E-Mail to **helpdesk.evoting@cdslindia.com.**

17. The route map of the venue of the Annual General Meeting is appended to this Notice.

By Order of the Board of Directors

Date : 20th April, 2017 **P.R. Ravi Ganesan**
Place: Mumbai **Company Secretary**

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Company's Twenty Third Annual Report and the Company's audited financial statements for the financial year ended 31st March, 2017.

1. FINANCIAL HIGHLIGHTS:

(₹ in Lakhs)

Particulars	Current Year 2016-17	Previous Year 2015-16
Sales (Net)	**7614.83**	11668.39
Other Income	**574.20**	825.82
Total Income :	**8189.03**	12494.21
Profit before Interest, Depreciation & Tax	**273.63**	647.22
Less : Finance Cost	**31.10**	436.19
Depreciation	**112.98**	147.40
Exceptional Items	**-**	-
Profit/(Loss) before tax	**129.55**	63.63
Add : Deferred Tax - Asset	**95.89**	-
Net Profit/ (Loss) after Tax	**225.44**	63.63

2. PERFORMANCE 2016-17:

During the year under review, the Company achieved a turnover of ₹ 7614.83 Lakhs as against ₹ 11668.39 Lakhs in the previous year. The decrease in the turnover is on account of industrial slowdown and low investment in Capital Projects during the current financial year. The operating EBIDTA for the year is ₹ 273.63 Lakhs as against ₹ 647.22 Lakhs in the previous year. The Company has posted a Profit of ₹ 129.55 Lakhs during the year as against ₹63.63 Lakhs in the previous year after providing depreciation of ₹112.98 Lakhs (Previous Year ₹ 147.40 Lakhs) and has posted a Net Profit of ₹ 225.44 Lakhs in the current year after considering deferred tax asset of ₹ 95.89 Lakhs.

3. TRANSFER TO RESERVE:

The Company do not propose to Transfer any amount to any reserve.

4. DIVIDEND:

In order to conserve the resources, the Board of Directors has not recommended any Dividend for the year ended 31st March, 2017.

5. MANAGEMENT DISCUSSION AND ANALYSIS:

The core business of the Company is Design, engineering, manufacturing, fabrication, supply, erection and commissioning of all types of Mechanical, Hydraulic, Structural, Process Plants, Metallurgical, Chemical Plants Equipments including Marine Loading/Unloading arms, Truck/Wagon Loading/Unloading arms, Columns, Pressure Vessels, Dryers, Boilers, Power Plant, Steel Plant Equipments, Capital Equipments and execution of Turnkey and EPC projects.

The Company has collaboration agreements with L3 Calzoni s.r.l., Milano, Italy for Fin Stabilizers and Steering Gears with Controls for Indian Naval Ships and Indian Coast Guard Ships. The Company has arrangement with Technip FMC, France (earlier FMC Technologies SA) for Marine, Truck/Wagon Loading Arms and Piggable Systems. The Company has also entered into teaming agreement with SPIC Yuanda Environmental Protection Equipment Manufacturing Co Ltd. (Erstwhile Jiangsu Unispendor Jidida Environmental Science and Technology Co. Ltd.), China for implementation of Environmental Projects in India.

During the current financial year, the Company has executed orders/jobs by supplying critical equipments, items and spares, carried out erection, installation and commissioning work and provided technical services to various Public and Private Sector Companies and Government bodies/Agencies in diversified areas and fields broadly covering Refinery & Petroleum, Oil & Gas, Power, Steel Plant equipments, Ports and Naval shipyard amongst others and have executed few export orders.

The Company is approved for its engineering skills/works/ services by various premier consulting Companies and Inspection Agencies such as Engineers India Ltd.(EIL), MECON, LRIS, BVIS amongst various other agencies. The Company's works has been approved by Industrial Boiler Regulatory Authority (IBR). The Company has further been approved for ISO 9001:2015 by SGS UK for Design, Manufacture and Supply of Equipment for Industrial Sector – Hydrocarbon, Nuclear Power, Space, Defence, Process plants, Loading/Unloading Arms, Steel Plant, Boiler and Boiler Equipment.

The Company continues to participate in the tenders of various public and private sector Companies, government organisations, Navy, Ports, and actively looking for obtaining orders/execution of works in India and abroad.

a. **Engineering Industry and Business Overview**:

The Indian Engineering Industry is expected to witness growth in a steady manner for a decade. This is due to the large reforms being undertaken by Government of India in various sectors under the drive of "MAKE IN INDIA" particularly, in the Hydro Carbon Sector and Infrastructure Sector which is bound to witness higher investment required for making compliance with environmental norms to produce diesel, petrol, oil and other fuels so as to follow the norms of BIS IV and VI. This programme will require investment in Refinery to the extent of around ₹ 80000 Crores over the next 2 – 3 years. Infrastructure, Logistic and Port Sectors is expected to grow due to higher volume and lesser restriction with introduction of GST.

Thermal Fuel Power Plant will require adhering to new environmental MOEF Norms requiring new system of FGD and better efficiency ESP. Our Company is working to secure technology

partnership in these systems to widen our client base. Infrastructure, Logistic and Port development is expected to increase our share in Marine Loading Arms business.

b. Risk & Concerns:

The present scenario of the banking system which is over burdened with large Non Performing Assets (NPA) is restricting the investment by Public and Private Corporate Sectors. However, new avenues are being opened with the large Foreign Direct Investment (FDI) inflow which is expected to boost the development of engineering industry. Presently due to high competition and limited capital projects, margins are under pressure with large number of bidders in Engineering Industry. We are considering the skill up gradation, modernization and cost saving to the extent possible. Risk and concerns is being addressed on a continuous basis.

c. Internal Control System and Audit:

The Company believes in systematic working and placing of proper internal control systems and checks. Proper checks and systems are in place and regular reviews are held by the Head of Department and Senior Management to check that the systems and controls are adhered. The reviews also prescribe changes wherever required. Further, the efficiency of Internal Control Systems is ensured as a combined result of the following activities:

1. Operational performance is reviewed each month by the Senior Management.
2. Performance of each function is closely monitored by the Head of Department and Senior Management through daily/ weekly/monthly review meetings. Reviews of all independent functions are regularly undertaken. Cross functional activities are also subjected to periodic review.
3. Various policies are introduced from time to time to ensure effective functioning of various departments, such as Business development, Projects, Procurement, Commercial, Finance, HR, etc.
4. The Internal Auditors of the Company conducts financial, operational and management audit of various functions and areas. Their reports are placed before the Audit Committee and appropriate actions as deemed fit are initiated based on the reports.
5. The Audit Committee also oversees financial systems, procedures and internal controls and competent to call for any information/ document from any department/function.

d. Human Resources and Industrial Relations:

The Industrial Relations in the Company's units located at Murbad during the year under review was cordial. 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 for 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 if any. The HR Department strives to maintain and promote harmony and co-ordination amongst workers, staff and members of the senior management.

e. Cautionary Statement:

The Management Discussion 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.

6. SUBSIDIARY & CONSOLIDATED FINANCIAL STATEMENTS:

The Company is not required to consolidate its financial statements for the year ended 31st March, 2017 as the Company does not have any subsidiary.

7. 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 has occurred between the end of the financial year of the Company to which the financial statements relate and date of this report.

8. CHANGE IN THE NATURE OF BUSINESS:

During the year under review, there are no changes in the nature of business of the Company.

9. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that:

i. in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any.

ii. appropriate Accounting Policies have been selected and applied 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 on 31st March 2017 and of the Profit and Loss Account for the Financial Year 2016-17.

iii. proper and sufficient care has been taken in maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities.

iv. the Annual Accounts have been prepared on a going concern basis.

v. internal financial controls to be followed by the Company have been laid and the same are adequate and operating effectively and

vi. proper systems have been devised to ensure compliance with provisions of all applicable laws and that such systems are adequate and operating effectively.

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

11. INTERNAL FINANCIAL CONTROLS:

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 operations were observed.

12. 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. Your Company has constituted a Committee comprising of 3 Independent Directors of the Company to redress the Investor grievances.

13. BOARD MEETINGS:

Five meetings of the Board of Directors were held during the year viz. on 6th May, 2016, 19th May, 2016, 10th August, 2016, 10th November, 2016 and 10th February, 2017. 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.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Ashok Satyanarayan Tandon (DIN: 00028301)

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Mr. Ashok Satyanarayan Tandon (DIN: 00028301) was appointed as Managing Director of the Company with effect from 20.01.2016 for a period of three years.

Mrs. Bela Sundar Rajan (DIN: 00548367):

Mrs. Bela Sundar Rajan (DIN: 00548367) was appointed as an Additional and Independent Woman Director of the Company with effect from 28.01.2016 duly approved by the shareholders in the Annual General Meeting held on 31st August, 2016.

Mr. Vishal Agarwal (DIN: 00168370):

Mr. Vishal Agarwal (DIN: 00168370) was appointed as an Additional and Independent Director of the Company with effect from 28.01.2016 duly approved by the shareholders in the Annual General Meeting held on 31st August, 2016.

Mr. Satyendra Narain Singh (DIN: 0398484):

Mr. Satyendra Narain Singh (DIN: 00398484) was appointed as an Additional and Independent Director of the Company with effect from 06.05.2016 duly approved by the shareholders in the Annual General Meeting held on 31st August, 2016.

Mr. P.R. Ravi Ganesan:

Mr. P.R. Ravi Ganesan was appointed as Chief Financial Officer and Company Secretary of the Company with effect from 20.01.2016.

15. DECLARATION BY INDEPENDENT DIRECTORS:

The Independent Directors have submitted the Declaration of Independence, as required pursuant to section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section 149(6) of the Companies Act, 2013.

16. PERFORMANCE EVALUATION OF DIRECTORS:

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of the individual Directors and the Board.

The framework of performance evaluation of the Independent Directors captures the following points:

A. Key attributes of the Independent Directors that justify his/her extension / continuation on the Board of the Company;

B. Participation of the Directors in the Board proceedings and his/her effectiveness; The evaluation was carried out by means of the replies given / observations made by all the Directors on the set of questions developed by them which brought out the key attributes of the Directors, quality of interactions amongst them and its effectiveness.

17. COMMITTEES AND POLICIES:

Audit Committee: The Audit Committee comprises of Mr. Vishal Agarwal, Chairman, Mr. S.N. Singh and Mrs. Bela Sundar Rajan as Members. Four meetings were held during the year viz. 19th May 2016, 10th August 2016, 10th November 2016 and 10th February, 2017.

All the recommendations made by the Audit Committee have been accepted and implemented by the Board of

Directors. More details on the committee are given in the Corporate Governance Report.

Nomination and Remuneration Committee: The Nomination and Remuneration Committee comprises of Mr. S.N. Singh, Chairman, Mr. Vishal Agarwal, and Mrs. Bela Sundar Rajan as Members. No meetings were held during the year.

Stakeholders Relationship Committee: The Stakeholders Relationship Committee is entrusted with the responsibility of redressing the shareholders'/ investors' complaints with respect to transfer of shares, non-receipt of Annual Report, non-receipt of dividend etc. The committee comprises of Mrs. Bela Sundar Rajan as Chairman and Mr. Vishal Agarwal and Mr. S.N. Singh as the Members. No meetings were held during the year.

Remuneration Policy: The Remuneration policy provides guidelines to the Nomination & Remuneration Committee relating to the Appointment, Removal & Remuneration of Directors and KMP. It also provides criteria for determining qualifications, positive attributes and Independence of a Directors.

The Nomination and Remuneration policy as approved by the Board is uploaded on the Company's website at the web link: http://www.lloydsengg.in/policies.html.

Whistle Blower Policy & Vigil Mechanism: The Company has formulated Whistle Blower Policy & established Vigil Mechanism for the directors and employees of the Company to report, serious and genuine unethical behavior, actual or suspected fraud and violation of the Company's code of conduct or ethics policy. It also provides adequate safeguards against victimization of persons, who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. None of the employees of the Company has been denied access to the Audit Committee.

Mr. P.R. Ravi Ganesan, CFO and Company Secretary and Compliance Officer of the Company has been designated as Vigilance and Ethics Officer for various matters related to Vigil Mechanism.

The Policy on Vigil Mechanism and Whistle Blower Policy as approved by the Board is uploaded on the Company's website at the web link: http://www.lloydsengg.in/policies.html.

18. OTHER POLICIES:

The Company has formulated other policies as required under various Rules and Regulations duly approved by the Board and the same have been uploaded on the Company's website at the web link:

http://www.lloydsengg.in/policies.html.

19. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEE GIVEN AND SECURITIES PROVIDED:

There are no Investments made pursuant to Section 186 of the Companies Act, 2013. The Company has not given any loan or guarantee or provided security during the year under review. The land and buildings and plant and machinery of the demerged Engineering Division works at A-6/3 and A-5/5, MIDC, Murbad of Uttam Value Steels Ltd. which has been transferred and vested with our Company have pari-passu charge created in favour of the lenders of Uttam Value Steels Limited before the demerger.

20. PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY:

The Company has not entered into any transactions or arrangement with any related party during the financial year ended 31st March, 2017 pursuant to section 188(2) of the Companies Act, 2013.

21. AUDITORS AND AUDITORS' REPORT:

Statutory Auditor:

Pursuant to Section 139 of the Companies Act, 2013, rules made thereunder and subject to approval of the members of the Company at the Annual General Meeting, the Board of Directors on the recommendation of Audit Committee appointed M/s Todarwal & Todarwal, Chartered Accountants (Firm Registration No.111009W), as the Statutory Auditors of the Company for a period of Five financial years commencing from 1st April, 2014 to 31st March, 2019 subject to ratification of the members in each of the Annual General Meeting to be held in the Five Financial years.

The Board based on the recommendation of the Audit Committee, recommends the ratification of the appointment of M/s Todarwal & Todarwal, Chartered Accountants (Firm Registration No.111009W) as the statutory auditors. The members are thus requested to ratify the appointment of aforesaid Statutory Auditors for the financial year 2017-2018 at the ensuing Annual General Meeting.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

Cost Auditor:

In terms of provisions of Section 148 of the Companies Act, 2013 and in accordance with notification issued by the Ministry Of Corporate Affairs, F.No.52 /26/ CAB – 2010 dated 24th January, 2012, M/s Manisha & Associates, Cost Accountants, Nagpur, were appointed as Cost Auditor of the Company for the financial year 2016-17 by the Board as recommended by the Audit Committee and they have offered themselves for re-appointment for the financial year 2017-18. The Company has filed Cost Audit Report for the financial year ended 31st March 2016 with the Central Government within the time limit prescribed under the Companies Act, 2013.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors based on the recommendations of Audit Committee have appointed M/s AKM & Associates, a firm of Company Secretaries in Practice based in Mumbai to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2017 and further the Secretarial Auditor has offered themselves for reappointment for the financial

year 2017-18. The Secretarial Audit Report for the financial year 2016-17 does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed hereto as "**Annexure-B**" and forms part of this Report.

22. EXTRACT OF THE ANNUAL RETURN:

The Extract of the Annual Return for the Financial Year 2016-17 is enclosed with this report pursuant to section 92 (3) of the Companies Act, 2013 as "**Annexure-C**" and forms part of this report.

23. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information required under Section 197(12) read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given hereunder in respect to the Remuneration to Mr. Ashok Tandon, Managing Director:

Sl. No.	Particulars of Remuneration	Amount(₹)
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961	52,11,276
	(b) Value of Perquisites u/s 17(2) of the Income Tax Act,1961	31,63,368
	(c) Profits in lieu of Salary u/s 7(3) of the Income Tax Act 1961	-
2.	Commission	-
3.	Contribution to Provident Fund	6,25,356
4.	Performance Bonus	-
	Total	**90,00,000**
	Ceiling as per the Companies Act, 2013 (other than contribution to Provident Fund)	**84,00,000**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed hereto marked as **"Annexure-D"** and forms part of this report.

24. 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-E"** and forms part of this report.

25. GENERAL DISCLOSURE:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

a. Details relating to deposits covered under Chapter V of the Act.

b. Issue of equity shares with differential rights as to dividend, voting or otherwise.

c. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save or ESOS.

d. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Your Directors 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. GREEN INITIATIVES:

Electronic copies of the Annual Report and Notice of the Annual General Meeting are sent to all members whose email addresses are registered with the Company/ Depository participant(s). For members who have not registered their email addresses, physical copies of the Annual Report and the Notice of the Annual General Meeting under Section 101 of the Companies Act, 2013 are sent in the permitted mode. Members requiring physical copies can send a request to the Company.

Your Company provides e-voting facility to all its members to enable them to cast their votes electronically on all resolutions set forth in the Notice. This is pursuant to the Section 108 of the Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015.

27. 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

Date : 20th April, 2017 **Ashok Tandon**
Place: Mumbai **Managing Director**

ANNEXURE-A

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

1. Murbad Works of the Company adopts a cautious approach in power and fuel consumption by optimizing the operation of shifts and by following strict fuel consumption measures.

2. Foreign Exchange Earnings and Outgo (₹ Lakhs)

Account Head	2016-17	2015-16
Earnings:		
Brokerage and Commission	-	53.74
FOB Value of Exports	808.23	-
Outgo:		
Traveling / Books, Periodicals	6.69	11.43
Raw Materials, Stores and Spares	1,013.02	1,137.30
Engineering and Design	49.81	159.74
Technical and Professional Charges	28.65	141.97

ANNEXURE-B

FORM - MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
LLOYDS STEELS INDUSTRIES LIMITED
Thane, Maharashtra

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Lloyds Steels Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Lloyds Steels Industries Limited 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) 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;

(v) 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) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (not applicable to the Company during the Audit period);

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the Audit period);

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit period);

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the Audit period); and

   (i) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

(vi) Employees Provident Fund and Miscellaneous Provisions Act, 1952;

(vii) Employees State Insurance Act, 1948;

(viii) Employers Liability Act, 1938;

(ix) Environment Protection Act, 1986 and other environmental laws;

(x) Equal Remuneration Act, 1976;

(xi) Factories Act, 1948;

(xii) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;

(xiii) Indian Contract Act, 1872;

(xiv) Income Tax Act, 1961 to the extent of Tax Deducted at Source under various Section and T.D.S. Returns filed;

(xv) Indirect Tax Laws relating to collections, deductions, wherever applicable, payments made and returns filed;

(xvi) Indian Stamp Act, 1999;

(xvii) The Maharashtra Stamp Act;

(xviii) Maharashtra Shops and Establishments Act 1948;

(xix) Industrial Dispute Act, 1947;

(xx) Maternity Benefits Act, 1961;

(xxi) Minimum Wages Act, 1948;

(xxii) Negotiable Instruments Act, 1881;

(xxiii) Payment of Bonus Act, 1965;

(xxiv) Payment of Gratuity Act, 1972;

(xxv) Payment of Wages Act, 1936;

(xxvi) and other applicable labour laws. I 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 Listing Agreements entered into by the Company with stock exchanges read with 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.

I further report that:

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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.

For AKM & Associates
Company Secretaries

Arun Kumar Mohta
Proprietor
ACS No.: 26145
C P No.: 10245

Place: Mumbai
Date : 18th April, 2017

ANNEXURE - C

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017

[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.	**CIN**	L28900MH1994PLC081235
2.	**Registration Date**	19/09/1994
3.	**Name of the Company**	LLOYDS STEELS INDUSTRIES LIMITED
4.	**Address of the Registered office and contact details.**	Plot No A-5/5 MIDC Industrial Area, Murbad Rd, Thane-421401
5.	**Category/Sub Category of the Company**	Company Limited by Shares/Indian Non Government Company
6.	**Whether Listed Company (Yes/No)**	Yes
7.	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	Bigshare Services Private Limited E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai-400 072. Phone: 022-40430200, Fax: 022-28475207, Email 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:-

Sl. No	Name and Description of main Products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Manufacturing of Engineering Equipments	2811	100%

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

Sr. 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 beginning of the year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1. Indian									
a. Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c. State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d. Body Corp.	41,44,41,116	0	41,44,41,116	46.12	41,44,41,116	0	41,44,41,116	46.12	0.00
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
Sub Total-A(1)	**41,44,41,116**	**0**	**41,44,41,116**	**46.12**	**41,44,41,116**	**0**	**41,44,41,116**	**46.12**	**0.00**

Category of Shareholders	No of Shares held at the beginning of the year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Foreign									
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
Sub Total-A(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholders of Promoters(1+2)	**41,44,41,116**	**0**	**41,44,41,116**	**46.12**	**41,44,41,116**	**0**	**41,44,41,116**	**46.12**	**0.00**
B. Public Shareholding									
1. Institution									
a. Mutual Funds	602	3,96,928	3,97,530	0.04	602	3,96,928	3,97,530	0.04	0.00
b. Bank/FI	13,80,07,679	4,017	13,80,11,696	15.36	13,61,79,048	4,017	13,61,83,065	15.15	-0.20
c. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d. State Govt.	680	340	1020	0.00	0	0	0	0.00	0.00
e. Venture Capital	0	0	0	0.00	0	0	0	0.00	0.00
f. Insurance Co.	29,85,127	0	29,85,127	0.33	29,85,127	0	29,85,127	0.33	0.00
g. FIIs	0	40,800	40,800	0.00	0	40,800	40,800	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	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total-B(1)	**1,40,9,94,088**	**4,42,085**	**14,14,36,173**	**15.73**	**13,91,64,777**	**4,41,745**	**13,96,06,522**	**15.53**	**-0.20**
2. Non-Institution									
a. Body Corp	18,09,23,449	3,06,352	18,12,29,801	20.17	17,02,81,051	3,04,467	17,05,85,518	18.98	-1.18
b. Individual									
i. Individual Shareholders holding nominal share capital upto ₹2 lakh	4,51,39,270	1,18,77,909	5,70,17,179	6.34	6,04,67,240	1,16,84,975	7,21,52,215	8.03	1.68
ii. Individual Shareholders holding nominal share capital in excess of ₹2 lakh	63,03,971	0	63,03,971	0.70	69,32,504	0	69,32,504	0.77	0.07

Category of Shareholders	No of Shares held at the beginning of the year				No. of Shares held at the end of the Year				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c. Others									
i. NRI	42,53,069	7,10,101	49,63,170	0.55	46,90,648	7,04,858	53,95,506	0.60	-0.52
ii. Foreign National	0	0	0	0.00	0	0	0	0.00	0.00
iii. OCB	9,29,19,806	0	9,29,19,806	10.33	8,80,19,806	0	8,80,19,806	9.79	-0.55
iv. Trust	0	0	0	0.00	340	272	612	0.00	0.00
v. In Transit	3,87,166	0	3,87,166	0.04	15,25,553	0	15,25,553	0.17	0.13
vi. Unclaimed Suspense Account	0	0	0	0.00	0	0	0	0.00	0.00
vii. Body Corporate NBFS	0	0	0	0.00	39,030	0	39,030	0.04	0.00
Sub Total-B(2)	**32,99,26,731**	**1,28,94,362**	**34,28,21,093**	**38.13**	**33,19,56,172**	**1,26,94,572**	**34,46,50,744**	**38.35**	**0.20**
Net Total(1+2)	**47,09,20,819**	**1,33,36,447**	**48,42,57,266**	**53.88**	**47,11,20,949**	**1,31,36,317**	**48,42,57,266**	**53.88**	**0.00**
C. Shares held by Custodian for GDRs & ADRs									
Promoter & Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
Public	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**88,53,61,935**	**1,33,36,447**	**89,86,98,382**	**100.00**	**88,55,62,065**	**1,31,36,317**	**89,86,98,382**	**100.00**	**0.00**

ii) **Share Holding of Promoters:**

Sr No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% 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.	Metallurgical Engineering And Equipments Limited	12,63,67,638	14.06	0.00	12,63,67,638	14.06	77.13	0.00
2.	Firstindia Infrastructure Private Limited	28,80,73,478	32.05	0.00	28,80,73,478	32.05	36.62	0.00

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

Sr 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.	No Change				

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

Sr. No.	Top Ten Shareholders	Shareholding at the beginning of the Year		Sr. No.	Top Ten Shareholders	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.	Shree Global Tradefin Limited	12,80,81,808	14.25	1.	Shree Global Tradefin Limited	12,80,81,808	14.25
2.	IDBI Bank Limited	10,20,00,000	11.35	2.	IDBI Bank Limited	10,20,00,000	11.35
3.	UD Industrial Holding Pte Limited	8,64,25,806	9.62	3.	UD Industrial Holding Pte Limited	8,15,25,806	9.07
4.	State Bank Of India	3,41,78,025	3.80	4.	State Bank Of India	3,41,78,025	3.80
5.	Triump Trade & Properties Developer Pvt. Limited	2,54,35,376	2.83	5.	Triumph Trade & Properties Developer Limited	2,54,35,376	2.83
6.	Ragini Trading & Investments Limited	96,86,386	1.07	6.	Ragini Trading & Investments Limited	96,86,386	1.07
7.	Uno Metals Limited	44,67,600	0.50	7.	Uno Metals Limited	0	0
8.	Akg Finvest Limited	37,74,000	0.42	8.	Akg Finvest Limited	0	0
9.	Life Insurance Corporation Of India	29,85,127	0.33	9.	Life Insurance Corporation Of India	29,85,127	0.33
10.	Siddhartha Suresh Khatwani	22,31,569	0.25	10.	Siddhartha Suresh Khatwani	22,31,569	0.25
				11.	Aron Enterprises Limited	13,05,600	0.14
				12.	Cosmos Corporation (Mauritius) Limited	13,05,600	0.14

v) Shareholding of Directors and Key Managerial Personnel:

Sr No.	For each of the Directors and KMP	Shareholding at the beginning of the Year		Shareholding at the end of the Year	
	Name of the Director/KMP	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
------- NOT APPLICABLE ---------					

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due or payment:

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
1. Principal Amount	0	0	0	0
2. Interest due but not paid	0	0	0	0
3. Interest accrued but not due	0	0	0	0
Total of (1+2+3)	**0**	**0**	**0**	**0**
Change in Indebtedness during the financial year				
+ Addition				
- Reduction	**0**	**0**	**0**	**0**
Net Change				
Indebtedness at the end of the financial year				
1. Principal Amount	0	0	0	0
2. Interest due but not paid	0	0	0	0
3. Interest accrued but not due	0	0	0	0
Total of (1+2+3)	**0**	**0**	**0**	**0**

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. Ashok Tandon Managing Director	
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	52,11,276	52,11,276
	(b) Value of perquisites u/s 17 (2)of Income Tax Act, 1961	31,63,368	31,63,368
	(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.	Contribution to Provident Fund	6,25,356	6,25,356
	Performance Bonus	0	0
	Total (A)	**90,00,000**	**90,00,000**
	Ceiling as per the Act (Other-than contribution to PF)		**84,00,000**

B) Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount in ₹
		Mr. Vishal Agarwal	Mr. S.N Singh	Mrs. Bela Sundar Rajan	
1. Independent Directors					
	Fee for attending Board Committee Meetings	**18,000**	**10000**	**18,000**	**46,000**
	Commission	-	-	-	-
	Others	-	-	-	-
	Total(1)	**18,000**	**10,000**	**18,000**	**46,000**

2. Other non Executive Directors: **Not Applicable**

Other Non Executive Directors				**Total (Amount in ₹**
Fee for attending Board Committee Meetings	-	-	-	-
Commission	-	-	-	-
Others	-	-	-	-
Total (2)	-	-	-	-
Total B=(1+2)	-	-	-	-
Ceiling as per the Act	-			

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

Sr. No	**Particulars of Remuneration**		**Total**
		P.R. Ravi Ganesan (CFO & CS)	
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	**41,68,133**	**41,68,133**
	(b) Value of perquisites u/s 17 (2)of Income Tax Act, 1961	-	-
	(c) Profits in lieu of salary u/s 17 (3) of Income tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - As % of profit - Others, specify	-	-
5.	Contribution to Provident Fund	**3,09,865**	**3,09,865**
	Performance Bonus	-	-
	Total C	**44,77,998**	**44,77,998**
	Ceiling as per the Act	**NA**	**NA**

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

Type	**Section of the Companies Act**	**Brief Description**	**Details of penalty/punishment/ Compounding fees imposed**	**Authority (RD, NCLT, Court)**	**Appeal made if any (give details)**
A.COMPANY					
Penalty	-	-	-	-	-
Punisment	-	-	-	-	-
Compounding	-	-	-	-	-
B.DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C.OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

ANNEXURE –D

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 PERSONNAL) RULES, 2014

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2016-17 (in ₹)	% increase in Remuneration in the Financial Year 2016-17	Ratio of Remuneration of each Director/ KMP to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Mr. Ashok S. Tandon, Managing Director	90,00,000	No increase	27.01	Profit before tax increased by 103.60%
2.	Mr. Vishal Agarwal, Independent Director	18,000	No increase	0.05	-
3.	Mrs. Bela Sundar Rajan, Independent and Women Director	18,000	No increase	0.05	-
4.	Mr. Satyendra Narain Singh, Independent Director	10,000	No increase	0.03	-
5.	Mr. P.R. Ravi Ganesan, Chief Financial Officer and Company Secretary	44,77,998	No increase	Not Applicable	Profit before tax increased by 103.60%

(ii) The median remuneration of employees of the Company during financial year was ₹ 3,33,236/-.

(iii) In the financial year, there was decrease of 0.006% in the median remuneration of employees.

(iv) There were 163 permanent employees on the rolls of Company as on 31.03.2017.

(v) Relationship between average increase in remuneration and Company Performance :- *Not Applicable as there was no increase in remuneration.*

(vi) Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

There was no change in the total remuneration of the Key Managerial Personnel in 2016-17 whereas the Profit before Tax increased by 103.60% to ₹ 129.55 Lakhs in 2016-17 against ₹ 63.63 Lakhs in 2015-16.

(vii) a) Variations in market capitalization of the Company.

The market capitalization as on 31st March 2017 was ₹ 16176.57 Lakhs.

b) Price Earnings Ratio of the Company was 60 times as at 31st March, 2017.

c) Percentage of increase/decrease in the market quotations of the shares of the Company as compared to the rate at which the Company allotted and issued equity shares as on 31.03.2016; An amount of ₹ 1,000 invested in the equity shares would be worth ₹ 1,800/- as on 31st March, 2017 indicating a Compounded Annual Growth Rate of 80%.

(viii) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was Nil and there was no increase in the managerial remuneration for the same financial year.

(ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – No employees are paid more remuneration than the highest paid director; and

(x) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Note: Remuneration includes sitting fees paid to the Directors.

ANNEXURE - E

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2016-17

1. COMPANY'S PHILOSOPHY ON CODE OF 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 four (4) members, of which Three (3) are Non-Executive Directors. None of the Directors on the Board holds directorships in more than ten public limited Companies. Further, none of them is a Member of more than ten committees or Chairman of more than five Committees across all public limited Companies in which he/she is a director. The necessary disclosures regarding Committee positions have been made by the Directors. None of the 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

Sr. 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 Meetings held)	AGM	Private	Public	Chairmanship	Membership	
1.	Mr. Ashok Tandon (DIN:00028301)	Managing Director	5	Yes	-	-	-	-	-
2.	Mr. Vishal Agarwal (DIN: 00168370)	Non-Executive & Independent Director	5	Yes	4	-	-	-	-
3.	Mr. S.N. Singh# (DIN: 00398484)	Non-Executive & Independent Director	3	Yes	-	-	-	-	-
4.	Mrs. Bela Sundar Rajan (DIN: 00548367)	Non-Executive & Independent Director	5	Yes	4	-	-		-
5.	Mr. Durga Prasanna Misra* (DIN: 02362364)	Non-Executive & Independent Director	-	-	2	-	-	-	-

Note:

** Mr. Durga Prasanna Misra resigned from the directorship of the Company w.e.f 28.04.2016*

 # Mr. S.N. Singh was appointed as an Additional and independent director w.e.f 06.05.2016

$ 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 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 31st March, 2017. Both the Codes are posted on the website of the Company i.e. www.lloydsengg.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 31st March, 2017, **Five** Board Meetings were held on 6th May, 2016, 19th May, 2016, 10th August, 2016, 10th November, 2016 and 10th February, 2017. 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 details of such familiarization programme held during the year 2016-17 are disclosed on the Company's website at www.lloydsengg.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 from time to time has constituted the following Committees, namely:

(i) AUDIT COMMITTEE

The Company re-constituted the Audit Committee due to resignation of Mr. Durga Prasanna Misra from the directorship of the Company w.e.f. 28.04.2016 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

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

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

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment, remuneration and terms of appointment of statutory auditors, cost auditors, internal auditors and secretarial auditors of the Company.
- Approving payment to statutory auditors, cost auditors, internal auditors and secretarial auditors for any other services rendered by them.
- Reviewing with the management, the annual financial statements and auditor's 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 judgement 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;
  - Disclosure of any related party transactions; and
  - Modified opinions in draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- 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.

- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- 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.
- 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.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- 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.
- 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.
- 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.
- To review the functioning of the Whistle Blower Mechanism.
- 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.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- 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 FY 2016-17, are given below in **Table - 2.**

Table - 2

Sr. No	Name of Directors	Status	Category	Meetings held (4 Meetings Held)	Meetings Attended
1.	Mr. Vishal Agarwal	Chairman	Non-executive & Independent	4	4
2.	Mrs. Bela Sundar Rajan	Member	Non-executive & Independent	4	4
3.	Mr. S. N. Singh	Member	Non-executive & Independent	4	2
4.	Mr. Durga Prasanna Misra*	Member	Non-executive & Independent	NA	NA

** Mr. Durga Prasanna Misra resigned from the directorship of the Company w.e.f 28.04.2016*

The chairman of the Audit Committee, Mr. Vishal Agarwal, was present at the 22nd Annual General Meeting held on 31st August, 2016.

Dates of Committee meetings: Four Audit Committee meetings were held during the year 2016-17 viz. 19th May, 2016, 10th August, 2016, 10th November, 2016 and 10th February, 2017.

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 06th May, 2016, reconstituted the Remuneration Committee as '**Nomination and Remuneration Committee'** due to resignation of Mr. Durga Prasanna Misra from the directorship of the

Company w.e.f. 28.04.2016 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:

- 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.
- To carry out evaluation of every Director's performance.
- 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.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- 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.
- To devise a policy on Board diversity
- To recommend/review remuneration of the Managing Director(s) based on their performance and defined assessment criteria
- 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

Sr. No	Name of Directors	Status	Category	Meetings held (0 Meetings Held)	Meetings Attended
1.	Mr. S.N Singh	Chairman	Non-executive & Independent	0	0
2.	Mrs. Bela Sundar Rajan	Member	Non-executive & Independent	0	0
3.	Mr. Vishal Agarwal	Member	Non-executive & Independent	0	0
4.	Mr. Durga Prasanna Misra*	Member	Non-executive & Independent	0	0

** Mr. Durga Prasanna Misra resigned from the directorship of the Company w.e.f 28.04.2016*

Meeting Details: During the year no meeting was held.

Remuneration of Directors:

Name of the Director	Salary	Perquisites and allowances	Performance Linked Incentive	Sitting Fees$	Total	Stock options granted
Mr. Ashok Tandon*	52,11,276	31,63,368	-	-	**83,74,644**	-
Mr. Vishal Agarwal	-	-	-	18,000	18,000	-
Mr. S. N. Singh	-	-	-	10,000	10,000	-
Mrs. Bela Sundar Rajan	-	-	-	18,000	18,000	-
Mr. Durga Prasanna Misra#	-	-	-	-	-	-

* The remuneration of Mr. Ashok Tandon was revised w.e.f. 1.4.2016.

Resigned from the directorship of the Company with effect from 28th April, 2016

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.

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 Managing Director/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 Managing Director/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.lloydsengg.in.

(iii) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board at its meeting held on 06th May, 2016, 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 meetings attended by the Directors during FY 2016-17, are given below in **Table - 4**.

Table - 4.

Sr. No	Name of Directors	Status	Category
1.	Mrs. Bela Sundar Rajan	Chairman	Non-executive & Independent
2.	Mr. Vishal Agarwal	Member	Non-executive & Independent
3.	Mr. S.N. Singh	Member	Non-executive & Independent
4.	Mr. Durga Prassana Misra*	Member	Non-executive & Independent

*Mr. Durga Prassana Misra resigned from the Directorship of the Company w.e.f. 28/4/2016.

Name, Designation and address of Compliance Officer	**Mr. P.R. Ravi Ganesan** Company Secretary & Compliance Officer 16th Floor, C-Wing, Kamla City, Senapati Bapat Marg, Lower Parel, Mumbai -400013, **Phone:** 022-3041 8220 **E-Mail:** prraviganesan@lloyds.in

Report on number of shareholder complaints received and resolved by the Company during the year ended 31st March, 2017

No. of complaints pending as on 1st April, 2016.	0
No. of complaints identified and reported during FY 2016-17	121
No. of Complaints disposed of during the year ended 31st March, 2017	121
No. of pending complaints as on 31st March, 2017	0

4. 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-5/5, MIDC Industrial Area, Murbad, Dist. Thane – 421 401, Maharashtra** on the following dates and times, wherein the following special resolutions were passed:

AGM	Year	Date, Day & Time	Brief Description of Special Resolution
22nd	2015-2016	31st August 2016 Wednesday, 11.30 A.M.	1. Appointment of Mr. Ashok Tandon as Managing Director for three years. 2. Appointment of Mr. Vishal Agarwal as Independent Director for five years. 3. Appointment of Mr. S.N. Singh as Independent Director for five years. 4. Appointment of Mrs. Bela Sundar Rajan as Independent Director for five years. 5. Authority for Creation of Charge/Mortgage on Property of the Company. 6. Authority to Board of Directors to borrow monies. 7. Giving of Loans/Guarantees, Providing of Securities and making of Investments in Securities. 8. Authority to enter into Related Party Transactions.
21st	2014-2015	25th September, 2015, Friday, 11.30 A.M.	No Special resolution was passed.
20th	2013-2014	30th September 2014, Tuesday 11.30 A.M	No Special resolution was passed.

b. Extra Ordinary General Meeting (EGM)

No Extra Ordinary General Meeting (EGM) was held during the last financial year i.e 2016-2017.

c. Postal Ballot

No Special Resolution was passed through Postal Ballot during the last financial year i.e 2016-17. There is no immediate proposal for passing any resolution through Postal Ballot.

None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

5. 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.lloydsengg.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 NSE website i.e. www.connect2nse.com

6. GENERAL SHAREHOLDER INFORMATION

6.1	**Annual General Meeting**	**Date : Friday 30th June, 2017** **Time :** 11.30 A.M. **Venue:** Plot No. A-5/5, MIDC Industrial Area, Murbad, Dist. Thane - 421401, Maharashtra.	
6.2	**Financial Year**	1st April, 2016 to 31st March, 2017	
6.3	**Financial calendar**	Approval of quarterly results: April, July, October and January. Annual General Meeting in June/July/August.	
6.4	**Date of Book Closure**	23.06.2017 to 30.06.2017	
6.5	**Dividend Payment Date**	No Dividend was declared during the financial year 2016-17.	
6.6	**Listing on Stock Exchanges**	Equity Shares **BSE Limited (BSE)** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 **Scrip Code:** 539992 **ISIN No.:** INE093R01011	Equity Shares **National Stock Exchange Limited** Exchange Plaza, 5th Foor, Plot No. C/1, G - Block, Bandra – Kurla Complex, Bandra (E), Mumbai - 400 051. **Scrip Code:** LSIL **ISIN No.:** INE093R01011
6.7	**Annual listing fee**	Annual listing fee for the year 2017-18 shall be paid to BSE and NSE within due date.	
6.8	**Correspondence Address**	**Corporate Office:** Trade World, "C" Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai-400 013. Tel. No. 3041 8111. Fax No. 3041 8220	

6.9 Stock Market Price Data – BSE & NSE

2016-2017	Quotation at Bombay Stock Exchange		BSE Sensex Close	Quotation at National Stock Exchange		NSE – NIFTY Close
	Share Price (In ₹)			Share Price (In ₹)		
Months*	High	Low		High	Low	
April	-	-	25,606.62	-	-	7849.80
May	-	-	26,667.96	-	-	8160.10
June	-	-	26,999.72	-	-	8287.75
July	2.68	1.64	28,051.86	2.60	1.80	8638.50
August	1.95	1.30	28,452.17	1.90	1.35	8786.20
September	1.86	1.40	27,865.96	1.90	1.35	8611.15
October	1.65	0.94	27,930.21	1.65	0.95	8625.70
November	2.39	1.27	26,652.81	2.35	1.30	8224.50
December	2.42	1.63	26,626.46	2.40	1.65	8185.80
January	1.88	1.68	27,655.96	1.85	1.65	8561.30
February	2.35	1.67	28,743.32	2.30	1.65	8879.60
March	1.89	1.62	29,620.50	1.90	1.60	9173.75

*The Company was listed with Bombay Stock Exchange and National Stock Exchange on 18th July 2016.

6.10 Registrar and Share Transfer Agent

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East), Mumbai - 400072.
Phone : 022-40430200
Fax : 022-28475207
E-mail : investor@bigshareonline.com

6.11 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 effected 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.

6.12 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 dematerialized form (held with Depositories) and that the requests for dematerialization of shares are processed by the R&T agent within stipulated period of 21 days and uploaded with the concerned depositories.

6.13 Distribution of Shareholding

The shareholding distribution of equity shares as on 31st March, 2017 is given hereunder: (Nominal value of each share ₹ 1/-)

NO. OF SHAREHOLDERS	% OF TOTAL	SHARE HOLDING	NO OF SHARES	% OF TOTAL
1,45,655	98.6321	1-5000	3,95,86,307	4.4048
999	0.6765	5001-10000	71,88,778	0.7999
474	0.3210	10001-20000	65,97,834	0.7342
174	0.1178	20001-30000	42,92,465	0.4776
82	0.0555	30001-40000	28,64,562	0.3187
64	0.0433	40001-50000	29,61,281	0.3295
127	0.0860	50001-100000	91,22,307	1.0151
100	0.0677	100001 AND ABOVE	82,60,84,848	91.9201
1,47,675	**100**	**Total**	**89,86,98,382**	**100**

6.14 Categories of Shareholders (as on 31st March, 2017)

The categories of shareholders are shown hereunder:

CATEGORY	NO OF SHAREHOLDERS	NO OF SHARES	% OF HOLDING
Promoters	2	41,44,41,116	46.1157
Bank / Financial Institutions	22	13,91,68,192	15.4856
MFS & UTI	54	3,97,530	0.0442
FII/ NRI /OCB's	3,765	9,34,56,112	10.3991
Clearing Members	129	15,25,553	0.1698
Corporate Bodies	813	17,05,85,518	18.9814
Corporate Bodies NBFC	7	39,030	0.0043
Public	1,42,880	7,90,84,719	8.7999
Trust	3	612	0.0000
TOTAL	**1,47,675**	**89,86,98,382**	**100.00**

6.15 Top Ten Shareholders across all categories as on 31st March, 2017 :

SR. NO.	NAME OF SHAREHOLDERS	NO OF SHARES	%OF HOLDING
1.	Firstindia Infrastructure Private Limited	28,80,73,478	32.0545
2.	Shree Global Tradefin Limited	12,80,81,808	14.2519
3.	Metallurgical Engineering and Equipments Limited	12,63,67,638	14.0612
4.	IDBI Bank Limited	10,20,00,000	11.3497
5.	UD Industrial Holding Pte Limited	8,15,25,806	9.0715
6.	State Bank of India	3,41,78,025	3.8031
7.	Triumph Trade & Properties Developers Private Limited	2,54,35,376	2.8302
8.	Ragini Trading & Investments Limited	96,86,386	1.0778
9.	Life Insurance Corporation of India	29,85,127	0.3322
10.	Siddhartha Suresh Khatwani	22,31,569	0.2483

6.16 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, dematerialization 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 31st March, 2017, 88,55,62,065 shares were held in dematerialized form which constitutes approx. 98.54% of total number of subscribed shares.

6.17 Liquidity

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

6.18 Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, Conversion date and likely impact on the Equity: Not applicable

6.19 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 2016-17

6.20 Commodity price risk or foreign exchange risk and hedging activities:

Not Applicable

6.21 Plant & Registered office

Plot No. A-5/5, MIDC Industrial Area,
Murbad, Dist. Thane – 421 401.
Maharashtra State.

Plot No. A-6/3, MIDC Industrial Area,
Murbad, Dist. Thane – 421 401.
Maharashtra State

6.22 Address for Correspondence

Investor Correspondence: For transfer / dematerialization 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

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

Tel No. – 022 – 4043 0200

Fax No. – 022 – 2847 5207

E-mail: **investor@bigshareonline.com**

Any query on Annual Report

Secretarial Department:

Trade World, 'C' wing,16th Floor,

Senapati Bapat Marg, Lower Parel (W),

Mumbai- 400 013.

Tel. No. 022-3041 8263

Fax No. 022-3041 8220

E mail: infoengg@lloyds.in,

prraviganesan@lloyds.in

7. 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.lloydsengg.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.lloydsengg.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://www.lloydsengg.in/content/Related_Party_Disclosures_Policy.pdf

g. **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 General Meeting, Audited Financial Statements, Directors Report, Auditors Report along with the annexure etc. for the financial year 2016-17 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.

8. **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.

9. **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.

10. **Disclosure by key managerial personnel about related party transactions:**

There was no related party transactions during the financial year ended 31st March, 2017.

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.lloydsengg.in

11. **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.

12. **Proceeds from public issues, rights issues, preferential issues etc.**

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

13. **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 Exchanges or SEBI or any statutory authority, on any matter relating to capital markets, during the last three years.

14. **Management Discussion & Analysis Report**

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

15. **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. - Not Applicable

16. **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 31st March, 2017.

For and on behalf of the Board of Directors

Place : Mumbai **(Ashok Tandon)**
Dated : 20th April, 2017 **Managing Director**

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

This Code has been laid down with a view to promote good Corporate Governance and exemplary personal conduct and is applicable to all the Directors and Senior Managerial Personnel of the Company. This Code is also available on the website of the Company www.lloyds.in.

In terms of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per 'affirmation of compliance' letters received from the Directors and the members of senior managerial personnel of the Company, I hereby declare that members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management during the financial year 2016-17.

For and on behalf of the Board

Date : 20th April, 2017
Place: Mumbai

(Ashok Tandon)
Managing Director

CEO/CFO CERTIFICATE

[Regulation 17(8)]

To,

The Board of Directors
Lloyds Steels Industries Limited

We hereby certify that we have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31st March, 2017 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.

Ashok Tandon
Managing Director
DIN: 00028301

P.R. Ravi Ganesan
Chief Financial Officer

Date : 20th April, 2017
Place: Mumbai

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of **Lloyds Steels Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Lloyds Steels Industries Limited, for the Financial Year ended on 31st March, 2017, 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 Exchanges.

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.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as mentioned in Regulation 27 and other related Corporate Governance Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

For TODARWAL & TODARWAL
Chartered Accountants
ICAI Reg. No.: 111009W

Sunil Todarwal
Partner
M. No. 032512

Date : 20th April, 2017
Place : Mumbai

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF M/S LLOYDS STEELS INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of M/S LLOYDS STEELS INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31,2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under section 133 of the Companies Act 2013 and Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence, on a test basis, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the 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 management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;

(b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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.

2. We have inquired into the matters specified under section 143(1) and based on the information and explanations given to us, there is no matter to be reported under this section.

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

   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   c) The Company has no branch office, hence the provisions of sub-section 8 of section 143 is not applicable to the Company;

   d) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   e) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   f) In our opinion and based on the information and explanations given to us, there are no financial transactions or matters which have any adverse effect on the functioning of the Company;

   g) On the basis of written representations received from the Directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a Director in terms of subsection (2) of Section 164 of the Companies Act, 2013;

   h) There is no qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;

   i) The Company has adequate internal financial controls system in place and there is an operating effectiveness of such controls. A report as Annexure II giving our responsibilities and opinion has been annexed herewith;

   j) Such other matters as are prescribed by the Companies (Audit and Auditors) Rules, 2014 namely:-

i. The Company has disclosed the impact, if any, of pending litigations on its financial position in its financial statements.

ii. The Company has made provision, as required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii. There has been no any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For **Todarwal & Todarwal**
Chartered Accountants
ICAI Reg No : 111009W

Sunil Todarwal
Partner
M. No. : 032512

Dated: 20th April, 2017
Place: Mumbai

ANNEXURE – A TO INDEPENDENT AUDITOR'S REPORT

[Referred to in above the Independent Auditor's Report of even date to M/S LLOYDS STEELS INDUSTRIES LIMITED on the Financial Statements for the year ended 31st March 2017]

1 (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As per the information and explanation given to us, fixed assets are physically verified by the management according to a phased programme designed to cover all the locations which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, the management during the year physically verified the fixed assets at certain locations and no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and on verification, the title deeds of immovable properties are held in the name of the Company.

2. As per the information provided to us, Inventory has been physically verified by the management during the year and no material discrepancies were noticed.

3. (a) 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.

4. 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.

5. 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.

6. Pursuant to the rules made by the Central Government, the maintenance of Cost Records has 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, Cess and other Statutory Dues, if any, applicable to it, has been regularly deposited with the appropriate authorities.

(b) According to the information and explanation given to us and the record produced before us, there is no disputed amount payable in case of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax or Cess.

8. According to the information and explanation given to us and based on the records produced before us, the Company has not defaulted in repayment of dues to a Financial Institution, Bank, Government or dues to Debenture Holders.

9. According to the information and explanation given to us and the record produced before us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Company has not taken any term loan during the year.

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, there are no transactions with the related parties.
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 **Todarwal & Todarwal**
Chartered Accountants
ICAI Reg No : 111009W

Sunil Todarwal
Partner
M. No. : 032512
Dated : 20th April, 2017
Place: Mumbai

ANNEXURE B - TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF M/S LLOYDS STEELS INDUSTRIES LIMITED AS ON 31ST MARCH 2017

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 M/s. Lloyds Steels Industries limited

We have audited the internal financial controls over financial reporting of M/s. Lloyds Steels Industries limited ("the Company") as of March 31, 2017 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.

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 March 31, 2017, 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 **Todarwal & Todarwal**
Chartered Accountants
ICAI Reg No : 111009W

Sunil Todarwal
Partner
M. No. : 032512
Dated : 20th April, 2017
Place: Mumbai

LLOYDS STEELS INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017.

(₹ in lakhs)

	Notes No.	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
SHARE HOLDERS' FUND			
Share Capital	2	8,986.98	8,986.98
Reserves and Surplus	3	539.33	313.89
		9,526.31	**9,300.87**
NON - CURRENT LIABILITIES			
Long-term Borrowings	4	-	14.49
Long-term Provisions	5	378.04	346.21
		378.04	**360.70**
CURRENT LIABILITIES			
Trade Payables	6	5,728.18	6,932.07
Other Current Liabilities	6	38,850.03	40,248.04
Short-term provisions	5	18.07	25.23
		44,596.28	**47,205.34**
TOTAL		**54,500.63**	**56,866.91**
ASSETS			
NON - CURRENT ASSETS			
Fixed Assets			
Tangible Assets	7	1,011.36	1,160.58
Intangible Assets	7	95.98	95.98
Deferred Tax Assets (Net)	7A	95.89	-
Long-term Loans and Advances	8	102.90	12.03
Other non-current Assets		-	-
		1,306.14	**1,268.60**
CURRENT ASSETS			
Inventories	9	3,174.47	5,749.29
Trade Receivables	10	29,548.61	32,862.23
Cash and Cash Equivalents	11	1,876.50	1,884.87
Short-term Loans and Advances	8	18,594.92	15,101.92
		53,194.49	**55,598.31**
TOTAL		**54,500.63**	**56,866.91**
Summary of significant accounting policies	1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Todarwal & Todarwal
ICAI Firm Registration No. 111009W
Chartered Accountants

Sunil Todarwal
Partner
Membership No : 32512

For and on behalf of the Board of Directors

Ashok Tandon
Managing Director
DIN : 00028301

Vishal Agarwal
Director
DIN: 00168370

P. R. Ravi Ganesan
CFO & Company Secretary

Place: Mumbai
Date : 20th April, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lakhs)

		Notes No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	INCOME			
I	Revenue from Operations (Gross)	12	8,163.28	12,409.80
	Less : Excise Duty		548.45	741.41
	Revenue from Operations (Net)		**7,614.83**	**11,668.39**
II	Other Income	13	574.20	825.82
III	**TOTAL REVENUE (I + II)**		**8,189.03**	**12,494.21**
	EXPENSES			
	a Cost of Raw Material Consumed	14	884.79	4,259.16
	b Purchase of Traded Goods		-	936.21
	c Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	15	2,434.54	1,160.95
	d Employee Benefits Expense	16	1,270.59	1,257.46
	e Manufacturing and Other Expenses	17	3,325.49	4,233.21
	Finance Costs	19	31.10	436.19
	Depreciation and Amortization Expense	18	112.98	147.40
IV	**TOTAL EXPENSES**		**8,059.48**	**12,430.58**
V	**Profit/(Loss) Before Exceptional Items, Extraordinary Items and Tax (III - IV)**		**129.55**	63.63
VI	Exceptional Items		-	-
VII	**Profit/(Loss) Before Extraoridinary Items and Tax (V - VI)**		**129.55**	63.63
VIII	Extraordinary Items		-	-
IX	**Profit/(Loss) before tax (VII - VIII)**		**129.55**	63.63
X	**Tax Expenses**			
	Current Tax		-	-
	Current Tax for the Year		26.41	-
	Less : MAT Credit Entitlement for the Year		(26.41)	-
	Tax for the Earlier Years		65.29	-
	Less : MAT Credit Entitlement for the earlier years		(65.29)	-
	Deferred Tax		(95.89)	-
	Total Tax Expenses		**(95.89)**	**-**
	Profit/(Loss) for the period from Continuing Operations (IX-X)		**225.44**	**63.63**
	Profit/(Loss) carried to Reserve & Surplus		**225.44**	**63.63**
	Earnings per Equity share [Nominal Value of Share ₹ 1 (₹ 1)]			
	i **Basic & Diluted (Before Exceptional Items)**	22	0.03	0.01
	ii **Basic & Diluted (After Exceptional Items)**		0.03	0.01
	Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the Financial Statements.
As per our report of even date

For Todarwal & Todarwal
ICAI Firm Registration No. 111009W
Chartered Accountants

Sunil Todarwal
Partner
Membership No : 32512

For and on behalf of the Board of Directors

Ashok Tandon
Managing Director
DIN : 00028301

Vishal Agarwal
Director
DIN: 00168370

P. R. Ravi Ganesan
CFO & Company Secretary

Place: Mumbai
Date : 20th April, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(₹ in lakhs)

		For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
A.	**CASH FLOW FROM OPERATION ACTIVITIES :**		
	Profit/(Loss) before Tax	**129.55**	63.63
	Adjustments For:		
	Depreciation and Amortization Expenses	**112.98**	147.40
	Loss on Fixed Assets Sold/Discarded (Net)	**20.71**	-
	Interest Income	**(128.70)**	(126.60)
	Interest & Finance Charges	**31.10**	436.19
	Unrealized Exchange (gain) /Loss (net)	**(46.16)**	(41.73)
	OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	**119.48**	478.89
	Movements in Working Capital		
	Decrease/(Increase) in Inventories	**2,574.82**	1,149.27
	Decrease/(Increase) in Trade and Other receivables	**(370.35)**	**34,234.08**
	(Decrease)/Increase in Trade Payable and other liabilities	**(2,522.17)**	**(35,805.76)**
	CASH GENERATED FROM/(USED IN) OPERATIONS (A)	**(198.22)**	56.48
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Decrease/(Increase) in Fixed Assets, Including CWIT and Capital Advances	**15.53**	**(96.51)**
	Purchase of Investment	**-**	-
-	Proceeds from Sale of Fixed Assets	**-**	-
	Interest Received	**128.70**	126.60
	NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES (B)	**144.23**	30.09
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Interest and Finance Charges	**(31.10)**	(436.19)
	NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES (C)	**(31.10)**	(436.19)
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	**(85.09)**	**(349.61)**
	Cash and Cash equivalent at the beginning of the Period	**338.25**	687.86
	Cash and Cash equivalent at the end of the Period	**253.16**	338.25
	Net Increase/(Decrease) in cash and cash equivalents	**(85.09)**	(349.61)
	Components of Cash and Cash equivalents		
	Cash on Hand (Including Cheques/Drafts on hand)	**8.45**	7.95
	Balance with Bank in		
	Balance with Schedule Banks in : Current Accounts	**244.71**	330.30
	In Margin Account (Including FDR)	**1,623.34**	1,546.62
	Cash and Bank balances as per Notes 11	**1,876.50**	1,884.87
	Less: Margin Money not considered as cash and cash equivalent in cash flow	**1,623.34**	1,546.62
	Total Cash and Cash Equivalents	**253.16**	338.25

Notes:

1. Cash Flow statement has been prepared following the indirect method except in case of dividend paid/received and taxes paid which have been considered on the basis of actual movements of cash.
2. Cash and cash equivalents represent cash and bank balances including current account, if any
3. Previous year's figures have been regrouped/reclassified wherever applicable.
4. Figures in brackets represent outflows.

For Todarwal & Todarwal
ICAI Firm Registration No. 111009W
Chartered Accountants

Sunil Todarwal
Partner
Membership No : 32512

For and on behalf of the Board of Directors

Ashok Tandon
Managing Director
DIN : 00028301

Vishal Agarwal
Director
DIN: 00168370

P. R. Ravi Ganesan
CFO & Company Secretary

Place: Mumbai
Date : 20th April, 2017

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The Company maintains its accounts on accrual basis following the historical cost convention, except for the revaluation of certain fixed assets, in accordance with generally accepted accounting principles in India (Indian GAAP) in compliance of the provisions of the Companies Act, 2013 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 read with Rules 7(1) of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013. Further, the guidance notes / annoucements issued by The Institute of Chartered Accountants of India (ICAI) are also considered, wherever applicable except to the extent where compliance with other statutory promulagations override the same requiring a different treatment. The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, allowance for doubtfull debts / advances, future obligations in respect of retirement benefit plans, etc, difference of any between the actual results and estimates is recognized in the period in which the results are known. Further, insurance & other claims, on the ground of prudence or uncertainty in realization, are accounted for as and when accepted / received. The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

b. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit & Loss are prepared and presented in the format set out in Schedule III to the Companies Act, 2013 ("the Act"). The cashflow statement has been prepared and presented as per the requirements of Accounting Standard (AS - 3) "Cashflow Statements". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit & Loss as prescribed in the schedule III to the Act, are presented by way of notes forming parts of accounts alongwith the other notes required to be disclosed under the notified accounting standards and the equity listing agreement. Amounts in the financial statement are presented in Indian rupees in lakhs.

Significant accounting policies

a) System of Accounting

The financial statements are prepared under the historical cost convention and comply in all material aspects with the applicable accounting principles in India, accounting standards notified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013. The Company accrues individual items of Income/Expenses above ₹ 5,000/- per item.

b) Fixed Assets

(i) Fixed Assets are valued at cost (net of CENVAT), unless revalued, for which proper disclosure is made.

(ii) All expenditure and interest cost during the project construction period, are accumulated and shown as Capital Work-in- Progress until the project/ assets are put to use. Assets under construction are not depreciated. Expenditure/Income during pre - operative / construction period is included in Capital Work-in-Progress.

c) Depreciation

Depreciation on fixed assets is provided on depreciable value of assets using straight-line method on the basis of useful life specified in Schedule II to the Companies Act, 2013. Assets individually costing ₹ 5000/- or less are depreciated fully in the year of purchase.

d) Revenue Recognition

Sales/Income in case of contracts/orders spreading over more than one financial year are booked to the extent of work billed. Sales include export benefits & net of sales return. Export benefits accrue on the date of export, which are utilized for custom duty free import of material / transferred for consideration.

e) Excise Duty

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

f) Custom Duty

Custom Duty payable on imported raw materials, components and stores and spares is recognized to the extent assessed by the Custom Department.

g) Custom Duty Benefit

Custom 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.

h) Lease Rentals

Lease rentals are expensed with reference to lease terms.

i) 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 cost.
iv)	Engineering Plant Finished Goods	:	At lower of cost and market value.
v)	Finished Goods/ Traded Goods	:	At lower of cost and market 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.

j) 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.

k) Provision for Gratuity

Provision for Gratuity is made on the basis of actuarial valuation based on the provisions of the Payment of Gratuity Act, 1972. The same is recognized in the Statement of profit & loss.

l) Provision for Leave Encashment

Provision for Leave encashment is made on the basis of actuarial valuation at the end of the year. The same is recognized in the Statement of profit & loss.

m) Investments

Investments if any, are valued at cost of acquisition which includes charges such as brokerage, fees and levies.

n) Amortization of expenses

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

o) Foreign Currency Transactions

Foreign currency transactions during the accounting year are translated at the rates prevalent on the transaction date. Exchange differences arising from foreign currency fluctuations are dealt with on the date of payment/receipt. Assets and Liabilities related to foreign currency transactions remaining unsettled at the end of the 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.

p) Impairment of Assets

The Company determines whether a provision should be made for impairment loss on fixed assets (including Intangible assets) by considering the indications that an impairment loss may / has occurred in accordance with Accounting Standard-28 “Impairment of Assets “. Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made.

q) 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.

r) Cash and Cash Equivalents

Cash and cash equivalents for the purposes of Cash Flow Statement comprises cash at bank and in hand and fixed deposits. Cash and bank balances also include fixed deposits and margin money deposits.

s) Cash Flow Statement

Cash Flow Statement is prepared by segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Under the indirect method, the net profit is adjusted for the effects of

i. Transactions of a Non cash nature.

ii. Any deferrals or accruals of past or future operating cash receipts or payments and

iii. Items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the cash flow statement. Those cash and cash equivalents which are not available for general use as on the date of balance sheet are also included under this category with a specific disclosure.

t) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the

Company or a present obligation that is not recognised because it is not probable that any outflow of resources will be required to settle the obligation. A contingent liability also arises in an extremely rare case where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Financial statements.

u) Earning per Share

The Company reports basic and diluted earning per share in accordance with AS - 20 'Earning per share' issued by the ICAI. Basic earning per share is computed by dividing the net profit after tax by the weighted average number of shares outstanding for the year.

v) Disclosure as required by the Accounting Standard – 22 "Accounting for Taxes on Income" is as follows:

The Engineering Division of Uttam Value Steels Ltd. was Demerged and vested with Lloyds Steels Industries Limited from the appointed date 01.04.2014 as per the Scheme of Arrangement duly approved by the Hon'ble High Court of Judicature at Bombay and the same has come into effect from 15.01.2016.

In view of the above the Company has revised its Income Tax Return for the Financial Year 2014 - 15 (Assessment Year 2015 - 16) and further has filed Income Tax Return for the Financial Year 2015 - 16 (Assessment Year 2016 - 17) after taking into account the financials of the demerged undertaking (i.e. Engineering Division of Uttam Value Steels Ltd.) and further after considering the effect of the unabsorbed depreciation and unabsorbed/carry forward business losses as applicable to the demerged undertaking under the provisions of the Income Tax Act 1961. The Company has provided Minimum Alternate Tax (MAT) as per the provisions of the Income Tax Act, 1961 for the current and earlier years in the current financial year as "MAT Credit Entitlement-Asset" as per the guidance note of ICAI.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset, if there is convincing evidence that the Company will pay normal income tax. Accordingly MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred Tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax is measured using the tax rates and tax laws enacted or substantively enacted as at the reporting date. Deferred Tax liabilities are recognized for all timing difference. Deferred Tax Assets are recognized for timing difference of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. However, if these are unabsorbed depreciation, carry forward losses and items relating to capital losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidences that there will be sufficient future taxable income available to realize the assets. Deferred Tax Assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such setoff. Deferred Tax Assets are reviewed at each Balance Sheet date for their realizability.

2. Share Capital **(₹ in Lakhs)**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Authorized shares		
90,00,00,000 (5,00,000) Equity Shares of Re 1/- each	**9,000.00**	9,000.00
	9,000.00	9,000.00
Alloted, Subscribed and Issued fully paid-up shares		
89,86,98,382 (5,00,000) Equity shares of Re 1/- each	**8,986.98**	8,986.98
Total	**8,986.98**	8,986.98

(a) Reconciliation of the shares outstanding at the beginning and at the end of the year.

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	(Nos.)	(₹ in lakhs)	(Nos.)	(₹ in lakhs)
Equity shares				
At the beginning of the Year	**898,698,382**	**8,986.98**	500,000	5.00
Issued to Equity Shareholders of Uttam Value Steels Limited	**-**	**-**	898,698,382	8,986.98
Less : Transfer to Capital Reduction Account	**-**	**-**	(500,000)	(5.00)
Outstanding at the end of the Year	**898,698,382**	**8,986.98**	898,698,382	8,986.98

Note: The Company has alloted and issued 898698382 equity shares of Re 1/- each fully paid to the equity shareholders of Uttam Value Steels Limited on 31st March, 2016 and further 500000 equity shares of Re. 1/- each fully paid up of the Company were cancelled on 31st March, 2016 as per the terms of the scheme of arrangement duly approved by the Hon'ble High Court of Bombay, the effect of which has been considered on 31st March, 2016.

(b) Terms and Rights attached to Equity Shares

The Company has only one class of shares having a par value at Re.1/- per share. Each holder of equity shares is entitled to one vote per share.

(c) Details of shareholders holding more than 1% shares in the Company

Name of the shareholder	As at 31st March, 2017		As at 31st March, 2016	
	(Nos.)	(% holding in the class)	(Nos.)	(% holding in the class)
Equity shares of Re. 1 each fully paid				
Firstindia Infrastructure Private Limited (Formerly known as Ultimate Logistics solutions Pvt. Limited)	**288,073,478**	**32.05%**	288,073,478	**32.05%**
Shree Global Tradefin Limited	**128,081,808**	**14.25%**	128,081,808	**14.25%**
Metallurgical Engineering and Equipments Limited	**126,367,638**	**14.06%**	126,367,638	**14.06%**
IDBI Bank Limited	**102,000,000**	**11.35%**	102,000,000	**11.35%**
UD Industrial Holding Pte Limited	**81,525,806**	**9.07%**	86,425,806	**9.62%**
State Bank of India	**34,178,025**	**3.80%**	34,178,025	**3.80%**
Triumph Trade & Properties Developers Private Limited	**25,435,376**	**2.83%**	25,435,376	**2.83%**
Ragini Trading & Investment Limited	**9,686,386**	**1.08%**	9,686,386	**1.08%**

3. Reserves and Surplus **(₹ in lakhs)**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Capital Reserve		
Capital Reduction Account (5,00,000 Shares of Re 1/- each)	**5.00**	5.00
Surplus/ (deficit) in the Satement of Profit and Loss		
Balance as per last financial statements	**308.89**	9,136.26
Add/(Less) : Transfer from Depreciation Reserve	**-**	-
Add: Profit/(Loss) for the Year	**225.44**	63.63
Add: Round off	**-**	-
Add: Transfer to Goodwill Account	**-**	95.98
Less: Transfer to Equity Shareholders of Uttam Valve Steels Ltd.	**-**	(8,986.98)
Net Surplus / (deficit) in the statement of Profit and Loss	**534.33**	308.89
Total	**539.33**	**313.89**

4. Long-term Borrowings **(₹ in lakhs)**

Particulars	Non-current portion		Current maturities	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March ,2016
Deferred Payment Liabilities (Unsecured)				
Sales Tax Deferral	**-**	14.49	**14.49**	**19.35**
Total	**-**	14.49	**14.49**	19.35
The above amount includes				
Unsecured borrowings	**-**	14.49	**14.49**	19.35
Amount disclosed under the head "other current liabilities" (Note No 6.)	**-**	-	**(14.49)**	(19.35)
Net amount	**-**	14.49	**-**	**-**

5. Provisions **(₹ in lakhs)**

Particulars	Long-term		Short-term	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Provision for Employee Benefits				
Provision for Gratuity	313.40	279.49	16.07	21.40
Provision for leave benefits	64.64	66.71	2.00	3.82
	378.04	**346.21**	**18.07**	**25.23**

6. Trade Payables & Other Current Liabilities **(₹ in lakhs)**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade payables		
Micro, Small and Medium Enterprises *		
Acceptances & Others	5,728.18	6,932.07
Sub Total	**5,728.18**	6,932.07
Other current liabilities		
Current maturities of long-term borrowings (Note No. 4)	14.49	19.35
Advances from customers	38,490.03	39,939.28
Statutory Dues	93.22	120.83
Expenses Payable	176.01	98.40
Employee related liabilities	76.28	70.17
Sub Total	**38,850.03**	40,248.04
Total	**44,578.21**	47,180.11

Details of dues to Micro and Small Enterprises as defined under the Micro and Small Enterprise Development (MSMED) Act, 2006* :

Particulars	As at 31st March, 2017	As at 31st March, 2016
1. Principal amount due and remaining unpaid	-	-
2. Interest due on (1) above and the unpaid interest	-	-
3. Interest paid on all delayed payments under the MSMED Act	-	-
4. Payment made beyond the appointed day during the year	-	-
5. Interest due and payable for the period of delay other than (3) above	-	-
6. Interest Accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

* The Company identifies suppliers registered under Micro and Small Enterprise Development Act, 2006 by sourcing information from the suppliers. The above information has been determined on the basis of information available with the Company. This has been relied upon by the auditors.

* The Company during the year has settled and paid mutually and amicably the disputed dues of a vendor against a notice dated 22.03.2016 received by the Company for conciliation proceedings under section 18 to be read with section 17 of Micro, Small & Medium Enterprises Act, 2006.

NOTE NO 7

(i) Tangible Assets (Amount in Lakhs.)

Sr. No.	Particulars	GROSSBLOCK				DEPRECIATION					NETBLOCK	
		As at 01.04.2016	Additions	Sold/ Discarded/ Transfer	As at 31.03.2017	Upto 31.03.2016	For the Period/Year	Retained Earning	Sold/ Discarded/ Transfer	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
1	Land	146.66	0.00	0.00	146.66	0.00	0.00	0.00	0.00	0.00	146.66	146.66
2	Building	812.39	0.00	0.00	812.39	476.52	24.01	0.00	0.00	500.53	311.86	335.87
3	Plant & Machinery	3246.30	0.25	0.55	3246.00	2928.16	24.15	0.00	0.52	2951.78	294.22	318.14
4	Computers	170.61	0.00	0.10	170.51	157.21	6.85	0.00	0.10	163.97	6.54	13.40
5	Electrical Installations	139.06	0.00	0.00	139.06	100.37	0.07	0.00	0.00	100.44	38.62	38.68
6	Office Equipment & AC	82.00	1.60	0.00	83.60	70.93	3.55	0.00	0.00	74.47	9.12	11.08
7	Furniture & Fixtures	206.25	0.64	0.00	206.89	83.78	20.34	0.00	0.00	104.12	102.77	122.47
8	Motor Vehicles	346.12	0.00	77.97	268.16	171.85	34.02	0.00	39.27	166.59	101.56	174.27
	Total	**5149.39**	**2.49**	**78.62**	**5073.26**	**3989.82**	**112.98**	**0.00**	**39.90**	**4062.90**	**1011.36**	**1160.58**
	Previous Year	5052.89	96.51	0.00	5149.39	3841.42	147.40	0.00	0.00	3988.82	1160.58	1211.47

(ii) Intangible Assets

Sr. No.	Particulars	GROSSBLOCK				DEPRECIATION					NETBLOCK	
		As at 01.04.2016	Additions	Sold/ Discarded/ Transfer	As at 31.03.2017	Upto 31.03.2016	For the Period/Year	Retained Earning	Sold/ Discarded/ Transfer	Upto 31.03.2017	As at 31.03.2017	As at 31.03.2016
1	GOODWILL	95.98	0.00	0.00	95.98	0.00	0.00	0.00	0.00	0.00	95.98	95.98
	Total	**95.98**	**0.00**	**0.00**	95.98	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**95.98**	**95.98**
	Previous Year	**95.98**	**0.00**	**0.00**	95.98	0.00	0.00	0.00	0.00	**0.00**	95.98	95.98

NOTE: The immovable properties at A - 5/5 and A - 6/3, Murbad and Plant and Machinery of the Company are having first charge in favour of Axis Trustee Services Ltd (security Trustee) for the benefit of lenders of Uttam Value Steels Ltd and ranks pari-pasu among all the lenders of Uttam Value Steels Ltd before the Demerger of Engineering Division of UVSL into our Company. The Company will initiate appropriate steps with Uttam Value Steels Ltd for release of the charges from its lenders.

7a : Deferred Tax Assets (Net) **(₹ in lakhs)**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Deferred Tax Liability :		
On difference between book depreciation and tax depreciation	91.47	-
Total	**91.47**	**-**
Deferred Tax Assets :		
Compensated Absence	22.03	-
Provision for Gratuity	108.93	-
Others	56.40	-
Total	**187.37**	**-**
Deferred Tax Assets (Net)	**(95.89)**	**-**

8. Loans and Advances **(₹ in lakhs)**

Particulars	Long Term		Short Term	
	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2017	As at 31st March, 2016
Deposits				
Security Deposits	9.70	8.89	2.00	11.62
Others	-	-	-	-
(A)	**9.70**	**8.89**	**2.00**	**11.62**
Advances Recoverable in Cash or kind				
Considered good	-	-	18,068.94	14,353.40
Considered doubtful	-	-	-	-
	-	**-**	**18,068.94**	**14,353.40**
Less: Provision for doubtful advances	-	-	-	-
(B)	**-**	**-**	**18,068.94**	**14,353.40**
Other Loans and Advances				
Advance Tax and Tax deducted at source including Minimum Alternate Tax (MAT) for the current and earlier years amounting to ₹ 91.70 lakhs (Net)	91.70	-	264.47	288.12
Prepaid expenses	1.50	3.15	10.40	11.34
Other recoverables	-	-	105.89	90.97
SAD Receivable	-	-	-	37.30
Balances with Statutory / Government Authorities	-	-	-	-
(i) CENVAT Credit Receivable	-	-	11.33	183.14
(ii) VAT Receivable	-	-	0.02	0.02
(iii) Service Tax Credit Receivable	-	-	131.87	126.01
	-	-	143.22	309.17
Less: Provision for doubtful advances	-	-	-	-
	-	**-**	**143.22**	**309.17**
(C)	**93.20**	**3.15**	**523.98**	**736.90**
Total (A+B+C)	**102.90**	**12.03**	**18,594.92**	**15,101.92**

9. Inventories **(₹ in lakhs)**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Raw Materials	206.10	298.62
Work-in-Progress	2,515.91	4,948.47
Stores and Spares	451.10	498.86
Scrap & By-products	1.36	3.34
Total	**3,174.47**	**5,749.29**

10. Trade Receivables & Other Current Assets

Trade Receivables **(₹ in lakhs)**

Particulars	Current	
	As at 31st March, 2017	As at 31st March, 2016
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	27,369.10	12,201.58
	27,369.10	**12,201.58**
Less : Provision for doubtful trade receivables	-	-
(A)	**27,369.10**	**12,201.58**
Other Receivables		
Unsecured, considered good	2,179.50	20,660.66
(B)	**2,179.50**	**20,660.66**
Total (A+B)	**29,548.61**	**32,862.23**

11. Cash and Cash Equivalents **(₹ in lakhs)**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Cash and Cash Equivalents		
Balances with banks:		
- On Current Accounts	244.71	330.30
- Deposits with original maturity of less than three months	-	200.74
Cash on Hand	8.45	7.95
	253.16	**538.99**
Other Bank Balances		
Margin Money Deposit *	1,623.34	1,345.88
	1,623.34	**1,345.88**
Total	**1,876.50**	**1,884.87**

* Amount held in Margin / fixed deposits accounts with banks, is also having lien for guarantee's provided.

The details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is provided in the Table below:

Amount in Rupees	SBN	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	5,19,000.00	2,43,537.10	7,62,557.10
(+) Permitted Receipts		49,43,662.00	49,43,662.00
(-) Permitted Payments		40,61,647.00	40,61,647.00
(-) Amount deposited in Banks	5,19,000.00		5,19,000.00
Closing Cash in Hand as on 30.12.2016			11,25,552.10

12. Revenue from Operations (₹ in lakhs)

Particulars	For the year ended	
	31st March, 2017	31st March, 2016
Revenue from operations		
Sale of Products		
Finished Goods	7,133.91	9,037.49
Traded Goods	-	993.24
Less: Claims, Trade Discounts, etc.	-	-
	7,133.91	**10,030.73**
Other Operating Revenue		
Sale of Scrap & By products	26.29	25.39
Job Work Charges	790.51	2,004.00
Other Sales	212.57	349.68
Revenue from operations (gross)	**8,163.28**	**12,409.80**
Less: Excise Duty	548.45	741.41
Revenue from operations (net)	**7,614.83**	**11,668.39**

13. Other Income (₹ in lakhs)

Particulars	For the year ended	
	31st March, 2017	31st March, 2016
Interest income on		
Bank deposits	128.70	126.60
From others	178.77	598.44
	307.48	**725.04**
Lease rent received	3.40	2.16
Miscellaneous Income	214.85	54.56
Liabilities no longer required written back (net)	2.32	2.33
Net Gain/Loss on Foreign currency transaction	46.16	41.73
Total	**574.20**	**825.82**

14. Cost of Raw Material Consumed (₹ in lakhs)

Particulars	For the year ended	
	31st March, 2017	31st March, 2016
Cost of raw material consumed	884.79	4,259.16
Total	**884.79**	**4,259.16**

Detail of raw materials consumed (₹ in lakhs)

Particulars	For the year ended	
	31st March, 2017	31st March, 2016
Iron & Steel, etc	884.79	4,259.16
Total	**884.79**	**4,259.16**

15. Changes in Inventories of Finished Goods, Work-in-Progress and Stock in Trade. **(₹ in lakhs)**

Particulars	For the year ended	
	31st March, 2017	31st March, 2016
Inventories at the end of the year		
Finished Goods (scrap)	1.36	3.34
Work-in-Progress (Including Building & Related development expenses)	2,515.91	4,948.47
	2,517.27	4,951.81
Inventories at the beginning of the year		
Finished Goods (scrap)	3.34	3.69
Work-in-Progress	4,948.47	6,109.08
Building & Related development expenses transfer from CWIP	-	-
	4,951.81	**6,112.76**
Total (Increase)/ Decrease in Stock	**2,434.54**	**1,160.95**

Detail of inventory **(₹ in lakhs)**

	31st March, 2017	31st March, 2016
Work-in-Progress		
Engineering Products (includes building related development expenses of ₹NIL (₹1.89 crores)	2,515.91	4,948.47
Total	**2,515.91**	**4,948.47**

16. Employee Benefit Expense **(₹ in lakhs)**

Particulars	For the year ended	
	31st March, 2017	31st March, 2016
Salaries, Wages and Bonus	1,042.91	1,051.37
Contribution to Provident and other Fund	72.85	73.28
Gratuity & Leave Encashment Expenses	49.14	57.91
Staff Welfare /Workmen Expenses	21.94	20.23
Managerial Remuneration	83.75	54.66
Total	**1,270.59**	**1,257.46**

17. Manufacturing & Other Expenses **(₹ in lakhs)**

Particulars	For the year ended	
	31st March, 2017	31st March, 2016
Consumption of Stores and Spare Parts	1,563.20	1,677.55
Power Charges	35.60	37.38
Fuel & Gases Charges	15.53	25.71
Freight and Forwarding charges (net)	39.60	204.50
Other expenses of production	287.84	803.41
Engineering and Processing Charges	361.60	407.07
Rent	94.13	126.26
Rates and Taxes	15.21	10.83
Insurance	8.67	8.69
Repairs and Maintenance:		
Plant and Machinery	0.82	0.91
Buildings	2.95	-
Others	52.48	33.15
Other selling expenses	5.86	6.96
Commission and Brokerage	-	-

Prior period items comprise of :		
At Debit	2.00	8.23
Less: At Credit	-	-
Legal & Professional Charges	232.18	267.95
Directors' Sitting Fees	0.46	0.24
Payment to Auditor (Refer details below)	2.00	1.25
Loss on sale of Fixed Assets (net)	20.71	-
Traveling & Conveyance Expenses	166.95	163.60
Miscellaneous expenses	417.71	449.53
Total	**3,325.49**	**4,233.21**

Payment to Auditor **(₹ in lakhs)**

Particulars	**For the year ended**	
	31st March, 2017	**31st March, 2016**
As Auditor:		
Audit Fee	2.00	1.00
Tax Audit Fee	-	-
In other capacity:		
Other Services (certification fees)	-	0.25
Reimbursement of Expenses	-	-
Total	**2.00**	**1.25**

Prior period items comprise of the following:

Expenses		
Repairs & Maintenance others	0.00	3.41
Engineering & Processing Charges	2.00	-
Business Promotion Expenses	0.00	2.20
Freight Charges	0.00	2.53
Repairs & Maintenance P & M	0.00	0.04
Others charges	0.00	0.06
Total (A)	**2.00**	**8.23**
Income		
Other	**-**	**-**
Total (B)	**-**	**-**
Total (A-B)	**2.00**	**8.23**

18. Depreciation and Amortisation Expense **(₹ in lakhs)**

Particulars	**For the year ended**	
	31st March, 2017	**31st March, 2016**
Depreciation of Tangible Assets	112.98	147.40
Total	**112.98**	**147.40**

19. Finance Costs **(₹ in lakhs)**

Particulars	**For the year ended**	
	31st March, 2017	**31st March, 2016**
Interest Expense :		
Bill Discounting Charges (net)	1.26	1.63
Bank & Finance Processing Charges	22.84	165.33
Others	7.01	269.24
Total	**31.10**	**436.19**

20. Contingent Liabilities and Commitments (₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
CONTINGENT LIABILITIES		
A) Claims against the Company / disputed liabilities not acknowledged as Debts		
- Show Cause Notices under hearing in respect of Excise Duty which is disputed by the Company	-	-
- Income Tax demand, disputed by the Company	-	-
- Others claims not acknowledged as debts	856.00	856.00
B) Guarantees		
- Guarantees issued by the Company's bankers on behalf of the Company.	1,621.63	1,331.37
This includes expired Bank guarantees of ₹ Nil lakhs (₹ 86 lakhs)	-	-
- Amount equivalent to the value of guarantees is held in margin / fixed deposits with banks having lien.		
- Guarantees issued by the bankers of Uttam Value Steels Limited for the demerged Engineering Division of Uttam Valve Steels Limited which is now vested with Lloyds Steels Industries Limited	84.24	575.37

21. Employee Benefits

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 following tables summarize the components of net benefit expense recognised in the statement of Profit and Loss amounts recognized in the Balance Sheet for the respective plans.

a) Net employee Benefit Expense recognized during the period (₹ in lakhs)

Particulars	Leave Encashment		Gratuity	
	Current Year	Previous year	Current Year	Previous year
i) Current Services Cost	16.12	(0.15)	23.20	22.75
ii) Interest Cost	5.64	0.06	24.07	25.09
iii) Net actuarial (Gain)/Loss recognized during the year	(19.59)	0.19	(0.32)	(0.61)
iv) Expenses included in 'employee benefit expense'	2.17	0.10	46.95	47.23

b) Changes in the present value of the defined benefit obligation are as follows (₹ in lakhs)

Particulars	Leave Encashment		Gratuity	
	Current Year	Previous year	Current Year	Previous year
i) Opening Defined Benefit Obligation Plan	70.55	80.23	300.90	321.69
ii) Current Services Cost	16.12	(14.89)	23.20	22.75
iii) Interest on obligation	5.64	6.26	24.07	25.09
iv) Net Actuarial (Gain)/Loss recognized during the year	(19.59)	19.31	(0.32)	(0.61)
v) Benefits paid	(6.08)	(20.36)	(18.39)	(68.02)
vi) Closing Defined Benefit Obligation Plan	66.64	70.55	329.46	300.90

c) The principle assumptions used in determining gratuity obligations for the Company's plan are shown below:

Particulars	31st March, 2017	31st March, 2016
i) Discounting Rate	7.50% Per Annum	8% Per Annum
ii) Escalation of Salary	8% Per Annum	8% Per Annum
iii) Withdrawal Rate	1%	1%
iv) Mortality Rate	Indian Assured Lives (2006-08) Ultimate Mortality Rates	Indian Assured Lives (2006-08) Ultimate Mortality Rates
v) Retirement Age	62 Years	62 Years

d) Amounts for the current and previous four periods are as follows: **(₹ in lakhs)**

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013
Present Value of Defined Benefit Obligation	329.46	300.90	321.69	276.06	256.81
Fair Value of Plan Assets	-	-	-	-	-
(Surplus) / Deficit	329.46	300.90	321.69	276.06	256.81
Experience adjustment on plan Liabilities (Gain)/Loss	(13.49)	(3.88)	(3.88)	(2.18)	24.64

22. Earning Per Share (EPS)

Particulars		Current Year	Previous Year
The following reflects the profit and share data used in the basic and diluted EPS computations :			
Profit/(Loss) for the year after Tax*	₹ In lakhs	225.44	63.63
Weighted average number of equity shares in calculating basic and diluted EPS	Nos.	89,86,98,382	89,86,98,382
Basic earning per share before exceptional items		0.03	0.01
Diluted earning per share after exceptional items		0.03	0.01
Nominal value of equity shares		1.00	1.00

* Subject to note appearing under disclosure as required by the Accounting Standard - 22

23. Forward Contracts and Unhedged Foreign Currency Exposure

a) No Forward contracts were entered into by the Company either during the year or previous years.

b) The year end Foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below .

(₹ in lakhs)

Particulars	Foreign Currency		
	Yen	US Dollars	EURO
Current Year			
Trade payables - Foreign currency (full figures)	-	15,690	454,525.96
Trade payables - ₹ in lakhs	-	(10.17)	(314.75)
Trade receivables - Foreign currency (full figures)	-	10,925	833,325.59
Trade receivables - ₹ In lakhs	-	7.43	599.73
Previous Year			
Trade payables - Foreign currency (full figures)	-	15,690	283,839.14
Trade payables - ₹ in lakhs	-	(9.56)	(20.94)
Trade receivables - Foreign currency (full figures)	-	-	517.30
Trade receivables - ₹ In lakhs	-	-	0.38

24. Imported and Indigenous Raw Material, Components and Spare Parts Consumed **(₹ in lakhs)**

Particulars	Current Year		Previous Year	
	Value (₹ in lakhs)	% of total Consumption	Value (₹ in lakhs)	% of total Consumption
Raw Material				
Imported	4.68	0.53%	-	-
Indigenous	880.11	99.47%	4259.16	100.00%
Components & Spare Parts				
Imported	1,339.49	43.33%	1,416.89	42.91%
Indigenous	1,751.88	56.67%	1,885.43	57.09%

25. C.I.F. Value of Imports **(₹ in lakhs)**

Particulars	Current Year	Previous Year
Raw Materials	3.51	-
Production Consumables , Stores and Spares	1,009.51	1,137.30

26. Earning in Foreign Currency (Accrual Basis) **(₹ in lakhs)**

Particulars	Current Year	Previous Year
FOB value of Exports	808.23	-
Brokerage and Commission	-	53.74

27. Expenditure in Foreign Currency (Accrual Basis) **(₹ in lakhs)**

Particulars	Current Year	Previous Year
i) Travelling , Books & Periodicals	6.69	11.43
ii) Engineering & Design	49.81	159.74
iii) Professional Fees	28.65	141.97
iv) Business Promotion	-	2.83

28. Related Party Disclosures

A. Parties with whom the Company has entered into transactions during the year where control exists:	
i) Key Management Personnel :	Mr. Ashok S. Tandon
ii) Enterprise over which key Management Personnel /relatives have significant influence	NIL
iii) Associate	NIL

B. Transaction with related party as per the Books of Accounts **(₹ in lakhs)**

Particulars	Nature of Relationship	For the year ended	
		31st March, 2017	31st March, 2016
Remuneration *			
Mr. Ashok S. Tandon	Key Management Personnel	83.75	54.66
Total		**83.75**	**54.66**

* The remuneration to the Key Managerial Personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

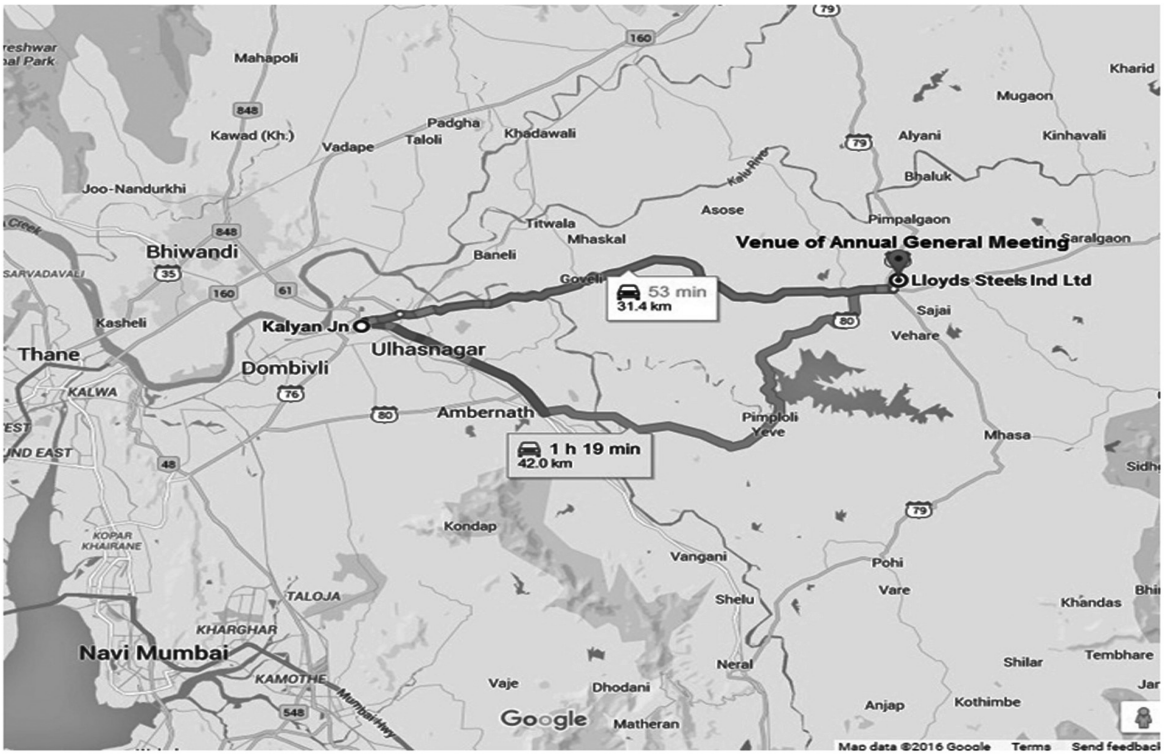
29. Segment Information

The Company has Single Business Segment namely Engineering Products and Services.

30. The figures for previous years have been regrouped, reclassified and rearranged wherever necessary as these figures includes the amount pertaining to Engineering Division of the Uttam Value Steels Limited which has been demerged and transferred to Lloyds Steels Industries Limited as per the scheme of arrangement duly approved by Hon'ble High Court of judicature at Bombay from the appointed date ie 1st April, 2014 (effective date 15th January, 2016) .

LLOYDS STEELS INDUSTRIES LIMITED

Route Map: Plot No.A-5/5, MIDC Industrial Area, Murbad, Dist. Thane – 421 401



Lloyds Steels Industries Limited

Regd. Office: Plot No.A-5/5, MIDC Industrial Area, Murbad, Dist. Thane – 421 401
Corporate Office : Trade World, 'C' Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013.
Tel: 91-22-3041 8111 **Fax** 91-22-3041 8260 **E-Mail:** infoengg@lloyds.in, **website:** www.lloydsengg.in
CIN: L28900MH1994PLC081235

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, Government of India

Ministry of Corporate Affairs ("MCA") vide its Circular No.17/2011 and 18/20-11 dated 21st April 2011 and 29th April 2011 respectively has notified a "Green Initiative in the Corporate Governance", by allowing paperless compliances by Companies. In terms of the said circulars, the Companies are permitted to send Annual Reports and various notices/documents to the shareholders through electronic mode to the registered e-mail addresses of shareholders.

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

As a step forward to implement the above initiative, we propose to send documents such as notices of general meeting(s), annual reports and other shareholder communications to you by electronic mode. Hence, we appeal all the shareholders, who have yet to register their e-mail ID, to register/ update the same at the earliest in any 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 E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai - 400 072.
- By returning the duly filled in form to the RTA, in case the Company's shares are held in physical form.
- 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.lloydsengg.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 Steels Industries Limited

P.R. Ravi Ganesan,
Chief Financial Officer & Company Secretary

— — — — — — — — — — — — — — Tear Here — — — — — — — — — — ✂ — — — —

E-COMMUNICATION REGISTRATION FORM

Date :

To,
Bigshare Services Private Limited,
E-2/3, Ansa Industrial Estate,
Sakivihar Road,
Saki Naka, Andheri (East),
Mumbai - 400 072

Unit : Lloyds Steels Industries Limited

Dear Sir,

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

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

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

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

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Lloyds Steels Industries Limited

Regd. Office: Plot No.A-5/5, MIDC Industrial Area, Murbad, Dist. Thane – 421 401
Corporate Office : Trade World, 'C' Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013.
Tel: 91-22-3041 8111 **Fax** 91-22-3041 8260 **E-Mail:** infoengg@lloyds.in, website: www.lloydsengg.in
CIN: L28900MH1994PLC081235

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: L28900MH1994PLC081235

Name of the Company : Lloyds Steels Industries Limited
Registered Office : Plot No. A-5/5, MIDC Industrial Area, Murbad, Dist. Thane – 421 401, Maharashtra

Name of the member(s):

Registered Address:

E-mail Id:

Folio No./Client Id:

DP ID:

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

1. Name:

   Address:

   E-mail Id:

   Signature: ……., or failing him

2. Name:

   Address:

   E-mail Id:

   Signature: ……., or failing him

3. Name:

   Address:

   E-mail Id:

   Signature: ……

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on the Friday, 30th June, 2017 at 11.30 A.M. at Plot No. A-5/5, MIDC Industrial Area, Murbad, Dist. Thane – 421 401 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.	Receive, consider and adopt the audited financial statement of the Company for the year ended 31st March, 2017, the reports of the Board of Directors and Auditors Report thereon.		
2.	Ratify appointment of M/s. Todarwal & Todarwal, Chartered Accountants (Firm Registration No.111009W) as Statutory Auditors for the Financial Year 2017-18, including their remuneration.		
3.	Reappointment of M/s. Manisha & Associates, Cost Auditors for the financial year 2017-18.		

Signed this…….. day of …….. 2017

Signature of Shareholder(s)

Signature of Proxy holder(s)

Affix Revenue Stamp

Notes:

1. 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.
2. A Proxy need not be a member of the Company.
3. 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.
4. 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.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. 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.

Lloyds Steels Industries Limited

Regd. Office: Plot No.A-5/5, MIDC Industrial Area, Murbad, Dist. Thane – 421 401
Corporate Office : Trade World, 'C' Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013.
Tel: 91-22-3041 8111 **Fax** 91-22-3041 8260 **E-Mail:** infoengg@lloyds.in, website: www.lloydsengg.in
CIN: L28900MH1994PLC081235

23rd 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 23rd Annual General Meeting of the Company held at Plot No. A-5/5, MIDC Industrial Area, Dist. Thane – 421 401, Maharashtra on Friday, 30th June, 2017 at 11.30 AM

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 _____

BY- COURIER

If undelivered please return to :

BIGSHARE SERVICES PRIVATE LIMITED
(Unit : Lloyds Steels Industries Limited)
E-2/3, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (East),
Mumbai - 400 072.
Phone : 022-4043 0200
Fax : 022-2847 5207

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