

BUSINESS RESPONSIBILITY REPORT**[As per Regulation 34(2)(f) of SEBI (LODR) Regulations, 2018 and its amendments thereof]****SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

1.	Corporate Identity Number (CIN) of the Company	L40300MH1977PLC019594
2.	Name of the Company	Lloyds Metals and Energy Limited
3.	Registered address	Plot No A 1-2, MIDC Area, Ghugus Chandrapur - 442505
4.	Website	http://www.lloyds.in/
5.	E-mail id	investor@lloyds.in
6.	Financial Year reported	01 st April, 2021 to 31 st March, 2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	a. NIC Code: 07100 – Mining of Iron Ores b. NIC Code: 24102 - Sponge Iron & Steel c. NIC Code: 35106 – Power
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	a. Iron Ore Mining b. Sponge Iron Manufacturing c. Power Generation
9.	Total number of locations where business activity is undertaken by the Company	Ghughus, Surjagad, Konsari
a)	Number of International Locations (Provide details of major 5)	NIL
b)	Number of National Locations	Registered Office: A 1 -2, MIDC, Ghugus, Chandrapur, - 442505, Maharashtra Mining Site: Wooria Hills, Forest Comptt 197 198 199 227 228, Surjagarh, Etapalli, Gadchiroli – 442704, Maharashtra Corporate Office: A-2, Madhu Estate, 2 nd Floor, Pandurang Budhkar Marg, Lower Parel (West), Mumbai 400 013. Mineral Based Steel Plant at Konsari, Gadchiroli District: Plot No. A-1, Lloyds Metals and Energy Limited, Chamorshi Industrial Area, Konsari, Gadchiroli – 442707
10.	Markets served by the Company – Local/State/ National/International	Domestic (India)

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	36,87,19,220
2.	Total Turnover (INR)	Standalone: ₹ 72,725.30 Lakhs Consolidated: ₹ 72,725.30 Lakhs
3.	Total profit after taxes (INR)	Standalone: ₹ 9,730.36 Lakhs Consolidated: ₹ 9,737.68 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹ 26,13,495
5.	List of activities in which expenditure in 4 above has been incurred	a) Health and Drinking Water b) Education c) Livelihood d) Support to charities, NGOs and Government for social causes

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	No
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	N.A.
3.	Do any other entity/entities (e.g., suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Director/Director responsible for implementation of the BR policy/policies

1.	DIN Number	00028379
2.	Name	Rajesh Gupta
3.	Designation	Non-Executive Non-Independent Promoter Director

b. Details of the BR head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	00028379
2.	Name	Rajesh Gupta
3.	Designation	Non-Executive Non-Independent Promoter Director
4.	Telephone number	022-6291 8111
5.	e-mail id	investor@lloyds.in

2. Principle-wise (as per NVG's) BR Policy / policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the well-being of all employees
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5	Businesses should respect and promote human rights
P6	Business should respect, protect and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

a. Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policy for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	All Policies have been approved by the Board of Directors of the Company and have formulated in consultation with the Management and concerned Committee Members of the Company								
3.	Does the policy conform to any national international standards? If yes, specify? (50 words)	The policies are broadly based on the National Voluntary Guidelines on Social and Economical Responsibilities of the Business issued by the Ministry of Corporate Affairs, Government of India and SEBI(LODR).								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Board of Directors of the Company oversee the implementation of the various policies of the Company								
6.	Indicate the link for the policy to be viewed online?	http://www.lloyds.in/policies/								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The Policies are available on the website of the Company for viewing and information of all its Stakeholders as well as for the general public at http://www.lloyds.in/policies/								
8.	Does the Company have in-house structure to implement the policy/ policies?	Yes, the Board of Directors are responsible for the implementation of BR policies of the Company.								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, any grievance or feedback related to the policies can be sent to investor@lloyds.in . The Board of Directors of the Company are responsible for addressing stakeholder grievances / concerns related to BR policies.								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Policies are periodically reviewed internally by the Board of Directors of the Company.								

b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

3. Governance related to BR

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year

Annually

- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company is committed to pursuing its business objectives ethically, transparently and with accountability to all its stakeholders. It believes in demonstrating responsible behaviour while adding value to the society and the community, as well as ensuring environmental well-being from a long-term perspective. The Business Responsibility Report ("BRR") of the Company is being presented to the Stakeholders as per the requirements of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 describing the environmental, social and governance initiatives taken by the Company.

In its circular dated February 6, 2017, SEBI has made the Business Responsibility and Sustainability Report ("BRSR") applicable to the top 1,000 listed entities (by market capitalisation) for reporting on a voluntary basis for F.Y. 2021-22 and on a mandatory basis from F.Y. 2022-23.

The current financial year marks the first year of the Company's transition towards Business Responsibility Reporting ("BRR"). The Company has provided the requisite mapping of principles of the National Guidelines on Responsible Business Conduct to fulfil the requirements of the BRR as per SEBI's directive. The Report which forms a part of the Annual Report can along with all the related policies, be also viewed on the Company's website <http://www.lloyds.in/>

SECTION E: PRINCIPLE-WISE PERFORMANCE**Principle 1**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

Yes. The Company firmly believes in transparent, fair and ethical business practice. The Company has a Code of Conduct for Directors and Senior Management. The Company also has following Policies in place:

- a. Whistle blower Policy
- b. Prevention of Sexual Harassment.

These Policies lay down the rules and procedures through which the Employees can report any suspected wrong doing or fraudulent business practices without fear of reprisals, thereby helping the Company uphold its high standards.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year the Company did not receive any stakeholder complaints.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - a. Generation of Power
 - b. Production of sponge iron
 - c. Mining of Iron Ore
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
 - a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The Company is always in a constant process of finding and implementing methods to conserve various resources of energy and ecosystem. Controlling moisture in raw material is biggest source of energy conservation in any DRI process, recently company has invested in construction of covered area to protect its infed material from rain, which will reduce water ingress to the Kiln and thus save energy. A solar energy-based power generation is being planned for the Company's own residential colony. Once commissioned complete power requirement of the colony will be met with this solar power-based power generation unit. A significant amount of funds will be invested in the solar power generation in the coming years

- b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Yes

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

Yes

- a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company is always in a constant process of finding and implementing methods to conserve various resources of energy and ecosystem.

Controlling moisture in raw material is biggest source of energy conservation in any DRI process, recently company has invested in construction of covered area to protect its infed material from rain, which will reduce water ingress to the Kiln and thus save energy.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Yes

- a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company takes constant steps to procure spares etc as may be required from the local and small producers.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, the Company recycles its waste products upto 5-10% of its waste generated which is used for making roads and maintain within its premises. The balance waste products are generally sold as scarp

Principle 3

1. Please indicate the total number of employees.

415

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

394

3. Please indicate the Number of permanent women employees.

07

4. Please indicate the Number of permanent employees with disabilities

NIL

5. Do you have an employee association that is recognized by management

No

6. What percentage of your permanent employees is members of this recognized employee association?

N.A.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year?

NIL

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

We place high importance on the safety of our employees and to ensure this, 100% of our plant and mines employees as well as laborers receive health and safety training. We also encourage constant learning as well as personal and professional development. To achieve this goal, we provide soft and technical skill up-gradation to most of our employees. We continue to focus our efforts on training our employees and add holistic value.

Principle 4

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders'? If so, provide details thereof, in about 50 words or so?

The Company undertakes various Corporate Social Responsibility Activities to help the disadvantaged, vulnerable and marginalized communities. Few of those activities being that the Company provides books for educating the children of the backward communities and make available clean and safe drinking water.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

It covers only the Company

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the year the Company did not receive any stakeholder complaints

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

It covers only Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.?

Yes. <http://www.lloyds.in/policies/>

3. Does the Company identify and assess potential environmental risks?

Yes

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Existing generation of the power plant of the Company works on clean development mechanism as it uses waste gases for generation of power.

The Company is in process of implementing a solar energy-based power generation unit at its own residential colony. Once commissioned complete power requirement of the Colony will be met with this solar power-based power generation unit.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. <http://www.lloyds.in/>

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The waste / emissions generated are within the permissible limits given by MPCB

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of Financial Year. - **No**

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- a. Sponge Iron Manufacturers Association ("SIMA")**
- b. Vidarbha Industrial Association**
- c. Steel Manufacturer's Association of Maharashtra**
- d. MIIDC Industrial Association, Chandrapur**

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) –

No

Principle 8

1. Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof –

The Company undertakes various Corporate Social Responsibility Activities for the social and economic upliftment of the backward classes of people in the

area where the Registered Office of the Company is situated.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization? –

The said above activities are undertaken mainly by the Company in-house.

3. Have you done any impact assessment of your initiative? – **Yes**

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken –

The Company has spent an amount of Rs. 26,13,495 under Corporate Social Responsibility Activities

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so

The Company before undertaking initiatives for social responsibility undertakes survey / research on the areas where the amount spent will help the community the most.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year –

NIL

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information) –

N.A.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. –

No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes

INDEPENDENT AUDITOR'S REPORT

To the Members of **M/s. Lloyds Metals and Energy Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **M/s. Lloyds Metals and Energy Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on 31st March, 2022, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Optionally Fully Convertible Debenture

Refer Notes 12 and 16(iii) to the Standalone Financial Statements

The company has entered into an agreement during the F.Y. 2021-22, with Thriveni Earthmovers Private Limited for the issue of 3% Optionally Fully Convertible Debenture ("OFCDs") amounting to ₹ 20,00,00,000/- These may be converted at the option of Debenture holder within a time frame of not exceeding 18 months from the date of allotment into one fully paid-up Equity shares of ₹ 1/- each of the Company at a price of ₹ 20 (including premium of ₹ 19) per share. The OFCDs shall carry simple interest @ 3% p.a. payable on half yearly basis commencing from 28th June 2021.

A compound financial instrument is a debt instrument with an embedded conversion option into ordinary equity shares. The management has considered the above instrument as a Compound Financial Instrument which comprises two components: a financial liability and an equity instrument.

As at 31st March 2022, the carrying value of OFCDs liability component and an equity component is ₹ 1888.26 lakhs and ₹ 239.42 lakhs respectively, based on the provisions of IND AS 32.

The management has used its judgements and estimates in presentation and disclosure of the aforementioned instrument in accordance with the principles of IND AS 32, Financial Instrument: Presentation.

Auditors Response:

Our audit procedures to assess the accounting of the OFCDs included the following:

- 1) Obtained understanding of the contractual terms of the OFCD agreement.
- 2) Obtained accounting analysis of OFCDs from the management and reviewed the same in light of appropriate accounting guidance.
- 3) Performed audit procedures on valuation inputs and accounting entries of the transaction as per IND AS 109.
- 4) Assessing the appropriateness of the presentation as per IND AS 32 of the financial instruments.

2. Mining Segment

Refer Notes 37 to the Standalone Financial Statements

The company has identified a new reportable operating segment named "Mining" during the FY 2021-22 in accordance with the principles of IND AS 108, Operating Segments. Up to 31st March 2021, it had two reportable operating segments named "Sponge Iron" and "Power"

As per IND AS 108, an operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's

chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. An entity shall report separately information about each operating segment or results from aggregating two or more of those segments, and exceeds the quantitative thresholds in paragraph 13.

During the F.Y. 2021-22, the total revenue generated from the mining segment amounts to ₹ 23,796.64 lakhs and segment profits (before finance cost & tax) amount to ₹ 12,127.83 lakhs. As on 31st March 2022, Segment assets amount to ₹ 19,195.82 lakhs, segment liability amounts to ₹ 1,515.16 lakhs and capital employed towards mining amounts to ₹ 17680.66 lakhs.

The management has used its judgements and estimates in presentation and disclosure of the aforementioned segment in accordance with the principles of IND AS 108, Operating Segments.

Auditors Response:

Our audit procedures include, among others,

- 1) Obtaining an understanding of the nature, form and type of the newly added segment.
- 2) Assessing appropriateness of management's judgement in recognition of the reportable segment as per IND AS 108.
- 3) Obtaining an understanding of methods of allocating operating expenses, identifiable assets used jointly by two or more segments, and evaluating whether those methods are reasonable.
- 4) Assessing the appropriateness of the presentation and disclosures of the segments as per IND AS 108, Operating segments.

3. Evaluation of Contingent Liabilities:

Refer Note 34 to the Standalone Financial Statements

Claims against the company not acknowledged as debts is disclosed in the Standalone Financial Statements. The existence of the payments against these claims requires management judgment to ensure disclosure of most appropriate values of contingent liabilities.

Auditors Response: Our audit procedures include, among others, assessing the appropriateness of the management's judgment in estimating the value of claims against the company not acknowledged as debts as given in the Note 34.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management

Discussion and Analysis, Board's Report including Annexure to Board's Report, Corporate Governance Report but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone 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 of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud

or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 B', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extend applicable.
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 purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Company has no branch office and hence the company is not required to conduct audit under section 143 (8) of the Act;
 - d. The Balance Sheet, the Statement of Profit and Loss, the Cash flow statement dealt with by this Report are in agreement with the books of account;
 - e. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (As amended);
 - f. On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

- g. 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over financial Reporting;
- h. In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
- i. 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 (As amended):
- i. The Company has disclosed the impact of pending litigations on its financial position in Note 34 of the Standalone Financial Statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. During the year, no amounts were required to be transferred to the Investor Education and Protection Fund by the Company. So, the question of delay in transferring such sums does not arise.
- iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts to the standalone Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (a) and (b) contain any material misstatement.; and
- v. The Company has not declared or paid any dividend during the year.

For VSS & Associates
Chartered Accountants
ICAI Firm Reg. no.: 105787W

Sanjay Jain
Partner
M.No.: 046565
UDIN: 22046565ALUYVS4733

Dated: 29th April, 2022
Place: Mumbai

Annexure – A 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")****Opinion**

We have audited the internal financial controls over financial reporting of **M/s Lloyds Metals and Energy Limited** ("the Company") as of 31st March 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Standalone Financial Statements and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, 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.

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 (the "Guidance Note") 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. 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 Standalone 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 with reference to these Standalone Financial Statements.

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 Standalone 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 Standalone 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 Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to Standalone Financial Statements

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.

For VSS & Associates
Chartered Accountants
ICAI Firm Reg. no.: 105787W

Sanjay Jain
Partner
M.No.: 046565
UDIN: 22046565ALUYVS4733

Dated: 29th April, 2022
Place: Mumbai

Annexure - B to Independent Auditor's Report

The 'Annexure B' referred to in Independent Auditor's Report to the Members of the Company on the Standalone Financial Statements for the year ended 31st March 2022, we report that:

The 'Annexure B' referred to in Independent Auditor's Report to the Members of the Company on the Financial Statements for the year ended 31st March 2022, we report that:

- a) 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. The Company does not own any Intangible Assets therefore clause i(a)(B) is not applicable.
- b) According to the information and explanation given to us, fixed assets were physically verified by the management according to a 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 explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- i. a) 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.
- b) According to the information and explanation given to us and based on the records produced before us, the company has not sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.
- ii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.
- a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted any loans to subsidiaries, joint ventures and associates.
- B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not granted loans to a party other than subsidiaries, joint ventures and associates. Therefore the clauses iii(b) to iii(f) of Paragraph 3 are not applicable to the company.
- iii. In our opinion and according to information and explanation given to us, Section 185 and Section 186 of Companies Act, 2013 are not applicable to the Company. Therefore the clause (iv) of Paragraph 3 is not applicable.
- iv. According to the information and explanation given to us, the company has not accepted any deposits, whether the directives issued by the Reserve Bank of India, and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. Hence the provisions of clause (v) of Paragraph 3 are not applicable to the company.
- v. Pursuant to the rules made by the Central Government, the maintenance of Cost Records has been prescribed u/s. 148(1) of the Companies Act, 2013. We are of the view that prima facie the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vi. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.
- b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory

dues which have not been deposited by the Company on account of disputes, except for the following:

SR NO	Name of Statute	Nature of dues	Amount (in lakhs)	Forum where dispute is pending
1	The Central Excise Act, 1944	Excise Duty	5.20	Supreme Court
2	The Central Excise Act, 1944	Excise Duty	66.56	Commissioner of Appeals, Guntur
3	The Central Excise Act, 1944	Excise Duty	584.46	CESTAT
4	The Central Excise Act, 1944	Excise Duty	843.47	CESTAT
5	Income Tax Act, 1961	Income Tax	3200.87	Commissioner of Appeal, Income Tax

vii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

viii. a) According to the information and explanation given to us and based on the records produced before us, the company has not defaulted in repayments of dues to financial institutions and banks.

b) According to the information and explanation given to us, the company is not declared as a willful defaulter by any Bank or Financial Institution or other lender.

c) In our opinion and according to information and explanation given to us, the company has applied the term loans for the same purpose for which they were obtained.

d) According to the information and explanation given to us, the funds raised for short term basis have not been utilized for long term purposes by the company.

e) According to the information and explanation given to us and the record produced before us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) In our opinion and according to information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

ix. a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with the requirements of section 42 and section 62 of the Companies Act, 2013 for preferential allotment of optionally convertible debentures and the funds raised have been used for the purposes for which the funds were raised.

x. a) During the course of our examination of the books of account carried in accordance with the generally accepted auditing standards in India, we have neither come across any instance of fraud on or by the Company, either noticed or reported during the year, nor have we been informed of such case by the Management.

b. According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government

c. No whistle blower complaints were received by the Company during the year. Therefore, clause xi(c) of paragraph 3 is not applicable.

xi. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause (xii) of Paragraph 3 of the Order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

xiii. a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the internal audit reports of the Company issued till date for the period under audit.

xiv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xv. a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause(xvi)(a) of Paragraph 3 of the Order is not applicable.

- b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause (xvi)(c) of Paragraph 3 of the Order is not applicable.
- d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause(xvi)(d) of Paragraph 3 are not applicable.
- xvi. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xvii. There has been no resignation of the statutory auditors during the year. Accordingly, clause (xviii) of Paragraph 3 of the Order is not applicable.
- xviii. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period

of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xix. a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 in respect of other than ongoing project. Accordingly, clauses (xx)(a) of Paragraph of the Order are not applicable.
- b) In our opinion and according to the information and explanations given to us, there are no ongoing project as per section 135 of the Companies Act. Accordingly, clauses (xx)(b) of Paragraph 3 of the Order are not applicable.

For VSS & Associates
Chartered Accountants
ICAI Firm Reg. no.: 105787W

Sanjay Jain
Partner
M.No.: 046565
UDIN: 22046565ALUYVS4733

Dated: 29th April, 2022
Place: Mumbai