LLOYDS METALS

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

CONTENTS	Page No.
Notice	3
Directors' Report	5
Corporate Governance	8
Auditors' Report	12
Balance Sheet	14
Profit & Loss Account	15
Schedules	16
Balance Sheet Abstract and Company's General Business Profile	21
Statement Pursuant to Section 212	22
Cash Flow Statement	22
Subsidiary Company	23
Consolidated Statement	26

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 it's 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 it's normal course of business activities may, from time to time, required to invest it's 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 it's 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	**60.38**	(14898.24)
Capital Reserve	**-**	1247.04
Share Premium Account	**-**	11909.81
Debenture Redemption Reserve	**-**	15.00
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 Companys' 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 :-

a) **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.

b) **Opportunities and threats:** The Steel industry has a very good growth potential in years to come with rising domestic as well as global consumption 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.

c) **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.

d) **Outlook:** The Steel Industry outlook in immediate future looks reasonably well due to stability in the domestic as well as global steel industry.

e) **Risk and concerns:** Steel Industry always runs risk of Industry cycle. The Company is continuously monitoring the supply management practices, Technological obsolescence, input prices, price sensitivity and demand volatility are an inherent business risks. The Company undertakes continuous development, training and modernization programme to keep its business efficient.

f) **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.

g) **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 Eqiuty 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 / spilt / consolidation / replacement and issue of duplicate share certificates etc.

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

Description	Received	Replied
Direct	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.