



36th
Annual Report
2012 - 13

**Lloyds Metals and
Energy Limited**

LLOYDS METALS AND ENERGY LIMITED

BOARD OF DIRECTORS

CHAIRMAN MUKESH R. GUPTA

MANAGING DIRECTOR BABULAL AGARWAL

DIRECTORS

RAJESH R. GUPTA

V.M. BHARATHY (IDBI NOMINEE)

SHANTANU MOHAPATRA

B.B. CHADHA

J.S. CHARLU

AUDITORS

TODARWAL & TODARWAL

REGISTERED OFFICE & WORKS

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

CORPORATE OFFICE

Trade World,
'C' Wing, 16th Floor,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai – 400 013.
Tel : 022 – 3041 8111

REGISTRAR & SHARE TRANSFER AGENTS

BIGSHARE SERVICES PRIVATE LIMITED

E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai – 400 072.
Phone : 022- 4043 0200
Fax : 022 - 2847 5207
E-mail : investor@bigshareonline.com

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NOTICE

NOTICE is hereby given that the 36th Annual General Meeting of the Members of the **Lloyds Metals and Energy Limited** will be held at Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442 505, Maharashtra on **Friday, 19th July, 2013** 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, 2013 and the Balance Sheet as at that date together with Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Shri Shantanu Mohapatra, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Mukesh Gupta, 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 in furtherance to the Resolutions passed at the earlier General Meetings pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956, or any amendments or modifications thereof (including any ordinance or statutory modification, re-enactment thereof for the time being in force) and subject to consent and approval of and permissions as may be necessary under any statute for time being in force, consent be and is hereby accorded to the Board of Directors of the Company for making an investment by way of subscription, purchase or otherwise in the shares, debentures and / or any other securities of any body corporate, in one or more tranches, aggregating to an amount not exceeding ₹ 500 Crores (Rupees Five Hundred Crores Only). on such terms and conditions as the Board of Directors in their absolute discretion and in the interest of the Company may deem fit, notwithstanding the fact that such investment together with all other existing loans and investments shall exceed the limits prescribed under Section 372A of the Companies Act, 1956.

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 investment 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.

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 : 21.05.2013
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 **Friday, 12th July, 2013 to Friday, 19th July, 2013** (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.
8. **The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. Therefore we request you to provide your e-mail ID to our Registrar M/s Bigshare Services Pvt. Ltd. Unit: Lloyds Metals and Energy Ltd. on the address given in this notice to send various notices / documents etc.**

LLOYDS METALS AND ENERGY LIMITED

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING 36th ANNUAL GENERAL MEETING (Pursuant to clause 49 of the Listing Agreement)

1. Name	Shri Shantanu Mohapatra	Shri Mukesh Gupta
2. Brief Resume		
Age	77 years	55 years
Qualification	B.Sc.(Hons.), M.Tech(Part), Applied Geology & Geophysics from I.I.T. Kharagpur.	B.Com.
Experience	55 years	35 years
Date of appointment on the Board of the company	17.09.1996	21.11.1991
3. Nature of expertise in Specific Functional Areas	Consultancy in Mining and Mineral based Industries. Mineral Exploration (Trained by UNDP in Australia & USA.). He was formerly director in Mining & Geology, Dept. of Govt. of Orissa.	Expertise in the field of project implementation, finance, marketing and other areas in Steel and Power Industry.
4. Name(s) of other Companies in which Directorship Held	1. Balasore Alloys Ltd.	-
5. Name(s) of other companies in which he is Chairman / Member of the *Committee(s)	1. Balasore Alloys Ltd.- Member – Audit Committee	-
6. No. of shares held of ₹ 2/- each	-	353650
7. Relationship between Directors inter se (As per Section 6 and Schedule 1A of the Companies Act,1956)		He is related to Mr. Rajesh Gupta, Director 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 : 21.05.2013
Place : Mumbai

Shyamal Padhiar
Company Secretary

EXPLANATORY STATEMENT

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

Item No. 5

The increase in business operations, cash flows and further growth plans of the Company necessitates financial flexibility as to invest in the area of business besides utilization of surplus funds available with the Company from time to time. It is therefore, proposed that the Board of Directors of the Company be authorised to invest into securities of any body corporate upto a limit not exceeding ₹ 500 crores (Rupees Five Hundred crores only).

Under Section 372A of the Companies Act,1956, no company shall make any investments in 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. Earlier, the Company has obtained member's approval at General Meeting of the Company held on 27.07.2010 for making investment in any body corporate upto a limit of ₹ 200 Crores. The above limit needs to be increased upto ₹ 500 Crores for which member's approval is proposed.

The Board of Directors of your company recommends Special Resolution for 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 : 21.05.2013
Place : Mumbai

Shyamal Padhiar
Company Secretary

DIRECTORS' REPORT

The Directors present their 36th Annual Report on the business and operations of your Company and Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIAL HIGHLIGHTS

(₹ in Lacs)

	Current Year 2012-13	Previous Year 2011-12
Sales (Net)	75,920.22	100,680.39
Other Income	1,626.29	1,718.94
Total Income :	77,546.51	102,399.33
Profit before Interest, Depreciation & Tax	3,693.33	4,468.97
Less : Finance Cost	849.93	1,494.59
Depreciation	2,651.85	2,601.15
Profit/(Loss) before tax	191.55	373.23
Less : Tax Provision	-	-
Net Profit/ (Loss) after Tax	191.55	373.23

DIVIDEND

With a view to conserve the resources in long run, your Directors have not recommended any Dividend for the year ended 31st March, 2013.

OPERATIONS & OVERALL PERFORMANCE

Global apparent Steel consumption increased 1.7 % in 2012, down sharply from 7.4 % growth in 2011. The growth in the Indian Steel Industry remained muted during the year under review. The total Indian finished Steel consumption registered a marginal growth of 3.7 % compared to last year mainly due to lower demand from steel using industries like automobiles, infrastructures, construction, regulatory hurdles, delays in project execution and weak sentiment through the steel industry globally and in the domestic market. India remained to be the world's largest producer of Direct Reduced Iron (DRI) or sponge iron with a host of coal based units, located in the mineral – rich states of the country.

Globally, Steel prices improved in the first half of 2012, but declined in the back half due to a glut in imports, oversupply in the market, weak demand and tempering growth in Asia. A sustained downside in steel prices has materially and adversely affected margins of the Steel Companies. High input costs coupled with lower operating margins and high capital charges dented the net margins of the Steel Producers and trend is expected to continue during the current year as well. With the general expectation of modest growth globally and sustained raw material prices, the steel prices would firm up and remain stable in the year ahead.

The Indian Power sector has achieved a lot over the last decade in the areas of policy reforms, private sector participation in generation and transmission, new manufacturing technology

and capabilities, but there is still much to achieve and a number of challenges to overcome before the opportunities can be leveraged. The last decade has seen a sea change in India's Electricity sector, from being 10th largest in the world to 5th largest now..The Power Sector is high on India's priority as it's offers tremendous potential for investing companies based on the sheer size of the market and the returns available on investment capital. The challenges in the domestic power sector continued during the year under review. India is facing a Power deficit of around 9 % and this is likely to continue over the next few years. India faced massive power black-outs during the first half of the year due to overdrawing and grid indiscipline. The High fuel prices and low merchant realization has put pressure on operating margins of the power companies, however, the trend is expected to change in the coming years backed by production of renewable energy, revision in tariff structure, coal linkages and reforms announced by the Government to revive power sector.

The Total Income of the Company was ₹ **775.46** crores during the year as against ₹ 1,024.00 crores in the previous year, showed decrease of **32 %**. The Company has reported Net profit of ₹ **1.91** crores during the year under review as against ₹ 3.73 crores in the previous year.

SPONGE IRON DIVISION

The production of Sponge Iron Division during the year under review was **151066 MT** against 156698 MT in the previous year showing decrease of **4 %**. The total income of the division was ₹ **686.63 Crores** as against ₹ 934.15 Crores during the previous year, showing decrease of **36 %**.

POWER DIVISION

During the financial year 2010-11, in order to utilize the waste heat and convert into productive energy, the Company has commissioned it's 30 MW co-generation Waste Heat Recovery Based (WHRB) Power Plant, at Ghugus, Maharashtra. The production of the division was **23.96 MWH** during the year under review as compared to 24.54 MWH for the previous year. The total income of the division was ₹ **72.57 Crores** during the year under review as against ₹ 72.65 Crores during the previous year.

By virtue of issuance of Commercial Circular No. 154 & 156 dated 23.01.2012 by Maharashtra State Electricity Distribution Company Limited and other laws and circulars of authority, the scope of distribution/supply/utilization of electricity through Open Access has been expanded. The company is exploring all the possibilities, strictly adhering to and complying with the parameters and conditions laid down in the said circulars & other laws to utilize the power generated by its power generation unit.

In respect of Iron ore mining activities, the company has received all statutory permissions and necessary sanctions from the concerned authorities to commence mining operations and the mining operations have commenced on trial basis.

LLOYDS METALS AND ENERGY LIMITED

ENVIRONMENT & SOCIAL OBLIGATION

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

- a) **Industry structure and development:** The growth of the Domestic Steel Industry remained subdued on account of slow down in demand from the key consuming sectors and limited iron ore availability. The demand for the steel in domestic industry is expected to remain modest. Global steel demand is also expected to improve gradually as compared to previous year levels. Being one of the fastest growing economies and the second largest populated country, India represents an attractive destination for the Power industry. The working age population is increasing at a rapid pace, thereby creating a strong demand for electricity. India will continue to need large new investments in electricity to meet demands of a fast developing economy, and a population that is growing in size, income and expectations.
- b) **Opportunities and threats:** The growth potential in the Indian Steel industry is optimistic in years to come riding on factors such as High Growth of Economy, availability of Iron Ore and Coal, availability of technical expertise at a cheaper cost, availability of metallurgical knowledge and untapped potential in the rural markets. The main challenges to the industry are Land Acquisition issues, Mineral Security, Environmental Issues and Technological challenges.
- Reforms such as the Electricity Act and National Electricity Policy will provide the necessary impetus to the Indian Power Sector. The new tariff norms for power utilities announced by the Central Electricity Regulatory Commission (CERC) for the period FY 2009-14 will have an overall positive impact on the profitability of the power sector. The key problems hindering the growth of the power sector are lack of land availability, Coal shortages, fuel availability, environment, forest clearances.
- c) **Segment-wise performance:** The Company is operating two segments, Iron and Steel and Power Generation. Segment Wise results are given at Note No. 15 under 'Notes to the Accounts' forming part of balance sheet. The Company has no activity outside India.
- d) **Outlook:** With a series of mega projects, either being implemented or at the proposal stage and domestic economy carrying forward the reform process further, the future of the Indian Steel industry looks optimistic.

There is strong growth opportunity in power generation led by exponential growth in economy, increasing prosperity for electricity consumption and urbanisation.

- e) **Risk and concerns:** Steel Industry always runs risk of Industry cycle. The Company is continuously monitoring the supply management practices, Technological obsolescence, input prices, price sensitivity and demand volatility are an inherent business risks. The Company undertakes continuous development, training and modernization programme to keep its business efficient. The risks faced by the Power sector are irregular tariff structures, fuel availability, project execution, land acquisition, financial assistance and environment clearance etc. The Company is taking proper actions against the possible industry risks which may affect the business activities of the Company.
- f) **Mitigation of Risks:** The Company in order to mitigate the risks, threats and concerns, is taking necessary short term and long term steps like exploring Open Access Market for sale of power, expanding customer base, forward integration and energy management etc. The Company has already taken effective steps for raw material security in the long term.
- g) **Internal control system:** The Company maintains adequate internal control systems, which provide adequate safeguards and proper monitoring of the transactions. The Company has appointed an Internal Auditor who reports to the Managing Director and Audit Committee of the Board. The Internal Auditor conducts quarterly audits to ensure that the Company's control systems are adequately followed and all statutory requirements are complied with.
- h) **Discussion on financial performance with respect to operating performance :** The operating performance of the Company has been discussed in Directors Report under the head 'Financial Highlights' & 'Operations and Overall Performance' in the current year.
- i) **Human resources and industrial relations :** During the year under review the Employee/ Industrial relations remained harmonious. Steps were taken continuously by the Company for training its employees in various disciplines. Number of employees as on 31st March, 2013 was 444.
- j) **Cautionary Statement :** The Management Discussions and Analysis describe Company's projections, expectations or predictions and are forward looking statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand and supply and price conditions in domestic and international market, changes in Government regulations, tax regimes, economic developments and other related and incidental factors.

ANNUAL REPORT 2012-13

SUBSIDIARY & CONSOLIDATED FINANCIAL STATEMENTS

The Statement required Under Section 212 of the Companies Act, 1956, including the Financial Information relating to subsidiary Company **M/s. Gadchiroli Metals and Minerals Limited**, wholly owned subsidiary is attached herewith. In accordance with the Accounting Standard AS -21, the Consolidated Financial Statements are attached herewith which forms part of the Annual Report and Accounts.

INVESTOR SERVICES

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

PUBLIC DEPOSITS

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

DIRECTORS

Shri Shantanu Mohaoatra and Shri Mukesh Gupta, 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 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. The directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
3. The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. Final accounts have been prepared on going concern basis.

CORPORATE GOVERNANCE

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

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

STATUTORY AUDITORS & AUDITORS' REPORT

The members are requested to appoint Auditors for the next financial year 2013-2014.

COST AUDITORS

In terms of provisions of Section 233B(2) of the Companies Act, 1956 and in accordance with notification issued by the Ministry Of Corporate Affairs, F.No.52 /26 / CAB – 2010 dated 02.05.2011, M/s Manisha & Associates, Nagpur, Cost Accountants was appointed as Cost Auditor of the Company for the financial year 2012-13 and offered themselves for re-appointment for the financial year 2013-14 subject to approval of the Central Government. The Company has filed Cost Audit Report for the financial year ended 31.03.2012 with the Central Government within the time limit prescribed under the Companies Act, 1956.

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

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

PARTICULARS OF EMPLOYEES

The Company does not have any employees, whose particulars are required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended by MCA vide its Circular No. 23/2011 dated 03.05.2011.

ACKNOWLEDGEMENT:

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

For and on behalf of the Board

Dated : 21.05.2013
Place : Mumbai

Mukesh R Gupta
Chairman

LLOYDS METALS AND ENERGY LIMITED

ANNEXURE - A

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

SPONGE IRON PLANT

(A) CONSERVATION OF ENERGY

Energy Conservation Measures Taken:-

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

1. Replacement of conventional motors with Inverter duty energy efficient motors for Shell Air Fans of 4 x 100 TPD kiln to increase the efficiency and reduction in power consumption.
2. Optimizing the size of De-dusting blower motor from 132 KW to 75 KW.
3. Insulation of Hot Surfaces of Waste Gas path (ABC and DSC) in 500TPD Kiln to reduce the heat loss.
4. Insulation of Hot Surfaces of Waste Gas path (ABC and DSC) in 4x 100 TPD Kiln to reduce the heat loss.
5. Optimizing the pulley sizes in De-dusting fans to reduce the power consumption and thus saving of Energy.

(B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

1. Installation of coal dust injection system to inject bag filters dust in to After Burning Chamber (ABC) of 4 x 100 TPD kiln to increase the flue gas temperature and gas volume thereby increasing the steam generation from WHR boilers.
2. Substantial reduction of LDO during Kiln lit up.

POWER PLANT

(A) CONSERVATION OF ENERGY

Note : Form 'A' is not applicable to power generation activities as it does not fall under the list of industries specified in the Schedule attached to Rule 2.

Energy Conservation Measures Taken:-

1. Replacement of Steam Traps by Thermodynamic type to reduce the steam leakage.
2. The project of generation of 30 MW Power from Waste Heat Recovery has been registered under Carbon Development Mechanism (CDM) and expected to get CDM certification.
3. Installation of Non-return Valves in Main Steam Line of 4 x 12PPH WHR Boilers before common header to maintain the pressure and thus improvement in steam generation of individual boilers.
4. Localized switching arrangements to control the office and building lights.
5. Replacement of conventional pumps with Energy efficient pumps in DM transfer pump , Clarifier and Degasser pump to reduce the power consumption.

(B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

1. Modification of Sporgers in AFBC boiler to enable the on line cleaning and avoiding the coal jamming.

2. Modification of DM make-up water line in De-aerator to avoid the water hammering because of improper mixing of water just prior to De-aerator inlet.
3. Modification of Draig Chain Feeder discharge chutes & separated individually for optimizing the fuel feeding in each compartment of AFBC Boiler.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(₹ in Lacs)

		2012-13	2011-12
(1)	Earnings		
	Exports including Third Party	-	-
(2)	Outgo:		
	Travelling Expenses	15.64	22.31

FORM – A

Form for Disclosure of Particulars with respect to Conservation of Energy
(Sponge Iron)

		UNIT	2012-13	2011-12
1	Electricity			
	a) Purchased Units	Kwh	996101	1683873
	Total Amount	₹	20,491,051	24,176,280
	Rate/Unit	₹ kwh	20.57	14.36
	b) Own Generation			
	i) Through Diesel Generator	Kwh	NIL	NIL
	Units	Kwh/ltr	-	-
	Units per ltr. of Diesel Oil	₹ kwh	-	-
	Cost/Unit	Kwh	18760409	19152446
	ii) Through Steam Turbine / Generator (Consumption) *	₹	93,923,987	95,886,713
	Units	₹ kwh	5.01	5.01
	Total Amount			
	Cost per Unit			
	*Consumption excludes 23520926 (P.Y. 24143614) KWH consumed in power plant and 167610665 (P.Y. 172295940) KWH sold.			
2	Coal *			
	Quantity	Ton	398680	428514
	Total Cost	₹	1,388,839,887	1,506,421,502
	Average Rate	₹ Tonne	3483.60	3515.45
	* includes Used in Power Plant.			
3	Fuel Oil			
	a) Furnace Oil			
	Quantity	Ltr.	NIL	NIL
	Total Amount	₹	NIL	NIL
	Average Rate	₹ Ltr	-	-
	b) LDO/			
	Quantity	Ltr.	102600	115300
	Total Amount	₹	39,95,527	41,05,273
	Average Rate	₹ Ltr.	38.94	35.61

Consumption per unit of Production

1	PRODUCT Sponge/Iron			
-	Electricity	Kwh/MT	130.78	132.97
-	Coal	Ton/MT	1.94	2.04
-	LDO	Ltr / MT	0.68	0.74

For and on behalf of the Board

Dated : 21.05.2013
Place : Mumbai

Mukesh R Gupta
Chairman

CORPORATE GOVERNANCE

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of **Lloyds Metals and Energy Limited**

We have examined the compliance of the conditions of Corporate Governance by Lloyds Metals and Energy Limited, for the year ended 31st March, 2013, 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 Tadarwal
Partner
M.No. 32512**

Place : Mumbai
Dated : 21.05.2013

REPORT ON CORPORATE GOVERNANCE

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

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

2. BOARD OF DIRECTORS

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

During the financial year 2012-13, four (4) Board Meetings were held on 26th May, 2012, 13th August, 2012, 7th November, 2012 and 11th February, 2013 respectively.

Details of Directors attendance at Board Meetings and the last Annual General Meeting and number of directorship / membership as on 31st March, 2013 are as follows :

NAME	CATEGORY	NO. OF BOARD MEETINGS HELD	NO. OF BOARD MEETINGS ATTENDED	WHETHER LAST AGM ATTENDED	NO. OF DIRECTORSHIP IN OTHER PUBLIC COMPANY	NO. OF OTHER COMPANY'S COMMITTEES WHERE HE IS A CHAIRMAN (C)/ MEMBER (M)
Mr. Mukesh .R Gupta	Non-Executive/ Promoter	4	4	Yes	-	-
Mr. Rajesh .R Gupta	Non-Executive/ Promoter	4	4	Yes	1	-
Mr. B.L Agarwal	Executive/ Promoter	4	4	Yes	2	-
Mr. Shantanu Mohapatra	Non-Executive Independent	4	3	Yes	1	1(M)
Mr. B.B. Chadha	Non-Executive Independent	4	1	No	4	1(C)/ 2(M)
Mrs. V.M. Bharathy	Independent IDBI Nominee	4	3	No	-	-
Mr. J.S. Charlu	Non-Executive Independent	4	2	No	-	-

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

CODE OF CONDUCT

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors and Senior Management Personnel. The said code has been communicated to the Directors and the Members of the Senior Management Personnel which is also affirmed by them for the financial year ended 31st March, 2013. 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