

**LLOYDS STEELS INDUSTRIES LIMITED**(A Public Company Incorporated on 19<sup>th</sup> September, 1994 under the Companies Act, 1956)**INFORMATION MEMORANDUM****Registered Office:** Plot No. A-5/ 5 MIDC Industrial Area, Murbad, Dist Thane-421 401**Corporate Office:** Trade World, C- Wing, 16<sup>th</sup> Floor, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai- 400 013  
**Tel:** 022-30418111, **Fax:** 022-30418260 **E-mail:** [infoengg@lloyds.in](mailto:infoengg@lloyds.in), **Website:** [www.lloydsengg.in](http://www.lloydsengg.in), **CIN:** U28900MH1994PLC081235**Contact Person:** Mr. P.R Ravi Ganesan, Company Secretary & Compliance Officer**Address:** Trade World, "C" Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400 013**Tel:** 022-30418220, **Fax:** 022-30418260 **Email:** [praviganesan@lloyds.in](mailto:praviganesan@lloyds.in) **Website:** [www.lloydsengg.in](http://www.lloydsengg.in)

The Company was incorporated on the 19<sup>th</sup> day of September, 1994 as "Climan Properties Private Limited". The name of the Company has been changed from Climan Properties Private Limited to "Climan Properties Limited" vide fresh certificate of incorporation dated 17<sup>th</sup> April, 2000. The name of the Company was further changed to "Encon Technologies Limited" vide fresh certificate of incorporation dated 19th April, 2000. The name of the Company has been further changed from Encon Technologies Limited to "Lloyds Encon Technologies (I) Limited" vide fresh certificate of incorporation dated 31<sup>st</sup> May, 2011. The name of the Company has been subsequently changed to the present name of the Company i.e. "Lloyds Steels Industries Limited" vide fresh certificate of incorporation dated 4<sup>th</sup> May, 2013. The Hon'ble High Court of Judicature at Bombay vide its order dated 30<sup>th</sup> October, 2015 and speaking to minutes of the order dated 30<sup>th</sup> November, 2015 approving the corrections as contained in its order dated 30<sup>th</sup> October, 2015 has approved the Scheme of Arrangement between Uttam Value Steels Limited ("Demerged Company") and Lloyds Steels Industries Limited ("Resulting Company") and their respective shareholders and creditors for De-Merger of the Engineering Division of Uttam Value Steels Limited into Lloyd Steels Industries Limited.

**INFORMATION MEMORANDUM FOR LISTING OF 89,86,98,382 EQUITY SHARES OF RE. 1/- EACH FULLY PAID-UP****NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM**

<b>GENERAL RISKS</b>	
Investments in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Lloyds Steels Industries Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors on page no. 9 carefully before taking an investment decision in the shares of Lloyds Steels Industries Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.	
<b>ABSOLUTE RESPONSIBILITY OF LLOYDS STEELS INDUSTRIES LIMITED</b>	
Lloyds Steels Industries Limited having made all reasonable enquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to Lloyds Steels Industries Limited, which is material in the context of the issue of shares pursuant to the scheme, that the information contained in the Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.	
<b>LISTING</b>	
The Equity Shares of the Company are proposed to be listed on the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). The Company has submitted this Information Memorandum with BSE and NSE. The Information Memorandum would be made available in the website of BSE ( <a href="http://www.bseindia.com">www.bseindia.com</a> ), NSE ( <a href="http://www.nseindia.com">www.nseindia.com</a> ) and the Transferee Company ( <a href="http://www.lloydsengg.in">www.lloydsengg.in</a> ).	
<b>ADDRESS FOR CORRESPONDENCE</b>	
	<b>REGISTRAR &amp; SHARE TRANSFER AGENT</b> <b>M/s. Bigshare Services Private Limited,</b> E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai: 400 072 Tel No: 022-40430200 Fax No. 022-28475207 E-mail ID: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>

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**1. DEFINITIONS & ABBREVIATIONS AND INDUSTRY RELATED TERMS**

<b>Terms</b>	<b>Description</b>
AGM	Annual General Meeting
Articles/Articles of Association	Articles of Association of Lloyds Steels Industries Limited
AS	Accounting Standards, as issued by the Institute of Chartered Accountants of India
Auditor(s)	Refers to M/s. Todarwal & Todarwal, Chartered Accountants, 12, Maker Bhawan No. 3, 21, New Marine Lines, Mumbai- 400 020 unless otherwise specified.
Board / Board of Directors	Board of Directors of the Company
UVSL/ Uttam/ De-merged Company / Transferor Company	Uttam Value Steels Limited
LSIL/Company/Resulting Company/ Transferee Company	Lloyds Steels Industries Limited
BSE	BSE Limited
Capital or Share Capital	Share Capital of the Company
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Managing Director	Mr. Ashok Tandon
Demerged Undertaking/Engineering Division of Uttam Value Steels Limited	“Engineering Division of UVSL” means a division of UVSL being involved in fabrication of all types of mechanical, structural, electrical, metallurgical, chemical plants equipments including dryers, boilers, power plant equipments, manufacturing of capital equipments, and execution of turnkey projects right from conceptualizing to commissioning and includes supply of spares and services to all the major oil, gas, refinery port, trust and various government bodies.
Depositories Act	The Depositories Act, 1996 and amendments thereto
Depository	A Depository registered with SEBI under the SEBI (Depositories & Participants) Regulations, 1996 as amended from time to time.
Designated Stock Exchange/ DSE	The designated stock exchange shall be the National Stock Exchange of India Limited (NSE)
Directors	Directors on the Board of Lloyds Steels Industries Limited
DIN	Director Identification Number
DP	Depository Participant
EGM	Extra-Ordinary General Meeting
EPS	Earnings Per Share
Equity Share(s) or Share(s)	The Equity Share of the Company having a face value of Re.1/- each fully paid unless otherwise specified in the context thereof
Equity Shareholder	Holder of Equity Shares of the Company
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FERA	Foreign Exchange Regulation Act, 1973
FI	Financial Institutions
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws

Financial Year/Fiscal/FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GOI	Government of India
High Court	Hon'ble High Court of Judicature at Bombay
Industrial Policy	The industrial policy and guidelines issued thereunder by the Ministry of Industry, Government of India, from time to time
IPO	Initial Public Offer
Investor(s)	Shall mean the holder(s) of Equity Shares of UVSL as on the Record Date.
Indian GAAP	Generally accepted accounting principles in India
Information Memorandum/IM	This document as filed with the Stock Exchanges
IT Act /Income Tax	The Income Tax Act, 1961 and amendments thereto
ITAT	Income Tax Appellate Tribunal
MCA	Ministry of Corporate Affairs
Memorandum/Memorandum of Association	Memorandum of Association of the Company
Mn	Million
NAV	Net Asset Value
NR	Non Resident
NRI(s)	Non Resident Indian(s)
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body
Promoter(s)/Promoter Group	1. M/s. First India Infrastructure Private Limited 2. M/s. Metallurgical Engineering and Equipments Limited
PAN	Permanent Account Number
P/E Ratio	Price Earnings Ratio
RBI	The Reserve Bank of India
Record Date	Record Date is 29 <sup>th</sup> March, 2016 as announced by Uttam Value Steels Limited
Registered Office of LSIL	Plot No. A-5/ 5 MIDC Area, Murbad, Dist. Thane-421 401, Maharashtra
Registrar and Share Transfer Agent/ Registrars	<b>Bigshare Services Private Limited</b> E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072 Contact person: Mr. Ashok Shetty Tel No: 022-40430200 Fax No. 022-28475207 E-mail ID: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> Website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>
ROC	Registrar of Companies, State of Maharashtra, Mumbai
Scheme or Scheme of Arrangement or Scheme of Arrangement of Demerger or Demerger Scheme or Scheme of Demerger	Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 between Uttam Value Steels Limited and Lloyds Steels Industries Limited and their respective Shareholders and Creditors, sanctioned for both Demerged Company and Resulting Company by Hon'ble High Court of Judicature at Mumbai on 30 <sup>th</sup> October, 2015 and 30 <sup>th</sup> November, 2015. The Certified copy of High Court Order was received by the company on 8 <sup>th</sup> January, 2016 which was filed with the Registrar of Companies, Mumbai on 15 <sup>th</sup> January 2016. The Scheme of Arrangement became effective from 15 <sup>th</sup> January, 2016 after obtaining all statutory approvals as envisaged in the Scheme.
SCRA	Securities Contract (Regulation) Act, 1956, as amended
SCRR	Securities Contract Regulation (Rules), 1957 and amendments thereto

SEBI	Securities and Exchange Board of India
SEBI Act, 1992	Securities and Exchange Board of India Act, 1992 and amendments thereto
SEBI (ICDR) Regulations	Securities of Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 as amended.
SEBI (LODR) Regulations	Securities of Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SIA	Secretariat of Industrial Assistance
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange(s)	Shall refer to the BSE and NSE where the Equity Shares of the Demerged Company are presently listed
Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and amendments thereto
Wealth Tax Act	The Wealth Tax Act, 1957 and amendments thereto

***Glossary of Company / Industry related Terms:***

<b>Terms</b>	<b>Description</b>
MT	Metric Tones
MM	Millimeters
MTPA	Metric Tones Per Annum
TPA	Tones Per Annum
KGS	Kilograms
TPIA	Third Party Inspection Agency

**CURRENCY OF PRESENTATION**

In this Information Memorandum, all references to “Rs.” or “INR” refer to Rupees, the lawful currency of India; reference to one gender also refers to another gender and the words “Lakh” or “Lac” means “One hundred thousand” and the word “million” means “Ten Lakhs” and the word “Crore” means “10 million”. Any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

**CERTAIN CONVENTIONS; USE OF MARKET DATA**

Unless stated otherwise, the financial data in this Information Memorandum is derived from our restated financial statements. The Fiscal year commences on April 1 and ends on 31st March of each year and unless otherwise stated, references to a particular fiscal year are to the twelve month period ended March 31 of that year. In this Information Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All references to “India” contained in this Information Memorandum are to the Republic of India. All references to “Rupees” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. For additional definitions, please see the section titled “Definitions, Abbreviations and Industry Related Terms” of this Information Memorandum.

Unless stated otherwise, Industry data used throughout this Information Memorandum has been obtained from published data and industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable, but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified. The information included in this Information Memorandum about various other Companies is based on their respective Annual Reports and information made available by the respective companies.

**FORWARD-LOOKING STATEMENTS**

This Information Memorandum may contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward looking statements”. Similarly, statements that describe our objectives, plans or goals also are forward-looking statements. Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to:

- ❖ General economic and business conditions in India and other countries;
- ❖ Regulatory changes and our ability to respond to them;
- ❖ Our ability to successfully implement our strategy, growth and expansion plans;
- ❖ Technological changes;
- ❖ Our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments;
- ❖ The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally;
- ❖ Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.

For further discussion of factors that could cause our actual results to differ, please see the section titled “Risk Factors” of this Information Memorandum. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not materialize.

**2. RISK FACTORS AND MANAGEMENT PERCEPTIONS THEREOF.**

This is only a summary. Investors should read the following summary with the risk factors mentioned and more detailed information about us and our financial statements included elsewhere in this information memorandum. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financials or other implications on any of the risk described in this section. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.

An investment in equity shares involves a high degree of risk. Investors should carefully consider all of the information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in our Equity Shares. Occurrence of any of the following risks as well as the other risks and uncertainties discussed in this Information Memorandum could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss to the investor.

**Internal Risk Factors & Risks related to business:****1. *Availability of finance***

Availability of credit or financing is a major factor which can have a direct bearing on the performance of the Company. Tightening of credit norms by the financiers due to economic conditions can have an adverse effect on the performance of the Company.

**2. *Our Company depends on its senior management team and the loss of team members may adversely affect its business.***

Our Company maintains conducive work environment and provides adequate motivation to perform. However senior management team members or key personnel may choose to leave the organisation in which case operations of our Company may be affected. However in such eventuality we will promptly fill the vacancy through either fresh recruitment or internal promotion.

**3. *Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.***

The industry in which we operate is subject to significant changes in technology. To maintain the competitiveness of our business, we need to keep pace with technological developments and changing standards. If we are unable to adequately respond to the technological changes and the technologies currently employed by us become obsolete, our business, financial condition and results of operations may be materially and adversely affected. In addition, the cost of implementing new technologies and upgrading our plants to keep pace with technological developments may be significant and may adversely affect our results of operations.

**4. *Our business may be affected by certain disruptions.***

Industrial disruptions, work stoppages, labour disputes, refurbishments, installation of new plants etc. can result in production losses, which may adversely affect our profitability. Production may fall below historic or estimated levels as a result of these causes.

**5. *Failure to keep abreast with the latest trends in technology may adversely affect our cost competitiveness and may affect our financial condition adversely.***

Our Company cannot assure that it would successfully implement new technology effectively or adapt to emerging industry standards. If our Company is unable to upgrade itself due to technical, financial, legal and/or other reasons to adapt in timely manner to the changing market conditions, its business, financial performance could be adversely affected.

**6. *If we are unable to implement our growth strategies in a timely manner, our business and results of operations could be adversely affected.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy may place significant demands on our management and other resources. Our growth strategies involve risks and difficulties, many of which are beyond our control and accordingly there can be no assurance that we will be able to complete our plans on schedule or without incurring additional expenditures or at all. There can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition and results of operations.

**7. *We may not be sufficiently protected or insured against losses that we may incur or claims that we may face against us.***

Although we attempt to limit and mitigate our liability for damages arising from negligent acts, errors or omissions through contractual provisions and/or insurance policies, the limitations of liability set forth in our contracts and/or our insurance policies may not be enforceable in all instances or may not protect us from liability for damages. A successful assertion of one or more large claims against us could adversely affect the results of our operations. We have not insured ourselves against exposure to certain risks and events such as workmen's compensation, loss of profit, etc. which may lead to financial liability/adverse consequences for us. Further, even where we have availed of insurance cover, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies.

**External Risk Factors:**

**8. *Competition in the Industry***

The Company operates in a competitive scenario comprising of Indian and multinational players resulting in a stiff competition from these players.

**9.** Political instability or changes in the Government may delay the liberalization of the Indian economy and adversely affect economic conditions in India generally, which may impact our business, financial results and results of operations

**10. *Legal and Compliance Risk***

We are subject to extensive regulation by SEBI, Stock Exchanges, RBI and other market regulators in India. New laws/rules and changes in any law and application of current laws/rules could affect the manner of operations and profitability.

**11. *Terrorist attacks and other acts of violence***

Terrorist attacks and other acts of violence or war, including those involving India, the United States, the United Kingdom or other countries may adversely affect Indian and worldwide financial markets. These acts may result in loss of business confidence and have other consequences that could adversely affect our business, results of operations and financial condition. Increased volatility in the financial markets can have an adverse impact on the economies of India and other countries, including economic recession.

**12. *Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, Tsunami, floods and droughts in the past few years. The extent and severity of these natural disasters determine their impact on the Indian economy. Unforeseen circumstances, such as prolonged spells of below normal rainfall and other natural calamities, could have a negative impact on the Indian economy, especially on the rural areas, which could adversely affect our business, financial condition, results of operation and the price of our Equity Shares.



**13. *After this listing, the prices of the Company's equity shares may be volatile, or an active trading market for the Company's equity shares may not develop.***

There has been no public market for the Company's equity shares till now and the prices of the Company's equity shares may fluctuate after this listing. There can be no assurance that an active trading market for the equity shares will develop or be sustained after this listing. The Company's share price could be volatile. Further, the price at which the Equity Shares are initially traded may not correspond to the prices at which the Equity Shares will trade in the market subsequent to the listing of Equity Shares.

**14. *Any future issuance of Equity Shares may dilute prospective investors' shareholding and sales of our Equity Shares by major shareholders may adversely affect the trading price of the Equity Shares.***

Any future equity issuances by us may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

**15. *Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.***

The Indian securities markets are smaller than securities market in more developed economies. Indian Stock exchanges in the past experienced substantial fluctuations in the price of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchange have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasions between listed companies and the Indian Stock Exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

**16. *There may be restrictions on daily movement in the price of the Equity Shares, which may adversely affect a Shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Upon listing and trading of the Equity Shares, we may be subject to a daily circuit breaker imposed by all stock exchanges in India, which may not allow transactions beyond certain volatility in the price of the Equity Shares. These Circuit breakers are generally imposed by SEBI on Indian Stock Exchanges. The percentage limit on our circuit breaker may be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchange may not inform us of the percentage limit of the circuit breaker from time to time and many change it without our knowledge. This circuit breaker effectively limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

### **3. INDUSTRY AND BUSINESS OVERVIEW:**

#### **I. INTRODUCTION:**

This is only a summary. Investors should read the following summary together with the Risk Factors mentioned and the more detailed information about us and our financial results included elsewhere in this Information Memorandum. The information presented in this section has been extracted from publicly available documents and industry publications.

#### **Industry Overview:**

The Engineering Sector is the largest in the overall Industrial Sectors in India with a broad classification into Heavy Engineering and Light Engineering. The competencies required are high in view of high value added products and usage of high end technology. Though the Global Economic Conditions continued to remain sub optimal even during the financial year 2014-15, Indian Engineering Sector has withstood the scenario due to investments in infrastructure industries and expects to grow in view of the “Make in India” movement of the Government of India.

#### **User Segments:**

The major end user industries are Oil & Gas, Power, Infrastructure, Steel, Cement, Petrochemicals, Refineries, Fertilizers, Mining, Railways, Ports, Shipping, Automobiles, Textiles, Nuclear Power and Space Research amongst others. The Engineering Sector being closely associated with the manufacturing and infrastructure is of strategic importance for India’s Economy and Growth.

#### **Key Growth Drivers:**

The Growth of Engineering Sector in India is dependent on the growth in the user industries, setting up of new projects, Government Thrust on the Power and Construction Industries and outsourcing requirements of Global Companies. India having the advantage of lower labour cost and better designing capabilities and the thrust such as “Make in India” movement by the Government is attractive to many players for setting up and/or growing the engineering industry. Further, the contemplated policies of the Government to ease doing business in India and relaxation in the regulatory policies coupled with providing certain exemptions and benefits to the industry by the Government is expected to contribute to the growth of the industry. The Engineering Sector enjoys 100% FDI and the FDI into India’s miscellaneous mechanical and engineering industries as on June 2015 stood at around USD 4053.72 Mio as per the data released by the Department of Industries Policy and Promotion (DIPP). Government has granted Excise and Customs Duty Benefits for supplies to Defense Industry by the State Owned Defense Firms.

#### **Performance of the Industry during Financial Year 2014-15:**

The performance of the engineering industry in 2014-15 was a lack luster one in view of weak order inflows, delay in awarding of projects, land acquisition problems and environmental issues. The operating margins came under pressure. The slowdown in order inflows alongwith lower pace of project execution proved to be a double whammy for the engineering companies. Further, due to low capacity utilization across the industrial sectors, capex failed to pick-up during the year. The situation in the construction industry remained subdued. Financial pressures in terms of debt servicing coupled with errors in estimation and delays in execution across segments led to lot of stress in the balance sheets of many companies.

#### **Future Prospects for the Engineering Industry:**

World Class Infrastructure is of utmost importance for unleashing high and sustained growth. It is expected that over long term, the demand will remain strong. The proposed increase in doubling investment in infrastructure from Rs.20 Trillion to Rs.41 Trillion in the 12<sup>th</sup> Five Year Plan (2012 – 2017) should transform the industry. From a policy perspective, there has been a growing consensus on a Private - Public Partnership to remove the difficulties concerning the development. The capital goods and engineering turnover in India is expected to reach USD 125.4 Billion by financial year 2017. The long term future of the Indian Engineering and Construction remains promising.

**Business Review:****Lloyds Steels Industries Limited**

The Company is in the business of Design, Engineering and Fabrication for over 40 years with its Works situated at Murbad, Dist. Thane which is approximately 100 K.M. from its Head Office at Mumbai. The Company's manufacturing and fabrication includes all types of mechanical, structural, electrical, metallurgical, chemical plants equipments including process columns, pressure vessels, dryers, boilers, power plant, steel plant equipments, manufacturing of capital equipments, and execution of turnkey and EPC projects right from conceptualizing to commissioning, supply of spares and services to all the major sectors such as oil, gas, port trust, defence yards and various government bodies. Company undertakes manufacturing of various equipment and projects on customer's specification and each order is Tailor Made.

**Credentials of Workshop:**

The Workshop is accredited with ISO 9001: 2008 Certification by SGS, UK. The Workshop is approved and enlisted by International Consultants like Uhde, Technimont ICB, Aker Kvaerner, Jacobs H & G, Engineers India Limited, LINDE, PDIL, TOYO, Technip, MECON, M.N. Dastur & Company, SMS Group, NPCIL, ISRO etc., The Workshop is further approved by Reputed Inspection Agencies such as LRA, BVI, TUV, CEIL, SGS, IRS, ABS, DNV, IBR etc.,

The Workshop has three bays covering a size of 11175 Sq. Mtrs with an open area of 5000 Sq. Mtrs. apart from 8500 Sq. Mtrs area for expansion. The Workshop has sophisticated Plant & Machineries consisting Plate Bending, Dishing, Petal Pressing, Drilling, Lathe, Shaping, Boring, Air Plasma, Milling Machines and Cranes with Capacity of 100 MT. The Workshop is further equipped with Stress Relieving Furnace, Normalizing and Annealing Furnace besides facilities for carrying out Heat Treatment. Company performs Yard Testing of Marine Loading/Unloading Arms for customers simulating Port/Ship Condition.

**Collaborations:**

The Company has foreign collaborations with FMC Technologies SA, France for Marine, Truck/Wagon Loading Arms and Piggable Systems, L3 Calzoni S.r.l. Milano Italy for Fin Stabilizers and Steering Gears with Controls for design, manufacture and supply of Fin Stabilizer with Controls for Indian Naval Ships and Indian Cost Guard Ships.

**Clients:**

The clients of the Company includes ONGC, IOCL, HPCL, BPCL, CPCL, IOTL, GAIL, RGPPL, GRSE, IFFCO, NFL, MFL, RCF, NPCIL, BARC, ISRO, DRDO, Indian Navy, various Port Trusts, Reliance, Essar, Welspun, Punj Lloyd, L&T, SMS Demag, Danieli, amongst others

**Competency of Organization:**

The Company has competent professionals in Engineering, Design, Quality Control, Business Development and Promotion, Finance & Commercial. The workmen include qualified and approved Welders.

**Sector and Nature of Equipment Manufactured:*****1. Hydro Carbon and Oil & Gas Sector:***

Pressure Vessels, Heat Exchangers, Process Plant Equipment and Systems, Columns, Reactors, Digesters, Scrubbers and Accumulators, Air, Gas, Liquid Drying Plants, Horton Spheres, Marine/Truck Loading/Unloading Arms etc

***2. Steel Plant Equipment and Systems:***

Ball Grinding Mill, Rotary Dryers, Equipment for Steel Melting Shop, Hot Rolling Mill, Continuous Slab Casters, Rotary Kiln, Coolers, ABC/DSC for Sponge Iron Plant, Cold Rolling Mill Equipment, Tunnel Furnace, Roll on Steel, Steam Generator with supporting Structure etc.

**3. *Power Plant Equipment and Systems:***

Waste Heat Recovery Steam Boilers, Surface Condensers, HP, LP Heaters, Steam Drum, In-plant interconnecting Piping, Blow Down Tanks etc.

**4. *Marine Equipment for Indian Navy:***

Hydraulic Systems for Steering Gears with Controls, Stabilizer and Power Pack Units, Doors and Hatches for Naval Ships, various spares and services to Ports and Naval Dock Yard.

**5. *Execution of Turnkey Projects in Hydro Carbon Sector:***

Utilities & Offsites, Group Gathering Stations, Kerosene Recovery Unit, Phosphoric Acid Storage Tank and Facilities, Horton Spheres and Air Separation Plant, RB Heavy Water Vapor Recovery System, Surface Condenser, LPG Rail Gantry Facility, Dryers etc.

**6. *Execution of Turnkey Project in Steel Sector:***

Sponge Iron and Pellet Plants, Cold Rolling Mill, Slab Coaster, Refurbishing of Steel Mills etc.

**LLOYDS STEELS INDUSTRIES LIMITED**

(A Public Limited Company Incorporated on 19th September, 1994 under the Companies Act, 1956)

**Registered Office:** Plot No. A-5/ 5 MIDC Industrial Area, Murbad Road, Thane-421 401  
**Corporate Office:** Trade World, C- Wing, 16th Floor, Kamala City, Senapati Bapat Marg,

Lower Parel (West), Mumbai- 400 013

**Tel:** 022-30418111, **Fax:** 022-30418260 **E-mail:** [infoengg@lloyds.in](mailto:infoengg@lloyds.in),

**Website:** [www.lloydsengg.in](http://www.lloydsengg.in), **CIN:** U28900MH1994PLC081235

The Company was incorporated on the 19<sup>th</sup> day of September, 1994 as “Climan Properties Private Limited”. The name of the Company has been changed from Climan Properties Private Limited to “Climan Properties Limited” vide fresh certificate of incorporation dated 17<sup>th</sup> April, 2000. The name of the Company was further changed to “Encon Technologies Limited” vide fresh certificate of incorporation dated 19th April, 2000. The name of the Company has been further changed from Encon Technologies Limited to “Lloyds Encon Technologies (I) Limited” vide fresh certificate of incorporation dated 31<sup>st</sup> May, 2011. The name of the company has been subsequently changed to the present name of the company i.e. “Lloyds Steels Industries Limited” vide fresh certificate of incorporation dated 4<sup>th</sup> May, 2013.

**Board of Directors as on the date of filing of the Information Memorandum**

Sr. No.	Name	Designation
1.	Mr. Ashok Satyanarayan Tandon DIN- 00028301	Managing Director
2.	Mr. Satyendra Narain Singh DIN- 00398484	Additional & Independent Director
3.	Mrs. Bela Sundar Rajan DIN- 00548367	Additional & Independent Woman Director
4.	Mr. Vishal Agarwal DIN- 00168370	Additional & Independent Director

For further details of the Board of the Company, please refer to page No 52 to 54 of this Information Memorandum.

**Authority for listing:**

The Hon'ble High Court of Bombay, vide its order dated 30<sup>th</sup> October, 2015 and by Speaking to the Minutes of Order dated 30<sup>th</sup> November, 2015 has approved the Scheme of Arrangement between Uttam Value Steels Limited (“the Demerged Company”) and Lloyds Steels Industries Limited (“the Resulting Company”) and their respective shareholders & creditors, for De- Merger of Engineering Division of Uttam Value Steels Limited in favour of Lloyds Steels Industries Limited. In accordance with the Scheme, entire Engineering Division of Uttam Value Steels Limited shall stand transferred to and vested with the Company w.e.f. April 01, 2014 (the appointed date under the Scheme) pursuant to Section 391 to 394 of the Companies Act, 1956. In accordance with the said scheme, the Equity shares of the Company to be issued pursuant to the Scheme shall be listed and admitted to trading on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). Such listing and admission for trading is not automatic and will be subject to fulfillment by the Company of listing criteria of BSE and NSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application by the Company seeking listing. The Company has received exemption from the strict enforcement of the requirement of Rule 19(2) (b) of the SCRR for the purpose of listing of shares of the company from SEBI vide its letter No. DIL-2/PR/RV/19203/2016 dated July 05, 2016.

**Eligibility Criterion:**

There being no initial public offering or rights issue, the eligibility criteria in terms of Chapter III of SEBI Regulations does not become applicable. However, SEBI has vide its Circular No. CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November, 2015 ((*SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21<sup>st</sup> May, 2013 has been rescinded*), relaxed the applicability of provisions of Regulation 19(2) (b) of the Securities Contract (Regulations) Rules, 1957. The Company has submitted its Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues, as applicable to BSE and NSE for making the said Information Memorandum available to public through their websites viz. [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and [www.lloydsengg.in](http://www.lloydsengg.in)

The Company has published an advertisement in the newspapers containing its details in line with the details required as in terms of SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November, 2015 ((*SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21<sup>st</sup> May, 2013 has been rescinded*). The advertisement has been published in “**Financial Express**” in English all editions, “**Mumbai Lakshdeep**” in Marathi Mumbai edition & “**Jansatta**” in Hindi all editions on **9<sup>th</sup> July 2016**.

**Prohibition by SEBI**

The Company, its directors, its promoters, other companies promoted by the promoters and companies with which the Company’s directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

**General Disclaimer from the LSIL**

The Company accepts no responsibility for statement made otherwise than in the Information Memorandum or in the advertisements published in terms of SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30<sup>th</sup> November, 2015 ((*SEBI Circular No. CIR/CFD/DIL/5/2013 dated 4<sup>th</sup> February, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013 dated 21<sup>st</sup> May, 2013 has been rescinded*) or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

**Disclaimer – BSE**

The BSE has vide its letter no. *DCS/AMAL/JS/24(f)/190/2014-15* dated *October 14, 2014*, approved the Scheme of Arrangement filed by Uttam Value Steels Limited under clause 24(f) of the Listing Agreement and by virtue of that approval, the BSE’s name is included in this Information Memorandum as one of the Stock Exchanges on which the Company’s securities are proposed to be listed. As required, a copy of this Information Memorandum has been submitted to BSE.

The BSE does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- Warrant that this Company’s securities will be listed or will continue to be listed on the BSE; or
- Take any responsibility for the financial or other soundness of this Company; and

It should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

**Disclaimer – NSE**

The NSE has vide its letter no. *NSE/LIST/576* dated *October 20, 2014*, approved the Scheme of Arrangement filed by Uttam Value Steels Limited under clause 24(f) of the Listing Agreement and by virtue of the said approval NSE's name is included in this Information memorandum as one of the stock exchanges on which this Company's securities are proposed to be listed. As required, a copy of this Information Memorandum has been submitted to NSE.

The NSE does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- Warrant that this Company's securities will be listed or will continue to be listed on the NSE; or
- Take any responsibility for the financial or other soundness of this Company; and

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that this Information Memorandum has been cleared or approved by NSE.

Every person who desires to apply for or otherwise acquire any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription or acquisition, whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

**Filing**

This Information Memorandum has been filed with BSE and NSE.

**Listing**

Applications have been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated NSE as the Designated Stock Exchange for the aforesaid listing of the shares. The Company has taken steps for completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above. In-Principle Listing Approval has been received from the designated Stock Exchanges.

**Demat Credit**

The Company has executed Tri-partite Agreements with the Depositories i.e. NSDL and CDSL for admitting its securities in demat form and have been allotted **ISIN – INE093R01011**.

**Expert Opinions**

Save as stated elsewhere in this Information Memorandum, the Company has not obtained any expert opinions.

**Dispatch of share certificates**

Upon allotment of Shares to eligible shareholders on 31<sup>st</sup> March, 2016 pursuant to the Scheme, the Company has completed dispatch of the share certificates to those shareholders who were holding shares in Uttam Value Steels Limited in physical form, as on the Record Date i.e. 29<sup>th</sup> March, 2016

**Previous rights and public issues**

The Company has not made any previous public or rights issue since incorporation.

**Commission and brokerage on previous issues**

Since the Company has not issued shares to the public in the past, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

This is for the first time the Company is getting listed on the Stock Exchanges.

**Companies under the Same Management**

There are no companies under the same management within the meaning of erstwhile Section 370 (1B) of the Companies Act, other than included in this Information Memorandum.

**Promise vis-à-vis performance**

Not Applicable, since this is the first time the Company is getting listed on the Stock Exchanges.

**Outstanding debentures or bonds and redeemable preference shares and other instruments**

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by the Company.

**Stock Market Data for Equity shares of the Company**

Equity shares of the Company are not listed on any stock exchanges. The Company is seeking approval for listing of its shares through this Information Memorandum.

**Disposal of Investor Grievances**

Bigshare Services Private Limited is the Registrar and Transfer Agent of the Company to accept the documents/ requests/ complaints from the investors/ shareholders of the Company. Further, the Company has appointed Mr. P.R. Ravi Ganesan, Company Secretary as the Compliance Officer for addressing the Investor Grievance in coordination with Registrar and Transfer Agents and he may be contacted in case of any problems at the following address:

**Compliance Officer****Mr. P.R. Ravi Ganesan,**

Address: Trade World, "C" Wing, 16<sup>th</sup> Floor, Kamala City,

Senapati Bapat Marg, Lower Parel, Mumbai 400 013

Tel: 022-3041 8111, Fax: 3041 8260

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

Website: [www.lloydsengg.in](http://www.lloydsengg.in)

**Statutory Auditors****M/s. Todarwal & Todarwal, Chartered Accountants**

Firm Regn. No. : 111009W

Address: 12, Maker Bhawan No. 3,

21, New Marine Lines, Mumbai- 400 020

Tel: 91-22-2206 8264 / 6633 2607

E-mail: [todarwal@todarwal.com](mailto:todarwal@todarwal.com)

Contact Person: Mr. Sunil Todarwal

**Registrar & Share Transfer Agent****Bigshare Services Private Limited**

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

Saki Naka, Andheri (East), Mumbai – 400 072

Tel: 022-40430200 Fax No. 022-28475207

Email: [investor@bigshareonline.com](mailto:investor@bigshareonline.com); [ashok@bigshareonline.com](mailto:ashok@bigshareonline.com)

Contact Person: Mr. Ashok Shetty

**Advisors to the Company:****Mark Corporate Advisors Private Limited**

404/1, The Summit business Bay,

Sant Janabai Road (Service Lane),

Off W. E. Highway,

Vile Parle (E),

Mumbai-400 057

**Tel No.:** +91 22 2612 3207/08

**Email:** [mark.advisors@gmail.com](mailto:mark.advisors@gmail.com)



**Bankers to the Company**

**HDFC Bank Ltd**

Address: Kamala Mills Compound Branch,  
Senapati Bapat Marg, Lower Parel, Mumbai 400013

Tel: +91 9324034417

Email: [faraaz.balsara@hdfcbank.com](mailto:faraaz.balsara@hdfcbank.com)

Contact Person: Ms. Faraaz Balsara, Branch Manager

**4. CAPITAL STRUCTURE - SHARE CAPITAL****A. SHARE CAPITAL OF LSIL PRE-SCHEME OF ARRANGEMENT OF DEMERGER**

<b>PARTICULARS</b>	<b>AMOUNT (RS.)</b>
<b>Authorized Share Capital</b>	
5,00,000 Equity Shares of Re. 1/- each	5,00,000
<b>Total</b>	<b>5,00,000</b>
<b>Issued , Subscribed and Paid-up Share Capital</b>	
5,00,000 Equity Shares of Re. 1/- each fully paid up	5,00,000
<b>Total</b>	<b>5,00,000</b>

**B. SHARE CAPITAL OF LSIL POST-SCHEME OF ARRANGEMENT OF DEMERGER**

<b>PARTICULARS</b>	<b>AMOUNT (RS.)</b>
<b>Authorized Share Capital</b>	
90,00,00,000 Equity Shares of Re. 1/- each	90,00,00,000
<b>Total</b>	<b>90,00,00,000</b>
<b>Issued , Subscribed and Paid-up Share Capital</b>	
89,86,98,382 Equity Shares of Re. 1/- each fully paid up	89,86,98,382
<b>Total</b>	<b>89,86,98,382</b>

**Notes to Capital Structure:**

- The authorized share capital of the Company at the time of Incorporation was Rs. 5,00,000/- divided into 50,000 Equity Shares of Rs. 10/- each. However, pursuant to Sub-division of face value of Equity Shares from Rs. 10/- each to Re. 1/- each through Ordinary Resolution passed by the members in their Extra Ordinary General Meeting held on 17<sup>th</sup> December, 2013 , the authorized share capital of the Company of Rs. 5,00,000/- has been divided into 5,00,000 equity shares of Re. 1/- each.
- Prior to the Allotment of Equity Shares as per the Scheme, the issued, subscribed and paid up capital of the Company was Rs. 5,00,000 divided into 5,00,000 Equity Shares of Re. 1/- each.
- Initial Issued, Subscribed and Paid up Capital of Rs. 5,00,000/- (5,00,000 Equity Shares of Re. 1/- each) is cancelled pursuant to Scheme of Demerger.
- The Company has increased the Authorized Share Capital from Rs. 5,00,000/- to Rs. 90,00,00,000/- consisting of 90,00,00,000 Equity Shares of Re.1/- each at its Extra- Ordinary General Meeting held on 10<sup>th</sup> December, 2015.
- As per Clause 7.1 of the Scheme, the Company has, on 31<sup>st</sup> March, 2016, issued and allotted 89,86,98,382 Equity Shares of the face value of Re. 1/- each to the members of Uttam Value Steels Limited in the ratio of 68:100 (i.e. 68 Equity Shares of Re. 1/- each credited as fully paid up in LSIL for every 100 Equity Shares of Rs. 10/- each fully paid held by them in UVSL) whose name appears in the Register of Members of UVSL on the Record Date i.e. as on 29<sup>th</sup> March, 2016.

**Pre-Shareholding Pattern of the Lloyds Steels Industries Limited (Resulting Company) pursuant to Scheme of Arrangement (Pre Allotment)****Holding of specified securities**

1. Name of Listed Entity: **Lloyds Steels Industries Limited** (*The Company is proposed to be listed*)
2. Scrip Code/Name of Scrip/Class of Security: N.A./ N.A./ Equity Shares
3. Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c)
  - a. If under 31(1)(b) then indicate the report for Quarter ending: 31<sup>st</sup> March, 2016
  - b. If under 31(1)(c) then indicate date of allotment/extinguishment: ---
4. **Declaration:** The Listed entity is required to submit the following declaration to the extent of submission of information:-
- 5.

	<b>Particulars</b>	Yes*	No*
1	Whether the Listed Entity has issued any partly paid up shares?	---	No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?	---	No
3	Whether the Listed Entity has any shares against which depository receipts are issued?	---	No
4	Whether the Listed Entity has any shares in locked-in?	---	No
5	Whether any shares held by promoters are pledge or otherwise encumbered?	---	No

\* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights					Total as a % of (A+B+C)	No. (a)	As a % of total Shares held (b)	No.(a)		As a % of total shares held (b)
								Class eg: X	Class eg: Y	Total								
(A)	Promoter & Promoter Group	2	2,60,000	-	-	2,60,000	52.00	-	-	-	-	52.00	-	-	-	-	-	
(B)	Public	7	2,40,000	-	-	2,40,000	48.00	-	-	-	-	48.00	-	-	-	NA	-	
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-	
(C1)	Shares underlying DRs	-	-	-	-	-	NA	-	-	-	-	-	-	-	-	NA	-	
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-	
	<b>Total</b>	9	5,00,000	-	-	5,00,000	100	-	-	-	-	100.00	-	-	-	-	-	

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

	Category & Name of the Shareholders (I)	PAN (II)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights					Total as a % of Total Voting rights	No.	As a % of total Shares held (b)	No.		As a % of total shares held (b)
									Class X	Class Y	Total								
(1)	Indian	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(a)	Individuals/Hindu undivided Family	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Name (xyz...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Name (xyz...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Name (xyz...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Any Other (specify)																		
	First India Infrastructure Private Limited (Formerly Known Ultimate Logistics Solutions Private Limited)	<b>AAB CU0 756F</b>	<b>1</b>	<b>1,78,000</b>	-	-	<b>1,78,000</b>	<b>35.60</b>	-	-	-	-	<b>35.60</b>	-	-	-	-	-	

	Metallurgical Engineering and Equipment Limited	AAA CS80 41G	1	82,000	-	-	82,000	16.40	-	-	-	-	-	16.40	-	-	-
	Sub-Total (A)(1)	-	2	2,60,000	-	-	2,60,000	52.00	-	-	-	-	-	52.00	-	-	-
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Name (xyz...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Name (xyz...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Name (xyz...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Name (xyz...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Name (xyz...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	-	2	2,60,000	-	-	2,60,000	52.00	-	-	-	-	-	52.00	-	-	-

Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

**Note:**

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

**Table III - Statement showing shareholding pattern of the Public shareholder**

	Category & Name of the Shareholders (I)	PAN (II)	Nos. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) VIII	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights					Total as a % of Total Voting rights	No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)		As a % of total shares held (Not applicable) (b)
									Class X	Class Y	Total								
(1)	<b>Institutions</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Mutual Funds/ Name (Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds Name (Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds Name (Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/ Banks Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



(2)	<b>Central Government/ State Government(s)/ President of India</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(3)	<b>Non-institutions</b>																	
(a)	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs. ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	-	6	200	-	-	200	0.04	-	-	-	-	-	-	0.04	-	NA	-
	Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(e)	Any Other (specify)																	
	Prawas Leasing & Finance Private Limited	AABCP9125B	1	2,39,800	-	-	2,39,800	47.96	-	-	-	-	-	-	47.96	-	NA	-
	Sub-Total (B)(3)	-	7	2,40,000	-	-	2,40,000	48.00	-	-	-	-	-	48.00	-	NA	-	
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	-	7	2,40,000	-	-	2,40,000	48.00	-	-	-	-	-	48.00	-	NA	-	

Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

Note:

- (1) PAN would not be displayed on website of Stock Exchange(s).
- (2) The above format needs to be disclosed along with the name of following persons:  
Institutions/Non Institutions holding more than 1% of total number of shares.
- (3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian,

**Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder**

	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total no. shares held (VII) = (IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV) (Not Applicable)	
									No of Voting Rights					Total as a % of Total Voting rights	No.	As a % of total Shares held	No. (Not applicable)		As a % of total shares held (Not applicable)
									Class X	Class Y	Total								
(1)	Custodian/DR Holder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-		
(a)	Name of DR Holder (if available)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-		
(i)	abc,...	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-		
(ii)	efg,...	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-		
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-		
(a)	Name (abc...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-		
	Total NonPromoter-Non Public Shareholding (C)= (C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-		

**Note**

1. PAN would not be displayed on website of Stock Exchange(s).
2. The above format needs to disclose name of all holders holding more than 1% of total number of shares
3. W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available,

**Post Shareholding Pattern of the Lloyds Steels Industries Limited (Resulting Company) pursuant to Scheme of Arrangement (Post Allotment)****Holding of specified securities**

1. Name of Listed Entity: **Lloyds Steels Industries Limited** (The Company is proposed to be listed)
2. Scrip Code/Name of Scrip/Class of Security: N.A./ N.A./ Equity Shares
3. Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c)
  - c. If under 31(1)(b) then indicate the report for Quarter ending: 31<sup>st</sup> March, 2016
  - d. If under 31(1)(c) then indicate date of allotment/extinguishment: ---
4. **Declaration:** The Listed entity is required to submit the following declaration to the extent of submission of information:-

	<b>Particulars</b>	<b>Yes*</b>	<b>No*</b>
1	Whether the Listed Entity has issued any partly paid up shares?	---	No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?	---	No
3	Whether the Listed Entity has any shares against which depository receipts are issued?	---	No
4	Whether the Listed Entity has any shares in locked-in?	---	No
5	Whether any shares held by promoters are pledge or otherwise encumbered?	Yes	---

\* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.

**Table I - Summary Statement holding of specified securities**

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculate as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of (A+B+C)			No. (a)	As a % of total Shares held (b)	No.(a)	As a % of total shares held (b)	
								Class eg: X	Class eg: Y	Total								
(A)	Promoter & Promoter Group	2	414441116	-	-	414441116	46.12	414441116	-	414441116	46.12	-	46.12	-	-	202981965	48.98	414441116
(B)	Public	147278	484257266	-	-	484257266	53.88	484257266	-	484257266	53.88	-	53.88	-	-	-	-	470916339
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	NA	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>147280</b>	<b>898698382</b>	<b>-</b>	<b>-</b>	<b>898698382</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>202981965</b>	<b>22.58</b>	<b>885357455</b>

**Table II - Statement showing shareholding pattern of the Promoter and Promoter Group**

	Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights					Total as a % of Total Voting rights	No. (a)	As a % of total Shares held (b)	No. (a)		As a % of total shares held (b)
									Class X	Class Y	Total								
(1)	Indian																		
(a)	Individuals/Hindu undivided Family	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Name (xyz...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Name (xyz...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Name (xyz...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)																		
	First India Infrastructure Private Limited (Formerly Known Ultimate Logistics Solutions Private Limited)	AAB CU07 56F	1	288073478	-	-	288073478	32.05	288073478	-	288073478	32.05	-	32.05	-	105509256	36.63	288073478	
	Metallurgical Engineering and Equipment Limited	AAA CS80 4IG	1	126367638	-	-	126367638	14.06	126367638	-	126367638	14.06	-	14.06	-	97472709	77.13	126367638	

	Sub-Total (A)(1)	-	2	414441116	-	-	414441116	46.12	414441116	-	414441116	46.12	-	46.12	-	202981965	48.98	414441116
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (NonResident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Name (xyz...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Name (xyz...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Name (xyz...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Name (xyz...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Name (xyz...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	-	2	414441116	-	-	414441116	46.12	414441116	-	414441116	46.12	-	46.12	-	202981965	48.98	414441116

Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.

**Note:**

(3) PAN would not be displayed on website of Stock Exchange(s).

(4) The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.



Table III - Statement showing shareholding pattern of the Public shareholder

	Category & Name of the Shareholders (I)	PAN (II)	Nos. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) VIII	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights					Total as a % of Total Voting rights	No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)		As a % of total shares held (Not applicable) (b)
									Class X	Class Y	Total								
(1)	<b>Institutions</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Mutual Funds/	-	54	397530	-	-	397530	0.04	397530	-	397530	0.04	-	0.04	-	-	-	NA	602
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	Name (Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	Name (Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(f)	Financial Institutions/ Banks	-	23	138011696	-	-	138011696	15.36	138011696	-	138011696	15.36	-	15.36	-	-	-	NA	138007679
	State Bank of India	AACS8577K	1	34178025	-	-	34178025	3.80	34178025	-	34178025	3.80	-	3.80	-	-	-	NA	34178025
	IDBI Bank Limited	AABC18842G	1	102000000	-	-	102000000	11.35	102000000	-	102000000	11.35	-	11.35	-	-	-	NA	102000000
(g)	Insurance Companies	-	1	2985127	-	-	2985127	0.33	2985127	-	2985127	0.33	-	0.33	-	-	-	NA	2985127
	Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(i)	Any Other (specify)	-	11	40800	-	-	40800	0.00	40800	-	40800	0.00	-	0.00	-	-	-	NA	0.00
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	Sub-Total (B)(1)	-	89	141435153	-	-	141435153	15.74	141435153	-	141435153	15.74	-	15.74	-	-	-	NA	140993408

(2)	<b>Central Government/ State Government(s)/ President of India</b>	-	2	1020	-	-	1020	0.00	1020	-	1020	0.00	-	0.00	-	NA	680
	Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	Sub-Total (B)(2)	-	2	1020	-	-	1020	0.00	1020	-	1020	0.00	-	0.00	-	NA	680
(3)	<b>Non-institutions</b>																
(a)	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	-	142445	57017179	-	-	57017179	6.34	57017179	-	57017179	6.34	-	6.34	-	NA	45135055
			17	6303971	-	-	6303971	0.70	6303971	-	6303971	0.70	-	0.70	-	NA	6303971
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.																
	Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
	Name(Xyz)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	NA	-
(e)	Any Other (specify)		4725	279499943	-	-	279499943	31.10	279499943	-	279499943	31.10	-	31.10	-	NA	278483225
	Trump Investment Limited	AAACT7611H	1	25435376	-	-	25435376	2.83	25435376	-	25435376	2.83	-	2.83	-	NA	25435376
	Ragini Trading & Investments limited	AAACR1851P	1	9686386	-	-	9686386	1.08	9686386	-	9686386	1.08	-	1.08	-	NA	9686386
	Shree Global Tradefin Limited	AAACB2975J	1	128081808	-	-	128081808	14.25	128081808	-	128081808	14.25	-	14.25	-	NA	128081808
	UD Industrial Holding PTE Limited	AABCU5914D	1	86425806	-	-	86425806	9.62	86425806	-	86425806	9.62	-	9.62	-	NA	86425806
	Sub-Total (B)(3)	-	147187	342821093	-	-	342821093	38.15	342821093	-	342821093	38.15	-	38.15	-	NA	329926466

<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	-	147278	484257266	-	-	484257266	53.88	484257266	-	484257266	53.88	-	53.88	-	NA	470916339
<i>Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):</i>																
<i>Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.</i>																
<i>Note:</i>																
(4) PAN would not be displayed on website of Stock Exchange(s).																
(5) The above format needs to be disclosed along with the name of following persons: Institutions/Non Institutions holding more than 1% of total number of shares.																
(6) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian,																

**Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder**

	Category & Name of the Shareholders (I)	PAN (II)	No. of share holder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total no. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV) (Not Applicable)	
									No of Voting Rights					Total as a % of Total Voting rights	No.	As a % of total Shares held	No. (Not applicable)		As a % of total shares held (Not applicable)
									Class X	Class Y	Total								
(1)	<b>Custodian/DR Holder</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Name of DR Holder (if available)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	abc,...	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii)	efg,...	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	<b>Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Name (abc...)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total NonPromoter- Non Public Shareholding (C)= (C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<p><b>Note</b></p> <p>1. PAN would not be displayed on website of Stock Exchange(s).</p> <p>2. The above format needs to disclose name of all holders holding more than 1% of total number of shares</p> <p>3. W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available,</p>																			

**Top ten shareholders and number of Equity Shares held by them as on the date of Information Memorandum**

Sr. No.	Name of the Shareholder	No. of shares held	%
1	Firstindia Infrastructure Private Ltd	288073478	32.05
2.	Shree Global Tradefin Ltd	128081808	14.25
3.	Metallurgical Engineering and Equipments Ltd	126367638	14.06
4.	IDBI Bank Limited	102000000	11.34
5.	UD Industrial Holding Pte Ltd	86425806	9.61
6.	State Bank Of India	34178025	3.80
7.	Trump Investments Limited	25435376	2.83
8.	Ragini Trading & Investments Ltd	9686386	1.07
9.	UNO Metals Ltd	4467600	0.49
10.	AKG Finvest Ltd	3774000	0.41

**Top ten shareholders 10 days prior to the date of the Information Memorandum**

Sr. No.	Name of the Shareholder	No. of shares held	%
1.	Firstindia Infrastructure Private Ltd	288073478	32.05
2.	Shree Global Tradefin Ltd	128081808	14.25
3.	Metallurgical Engineering and Equipments Ltd	126367638	14.06
4.	IDBI Bank Limited	102000000	11.34
5.	UD Industrial Holding Pte Ltd	86425806	9.61
6.	State Bank Of India	34178025	3.80
7.	Trump Investments Limited	25435376	2.83
8.	Ragini Trading & Investments Ltd	9686386	1.07
9.	UNO Metals Ltd	4467600	0.49
10.	AKG Finvest Ltd	3774000	0.41

- a) The Company or its directors, its promoters have not entered into any buyback, standby or a similar arrangement to purchase equity shares of the company from any person.
- b) There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any manner during the period commencing from the date of approval of the scheme by the High Court at Bombay till listing of Equity Shares to be allotted as per the Scheme.
- c) There shall be only one denomination for the Equity Shares of the Company, subject to applicable regulations and Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.
- d) The Company has 147280 members as on date of filing the Information Memorandum.

## 5. OBJECTS AND RATIONALE OF THE SCHEME

### Profile of the Transferor/Demerged Company:

Uttam Value Steels Limited ("UVSL"), a company listed on the BSE Limited and the National Stock Exchange of India Limited, was originally incorporated on April 27, 1970 under the Companies Act, 1956 in the name and style of "Gupta Tubes and Pipes Private Limited". The name of the company was changed from "Gupta Tubes and Pipes Private Limited" to "Lloyds Steel Industries Private Limited" vide fresh certificate of incorporation dated September 10, 1985 issued by the Registrar of Companies, Mumbai, Maharashtra. The name of the company was subsequently changed from "Lloyds Steel Industries Private Limited" to "Lloyds Steel Industries Limited" vide fresh certificate of incorporation dated June 3, 1986 issued by the Registrar of Companies, Mumbai, Maharashtra. The name of UVSL was further changed from "Lloyds Steel Industries Limited" to the present name of the company being, "Uttam Value Steels Limited" vide fresh certificate of incorporation dated March 18, 2013 issued by the Registrar of Companies, Mumbai, Maharashtra.

UVSL is a listed company listed on BSE and NSE having ISIN number- INE292A01015 and having its registered office at 4th Floor, Uttam House, 69, P.D'mello Road, Mumbai 400009, in the State of Maharashtra., CIN No: L27100MH1970PLC014621 Tel: 022-66563500, Fax: 022- 67529295/ 022- 23485025, Website: [www.uttamvalue.com](http://www.uttamvalue.com)

The Demerged/Transferor Company is primarily engaged in the businesses of Manufacturing of Hot rolled coils, Cut to Length Sheets, Plates, CRFH Coils, CRFH Sheets, Galvanized Hard Corrugated sheets and Galvanized soft coils and trading in steel with various customers.

### SCHEME OF ARRANGEMENT OF DEMERGER

#### A. Background

1. The Demerged Company commenced its business in 1970 and has been *inter alia* carrying on the businesses of Manufacturing of Hot rolled coils, Cut to Length Sheets, Plates, CRFH Coils, CRFH Sheets, Galvanized Hard Corrugated sheets and Galvanized soft coils and trading in steel with various customers. It also provides engineering services to the clients.
2. The Scheme provides for the transfer and vesting of Engineering Division of Uttam Value Steels Limited by the way of a demerger to the Resulting Company, and the consequent issue of equity shares by the Resulting Company to the shareholders of the Demerged Company pursuant to Sections 391 to 394 and other relevant provisions of the Act, and various other matters consequential to or otherwise integrally connected with the above in the manner provided for in the Scheme.

#### B. Rationale for the De-merger

1. The demerger will result in increased financial strength and flexibility and enhance the ability of UVSL and LSIL to undertake their respective projects, thereby contributing to enhancement of future business potential;
2. This Scheme will enable the business comprised in the Demerged Undertaking and Remaining Undertaking of UVSL to be pursued and carried on more conveniently and advantageously with greater focus and attention through two separate companies, i.e. UVSL and LSIL, each having their own management team and set up. The same will facilitate the business considerations and factors applicable to the said businesses to be addressed more effectively and adequately by the respective companies;
3. "Lloyds Steels Industries Limited" or LSIL (being similar to the erstwhile name of UVSL) was preferred for the purpose of demerger of the Demerged Undertaking since the aforesaid name carries certain kind of recognition, brand recall and intellectual proprietary value before various stakeholders of UVSL, in relation to the business of the Demerged Undertaking;
4. The transfer and vesting of the Demerged Undertaking of UVSL into LSIL, by way of demerger, would facilitate focused management attention, provide leadership vision, facilitate efficiency in operations due to individual specialization, provide greater leveraging due to financial independence and facilitate strategic/ financial investment;

5. It is believed that the proposed segregation will create/ unlock value for shareholders and allow a focused strategy in operations, which would be in the best interest of UVSL and LSIL and their respective shareholders and all persons connected with them; and
6. The Scheme is in the interest of shareholders, creditors and there is no likelihood that any shareholder or creditor of either UVSL or LSIL would be prejudiced as a result of the Scheme of Arrangement.

## 6. SALIENT FEATURES OF THE SCHEME PERTAINING TO DE-MERGER OF ENGINEERING DIVISION OF UTTAM VALUE STEELS LIMITED INTO LLOYDS STEELS INDUSTRIES LIMITED:

### The salient features of the Scheme are as follows:

- a) The Scheme envisages the demerger of Engineering Division of Uttam Value Steels Limited (“Demerged Company”/ “UVSL”) into Lloyds Steels Industries Limited (“Resulting Company”/ “LSIL”) pursuant to Section 391 to 394 and other relevant provisions of the Companies Act, 1956 for the time being in force and to the extent notified provisions of the Companies Act, 2013 on a going concern basis the manner provided for in the Scheme.
- b) The “**Appointed Date**” means April 01, 2014 or such other date as the relevant Adjudicating Body (ies) may direct or fix, for the purpose of this Scheme.
- c) The “**Effective Date**” means the last of (a) the dates on which the sanctions, approvals or orders as specified in Clause 22 of the Scheme have been obtained; or (b) the dates on which the certified/ authenticated copies of the Order(s) of the relevant Adjudicating Body, are filed with the relevant Registrar of Companies.  
All references in the Scheme to the date of “coming into effect of the/ this Scheme” shall mean the Effective Date.
- d) The “**Record Date**” means the date to be fixed by the Board of Directors of UVSL, upon the Scheme coming into effect, and if required, in consultation with LSIL, for the purpose of reckoning name of the equity shareholders of UVSL, who shall be entitled to receive the equity shares of LSIL and for any other purpose (including reorganization of share capital of UVSL) as provided in the Scheme.
- e) The “**Engineering Division of UVSL**” means a division of UVSL being involved in fabrication of all types of mechanical, structural, electrical, metallurgical, chemical plants equipments including dryers, boilers, power plant equipments, manufacturing of capital equipments, and execution of turnkey projects right from conceptualizing to commissioning and includes supply of spares and services to all the major oil, gas, port, trust and various government bodies.
- f) The “**Remaining Undertaking**” means all the undertakings, business activities and operations of UVSL, other than those comprised in the Demerged Undertaking, as on the commencement of the Appointed Date and as modified and altered from time to time to the Effective Date.
- g) Upon the Scheme coming into effect and in consideration of the demerger of the Demerged Undertaking into LSIL, without any further act or deed on the part of LSIL, LSIL will issue and allot 89,86,98,382 equity shares of Re.1 each (the “**New Shares**”). The New Shares will be issued to registered fully paid-up equity shareholders of UVSL in the ratio of 68:100, i.e. 68 equity shares of Re.1 each credited as fully paid up in LSIL for every 100 equity shares of Rs.10 each fully paid up held by them in UVSL) (the “**New Shares Entitlement Ratio**”). The New Shares will be issued to registered fully paid-up equity shareholders of UVSL whose names are recorded in the register of equity shareholders of UVSL on the Record Date which may be prior to the reduction of paid-up share capital and sub-division of face value of shares of UVSL, as more particularly provided under Clauses 9.1 and 9.3 of the Scheme.
- h) The issued, subscribed and paid-up share capital of LSIL being, 5,00,000 equity shares of Re.1 each (the “**Existing LSIL Shares**”) aggregating to Rs.5,00,000 are currently held by certain existing shareholders (the “**Existing LSIL Shareholders**”). Upon the completion of issue and allotment of the New Shares to the relevant shareholders of UVSL pursuant to the Scheme coming into effect, all Existing LSIL Shares, being, 5,00,000 equity shares of Re.1 each aggregating to Rs.5,00,000 of LSIL held by the Existing LSIL Shareholders or any of their respective transferee(s) (*of the Existing LSIL Shares*), if any, as on the Effective Date shall stand cancelled, without any further act or deed and the paid-up share capital of LSIL shall stand reduced proportionately to such extent.
- i) The Shares allotted pursuant to the Scheme shall remain frozen in the Depositories System until listing/trading permission is given by the designated stock exchange.



- j) No equity shares shall be issued and allotted in respect of fractional entitlements, if any, by LSIL to which the equity members of UVSL may be entitled on issue and allotment of shares as mentioned in Clause 7.1 of the Scheme. The Board of Directors of LSIL shall, instead consolidate all such fractional entitlements and thereupon distribute/transfer equity shares in lieu thereof to a director or an officer of LSIL or such other person as the Board of Directors of LSIL shall appoint in this behalf who shall hold the shares in trust on behalf of the members of UVSL entitled to fractional entitlements with the express understanding that such director(s) or officer(s) or person(s) shall sell the same in the market at such time or times and at such price or prices in the market and to such person or persons, as it/he/they deem fit, and pay to LSIL, the net sale proceeds thereof, whereupon LSIL shall distribute such net sale proceeds, subject to tax deductions as applicable, to the members of UVSL in proportion to their respective fractional entitlements.
- k) There shall be no change in the shareholding pattern or control in LSIL between the record date and the listing of the shares of LSIL by the relevant stock exchanges in terms of the Scheme.
- l) The Resulting Company will endeavour that the Equity Shares of the Company issued pursuant to this Scheme be listed and/or admitted to trading on all the Stock exchanges in which the shares of UVSL (Demerged Company) are listed.
- m) The Scheme provides that all the staff, workmen and employees of UVSL in respect of the Engineering Division of UVSL in service on such date shall become staff, workmen and employees of LSIL with effect from the Effective Date without any break in their service and on the basis of continuity of service and the terms and conditions of their employment with UVSL shall not be less favourable than those applicable to them with reference to the Demerged Undertaking on the Effective Date. The position, rank and designation of the employees would however be decided by LSIL. In so far as the Provident Fund, Gratuity Fund or any other Special Fund created or existing for the benefit of the staff, workmen and employees of the Demerged Undertaking are concerned, upon the Scheme coming into effect, LSIL shall stand substituted for UVSL for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of UVSL in relation to such Fund or Funds shall become those of LSIL, respectively, and all the rights, duties and benefits of the staff, workmen and employees employed in the Demerged Undertaking under such Funds and Trusts shall be protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of the Demerged Undertaking will be treated as having been continuous for the purpose of the said Fund or Funds.
- n) LSIL shall be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government or any other agency, department or other authorities concerned as may be necessary under law, for such consents, approvals and sanctions which LSIL, respectively, may require to own and operate the Demerged Undertaking.
- o) The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- p) All the assets forming part of the Engineering Division of UVSL as on the commencement of the Appointed Date including, as more particularly described under **Schedule 'A'** hereto;
- q) All debts, liabilities, duties and obligations attached to and/or forming part of the Engineering Division of UVSL as on the commencement of the Appointed Date including, as more particularly described under **Schedule 'B'** hereto;

**Schedule A**  
**List of Assets relating to the Demerged Undertaking (As on the Appointed Date)**

Particulars	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)
<b>Assets</b>		
<b>Fixed Assets:</b>		
1. Land	146.66	
2. Building	777.00	
3. Plant & Machinery	3242.78	
4. Electrical Installations	138.23	
5. Computers and Office Equipments	247.95	
6. Furniture and Fixtures	157.54	
7. Motor Vehicles	321.42	
Gross Block	5031.58	
Less: Depreciation	3715.89	
Net Block		<b>1315.69</b>
Capital Work in Progress		1007.05
<b>Current Assets:</b>		
Inventories	10,656.98	
Trade receivable	4,309.35	
Cash & Cash Equivalents	1,437.97	
Loans and Advances	45,024.79	
Total Current Assets		61,429.09
<b>Total Assets</b>		<b>63,751.93</b>

**Schedule B**

**List of Liabilities, Debt and Claims to the Demerged Undertaking (as on the Appointed Date)**

Particulars	Amount (Rs. In Lakhs)	Amount (Rs. In Lakhs)
Unsecured Loans		60.67
<b>Current Liabilities:</b>		
1. Trade Payables	12,109.33	
2. Other Current Liabilities	42,324.74	
3. Other	366.19	54,800.26
<b>Total Liabilities</b>		<b>54,860.93</b>

**SEQUENCE OF EVENTS OF SCHEME OF ARRANGEMENT:**

1. Board of Directors of the Demerged/Transferor Company and Resulting Company approved the Scheme of Arrangement at its meeting held on 25<sup>th</sup> June, 2014.
2. Letters of approvals received from BSE and NSE granting In-Principle approval for listing of Equity Shares pursuant to Scheme dated 14<sup>th</sup> October, 2014 and 20<sup>th</sup> October, 2014 respectively.
3. Application filed with Hon'ble High Court of Bombay on 03<sup>rd</sup> November, 2014 and for the following :
  - a) Convening Shareholders' meeting of the Demerged/Transferor Company
  - b) Dispensation of Creditors' Meeting and sent letter thorough Registered A.D. to all the Creditors of the Demerged/Transferor Company.
  - c) Dispensation of Shareholders' Meeting of the Resulting Company
  - d) Dispensation of Creditors' Meeting of the Resulting Company.
4. The Hon'ble High Court of Bombay issued order on 12<sup>th</sup> December, 2014 for the following:
  - a) Convening Shareholders' meeting of the Demerged/Transferor Company on 22<sup>nd</sup> January, 2015
  - b) Dispensation of Creditors' Meeting of the Demerged/Transferor Company.
  - c) Dispensation of Shareholders' Meeting of the Resulting Company
  - d) Dispensation of Creditors' Meeting of the Resulting Company.
5. The Demerged/Transferor Company held Shareholders' meeting on 22<sup>nd</sup> January, 2015.
6. The Demerged/Transferor Company and Resulting Company had filed petition with the High Court of Bombay on 24<sup>th</sup> June, 2015.
7. The High Court of Bombay admitted the petition on 31<sup>st</sup> July, 2015 and issued orders fixing date for final hearing on 11<sup>th</sup> September, 2015 subsequently final hearing scheduled to 09<sup>th</sup> October, 2015.
8. The Scheme of Arrangement sanctioned by the Hon'ble High Court of Bombay on 30<sup>th</sup> October, 2015 and by Speaking to the Minutes of the Order dated 30<sup>th</sup> November, 2015 for both Demerged/Transferor Company and Resulting Company. The Certified copy of High Court Order received by the Company on 8<sup>th</sup> January, 2016. The Copy of High Court order filed with the Registrar of Companies, Maharashtra, Mumbai on 15<sup>th</sup> January, 2016 for both De-Merged /Transferor Company and Resulting Company.
9. Effective Date being the date of filing of Copy of High Court Order with the Registrar of Companies, Maharashtra, Mumbai being 15<sup>th</sup> January, 2016.
10. The Company in terms of the Scheme of Arrangement cancelled the 5,00,000 Equity Shares of Re.1/- each fully paid-up amounting to Rs.5,00,000/- on 31.3.2016 and allotted on the same date 89,86,98,382 Equity Shares of Re.1/- each fully paid-up for a value of Rs.89,86,98,382/- to the Equity Share Holders of Uttam Value Steels Limited, whose names were appearing in the Register of Members of UVSL on the Record Date (29.03.2016) in the ratio of 68:100 as per the Scheme of Arrangement.
11. The Company made application for Listing of the Allotted Equity Shares in NSE and BSE on 16.4.2016 and received In-Principle Listing Approval from NSE on 17.6.2016 and from BSE on 23.6.2016.
12. The Company received approval from SEBI vide Letter No. **DIL-2/PR/RV/19203/2016** dated **July 05, 2016** granting relaxation from the strict enforcement of the requirement of Rule 19(2) (b) of the SCRR for the purpose of listing of shares of the Resulting Company.

**7. STATEMENT OF POSSIBLE TAX BENEFITS**

The possible benefit to the Company and Shareholders as per the Income Tax Act has been summarized by the Statutory Auditors as below:

**STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS****TO THE BOARD OF DIRECTORS OF LLOYDS STEELS INDUSTRIES LIMITED  
(the "Company")**

We have prepared a statement of possible tax benefits available to the Company and its shareholders on the basis of current direct tax laws presently in force in India, subject to the fulfillment of the respective requirements of the relevant provisions.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his / her/ their own tax consultant with respect to the tax implications of an investment in equity shares particularly in view of the act that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

We do not express any opinion or provide any assurance as to whether:-

- Ø The Company or its shareholders will continue to obtain these benefits in future;
- OR
- Ø The conditions prescribed for availing the benefits have been / would be met with;
- Ø The revenue authorities / courts will concur with the views expressed herein.

Our views are based on the existing provisions of law and its interpretations, which are subject to change from time to time. We do not assume responsibility to up-date the views of such changes.

The contents of the enclosed statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. While all reasonable care has been taken in the preparation of this opinion, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

The report is intended solely for information and for the inclusion in the Information Memorandum to be issued in connection with the proposed listing of 898698382 equity shares of Re. 1 each and is not to be used or referred to or distributed for any other purpose without our prior written consent.

**For Todarwal & Todarwal  
Chartered Accountants,  
Firm Registration No. 111009W**

**Sunil Todarwal  
Partner  
Membership No. 032512**

**Date: 18.03.2016**

*(The statement below is written in explanatory language. The bare version of the relevant sections of this statement are mentioned separately)*

## **Tax Benefits to the Company**

### **A. Depreciation**

#### **A.1 Unabsorbed Depreciation: -**

- Section 72A(4) of the Act allows the transfer and utilization of unabsorbed depreciation to the extent directly relatable to the undertaking transferred to the resulting company. In other words, the resulting company can carry forward and set off unabsorbed depreciation of the transferred undertaking towards the profit of the said undertaking thereby reducing their overall tax obligation.
- However, where such unabsorbed depreciation is not directly related to the undertaking transferred i.e. it cannot be ascertained directly how much pertains to the undertaking transferred, such unabsorbed depreciation will be apportioned between the demerged and the resulting company in the same proportion in which the assets of the undertaking have been retained by the demerged company and transferred to the resulting company.
- Therefore, based on the records maintained by the demerged company prior to the demerger, the resulting company i.e. Lloyds Steels Industries Limited can claim unabsorbed depreciation to reduce their overall tax liability.

#### **A.2 Additional Depreciation: -**

- Section 32(1)(iia) of the Act allows additional depreciation up to 20% of the original cost of new plant and machinery acquired and installed over and above the general depreciation allowance. However, if the asset is used for a period of less than 180 days during the year immediately prior to the demerger, the additional depreciation will be allowed to the extent of 10% (i.e. half of the actual additional depreciation allowance of 20%).

Section 32 (5th proviso) of the Act state that the Written Down Value of the assets of the demerged division appearing in the books of the demerged company will be the same as of those assets appearing in the resulting company after demerger. In other words, the resulting company can claim the additional depreciation of 10% on all those assets on which additional depreciation of 10% was claimed by the demerged company prior to the demerger.

### **B. Carry Forward of Accumulated Loss**

- Section 72A(4) of the Act allows the transfer and utilization of accumulated losses to the extent directly relatable to the undertaking transferred to the resulting company. In other words, the resulting company can carry forward and set off accumulated losses of the transferred undertaking towards the profit of the said undertaking thereby reducing their overall tax obligation.
- However, where such a loss is not directly related to the undertaking transferred i.e. it cannot be ascertained directly as to how much pertains to the undertaking transferred, such loss will be apportioned between the demerged and the resulting company in the same proportion in which the assets of the undertaking have been retained by the demerged company and transferred to the resulting company.
- Therefore, based on the records maintained by the demerged company prior to the demerger, the resulting company i.e. Lloyds Steels Industries Limited can claim accumulated losses to reduce their overall tax liability.

**C. Amortization of expenditure in case of demerger**

- Section 35DD of the Act provides for deduction of expenditure incurred for the purpose of demerger. The expenditure on demerger is to be amortized over a period of 5 years.
- 

**D. Bad Debts Recovery – Not Chargeable**

- Section 41(4) of the Act provides that any bad debt allowed as a deduction under section 36(1)(vii) and subsequently recovered, will be chargeable to tax as income. However, a judgement passed by the Tribunal in Commissioner of Income-Tax vs P.K. Kaimal on 23 October, 1979 (1980 123 ITR 755 Mad) states that the subsequent recovery of bad debts will be chargeable to tax only when the assessee who is being charged to tax is the same as the one who had claimed deduction under section 36 (I) (vii).

In the case of demerger, if the demerged company had taken a deduction under section 36(1)(vii) of the Act and after demerger if the same bad debts is recovered by the resulting company, the said recovery will not be chargeable to tax in the hands of the resulting company.

**Tax Benefits to the Shareholders****A. Exemption of Capital Gains on receipt of Shares**

- Section 45 of the Income Tax Act states that, any profit or gains arising from transfer of a capital asset will be chargeable to income tax under the head 'Capital Gains'. However, Section 47(vii) of the Act provides relief in the case of a demerger wherein it states that any transfer or issue of shares by the resulting company, in a scheme of demerger, to the shareholders of the demerged company, if the transfer or issue is made in consideration of demerger of the undertaking, such transfer will not attract capital gains tax.

**B. Capital Gains Computation on subsequent sale of shares**

- Section 2(42A) of the Act classifies Capital Assets into short term and long term based on the period of holding. Under the said section, equity shares held for a period of less than 12 months is considered as a short term capital asset and sale of short term capital asset attracts a short term capital gains of 15% (if STT not paid, then 30%). A long-term capital asset attracts a long term capital gain tax of NIL (if STT is not paid, then 20%). The period of holding is determined from the date of purchase of shares till the date of sale.

However, in the case of demerger, the date of acquisition of shares will be the date when the original shares were acquired of the demerged company and not the date when such shares were actually issued by the resulting company post demerger.

- Therefore, if a shareholder has already held shares in the demerged company prior to the demerger for more than 12 months, and then receives new equity shares after demerger of the resulting company and decides to sell these shares immediately, the sale will be considered as Long term capital gains and hence will attract NIL tax (if STT not paid, then 20% tax)

**Bare Act  
(Relevant Portions)**

**Demerger**

Section 2(19AA) - “demerger”, in relation to companies, means the transfer, pursuant to a scheme of arrangement under sections 391 to 394 of the Companies Act, 1956 (1 of 1956), by a demerged company of its one or more undertakings to any resulting company in such a manner that—

- (i) all the property of the undertaking, being transferred by the demerged company, immediately before the demerger, becomes the property of the resulting company by virtue of the demerger;
- (ii) all the liabilities relatable to the undertaking, being transferred by the demerged company, immediately before the demerger, become the liabilities of the resulting company by virtue of the demerger;
- (iii) the property and the liabilities of the undertaking or undertakings being transferred by the demerged company are transferred at values appearing in its books of account immediately before the demerger;
- (iv) the resulting company issues, in consideration of the demerger, its shares to the shareholders of the demerged company on a proportionate basis <sup>88</sup>[except where the resulting company itself is a shareholder of the demerged company];
- (v) the shareholders holding not less than three-fourths in value of the shares in the demerged company (other than shares already held therein immediately before the demerger, or by a nominee for, the resulting company or, its subsidiary) become share-holders of the resulting company or companies by virtue of the demerger, otherwise than as a result of the acquisition of the property or assets of the demerged company or any undertaking thereof by the resulting company;
- (vi) the transfer of the undertaking is on a going concern basis;
- (vii) the demerger is in accordance with the conditions, if any, notified under sub-section (5) of section 72A by the Central Government in this behalf.

**Demerged Company**

Section 2(19AAA) “demerged company” means the company whose undertaking is transferred, pursuant to a demerger, to a resulting company;]

**Resulting Company**

Section 2(41A) “resulting company” means one or more companies (including a wholly owned subsidiary thereof) to which the undertaking of the demerged company is transferred in a demerger and, the resulting company in consideration of such transfer of undertaking, issues shares to the shareholders of the demerged company and includes any authority or body or local authority or public sector company or a company established, constituted or formed as a result of demerger.

**Short-term Capital Asset (Period of Holding)**

Section 2(42A) - “short- term capital asset” means a capital asset held by an assessee for not more than thirty-six] months immediately preceding the date of its transfer“:)] Provided that in the case of a share held in a company 7 or any other security listed in a recognized stock exchange in India or a unit of the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963 ) or a unit of a Mutual Fund specified under clause (23D) of section 10], the provisions of this clause shall have effect as if for the words" thirty- six months", the words" twelve months" had been substituted.] Explanation 1].-- In determining the period for which any capital asset is held by the assessee—

- (a) in the case of a share held in a company in liquidation, there shall be excluded the period subsequent to the date on which the company goes into liquidation;
- (b) in the case of a capital asset which becomes the property of the assessee in the circumstances mentioned in 9 sub- section (1)] of section 49, there shall be included the period for which the asset was held by the previous owner referred to in the said section;
- (c) in the case of a capital asset being a share or shares in an Indian company, which becomes the property of the assessee in consideration of a transfer referred to in clause (vii) of section 47, there shall be included the period for which the share or shares in the amalgamating company were held by the assessee;]
- (d) in the case of a capital asset, being a share or any other security (hereafter in this clause referred to as the financial asset) subscribed to by the assessee on the basis of his right to subscribe to such financial asset or subscribed to by the person in whose favour the assessee has renounced his right to subscribe to such financial asset, the period shall be reckoned from the date of allotment of such financial asset;

#### **Additional Depreciation**

Section 32(1)(iia) - in the case of any new machinery or plant (other than ships and aircraft), which has been acquired and installed after the 31st day of March, 2005, by an assessee engaged in the business of manufacture or production of any article or thing 90[or in the business of generation or generation and distribution of power], a further sum equal to twenty per cent of the actual cost of such machinery or plant shall be allowed as deduction under clause (ii) :

Provided that no deduction shall be allowed in respect of—

- (A) any machinery or plant which, before its installation by the assessee, was used either within or outside India by any other person; or
- (B) any machinery or plant installed in any office premises or any residential accommodation, including accommodation in the nature of a guest-house; or
- (C) any office appliances or road transport vehicles; or
- (D) any machinery or plant, the whole of the actual cost of which is allowed as a deduction (whether by way of depreciation or otherwise) in computing the income chargeable under the head “Profits and gains of business or profession” of any one previous year;]

#### **Investment in new plant or machinery**

Section 32AC. (1) Where an assessee, being a company, engaged in the business of manufacture or production of any article or thing, acquires and installs new asset after the 31st day of March, 2013 but before the 1st day of April, 2015 and the aggregate amount of actual cost of such new assets exceeds one hundred crore rupees, then, there shall be allowed a deduction,—

- (a) for the assessment year commencing on the 1st day of April, 2014, of a sum equal to fifteen per cent of the actual cost of new assets acquired and installed after the 31st day of March, 2013 but before the 1st day of April, 2014, if the aggregate amount of actual cost of such new assets exceeds one hundred crore rupees; and
- (b) for the assessment year commencing on the 1st day of April, 2015, of a sum equal to fifteen per cent of the actual cost of new assets acquired and installed after the 31st day of March, 2013 but before the 1st day of April, 2015, as reduced by the amount of deduction allowed, if any, under clause (a).

The following sub-sections (1A) and (1B) shall be inserted after sub-section (1) of section 32AC by the Finance (No. 2) Act, 2014, w.e.f. 1-4-2015:

- (1A) Where an assessee, being a company, engaged in the business of manufacture or production of any article or thing, acquires and installs new assets and the amount of actual cost of such new assets acquired and installed during any previous year exceeds twenty-five crore rupees, then, there shall be allowed a deduction of a sum equal to fifteen per cent of the actual cost of such new assets for the assessment year relevant to that previous year:



Provided that no deduction under this sub-section shall be allowed for the assessment year commencing on the 1st day of April, 2015 to the assessee, which is eligible to claim deduction under sub-section (1) for the said assessment year.

- (1B) No deduction under sub-section (1A) shall be allowed for any assessment year commencing on or after the 1st day of April, 2018.
- (2) If any new asset acquired and installed by the assessee is sold or otherwise transferred, except in connection with the amalgamation or demerger, within a period of five years from the date of its installation, the amount of deduction allowed under sub-section (1) 62a[or sub-section (1A)] in respect of such new asset shall be deemed to be the income of the assessee chargeable under the head “Profits and gains of business or profession” of the previous year in which such new asset is sold or otherwise transferred, in addition to taxability of gains, arising on account of transfer of such new asset.
- (3) Where the new asset is sold or otherwise transferred in connection with the amalgamation or demerger within a period of five years from the date of its installation, the provisions of sub-section (2) shall apply to the amalgamated company or the resulting company, as the case may be, as they would have applied to the amalgamating company or the demerged company.
- (4) For the purposes of this section, “new asset” means any new plant or machinery (other than ship or aircraft) but does not include—
- (i) any plant or machinery which before its installation by the assessee was used either within or outside India by any other person;
  - (ii) any plant or machinery installed in any office premises or any residential accommodation, including accommodation in the nature of a guest house;
  - (iii) any office appliances including computers or computer software;
  - (iv) any vehicle; or
  - (v) any plant or machinery, the whole of the actual cost of which is allowed as deduction (whether by way of depreciation or otherwise) in computing the income chargeable under the head “Profits and gains of business or profession” of any previous year.]

#### **Amortization of expenditure in case of amalgamation or demerger.**

Section 35DD. (1) Where an assessee, being an Indian company, incurs any expenditure, on or after the 1st day of April, 1999, wholly and exclusively for the purposes of amalgamation or demerger of an undertaking, the assessee shall be allowed a deduction of an amount equal to one-fifth of such expenditure for each of the five successive previous years beginning with the previous year in which the amalgamation or demerger takes place.

(2) No deduction shall be allowed in respect of the expenditure mentioned in sub-section (1) under any other provision of this Act.]

#### **Bad Debts**

Section 36 (1) - The deductions provided for in the following clause shall be allowed in respect of the matters dealt with therein, in computing the income referred to in section 28: -

Clause (vii) Subject to the provisions of sub-section (2), the amount of [any bad debt or part thereof 39 which is written off as irrecoverable in the accounts of the assessee for the previous year]:

[Provided that in the case of [an assessee] to which clause (vii) applies, the amount of the deduction relating to any such debt or part thereof shall be limited to the amount by which such debt or part thereof exceeds the credit balance in the provision for bad and doubtful debts account made under that clause.]

[Explanation 1].—For the purposes of this clause, any bad debt or part thereof written off as irrecoverable in the accounts of the assessee shall not include any provision for bad and doubtful debts made in the accounts of the assessee;]

[Explanation 2.—For the removal of doubts, it is hereby clarified that for the purposes of the proviso to clause (vii) of this sub-section and clause (v) of sub-section (2), the account referred to therein shall be only one account in respect of provision for bad and doubtful debts under clause (vii) and such account shall relate to all types of advances, including advances made by rural branches;]

**Bad Debts Recovered**

Section 41(4) - Where a deduction has been allowed in respect of a bad debt or part of debt under the provisions of clause (vii) of sub-section (1) of section 36, then, if the amount subsequently recovered on any such debt or part is greater than the difference between the debt or part of debt and the amount so allowed, the excess shall be deemed to be profits and gains of business or profession, and accordingly chargeable to income-tax as the income of the previous year in which it is recovered, whether the business or profession in respect of which the deduction has been allowed is in existence in that year or not.

**Capital Gains in case of Demerger**

Section 47 (vid) - Nothing contained in section 45 shall apply to any transfer or issue of shares by the resulting company, in a scheme of demerger to the shareholders of the demerged company if the transfer or issue is made in consideration of demerger of the undertaking.

**Carry Forward and Set-off of Accumulated Loss and Unabsorbed Depreciation**

Section 72(A)(4) - Notwithstanding anything contained in any other provisions of this Act, in the case of a demerger, the accumulated loss and the allowance for unabsorbed depreciation of the demerged company shall—

- (a) where such loss or unabsorbed depreciation is directly relatable to the undertakings transferred to the resulting company, be allowed to be carried forward and set off in the hands of the resulting company;
- (b) where such loss or unabsorbed depreciation is not directly relatable to the undertakings transferred to the resulting company, be apportioned between the demerged company and the resulting company in the same proportion in which the assets of the undertakings have been retained by the demerged company and transferred to the resulting company, and be allowed to be carried forward and set off in the hands of the demerged company or the resulting company, as the case may be.

**8. COMPANY HISTORY & MANAGEMENT - ABOUT LLOYDS STEELS INDUSTRIES LIMITED**

Lloyds Steels Industries Limited ("LSIL") was incorporated on the 19<sup>th</sup> day of September, 1994 as "Climan Properties Private Limited". The name of the Company has been changed from Climan Properties Private Limited to "Climan Properties Limited" vide fresh certificate of incorporation dated 17<sup>th</sup> April, 2000. The name of the Company was further changed to "Encon Technologies Limited" vide fresh certificate of incorporation dated 19<sup>th</sup> April, 2000. The name of the Company has been further changed from Encon Technologies Limited to "Lloyds Encon Technologies (I) Limited" vide fresh certificate of incorporation dated 31<sup>st</sup> May, 2011. The name of the company has been subsequently changed to the present name of the company i.e. "Lloyds Steels Industries Limited" vide fresh certificate of incorporation dated 4<sup>th</sup> May, 2013.

The Registered Office of the Company is at Plot No. A-5/ 5, MIDC Industrial Area, Murbad Road, Thane-421 401.

**Main Object of the Company:**

The objects for which the LSIL has been established are set out in its Memorandum of Association. The main objects are set out hereunder:

1. To carry on business of all kind of iron and steel foundries, steel melters, steel makers, steel sharpeners and manufacturing, fabrication of all types of mechanical, structural, electrical, metallurgical, chemical plants, equipments including dryers, boilers, power plant equipments, all types of steel plant equipments, hydraulic equipments, loading and unloading arms, spares, mechanical engineers and fabricators, turnkey contractors, casting and to buy, take on lease or hire, sell, import, export, manufacture, process, repair, convert, let on hire, otherwise deal in such products, stores, packing materials, by-products and allied commodities, machineries and implements.
2. To carry on the business of developers, builders, masonry and General Construction Contractors, including Construction and execution of infrastructure projects, Estate Agents, Erectors, Constructors of buildings, houses, apartments, structures, shelters, whether upon or otherwise, civil engineering and or residential, office, Industrial, Institutional or commercial or developer of Co-Operative housing societies, developers of townships, holiday resorts, hotels, motels and to equip the same or part thereof with all or any amenities or conveniences, drainage facility, electric, and to deal with the same in any manner whatsoever.

3. To carry on, construct, set-up, erect, manage, supervise and control the business and/or execution of transmitting, manufacturing, supplying, generating, distributing and dealing in electricity and all forms of energy and power generated by any source whether nuclear, steam, hydro or tidal, water, wind, solar, hydrocarbon fuel or any other form, kind or description.
4. To carry on in India or abroad the business of establishing, setting up, commissioning, operating and maintaining electric power transmission systems/networks, power systems, generating stations based on conventional/ non-conventional resources for evacuation, transmission, distribution, trading or supply of power through establishing or using stations, tie-lines, sub-stations and transmission or distribution lines in any manner including build, own and transfer (BOT), and/or build, own and operate (BOO) and/or build, own, lease and transfer (BOLT) and/or build, own, operate and transfer (BOOT) basis or otherwise singly and/or jointly with any other consortium member/company and to acquire in any manner power transmission systems/networks, power systems, generation stations, tie-lines, sub-stations and transmission or distribution systems from State Electricity Boards, Vidyut Boards, Power Utilities, Generating Companies, Transmission Companies, Distribution Companies, Central or State Government Undertakings, Licensees, other local authorities or statutory bodies, other captive or independent power producers and distributors and to do all the ancillary , related or connected activities as may be considered necessary or beneficial or desirable for or along with any or all of the aforesaid purposes which can be conveniently carried on these systems, networks or platforms.
5. To plan, develop, establish, bid, construct, set-up, erect, acquire , operate, run, manage, hire, lease, buy, sell, maintain, enlarge, alter, renovate, modernize, work and use power system networks of all types including ultra high voltage (UHV), extra-high voltage (EHV), high voltage (HV), high voltage direct current (HVDC), medium voltage (MV) and low voltage (LV) lines, Solar and associated stations, substations, transmission and distribution centers, systems and networks and to lay cables, wires, accumulators, plants, motors, meters, apparatus, computers, telecommunication and telemetering equipment and other materials connected with generation, transmission, distribution, supply and other ancillary activities relating to the electrical power and to undertake for and on behalf of others all these activities in any manner.

#### **Change in Memorandum and Articles of Association since the Company's inception:**

<b>Date</b>	<b>Particulars</b>
<b>March 02, 2000</b>	Conversion from Climan Properties Private Limited into Public Limited Company. Hence, the name was changed to Climan Properties Limited w.e.f. April 17, 2000.
<b>March 02, 2000</b>	Alteration in the main object clause of MOA w.e.f. April 17, 2000
<b>April 19, 2000</b>	Alteration in name clause from change of name from Climan Properties Limited to Encon Technologies Limited with effect from April 19, 2000
<b>August 30, 2006</b>	Alteration in MOA by adding Sr. No 99 under the heading "other object" with effect from August 06, 2007
<b>May 31, 2011</b>	Alteration in the name clause from change of name from Encon Technologies Limited to Lloyds Encon Technologies (I) Limited effective from May 31, 2011
<b>April 26, 2013</b>	Amendment of Sr. No. 97 under the heading "Other Objects" in MOA effective from 3 <sup>rd</sup> May, 2013.
<b>April 26, 2013</b>	Alteration in the name clause from change of name from Lloyds Encon Technologies (I) Limited to Lloyds Steels Industries Limited with effect from May 04, 2013
<b>June 24, 2013</b>	Alteration in the main object clause of MOA by replacing point 1 & 2 in main objects with effect from August 17, 2013
<b>December 17, 2013</b>	Alteration in MOA and AOA by change in Capital clause due to sub-division of share capital from 50,000 equity share of Rs. 10/- each to 5,00,000 equity shares of Re. 1 each.
<b>February 18, 2015</b>	Adoption of New Article of Association
<b>December 10, 2015</b>	Alteration of Capital Clause for Increase in Authorized Share Capital of the Company from Rs. 5,00,000/- consisting of 5,00,000 Equity Shares of Re. 1/- each to Rs. 90,00,00,000/- consisting of 90,00,00,000 Equity Shares of Re. 1/- each.
<b>January 11, 2016</b>	Alteration in the main object clause of MOA by adding point 3 to 5 in main objects with effect from March 22, 2016

**Subsidiaries of the Company:** The Company has no subsidiary company as on date of this Information Memorandum.

**Details of listing and Highest & Lowest Market Price during the preceding Six Months:** Not Applicable

**Shareholders' Agreement:** There is no separate agreement executed between any shareholder and the Company.

**Strategic / Financial Partners and Other Material Contracts:** The Company does not have any strategic/ financial partners or has not entered any material contracts other than in ordinary course of business.

## 9. MANAGEMENT

The overall management is vested in the Board of Directors, comprised of qualified and experienced persons. The Board of Directors as on date of this Information Memorandum is:

Sr. No.	Name, Age, Fathers Name, Address, Occupation , Date of Birth, DIN & PAN No.	Nature of Directorship	Date of Appointment	Other Directorships held in Indian Companies
1	<p><b>Shri Ashok Satyanarayan Tandon</b>  <b>Age:</b> 57  <b>S/o</b> Mr. Satyanarayan Tandon  <b>Address:</b> Flat No.20, Usha Kamal CHS, Sector 15, Vashi, Navi Mumbai- 400 703.  <b>Occupation:</b> Service  <b>DOB:</b> 13/10/1958  <b>DIN:</b> 00028301  <b>PAN:</b> AARPT3998B</p>	Managing Director	20.01.2016	Nil
2.	<p><b>Mr. Vishal Agarwal</b>  <b>Age:</b> 39  <b>S/o</b> Mr. Chandratan Agarwal  <b>Address:</b> 52, Laxmi Nivas, 87, Nepeansea Road, Mumbai- 400 006  <b>Occupation:</b> Business  <b>DOB:</b> 06/03/1977  <b>DIN:</b> 00168370  <b>PAN:</b>ADNPA0354P</p>	Additional & Independent Director	28.01.2016	<p>1. VP Exim Limited</p> <p>2. VP Exim Global Private Limited</p> <p>3. Mohan Fabtex Limited</p>
3.	<p><b>Mr. Satyendra Narain Singh</b>  <b>Age:</b> 68  <b>S/o</b> Mr. Tej Narain Singh  <b>Address:</b> Plot No.5, Astha, MIDC Pipeline Road, Anandwali, Nashik – 422 013  <b>Occupation:</b> Business  <b>DOB:</b> 25/05/1948  <b>DIN:</b> 00398484  <b>PAN:</b> ADCPS0244B</p>	Additional & Independent Director	06.05.2016	<p>1. IND Synergy Limited</p> <p>2. Jayaswal Neco Industries Limited</p>

4.	<b>Mrs. Bela Sunder Rajan</b> <b>Age:</b> 62 <b>W/o</b> Mr. Narasimhan Sunder Rajan <b>Address:</b> 1202, 12 <sup>th</sup> Floor, Kritika Towers, 11, Sion – Trombay Road, Chembur, Mumbai 400 071 <b>Occupation:</b> Business <b>DOB:</b> 04/06/1954 <b>DIN:</b> 00548367 <b>PAN:</b> AGZPK8930A	Additional & Independent Woman Director	28.01.2016	1. Sampark Communication Private Limited 2. Ketchum Sampark Private Limited 3. Index Online Reputation Management Private Limited 4. Index PR Private Limited
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#### Brief Profile of the Directors

Name	Qualification	Experience
Mr. Ashok Satyanarayan Tandon	B.E. (Mech)	38 years of experience in Engineering & Steel Industry
Mr. Vishal Agarwal	B.Com	20 years of experience in Commercial & Business
Mr. Satyendra Narain Singh	B. Tech Metallurgy Engineer (1 <sup>st</sup> Class)	Over 40 years experience in Iron & Steel Industry
Mrs. Bela Sunder Rajan	B.A., LLB, PGD in Journalism	25 years of experience in Public Relation & Corporate Communication

#### Shareholding of the Directors:

The Shareholding of Directors as on date of this Information Memorandum in Uttam Value Steels Industries Limited (UVSL) is as under:

Sr. No.	Name of the Director	No. of Shares held in UV	%age
1.	Mr. Ashok Satyanarayan Tandon	Nil	---
2.	Mr. Vishal Agarwal	Nil	---
3.	Mr. Satyendra Narain Singh	Nil	---
4.	Mrs. Bela Sunder Rajan	Nil	---

#### Corporate Governance

The regulations of SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations, 2015 to be entered into with the Stock Exchanges with respect to Corporate Governance will be applicable to the Company immediately upon the listing of its Equity Shares on the Stock Exchanges. However, the Company is compliant with the provisions of Corporate Governance of SEBI (LODR) Regulations, 2015 and the details are as follows:

##### a. Composition of Board of Directors

Sr. No	Name of the Director	Designation
1.	Mr. Ashok Satyanarayan Tandon	Managing Director
2.	Mr. Vishal Agarwal	Additional Independent Director & Non-Executive Director
3.	Mr. Satyendra Narain Singh	Additional Independent Director & Non-Executive Director
4.	Mrs. Bela Sunder Rajan	Additional Independent Director & Non-Executive Director (Woman Director)

##### b. Composition of Audit Committee

Sr. No.	Name of the Director	Designation
1.	Mr. Vishal Agarwal	Chairperson
2.	Mrs. Bela Sunder Rajan	Member
3.	Mr. Satyendra Narain Singh	Member
4.	Mr. P.R. Raviganesan	Secretary

**c. Composition of Nomination & Remuneration Committee**

Sr. No.	Name of the Director	Designation
1.	Mr. Satyendra Narain Singh	Chairperson
2.	Mr. Vishal Agarwal	Member
3.	Mrs. Bela Sundar Rajan	Member

**d. Composition of Stakeholders Relationship Committee**

Sr. No.	Name of the Director	Designation
1.	Mrs. Bela Sundar Rajan	Chairperson
2.	Mr. Satyendra Narain Singh	Member
3.	Mr. Vishal Agarwal	Member

**Change in Board of Directors since the Company's Inception:**

Name of Director	Date of Appointment	Date of Resignation
Mr. Manoj S. Agarwal	19.09.1994	20.11.1996
Mr. Hitendra S. Nagda	19.09.1994	07.11.1995
Mr. Manvar S. Bisht	14.10.1995	02.02.2000
Mrs. Indu Bala Bhartia	24.06.1996	30.09.1996
Mr. Madhawendra Bhartia	24.06.1996	30.09.1996
Mr. Lalit Sharma	20.11.1996	02.02.2000
Mr. Babulal Agarwal	02.02.2000	21.11.2011
Mr. Rajesh Gupta	02.02.2000	21.11.2011
Mr. Mukesh Gupta	02.02.2000	21.11.2011
Mr. Satyanarayan Chanda	21.11.2001	08.07.2010
Mr. A.L Kulkarni	21.11.2001	15.07.2005
Mr. Dinesh V Chaturvedi	21.11.2001	28.01.2016
Mr. Jitendra J. Gandhi	15.07.2005	20.06.2006
Mr. Shyam Dandriyal	20.06.2006	05.10.2009
Mr. Deepak Mayekar	10.08.2009	30.09.2009
Mr. Pankaj Chaubey	05.10.2009	08.02.2014
Mr. Chandrasena Mhatre	06.10.2009	08.02.2014
Mr. Ashok Tandon	15.01.2014	---
Mr. Rajiv Munjal	15.01.2014	28.01.2016
Mr. Durga P Misra	28.01.2016	28.04.2016
Mrs. Bela S Rajan	28.01.2016	---
Mr. Vishal Agarwal	28.01.2016	---
Mr. Satyendra Narain Singh	06.05.2016	---

**Management:**

The Company is managed by the Managing Director under the overall supervision and guidance of the Board of Directors. The Managing Director is assisted by competent, qualified and experienced persons from various fields.

**Employees:**

Upon effectiveness of the Scheme, all the staff, workmen and employees of UVSL in respect of the Engineering Division of UVSL in service on such date shall become staff, workmen and employees of LSIL with effect from the Effective Date without any break in their service and on the basis of continuity of service and the terms and conditions of their employment with UVSL shall not be less favourable than those applicable to them with reference to the Demerged Undertaking on the Effective Date. The position, rank and designation of the employees would however be decided by LSIL. In so far as the Provident Fund, Gratuity Fund or any other Special Fund created or existing for the benefit of the staff, workmen and employees of the Demerged Undertaking are concerned, upon the Scheme coming into effect, LSIL shall stand substituted for UVSL for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of UVSL in relation to such Fund or Funds shall become those of LSIL, respectively, and all the rights, duties and benefits of the staff, workmen and employees employed in the Demerged Undertaking under such Funds and Trusts shall be protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of the Demerged Undertaking will be treated as having been continuous for the purpose of the said Fund or Funds.

**10. PROMOTER AND GROUP COMPANIES****Promoter Group****1. METALLURGICAL ENGINEERING AND EQUIPMENTS LIMITED****Incorporation & Registered Office:**

Metallurgical Engineering and Equipments, a Public Ltd Company was originally incorporated under the Companies Act, 1956 on December 24, 1981 as a Private Limited Company in the name of “Siddharth Holdings Private Limited”. Further, the name of the company changed to Metallurgical Engineering and Equipments Private Limited on March, 22, 2012. Subsequently, the company was converted into a Public Limited Company and consequently the name changed to Metallurgical Engineering and Equipments Limited vide fresh certificate of incorporation dated March 22, 2012. The registered office of the company changed from the State of Maharashtra to the State of Haryana on September 11, 2013. At present, registered office of the company is situated at 502, Global Foyer Building, Sector-43, Golf Course Road, Haryana – 122 002.

**Following are the brief details:**

<b>Date of Incorporation</b>	24 <sup>th</sup> December, 1981
<b>CIN</b>	U29248HR1981PLC050320
<b>Nature of Activities</b>	The Company is not carrying on any business presently and thus has no source of revenue.
<b>PAN No.</b>	AAACS8041G
<b>Address of ROC</b>	ROC-Delhi 4th Floor, IFCI Tower,61, Nehru Place, New Delhi - 110019
<b>Listing</b>	Unlisted

**The Shareholding Pattern as on date of filing of this Information Memorandum is as under:**

<b>Category Code</b>	<b>Category of Shareholder</b>	<b>Total Number of shares</b>	<b>% of the paid up share capital</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
<b>(A)</b>	<b>Shareholding of Promoter &amp; Promoter Group</b>		
<b>(1)</b>	<b>Indian</b>		
(a)	Individuals/Hindu Undivided Family	49,994	99.99
(b)	Central Govt./State Govt(s)	0	0
(c)	Bodies Corporate	0	0
(d)	Financial Institutions/Banks	0	0
(e)	Any Other (specify)	0	0
	<b>Sub Total = (A) (1)</b>	<b>49,994</b>	<b>99.99</b>
<b>(2)</b>	<b>Foreign</b>		
(a)	Individuals (Non Resident Individuals/Foreign Individuals)	0	
(b)	Bodies Corporate	0	
(c)	Institutions	0	0
(d)	Any Other (specify)	0	0
	<b>Sub Total = (A) (2)</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter &amp; Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>49,994</b>	<b>99.99</b>
<b>(B)</b>	<b>Public Shareholding</b>		
<b>(1)</b>	<b>Institutions</b>		
(a)	Mutual Funds/ UTI	0	0
(b)	Financial Institutions/ Bank	0	0
(c)	Central Govt/ State Govt.	0	0
(d)	Venture Capital Fund	0	0
(e)	Insurance Companies	0	0
(f)	Foreign Institutional Investors	0	0

(g)	Any other (Specify)	0	0
	<b>Sub Total = (B)(1)</b>	0	0
<b>(2)</b>	<b>Non – Institutions</b>		
(a)	Bodies Corporate	0	0
	Individuals-	0	0
(b)	i) Individual Shareholders holding nominal share capital upto Rs. 1 Lacs		
	ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lacs	6	0
(c)	Any other (specify)	0	0
	Clearing Members	0	0
	NRI (Repat)	0	0
	<b>Sub Total = (B)(2)</b>	6	0
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>6</b>	<b>0</b>
	<b>Total = (A)+(B)</b>	<b>50,000</b>	<b>100</b>
(C)	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	<b>0</b>	<b>0</b>
	<b>GRAND TOTAL = (A)+(B)+(C)</b>	<b>50,000</b>	<b>100.00</b>

**Board of Directors as on date of filing of this Information Memorandum:**

Sr. No	Director Name	Designation	DIN	Date of Appointment
1	Mr. Anuj Rajinder Miglani	Director	00287097	26/03/2003
2	Mr. Ramnath Meghraj Miglani	Director	02744299	04/03/2014
3	Mr. Rolph Sequeira	Director	00367084	28/02/2015

**Financial Performance**

The financial results for Metallurgical Engineering and Equipments Limited for Financial Year 2012-13, 2013-14 and 2014-15 are as follows:

PARTICULARS	(Amt. in Rs.)		
	F.Y. 2012-13 (Audited)	F.Y. 2013-14 (Audited)	F.Y. 2014-15 (Audited)
Equity Share Capital	5,00,000	5,00,000	5,00,000
Reserves excluding Revaluation reserves	(8,10,714)	(7,44,808)	(4,35,776)
Less :Misc. Expenditure to be written off	---	---	---
Total	(3,10,714)	(2,44,808)	64,224
Total Sales	1,50,000	2,00,000	4,50,000
Profit After Tax (PAT)	16,906	65,906	3,09,032
Earnings Per Share (EPS) (in Rs.)	0.34	1.32	6.18
Book Value per share (in Rs.)	(6.21)	(4.90)	1.28

Source: Annual report

**2. FIRSTINDIA INFRASTRUCTURE PRIVATE LIMITED****Incorporation & Registered Office:**

First India Infrastructure Private Limited was incorporated as private Limited Company in the name and style of “Ultimate Logistics Solutions Private Limited” under Companies Act, 1956 on 10<sup>th</sup> July, 2007. Its name eventually got changed into “First India Infrastructure Private Limited” on 11<sup>th</sup> March, 2015. The registered office of the company changed from the State of Maharashtra to the State of Haryana on April 20, 2013. At present, registered office of the company is situated at 502, Global Foyer Building, Sector-43, Golf Course Road, Haryana – 122002.

**Following are the brief details:**

<b>Date of Incorporation</b>	July 10, 2007
<b>CIN</b>	U45400HR2007PTC049951
<b>Nature of Activities</b>	The Company is doing business in trading of Agriculture goods and Commodities.
<b>PAN No.</b>	AABCU0756F



<b>Address of ROC</b>	ROC-Delhi 4th Floor, IFCI Tower,61, Nehru Place, New Delhi - 110019
<b>Listing</b>	Unlisted

**The Shareholding Pattern as on date of filing of this Information Memorandum is as under:**

<b>Category Code</b>	<b>Category of Shareholder</b>	<b>Total Number of shares</b>	<b>% of the paid up share capital</b>
(1)	(2)	(3)	(4)
<b>(A)</b>	<b>Shareholding of Promoter &amp; Promoter Group</b>		
<b>(1)</b>	<b>Indian</b>		
(a)	Individuals/Hindu Undivided Family	10,000	100
(b)	Central Govt./State Govt(s)	0	0
(c)	Bodies Corporate	0	0
(d)	Financial Institutions/Banks	0	0
(e)	Any Other (specify)	0	0
	<b>Sub Total = (A) (1)</b>	<b>10,000</b>	<b>100</b>
<b>(2)</b>	<b>Foreign</b>		
(a)	Individuals (Non Resident Individuals/Foreign Individuals)	0	0
(b)	Bodies Corporate	0	0
(c)	Institutions	0	0
(d)	Any Other (specify)	0	0
	<b>Sub Total = (A) (2)</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter &amp; Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>10,000</b>	<b>100</b>
<b>(B)</b>	<b>Public Shareholding</b>		
<b>(1)</b>	<b>Institutions</b>		
(a)	Mutual Funds/ UTI	0	0
(b)	Financial Institutions/ Bank	0	0
(c)	Central Govt/ State Govt.	0	0
(d)	Venture Capital Fund	0	0
(e)	Insurance Companies	0	0
(f)	Foreign Institutional Investors	0	0
(g)	Any other (Specify)	0	0
	<b>Sub Total = (B)(1)</b>	<b>0</b>	<b>0</b>
<b>(2)</b>	<b>Non – Institutions</b>		
(a)	Bodies Corporate	0	0
(b)	Individuals- i) Individual Shareholders holding nominal share capital upto Rs. 1 Lacs	0	0
	ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 Lacs	0	0
(c)	Any other (specify)	0	0
	Clearing Members	0	0
	NRI (Repat)	0	0
	<b>Sub Total = (B)(2)</b>	<b>0</b>	<b>0</b>
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>0</b>	<b>0</b>
	<b>Total = (A)+(B)</b>	<b>10,000</b>	<b>100</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	<b>0</b>	<b>0</b>
	<b>GRAND TOTAL = (A)+(B)+(C)</b>	<b>10,000</b>	<b>100.00</b>

**Board of Directors as on date of filing of this Information Memorandum:**

Sr. No	Director Name	Designation	DIN	Date of Appointment
1	Mr. Rolph Sequeira	Director	00367084	20/10/2014
2	Mr. Padmanabhan Hariharan	Director	00574676	07/10/2014

**Financial Performance**

The financial results for First India Infrastructure Private Limited for Financial Year 2012-13, 2013-14 and 2014-15 are as follows:

PARTICULARS	(Amt. in Rs.)		
	F.Y. 2012-13 (Audited)	F.Y. 2013-14 (Audited)	F.Y. 2014-15 (Audited)
Equity Share Capital	1,00,000	1,00,000	1,00,000
Reserves excluding Revaluation reserves	(66,679)	(79,706)	64,17,064
Less :Misc. Expenditure to be written off	---	---	---
Networth	33,321	20,294	65,17,064
Total Sales	1,50,000	2,00,000	60,64,02,958
Profit After Tax (PAT)	(3,578)	(13,027)	65,04,036
Earnings Per Share (EPS) (in Rs.)	(0.36)	(1.30)	650.40
Book Value per share (in Rs.)	(3.33)	(2.03)	651.71

Source: Annual report

**Details of Company (Having same Promoters)****Uttam Value Steels Limited**

Uttam Value Steels Limited is a Company having same promoters pursuant to Demerger of Engineering Division of Uttam Value Steels Limited into Lloyds Steels Industries Limited.

**Incorporation and Registration details:**

Uttam Value Steels Limited ("UVSL"), a company listed on the BSE Limited and the National Stock Exchange of India Limited, was originally incorporated on April 27, 1970 under the Companies Act, 1956 in the name and style of "Gupta Tubes and Pipes Private Limited". The name of the company was changed from "Gupta Tubes and Pipes Private Limited" to "Lloyds Steel Industries Private Limited" vide fresh certificate of incorporation dated September 10, 1985 issued by the Registrar of Companies, Mumbai, Maharashtra. The name of the company was subsequently changed from "Lloyds Steel Industries Private Limited" to "Lloyds Steel Industries Limited" vide fresh certificate of incorporation dated June 3, 1986 issued by the Registrar of Companies, Mumbai, Maharashtra. The name of UVSL was further changed from "Lloyds Steel Industries Limited" to the present name of the company being, "Uttam Value Steels Limited" vide fresh certificate of incorporation dated March 18, 2013 issued by the Registrar of Companies, Mumbai, Maharashtra.

UVSL is a listed company listed on BSE and NSE having ISIN number- INE292A01015 and having its registered office at 4th Floor, Uttam House, 69, P.D'mello Road, Mumbai 400009, in the State of Maharashtra., CIN No: L27100MH1970PLC014621 Tel: 022-66563500, Fax: 022- 67529295/ 022- 23485025, Website: [www.uttamvalue.com](http://www.uttamvalue.com)

The Demerged/Transferor Company is primarily engaged in the businesses of Manufacturing of Hot rolled coils, Cut to Length Sheets, Plates, CRFH Coils, CRFH Sheets, Galvanized Hard Corrugated sheets and Galvanized soft coils and trading in steel with various customers.

**Board of Directors as on date of filing of this Information Memorandum:**

Sr. No	Director Name	Designation	DIN	Date of Appointment
1	Mr. Surinder Kumar Soni	Director	00046856	26/08/2013
2	Mr. Rajinderkumar Uttamchand Miglani	Director	00286788	06/11/2015
3	Mr. Bihari Lal Khurana	Director	00671592	22/08/2015
4	Mr. Brij Lal Khanna	Director	00841927	14/07/2012
5	Mr. Sanjiv Kumar Sachdev	Director	02428623	07/11/2014
6	Mr. Rajiv Krishnakumar Munjal	Director	05195651	26/08/2013
7	Mr. Jagath Mahesh Chandra	Additional Director	07147686	30/05/2016

**Pre Shareholding Pattern (Pre Demerger)**

Category Code	Category of Shareholder	Total Number of shares	% of the paid up share capital
(A)	Promoter & Promoter Group	60,94,72,232	46.12
(B)	Public	71,21,43,035	53.88
(C)	Non Promoter- Non Public	0	0.00
(C1)	Shares underlying Depository Receipts	N.A.	N.A.
(C2)	Shares held by Employee Trusts	0	0.00
	<b>Total</b>	<b>132,16,15,267</b>	<b>100.00</b>

**Post Shareholding Pattern (Post Demerger)**

(Pursuant to Reduction of Share Capital from Rs. 10/- each to Rs. 5/- each and thereafter Sub-division of face Value from Rs. 5/- each to Re. 1/- each.)

Category Code	Category of Shareholder	Total Number of shares	% of the paid up share capital
(A)	Promoter & Promoter Group	3,04,73,61,160	46.12
(B)	Public	3,56,07,15,175	53.88
(C)	Non Promoter- Non Public	0	0.00
(C1)	Shares underlying Depository Receipts	N.A.	N.A.
(C2)	Shares held by Employee Trusts	0	0.00
	<b>Total</b>	<b>6,60,80,76,335</b>	<b>100.00</b>

**Financial Performance**

The financial results for Uttam Value Steels Limited for Financial Year 2013-14, 2014-15 and 2015-16 are as follows:  
(Rs. In crores)

PARTICULARS	F.Y. 2015-2016 (Audited)	F.Y. 2014-2015 (Audited)	F.Y. 2013-14 (Audited)
Equity Share Capital	640.14	1,332.27	1,205.17
Reserve and Surplus	-	901.67	831.77
Carried forward losses	(884.10)	(1,927.76)	(1,797.85)
Net worth	(213.96)	306.18	239.09
Miscellaneous Expenditure	-	-	-
Secured loans	622.28	704.95	768.14
Unsecured loans	740.26	709.83	710.22
Fixed Assets	2,510.21	1,959.38	1,710.57
Income from Operation	3,742.90	4,559.63	6,661.54
Total Income	3,777.44	4,610.33	6,712.82
Total Expenditure	3,922.97	4,288.97	6,811.55
Profit/(Loss) Before tax	(520.14)	(33.98)	(98.73)
Profit/(Loss) After Tax	(520.14)	(33.98)	(98.73)
Cash Profit	(145.53)	321.36	54.68
Earnings Per Share (₹)	(0.79)	(0.26)	(0.83)

**Note :** The figures for 2014.15 have been regrouped/reclassified wherever necessary after considering the scheme of arrangement.

**11. DIVIDEND HISTORY**

The Company has not declared any dividend since its inception.

## **12. DETAILS & FINANCIAL HIGHLIGHTS OF COMPANY**

### **AUDITOR'S REPORT**

#### **TO THE MEMBERS OF LLOYDS STEELS INDUSTRIES LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of M/s Lloyds Steels Industries Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence, on a test basis, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal financial control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash flow statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
    - iii. No amounts were required to be transferred to the Investor Education and Protection Fund by the Company

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

Sunil L Todarwal  
Partner

M.No.32512  
Dated: 19.05.2016  
Place : Mumbai

**Annexure - A to Independent Auditor's Report**

The Annexure A referred to in Independent Auditor's Report to the Members of the Company on the Financial Statements for the year ended 31<sup>st</sup> March 2016, we report that:

- (i) (a) According to the information and explanation given to us and based on the records produced before us, we are of the opinion that the Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) According to the information and explanation given to us, fixed assets are physically verified by the management according to a phased programme designed to cover all the locations which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, the management during the year physically verified the fixed assets at certain locations and no material discrepancies were noticed on such verification
  - (c) According to the information and explanation given to us and based on the records produced before us, the title deeds of immovable properties are held in the name of the company.
- (ii) According to the information and explanation given to us Inventory has been physically verified by the management during the year. No material discrepancies were noticed that would have an impact over the Financial Statements.
- (iii) According to the information and explanation given to us, the Company has not granted any secured or unsecured loans to companies, firms, parties covered in the register maintained under Section 189 of the Act.
- (iv) According to the information and explanation given to us, we are of the opinion that in respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) According to the information and explanation given to us, the company has not accepted any deposits within the meaning of Section 73 to 76 of the Act and the rules framed there under.
- (vi) According to the information and explanation given to us, the Company has maintained cost records as specified by the Central Government under sub-section (1) of section 148 of the Act
- (vii) (a) According to the books and records as produced and audited by us in accordance with generally accepted auditing practices in India and also Management representations, undisputed statutory dues in respect of Provident fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth tax, Service tax, Custom duty, Excise duty, Value Added Tax, Cess and other statutory dues, if any, applicable to it, has been regularly deposited with the appropriate authorities.
  - (b) According to the information and explanation given to us and the record produced before us, there is no disputed amount payable in case of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax or cess.
- (viii) According to the information and explanation given to us and based on the records produced before us, the company has not defaulted in repayment of dues to a financial institution, bank, Government or dues to debenture holders.
- (ix) According to the information and explanation given to us and the record produced before us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) During the course of our examination of the books of account carried in accordance with the generally accepted auditing standards in India, we have neither come across any instance of fraud on or by the Company by its officers or employees, either noticed or reported during the year, nor have we been informed of such case by the Management.

- (xi) According to the information and explanation given to us and the record produced before us, the Company has paid managerial remuneration during the year. The provisions of section 197 read with Schedule V to the Act has been complied.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as specified in the Nidhi Rules, 2014. Hence the provision of this clause is not applicable to the company.
- (xiii) According to the information and explanation given to us and the record produced before us, all transactions with the related parties are in with sections 177 and 188 of Companies Act, 2013 compliance where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and the record produced before us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence the provision of this clause is not applicable to the company.
- (xv) As per the information and explanation given to us and the record produced before us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sunil L Todarwal  
Partner

M.No.32512  
Dated: 19.05.2016  
Place : Mumbai

**Annexure – B to the Independent Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Lloyds Steels Industries Limited (“the Company”) as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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



**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such Internal Financial Control over Financial Reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Todarwal & Todarwal**

Chartered Accountants  
ICAI Reg. No : 111009W

Sunil L Todarwal  
Partner

M.No.32512  
Dated: 19.05.2016  
Place : Mumbai

**LLOYDS STEELS INDUSTRIES LIMITED****Balance sheet as at 31<sup>st</sup> March, 2016.****(Rs. in lacs)**

	<b>Notes No.</b>	<b>As at 31st March 2016</b>	<b>As at 31st March 2015</b>
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2	8,986.98	5.00
Reserves and surplus	3	313.89	9,136.25
		<b>9,300.87</b>	<b>9,141.25</b>
<b>Non-current liabilities</b>			
Long-term borrowings	4	14.49	33.84
Long-term provisions	5	346.21	317.72
		<b>360.70</b>	<b>351.56</b>
<b>Current liabilities</b>			
Trade payables	6	6,932.07	24,168.02
Other current liabilities	6	40,248.04	58,809.74
Short-term provisions	5	25.23	84.20
		<b>47,205.34</b>	<b>83,061.96</b>
<b>TOTAL</b>		<b>56,866.91</b>	<b>92,554.77</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	7	1,160.58	1,211.47
Intangible assets	7	95.98	-
Long-term loans and advances	8	12.03	4.68
		<b>1,268.60</b>	<b>1,216.14</b>
<b>Current assets</b>			
Inventories	9	5,749.29	6,898.56
Trade receivables	10	32,862.23	28,724.01
Cash and bank balances	11	1,884.87	1,959.59
Short-term loans and advances	8	15,101.92	53,756.48
		<b>55,598.31</b>	<b>91,338.64</b>
<b>TOTAL</b>		<b>56,866.91</b>	<b>92,554.77</b>
Summary of significant accounting policies	1		

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

As per our report of even date

**For Tadarwal & Tadarwal**

ICAI Firm Registration No. 111009W

Chartered Accountants

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

Sunil Tadarwal

Partner

Membership No : 32512

Place : Mumbai

Date : 19.05.2016

Ashok Tandon

DIN : 00028301

Vishal Agarwal

DIN: 00168370

P R Ravi Ganesan  
CFO & Company Secretary

**LLOYDS STEELS INDUSTRIES LIMITED****Statement of profit and loss for the year ended 31st March, 2016****(Rs. in lacs)**

	Notes No.	For the year ended	For the year ended
		31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>Continuing operations</b>			
<b>Income</b>			
Revenue from operations (gross)	12	12,409.80	53,729.07
Less : Excise duty		741.41	2,683.10
<b>Revenue from operations (net)</b>		<b>11,668.39</b>	<b>51,045.96</b>
Other income	13	825.82	895.92
<b>Total revenue (I)</b>		<b>12,494.21</b>	<b>51,941.88</b>
<b>Expenses</b>			
Cost of raw material consumed	14	4,259.16	18,221.90
Purchase of traded goods		936.21	23,503.08
Changes in inventories of Finished goods ,Work-in-progress and Stock-in-Trade	15	1,160.95	3,828.25
Employee benefits expense	16	1,257.46	1,201.37
Other expenses	17	4,233.21	2,522.87
<b>Total Expenses (II)</b>		<b>11,846.99</b>	<b>49,277.47</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA) (I-II)</b>		<b>647.22</b>	<b>2,664.42</b>
Depreciation and amortization expense	18	147.40	147.70
Finance costs	19	436.19	2,251.34
<b>Profit/(Loss) before exceptional items and tax</b>		<b>63.63</b>	<b>265.37</b>
Exceptional items		-	-
<b>Profit/(Loss) before tax</b>		<b>63.63</b>	<b>265.37</b>
<b>Tax expenses</b>			
Current tax		-	-
Deferred tax		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) for the year</b>		<b>63.63</b>	<b>265.37</b>
<b>Earnings per equity share [nominal value of share Re 1 (Re 1)]</b>			
<b>Basic &amp; Diluted (before Exceptional items)</b>	22	0.01	0.03
<b>Basic &amp; Diluted (after Exceptional items)</b>		0.01	0.03
Summary of significant accounting policies	1		

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

As per our report of even date

**For Todarwal & Todarwal**

ICAI Firm Registration No. 111009W

Chartered Accountants

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

Sunil Todarwal

Partner

Membership No : 32512

Place : Mumbai

Date : 19.05.2016

Ashok Tandon

DIN : 00028301

Vishal Agarwal

DIN: 00168370

P R Ravi Ganesan  
CFO & Company Secretary

**LLOYDS STEELS INDUSTRIES LIMITED  
CASH FLOW STATEMENT**

(Rs. in lacs)

	Particulars	Period Ended 31.03.2016	Year Ended 31.03.2015
<b>A.</b>	<b>CASH FLOW FROM OPERATION ACTIVITIES :</b>		
	<b>Profit/(Loss) before Tax</b>	<b>63.63</b>	265.37
	Adjustments For:		
	Depreciation and Amortization Expenses	<b>147.40</b>	147.70
	Loss on Fixed Assets Sold/Discarded (Net)	-	10.96
	Interest Income	<b>(126.60)</b>	(118.76)
	Interest & Finance Charges	<b>436.19</b>	2,251.34
	Unrealized Exchange (gain) /Loss (net)	<b>(41.73)</b>	(18.15)
	<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>478.89</b>	2,538.46
	<u><b>Movements in Working Capital</b></u>		
	Decrease/(Increase) in Inventories	<b>1,149.27</b>	3,758.42
	Decrease/(Increase) in Trade and Other receivables	<b>34,234.08</b>	<b>(33,328.06)</b>
	(Decrease)/Increase in Trade Payable and other liabilities	<b>(35,805.76)</b>	<b>28,565.41</b>
	<b>CASH GENERATED FROM/(USED IN) OPERATIONS (A)</b>	<b>56.48</b>	1,534.23
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Decrease/(Increase) in Fixed Assets, Including Cwip and Capital Advances	<b>(96.51)</b>	<b>942.67</b>
	Proceeds from Sale of Fixed Assets	-	0.25
	Interest Received	<b>126.60</b>	118.76
	<b>NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES (B)</b>	<b>30.09</b>	1,061.68
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Interest and Finance Charges	<b>(436.19)</b>	(2,251.34)
	<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES (C)</b>	<b>(436.19)</b>	(2,251.34)
	<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(349.61)</b>	344.57
	Cash and cash equivalent at the beginning of the Period	<b>687.86</b>	343.29
	Cash and cash equivalent at the end of the Period	<b>338.25</b>	687.86
	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(349.61)</b>	344.57
	<b>Components of cash and cash equivalents</b>		
	Cash on hand (Including Cheques/Draft on hand)	<b>7.95</b>	3.09
	<b>Balance with Bank in</b>		
	Balance with Schedule Banks in : Current accounts	<b>330.30</b>	684.77

In Margin Account (Including FDR)	<b>1,546.62</b>	1,271.72
<b>Cash and Bank balances as per Notes 11</b>	<b>1,884.87</b>	1,959.59
<b>Less: Margin money not considered as cash and cash equivalent in cash flow</b>	<b>1,546.62</b>	1,271.72
<b>Total cash and cash equivalents</b>	<b>338.25</b>	687.86
<b>Notes:</b>		
<p>1.Cash Flow statement has been prepared following the indirect method except in case of dividend paid/received and taxes paid which have been considered on the basis of actual movements of cash.</p> <p>2.Cash and cash equivalents represent cash and bank balances including current account, if any</p> <p>3.Previous year's figures have been regrouped/reclassified wherever applicable.</p> <p>4.Figures in brackets represent outflows.</p>		

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

As per our report of even date

**For Tadarwal & Tadarwal**  
ICAI Firm Registration No. 111009W  
Chartered Accountants

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

Sunil Tadarwal  
Partner

Ashok Tandon  
DIN : 00028301

Vishal Agarwal  
DIN: 00168370

Membership No : 32512  
Place : Mumbai  
Date : 19.05.2016

P R Ravi Ganesan  
CFO & Company Secretary

Notes to Financial Statements for the year ended 31st March 2016.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a. Basis of Accounting

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

### b. Presentation of Financial Statements

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

## Significant accounting policies

## a) System of Accounting

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

## b) Fixed assets

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

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

## c) Depreciation

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

## d) Revenue Recognition

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

## e) Excise duty

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

## f) Custom duty

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

## g) Custom 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.

## h) Lease Rentals

Lease rentals are expensed with reference to lease terms.

## i) Inventories

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

- |                       |    |  |
|-----------------------|----|--|
| i) Raw Materials      | :* | At lower of cost and net realizable value. |
| ii) Stores and spares | :  | At cost                                    |

- iii) Work-in-process/semi-finished goods : At cost.
- iv) Engineering Plant Finished Goods : At lower of cost and market value.
- v) Finished Goods/Traded Goods : At lower of cost and market value.
- vi) Scrap material : At net realizable value.
- vii) Tools and equipments : At lower of cost and disposable value.

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

"

#### j) Research and development expenses

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

#### k) Provision for Gratuity

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

#### l) Provision for Leave encashment

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

#### m) Investments

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

#### n) Amortization of expenses

- i) Equity Issue expenses : Expenditure incurred in equity issue is being treated as Deferred

Deferred Revenue Expenditure to be amortized over a period of 5 years.

- ii) Debenture Issue Expenses : Debenture Issue Expenditure is amortized over the period of Debenture.

- iii) Deferred Revenue Expenses : Deferred Revenue Expenditure is amortized over a period of 5 years

#### o) Foreign currency transactions

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

#### p) Impairment of assets

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

#### q) Provision for doubtful debts

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

#### r) Cash and Cash Equivalents

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

## s) Cash Flow Statement

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

- i. Transactions of a None cash nature.
- ii. Any deferrals or accruals of past or future operating cash receipts or payments and
- iii. Items of income or expense associated with investing or financing cash flows

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

## t) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that any outflow of resources will be required to settle the obligation. A contingent liability also arises in an extremely rare case where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the Financial statements.

## u) Earning per Share

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

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

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

In view of the above the Company is required to revise its Income Tax Return for the Financial Year 2014-15 (Assessment Year 2015-16) after taking into account the financials of the demerged undertaking (i.e. Engineering Division of Uttam Value Steels Ltd.) and further after considering the effect of the unabsorbed depreciation and unabsorbed/carry forward business losses as may be applicable to the demerged undertaking under the provisions of the Income Tax Act 1961 and hence the Company has not provided any Income Tax liability for the previous year ending 31.03.2015 and does not envisage any liability for Income Tax for the current year.

Deferred tax asset has not been recognized as there is no certainty of sufficient future taxable income available against which this deferred tax asset can be realized as a result of the company's likely eligibility for taking the effect of the unabsorbed depreciation and unabsorbed business losses pertaining to the demerged undertaking.

(Rs. In Lacs)

Particular	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Authorized shares</b> 90,00,00,000 (5,00,000) Equity Shares of Re 1/- each	<b>9,000.00</b>	5.00
<b>Alloted, Subscribed and Issued fully paid-up shares</b> 89,86,98,382 (5,00,000) Equity shares of Re 1/- each	<b>9,000.00</b>	5.00
<b>Total</b>	<b>8,986.98</b>	5.00



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

	As at 31st March 2016		As at 31st March 2015	
	(Nos.)	(Rs. in lacs )	(Nos.)	(Rs. in lacs )
<b>Equity shares</b>				
At the beginning of the Year	500,000	5.00	500,000	5.00
Issued to Equity Shareholder of Uttam Value Steels Ltd.	898,698,382	8,986.98	-	-
Less : Transfer to Capital Reduction Account (as per the Scheme of Arrangement)	(500,000)	(5.00)	-	-
<b>Outstanding at the end of the Year</b>	<b>898,698,382</b>	<b>8,986.98</b>	500,000	5.00

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

**(b) Terms and Rights attached to equity shares**

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

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

Name of the shareholder	As at 31st March 2016		As at 31st March 2015	
	(Nos.)	(% holding in the class)	(Nos.)	(% holding in the class)
<b>Equity shares of Rs. 1 each fully paid</b>				
Firstindia Infrastructure Private Limited (Formerly known as Ultimate Logistics solutions Pvt. Ltd.)	288,073,478	32.05%	178,000	35.60%
Prawas Leasing And Finance Private Limited	-	-	239,800	47.96%
Shree Global TradeFin Ltd.	128,081,808	14.25%	-	-
Metallurgical Engineering and Equipments Ltd	126,367,638	14.06%	82,000	16.40%
IDBI Bank Limited	102,000,000	11.35%	-	-
UD Industrial Holding Pte Limited	86,425,806	9.62%	-	-
State Bank of India	34,178,025	3.80%	-	-
Trump Investments Limited	25,435,376	2.83%	-	-
Ragini Trading & Investment Limited	9,686,386	1.08%	-	-

**3. Reserves and surplus****(Rs. in lacs)**

Particular	As at 31st March 2016	As at 31st March 2015
<b>Capital reserve</b>		
Capital Reduction Account (5,00,000 Shares of Re 1/- each)	5.00	-
<b>Surplus/ (deficit) in the statement of profit and loss</b>		
Balance as per last financial statements	9,136.26	8,889.71
Add/(Less) : Transfer from Depreciation Reserve as per Sch-II	-	(18.83)
Add: Profit/(Loss) for the Year	63.63	265.37
Add: Round off	-	-
Add: Transfer to Goodwill Account	95.98	-
Less: Transfer to Equity Shareholders of Uttam Valve Steels Limited	(8,986.98)	-
<b>Net surplus / (deficit) in the statement of profit and loss</b>	<b>308.89</b>	9,136.25
<b>Total</b>	<b>313.89</b>	9,136.25

**4. Long-term borrowings****(Rs. in lacs )**

Particular	Non-current portion		Current maturities	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
<b>Deferred payment liabilities (Unsecured)</b>				
Sales Tax Deferral	14.49	33.84	19.35	26.83
<b>Total</b>	<b>14.49</b>	33.84	<b>19.35</b>	26.83
<b>The above amount includes</b>				
Unsecured borrowings	14.49	33.84	19.35	26.83
Amount disclosed under the head "other current liabilities" (Note No 6. )	-	-	(19.35)	(26.83)
<b>Net amount</b>	<b>14.49</b>	33.84	-	-

**5. Provisions****(Rs. in lacs )**

Particular	Long-term		Short-term	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
<b>Provision for employee benefits</b>				
Provision for gratuity	279.49	255.18	21.40	66.51
Provision for leave benefits	66.71	62.54	3.82	17.69
<b>Total</b>	<b>346.21</b>	<b>317.72</b>	<b>25.23</b>	<b>84.20</b>

**6. Trade payables & Other Current Liabilities****( Rs. in lacs)**

Particular	As at 31st March 2016	As at 31st March 2015
<b>Trade payables</b>		
Micro, Small and Medium Enterprises *	-	-
Acceptances	-	-
Other than Acceptances	6,932.07	24,168.02
<b>Sub Total</b>	<b>6,932.07</b>	24,168.02
<b>Other current liabilities</b>		
Current maturities of long-term borrowings (Note No. 4)	19.35	26.83
Advances from customers	39,939.28	58,557.44
Statutory Dues	120.83	133.73
Expenses Payable	98.40	18.29
Employee related liabilities	70.17	73.44
<b>Sub Total</b>	<b>40,248.04</b>	58,809.74
<b>Total</b>	<b>47,180.11</b>	82,977.77

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

Particulars	As at 31st March 2016	As at 31st March 2015
1. Principal amount due and remaining unpaid	-	-
2. Interest due on (1) above and the unpaid interest	-	-
3. Interest paid on all delayed payments under the MSMED Act	-	-
4. Payment made beyond the appointed day during the year	-	-
5. Interest due and payable for the period of delay other than (3) above	-	-
6. Interest Accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

\* The company has initiated the process of identification of suppliers registered under Micro and small enterprise development Act,2006 , by obtaining confirmations from all suppliers. The above information has been determined on the basis of information available with the company. This has been relied upon by the auditors.

\* The company has received a notice dated 22.03.2016 for conciliation proceedings under section 18 to be read with section 17 of Micro, Small & Medium Enterprises Act, 2006 pertaining to a claim of a vendor for payment of principal Rs.1,95,000/= and interest Rs.1,08,165/= which is disputed by the company.

## 7. Fixed assets

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
		As at 01.04.15	Additions	Sold/ Discarded/ Transfer	As at 31.03.16	Upto 31.03.15	For the Period/ Year	RETA IN EARN ING	Sold/ Discar ded	Upto 31.03.16	As at 31.03.16	As at 31.03.15
1	Land	146.66	0.00	0.00	146.66	0.00	0.00	0.00	0.00	0.00	146.66	146.66
2	Building	718.16	94.23	0.00	812.39	453.61	22.90	0.00	0.00	476.52	335.87	264.55
3	Plant & Machinery	3246.30	0.00	0.00	3246.30	2904.02	24.14	0.00	0.00	2928.16	318.14	342.28
4	Computers	169.36	1.25	0.00	170.61	144.70	12.51	0.00	0.00	157.21	13.40	24.66
5	Electrical Installations	139.06	0.00	0.00	139.06	100.37	0.00	0.00	0.00	100.37	38.68	38.68
6	Office Equipment & AC	80.98	1.03	0.00	82.00	49.56	21.37	0.00		70.93	11.08	31.42
7	Furniture & Fixtures	206.25	0.00	0.00	206.25	63.46	20.32	0.00	0.00	83.78	122.47	142.78
8	Motor Vehicles	346.12	0.00	0.00	346.12	125.69	46.16	0.00	0.00	171.85	174.27	220.43
	<b>Total</b>	<b>5052.89</b>	<b>96.51</b>	<b>0.00</b>	<b>5149.39</b>	<b>3842.42</b>	<b>147.40</b>	<b>0.00</b>	<b>0.00</b>	<b>3989.82</b>	<b>1160.58</b>	<b>1211.47</b>
	Capital Work -in-Progress	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00	0.00	0.00
	<b>Total</b>	<b>5052.89</b>	<b>96.51</b>	<b>0.00</b>	<b>5149.39</b>	<b>3842.42</b>	<b>147.40</b>	<b>0.00</b>	<b>0.00</b>	<b>3989.82</b>	<b>1160.58</b>	<b>1211.47</b>
	Previous Year	6038.74	275.53	1261.38	5052.89	3715.90	147.70	18.83	41.01	3822.59	1211.47	

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

**8. Loans and advances**

(Rs. in lacs)

Particular	Long Term		Short Term	
	As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015
<b>Deposits</b>				
Security deposits	8.89	4.53	11.62	17.19
Others	-	-	-	-
<b>(A)</b>	<b>8.89</b>	<b>4.53</b>	<b>11.62</b>	<b>17.19</b>
<b>Advances recoverable in cash or kind</b>				
Considered good	-	-	14,353.40	52,376.69
Considered doubtful	-	-	-	-
	-	-	<b>14,353.40</b>	<b>52,376.69</b>
Less: Provision for doubtful advances	-	-	-	-
<b>(B)</b>	<b>-</b>	<b>-</b>	<b>14,353.40</b>	<b>52,376.69</b>
<b>Other loans and advances</b>				
Advance tax and tax deducted at source	-	-	288.12	996.86
Prepaid expenses	3.15	0.14	11.34	11.47
Other recoverables	-	-	90.97	85.21
SAD Receivable	-	-	37.30	-
Balances with Statutory / Government authorities				
(i) CENVAT Credit Receivable	-	-	183.14	108.83
(ii) VAT Receivable	-	-	0.02	0.02
(iii) Service Tax Credit Receivable	-	-	126.01	160.20
	-	-	309.17	269.05
Less: Provision for doubtful advances	-	-	-	-
	-	-	<b>309.17</b>	<b>269.05</b>
<b>(C)</b>	<b>3.15</b>	<b>0.14</b>	<b>736.90</b>	<b>1,362.60</b>
<b>Total (A+B+C)</b>	<b>12.03</b>	<b>4.68</b>	<b>15,101.92</b>	<b>53,756.48</b>

**9. Inventories**

(Rs. in lacs)

Particular	As at 31st March 2016	As at 31st March 2015
Raw materials	298.62	334.71
Work-in-progress	4,948.47	6,109.08
Stores and spares	498.86	451.09
Scrap & Byproducts	3.34	3.69
<b>Total</b>	<b>5,749.29</b>	<b>6,898.56</b>

**10. Trade Receivables & Other Current Assets****Trade Receivables****(Rs. in lacs)**

Particular	Current	
	As at 31st March 2016	As at 31st March 2015
<b>Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	12,294.15	4,804.67
	<b>12,294.15</b>	<b>4,804.67</b>
Less : Provision for doubtful trade receivables	92.57	-
<b>(A)</b>	<b>12,201.58</b>	<b>4,804.67</b>
<b>Other receivables</b>		
Unsecured, considered good	20,660.66	23,919.34
<b>(B)</b>	<b>20,660.66</b>	<b>23,919.34</b>
<b>Total (A+B)</b>	<b>32,862.23</b>	<b>28,724.01</b>

**11. Cash and bank balances****(Rs. in lacs)**

Particular	Current	
	As at 31st March 2016	As at 31st March 2015
Cash and cash equivalents		
Balances with banks:		
- On current accounts	330.30	684.77
- Deposits with original maturity of less than three months	200.74	403.21
Cash on hand	7.95	3.09
	<b>538.99</b>	<b>1,091.08</b>
<b>Other bank balances</b>		
Margin money deposit *	1,345.88	868.51
	<b>1,345.88</b>	<b>868.51</b>
<b>Total</b>	<b>1,884.87</b>	<b>1,959.59</b>

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

**12. Revenue from operations****(Rs. in lacs)**

Particular	For the year ended	For the year ended
	31st March 2016	31 <sup>st</sup> March 2015
<b>Revenue from operations</b>		
Sale of products		
Finished goods	9,037.49	26,945.07
Traded goods	993.24	23,533.58
Less: Claims, Trade Discounts, etc.	-	-
	<b>10,030.73</b>	<b>50,478.65</b>
Other operating revenue		
Saleable Scrap & By products sale	25.39	858.25
Job work charges	2,004.00	1,109.39
Other Sales	349.68	1,282.78
<b>Revenue from operations (gross)</b>	<b>12,409.80</b>	<b>53,729.07</b>
Less: Excise duty	741.41	2,683.10
<b>Revenue from operations (net)</b>	<b>11,668.39</b>	<b>51,045.96</b>

**13. Other income**

(Rs. in lacs)

Particular	For the year ended	For the year ended
	31st March 2016	31st March 2015
<b>Interest income on</b>		
Bank deposits	126.60	119.00
From others	598.44	693.44
	<b>725.04</b>	<b>812.44</b>
Lease rent received	2.16	-
Miscellaneous Income	54.56	28.97
Liabilities no longer required written back (net)	2.33	36.36
Net Gain/Loss on Foreign currency transaction	41.73	18.15
<b>Total</b>	<b>825.82</b>	<b>895.92</b>

**14 Cost of raw material consumed**

(Rs. in lacs)

Particular	For the year ended	For the year ended
	31st March 2016	31st March 2015
Cost of raw material consumed	4,259.16	18,221.90
<b>Total</b>	<b>4,259.16</b>	<b>18,221.90</b>

**Detail of raw materials consumed**

(Rs. in lacs)

Particular	For the year ended	For the year ended
	31st March 2016	31st March 2015
Iron & Steel, etc	4,259.16	18,221.90
<b>Total</b>	<b>4,259.16</b>	<b>18,221.90</b>

**15. Changes in inventories of Finished goods, Work-in-progress and Stock in trade.**

(Rs. in lacs)

Particular	For the year ended	For the year ended
	31st March 2016	31st March 2015
<b>Inventories at the end of the year</b>		
Finished goods (scrap)	3.34	3.69
Work-in-progress (Including Building & Related development expenses)	4,948.47	6,109.08
	<b>4,951.81</b>	6,112.76
<b>Inventories at the beginning of the year</b>		
Finished goods (scrap)	3.69	4.21
Work-in-progress	6,109.08	8,787.33
Building & Related development expenses transfer from CWIP	-	1,149.47
	<b>6,112.76</b>	<b>9,941.02</b>
<b>Total (Increase)/ Decrease in Stock</b>	<b>1,160.95</b>	<b>3,828.25</b>

**Detail of inventory**

Particular	(Rs. in lacs)	
	31st March 2016	31st March 2015
<b>Work-in-progress</b>		
Engineering products	4,948.47	6,109.08
(includes building related development expenses of Rs.1.89 crores (Rs.3.99 crores))	<b>4,948.47</b>	<b>6,109.08</b>

**16. Employee benefit expense**

Particular	(Rs. in lacs)	
	For the year ended	For the year ended
	31st March 2016	31st March 2015
Salaries, wages and bonus	1,051.37	993.29
Contribution to provident and other fund	73.28	68.25
Gratuity & leave encashment expenses	57.91	70.11
Staff welfare /workmen expenses	20.23	21.99
Managerial Remuneration	54.66	47.73
<b>Total</b>	<b>1,257.46</b>	<b>1,201.37</b>

**17. Other expenses**

Particular	(Rs. in lacs)	
	For the year ended	For the year ended
	31st March 2016	31st March 2015
Consumption of stores and spare parts	1,677.55	690.04
Power Charges	37.38	45.41
Fuel & gases Charges	25.71	32.78
Freight and forwarding charges (net)	204.50	140.39
Other expenses of production	803.41	215.29
Engineering and processing charges	407.07	561.71
Rent	126.26	127.29
Rates and Taxes	10.83	24.48
Insurance	8.69	8.91
Repairs and Maintenance:		
Plant and machinery	0.91	2.22
Buildings	-	0.51
Others	33.15	22.89
Other selling expenses	6.96	12.05
Commission and brokerage	-	5.51
<b>Prior period items comprise of :</b>		
<b>At Debit</b>	8.23	2.87
<b>Less: At Credit</b>	-	-
Legal & Professional Charges	267.95	225.77
Directors' sitting fees	0.24	-
Payment to auditor (Refer details below)	1.25	0.10
Loss on sale of Fixed Assets (net)	-	10.96
Travelling & Conveyance Expenses	163.60	141.48
Miscellaneous expenses	449.53	252.21
<b>Total</b>	<b>4,233.21</b>	<b>2,522.87</b>

**Payment to Auditor**

(Rs. in lacs)

Particular	For the year ended	For the year ended
	31st March 2016	31st March 2015
<b>As auditor:</b>		
Audit fee	1.00	0.06
Tax audit fee	-	-
<b>In other capacity:</b>		
Other services (certification fees)	0.25	-
Reimbursement of expenses	-	0.04
<b>Total</b>	<b>1.25</b>	<b>0.10</b>

**Prior period items comprise of the following:**

<b>Expenses</b>		
Repairs & Maintenance others	3.41	
Business Promotion Expenses	2.20	
Freight chgs	2.53	
Repairs & Maintenance P & M	0.04	
Others charges	0.06	
<b>Total (A)</b>	<b>8.23</b>	<b>-</b>
<b>Income</b>		
Other		
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A-B)</b>	<b>8.23</b>	<b>-</b>

**18. Depreciation and amortization expense**

(Rs. in lacs)

Particular	For the year ended	For the year ended
	31st March 2016	31st March 2015
Depreciation of tangible assets	147.40	147.70
<b>Total</b>	<b>147.40</b>	<b>147.70</b>

**19. Finance costs**

(Rs. in lacs)

Particular	For the year ended	For the year ended
	31st March 2016	31st March 2015
<b>Interest expense :</b>		
Bill Discounting charges (net)	1.63	1,509.34
Bank & Finance processing charges	165.33	472.63
Others	269.24	269.38
<b>Total</b>	<b>436.19</b>	<b>2,251.34</b>



**20. Contingent liabilities and Commitments****( Rs. in lacs)**

Particular	As at 31st March 2016	As at 31st March 2015
<b><u>CONTINGENT LIABILITIES</u></b>		
A) Claims against the company / disputed liabilities not acknowledged as Debt - Show cause notices under hearing in respect of excise duty which is disputed by the company - Income tax demand, disputed by the company - Others claims not acknowledged as debt	856.00	856.00
B) Guarantees - Guarantees issued by the Company's bankers on behalf of the company. This includes expired Bank guarantees of Rs. 86 lacs ( Rs. 94 lacs) - Amount equivalent to the value of guarantees is held in margin / fixed deposits with banks having lien. - Guarantees issued by the bankers of Uttam Value Steels Limited for the demerged Engineering Division of Uttam Valve Steels Limited which is now vested with Lloyds Steels Industries Limited	1,331.37  575.37	868.51  502.57

**21. Employee benefits**

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

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

The following tables summaries the components of net benefit expense recognized in the statement of profit and loss amounts recognized in the Balance sheet for the respective plans.

**a) Net employee benefit expense recognized during the period****( Rs. in lacs)**

Particular	Leave Encashment		Gratuity	
	Current Year	Previous year	Current Year	Previous year
i) Current Services Cost	(0.15)	(7.82)	22.75	21.97
ii) Interest Cost	0.06	8.33	25.09	25.54
iii) Net actuarial (Gain)/Loss recognized during the year	0.19	12.11	(0.61)	9.97
iv) Expenses included in 'employee benefit expense'	0.10	12.62	47.23	57.48

**b) Changes in the present value of the defined benefit obligation are as follows****( Rs. in lacs)**

Particular	Leave Encashment		Gratuity	
	Current Year	Previous year	Current Year	Previous year
i) Opening Defined benefit obligation plan	80.23	90.12	321.69	276.06
ii) Current Services Cost	(14.89)	(7.82)	22.75	21.97
iii) Interest on obligation	6.26	8.34	25.09	25.54
iv) Net actuarial (Gain)/Loss recognized during the year	19.31	12.11	(0.61)	9.97
v) Benefits paid	(20.36)	(22.52)	(68.02)	(11.85)
vi) Closing Defined benefit obligation plan	70.55	80.23	300.90	321.69

**c) The principal assumptions used in determining gratuity obligations for the company's plan are shown below.**

	31st March 2016	31st March 2015
i) Discounting rate	8% Per Annum	7.80% Per Annum
ii) Escalation of salary	8% Per Annum	7.50% Per Annum
iii) Withdrawal rate	1%	1%
iv) Mortality rate	Indian Assured Lives (2006-08) Ultimate Mortality Rates	Indian Assured Lives (2006-08) Ultimate Mortality Rates
v) Retirement Age	62 Years	60 Years

**d) Amounts for the current and previous four periods are as follows**

(Rs. in lacs)

Particular	As at 31st March 2016	As at 31st March 2015	As at 31st March 2014	As at 31st March 2013	As at 31st March 2012
Present Value of Defined Benefit Obligation	300.90	321.69	276.06	256.81	213.93
Fair Value of Plan Assets	-	-	-	-	-
(Surplus)/Deficit	300.90	321.69	276.06	256.81	213.93
Experience adjustment on plan Liabilities (Gain)/Loss	(3.88)	(3.88)	(2.18)	24.64	14.81

**22. Earning per share (EPS)**

Particular		Current Year	Previous Year
<b>The following reflects the profit and share data used in the basic and diluted EPS computations :</b>			
Profit/(Loss) for the year after Tax *	Rs. In lacs	63.63	265.37
Weighted average number of equity shares in calculating basic and diluted EPS	Nos.	898,698,382	898,698,382
Basic earning per share before exceptional items	`	0.01	0.03
Diluted earning per share after exceptional items	`	0.01	0.03
Nominal value of equity shares	`	1.00	1.00

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

**Note :** Though the 898698382 equity shares of Re 1/- each were allotted to the shareholders on 31st March, 2016 and 500000 equity shares of Re 1/- each were cancelled on 31st March, 2016 as per approved scheme of arrangement, effect of the same has been considered on 31st March, 2015 also for arriving the EPS considering the appointed date of the scheme of arrangement as 1st April, 2014 as approved by the High Court of Bombay.

**23. Forward Contracts and Unhedged foreign currency exposure**

- a) No Forward contracts were entered into by the company either during the year or previous years.  
b) The year end Foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below .

(Rs. in lacs)

Particular	Foreign Currency		
	Yen	US Dollars	EURO
<b>Current Year</b>			
Trade payables - Foreign currency (full figures)	-	15,690	283,839.14
Trade payables - ` in crs	-	(9.56)	(20.94)
Trade receivables - Foreign currency (full figures)	-		517.30
Trade receivables - ` In crs	-		0.38
<b>Previous Year</b>			
Trade payables - Foreign currency (full figures)	-	-	95,600.00
Trade payables - ` in crs	-	-	(63.13)
Trade receivables - Foreign currency (full figures)	-		-
Trade receivables - ` In crs	-		-

**24. Imported and indigenous raw material, components and spare parts consumed**

Rs. in lacs)

Particular	Current Year		Previous Year	
	Value ( in lacs)	% of total Consumption	Value ( in lacs)	% of total Consumption
<b>Raw Material</b>				
Imported	-	-	-	-
Indigenous	4,259.16	100.00%	18221.90	100.00%
<b>Components &amp; spare parts</b>				
Imported	1,416.89	42.91%	301.01	43.62%
Indigenous	1,885.43	57.09%	389.03	56.38%

**25. C.I.F. Value of imports**

(Rs. in lacs )

	Current Year	Previous Year
Raw Materials	-	-
Production consumables , stores and spares	1,137.30	247.90

**26. Earning in foreign currency (accrual basis)**

(Rs. in lacs )

	Current Year	Previous Year
FOB value of exports		
Brokerage and Commission	53.74	5.93

**27. Expenditure in foreign currency (accrual basis)****( Rs. in lacs )**

	<b>Current Year</b>	<b>Previous Year</b>
i) Travelling , books & periodicals	11.43	21.23
ii) Engineering & design	159.74	23.02
iii) Professional fees	141.97	73.26
iv) Business Promotion	2.83	-

**28. Related party disclosures****A. Parties with whom the Company has entered into transactions during the year where control exists:**

i) Key Management Personnel :	Mr. Ashok S. Tandon
ii) Enterprise over which key management personnel /relatives have significant influence	NIL
iii) Associate	NIL

**B. Transaction with related party as per the books of accounts**

NIL

**( Rs. in lacs )**

	Nature of Relationship	For the year ended	For the year ended
		31st March 2016	31 <sup>st</sup> March 2015
<b>Remuneration *</b>			
Mr. Ashok S. Tandon	Key Management Personnel	54.66	42.00
<b>Total</b>		<b>54.66</b>	<b>42.00</b>

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

**29. Segment Information**

The company has single business Segment namely engineering products and services.

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

### 13. MANAGEMENT DISCUSSION AND ANALYSIS

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

The Company has collaboration agreements with FMC Technologies SA, France for Marine, Truck/Wagon Loading Arms and Piggable Systems and L3 Calzoni s.r.l., Milano, Italy for Fin Stabilizers and Steering Gears with Controls for Indian Naval Ships and Indian Coast Guard Ships.

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

The Company is approved for its engineering skills/works/services by various premier consulting companies and Inspection Agencies such as Engineers India Ltd.(EIL), MECON, LRIS, BVIS amongst various other agencies. The Company's works has been approved by Industrial Boiler Regulatory Authority (IBR). The company has further been approved for ISO 9001:2008 by SGS UK.

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

#### (a) Engineering Industry and Business Overview

The Engineering Sector is amongst the largest in the overall Industrial Sectors in India with a broad classification into Heavy Engineering and Light Engineering. The competencies required are high in view of high value added products and usage of high end technology. Though the Global Economic conditions continued to remain sub optimal during the last financial year, Indian Engineering Sector has withstood the scenario due to investments in infrastructure industries and expects to grow in view of "Make in India" movement of the Government of India.

The growth of Engineering Sector is dependent on the growth in the user industries, setting up of new projects, government thrust on the power and construction industries and outsourcing requirements of global companies. World class infrastructure is of utmost importance for unleashing high and sustained growth. It is expected that over long term, the demand will remain strong and future of the industry is promising.

#### (b) Opportunities and Threats

The Indian Engineering sector has witnessed a reasonable growth over the last few years driven in increased investments in infrastructure. The engineering sector being closely associated with the manufacturing and infrastructure sectors is of strategic importance to India's economy. India on its quest to become global super power has made significant strides towards the development of engineering sector. The Government of India has appointed the Engineering Export Promotion Council (EEPC) as the apex body in charge of promotion of engineering goods, products and services from India.

##### ➤ Opportunities

- Increased Investment by Government on Infrastructure
- Likely flow of Foreign Investment under 'Make in India' concept.
- 100% FDI being enjoyed by the Engineering Sector in India.
- Strong growth expected in engineering and infrastructure projects.

➤ Threats

- Global Economic slowdown.
- Rising manpower and material costs.
- Approvals and procedural difficulties.
- Higher duties and taxes
- Lack of adequate sources of Finance.

**(c) Risk & Concerns:**

The Company is exposed to the normal industry risk factors and manages these risks by prudent business and risk management practices. The Company is continuously monitoring the changes in the economic scenario, supply management practice, technological obsolescence, input prices and cutthroat competition from competitors which are an inherent business risks. The Company undertakes continuous development, training and modernisation programme to keep its business efficient. The Company further is taking proper actions against the possible industry risks which may affect the business activities of the Company.

**(d) Internal Control System and Audit:**

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

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

**(e) Human resources and industrial relations:**

The Industrial Relations in the company's units located at Murbad during the year under review was cordial. Human Resources Department ("HRD") works continuously for maintaining healthy working relationship with the workers and other staff members. The underlying principle is that workers and staff at all levels are equally instrumental for attaining the Company's goals. Training programmes are regularly conducted to update their skills and apprise them of latest techniques. Senior Management is easily accessible for counseling and redressal of grievances if any. The HR Department strives to maintain and promote harmony and co-ordination amongst workers, staff and members of the senior management.

**(f) Cautionary Statement:**

The Management Discussion and Analysis describe Company's projections, expectations or predictions and are forward looking statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand and supply and price conditions in domestic and international market, changes in Government regulations, tax regimes, economic developments and other related and incidental factors.

**14. OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS****Litigations by and against Lloyds Steels Industries Limited**

Sr. No.	Cases Filed by the Company	Remarks/Status
<b>A</b>	<b>Civil</b>	
1	Against M/s. Sembawang Projects for recovery of USD 99678 towards Bank Guarantee invoked by Sembawang Projects and for recovery of other debts.	Pending before City Civil Court, Mumbai – Hearing in Progress
2	Against M/s. Oil India Limited for recovery of Rs.1 Crore towards Bank Guarantee Invoked by OIL.	Pending before City Civil Court, Mumbai. Hearing in progress.
3	Against Tangerine Informatique Limited for recovery of debenture proceeds with interest Rs.150 Lacs.	The Company TIL has been wound up and Official Liquidator appointed by the High Court.
4	Against M/s. Oil and Natural Gas Corporation Ltd., Ankleshwar for recovery of withheld contractual dues towards Liquidated Damages and other claims of Rs.3.50 Crores. The matter is under Arbitration.	Arbitration at Ahmadabad is in progress.
<b>B</b>	<b>Criminal</b>	
1	Against M/s. Ionik Castings Pvt. Ltd., for recovery of Rs.25.30 Lacs towards dishonor of cheque issued by the supplier.	Matter is pending before Metropolitan Court, Mumbai. Proceedings are in progress

Sr. No.	Cases Filed against the Company	Remarks/Status
<b>A</b>	<b>Civil</b>	
1	IOC has invoked Risk Purchase Clause related to a contract 1994 which has been disputed with a counter claim.	Arbitration at New Delhi is in progress.
2	A Supplier has claimed refund of bank guarantee invoked for non performance of contract.	Arbitration at Mumbai is in progress.
3	Maharashtra Engineering and General Kamgar Sanghatana, a Trade Union formed by a few workers of two contractors have filed petition before the Industrial Court, Thane for permanently absorbing them in the works which has been disputed by the Company.	Matter pending before Industrial Court at Thane.

Income tax proceedings by and against the Company – **NIL**

Litigations of Promoters of Lloyds Steels Industries Limited

- Civil, Criminal and Income Tax proceedings by and against the Promoters – **NIL**

Litigations of Directors of Lloyds Steels Industries Limited

- Civil, Criminal and Income Tax Proceedings by and against the Directors – **NIL**

**Litigations by and against Uttam Value Steels Limited (UVSL)**

Sr. No.	Cases Filed by the UVSL	Remarks/Status
<b>A</b>	<b>Civil</b>	
1	Against M/s. S.K. Strips Pvt. Ltd., for recovery of Rs.5.54 Lacs towards dishonor of cheque issued by the supplier. Due to expiry of time limit Civil Case filed.	Matter is pending before City Civil Court, Mumbai. Proceedings are in progress
2	Against M/s. Allied Strips Ltd., for recovery of Rs.18.58 Lacs towards dishonor of three cheques issued by the supplier. Winding-up petition filed.	Matter is pending before Chief Metropolitan Magistrate Patiala House Court, New Delhi. Proceedings are in progress

<b>B</b>	<b>Criminal</b>	
1	Against M/s. S.K. Strips Pvt. Ltd., for recovery of Rs.11.42 Lacs towards dishonor of cheque issued by the supplier. Due to expiry of time limit Civil Case filed.	Matter is pending before Delhi Court, Proceedings are in progress
2	Against M/s. Allied Strips Ltd., for recovery of Rs.18.58 Lacs towards dishonour of three cheques issued by the supplier. Winding-up petition filed.	Matter is pending before Chief Metropolitan Magistrate Patiala House Court, New Delhi. Proceedings are in progress
4	Against M/s. Prem Praksh Tubes Ltd., Indore, Madhya Pradesh for recovery of Rs.25 Lacs towards dishonor of four cheques issued by the supplier	Matter is pending before Chief Metropolitan Magistrate, Sewri Court, Mumbai. Proceedings are in progress

<b>Sr. No.</b>	<b>Cases Filed against the UVSL</b>	<b>Remarks/Status</b>
<b>A</b>	<b>Civil</b>	
1	M/s. Gaurimal Mahajan & Sons, Pune has filed Special Civil Suit for recovery of Rs.80.44 Lacs.	Matter is pending before the Hon'ble Civil Judge, Senior Division, Pune. Proceedings are in progress.
2	M/s. AI-Bouri General Trading LLC, Dubai has filed suit for recovery of Rs.46.65 Lacs (USD 49101.16).	Matter is pending before Hon'ble City Civil Court, Mumbai. Proceedings are in progress.

#### **Income Tax Proceedings by and against the UVSL**

The Income Tax Department has demanded Rs.215.46 Crores which has been disputed by the UVSL. Dispute is pending before CIT (Appeals).

#### **15. GOVERNMENT APPROVALS**

Pursuant to the Scheme of Arrangement, Engineering Division of Uttam Value Steels Limited stands demerged from Uttam Value Steels Limited and transferred and vested into LSIL as a going concern w.e.f. Appointed Date i.e. 1<sup>st</sup> April, 2014. Being in existence for several years, the Engineering Division has got all approvals and government permissions.

Further, pursuant to the Scheme, all permits, quotas, rights, entitlement, industrial and other licenses, bids, tenders, letter of intent, expression of interest, development rights (whether vested or potential and whether under agreements or otherwise), patents, copyrights, records, designs or relevant intellectual property rights in the aforesaid, municipal permissions, approvals, consents, subsidies, tendencies in relation to the offices, and/or residential property for the employees, privileges, income tax benefits such as exemptions under the Income Tax Act, 1961 (or any statutory modifications or re-enactment thereof for the time being in force), all other rights, including sales tax deferrals and exemptions and other benefits, lease rights, prospecting license, receivables and liabilities related thereto, license power and facility of every kind, nature and description whatsoever, rights to use and avail of telephones, telefax, facsimile connection and installations, utilities, electricity and other services, provisions and benefits of all agreements, contracts, and arrangements and all other interest in connection with or relating to business associated to Engineering Division shall stand transferred to and vested in or be deemed to be transferred to and vested in LSIL as if the same were originally given or issued to or executed in favour of the LSIL, and the rights and benefits under the same shall be available to LSIL.

#### **16. MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF LLOYDS STEELS INDUSTRIES LIMITED**

##### **Table 'F'**

#### **Article 1 provides that:**

No regulation contained in Table "F" in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto.



## SHARE CAPITAL

### Article 3 provides that:

- a) The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of the Memorandum of Association of the Company from time to time.
- b) The minimum paid up share capital of the Company shall be Rs. 5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.

### Article 6 provides that:

Except so far as otherwise provided the conditions of issued of by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, withreference to the payment of calls and installments, forfeiture, lien, surrender, transfer, and transmission voting and otherwise.

### Article7 provides that:

Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue preference Shares which are or at the option of the Company are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.

### Article 8 provides that:

On the issue of Redeemable Preference Shares under the Provisions of Article 7 hereof, the following provisions shall taken effect;

- (a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of the a fresh issue of shares made for the purpose of the redemption;
- (b) no such shares shall be redeemed unless they are fully paid;
- (c) where any such shares are redeemed otherwise than out of the proceeds of the fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.
- (d) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;
- (e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be affected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital.

### Article 11 provides that:

The Company may (subject to the provisions of Section 52, 55 & 66 both inclusive, of the Act) from time to time by Special Resolution reduce its capital, any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorized by law, and in particular capital may be paid off on the footing that it may be called upon against or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

### Article 12 provides that:

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

**Article 17 provides that:**

Subject to the provisions of Section 61 of the Act, the Company in General Meeting may from time to time subdivide or consolidate its shares, or any of them, and the resolution whereby any share is Sub-divided, may determine that, as between the holders of the shares resulting from such subdivision, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

**Article 18 provides that:**

Whenever the Capital is divided into different classes of shares all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 48 of the Act, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Resolution passed at a separate General Meeting of the holders of shares of that class and supported by the votes of the holders of at least three-fourths of those shares, and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such Meeting, so that the quorum thereof shall be members present in person or by proxy and holding three-fourths of the nominal amount of the issued shares of the class. This Article is not to derogate from any power the Company would have if this Article were omitted.

**SHARES AND CERTIFICATES****Article 21 provides that:**

- (a) The Shares in the capital shall be numbered progressively according to their several denominations and except in the manner hereinbefore mentioned, no share shall be sub divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
- (b) Nothing contained in Sub-clause (a) above, shall apply to shares held in the Depository form.

**Article 22 provides that:**

1. (a) Where at any time after the expiry of two year from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of unissued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the capital paid-up on these shares at that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer within which the offer, if not accepted, will be deemed to have been decline. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.
- (b) Notwithstanding anything contained in the preceding sub-clause, the Company may:-
  - (i) by a special resolution; or
  - (ii) where no such special resolution is passed, if the votes cast in favour or the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes if any, cast against the proposal by members so entitled to voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.
  - (iii) offer further shares to any person or persons, and such person or persons may or may not include the persons who at the date of the offer, are the holders of the equity shares of the Company.
- (c) The Company shall be entitled to dematerialize its shares, debentures and other securities pursuant to the Depositories Act. 1996 and to offer its shares, debentures and other securities for subscription in a dematerialized form.
- (d) Notwithstanding anything contained in sub-clause (a) above, but subject however to section 62 of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debenture or loans into shares, or to subscribe for shares in the Company.

**Article 25 provides that:**

Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these articles, and every person who thus or otherwise accepts shares and whose name is on the Register shall for the purposes of these Articles, be a member.

**Article 28 provides that:**

- (a) Every member or allottee of shares shall be entitled, without payment, to receive one or more certificates in the marketable lot specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons or requisite value save in case of issues against letters of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney, and the Secretary or some other person appointed by the Board for the purpose; and two directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits it at least one of the aforesaid two Directors shall be a person other than a Managing or Whole time Director, Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.
- (b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to the person first named such joint owners shall be sufficient delivery to all of them. For any further certificate the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 39 of the Act.
- (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

**Article 29 provides that:**

- (a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out or where the pages on the reverse for recording transfers have been fully utilized, unless the certificate in lieu of which it is used is surrendered to the Company.
- (b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is issued in lieu of share Certificate No..... sub-divided/replaced/on consolidation of shares.
- (c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence an indemnity as to payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board think fit.
- (d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that is "duplicate issued In lieu of share certificate No....." The word "Duplicate" shall be stamped or punched in bold letters across the face of the share certificate.
- (e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificate indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes be indicated in the Register of Members by suitable cross reference in the "Remarks" column.
- (f) All blank forms to be issued for issue of share certificate shall be printed and the printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks and engravings relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose, and the Secretary or the other person as aforesaid shall be responsible for rendering an account of these forms to the Board.
- (g) The Managing Director of the Company for the time being or, if the Company has no managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in Sub-Article (f).
- (h) All books referred to in sub-Article (g) shall be preserved in good order permanently.

- (i) No fee shall be charged for issue of new Share/ Debenture Certificate in replacement of which are old, decrepit, worn out or where the cages on the reverse for recording transfers had been fully utilized.
- (j) Share/Debenture Certificate shall be issued in marketable lot and where Share/Debenture Certificates are issued for either more or less than marketable lots, subdivision/consolidation into marketable lots shall be done free of charge.
- (k) Nothing contained in clause (a) to (i) of Article 28 shall apply to the shares held in the Depository form.

### **UNDERWRITING & BROKERAGE**

**Article 34 provides that:**

Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

### **CALLS**

**Article 36 provides that:**

- (a) The Board may, from time to time subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments.
- b) A call may be revoked or postponed at the discretion of the Board.

**Article 37 provides that:**

Fifteen days' notice in writing of any call shall be given by the company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

**Article 40 provides that:**

The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a member of grace and favour.

**Article 41 provides that:**

Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.

**Article 42 provides that:**

If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

**Article 43 provides that:**

Any sum, which may by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.

**Article 45 provides that:**

Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

**Article 46 provides that:**

- (a) The Board may, if it thinks fit agree to and receive from any member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums actually called up and upon the moneys so paid in advance or upon so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time an amount so advanced or may at any time repay the same upon giving to the member three months' notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profit.
- (b) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

**LIEN****Article 47 provides that:**

The Company shall have a first and paramount lien upon all the shares (other than fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any shares shall be created except upon the footing, and upon the condition that Article 30 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the company's lien, if any, on such shares. The Board of Directors may exempt any classes of shares from the applicability of these provisions.

**FORFEITURE OF SHARES****Article 50 provides that:**

If any member fails to pay any call or installment on or before the day appointed for the payment of the same the Board may at any time thereafter send the notice to such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

**Article 51 provides that:**

The notice shall name a day (not being less than thirty days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time, and at the place appointed the shares in respect of which such call was made or installment is payable will be liable to be forfeited.

**Article 52 provides that:**

If the requisitions of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

**Article 53 provides that:**

When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but not forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.

**Article 54 provides that:**

Any share so forfeited shall be deemed to the property of the Company, and the Board may sell, re-allot or otherwise dispose of the same in such manner as it thinks fit.

**Article 55 provides that:**

The Board may, at any time before any share so forfeited shall have been sold, reallocated or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

**Article 56 provides that:**

A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or installments interest and expenses, owing upon or in respect of such share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine, and the Board may enforce the payment thereof, or any part thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.

**Article 57 provides that:**

The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in all claims and demands against the Company in respect of the share and all other rights, incidental to the share except only such of those rights as by these Articles are expressly saved.

**Article 58 provides that:**

A duly verified declaration in writing that the declarant is a Director of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares; and the person to whom any such share is sold shall be registered as the member in respect of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

**Article 59 provides that:**

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons, entitled thereto.

**Article 60 provides that:**

The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.

### TRANSFER AND TRANSMISSION OF SHARES

**Article 61 provides that:**

The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and directly entered particulars of every transfer or transmission of any share.

**Article 62 provides that:**

The instrument of Transfer shall be in writing and all the provisions of Section 56 of the Act, shall be duly complied with in respect of all transfers of shares and the registration thereof.

### EXECUTION OF TRANSFER INSTRUMENTS

**Article 63 provides that:**

- (a) Every such instrument of transfer shall be executed both by the transferor and the transferee and attested, and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof. No fee shall be charged for transfer of Share/ Debenture or for effecting transmission on registering any Letter of Probate, Letter of Administration and similar other documents.
- (b) Notwithstanding anything contained in the Articles of Association, in the case of transfer of shares and other marketable securities, where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form, the provisions of the Depositories Act, 1996 shall apply.

**Article 64 provides that:**

The Board shall have power on giving seven days' previous notice by advertisement in some newspaper circulating in the district in which the Office of the Company is situated to close the transfer books, the Register of Members or Register of Debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as it may seem expedient.

**Article 65 provides that:**

Subject to the provisions of Section 58 of the Act, and Section 22A of the Securities contract (Regulation) Act 1956 or any Statutory modification/s thereof for the time being in force, the Board of Directors may at its own absolute and uncontrolled discretion and without assigning any reason, decline to register or acknowledge any transfer of shares (notwithstanding the proposed transferee be already a Member), but in such case it shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer, provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons, indebted to the Company on any account whatsoever, except where the Company has lien on shares.

**Article 68 provides that:**

The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one of two or more joint-holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or holders of a Succession Certificate or the legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India, provided that in any case where the Board of Directors in its absolute discretion thinks fit, may dispense with production of Probate or Letters of Administration or Succession Certificate, and under Article 70 register the name of any person, who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.

**Article 72 provides that:**

- (1) A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either:
  - a. to register himself/herself as holder of the share or debenture, as the case may be; or
  - b. to effect such transfer of the share or debenture, as the deceased shareholder, as the case may be, could have made.
- (2) If the nominee elects to be registered as holder of shares or debentures himself / herself, as the case may be, he/ she shall deliver or cause to deliver to the Company, a notice in writing signed by him/her stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debentureholder, as the case may be.
- (3) A Nominee shall be entitled to the share, dividend and other advantages to which he/she would be entitled as if he/she was the registered holder of share or debenture. Provided that he/she shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself/herself or to transfer the share or debenture and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share or debenture, until the requirements of the notice have been complied with.

## **BORROWING POWERS**

**Article 78 provides that:**

The Board may, from time to time, at its discretion subject to the provisions of Section 180 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

**Article 79 provides that:**

The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular, by the issue of bonds, perpetual or redeemable, debentures or debenturestock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being.

**MEETINGS OF MEMBERS****Article 88 provides that:**

The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual general Meeting shall be Extraordinary General Meetings.

**Article 89 provides that:**

The Board may; whenever it think fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

**Article 93 provides that:**

Twenty-one days' notice at the least of every General Meeting, Annual or Extraordinary and by whomsoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company; Provided that in the case of an Annual General Meeting with the consent in writing of all the members entitled to vote thereat and in the case of any other meeting, with the consent of members holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting may be convened by a shorter notice. In the case of and Annual General Meeting, if any business other than (i) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring (iv) the appointment of and fixing of the remuneration of the Auditors, is to be transacted, and in case of any other meeting, in any event there shall be annexed to the notice of the Meeting a statement out all material facts concerning each such item of business including, in particular, the nature of concern or interest, if any, therein of every director, and the Manager (if any) where any such item of special business related to or affects any other Company, the extent of share-holding interest in other company of every Director and the Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 per cent of the paid-up share capital of that other company. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.

**Article 95 provides that:**

No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

**Article 96 provides that:**

Quorum shall be minimum members required to be present at the General Meeting as per provisions of the Act.

**Article 97 provides that:**

A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

**Article 98 provides that:**

If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such other time and place in the city or two in which the office of the Company is for the time being situate, as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.

**Article 99 provides that:**

The Chairman (if any) of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting, or if he shall be unable or unwilling to take the chair, then the directors present may choose one of their number to be the Chairman of the meeting. If no director be present or if all the directors present decline to take the chair, then the Members present shall elect one of their number to be Chairman.



**Article 102 provides that:**

A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

**Article 103 provides that:**

In the case of an equality of votes, the Chairman shall have a casting vote in addition to the vote or votes to which he may be entitled as a member.

**Article 104 provides that:**

If a poll is demanded as aforesaid the same shall, subject to Article 103 be taken at such time (not later than forty eight hours from the time when the demand was made) and place in the city or town in which the office of the Company is for the time being situated and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

**Article 105 provides that:**

Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member present at the meeting provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from each removal or from any other cause.

#### VOTES OF MEMBERS

**Article 108 provides that:**

No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of share holders, either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or, regard to which the Company has, and has exercised any right of lien.

**Article 109 provides that:**

The Company may and in the case of resolution relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot, shall, get any resolution passed by means of a postal ballot, instead of transacting the business in general meeting of the Company. Where the Company requires to or decides to, as the case may be get a resolution passed by means of a postal ballot, the provisions of Section 110 of the Act or such other rules, regulations and modifications framed thereunder from time to time shall be complied with.

**Article 110 provides that:**

A Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of shares or debentures on behalf of a Beneficial Owner. Save as otherwise provided herein above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Shares held by it and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its shares held by a Depository.

#### DIRECTORS

**Article 126 provides that:**

Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 and 151 of the Act, the number of Directors (excluding nominees/ special/debenture and alternate Directors) shall not be less than three nor more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution.

**Article 130 provides that:**

The Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office of the Original Director are returns to that State. If the terms of office of the Original Director are determined before he so returns to that State, any provisions in the Act or in these Articles for his automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

**Article 132 provides that:**

Subject to the provisions of Section 161 of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under the Article 126. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting.

**Article 140 provides that:**

A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company or two or more of them together holds or hold not more than two per cent of the paid-up share capital in any such other company.

**Article 142 provides that:**

No Director shall as Director take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however, that nothing herein contained shall apply to:-

- (a) any contract of indemnity against any loss which the Directors or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company.
  
- (b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely :
  - (i) in his being:-
    - (a) a director of such company, and
    - (b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company.
  - Or
  - (ii) in his being a member holding not more than 2% of its paid-up share capital.

**Article 151 provides that:**

Every Director or Managing Director or Manager, or Secretary of the Company, shall upon his appointment to any of the offices in any other body corporate, disclose to the Company, the particulars relating to his office in the other body corporate which are required to be specified under Section 184 of the Act.

**MANAGING DIRECTOR/ WHOLE-TIME DIRECTOR****Article 152 provides that:**

Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member as Managing Director or Managing Directors of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and subject to the provisions of Article 153, the Board may by resolution vest in such Managing Director or Managing Directors, such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act.

**DIVIDENDS****Article 176 provides that:**

The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

**Article 177 provides that:**

No dividend shall be declared or paid otherwise than out of the profits of the financial year arrived at after providing for depreciation in accordance with the provisions of section 123 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that;

- (a) if the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or years;
- (b) If the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at both cases after providing for depreciation in accordance with provisions of Section 123 of the Act, or against both.

**Article 179 provides that:**

The Board may, from time to time, pay to the Holders of Equity Shares such Interim Dividend as, In their judgement, the position of the Company justifies. Further, the Board may pay Interim Dividend to the Holders of Preference Shares or any other class of Shares as it may deem fit.

**Article 180 provides that:**

Where capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

**CAPITALISATION OF RESERVES****Article 189 provides that:**

Any General Meeting may resolve that any moneys, investments, or other assets forming part of the undivided profits of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Fund, or in the hands of the Company and available for dividend or representing premiums received on the issue, of shares and standing to the credit of the Share Premium Account be capitalized and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such members in paying up in fully any unissued shares, debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalized sum; Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

**Article 190 provides that:**

A General Meeting may resolve that any surplus money arising from the realization of any capital assets of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.

**Article 191 provides that:**

For the purpose of giving effect to any resolution under the two last preceding Articles hereof the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that cash payment, shall be made, to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalized fund as may seem expedient to the Board. Where requisite, a proper contract shall be filed in accordance with the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividend or capitalized fund, and such appointment shall be effective.

## 17. DOCUMENTS FOR INSPECTION

Copies of following documents are available at our registered office at Plot No. A-5/5, MIDC Area, Murbad, Thane-421 401 for inspection on any working day (i.e. Monday to Friday and not being a bank holiday) from 11.a.m to 2.00 p.m.

- Memorandum and Articles of Association of the Company along with Certificate of Incorporation issued by Registrar of Companies, Maharashtra, Mumbai.
- Annual Reports of LSIL and UVSL for the year ending March 31, 2013, 2014 and 2015.
- Scheme of Arrangement for Demerger of the Engineering Division of UVSL into LSIL.
- The Order of Hon'ble High Court of Bombay dated 30<sup>th</sup> October, 2015 and 30<sup>th</sup> November, 2015 sanctioning the Scheme of Arrangement for demerger of the Engineering Division of UVSL with LSIL under Section 391 to 394 of the Companies Act, 1956.
- Observation Letters issued by BSE vide letter no. *DCS/AMAL/JS/24(f)/190/2014-15* dated *October 14, 2014* and by NSE vide letter no. *NSE/LIST/576* dated *October 20, 2014* according their "no objection" to the Scheme of Demerger between UVSL and LSIL.
- E-form PAS 3- Return of Allotment dated 31<sup>st</sup> March, 2016 filed by the Company on 11.04.2016 for allotment of Shares pursuant to the Scheme of Demerger of Engineering Division of UVSL into LSIL.
- Copy of Tripartite Agreement between the Company, RTA and NSDL dated 24<sup>th</sup> July, 2014.
- Copy of Tripartite Agreement between the Company, RTA and CDSL dated 31<sup>st</sup> October, 2015.
- Memorandum of Understanding with the Registrar and Share Transfer Agent.
- In- Principle Listing Approval from National Stock Exchange of India Limited vide letter no. *NSE/LIST/76930* dated June 17, 2016.
- In- Principle Listing Approval from BSE Limited vide letter no. *DCS/AMAL/AC/IP/1125/2016-17* dated June 23, 2016.
- SEBI Letter No. *DIL-2/PR//RV/19203/2016* dated July 05, 2016 granting relaxation from the applicability of Rule 19(2)(b) of the Securities Contract Regulation (Rules) 1975 for listing of Shares of Lloyds Steels Industries Limited.

## 18. DECLARATION

No statement made in this Information Memorandum contravenes any of the provisions of the Companies Act, 1956 and Companies Act, 2013 and the rules made there under. All the legal requirements connected with the said issue as also the guidelines, instructions etc. issued by SEBI, Government and any other competent authority in this behalf have been duly complied with. All the information contained in this document is true and correct.

**On behalf of the Board of Directors of  
Lloyds Steels Industries Limited**

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**Ashok Tandon**  
**Manging Director**  
**DIN: 00028301**

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**P. R. Ravi Ganesan**  
**Company Secretary**

**Place: Mumbai**  
**Date: 12<sup>th</sup> July, 2016**