



33rd
Annual Report
2009-2010

Lloyds Metals &
Engineers Limited

BOARD OF DIRECTORS

CHAIRMAN MUKESH R. GUPTA

MANAGING DIRECTOR B. L. AGARWAL

DIRECTORS

RAJESH R. GUPTA

V.M.BHARATHY (IDBI NOMINEE)

SHANTANU MOHAPATRA

B.B.CHADHA

J.S.CHARLU

AUDITORS

TODARWAL & TODARWAL

REGISTERED OFFICE & WORKS

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

CORPORATE OFFICE :

Modern Centre,
'B' Wing, 2nd Floor,
Sane Guruji Marg, Mahalaxmi,
Mumbai – 400 011.

REGISTRAR & SHARE TRANSFER AGENTS

BIGSHARE SERVICES PRIVATE LIMITED
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072.
Tel No. - 022 - 4043 200 / 299
Fax No. - 022 - 2847 5207
E-mail - bss@bigshareonline.com

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NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of the Members of the **Lloyds Metals & Engineers Limited** will be held at Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442 505, Maharashtra on **Tuesday, 27th July, 2010** at 12.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March, 2010 and the Balance Sheet as at that date together with Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Shri Rajesh Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Shantanu Mohapatra, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 372A and any other applicable provisions, if any, of the Companies Act, 1956, or of any other law for the time being in force and subject to obtaining such approval / permission as may be required, the Board of Directors of the Company be and is hereby authorized to make investments or to give loans or provide guarantee to any body corporate or bodies corporate whether under the same management or not from time to time, on such terms and conditions as the Board of Directors in their absolute discretion may deem fit, notwithstanding that such investments, loan or guarantee is in excess of 60 % of the paid up share capital and free reserves of the company or 100 % of the free reserves of the company whichever is more prescribed under Section 372A, provided the aggregate amount of such investments, loan / guarantee shall not exceed Rs. 200 Crores (Rupees Two Hundred Crores Only) at any time.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and is hereby authorized to finalize terms and conditions of investments, loan or guarantee, including disposal of existing investments and to do all such acts, deeds, matters and things, including but no limited to, execution of agreements, contracts and all other documents, as it may, in its absolute discretion, deem necessary or expedient, to give effect to this resolution and any action taken by the Board in this regard be and is hereby ratified and approved.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to delegate / sub-delegate all its powers, privileges and authorizations herein conferred to a Committee of Directors and / or Chairman / Managing Director of the Company, required to be delegated / sub-delegated in connection with the above purpose and these powers may be delegated / sub delegated to any Officer(s) / or employees of the Company, identified by the Committee in this behalf, in its full and absolute discretion, as may be deemed appropriate by it."

By Order of the Board,

Date : 24th May, 2010
Place : Mumbai

Shyamal Padhiar
Company Secretary

NOTES:

1. An Explanatory statement pursuant to Section 173(2) in respect of Item No. 5 of the notice is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER.**
3. Proxy Form and Attendance Slip are enclosed. Proxies, in order to be valid, must reach the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from **Monday, 19th July, 2010 to Tuesday, 27th July, 2010** (both days inclusive).
5. 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.
6. Members are requested to notify any changes in their address to the Company's Registrar & Transfer Agent, M/s. Bigshare Services Pvt. Ltd., E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai - 400 072.
7. 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.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING 33rd ANNUAL GENERAL MEETING
(Pursuant to clause 49 of the Listing Agreement)**

1.	Name	Shri Rajesh Gupta	Shri Shantanu Mohapatra
2.	Brief Resume		
	Age	45 years	74 years
	Qualification	B.Com	B.Sc.(Hons.), M.Tech(Part), Applied Geology & Geophysics from I.I.T. Kharagpur.
	Experience	24 years	52 years
	Date of appointment on the Board of the company	21.11.1991	17.9.1996
3.	Nature of expertise in Specific Functional Areas	Rich Experience in production, management and other areas in Steel Industry.	Consultancy in Mining and Mineral based Industries. Mineral Exploration (Trained by UNDP in Australia & USA). He was formerly director in Mining & Geology, Dept, Govt. of Orissa.
4.	Name(s) of other Companies in which Directorship Held	1. Lloyds Steel Industries Ltd. 2. Vidarbha Power Ltd. 3. Lloyds Line Pipes Ltd.	1. Balasore Alloys Ltd. 2. Industrial Development Corporation Ltd. (Govt. of Orissa Undertaking)
5.	Name(s) of other companies in which he is Chairman / Member of the *Committee(s)	1. Lloyds Steel Industries Ltd.– Member Shareholders' /Investor Grievance Committee 2. Lloyds Line Pipes Ltd. – Chairman – Share Transfer Committee & Member – Audit Committee	-
6.	No. of shares held of Rs.2/- each	345860	-
7.	Relationship between Directors inter se (As per Section 6 and Schedule 1A of the Companies Act, 1956)	He is related to Mr. Mukesh Gupta, Chairman of the company.	-

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

By Order of the Board,

Date : 24th May, 2010
Place : Mumbai

Shyamal Padhiar
Company Secretary

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)

Item No. 5

The Company in its normal course of business activities may, from time to time, required to invest its surplus funds or to provide loan / guarantee to one or more body corporate as the Board may deem fit and in the interest of the Company.

Under Section 372A of the Companies Act, 1956, no company shall make any investments or give loan or provide guarantee to any body corporate or bodies Corporate, which is in excess of the prescribed limits except with the prior approval of the shareholders through Special Resolution. The Company's act of making future investments, loan or guarantee in its normal course of business may exceed the prescribed limits. The Board may also be authorized to dispose off such investments (including existing investments) on such terms and conditions as the Board may deem fit.

Hence, the Board of Directors of your company recommends to obtain member's approval by passing Special Resolution annexed as Item No. 5 of the notice.

None of the directors of the Company is in any way concerned or interested in the above resolution.

By Order of the Board,

Date : 24th May, 2010
Place : Mumbai

Shyamal Padhiar
Company Secretary

DIRECTORS' REPORT

The Directors present their 33rd Annual Report on the business and operations of your Company and Audited Statement of Accounts for the year ended 31st March, 2010.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	Current Year 2009-10	Previous Year 2008-2009
Sales (Net)	56789.42	52347.23
Other Income	917.89	429.00
Total Income :	57707.31	52776.23
Profit before Interest, Depreciation, Exceptional Items & Tax	4351.97	5338.00
Less : Finance Charges	883.05	560.80
Depreciation	1680.05	1920.96
Profit / (Loss) before exceptional items & taxes	1788.87	2856.24
Profit/(Loss) before tax	1788.87	2856.24
Less : Tax Provision	-	17.61
Profit/(Loss) after Tax	1788.87	2838.63
Add / (Less) : Prior Period Income / (Expenses)	(2.10)	5.45
Net Profit/ (Loss)	1786.77	2844.08
Profit / (Loss) b/f from previous year	(1726.39)	(17742.32)
Add : Balance Transferred from Capital Reserve	60.38	(14898.24)
Share Premium Account	-	1247.04
Debenture Redemption Reserve	-	11909.81
Balance Carried Forward	60.38	(1726.39)

DIVIDEND

With a view to conserve the resources in long run, your Directors have not recommended any Dividend for the year ended 31st March, 2010.

OPERATIONS & OVERALL PERFORMANCE

After being hit back by the economic slow down during the previous year, steel companies had recovered well registering remarkable growth during the year under review. The increase in the demand was mainly caused on the back of growth of various sectors such as automobile, construction, infrastructure and consumer durables. The domestic production of finished steel reported increase of about 4 % during the last year. The steel prices depressed during the first half of the year under review and picked up during the last quarter. Increase in demand and better price realizations had a good impact on the operating margins and profitability of the steel companies in the later half and trend is expected to continue during the current year as well.

During the year under review, the production of Sponge Iron was **168144 MT** against 173000 MT in the previous year. The Total Income of the Company was **Rs. 577.07** crores during the year as against Rs.527.76 crores in the previous year, showed an increase of **9 %**. The Company has reported Net profit of **Rs.17.87** crores during the year under review as against Rs. 28.44 crores in the previous year. With this, brought forward losses of Rs. 17.26 Crores has been wiped out. The figures of Total Income and Net Profit for the year under review are not comparable as previous year's figures includes 7 months operations of Steel Pipe & Tube Unit – since demerged. The reduction in the Net Profit is also attributed to increase in cost of raw materials, plant shut down during some part of the year. In order to utilize and harness the

Waste gases generated while producing Sponge Iron, the Company is setting up a 30 MW co-generation power plant at its Sponge Iron plant site which is under commissioning stage.

During the year 2004-05, the company floated a wholly owned subsidiary for the purpose of Iron ore mining activities. As per the order of Mines Tribunal, the revised letter issued by Government of Maharashtra (GoM) in favour of subsidiary has been set aside. Subsequently the original status has been restored by GoM and a lease has been granted in favour of the company. A case filed by a competitor before Delhi High Court in this matter has been dismissed. In the meanwhile, the company has received all statutory permissions and necessary sanctions from the concerned authorities to commence mining operations and the mining operations are expected to commence in due course.

ENVIRONMENT & SOCIAL OBLIGATION

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

- Industry structure and development:** After facing severe beating in terms of price and demand of steel during the previous year, the steel industry has shown good signs of recovery during the current year led by increase in demand and capacity addition by domestic steel companies.
- Opportunities and threats:** The Steel industry has a very good growth potential in years to come with rising domestic as well as global consumption on back of growing demand by sectors like automotive, infrastructure and consumer durable sectors. The constant increase in prices on the back of hike in raw material cost may affect the steel industry.
- Segment-wise performance:** The Company is operating on only one broad segment, Iron and Steel and hence separate segmental reporting is not applicable. The Company has no activity outside India.
- Outlook:** The Steel Industry outlook in immediate future looks reasonably well due to stability in the domestic as well as global steel industry.
- Risk and concerns:** Steel Industry always runs risk of Industry cycle. The Company is continuously monitoring the supply management practices, Technological obsolescence, input prices, price sensitivity and demand volatility are an inherent business risks. The Company undertakes continuous development, training and modernization programme to keep its business efficient.
- Internal control system:** The Company maintains adequate internal control systems, which provide adequate safeguards and proper monitoring of the transactions. The Company has appointed an Internal Auditor who reports to the Managing Director and Audit Committee of the Board. The Internal Auditor conducts quarterly audits to ensure that the Company's control systems are adequately followed and all statutory requirements are complied with.
- Discussion on financial performance with respect to operating performance :** The operating performance of the Company has

been discussed in Directors Report under the head 'Financial Highlights' & 'Operations and Overall Performance' in the current year.

- h) **Human resources and industrial relations** : During the year under review the Employee/ Industrial relations remained harmonious. Steps were taken continuously by the Company for training its employees in various disciplines. Number of employees as on 31st March, 2010 was **302**.
- i) **Cautionary Statement** : The Management Discussions and Analysis describe Company's projections, expectations or predictions and are forward looking statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand and supply and price conditions in domestic and international market, changes in Government regulations, tax regimes, economic developments and other related and incidental factors.

SUBSIDIARIES & CONSOLIDATED FINANCIAL STATEMENTS

The Statement required Under Section 212 of the Companies Act, 1956, the Audited Accounts and the Reports of the Directors and Auditors of **M/s. Gadchiroli Metals and Minerals Limited**, wholly owned subsidiary is attached herewith. In accordance with the Accounting Standard AS -21, the Consolidated Financial Statements are attached herewith which forms part of the Annual Report and Accounts. During the year under review, M/s Lloyds Line Pipes Ltd ceased to be a Wholly owned Subsidiary of the company.

INVESTOR SERVICES

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

PUBLIC DEPOSITS

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

DIRECTORS

Shri Rajesh Gupta and Shri Shantanu Mohapatra, Directors of your Company, retires by rotation and being eligible, offers themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of annual accounts for the financial year ended 31st March 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.

3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. Final accounts have been prepared on going concern basis.

CORPORATE GOVERNANCE

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

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

AUDITORS & AUDITORS' REPORT

The members are requested to appoint Auditors for the next financial year 2010-2011.

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

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

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

PARTICULARS OF EMPLOYEES

A statement pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the **Annexure B** to the Directors Report.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Dated : 24th May, 2010
Place : Mumbai

Mukesh R Gupta
Chairman

ANNEXURE - A

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

(A) CONSERVATION OF ENERGY

Energy Conservation Measures Taken:-

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

- 1) Installation of variable speed control drives for ID Fans of Kiln motors.
- 2) Collection of Cooling Tower blow down water in a separate pond for the purpose of recycling and utilize the same for cooling of product resulting in water harvesting and reduction of consumption of fresh water thereby saving energy.
- 3) Reduction of Slinger Circuit Belt Conveyor from two to one to improve coal throw of 500 TPD Kiln for the purpose of energy saving and pollution control.
- 4) Modification of ABC and emergency stack cap system of 500 TPD Kiln to achieve better combustion of all combustibles escaping in Kiln off gases.
- 5) Augmenting the generation of flue gases into boiler for energy saving and recovery of waste heat.
- 6) Improvement in the standards of plant housekeeping and green belt development.

(B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

- 1) Waste heat recovery based 30 MW cogeneration Power Plant has been installed which is under commissioning stage for the purpose of recovery of waste energy into productive energy.
- 2) New three fields ESP has been installed for 500 TPD Kiln to improve the pollution control measures.
- 3) Waste heat recovery boilers for 500 TPD Kiln and 4x100 TPD Kilns were commissioned to recover the waste heat and enhance pollution control measures.
- 4) Three new Dedusting units have been installed in RHMS and in product circuit of 100 TPD Kiln.
- 5) Higher capacity impact crusher has been installed in coal crushing circuit as a step towards capacity enhancement.
- 6) New Double Roll Iron ore crusher has been installed for over size Iron Ore crushing and to improve raw material quality.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

	(Rs in Lacs)	
	2009-10	2008-09
(1) Earnings		
Exports including Third Party	1419.80	10092.95
(2) Outgo:		
Brokerage & Commission	-	2.33
Travelling	-	23.56
Other Finance Charges	-	69.05
	-	94.94

FORM - A

Form for Disclosure of Particulars with respect to Conservation of Energy

		UNIT	2009-10	2008-09
1	Electricity			
	a) Purchased			
	Units	Kwh	17961254	22226749
	Total Amount	Rs.	90518724	96337785
	Rate/Unit	Rs/kwh	5.04	4.33
	b) Own Generation			
	i) Through Diesel Generator			
	Units	Kwh	NIL	91750
	Units per ltr. of Diesel Oil	Kwh/ltr	-	2.94
	Cost/Unit	Rs/kwh	-	12.68
	ii) Through Steam Turbine / Generator		NIL	NIL
2	Coal			
	Quantity	Ton	395858	359490
	Total Cost	Rs.	851469045	779775760
	Average Rate	Rs/Tonne	2150.95	2169.12
3	Fuel Oil			
	a) Furnace Oil			
	Quantity	Ltr.	NIL	603484
	Total Amount	Rs.	NIL	16206773
	Average Rate	Rs/Ltr	-	26.86
	b) LDO			
	Quantity	Ltr.	146000	271207
	Total Amount	Rs.	3891718	8987739
	Average Rate	Rs/Ltr.	26.66	33.14
	Consumption per unit of Production			
1	PRODUCT - Sponge Iron			
	- Electricity	Kwh/MT	106.82	115.18
	- Coal	Ton/MT	2.35	2.08
	- LDO	Ltr/MT	0.87	1.39

For and on behalf of the Board

Dated: 24th May, 2010
Place: Mumbai

Mukesh R Gupta
Chairman

ANNEXURE B

INFORMATION UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF THE EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010

Sr. No.	Name	Designation	Remuneration (Rs in Lacs)	Qualification	Age (years)	Experience (years)	Date of joining	Previous Employment
1	B.L. Agarwal	Managing Director	25.44	B.Com., LLB.	64	44	01.01.1995	Business

Notes :

1. Remuneration includes salary, allowances, leave travel assistance, reimbursement of medical expenses, company's contribution to provident fund and monetary value of other perquisites calculated in accordance with provisions of Income tax act, 1961 and rules made there under.
2. The above employee is not related to any directors of the company.
3. The employment of the above employee is regular and subject to the rules and regulations of the company.
4. The employee does not hold more than 2% of paid up capital of the company.

For and on behalf of the Board

Dated: 24th May, 2010
Place: Mumbai

Mukesh R. Gupta
Chairman

CORPORATE GOVERNANCE

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of **Lloyds Metals & Engineers Limited**

We have examined the compliance of the conditions of Corporate Governance by **Lloyds Metals & Engineers Limited**, for the year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges in India.

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

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

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

For and on behalf of **TODARWAL & TODARWAL**
Chartered Accountants

Sunil Todarwal
Partner
M.No. 32512

Dated : 24th May, 2010
Place : Mumbai

NOTE ON CORPORATE GOVERNANCE

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

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

2. BOARD OF DIRECTORS

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

During the financial year 2009-10, four (4) Board Meetings were held on 29th May,2009, 28th July 2009, 30th October,2009 and 25th January,2010 respectively.

Details of Directors attendance at Board Meetings and the last Annual General Meeting and number of directorship / membership as on 31st March,2010 are as follows :

Name	Category of Directorship	No. of meetings held	No. of Meetings Attended	Last AGM Attended	No. of Directorship on Board of other public Companies	No. of other company Committees where he is a Chairman (C)/Member (M)
Mr.Mukesh R Gupta	Non-Executive/Promoter	4	4	Yes	2	1(M)
Mr.Rajesh R Gupta	Non-Executive /Promoter	4	4	Yes	3	1(C) / 2(M)
Mr.B.L.Agarwal	Executive/Promoter	4	4	Yes	3	1(C) / 2(M)
Mr.Shantanu Mohapatra	Non-Executive Independent	4	2	Yes	2	-
Mr.B.B.Chadha	Non-Executive Independent	4	4	Yes	4	1 (C) / 2(M)
Mrs.V.M.Bharathy	Independent IDBI Nominee	4	3	No	-	-
# Mr.J.S.Charlu	Non-Executive Independent	4	2	Yes	-	-

Appointed as Independent Director w.e.f. 29th May,2009

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

CODE OF CONDUCT

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management Personnel. The said code has been communicated to the Directors and the Members of the Senior Management Personnel which is also affirmed by them for the financial year ended 31st March, 2010. The declaration to this effect by Managing Director is annexed at the end of this report.

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

3. AUDIT COMMITTEE:-

❖ Terms of Reference

The role and terms of reference of the Audit Committee covers the areas mentioned in the Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292 A of the Companies Act,1956, as amended from time to time, besides other matters as may be referred by the Board of Directors. These, inter alia, include the Review of Company's financial reporting process and disclosure of it's financial information to ensure that the financial statement is correct, sufficient and credible, Review of the adequacy of internal control systems and advising the necessary steps to be taken to correct the weaknesses, Review of the quarterly and annual financial statements before submission to the Board for approval, Review of financial and risk management policies and practices etc..

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

As on 31st March, 2010, the Audit Committee comprised of 4 Non-executive Directors including 1 Nominee Director.

During the financial year 2009-10, four (4) Meetings of Audit Committee were held on 29th May, 2009, 28th July, 2009, 30th October, 2009 and 25th January, 2010 respectively.

Name of Director	Position	No. of Meetings held	No. of meetings attended	Remarks
Mr. Shantanu Mohapatra	Chairman	4	2	-
Mr. Mukesh R Gupta	Member	4	4	-
Mr. B.B.Chadha	Member	4	4	-
Mrs. V.M.Bharathy	Member	4	3	-

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

4. REMUNERATION COMMITTEE

The Remuneration Committee comprises of 3 Non-executive independent Directors namely Shri Shantanu Mohapatra, Shri B.B.Chadha and Mrs. V.M.Bharathy. During the financial year 2009-10, one (1) Remuneration Committee Meeting was held on 29th May, 2009 and Shri B.B.Chadha and Mrs.V.M.Bharathy attended the same.

The remuneration of Director in all the cases is decided by the Board as per the Remuneration policy of the company subject to necessary approval of shareholders, remuneration committee and other applicable approvals, if any. Save and except Mr. B.L.Agarwal, Managing Director, no other director has drawn remuneration during the financial year 2009-10.

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

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

❖ **Details of shares held by Non-Executive directors in their own name as on 31st March, 2010.**

S.No.	Name of the Director	No. of Equity Shares held (Face value Rs. 2/- each)
1.	Mr. Mukesh Gupta	353650
2.	Mr. Rajesh Gupta	345860
3.	Mr. Shantanu Mohapatra	NIL
4.	Mr. B.B.Chadha	NIL
5.	Mrs. V.M.Bharathy	NIL
6.	Mr. J.S.Charlu	NIL

5. SHAREHOLDER'S AND INVESTOR'S GRIEVANCE COMMITTEE:-

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

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

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

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

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

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

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

Description	Received	Replied
Direct	44	44
Bombay Stock Exchange	1	1
SEBI Complaints	1	1
MCA	-	-
Investor's Association	-	-
TOTAL	46	46

6. GENERAL BODY MEETING

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

Year	Location	Date	Time
2006-2007	Dombivli Gymkhana, P-9, MIDC, Phase-I, Dombivli (East)- 421 201. Dist- Thane	02.08.2007	11.30 a.m
2007-2008	Dombivli Gymkhana, P-9, MIDC, Phase-I, Dombivli (East)- 421 201. Dist- Thane	10.07.2008	11.30 a.m
2008-2009	Plot No. A 1-2, MIDC Area, Ghugus, Dist - Chandrapur, 442 505, Maharashtra.	28.07.2009	2.00 p.m.

- b. No Extra Ordinary General Meeting (EGM) was held during the last year.
- c. The Company has not passed any Special Resolution in last 3 AGMs.
- d. The Company has not passed any Resolutions through Postal Ballot during the last year. At the ensuing Annual General Meeting, there is no resolution proposed to be passed through postal ballot.

7 DISCLOSURES

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

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

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

No personnel have been denied access to the audit committee.

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

None

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

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

8. CEO/CFO CERTIFICATION

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

9. MEANS OF COMMUNICATION

The Quarterly and Annual Results are published in Navshakti and Free Press Journals and are displayed on Company's website www.lloyds.in.

10. GENERAL SHAREHOLDER INFORMATION

I Annual General Meeting

Date	Tuesday, 27th July, 2010
Time	12.30 p.m.
Venue	Plot No. A 1-2, MIDC Area, Ghugus, Dist Chandrapur, 442 505, Maharashtra.

II Financial Calendar (tentative)

Results for quarter 30.06.2010 ending	Fourth Week of July 2010
Results for half year ending 30.09.2010	Fourth week of October 2010
Results for quarter ending 31.12.2010	Fourth week of January 2011
Results for year ending 31.03.2011	Fourth week of May 2011

III **Book Closure Date** Monday, 19th July, 2010 to Tuesday, 27th July, 2010 (both days inclusive)

IV **Dividend Payment date** Not declared

V **Listing of Equity Shares on Stock Exchanges at** Bombay Stock Exchange, Mumbai
The Company has paid annual Listing fees for the financial year 2010-2011 to the Bombay Stock Exchange.

VI **Stock Code** 512455 ISIN No.: INE281B01024

VII Stock Market Data

The monthly movement of equity Share Price on Bombay Stock Exchange

	Share Price (In.Rs.)		
	High	Low	Close
April 2009	30.95	20.35	11403.25
May 2009	32.40	20.80	14625.25
June 2009	36.70	22.30	14493.84
July 2009	34.05	19.10	15670.31
August. 2009	32.05	23.50	15666.64
September. 2009	37.30	26.10	17126.84
October. 2009	32.70	25.30	15896.28
November. 2009	34.00	24.80	16926.22
December. 2009	35.40	27.55	17464.81
January. 2010	38.95	28.60	16357.96
February.2010	32.55	26.10	16429.55
March. 2010	35.40	27.20	17527.77

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

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

IX Share Transfer System

Share Transfer request are registered within an average period of 15 to 20 days from the day of receipt.

Share transfer request in physical form with demat request have been discontinued from February 2004 in terms of SEBI directive.

X Distribution of shareholding as on 31st March, 2010

Promoters	47.78 %
Banks/Financial Institutions	4.05 %
MFs & UTI	0.01 %
FII	0.00 %
Others	48.16 %
Total	100.00

No. of Shares Held	No. of Shareholders		No. of Shares Held	
	Total	% of Total	Total	% of Total
1 - 500	13929	85.37	6245186	5.61
501 - 1000	1382	8.47	1322079	1.19
1001 - 2000	425	2.60	684696	0.62
2001 - 3000	210	1.29	556972	0.50
3001 - 4000	40	0.25	145577	0.13
4001 - 5000	90	0.55	436529	0.39
5001 - 10000	82	0.50	622991	0.56
10001 and Above	158	0.97	101277260	91.00
Total	16316	100.00	*111291290	100.00

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

XI Dematerialisation of Shares	Over 95.56 % of the shares have been dematerialized upto 31 st March, 2010.
	Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. 08.05.2000 as per notification issued by the Securities and Exchange Board of India.
Liquidity	Company's Shares are traded on the Bombay Stock Exchange.
XII Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, and likely impact on the Equity.	Not Applicable

XIII Plant Locations

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

XIV (I) Investor Correspondence

For transfer / dematerialisation of shares, payment of dividend on shares, interest and redemption of debentures, and any other query relating to the shares and debentures of the Company.

Bigshare Services Private Ltd
E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri(East),
Mumbai - 400072.
Tel No. - 022 - 40430200/ 299
Fax No. - 022 - 2847 5207
E-mail: bss@bigshareonline.com

(II) Any query on Annual Report

Secretarial Department:
Modern Centre, "B" Wing,
2nd Floor, Sane Guruji Marg,
Mahalaxmi, Mumbai - 400 011.
Tel. No. 022 - 3041 8111
Fax No. 022 - 3041 8260
E mail : investor@lloyds.in

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management personnel have confirmed compliance with the code of conduct during the financial year ended March 31, 2010.

For **Lloyds Metals & Engineers Ltd.**

Date : 24th May, 2010
Place : Mumbai

B L Agarwal
Managing Director

AUDITORS' REPORT

TO THE MEMBERS OF LLOYDS METALS & ENGINEERS LIMITED

1. We have audited the attached Balance Sheet of Lloyds Metals & Engineers Limited as at March 31, 2010 and the related Profit and Loss Account and Cash Flow for the year ended on that date, annexed thereto, both of which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by Companies (Auditors' Report) (Amendment) 2004 (together 'the order') issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, of India (the Act) and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement Account dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss and Cash Flow Statement dealt with by this report have been prepared in compliance with the applicable accounting standards referred to in Section 211 (3C) of the Act;
 - (e) In view of the foregoing paragraphs, in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss Account and Cash Flow together with the other Notes thereon and attached thereto, give in the prescribed manner, the information required by the Act and also give, a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010; and
 - ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.
 - iii) in the case of the Cash Flow Statement of the Cash Flow of the Company for the year ended on that date.
- (f) On the basis of the written representations received from the Directors and taken on record by the Board of Directors of the Company, none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

For **Todarwal & Todarwal**
Chartered Accountants

Sunil Todarwal
Partner

Dated: 24th May, 2010
Place : Mumbai

Membership No.-32512

ANNEXURE TO AUDITORS' REPORT

[Referred to in Paragraph 3 of the Auditor's Report of even date to the Members of Lloyds Metals & Engineers Limited on the Financial Statements for the year ended 31st March 2010]

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

- In view of the above, provisions of clause 4(iii) (b), (c), (d), (f) and (g) are not applicable to the company.
4. In our opinion and according to information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
 5. (a) On the basis of audit procedure applied by us, and according to information and explanations given to us, and the records produced for verification, we are of the opinion that the transactions that need to be entered in the register in pursuance of Section 301 of the Act have been entered in the said register.
(b) In our opinion, and according to the information and explanation given to us, the transactions made during the year with parties covered under sec.301 of the Act have been at prices which are reasonable, having regard to the prevailing market price for such goods and materials or prices at which transaction for similar goods or material have been made with other parties.
 6. According to the information and explanation given to us, the company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules framed there under. Hence the provisions of clause 4(vi) is not applicable to the company.
 7. In our opinion and according to information and explanation given to us, the Company's present internal audit system is commensurate with its size and the nature of its business.
 8. We are informed that maintenance of Cost Records has not been prescribed by the central government under section 209(1) (d) of the Companies Act, 1956 for any of the products of the Company. Hence the provisions of clause 4(viii) are not applicable to the company.
 9. (a) According to the books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also Management representations, undisputed statutory dues in respect of provident fund, profession tax, income tax, VAT, custom duty, excise duty and cess have been regularly deposited by the Company during the year with the appropriate authorities in India.
(b) *According to the records of the Company, the disputed dues in respect of Excise Duty as at March 31, 2010 amounting to Rs. 12.50 Lacs (Previous Year Rs.14.12 Lacs) have not been deposited with appropriate authorities and no provision has been made for the same in the books of accounts.*
 10. The Company has no accumulated losses as at the end of financial year and has not incurred any cash losses during the financial year or in the immediately preceding financial year.
 11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet date.
 12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities during the year. Hence the provisions of clause 4(xii) are not applicable to the company.
 13. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to it. Hence the provisions of clause 4(xiii) are not applicable to the company.
 14. In our opinion the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) are not applicable to the Company.
 15. As informed to us, the Company has during the year, not given any guarantee for the loans taken by others from banks or financial institutions. Hence the provisions of clause 4(xv) are not applicable to the company.
 16. As per information given to us, no fresh term loans have been taken by the Company during the year. Hence the provisions of clause 4(xvi) are not applicable to the company.
 17. On the basis of overall examination of the Balance Sheet of the Company and according to information and explanations given to us, there are no funds raised on short-term basis, which have been used for long-term investments.
 18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares during the year, to parties and companies covered in the register maintained under section 301 of the Act.
 19. According to the information and explanations given to us, the Company has not issued any fresh debentures during the year. Hence the provisions of clause 4(xix) are not applicable to the company.
 20. In our opinion and according to information and explanation given to us, the Company has not raised any money by public issue during the year. Hence the provisions of clause 4(xx) are not applicable to the company.
 21. During the course of our examination of the books of accounts and records of the Company, carried in accordance with the generally accepted auditing practices in India and according to information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

Sr. No.	Name of the Statute	Amount (In Lacs)	Forum where dispute is pending
1	The Central Excise Act, 1944	6.50	Customs, Excise, Service Tax Appellate Tribunal (CESTAT)
		6.00	High Court
	TOTAL	12.50	

For **Todarwal & Todarwal**
Chartered Accountants

Sunil Todarwal
Partner

Dated: 24th May, 2010
Place : Mumbai

Membership No.-32512

BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in Lacs)

	Schedule	AS AT 31.03.2010	AS AT 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	2,243.05	2,243.05
Reserves & Surplus	B	7,823.62	7,767.24
		10,066.67	10,010.29
Loan Funds			
Secured Loans	C	3,591.37	4,393.22
Unsecured Loans	D	950.00	950.00
		4,541.37	5,343.22
T O T A L		14,608.04	15,353.51
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	33,446.89	33,004.02
Less: Depreciation		17,302.63	15,627.65
Net Block		16,144.26	17,376.37
Capital work in progress		15,748.49	7,331.02
		31,892.75	24,707.39
Investments			
	F	890.00	910.00
Current Assets, Loans and Advances			
Inventories	G	3,173.20	3,061.97
Sundry Debtors		1,071.63	1,626.03
Cash and Bank Balances		490.74	783.51
Loans and Advances		6,882.48	5,086.79
		11,618.05	10,558.30
Less : Current Liabilities and Provisions			
Liabilities & Provisions	H	29,792.76	22,548.57
Net Current Assets		(18,174.71)	(11,990.27)
Profit & Loss Account		-	1,726.39
T O T A L		14,608.04	15,353.51
Notes forming part of Accounts	P		
Abstract and General Profile of the Company	Q		
Schedules referred to herein form an integral part of Balance Sheet			

As per our Report of even date attached.

For and on behalf of the Board

For and on behalf of

TODARWAL & TODARWAL
Chartered Accountants

SUNIL L. TODARWAL
Partner
M. No. - 32512

Dated : 24th May, 2010

Place : Mumbai.

SHYAMAL PADHIAR
Company Secretary

B. L. AGARWAL
Managing Director

MUKESH R. GUPTA
Chairman

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in Lacs)

Schedule	Current Year 31.03.2010	Previous Year 31.03.2009
INCOME		
Gross Turnover (Including Jobwork)	59,200.40	58,506.25
Less : Excise Duty	2,410.98	6,159.02
Net Turnover	56,789.42	52,347.23
Other Income	917.89	429.00
	57,707.31	52,776.23
EXPENDITURE		
Cost of Materials	50,365.15	42,061.67
Manufacturing & Asset Maintenance	1,851.34	1,895.57
Personnel Cost	679.34	962.38
Selling & Distribution Expenses	69.50	1,941.75
Administrative Expenses	390.01	576.86
Total	53,355.34	47,438.23
Profit before Interest, Depreciation & Tax	4,351.97	5,338.00
Interest & Financial Charges (Net)	883.05	560.80
Profit / (Loss) before Depreciation & Tax	3,468.92	4,777.20
Depreciation	1,684.05	1,924.96
Less : Transferred from Revaluation Reserve	4.00	4.00
	1,680.05	1,920.96
Profit / (Loss) before Tax	1,788.87	2,856.24
Fringe Benefit Tax	-	17.61
Profit / (Loss) after Tax	1,788.87	2,838.63
Add / (Less) : Prior period Income / (Expenses)	(2.10)	5.45
Net Profit / (Loss) For The Year	1,786.77	2,844.08
Add: Profit/ (Loss) brought forward from last year	(1,726.39)	(17,742.32)
	60.38	(14,898.24)
Add: Transferred from Capital Reserve	-	1,247.04
Add: Transferred from Share Premium Account	-	11,909.81
Add: Transferred from Debenture redemption Reserve	-	15.00
Balance carried to Balance Sheet	60.38	(1,726.39)
Basic & Dilluted Earning Per Share (Rs.)	1.61	2.56
Notes forming part of Accounts	P	
Abstract and General Profile of the Company	Q	

As per our Report of even date attached.

For and on behalf of the Board

For and on behalf of

TODARWAL & TODARWAL
Chartered Accountants

SUNIL L. TODARWAL
Partner
M. No. - 32512

SHYAMAL PADHIAR
Company Secretary

B. L. AGARWAL
Managing Director

MUKESH R. GUPTA
Chairman

Dated : 24th May, 2010
Place : Mumbai.

SCHEDULES

SCHEDULES "A" TO "Q" ANNEXED TO & FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	(Rs. in Lacs)	
	As at 31.03.2010	As at 31.03.2009
SCHEDULE A		
SHARE CAPITAL		
Authorised		
37,50,00,000 Equity Shares of Rs.2/- each (Previous year 37,50,00,000 Equity Shares of Rs.2/- each)	7,500.00	7,500.00
250,00,000 Preference Shares of Rs.10/- each	2,500.00	2,500.00
	10,000.00	10,000.00
Issued, Subscribed and Paid-up		
11,12,91,290 Equity Shares of Rs.2/- each (Previous year 11,12,91,290 Equity Shares of Rs.2/- each)	2,225.83	2,225.83
Add : 3,97,875 Forfeited shares of Rs. 10/- each (Amount originally received)	17.22	17.22
TOTAL	2,243.05	2,243.05
Note : The Company has forfeited 397875 Equity Shares of Rs.10/- each which are yet to be reissued.		
SCHEDULE B		
RESERVES AND SURPLUS		
Capital Reserve		
As per Last Balance Sheet	7,756.21	3,395.23
Add : Addition during the year	-	5,608.01
Less : Profit & Loss Account Adjusted as per Scheme of Arrangement	-	1,247.03
	7,756.21	7,756.21
Share Premium		
As per last Balance Sheet	-	11,909.80
Less : Profit & Loss Account Adjusted as per Scheme of Arrangement	-	11,909.80
	-	-
Revaluation Reserve		
Balance as per last Balance Sheet	11.03	15.03
Less : Transferred to Profit & Loss Account	4.00	4.00
	7.03	11.03
Investment Allowance (Utilised) Reserve		
Balance as per last Balance Sheet	-	20.00
Less : Transferred to Profit & Loss Account	-	20.00
	-	-
Debenture Redemption Reserve		
Balance as per last Balance-Sheet	-	15.00
Less : Transferred to Profit & Loss Account	-	15.00
	-	-
Surplus in Profit & Loss Accounts	60.38	-
TOTAL	7,823.62	7,767.24

	(Rs. in Lacs)	
	As at 31.03.2010	As at 31.03.2009
SCHEDULE C		
SECURED LOANS		
1. Long Term Loans		
(a) From Financial Institutions :		
Rupee Loan	3,520.36	4,321.51
(b) From Banks :		
Rupee Loan	-	71.71
	3,520.36	4,393.22
2. Interest accrued and due	71.01	-
TOTAL	3,591.37	4,393.22

NOTES TO SCHEDULE C

1. (a) Term Loan from Financial Institution, is secured / to be secured by first mortgage and charge on all the Company's immovable & movable properties, both present & future, in such form as may be required, subject to prior charge on specified assets created in favour of IDBI (for Equipment Finance and Asset Credit Scheme) for secured borrowings and charges created / to be created in favour of Company's Bankers for Working Capital facilities.
- (b) Security by way of hypothecation of all the movables except aforesaid specified assets has already been created in respect of the entire aforesaid Term Loans.
- (c) Term Loan mentioned in 1(a) above includes Equipment Finance & Asset Credit Scheme facilities from IDBI of **Rs. 803.73 Lacs** as at 31.03.2010 secured by hypothecation of specific moveable assets financed under the said schemes

(Rs. in Lacs)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE D		
UNSECURED LOANS		
From Body Corporate	950.00	950.00
TOTAL	950.00	950.00

SCHEDULES

SCHEDULE : E

(Rs. in lacs)

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2009	ADDITIONS	SOLD / DISCARDED	AS AT 31.03.2010	AS AT 01.04.2009	FOR THE YEAR	WRITTEN BACK	AS AT 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
FREE HOLD LAND	40.83	-	-	40.83	-	-	-	-	40.83	40.83
LEASEHOLD LAND	184.18	-	-	184.18	-	-	-	-	184.18	184.18
FACTORY BUILDING	1533.72	-	-	1533.72	551.30	45.93	-	597.23	936.49	982.42
STAFF RESIDENTIAL BUILDING	784.09	-	-	784.09	148.86	12.78	-	161.64	622.45	635.23
PLANT & MACHINERY	30114.80	416.21	-	30531.01	14732.09	1595.02	-	16327.11	14203.90	15382.71
COMPUTERS	85.80	11.80	-	97.60	41.36	14.10	-	55.46	42.14	44.44
ELECTRICAL INSTALLATION	70.19	-	-	70.19	65.18	0.81	-	65.99	4.20	5.01
AIR CONDITIONERS	14.73	6.04	-	20.77	7.73	0.93	-	8.66	12.11	7.00
OFFICE EQUIPMENTS	5.69	4.00	-	9.69	3.33	0.37	-	3.70	5.99	2.36
FURNITURE & FIXTURES	42.72	3.45	-	46.17	29.51	2.65	-	32.16	14.01	13.21
MOTOR VEHICLES	118.08	10.87	9.50	119.45	41.30	11.02	9.07	43.25	76.20	76.78
WEIGHING MACHINE	9.19	-	-	9.19	6.99	0.44	-	7.43	1.76	2.20
TOTAL	33004.02	452.37	9.50	33446.89	15627.65	1684.05	9.07	17302.63	16144.26	17376.37
C W I P	7331.02	8417.47	-	15748.49	-	-	-	-	15748.49	7331.02
TOTAL	40335.04	8869.84	9.50	49195.38	15627.65	1684.05	9.07	17302.63	31892.75	24707.39
PREVIOUS YEAR	39688.78	9430.42	8784.17	40335.04	19584.51	1924.97	5881.83	15627.65	24707.39	

NOTE : Gross block includes assets aggregating to Rs. 2175.82 lacs given on conducting basis.

	(Rs. in Lacs)			(Rs. in Lacs)	
	As at 31.03.2010	As at 31.03.2009		As at 31.03.2010	As at 31.03.2009
SCHEDULE F			Cash and Bank Balances		
INVESTMENTS			Cash on Hand	13.58	5.88
Long Term (At Cost) :			Balances with scheduled banks		
Share Unquoted			In Current Accounts	56.93	300.80
100000 Fully paidup Equity Shares of Wholly Owned Subsidiary Gadchiroli Metals & Minerals Limited.of Rs. 10/- each (Previous Year 100000 Equity Share of Rs.10/- each)	10.00	10.00	In Margin Account	420.23	476.83
				490.74	783.51
8800000 Fully paidup Equity Shares of Lloyds Line Pipes Ltd of Rs. 10/- each. (Previous year 50000 Equity Shares of Rs.10/- Each)	880.00	5.00	Loans and Advances		
Shares to be issued by Lloyds Line Pipes Ltd as per the Scheme of arrangement	-	895.00	(Unsecured and considered good)		
			a) Advances recoverable in cash or in kind or for value to be received	2,597.94	714.41
TOTAL	890.00	910.00	b) Deposits and balances with Government departments and others	4,264.28	4,366.45
			c) Advance tax / Tax Deducted at Source	20.26	5.93
SCHEDULE G			TOTAL	6,882.48	5,086.79
CURRENT ASSETS, LOANS AND ADVANCES				11,618.05	10,558.30
Inventories			SCHEDULE H		
Stores and Spare Parts	802.76	754.42	CURRENT LIABILITIES AND PROVISIONS		
Raw Materials	1,742.61	966.00	Current Liabilities		
Raw Materials in transit / At Port	88.86	858.78	Sundry Creditors	20,498.97	16,473.15
Finished Goods	28.98	63.82	Other Liabilities	1,176.97	1,112.06
Work In Process	3.76	6.59	Bank Overdrawn	1,477.05	75.87
Scrap / By-Product	506.23	412.36	Bills Payable	997.98	-
	3,173.20	3,061.97	Advance from Customers	5,443.34	4,715.30
Sundry Debtors			Interest accrued & not Due	40.25	36.31
(Unsecured, considered good unless otherwise stated)			Provisions		
Exceeding six months	0.29	-	Provision for Leave encashment & Gratuity	158.20	135.88
Others	1,071.34	1,626.03	TOTAL	29,792.76	22,548.57
	1,071.63	1,626.03			

(Rs. in Lacs)

	Current Year 31.03.2010	Previous Year 31.03.2009
SCHEDULE I		
OTHER INCOME		
Miscellaneous Receipts	11.97	63.88
Compensation Earned	25.00	25.00
Exchange Fluctuation Gain	-	340.12
Profit on sale of Fixed Assets (Net)	2.24	-
Sales Tax Refund	878.68	-
TOTAL	917.89	429.00
SCHEDULE J		
COST OF MATERIALS :		
Consumption of :		
Raw Materials	49,713.79	43,128.89
Production Consumables, Stores & Spares consumed	668.18	920.71
Petroleum Products (Fuel)	39.38	257.19
(Increase)/Decrease in stocks of finished goods and work in process & scrap		
Closing Stock	538.97	482.77
Less: Opening Stock	482.77	1,920.12
	(56.20)	1,437.35
Less : Stock Transfer to LLPL on Demerger	-	3,682.47
TOTAL	50,365.15	42,061.67
SCHEDULE K		
MANUFACTURING & ASSET MAINTENANCE		
Power & Water Charges	923.63	983.33
Repairs and Maintenance		
Plant and Machinery	52.01	29.38
Buildings	9.81	11.52
Others	27.84	33.44
	89.66	74.34
Other Production Expenses	826.07	829.18
Insurance (net)	11.98	8.72
TOTAL	1,851.34	1,895.57
SCHEDULE L		
PERSONNEL		
Salaries, Wages, Bonus and Allowances	608.61	867.35
Contribution to Provident and other funds	43.91	54.99
Workmen and staff welfare expenses	26.82	40.04
TOTAL	679.34	962.38
SCHEDULE M		
SELLING & DISTRIBUTION EXPENSES		
Brokerage & Commission on sales	40.02	41.95
Delivery charges and others exps	21.88	911.06
Export Expenses	-	979.60
Sales Promotion	7.60	9.14
TOTAL	69.50	1,941.75
SCHEDULE N		
ADMINISTRATIVE EXPENSES		
Travel and Conveyance	35.34	62.10
Postage, Telephone & Telex	7.17	11.55
Legal and Professional Charges	41.52	104.41
Rent	146.42	222.09
Rates and Taxes	9.59	11.21
Auditor's Remuneration & Out of Pocket Expenses	1.61	2.17
Director's Sitting Fees	0.34	0.40
Vehicle expenses	38.31	45.13
Fees & Subscriptions	1.20	16.25
General Expenses	11.86	9.26
Entertainment Exps.	0.93	-
Sundry Dr/ Cr Balance Write off / Write back (Net)	1.62	(7.92)
Advertisement and publicity	2.15	8.66
Miscellaneous Expenses	91.95	91.55
TOTAL	390.01	576.86

(Rs. in Lacs)

	Current Year 31.03.2010	Previous Year 31.03.2009
SCHEDULE O		
INTEREST & FINANCIAL CHARGES		
Finance Charges :		
Bills Discounting Charges	144.24	-
Bank Charges	48.63	113.36
Other Financial Charges	26.94	36.67
	219.81	150.03
Interest on :		
Term Loans	698.11	451.81
Others	10.34	33.22
	708.45	485.03
	928.26	635.06
Less : Interest Received (Includes Tax Deducted At Source)	45.21	74.26
TOTAL	883.05	560.80

SCHEDULE P : NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010.

1 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 sub-section (3C) of section 211 of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

B) Fixed Assets :

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

C) Depreciation :

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

D) Inventories :

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

- Raw materials : *At lower of cost and net realisable value.
Store & spares : At cost (weighted average cost)
Work in process : At cost
Finished goods : At lower of cost and net realisable value.
(Also refer Accounting Policy G)

Traded goods : At cost

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

E) Investments :

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

F) Expenditure during construction period:

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

G) Excise Duty :

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

H) **Customs Duty :**

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

I) **Foreign Currency Transaction :**

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

J) **Provision for Gratuity :**

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

K) **Leave Salary :**

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

L) **Customs Duty Benefit :**

Customs duty entitlement eligible under pass book scheme / DEPFB 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.

M) **Amortisation of Expenses :**

i) **Equity Issue Expenses :**

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

ii) **Preliminary Expenses :**

Preliminary expenses are amortised over a period of ten years.

iii) **Debenture Issue Expenses :**

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

N) **Impairment of Assets :**

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

O) **Revenue Recognition :**

Sales/Income 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 & trade discounts. Export benefits accrue on the date of export, which are utilized for custom duty free import of material / transferred for consideration.

P) **Contingent Liability :**

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

2. Contingent liabilities not provided for —

(Rs. in lacs)

	As at 31/03/10	As at 31/03/09
a) Letter of Credit/Guarantees issued by Banks	419.73	377.35
b) Disputed claim of Excise Authorities	12.50	14.12
c) Claims against the Company not acknowledged as Debts	25.72	25.72
d) Bills Receivable (Foreign LC)	668.44	Nil

3. Amount held in Margin / Fixed deposit accounts with banks having lien for facilities given by Banks **Rs. 420.23 Lacs** (Previous year Rs. 476.83 Lacs)

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

b) Managerial remuneration u/s 198 of the Companies Act, 1956 include : (included in Schedule L).

(Rs. in Lacs)

	Current Year	Previous Year
Salary	24.00	24.00
PF Contribution	1.44	1.44
Total	25.44	25.44

5. a) The Income tax assessment have been completed upto Assessment Year 2007-08

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

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

In the event of carry forward losses and unabsorbed depreciation no Deferred Tax Liability has been created for the financial year ending 31.03.2010. The deferred tax asset has not been recognized as there is no virtual certainty of sufficient future taxable income available against which this deferred tax asset can be realized.

6. Advance recoverable in cash or kind or for a value to be received includes loans and advances given to subsidiary Gadchiroli Metals & Minerals Ltd. of Rs.37.21 Lacs.

7. Auditors' remuneration

(Rs. in Lacs)

Particular	2009-10	2008-09
a) As Auditor for		
(i) Fees	1.00	1.00
(ii) Expenses Reimbursed & Others	0.26	0.82
b) As Advisor In		
(i) Taxation Matters	0.35	0.35
Total	1.61	2.17

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

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

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

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

(i) Obligation as at the beginning of the year	: Rs.78.77 Lacs
(ii) Current Services Cost	: Rs.13.07 Lacs
(iii) Interest Cost	: Rs.6.30 Lacs
(iv) Actuarial (Gain)/Loss	: Rs.(5.50) Lacs
(v) Benefits paid	: Rs.(7.11) Lacs
(vi) Obligation as at the end of the year	: Rs.85.53 Lacs

d) Expenses recognized during the year.

(i) Current Services Cost	: Rs.13.07 Lacs
(ii) Interest Cost	: Rs.6.30 Lacs
(iii) Actuarial (Gain)/Loss	: Rs.(5.50) Lacs
(iv) Expenses recognized during the year:	Rs.13.87 Lacs

e) Actuarial Assumptions.

(i) Rate of Interest	: 8.25% per annum
(ii) Salary Growth	: 6.50% per annum
(iii) Withdrawal Rate	: 1%
(iv) Mortality Rate	: LIC (1994-96) ultimate Mortality Rates.
(v) Retirement Age	: 60 years

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

Particulars	2009-10	2008-09
NPBT	17,88,87,016	285,623,153
Prior Period Items	(2,09,603)	545,347
Tax Expenses	—	1,760,804
Numerator (A)	17,86,77,413	284,407,696
Denominator (B)	11,12,91,290	111,291,290
Basic & Diluted EPS (A/B)	1.61	2.56

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

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

	Current Year	Previous Year
A Name of related party and relationship		
i) Name of the Related Party	Gadchiroli Metals & Minerals Limited.	
ii) Relationship	Wholly owned Subsidiary Company	
A1 Transaction with related parties		
Nature of Transaction		
a) Equity	10.00	10.00
b) Loans & Advances	37.21	37.07
Maximum Balance During the Year	37.21	37.07
B Name of related party and relationship		
i) Name of the Related Party	Lloyds Line Pipes Ltd.	
ii) Relationship	Substantial Interest	
B1 Transaction with related parties		
Nature of Transaction		
a) Equity	880.00	5.00
b) Shares to be issued	Nil	895.00
c) Purchases & Services	2041.47	Nil
2 Key Managerial Personnel		
A Name of related party and relationship		
i) Name of the Related Party	Shri. B L Agarwal	
ii) Relationship	Key Managerial Personnel	
B Transaction with related parties		
Nature of Transaction		
a) Salary	24.00	24.00
b) PF Contribution	1.44	1.44

11. Debtors, Creditors and Loans & Advances are subject to confirmation by the parties. Difference (if any), shall be accounted on such reconciliation.
12. Disclosure as required by the Accounting Standard – 5 “Net Profit or Loss for the period, Prior Period items and changes in Accounting Policies” are given below.
Prior period expenses is **Rs. 2.10 Lacs** (Previous year 2.26 Lacs).
Prior period income is Nil (Previous year Rs. 7.71 Lacs).
13. The Company has no information as to whether any of its suppliers constitute micro, small & medium enterprises as per Micro, Small & Medium Enterprises Development Act, 2006 and therefore, the amount due to such suppliers has not been identified.
14. Disclosure as required by the Accounting Standard – 17 “Segment Reporting” are given below.
The Company is operating on only one broad segment – Iron & Steel and hence no separate Segmental results have been given.

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

I. Licensed/Installed Capacity per annum

	CRCA M.T.	Sponge Iron M.T.	Pipes/Tubes M.T.
a. Licensed capacity	N.A.	N.A.	N.A.
b. Installed capacity (P.Y.)	24000 (24000)	240000 (240000)	Nil (90000)
c. Production (P.Y.)	Nil (Nil)	168144 (173000)	5267.83 (23000)

NOTES :

1. Company is not required to obtain any License under Industrial Regulation Act. therefore the details of licensed capacity is not applicable.
2. Production of Tubes & Pipes during the current year is from conversion work at job work site.

II Opening/Closing Stock, Purchases and Sales of Finished Goods

	2009-2010		2008-2009	
	Qty. (M.T.)	Rs. In lacs	Qty. (M.T.)	Rs. In lacs
A) Steel Tubes & Pipes				
a) Opening Stock	-	-	2964.00	1176.36
b) Production	5267.83	-	23000.00	-
c) Sales	3753.72	1290.73	20657.00	13059.70
d) Closing Stock	1514.11	377.12	5307.00	3337.02
B) Sponge Iron				
a. Opening Stock	427	70.41	998	135.50
b. Production	168144	-	173000	-
c. Sales				
Lumps/Fines	168403	30194.41	173571	37282.68
By-product		2237.71		1485.75
Scrap		122.33		136.22
d. Closing Stock	168	32.74	427	70.41
C) Trading Sales				
a. Opening Stock	-	-	-	-
b. Purchases	118157.48	26215.95	17606.94	6536.67
c. Sales	115617.17	25355.22	17606.94	6541.90
d. Closing Stock	2540.31	867.19	-	-

III Consumption of Raw Materials

	2009-2010			2008-2009		
	Imported	Indigenous	Qty	Imported	Indigenous	Qty
	Rs.in lacs		(M.T.)	Rs.in lacs		(M.T.)
HR/CR Coil	1112.03	-	3753.72	10198.71	-	22866.61
%	100	-	-	100	-	-
Iron Ore	-	14629.12	356706	17764.89	100	350732
%	-	100	-	100	-	-
Coal	-	8514.69	395856	7797.76	100	35490
%	-	100	-	100	-	-
Zinc	-	-	-	744.78	100	644.184
%	-	-	-	100	-	-
Dolomite	-	109.20	13759	86.08	100	12493
%	-	100	-	100	-	-

IV Break up of stores and spares consumed

	2009-2010		2008-2009	
	Rs.in lacs	%	Rs in lacs	%
Imported	-	-	-	-
Indigenous	707.56	100	1177.90	100
Total	707.56	100	1177.90	100

V Expenditure incurred in foreign currency on account of

	Rs.in lacs	
	2009-2010	2008-2009
Commission	Nil	2.33
Travelling & Books & Periodical	Nil	23.56
Other finance charges	Nil	69.05
Total	Nil	94.94

VI F.O.B. Value of Exports

	Rs.in lacs	
	2009-2010	2008-2009
Steel Tubes & Pipes		
Direct Export	1419.80	5009.10
Third Party Export	Nil	5083.85

16. In view of the Scheme of Arrangement for transfer of Assets & Liabilities of Steel Tubes & Pipes undertaking w.e.f. 1st November, 2008, the previous year's figures are not comparable.
17. Previous year figures have been regrouped and recast wherever necessary to conform to the classification of the current year.

SCHEDULE Q : BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	19594
State Code	11
Balance Sheet Date	31.03.2010

II. Capital Raised during the year (Rs. in Thousands)

Public Issue	NIL
Bonus Issue	NIL
Rights Issue	NIL
Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds

(Rs. in Thousands)

SOURCES OF FUNDS

Total Liabilities	4440080
Total Assets	4440080
Paid-up Capital	224305
Reserves & Surplus	782362
Secured Loans	359137
Unsecured Loans	95000

APPLICATION OF FUNDS

Net Fixed Assets	3189275
Investments	89000
Net Current Assets	(1817471)
Miscellaneous Exps.	-
Accumulated Losses	0

IV. Performance of Company (Rs. in Thousands)

Turnover	5920040
Total Expenditure	5832942
Profit/(Loss) Before Tax	178887
Profit/(Loss) After Tax	178887
Earning Per Share in Rs.	1.61
Dividend rate %	NIL

V. Generic Names of Three Principal

Products/Service of Company.

(As per Monetary terms)

1. Item Code No. (ITC Code)	720310
Product Description	Sponge Iron
2. Item Code No. (ITC Code)	730590
Product Description	ERW Precision Tubes
3. Item Code No. (ITC Code)	721141
Product Description	Cold Rolled Steel Coils & Sheets

For and on behalf of the Board

Dated : 24th May, 2010
Place : Mumbai.

SHYAMAL PADHIAR
Company Secretary

B. L. AGARWAL
Managing Director

MUKESH R. GUPTA
Chairman

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of Subsidiary Company	Gadchiroli Metals & Minerals Ltd.
1 The Financial year of the Subsidiary ended on	March 31, 2010
2 Date from which they became Subsidiary Companies	15.02.2005
3 a. Number of Shares in the Subsidiary Company held by Lloyds Metals & Engineers Limited.	100000 Equity Shares of Rs.10 each
b. Percentage of holding	Fully paid-up
4 The net aggregate of profits, less losses of the Subsidiary Company so far as they concern the members of Lloyds Metals & Engineers Ltd.	100%
a. Not Dealt within the accounts of Lloyds Metals & Engineers Limited amounted to :	
i) For the financial year ended 31st March, 2010	0
ii) For the previous financial years of the Subsidiary, since it became a Subsidiary of Lloyds Metals & Engineers Ltd.	N.A.
b. Dealt within the accounts of Lloyds Metals & Engineers Limited amounted to :	
i) For the financial year ended 31st March, 2010	N.A.
ii) For the previous financial years of the Subsidiary, since it became a Subsidiary of Lloyds Metals & Engineers Ltd.	N.A.

For and on behalf of the Board

Dated : 24th May, 2010
Place : Mumbai.

SHYAMAL PADHIAR
Company Secretary

B. L. AGARWAL
Managing Director

MUKESH R. GUPTA
Chairman

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

(Rs.in Lacs)

	31.03.2010		31.03.2009	
A. CASH FLOW FROM OPERATION ACTIVITIES:				
Net Profit before tax and extraordinary items		1786.77		2856.24
Adjustments for:				
Depreciation	1680.05		1920.96	
Profit on Sale of Fixed Assets(Net)	(2.24)		-	
Interest Expense(Net)	883.05		560.80	
Foreign Exchange variation	-		(340.12)	
Provision for Expenses	96.72		(0.00)	
Operating Profit before working capital changes		4444.35		4997.88
Adjustments for:				
Trade and Other Receivables		(1241.00)		(4939.80)
Inventories		(111.22)		(3883.94)
Trade Payables		7147.18		14220.11
Cash generated from operations		10239.31		10394.25
TDS (Paid) / Refund Received		-		1.51
Taxes Paid - FBT		-		(17.61)
Cash Flow before extraordinary items		10239.31		10378.15
Foreign Exchange variation		-		340.12
Net cash from operating activities :-		10239.31		10718.27
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets		(8869.85)		(8266.88)
Sale of Investment		20.00		-
Sale of Assets		2.67		-
Investment		-		(5.00)
Interest Received		45.21		74.26
Net cash used in investing activities :-		(8801.97)		(8197.62)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Reduction in Loans		(801.85)		(1197.59)
Interest paid		(928.26)		(626.81)
Net cash from financing activities :-		(1730.11)		(1824.40)
Net increase in cash and cash equivalents :-		(292.77)		696.25
Cash and cash equivalents as at 01.04.2009		783.51		87.26
Cash and cash equivalents as at 31.03.2010		490.74		783.51

Notes:

- Cash Flow statement has been prepared following the indirect method except in case of dividend paid/received and taxes paid which have been considered on the basis of actual movements of cash.
- Purchases of Fixed Assets includes movements of Capital Work-in-process between the beginning and end of the year.
- Cash and cash equivalents represent cash and bank balances only.
- Previous year's figures have been regrouped/reclassified wherever applicable.
- Figures in brackets represent outflows.

As per our Report of even date attached.

For and on behalf of
TODARWAL & TODARWAL
Chartered Accountants

SUNIL L. TODARWAL
Partner
M. No. - 32512
Dated : 24th May, 2010
Place : Mumbai.

SHYAMAL PADHIAR
Company Secretary

For and on behalf of the Board

B. L. AGARWAL
Managing Director

MUKESH R. GUPTA
Chairman

ANNUAL REPORT OF SUBSIDIARY COMPANY GADCHIROLI METALS & MINERALS LTD.

DIRECTORS' REPORT

To

The Members,

Your Directors present the Sixth Annual Report of the Company together with the Audited Statement of Accounts for the Financial Year ended on 31st March 2010.

OPERATIONS

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

As at the end of the year the Company has incurred Rs.46.01 Lacs towards the preliminary expenses, which will be amortised over a period of five years after commencement of business.

DIVIDEND

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

DIRECTORS

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

Shri P.R.Raviganeshan, who was appointed at the meeting of the Board of Directors of the company held on 31st December, 2009 as additional director in place of Shri R.Venkataraman w.e.f. 31st December, 2009, holds office upto the ensuing Annual General Meeting and the company has received a notice u/s 257 of the Companies Act, 1956 proposing his name to be appointed as Director of the company at the ensuing Annual General Meeting.

The Board hereby places on record its sincere appreciation for the valuable guidance and meaningful contribution made by Shri R.Venkataraman as members of the Board during the period of their association with the company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of annual accounts for the financial year ended 31st March 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year.
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. Final accounts have been prepared on going concern basis.

FIXED DEPOSITS:

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

AUDITORS

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

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

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

PARTICULARS OF EMPLOYEES

The Company does not have any employees, whose particulars are required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employee) Rules, 1975.

COMPLIANCE CERTIFICATE

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board

Ravi Agarwal
Chairman

Dated: 24th May, 2010
Place: Mumbai

ANNEXURE 'A'

To,

The Members

GADCHIROLI METALS & MINERALS LIMITED,
Nagpur

We have examined the registers, records, books and papers of **Gadchiroli Metals & Minerals Limited**, as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2010**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, We certify that in respect of the aforesaid financial year:

1. The Company has **kept and maintained** all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has **duly filed** the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies within the time as prescribed under the Act and the rules made thereunder.
3. The Company, being a public limited Company, this para is not applicable to it..
4. The **Board of Directors duly met** 4 (four) times respectively on 29.05.2009, 29.08.2009, 31.12.2009 & 12.03.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolutions were passed by the Company during the financial year under review.
5. The Company **has not closed** its Register of Members during the financial year.
6. The **Annual General Meeting** for the financial year ended on 31.03.2009 was held on **03.07.2009** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. **No Extra-Ordinary General Meeting** was held during the financial year under review.
8. The Company **has not advanced** any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. As informed to us, there were **no instances** necessitating the compliance of the provisions of section 297 of the Act by the Company in respect of contracts specified in that section.
10. As informed to us, the Company **has not** entered into any contract during the financial year requiring entries in the register maintained under section 301 of the Act.
11. As there were **no instances** falling within the purview of section 314 of the Act, the Company was not required to obtain any approvals from the Board of directors, members or Central Government.
12. The Company **has not issued** any duplicate share certificates during the financial year.
13. The Company has :
 - (i) **neither** allotted any securities **nor** received the same for transfer/ transmission or any other purpose during the financial year.
 - (ii), (iii)
 - & (iv) **not declared** any dividend including interim dividend during the financial year. There is no amount of unpaid/unclaimed dividend in respect of earlier years and therefore the particulars required under sub - paras (ii), (iii) & (iv) are not applicable.
- (v) **duly complied** with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is **duly constituted** and appointment of Additional Director has been duly made.
15. The Company **has not appointed** any Managing Director / Whole-time Director / Manager during the financial year under review.
16. The Company has not appointed any sole-selling agents during the financial year.
17. There were no instances requiring to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act during the financial year.
18. The directors **have disclosed** their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company **has not issued** any shares, debentures or other securities during the financial year.
20. The Company **has not bought** back any shares during the financial year.

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

For **K.C. NEVATIA & ASSOCIATES**
COMPANY SECRETARIES

Place : Mumbai
Date : 24th May, 2010

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

ANNEXURE 'A'

Registers as maintained by the Company

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

ANNEXURE 'B'

Forms and Returns as filed by the Company with Registrar of Companies during the financial year ending 31st March, 2010

Sr. No.	Form No./ Return	Filed US	For	Date of filing	Whether filed within prescribed time Yes/ No	If delay in filing whether requisite additional fee paid Yes/ No
1	Form No.23AC & 23ACA	220	Balance Sheet (Year ended 31/03/2009)	29.07.2009	Yes	---
2	Form No.66	383A	Compliance Certificate (Year ended 31/03/2009)	07.07.2009	Yes	---
3	Form No.20B	159	Annual Return as on 03.07.2009	30.07.2009	Yes	---
4	Form No. 32	303(2)	Appointment/Resignation of Director	29.01.2010	Yes	---

For **K.C. NEVATIA & ASSOCIATES**
COMPANY SECRETARIES

Place : Mumbai
Date : 24th May, 2010

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

AUDITORS' REPORT

To,
The Members of
GADCHIROLI METALS & MINERALS LIMITED

1. We have audited the attached balance sheet of **GADCHIROLI METALS & MINERALS LIMITED** as at 31st March, 2010. The financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on the financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As the Company has not yet started its activities no Annexure is enclosed as required by the Companies' (Auditor's Report) Order, 2003 in terms of sub-section (4A) of section 227 of the Companies Act, 1956.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The balance sheet dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

in the case of the balance sheet, of the state of affairs of the company as at 31st March 2010.

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

Jayant I. Mehta
Partner
M.No. : 42630

Date : 24th May, 2010
Place : Mumbai

BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. In Lacs)

Schedule	AS AT 31.03.2010	AS AT 31.03.2009
SOURCES OF FUNDS		
SHAREHOLDERS' FUNDS		
SHARE CAPITAL		
a) Paid up Capital	10.00	10.00
Advance received from holding Co. Lloyds Metals & Engineers Limited	37.21	37.07
	47.21	47.07
APPLICATION OF FUNDS		
CURRENT ASSETS, LOANS & ADVANCES		
Cash & Bank Balances	-	-
Capital Advance	1.26	1.26
	1.26	1.26
Less :CURRENT LIABILITIES & PROVISIONS		
a) Provision for Audit Fees	0.06	0.11
NET CURRENT ASSETS	1.21	1.15
MISCELLANEOUS EXPENDITURE	46.01	45.92
	47.21	47.07
Accounting policies and Notes forming part of these accounts		

As per our attached Report of even date. For and on behalf of the Board

For PATEL, SHAH & JOSHI
Chartered Accountants

JAYANT I. MEHTA
Partner
M. No. - 42630
Dated : 24th May, 2010
Place : Mumbai.

P R RAVIGANESAN RAVI AGARWAL
Director Director

Schedules forming part of the balance sheet and profit and loss account for the year to 31st March, 2010

(Rs. In Lacs)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED :		
100,000 Equity Shares of Rs.10/- each	10.00	10.00
	10.00	10.00
ISSUED, SUBSCRIBED & FULLY PAID UP		
100,000 Equity Shares of Rs.10/- each Wholly owned subsidiary of Lloyds Metals & Engineers Limited	10.00	10.00
	10.00	10.00
SCHEDULE - 2		
UNSECURED LOANS		
Advance Received from Holding Co. Lloyds Metals & Engineers Limited	37.21	37.07
	37.21	37.07
SCHEDULE - 3		
CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
Cash and Bank balances	-	-
Cash	-	-
Bank	-	-
	-	-
B. LOANS AND ADVANCES		
Capital advances	1.26	1.26
	1.26	1.26
TOTAL	1.26	1.26
SCHEDULE - 4		
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) Preliminary expenses		
	46.01	45.92
	46.01	45.92

SCHEDULE - 5 :

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010.

PART - A

SIGNIFICANT ACCOUNTING POLICIES

- Basis of Preparation of Accounts:** The financial statements have been prepared on the basis of going concern under the historical cost convention and accrual basis, to comply in all material aspects with applicable accounting principle in India, the Accounting Standards issued by the Institute of Chartered Accountant of India and the relevant provisions of the Companies Act, 1956.
- Deferred Revenue Expenditure :** Preliminary expenses will be amortised over a period of five years after commencement of business.

PART - B

NOTES FORMING PART OF THE ACCOUNTS:

1. Related Party Disclosure:

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

2. Transaction with the related parties.

(Rs. in Lacs)

Sr. No.	Transaction	Year ended 31.03.2010	Year ended 31.03.2009
	Holding Company		
I	Share Capital	10.00	10.00
II	Advance Received	37.21	37.07

Related parties are identified by the management of the company.

As per our attached Report of even date. For and on behalf of the Board

For PATEL, SHAH & JOSHI
Chartered Accountants

JAYANT I. MEHTA
Partner
M. No. - 42630
Dated : 24th May, 2010
Place : Mumbai.

P R RAVIGANESAN RAVI AGARWAL
Director Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

(Rs. In Lacs)

	Year Ended 31.03.2010	Year Ended 31.03.2009
A. Cash Flow From Operating Activities		
NET PROFIT/(LOSS) BEFORE TAX & EXTRAORDINARY ITEMS		-
ADJUSTMENTS FOR :		
OTHER NON-CASH CHARGES		
Increase/Decrease in Provision	0.055	0.057
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	0.055	0.057
B. CASH FLOW FROM INVESTING ACTIVITIES :		
DEFERRED REVENUE EXPENDITURE	(0.083)	(0.083)
	(0.028)	(0.026)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Advance received from Lloyds Metals & Engineers Ltd	0.143	0.021
	0.143	0.021
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	0.116	(0.006)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	(0.003)	(0.003)
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	-	(0.003)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(0.003)	(0.006)

As per our attached Report of even date. For and on behalf of the Board

For PATEL, SHAH & JOSHI
Chartered Accountants

JAYANT I. MEHTA
Partner
M. No. - 42630
Dated : 24th May, 2010
Place : Mumbai.

P R RAVIGANESAN RAVI AGARWAL
Director Director

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	146956	State Code	11
Balance Sheet Date	31.03.2010		

II. Capital Raised during the year (Amount Rs. in Thousands)

Public Issue	NIL	Bonus Issue	NIL
Rights Issue	NIL	Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds (Amount Rs. in Thousands)

SOURCES OF FUNDS

Total Liabilities	4721	Total Assets	4721
Paid-up Capital	1000	Reserves & Surplus	NIL
Secured Loans	NIL	Unsecured Loans	NIL

APPLICATION OF FUNDS

Net Fixed Assets	NIL	Investments	NIL
Net Current Assets	121	Miscellaneous Exps.	4601
Accumulated Losses	NIL		

IV. Performance of Company (Amount Rs in Thousands)

Turnover	NIL	Total Expenditure	NIL
Profit/(Loss) Before Tax	NIL	Profit/(Loss) After Tax	NIL
Earning Per Share in Rs.	NIL	Dividend rate %	NIL

V. Generic Names of Three Principal Products/Service of Company.

(As per Monetary terms)

1. Item Code No. (ITC Code)	N.A.
Product Description	N.A.

For and on behalf of the Board

Dated : 24th May, 2010
Place : Mumbai

P. R. RAVIGANESHAN **RAVI AGARWAL**
Director Director

CONSOLIDATED STATEMENTS AUDITORS' REPORT

TO THE MEMBERS OF LLOYDS METALS & ENGINEERS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **Lloyds Metals & Engineers Limited** as at March 31, 2010 and the related Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date, annexed thereto, both of which we have signed under reference to this report. These financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21 – Consolidated Financial Statements, issued by the institute of chartered Accountants of India and on the basis of the separated audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.
4. In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Balance Sheet and consolidated Profit and Loss account and Consolidated Cash Flow Statement together with the other Notes thereon, the information required by the Act and also give, a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2010; and
 - ii) in the case of the Consolidated Profit and Loss Account, of the Profit for the year ended on that date.
 - iii) In the case of the Consolidated Cash Flow Statement of the Cash Flow of the Company for the year ended on that date.

For **TODARWAL & TODARWAL**
Chartered Accountants

SUNIL L. TODARWAL
Partner
Membership No.-32512

Place : Mumbai
Dated : 24th May, 2010

**CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH, 2010**

		(Rs. in Lacs)	
Schedule		As at 31.03.2010	As at 31.03.2009
SOURCES OF FUNDS			
Share Capital	A	2,243.05	2,243.05
Reserves & Surplus	B	7,823.62	7,767.24
		10,066.67	10,010.29
Loan Funds			
Secured Loans	C	3,591.37	5,517.22
Unsecured Loans	D	950.00	1,042.95
		4,541.37	6,560.17
T O T A L		14,608.04	16,570.46
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	33,446.89	34,746.17
Less: Depreciation		17,302.63	15,663.55
Net Block		16,144.26	19,082.62
Capital work in progress		15,749.75	7,332.28
		31,894.01	26,414.90
Investments	F	880.00	-
Current Assets, Loans and Advances			
Inventories		3,173.19	5,034.70
Sundry Debtors		1,071.63	7,984.83
Cash and Bank Balances		490.74	788.65
Loans and Advances		6,845.27	5,629.12
		11,580.83	19,437.30
Less: Current Liabilities and Provisions	H	29,792.81	31,051.66
Liabilities & Provision			
Net Current Assets		(18,211.98)	(11,614.36)
Miscellaneous Expenditure			
(to the extent not written off or adjusted)			
Preliminary & Deferred expenses	I	46.01	46.39
Profit & Loss Account		-	1,723.53
T O T A L		14,608.04	16,570.46

Notes forming part of Accounts Q

Schedules referred to herein form an integral part of Balance Sheet

As per our Report of even date attached.

For and on behalf of
TODARWAL & TODARWAL
Chartered Accountants

For and on behalf of the Board

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

Dated : 24th May, 2010
Place : Mumbai.

**CONSOLIDATED PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2010**

		(Rs. in Lacs)	
Schedule		Current Year 31.03.2010	Previous Year 31.03.2009
INCOME			
Gross Turnover (Including Job Work)		59,200.40	74,369.22
Less : Excise Duty		2,410.98	6,250.85
Net Turnover		56,789.42	68,118.37
Other Income	J	917.89	444.62
		57,707.31	68,562.99
EXPENDITURE			
Cost of Materials	K	50,365.15	56,505.33
Manufacturing & Asset Maintenance	L	1,851.34	1,962.77
Personnel	M	679.34	1,143.48
Selling & Distribution Expenses	N	69.50	2,713.02
Administrative Expenses	O	390.01	707.21
		53,355.34	63,031.81
Total		4,351.97	5,531.18
Profit before Interest, Depreciation, & Tax		4,351.97	5,531.18
Interest & Financial Charges (Net)	P	883.05	713.94
Profit / (Loss) before Depreciation, & Tax		3,468.92	4,817.24
Depreciation		1,684.05	1,960.86
Less : Transferred from Revaluation Reserve		4.00	4.00
		1,680.05	1,956.86
Profit / (Loss) before Tax		1,788.87	2,860.38
Provision for Taxes (MAT)		-	0.33
Fringe Benefit Tax		-	18.56
Profit / (Loss) after Tax		1,788.87	2,841.49
Add : Prior period Income / (Expenses)		(2.10)	5.45
Net Profit / (Loss) For The Period		1,786.77	2,846.94
Add : Profit/ (Loss) brought forward from earlier year		(1,726.39)	(17,742.32)
		60.38	(14,895.38)
Add: Transferred from Capital Reserve		-	1,247.04
Add: Transferred from Share Premium Account		-	11,909.81
Add: Transferred from Debenture Redemption Reserve		-	15.00
Balance carried to Balance Sheet		60.38	(1,723.53)
Basic Earning Per Share (Rs.)		1.61	2.56

Notes forming part of Accounts Q

Schedules referred to herein form an integral part of the Profit and Loss Account

As per our Report of even date attached.

For and on behalf of
TODARWAL & TODARWAL
Chartered Accountants

For and on behalf of the Board

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

Dated : 24th May, 2010
Place : Mumbai.

SCHEDULES

Consolidated Schedules "A" to "Q" Annexed to & forming part of Balance sheet as at 31st March, 2010 And Profit and Loss Account for the year ended 31st March, 2010.

	(Rs. in Lacs)	
	As at 31.03.2010	As at 31.03.2009
SCHEDULE A		
SHARE CAPITAL		
Authorised		
37,50,00,000 Equity Shares of Rs.2/- each (Previous year 37,50,00,000 Equity Shares of Rs.2/- each)	7,500.00	7,500.00
2,50,00,000 Preference Shares of Rs.10/- each	2,500.00	2,500.00
	10,000.00	10,000.00
Issued, Subscribed and Paid-up		
11,12,91,290 Equity Shares of Rs.2/- each (Previous year 11,12,91,290 Equity Shares of Rs.2/- each)	2,225.83	2,225.83
Add : 3,97,875 Forfeited shares of Rs. 10/- each (Amount originally received)	17.22	17.22
TOTAL	2,243.05	2,243.05
Note : The Company has forfeited 397875 Equity Shares of Rs.10/- each which are yet to be reissued.		
SCHEDULE B		
RESERVES AND SURPLUS		
Capital Reserve		
As per Last Balance Sheet	7,756.21	3,395.23
Add : Addition during the year	-	5,608.00
Less : Profit & Loss Account Adjusted as per Scheme of Arrangement	-	1,247.02
	7,756.21	7,756.21
Share Premium		
As per last Balance Sheet	-	11,909.80
Less : Profit & Loss Account Adjusted as per Scheme of Arrangement	-	11,909.80
	-	-
Revaluation Reserve		
Balance as per last Balance Sheet	11.03	15.03
Less : Transferred to Profit & LossAccount	4.00	4.00
	7.03	11.03
Investment Allowance (Utilised) Reserve		
Balance as per last Balance Sheet	-	20.00
Less : Transferred to Profit & LossAccount	-	20.00
	-	-
Debenture Redemption Reserve		
Balance as per last Balance-Sheet	-	15.00
Less : Transferred to Profit & LossAccount	-	15.00
	-	-
Surplus in Profit & Loss Accounts	60.38	-
TOTAL	7,823.62	7,767.24

SCHEDULE : E

CONSOLIDATED FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT	ADDITIONS	SOLD/	AS AT	AS AT	FOR THE	WRITTEN	AS AT	AS AT	AS AT
	01.04.2009		DISCARDED	31.03.2010	01.04.2009	YEAR	BACK	31.03.2010	31.03.2010	31.03.2009
FREE HOLD LAND	40.83	-	-	40.83	-	-	-	-	40.83	40.83
LEASEHOLD LAND	184.18	-	-	184.18	-	-	-	-	184.18	184.18
FACTORY BUILDING	1533.72	-	-	1533.72	551.30	45.93	-	597.23	936.49	982.42
STAFF RESIDENTIAL BUILDING	784.09	-	-	784.09	148.86	12.78	-	161.64	622.45	635.23
PLANT & MACHINERY	30114.80	416.21	-	30531.01	14732.09	1595.02	-	16327.11	14203.90	15382.71
COMPUTERS	85.80	11.80	-	97.60	41.36	14.10	-	55.46	42.14	44.44
ELECTRICAL INSTALLATION	70.19	-	-	70.19	65.18	0.81	-	65.99	4.20	5.01
AIR CONDITIONERS	14.73	6.04	-	20.77	7.73	0.93	-	8.66	12.11	7.00
OFFICE EQUIPMENTS	5.69	4.00	-	9.69	3.33	0.37	-	3.70	5.99	2.36
FURNITURE & FIXTURES	42.72	3.45	-	46.17	29.51	2.65	-	32.16	14.01	13.21
MOTOR VEHICLES	118.08	10.87	9.50	119.45	41.30	11.02	9.07	43.25	76.20	76.78
WEIGHING MACHINE	9.19	-	-	9.19	6.99	0.44	-	7.43	1.76	2.20
TOTAL	33004.02	452.37	9.50	33446.89	15627.65	1684.05	9.07	17302.63	16144.26	17376.37
C W I P	7332.28	8417.47	-	15749.75	-	-	-	-	15749.75	7331.02
TOTAL	40336.30	8869.84	9.50	49196.64	15627.65	1684.05	9.07	17302.63	31894.01	24707.39
PREVIOUS YEAR	39688.78	9430.42	8784.17	40335.04	19584.51	1924.97	5881.83	15627.65	24707.39	

NOTE : Gross block includes assets aggregating to Rs.2175.82 lacs given on conducting basis.

	(Rs. in Lacs)	
	As at 31.03.2010	As at 31.03.2009
SCHEDULE C		
SECURED LOANS		
1. Long Term Loans		
(a) From Financial Institutions :		
Rupee Loan	3,520.36	5,445.51
(b) From Banks:		
Rupee Loan	-	71.71
	3,520.36	5,517.22
2. Interest accrued and due	71.01	-
TOTAL	3,591.37	5,517.22

NOTES TO SCHEDULE C

- (a) Term Loan from Financial Institution, is secured / to be secured by first mortgage and charge on all the Company's immovable & movable properties, both present & future, in such form as may be required, subject to prior charge on specified assets created in favour of IDBI (for Equipment Finance and Asset Credit Scheme) for secured borrowings and charges created / to be created in favour of Company's Bankers for Working Capital facilities.
- (b) Security by way of hypothecation of all the movables except aforesaid specified assets has already been created in respect of the entire aforesaid Term Loans.
- (c) Term Loan mentioned in 1(a) above includes Equipment Finance & Asset Credit Scheme facilities from IDBI of **Rs. 803.73 Lacs** as at 31.03.2010 secured by hypothecation of specific moveable assets financed under the said schemes

SCHEDULE D

UNSECURED LOANS

a) From Financial Institutions:-		
Sales Tax Deferral Loan (SICOM)	-	92.95
b) From Body Corporate	950.00	950.00
TOTAL	950.00	1,042.95

SCHEDULES

		(Rs. in Lacs)		(Rs. in Lacs)	
		As at 31.03.2010	As at 31.03.2009	Current Year 31.03.2010	Previous Year 31.03.2009
SCHEDULE F					
INVESTMENTS					
Long Term (At Cost):					
Share Uncoated					
8800000 Fully paidup Equity Shares of Lloyds Line Pipes Ltd of Rs. 10/- each.					
TOTAL		880.00	-		
SCHEDULE G					
CURRENT ASSETS, LOANS AND ADVANCES					
Inventories					
Stores and spares					
	802.76	853.43			
Raw Materials					
	1,742.61	1,381.92			
Raw Materials in transit/at port					
	88.85	858.78			
Finished goods					
	28.98	1,307.89			
Work In Process					
	3.76	186.09			
Scrap					
	506.23	446.59			
TOTAL		3,173.19	5,034.70		
Sundry Debtors					
(Unsecured, considered good unless otherwise stated)					
Exceeding six months					
	0.29	-			
Others					
	1,071.34	7,984.83			
TOTAL		1,071.63	7,984.83		
Cash and Bank Balances					
Cash on Hand					
	13.58	5.90			
In Current Accounts					
	56.93	305.92			
In Margin Account					
	420.23	476.83			
TOTAL		490.74	788.65		
Loans and Advances					
(Unsecured and considered good)					
a) Advances recoverable in cash or in kind or for value to be received					
	2,560.73	877.80			
b) Deposits and balances with Government departments and others					
	4,264.28	4,745.39			
c) Advance tax / Tax deducted at source					
	20.26	5.93			
TOTAL		6,845.27	5,629.12		
TOTAL		11,580.83	19,437.30		
SCHEDULE H					
CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities					
Sundry Creditors					
	20,499.03	24,578.57			
Other Liabilities					
	1,176.97	1,265.73			
Bank Overdrawn					
	1,477.05	75.87			
Bills Payable					
	997.97	-			
Advance from Customers					
	5,443.34	4,854.05			
Interest accrued & not Due					
	40.25	36.31			
Provision					
Provision for Leave encashment & Gratuity					
	158.20	241.13			
TOTAL		29,792.81	31,051.66		
SCHEDULE I					
MISCELLANEOUS EXPENDITURE					
(To the extent not written off or adjusted)					
Preliminary Expenses					
	46.01	46.39			
TOTAL		46.01	46.39		
Current Year		31.03.2010	31.03.2009		
SCHEDULE J					
OTHER INCOME					
Miscellaneous Receipts					
	11.97	79.50			
Compensation Earned					
	25.00	25.00			
Exchange Fluctuation Gain					
	-	340.12			
Profit on sale of Fixed Assets (Net)					
	2.24	-			
Sales Tax Refund					
	878.68	-			
TOTAL		917.89	444.62		
SCHEDULE K					
COST OF MATERIALS :					
Consumption of :					
Raw Materials					
	49,713.80	55,212.79			
Production Consumables, Stores & Spares					
	668.18	1,019.68			
Fuel consumed					
	39.38	293.31			
(Increase)/Decrease in stocks of finished goods and work in process & scrap					
Closing Stock					
	538.97	1,940.57			
Less: Opening Stock					
	482.76	1,920.12			
	(56.21)	(20.45)			
TOTAL		50,365.15	56,505.33		
SCHEDULE L					
MANUFACTURING & ASSET MAINTENANCE					
Power & Water Charges					
	923.64	1,019.59			
Repairs and Maintenance					
Plant and Machinery					
	52.00	35.53			
Buildings					
	9.81	18.65			
Others					
	27.84	34.44			
	89.65	88.62			
Other Production Expenses					
	826.07	845.57			
Insurance (Net)					
	11.98	8.98			
TOTAL		1,851.34	1,962.77		
SCHEDULE M					
PERSONNEL					
Salaries, Wages, bonus and allowances					
	608.61	1,030.65			
Contribution to Provident and other funds					
	43.91	63.35			
Workmen and staff welfare expenses					
	26.82	49.48			
TOTAL		679.34	1,143.48		
SCHEDULE N					
SELLING & DISTRIBUTION EXPENSES					
Brokerage & Commission on sales					
	40.02	53.81			
Delivery charges and others exps					
	21.88	1,432.70			
Export Expenses					
	-	1,210.96			
Sales Promotion					
	7.60	9.14			
Sundry Dr/ Cr Balance Write off / Write back (Net)					
	-	6.41			
TOTAL		69.50	2,713.02		
SCHEDULE O					
ADMINISTRATIVE EXPENSES					
Travel and Conveyance					
	35.34	73.60			
Postage, Telephone & Telex					
	7.17	12.52			
Legal and Professional Charges					
	41.52	112.59			
Rent					
	146.42	222.09			
Rates and Taxes					
	9.59	12.52			
Auditor's Remuneration & Out of Pocket Expenses					
	1.61	2.32			
Director's Sitting Fees					
	0.34	0.40			
Vehicle expenses					
	38.30	50.71			
Fees & Subscriptions					
	1.20	16.25			
General Expenses					
	11.87	14.66			
Entertainment Exps.					
	0.93	-			
Sundry Dr/ Cr Balance Write off / Write back (Net)					
	1.62	(7.92)			
Advertisement and Publicity					
	2.15	8.66			
Exchange Fluctuation					
	-	90.07			
Miscellaneous Expenses					
	91.95	98.74			
TOTAL		390.01	707.21		
SCHEDULE P					
INTEREST & FINANCIAL CHARGES					
Finance Charges :					
Bills Discounting Charges					
	144.24	-			
Bank Charges					
	48.63	113.36			
Other Financial Charges					
	26.94	164.18			
	219.81	277.54			
Interest on :					
Term Loans					
	698.11	451.81			
Others					
	10.34	59.58			
	708.45	511.39			
Less : Interest Received (includes tax deducted at source)					
	928.26	788.93			
	45.21	74.99			
TOTAL		883.05	713.94		
SCHEDULE Q :					
CONSOLIDATED NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010.					
1 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 sub-section (3C) of section 211 of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.					
B) Fixed Assets :					
i) All fixed assets are valued at cost net of Cenvat unless if any assets are revalued and for which proper disclosure is made in the Accounts.					
ii) In the case of ongoing projects, all pre-operative expenses for the project incurred upto the date of commercial production are capitalised and apportioned to the cost of respective assets.					
C) Depreciation :					
Depreciation on all the assets has been provided on Straight Line Method as per Schedule XIV of the Companies Act, 1956. Lease hold land will be amortised on the expiry of Lease Agreement.					
D) Inventories :					
The general practice adopted by the company for valuation of inventory is as under :					
Raw materials : *At lower of cost and net realisable value.					
Store & spares : At cost (weighted average cost)					
Work in process : At cost					
Finished goods : At lower of cost and net realisable value.					
(Also refer Accounting Policy G)					
Traded goods : At cost					

- *Material and other supplies held for use in the production of the inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.
- E) **Investments** : Investments are valued at cost of acquisition, which includes charges such as Brokerage, Fees and Duties.
- F) **Expenditure during construction period**: Expenditure incurred on projects under implementation are being treated as pre-operative expenses pending allocation to the assets which are being apportioned on commencement of commercial production.
- G) **Excise Duty** : The Excise duty payable on finished goods dispatches is accounted on the clearance thereof from the factory premises. Excise duty is provided on the finished goods lying at the factory premises and not yet dispatched as per the Accounting Standard 2 "Valuation of Inventories"
- H) **Customs Duty** : Customs Duty payable on imported raw materials, components and stores and spares is recognised to the extent assessed by the customs department.
- I) **Foreign Currency Transaction** : Foreign currency transactions during the accounting year are translated at the rates prevalent on the transaction date. Exchange differences arising from foreign currency fluctuations are dealt with on the date of payment/receipt. Assets and Liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at the year end rate. The exchange difference is credited / charged to Profit & Loss Account in case of revenue items and capital items.
- J) **Provision for Gratuity** : Provision for Gratuity is made on the basis of actuarial valuation based on the provisions of the Payment of Gratuity Act, 1972.
- K) **Leave Salary** : Provision is made for value of unutilised leave due to employees at the end of the year.
- L) **Customs Duty Benefit** : Customs duty entitlement eligible under pass book scheme / DEPB is accounted on accrual basis. Accordingly, import duty benefits against exports 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.
- M) **Amortisation of Expenses** :
 i) Equity Issue Expenses : Expenditure incurred in equity issue is being treated as Deferred Revenue Expenditure to be amortised over a period of ten years.
 ii) Preliminary Expenses : Preliminary expenses are amortised over a period of ten years.
 iii) Debenture Issue Expenses : Debenture Issue expenditure is amortised over the period of the Debentures.
- N) **Impairment of Assets** : The company determines whether a provision should be made for impairment loss on fixed assets (including Intangible Assets), by considering the indications that

- an impairment loss may have occurred in accordance with Accounting Standard – 28 "Impairment of Assets". Where the recoverable amount of any fixed assets is lower than its carrying amount, a provision for impairment loss on fixed assets is made.
- O) **Revenue Recognition** : Sales/Income 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 & trade discounts. Export benefits accrue on the date of export, which are utilized for custom duty free import of material / transferred for consideration.
- P) **Contingent Liability** : Unprovided Contingent Liabilities are disclosed in the accounts by way of notes giving the nature and quantum of such liabilities.
2. Contingent liabilities not provided for –

	(Rs. in lacs)	
	As at 31/03/10	As at 31/03/09
Contingent liabilities not provided for –		
a) Letter of Credit/Guarantees issued by Banks	419.73	377.35
b) Disputed claim of Excise Authorities	12.50	14.12
c) Claims against the Company not acknowledged as Debts	25.72	25.72
d) Bills Receivable (Foreign LC)	668.44	Nil

3. Amount held in Margin / Fixed deposit accounts with banks having lien for facilities given by Banks **Rs. 420.23 Lacs** (Previous year Rs. 476.83 Lacs)
4. a) The Income tax assessment have been completed upto Assessment Year 2007-08.
 b) The company does not envisage any liability for Income Tax for the current year in absence of taxable income.
 c) Disclosure as required by the Accounting Standard – 22 "Accounting for Taxes on Income" are given below :
 In the event of carry forward losses and unabsorbed depreciation no Deferred Tax Liability has been created for the financial year ending 31.03.2010. The deferred tax asset has not been recognized as there is no virtual certainty of sufficient future taxable income available against which this deferred tax asset can be realized.
5. Advance recoverable in cash or kind or for a value to be received includes loans and advances given to subsidiary Gadchiroli Metals & Minerals Ltd. of **Rs.37.21 Lacs**.
6. Disclosure as required by the Accounting Standard – 5 "Net Profit or Loss for the period, Prior Period items and changes in Accounting Policies" are given below. Prior period expenses is **Rs. 2.10 Lacs** (Previous year 2.26 Lacs). Prior period income is **Nil** (Previous year Rs. 7.71 Lacs).
7. The Company has no information as to whether any of its suppliers constitute micro, small & medium enterprises as per Micro, Small & Medium Enterprises Development Act, 2006 and therefore, the amount due to such suppliers has not been identified.
8. Previous year includes figures of Lloyds Line Pipes Ltd., which ceased to be a subsidiary during the year.
9. Previous year figures have been regrouped and recast wherever necessary to conform to the classification of the current year.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

- (Rs. in lacs)
- A. CASH FLOW FROM OPERATION ACTIVITIES:**
Net Profit before tax and extraordinary items
 Adjustments for:
 Depreciation
 Profit on Sale of Fixed Assets (Net)
 Sundry Dr/Cr Balances written off
 Interest Expense(Net)
 Foreign Exchange variation
 Provision for Expenses
Operating Profit before working capital changes
 Adjustments for:
 Trade and Other Receivables
 Inventories
 Trade Payables
Cash generated from operations
 TDS Paid / Refund Received
 Taxes Paid - FBT
Cash Flow before extraordinary items
 Extraordinary Items:
 Prior Period Income
 Preliminary Expenses
 Sundry Dr/Cr Balances written off
 Foreign Exchange variation
Net cash from operating activities :-
- B. CASH FLOW FROM INVESTING ACTIVITIES:**
 Purchase of Fixed Assets
 Sale of Investment
 Sale of Assets
 Interest Received
Net cash used in investing activities :-
- C. CASH FLOW FROM FINANCING ACTIVITIES:**
 Proceeds from issue of shares
 Reduction in Loans
 Interest
Net cash from financing activities :-
Net increase in cash and cash equivalents :-
 Cash and cash equivalents as at 01.04.2009
 Cash and cash equivalents as at 31.03.2010

	31.03.2010		31.03.2009	
		1786.77		2860.38
1680.05			1956.85	
(2.24)			-	
883.05			(7.92)	
			560.80	
			(250.05)	
96.72		2657.58		2259.68
		14444.35		5120.06
		(1240.86)		(7081.58)
		(111.22)		(1068.30)
		7147.12		13659.21
		10239.39		10629.39
		-		1.51
		-		(18.56)
		10239.39		10612.34
		-		-
		(0.08)		(0.56)
		-		7.92
		-		250.06
		10239.31		10869.76
		(8869.85)		(8270.23)
		20.00		-
		2.67		-
		45.21		74.26
		(8801.97)		(8195.97)
		-		-
		(801.85)		(1345.60)
		(928.26)		(626.80)
		(1730.11)		(1972.40)
		(292.77)		701.39
		783.51		87.26
		490.74		788.65

Notes:

- Cash Flow statement has been prepared following the indirect method except in case of dividend paid/received and taxes paid which have been considered on the basis of actual movements of cash.
- Purchases of Fixed Assets includes movements of Capital Work-in-process between the beginning and end of the year.
- Cash and cash equivalents represent cash and bank balances only.
- Previous year's figures have been regrouped/reclassified wherever applicable.
- Figures in brackets represent outflows.

As per our Report of even date attached.

For and on behalf of
TODARWAL & TODARWAL
 Chartered Accountants

SUNIL L. TODARWAL
 Partner
 M. No. - 32512
 Dated : 24th May, 2010
 Place : Mumbai.

SHYAMAL PADHIAR
 Company Secretary

30

For and on behalf of the Board

B. L. AGARWAL
 Managing Director

MUKESH R. GUPTA
 Chairman

LLOYDS METALS & ENGINEERS LIMITED

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

DP ID *	
Client ID *	

PROXY FORM

Folio No.	
No. of Shares	

I /We _____
of _____
being Member/s of Lloyds Metals & Engineers Limited, hereby appoint _____ of
_____ or failing him _____
of _____ as my/ our proxy to vote for me/us on my/our behalf at the
33rd Annual General Meeting of the Company to be held on Tuesday, 27th July, 2010 at 12.30 p.m. at Plot No.
A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442 505, Maharashtra and at any adjournment thereof.

Signed at _____ this day of _____ 2010

Affix
Revenue
Stamp

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

* Applicable for investors holding shares in electronic form.

Tear Here

LLOYDS METALS & ENGINEERS LIMITED

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

33rd Annual General Meeting

DP ID *	
Client ID *	

ATTENDANCE SLIP

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

Folio No.	
No. of Shares	

I, Certify that I am a registered Member/ Proxy for the registered Member of the Company, I hereby record my presence at the 33rd Annual General Meeting of the Company to be held at Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442 505, Maharashtra on Tuesday, 27th July, 2010 at 12.30 p.m.

Full Name of Member (in BLOCK LETTERS) _____

Name of the Proxy (in BLOCK LETTERS) _____

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

Member's/Proxy's Signature _____

* Applicable for investors holding shares in electronic form.

BOOK - POST

If undelivered please return to :

BIGSHARE SERVICES PRIVATE LIMITED

(Unit : Lloyds Metals & Engineers Limited)

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

Saki Naka, Andheri (East),

Mumbai - 400 072.

Phone : 022-4043 0200 / 299

Fax : 2847 5207