



Annual Report



STEWARTS & LLOYDS OF INDIA LIMITED

BOARD OF DIRECTORS

Ms. Bharati Srinivasan
Chairperson (Non-Executive Director)

Mr. Ashok Mitra
Independent Director

Mr. Shibaji Dasgupta
Independent Director

Mr. Rajesh Ganeshviswanathan
Non-Executive Director

KEY MANAGERIAL PERSONNEL

Mr. Samir Bhadra
Company Secretary & V. P. Corporate Affairs

Mr. Dipankar Banerjee
Chief Financial Officer

AUDITORS

M/s. Ray & Ray

BANKERS

State Bank of India
Standard Chartered Bank

REGISTRAR & SHARE TRANSFER AGENT

M/s. C B Management Services (P) Ltd.

REGISTERED OFFICE

41, Chowringhee Road, Kolkata - 700 071

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REPORT OF BOARD OF DIRECTORS

To the Members,

The Directors have pleasure in presenting before you the Seventy Eighth Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

1) The Financial Results

	2015-16 (Rs. in lakhs)	2014-15 (Rs. in lakhs)
(I) Total Earnings	634.42	1699.02
(ii) Total Expenditure	3561.93	1569.02
(iii) Profit/(Loss) before Finance cost, depreciation and taxes	(2927.51)	130.00
(iv) Less: (a) Finance cost	2.35	152.58
(b) Depreciation	21.33	69.74
(v) Profit/(Loss) before taxes	(2951.19)	(92.32)
Less: Provision for taxation:		
Current Year	—	—
Deferred	79.48	—
(vi) Profit /Loss after taxes	(3030.67)	(92.32)

2) The state of the company's affairs :

It was referred in the last Annual Reports that as per audited accounts for the period ended 31st March 2014, the Company became a Sick Company and had been referred to the Board for Industrial and Financial Reconstruction (BIFR) on 01.10.2014. The BIFR had informed vide their letter dated 24.02.2015 that our reference had been registered as case no. 31/2015.

It is note that due to non-availability of both Fund Based and Non Fund Based Banking facilities, the Company could not enter into any new project business during the year under review. The Company had to mainly depend upon the maintenance jobs at Tata Steel, Jamshedpur. The IPPL Project at SAIL, DSP is almost completed and commissioning certificate has been received. The other project at SAIL, DSP i.e. WAP Project is in a stalemate condition due to acute fund crunch.

During the year, your Company has registered a huge negative PBITDA of Rs. 29.27 crores due to the following reasons:-

- (1) Making provision for doubtful debts of Rs. 17.14 crores on old receivables from various parties.
- (2) Making provision for doubtful advances of Rs. 9.42 crores on Bank Guarantee amount as invoked by one of our Debtors in previous years.
- (3) Making provision for doubtful capitals WIP lying at Orgram Workshop amounting to Rs. 0.26 crore since no further development has taken place for a considerable time. Also for the same reason the Company had to charge off to revenue Rs. 0.30 crore towards land development expenses and transportation cost for carrying the Capital WIP items from KDP/JJP works to Orgram, Burdwan.

There is no amount proposed to carry to any reserves and no amount is recommended to be paid by way of dividend. There is no material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

3) The extract of the annual return as provided under sub-section (3) of section 92 of the Companies Act, 2013 in specified Form No. MGT-9 annexed as Annexure - "A"

4) Number of meetings of the Board:

Total Four Board meetings were held on 05.05.2015, 31.07.2015, 13.11.2015 and 12.02.2016 during the year.

5) Directors' Responsibility Statement:

Pursuant to Section 134(5) of the Companies Act, 2013 and based on the report from your Directors the operating Management confirms that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
 - b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
 - c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
 - d) the directors have prepared the annual accounts on a going concern basis;
 - e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
 - f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.
- 6) Management Discussion And Analysis Report :
As required under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is enclosed as a part of this report.
- 7) All the independent directors have submitted the Statement on declaration under sub-section (6) of section 149 of the Companies Act, 2013.
- 8) The Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub section (3) of Section 178 is annexed in Nomination and Remuneration Policy as Annexure "B"
- 9) Explanations or comments by the Board on qualification or remark as follows :
(i) by the auditor in his report;
Emphasis of matters as referred in the Audit Report duly covered in Note no.23.14 in the Financial Statement.
(ii) by the company secretary in practice in his secretarial audit report; the Secretarial Audit Report dated 22.04.2016 is enclosed as Annexure - "C" which is self explanatory
- 10) There are no loans, guarantees or investments under section 186 by the Company
- 11) Particulars of contracts or arrangements with related parties referred to in sub section (1) of Section 188 in Form AOC-2 are given hereunder:

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

1. Details of contracts or arrangements or transactions not at Arm's length basis :

Sl. No	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements /transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

2. Details of contracts or arrangements or transactions at Arm's length basis :

Sl. No.	Particulars	Details
a)	Name (s) of the related party and Nature of Relationship	NIL
b)	Nature of contract /arrangement /transaction	NIL
c)	Duration of the contracts/arrangements / transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including value if any	NIL
e)	Date of approval by the Board	NIL
f)	Amount paid as advance if any	NIL

- 12) Conservation of energy
The disclosure required in Section 134(5) of the Companies Act, 2013 is not applicable to the Company
- 13) Technology absorption
There is no technology absorption during the year under report.
- 14) Foreign exchange earnings and Outgo
The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows : NIL
- 15) The Risk management policy of the company
The Risk Management policy has been approved by the Board of Directors at its meeting held on 30th July 2014. The Committee at its meeting held on 13th November, 2015 and 12th February, 2016 referred that due to paucity of fund, non availability of Banking facilities and delay in sub-contractor's job resulted the negative impact in the financial results of the Company. Due to aforesaid delay in job the Liquidated Damage (LD) may be imposed against the final bill. Due to paucity of fund statutory dues are also being paid late.
- 16) The policy on corporate social responsibility is not applicable to your Company.
- 17) The formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors are as follows:
As per Schedule IV of the Companies Act, 2013 the Independent Directors had held their separate meeting on 18th March 2016 to evaluate the performance etc. in a manner as mentioned in clause VII of the schedule IV and the Board of Director at its meeting held on 22nd April, 2016 also evaluated the performance of the Independent Directors, committees etc. in a manner as provided in clause VIII of the Companies Act, 2013.
- 18) The details of directors or key managerial personnel who were appointed or had resigned during the year:

Sl. No.	Name	Designation	Date of Appointment	Date of Resignation
1.	Mr. Asim Chandra	Chairman	-	01.08.2015
2.	Mr. R Narayanan	Director	-	13.11.2015
3.	Mr. R. K. Tripathy	Independent Director	-	30.11.2015
4.	Mr. Bharati Srinivasan	Director	05.05.2015	-
5.	Mr. Rajesh Ganesh Viswanathan	Additional Director	13.11.2015	-
6.	Mr. Shibaji Dasgupta	Additional Director (Independent)	12.02.2016	-
7.	Mr. Prabir Kumar Nag	Chief Executive Officer	-	06.02.2016
8.	Mr. A. C. Sen	Chief Executive Officer	12.02.2016	-

- 19) The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future :
As per audited accounts for the period ended 31st March 2014, the Company became a Sick Company and had been referred to the Board for Industrial and Financial Reconstruction (BIFR) on 01.10.2014. The BIFR had informed vide their letter dated 24.02.2015 that our reference had been registered as case no. 31/2015 being a Sick Company.
- 20) The details in respect of adequacy of internal financial controls with reference to the Financial Statements.
The Company has already formulated an Audit Committee which holds the Audit Committee meetings time to time to review the financial results, internal financial controls, risk management system, auditors independence and performance etc. The Company has also appointed Internal Auditors who perform their duty on the basis of the scope of work allotted to them time to time.
- 21) Disclosures on remuneration of Directors / KMP / Employees :
Sitting Fees were paid only to the Independent Directors. No remuneration was paid to them except the sitting fees. Hence, the details of the percentage increase in remuneration of each director, KMPs or in the median remuneration of employees does not arise. There was no increment made in payment of salaries to the employees and KMPs during the year under report.

The number of employees on the pay roll of the Company as on 31.03.2016 is 30

- i) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company :

The earnings of the Key Managerial Personnel are as follows:

Mr. P K Nag, CEO	Rs. NIL (On deputation from IOTIES)
Mr. A C Sen, CEO	Rs. NIL (On deputation from IOTIES)
Mr. D Banerjee, CFO	Rs. 15.75 Lakhs
Mr. S Bhadra, CS	Rs. 14.55 Lakhs

However, total revenue of the Company for 2015-16 was Rs.634.42 Lakhs.

- ii) Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares and the net worth of the company are as follows:

	31.03.2016	31.03.2015
Market Capitalization	Rs. 7.40 cr.	Rs. 9.16 cr.
Price Earnings Ratio	0	0
Market quotations of the Shares	Rs. 24.65	Rs. 30.55
Net Worth	Rs. (-) 66.52 cr.	Rs. (-) 36.22 cr.

- iii) Your Directors affirm that the remuneration paid to the employees and to Key Managerial Personnel was as per remuneration policy of the Company and there is no Employee, who received remuneration above the limit as prescribed in Rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

- 22) Composition of Audit Committee as per Section 177(8) :

The details of the members are as follows:

Mr. Shibaji Dasgupta - Additional Director (Independent)
Mr. Ashok Mitra, Independent - Director
Mr. Rajesh Ganeshviswanathan - Director

- 23) Disclosure under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013
 The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under the policy. No sexual harassment complaint has been received by the Company during the year 2015-16.

Disclosures relating to policies:

- Statement indicating development and implementation of Risk Management Policy is annexed as annexure "D" [Section 134(3)(n) of the Act]
- The CSR policy is not applicable to the Company
- Details of establishment of vigil mechanism is annexed as Annexure "E" [Section 177(10) of the Act].

Place: Kolkata
 Date: 22nd April, 2016

For and on behalf of the board
 Bharati Srinivasan
 Chairperson

ANNEXURE – "A"

Extract of Annual Return in Form No. MGT 9 as on the financial year ended 31.03.2016

I. Registration and Other Details :

- i) CIN: L28999WB1937PLC009099
- ii) Registration Date : 18/08/1937
- iii) Name of the Company : Stewarts and Lloyds of India Limited
- iv) Category / Sub-Category of the Company : Company having Share Capital
- v) Address of the Registered office and contact details :
 Stewarts and Lloyds of India Limited
 41, Chowringhee Road, Kolkata – 700 071,
 Website: www.slofindia.com, Email : slical@slofindia.com
- vi) Whether listed company : Yes / No - Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :
 C B Management Services (P) Limited
 P-22, Bondel Road, Kolkata – 700 019
 Tel: (033) 4011-6700(100 lines), Fax: (033) 4011-6739, E-mail: rta@cbmsl.com

II. Principal Business Activities of the Company :

All the business activities contributing 10% or more of the total turnover of the company are as follows :-

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the company
1	Project and Construction	7305	100%

III. Particulars of Holding, Subsidiary and Associate Companies :

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	IOT Infrastructure & Energy Services Ltd.	U23200MH1996PLC102222	Holding	55.46	2(46)

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity) :
i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF									
b) Central Govt (s)									
c) State Govt (s)									
d) Bodies Corp.	1663754		1663754	55.46	1663754		1663754	55.46	0.00
e) Banks / FI									
f) Any Other...									
Sub-total (A) (1):-	1663754		1663754	55.46	1663754		1663754	55.46	0
2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other...									
Sub-total (A) (2):-									
Total shareholding of Promoter and Promoter Group (A) = (A) (1)+(A) (2)	1663754		1663754	55.46	1663754		1663754	55.46	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI		404	404	0.01		404	404	0.01	0.00
c) Central Govt (s)									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies	164271	100	164371	5.48	164271	100	164371	5.48	0.00
g) FIIs									
h) Foreign Venture Capital Investor									
i) Others (specify)									
Sub-total (B) (1):-	164271	504	164775	5.49	164271	504	164775	5.49	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	237726	5986	243712	8.13	212451	5986	218437	7.28	-0.85
ii) Overseas									

Category of Shareholders	No. of Share held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	526330	85729	612059	20.40	520573	84972	605545	20.19	-0.21
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	272341	-	272341	9.08	303156	-	303156	10.11	+1.03
c) Others (specify)									
Non - Resident	42281	692	42973	1.43	41110	692	41802	1.39	-0.04
Trust	46	-	46	0.00	46	-	46	0.00	0.00
Clearing Member	340	-	340	0.01	2485	-	2485	0.08	+0.07
OCB									
Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
Sub-total (B) (2):-	1079064	92407	1171471	39.05	1079821	91650	1171471	39.05	0.00
Total Public Shareholding (B)=(B) (1)+ (B) (2)	1243335	92911	1336246	44.54	1244092	92154	1336246	44.54	
TOTAL (A) + (B)	2907089	92911	3000000	100.00	2907846	92154	3000000	100.00	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2907089	92911	3000000	100.00	2907846	92154	3000000	100.00	

ii) Shareholding of Promoter

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged /encumbered to total shares	% change in share holding during the year
1	IOT Infrastructure and Energy Services Limited	1663754	55.46	NIL	1663754	55.46	NIL	—
	Total	1663754	55.46	NIL	1663754	55.46	NIL	—

iii) Change in Promoters' Shareholding :

There is no change in Promoter's Shareholding during the year 2015-2016

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
At the beginning of the year	<ol style="list-style-type: none"> 1. Vijay Kishanlal Kedia 2. Keen Investment and Leasing Ltd. 3. Life Insurance Corpn. of India 4. The Oriental Insurance Co. Ltd. 5. Dr. Sanjeev Arora 6. Turnkey Dealers Private Ltd. 7. Nitin Himmatlal Mehta 8. Sanjiv Dhiresbhai Shah 9. Jimit Jaikishan Rathi 10. Ninja Securites Pvt. Ltd. 	<p>142014</p> <p>113900</p> <p>111082</p> <p>53189</p> <p>33760</p> <p>28581</p> <p>27486</p> <p>21427</p> <p>20000</p> <p>18617</p>	<p>4.73</p> <p>3.80</p> <p>3.70</p> <p>1.77</p> <p>1.13</p> <p>0.95</p> <p>0.92</p> <p>0.71</p> <p>0.67</p> <p>0.62</p>	<p>142014</p> <p>-</p> <p>111082</p> <p>53189</p> <p>33760</p> <p>28581</p> <p>27486</p> <p>21427</p> <p>20000</p> <p>-</p>	<p>4.73</p> <p>-</p> <p>3.70</p> <p>1.77</p> <p>1.13</p> <p>0.95</p> <p>0.92</p> <p>0.71</p> <p>0.67</p> <p>-</p>
19.06.2015	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
19.06.2015	Keen Investment and Leasing Ltd. (Sold)	113900	3.80		
31.07.2015	Man Made Fibres Pvt. Ltd. (Purchase)	113900	3.80		
04.10.2015	Turnkey Dealers Pvt. Ltd. (Name Changed to Kalvriksha Capital Advisors Pvt. Ltd.)	-	-		
25.03.2016	Ninja Securities Pvt. Ltd. (Purchase)	1960	0.07		
	Ninja Securities Pvt. Ltd. (Sold)	20577	0.66		
At the End of the year (or on the date of separation, if separated during the year)	<ol style="list-style-type: none"> 1. Vijay Kishanlal Kedia 2. Man Made Fibres Pvt. Ltd. 3. Life Insurance Corpn. of India 4. The Oriental Insurance Co. Ltd. 5. Dr. Sanjeev Arora 6. Kalpavriksha Capital Advisors Pvt. Ltd. 7. Nitin Himmatlal Mehta 8. Sanjiv Dhiresbhai Shah 9. Jimit Jaikishan Rathi 10. Manishkumar Sumatlal Mehta 	<p>142014</p> <p>113900</p> <p>111082</p> <p>53189</p> <p>33760</p> <p>28581</p> <p>27486</p> <p>21427</p> <p>20000</p> <p>19776</p>	<p>4.73</p> <p>3.80</p> <p>3.70</p> <p>1.77</p> <p>1.13</p> <p>0.95</p> <p>0.92</p> <p>0.71</p> <p>0.67</p> <p>0.66</p>		

- (v) **Shareholding of Directors and Key Managerial Personnel:**
There is no shareholding in the Company by any of the Directors and Key Managerial personnel of the Company

V. **INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment -
There is no indebtedness of the Company.

VI. **Remuneration of Directors and Key Managerial Personnel**

- A. **Remuneration to Managing Director, Whole-time Directors and/or Manager :**

No remuneration was paid to any Managing Director, whole time Director / or Manager

- B. **Remuneration to other directors: No remuneration was paid to any of the Directors except sitting fees**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Ashok Mitra	Mr. R K Tripathy	Mr. Shibaji Dasgupta	
	Independent Directors :	72,500	102,500	30,000	2,05,000
	• Fee for attending board, Audit committee, remuneration committee meetings				
	• Commission	NIL	NIL	NIL	
	• Others, please specify	NIL	NIL	NIL	
	Total (1)	72,500	102,500	30,000	2,05,000
	Other Non-Executive Directors :	NIL	NIL	NIL	NIL
	• Fee for attending board, Audit committee, remuneration committee meetings				
	• Commission	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL
	Total (2)				
	Total (B)=(1+2)	72,500	102,500	30,000	2,05,000
	Total Managerial Remuneration	72,500	102,500	30,000	2,05,000
	Overall Ceiling as per the Act	NA	NA	NA	NA

C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	14.55 Lakhs	15.75 Lakhs	30.30 Lakhs
2.	Stock Option Sweat Equity Commission • as % of profit • others, specify... Others, please specify	NIL NIL NIL NIL NIL	NIL NIL NIL NIL NIL	NIL NIL NIL NIL NIL	
	Total	NIL	14.55 lakhs	15.75 Lakhs	30.30 Lakhs

VII. Penalties / Punishment / Compounding of Offences :

There was no such penalty / Punishment / Compounding of offences during the year under report.

Annexure - B

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and Clause 49 of the Listing Agreement, as amended from time to time. It has been formulated for nomination and remuneration of Directors, Key Managerial Personnel and other employees.

Objective

The objective of the policy is to ensure :

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully,
- the remuneration shall be equal to the performance of the Company and
- Remuneration to Directors, Key Managerial Personnel and other employees involves a balance between fixed and incentive pay reflecting the performance of the Company and its goals.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise of a person is sufficient / satisfactory for the position.

TERM / TENURE

- a) **Managing Director/Whole-time Director/Manager**
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director, Executive Director or Manager pursuant to the provision of Companies Act, 2013.
- b) **Independent Director**
An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of Finance, Law, Management, Sales, Marketing, Administration, Research, Corporate Governance, Operations, Engineering or other disciplines related to the Company's business.
An Independent Director shall hold Office for a term up to Five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
No Independent Director shall hold Office for more than Two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of Three years of ceasing to become an Independent Director. Provided, that an Independent Director shall not, during the said period of Three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly and shall comply the provision of Section 149 read with Schedule IV of the Companies Act, 2013 and rules made there under.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the appointment letter of the Co's rules and regulations and the policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/ OTHER EMPLOYEE :**A. NON-EXECUTIVE DIRECTORS (NEDs) / INDEPENDENT DIRECTORS**

The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

The company has no stock options plans and no payment by way of commission, bonus, pension, incentives etc. shall be paid.

B. MANAGING DIRECTOR, MANAGER, KEY MANAGERIAL PERSONNEL & OTHER EMPLOYEES

The objective of the policy is directed towards having a compensation policy and structure that will reward and retain talent.

The Remuneration to Managing Director / Manager shall take into account the Company's overall performance, MD's contribution for the same & trends in the industry in general, in a manner which will ensure and support a high performance culture.

The Company has no stock options, plans and hence, such instruments do not form part of his remuneration package.

The Remuneration to others will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Remuneration to Directors, Key Managerial Personnel and Senior Management will involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The above criteria and policy are subject to review by the Nomination & Remuneration Committee and the Board of Directors of the Company.

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2016
[Pursuant to section 204(1) of the Companies Act, 2013 and rule
No.9 of the Companies (Appointment and Remuneration Personnel)
Rules, 2014]

To,
The Members,
Stewarts & Lloyds of India Limited
41, Chowringhee Row, Kolkata - 700 071
CIN: L28999WB1937PLC009099

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Stewarts & Lloyds of India Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Stewarts & Lloyds of India Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31.03.2016, the Company complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: I have examined the books, papers, minute books, forms and returns filed and other records maintained by Stewarts & Lloyds of India Limited ("the Company") for the financial year ended on 31.03.2016, the Company according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations;
 - (d) The Securities and Exchange Board of India (Registers to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- (v) In addition to the above, no other laws are specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with The Calcutta Stock Exchange Association Limited & Bombay Stock Exchange Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

I further report that the Board of Directors of the Company is duly constituted with proper balance of Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period, under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period no specific events/actions have taken place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place : Kolkata
Date : 22.04.2016

D Mukhopadhyay
Practicing Company Secretary
C.PNo 5323

Annexure- D

RISK MANAGEMENT POLICY

1. **Purpose**
The purpose of the risk management committee of the Board of Directors of Stewarts and Lloyds of India Limited shall be to assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and external environmental risks. The Committee shall monitor, approve and modify the risk policies as required.
2. **Constitution of the Committee**
The risk management committee consisting of three non executive directors namely Mr. S. Dasgupta, Independent Director, Mr. Ashok Mitra, Independent Director and Mr. R. Ganeshviswanathan, Non Executive Director.
3. **Secretary**
Both the Chief Executive Officer and Chief Financial Officer shall act as Secretaries to the Committee.
4. **Meetings and Quorum**
The committee shall meet at least two times in a year. Two members, being independent directors present shall form the quorum for the meeting of the committee
5. **Committee responsibilities and authority**
The risk management committee shall review and approve the Risk Management Policy and associated frameworks, processes and practices of the Company on half yearly basis.
The risk management committee shall ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
The committee will evaluate risk factors for locations related to prospective tenders and its financial implication.
The risk management committee shall make regular reports to the Board on half yearly basis. The Board shall review the performance of the risk management committee annually.
The risk management committee may ask for any internal information from the management to make its job more effective. The risk management committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

Objective

The Company has to establish a mechanism for employees and Directors to report to management, concerns about the unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. This mechanism could also provide for adequate safeguards against victimization of employees and Directors, who avail of the mechanism and also provide for direct access to the Chairman of the Audit committee in exceptional cases. Once established, the existence of the mechanism may be appropriately communicated within the organization.

In pursuance with the above objective, the prescribed Code of Conduct and the best practices of the Corporate Governance, the Board of Directors of the Company has decided to frame a "Vigil Mechanism or Whistle Blower Policy" to ensure greater transparency in all aspects of the companies' functioning, by formulating a procedure for persons to bring to the attention of the Company, incidents of violation of the Code of Conduct and improper activities without fear of victimization.

It is also to mention that as per Sec.177 of the Companies Act,2013 read with Companies(Meetings of Board and its Powers) Rules, 2014 and being a listed Company, Stewarts and Lloyds of India Limited has to establish a Vigil Mechanism/Whistle Blower Policy.

The Vigil Mechanism/Whistle Blower Policy aims to provide a channel to the Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the codes of Conduct or Policy.

The company is committed to adhere to the highest standards of ethical, moral and Legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment.

The mechanism provides for adequate safe guards against victimization of Directors and employees to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases.

Definitions

In this policy unless repugnant to the subject or context of its usage, the following expression shall carry meanings here under assigned to them, namely :

- a. "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and revised Clause 49 of the listing Agreements with the Stock Exchanges.
- b. "Bonafide Complaint" A complaint shall be deemed to be bonafide unless it is found to be motivated.
- c. "Complaint" means an expression of an improper activity of any employee or group of employees or Directors of the company made by a complainant in writing in conformity with this policy.
- d. "Complainant" means an employee or Director of the Company who has made a complaint.
- e. "Company / Group" means Stewarts and Lloyds of India Limited and it's Principal and its associates
- f. "Vigilance Officer" means an individual nominated to receive and investigate the complaints in improper activity.
- g. "Improper Activity" means any activity by an employee or Director of the Company that is in violation of any law or the Code of Conduct of the Company.
- h. "Investigate" with its grammatical variation means the investigation of complaint conducted by investigative machinery pursuant to this policy.
- I. "Investigative Machinery" means any department concerned with subject matter of complaint or internal vigilance department.
- j. "Motivated complaint" A complaint shall be deemed to be motivated if it is found to be deliberately false or motivated by revenge, enmity or mischief or other extraneous considerations.
- k. "Policy" means this Vigil Mechanism/ Whistle Blower Policy.
- l. "Protected Disclosure" means a bonafide complaint of improper activity.
- m. "Suspected employee or Director " means an employee or Director against or in relation to whom a protected disclosure has been made or evidence gathered during the course of investigation.

Complaint Procedure

- a) A complaint shall be in writing, signed by the complainant and shall bear the identity of the complainant. Anonymous or pseudonymous complaints shall not be entertained.
- b) The complainant is expected to have knowledge of the facts on which the complaint is based and must, therefore, disclose sufficient facts about the existence of improper activity by an employee or Director of the company in the complaint.

VIGILANCE OFFICER

The contact details of the vigilance officer are as under :

Name and Address :

Mr. Praduyat Kumar Manna, Manager (Finance and Accounts)

Stewarts and Lloyds of India Limited

41 Chowringhee Road, Kolkata- 700 071

Email : pkmanna@slofindia.com, Mob.- 9007205658

On receipt of the protected disclosure, the Vigilance Officer shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Vigilance Officer will carry out an investigation either himself/herself or by involving any other Officer of the Company before referring the matter to the Audit Committee of the Company.

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process.

The investigation shall be completed normally within 30 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

Any member of the Audit Committee or other officer having any conflict of interest with the matter shall disclose his/her concern/interest forthwith and shall not deal with the matter.

Investigation

- a) The Audit Committee shall determine whether the circumstances warrant an investigation into the complaint in the case. If the Committee determines that an investigation is warranted, reason(s) for such determination shall be recorded in writing.
- b) If the Audit Committee is prima facie satisfied that the complaint warrants investigation of the alleged improper activity, the Audit Committee will direct appropriate investigating machinery of the Company to investigate the complaint.
- c) The investigation shall be fair and objective and shall be undertaken by a person or persons who has no conflict of interest either with the complainant or the suspected employee(s)/ Director(s).
- d) All employees and Directors of the company, are duty bound to co-operate with the investigators to the extent that their cooperation will not compromise self-incrimination protection afforded under the law.
- e) The suspected employee or Director will normally be informed of the allegations at the outset of a formal investigation, and will have an opportunity for inputs during investigation.
- f) The suspected employee or Director will not be entitled to any form of representation, including legal representation, during the investigation.
- g) The investigation shall be completed within 30 (thirty) days or such extended period as the Audit Committee may permit for reasons to be recorded. The period fixed for the investigation is the essence, since actions, if any, to be taken on complaint will depend on investigation, and speedy action is the essence of this policy.
- h) The investigator(s) will submit a report on the investigation to the Vigilance Officer which shall mark the completion of the investigation, unless the Audit Committee requires any further investigation into any specific charge(s) or aspect (s), in which they will specify the charge(s) or aspect(s) on which investigation is to be undertaken, and will fix the time within which the further investigation will be completed.
- I) Suspected employee (s) or Director (s) will have the right to be informed of the outcome of the investigation

Confidentiality & Protection

A complainant of the protected disclosure shall be entitled to the following protections :

- a) To the extent possible within the limitations of the law and requirements of the investigation, the identity of the complainant shall be kept confidential by the Audit Committee and shall not be disclosed unless such disclosure is necessary for proper investigation. Any such disclosure, if made, for the purpose of a proper investigation shall carry with it caveat of secrecy and non-disclosure by the recipient, so that any further unauthorized disclosure by such person of the identity of the complainant shall constitute a breach of the Code of Conduct, applicable to such person.
- b) Similarly, confidentiality of identity of the suspected employee(s)/Director(s) under investigation shall be maintained within the same limitations. The complainant will be entitled to the information on the disposition of the complaint in absence of the over-riding legal or public interest against such disclosure.

Decision and Reporting

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Chairman of the Audit Committee shall recommend to the Board of Directors of the Company to take such disciplinary or corrective action as it may deem fit.

Any disciplinary or corrective action initiated against the subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

A complainant who makes false allegations of unethical and improper practices or about alleged wrongful conduct of this Subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the Rules, procedures and policies of the Company.

Access to Chairman of the Audit Committee

The Whistle Blower / complainants shall have right to access Chairman of the Audit Committee directly and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

Publication

Directors and Employees shall be informed of the Policy by publishing on the Notice Board and the website of the Company. The new employees shall be informed about the Policy by the H R Department and a Statement in this regard should be submitted to the Vigilance Officer by HR Department .

Retention of Documents

All protected disclosures in writing or documented along with the results of investigation relating thereto, shall be written by the Company for a period of 3 (three) years or such other period as specified by any other law in force whichever is more.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Industry Structure & Development

In view of the Government's various development policies, growth in infrastructure development both in private and public sector are being followed gradually. Since the Company's business is mainly involved in Engineering, Procurement, Construction (EPC) sector, hence, the growth in public and private sector has direct impact in the Company's business. However, since the Company has become sick (Referred to BIFR) and there is no financial support from Bank, hence there is limitation in the business development of the Company.

Financial Performance

During the financial year 2015-16, the Company has bagged orders aggregating to Rs. 1.69 crores.

Revenue for the financial year ended 31st March 2016 was Rs 6.34 crores against Rs. 16.99 crores in the previous year.

Revenue during the period under review were less than that of the corresponding period of the previous year due to non availability of Bank finance, lack of orders etc. which resulted in loss of the Company.

Risk and Concerns

As informed to the members in the Annual Report of last year that the Board for Industrial & Financial Reconstruction (BFR) had informed that our reference to the BIFR had been registered as case no. 31/2015. In view of the situation and due to non availability of any Bank facilities, it has become very difficult to bag any new order. The growth in the business prospect has become limited.

However, in the changed scenario, management is trying hard to get the order and to do the maintenance job and the job of subcontracting with small supplies from its existing clients ie. SAIL, TATA Power etc.

Management Information System

MIS has been formulated for collecting information, analyzing the same and reporting to the management for prompt and quick decision.

Opportunities & Threats

The business growth is directly linked with capital investments which the Company is presently lacking. However, thrust has been given where very low investment of capital is required.

However, one of the major threats in this area is stiff competition from small companies, who are offering their services in lower rate and the Company has to overcome this barrier by total control over its overhead cost.

Segment wise Performance

The Company was mainly engaged in Project Management and Construction in various projects sites and fabrication of structural materials there at. The project & construction services deal with overall Project Management, Design & Engineering, procurement of bought-out items, Fabrication & Erection of pipes & equipments at various sites including civil, structural, electrical and instrumentation. However, due to lack of Bank finance presently the Company has to concentrate in Maintenance job.

Outlook

Management is processing the plan for survival and growth of the Company and hope by the business help from the Principal Company and it's associates, Company will grow gradually.

Internal Control Systems

The company has in place adequate systems of internal control and documented procedures covering all financial and operating functions. These have been designed to facilitate the function of maintaining proper accounting controls, monitoring of economy and efficiency of operations, protecting assets from losses and ensuring reliability of financial and operational information. The Company constantly endeavors to upgrade the system of internal control to ensure optimum utilization of its resources.

The Company has also an integrated computer system in commensurate with the operations of the Company. The Audit Committee of the Board of Directors reviews the operations and financial reports of the Company at periodical intervals. The internal Auditors of the Company do the necessary checking of documents relating to various financial activities and its necessity with the corporate goals and make reports thereon.

Industrial Relation & Human Resource Management

In the changed scenario, the Company has to rationalize its manpower commensurate with its revenue income. S & L have few experienced senior level as well as middle level management professionals, useful to meet the challenges of the jobs undertaken. However, management will increase its appropriate strength of human resource keeping in parity with the future business.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable Securities Laws and Regulation. Actual results of the Company's operations may change due to economic conditions, change in the Government regulations, tax laws and other statutes and other incidental factors.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STEWARTS & LLOYDS OF INDIA LIMITED
Report on the Financial Statements

We have audited the accompanying financial statements of STEWARTS & LLOYDS OF INDIA LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the 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 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 there under.

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 about the amounts and the 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 of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 aforesaid 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, of the state of affairs of the Company as at 31st March, 2016 and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to the following matter in the Other Notes to the financial statements:

Note no 23.14 to the financial statement regarding the same being prepared on a going concern basis, notwithstanding the fact that the Company has accumulated losses of Rs. 78.50 crores as on 31st March, 2016

resulting in negative net worth of Rs. 66.52 crores which cast significant doubt about the Company's ability to continue as a going concern. The appropriateness of the going concern assumption is subject to the Company's ability to generate positive cash flows, infusion of funds, discharge of its liabilities and the outcome of the decisions of BIFR.

Our opinion is not modified in respect of this matter.

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 Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the 'Act', we report that:
 - i) We have sought and obtained all the information and explanations, which, to the best of knowledge and belief, were necessary for the purpose of our audit;
 - ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examinations of those books;
 - iii) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - iv) In our opinion the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule 2014.
 - v) On the basis of the written representations received from the Directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - vi) With respect to the adequacy of internal financial controls, over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in ANNEXURE-I.
 - vii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23.3(a), 23.3(b), 23.3(c) and 23.3.(d) of the Other Notes to the financial statements;
 2. The Company does not have any long-term contracts including derivative contract for which there are any material foreseeable losses;
 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For RAY & RAY
Chartered Accountants
Firm's Registration No. 301072E

Abhijit Neogi
Partner
Membership No. 61380

Place : Kolkata
Date: 22nd April, 2016

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 1 of the Auditors' Report on "Other Legal and Regulatory Requirements" of even date to the members of 'STEWARTS & LLOYDS OF INDIA LIMITED' on the financial statements for the year ended 31st March, 2016.

- i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) The fixed assets have been physically verified by the management at reasonable intervals during the year. The discrepancies noticed on such verifications are stated to be not material and are yet to adjusted in the books of account.
 - c) The company does not hold any freehold property in its name. Therefore, in our opinion, clause (i) (c) of the aforesaid order is not applicable to the Company.
- ii) The inventory has been physically verified and certified by the management at the year-end. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on such verification, which were not material have been properly dealt with in the books of account.
- iii) On the basis of examination of books of account and based on information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a), (b) and (c) of the aforesaid order are not applicable to the Company.
- iv) The company has not given loans, made investments, given guarantees and provided securities covered by provisions of section 185 and 186 of the Act. Therefore clause (iv) of the aforesaid order is not applicable to the company.
- v) The Company has not accepted any deposits from public during the year, within the meaning of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Moreover, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other court or tribunal.
- vi) The Central Government has not specified maintenance of cost records under sub-section (l) of section 148 of the Act for the company. Therefore, clause (vi) of the aforesaid order is not applicable for the company.
- vii)
 - a) On the basis of checking of records of the Company and according to the information and explanations given to us, we are of the opinion that the Company is not regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, value added tax, professional tax, Employee Guarantee Tax or cess and any other statutory dues with the appropriate authorities. The extent of arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable are stated below :-

Nature of Dues	Amount outstanding more than 6 months as on 31.03.2016 (Rs.)	Remarks
Service Tax	3,777,952	Not yet paid
Value Added Tax	2,515,915	Not yet paid
Works Contract Tax	1,090,414	Not yet paid
Entry Tax	458	Not yet paid

- b) On the basis of checking of records of the Company and on the basis of information and explanations given to us, the particulars of dues of income tax or sales tax or service tax or value added tax as at Balance Sheet date which have not been deposited on account of any dispute are given in ANNEXURE-II.
- viii) On the basis of records of the Company examined by us, there is no loan outstanding to financial institution, bank, government or debenture holders. Hence the clause (viii) of the aforesaid order is not applicable to the Company.
- ix) On the basis of records of the Company examined by us, the Company has not raised money by way of initial public offer or further public offer including debt instruments and term loan during the year. Hence the clause (ix) of the aforesaid order is not applicable to the Company.
- x) During the course of our examination of the records of the Company and according to the information and explanations given to us, we have neither come across any instances of fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor we have been informed of any such case by the management.
- (xi) On the basis of examination of the records of the Company, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provision of Section 197 read with Schedule V to the Companies Act.
- (xii) The Company is not an Nidhi Company. Hence the clause (xii) of the aforesaid order is not applicable to the Company.
- (xiii) On the basis of examination of the books of the account of the Company and on the basis of information and explanations given to us, the Company has entered into all transactions with related parties in compliance with Section 177 and 188 of the Companies Act 2013 and the same is disclosed in the financial statement as required by the applicable Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares fully paid or fully or partly convertible debentures during the year under review. Therefore, clause (xiv) of the aforesaid order is not applicable to the Company.
- (xv) On the basis of examination of records of the Company and according to the information and explanations given to us, we are of the opinion that 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. Hence the clause (xvi) of the aforesaid order is not applicable to the Company.

For RAY & RAY
Chartered Accountants
Firm's Registration No. 301072E

Abhijit Neogi
Partner
Membership No. 61380

Place : Kolkata
Date: 22nd April, 2016

ANNEXURE I

We have audited the internal financial controls over financial reporting of STEWARTS & LLOYDS OF INDIA LIMITED ("the Company") as of March 31, 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 Control 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 the 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.

Auditor's 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 procedure 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 judgments, 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 qualified 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 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 procedure 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 the generally accepted accounting principles, and that receipts and expenditure 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 misstatement 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March, 31st, 2016.

- a) The Company did not have an appropriate internal control system for review of its performance pertaining to execution of contracts resulting in customer dissatisfaction and dispute leading to recognition of revenue without establishing reasonable certainty of ultimate collection in earlier years from sundry debtors affecting cash flows adversely.
- b) The Internal auditor of the Company has also pointed out in their report material weakness in internal financial controls stating that the Company is not having any ERP system to manage the different operational activities. Due to its present condition, it is also functioning with some minimum staff strength. Accordingly, many of the operations which would have been taken care of by a computer system and controls and are being managed manually. Hence, there is some limitation in control system and processes which have been mentioned in a separate annexure.

A material weakness is a deficiency or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statement will not be prevented or detected on a timely basis. In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained in all material respects adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31 st, 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal financial control stated in the Guidance Notes on audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

We have considered material weakness as identified and reported above in determining the nature, timing and extent of audit test applied in our audit of March, 31, 2016 financial statements of the Company and these material weaknesses do not affect our opinion on the financial statements of the Company.

For RAY & RAY
Chartered Accountants
Firm's Registration No. 301072E

Abhijit Neogi
Partner
Membership No. 61380

Place : Kolkata
Date: 22nd April, 2016

ANNEXURE II TO THE AUDITORS' REPORT

Sl. No.	Name of the Statute	Nature of the Dues	Period	Amount (Rs.)	Forum where the dispute is pending
A - DISPUTED SALES TAX MATTERS					
1	West Bengal Sales Tax Act, 1994	Non receipt of Declarations Forms, disallowance of Erection, Freight and other charges	1996-97	5,284,552	West Bengal Commercial Taxes Apellate and Revision Board
2	Central Sales Tax Act, 1956	Non receipt of Declarations Forms, disallowance of Erection, Freight and other charges	1996-97	2,614,705	West Bengal Commercial Taxes Apellate and Revision Board
3	Orissa Sales Tax Act,	Disallowance of exemptions towards labour services	2002-03	33,140	Assistant Commissioner of Commercial Taxes (Appeal)
4	West Bengal VAT Act, 2003	Enhancement of gross turnover, disallowance of Erection, Freight and other charges	2007-08	6,535,664	West Bengal Commercial Taxes Apellate and Revision Board
5	Central Sales Tax Act, 1956	Non receipt of Declarations Forms, disallowance of Erection, Freight and other charges	2007-08	317,084	West Bengal Commercial Taxes Apellate and Revision Board
6	West Bengal VAT Act, 2003	Enhancement of gross turnover, disallowance of Erection, Freight and other charges	2008-09	5,725,827	West Bengal Commercial Taxes Apellate and Revision Board
7	Central Sales Tax Act, 1956	Non receipt of Declarations Forms, disallowance of Erection, Freight and other charges	2008-09	29,100,529	West Bengal Commercial Taxes Apellate and Revision Board
8	West Bengal VAT Act, 2003	Enhancement of gross turnover, disallowance of Erection, Freight and other charges	2009-10	2,922,569	West Bengal Commercial Taxes Apellate and Revision Board
9	Central Sales Tax Act, 1956	Non receipt of Declarations Forms, disallowance of Erection, Freight and other charges	2009-10	157,231	West Bengal Commercial Taxes Apellate and Revision Board
10	U.P. VAT Act, 2008	Enhancement of gross turnover, disallowance of Erection, Freight and other charges	2007-08	2,029,388	Deputy Commissioner of Commercial Taxes (Admn) Noida
11	U.P. VAT Act, 2008	Enhancement of gross turnover, disallowance of Erection, Freight and other charges	2008-09	3,233,000	Deputy Commissioner of Commercial Taxes (Admn) Noida
12	U.P. VAT Act, 2008	Enhancement of gross turnover, disallowance of Erection, Freight and other charges	2009-10	1,879,665	Deputy Commissioner of Commercial Taxes (Admn) Noida
13	MVAT Act, 2002	Disallowance of labour charges and imposition of interest and penalty	2007-08	19,126,755	Sales Tax Officer, Business Audit, Thane Division, Thane
	TOTAL			78,960,109	

B - DISPUTED INCOME TAX MATTERS					
14	Income Tax Act, 1961	Disallowance of certain deductions claimed - Order dated 24.12.2009	A.Y.2007-08	10,295,851	Commissioner of Income Tax (Appeals)
15	Income Tax Act, 1961	Disallowance of certain deductions claimed - Order dated 21.07.2010	A.Y.2005-06	2,073,370	Commissioner of Income Tax (Appeals)
16	Income Tax Act, 1961	Disallowance of certain deductions claimed - Order dated 24.12.2010	A.Y.2008-09	12,125,010	Commissioner of Income Tax (Appeals)
17	Income Tax Act, 1961	Disallowance of deduction claimed in respect of retention money included in sales	A.Y.2009-10	19,812,950	Commissioner of Income Tax (Appeals)
18	Income Tax Act, 1961	Disallowance of deduction claimed in respect of retention money included in sales	A.Y.2010-11	9,510	Commissioner of Income Tax (Appeals)
19	Income Tax Act, 1961	Disallowance of deduction claimed in respect of retention money included in sales	A.Y.2011-12	188,330	Commissioner of Income Tax (Appeals)
20	Income Tax Act, 1961	Disallowance of deduction claimed in respect of retention money included in sales - Order dated 28.03.2015	A.Y.2012-13	5,162,070	Commissioner of Income Tax (Appeals)
	TOTAL			49,667,091	
C - DISPUTED SERVICE TAX MATTERS					
21	Finance Act, 1994 - Service Tax	Service Tax on Erection, Commissioning & Installation Services	2003-04 & 2004-05	10,112,083	Customs, Excise & Service Tax Appellate Tribunal
22	Finance Act, 1994 - Service Tax	do	2005-06	5,181,598	Commissioner, Central Excise
23	Finance Act, 1994 - Service Tax	Service Tax on Business Auxiliary Services	2008-09	3,513,226	Commissioner, Central Excise
24	Finance Act, 1994 - Service Tax	Service tax short paid on Erection sales from 2006-07 to 2009-10 Tisco Yard Piping	2006-07 to 2009-10	1,076,364	Commissioner, Central Excise
25	Finance Act, 1994 - Service Tax	Service tax short paid on Erection sales from 2007-08 to 2011-12 Associated Party	2007-08 to 2011-12	11,256,744	Commissioner, Service Tax - II
26	Finance Act, 1994 - Service Tax	Service tax short paid on Erection sales for April & May 2007	2007-08	716,689	Commissioner, Central Excise (Appeal - II)
	TOTAL			31,856,704	

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	31st March 2016 Rs.	31st March 2015 Rs.
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds:			
Share Capital	1	3,00,00,000	3,00,00,000
Reserves and Surplus	2	(69,52,41,914)	(39,21,74,698)
Total Shareholders' Funds		<u>(66,52,41,914)</u>	<u>(36,21,74,698)</u>
2 Non-current Liabilities:			
Other Long-term Liabilities	3	-	1,20,32,966
Long-term Provisions	4	3,91,708	11,04,108
Total Non-current Liabilities		<u>3,91,708</u>	<u>1,31,37,074</u>
3 Current Liabilities:			
Trade Payables	5	24,28,09,704	25,70,32,986
Other Current Liabilities	6	57,98,44,679	58,37,76,528
Short-term Provisions	7	42,739	1,78,203
Total Current Liabilities		<u>82,26,97,122</u>	<u>84,09,87,717</u>
TOTAL EQUITY AND LIABILITIES		<u><u>15,78,46,916</u></u>	<u><u>49,19,50,093</u></u>
II. ASSETS			
1 Non-current Assets:			
Fixed Assets	8		
- Tangible Assets		74,48,123	94,56,148
- Intangible Assets		42,402	1,14,314
- Capital Work-in-Progress		4	56,59,884
		<u>74,90,529</u>	<u>1,52,30,346</u>
Non-current Investments	9	1,002	1,002
Deferred Tax Asset (net)		-	79,48,465
(Refer Other Note no. 23.2)			
Long-term Loans and Advances	10	7,81,90,161	7,63,38,080
Total Non-current Assets		<u>8,56,81,692</u>	<u>9,95,17,893</u>
2 Current Assets:			
Inventories	11	9,55,516	11,60,271
Trade Receivables	12	4,14,31,552	25,57,71,893
Cash and Cash Equivalents	13	61,85,462	60,01,006
Short-term Loans and Advances	14	63,76,180	10,20,89,410
Other Current Assets	15	1,72,16,514	2,74,09,620
Total Current Assets		<u>7,21,65,224</u>	<u>39,24,32,200</u>
TOTAL ASSETS		<u><u>15,78,46,916</u></u>	<u><u>49,19,50,093</u></u>

Significant Policies & Other Notes on Accounts :
This is the Balance Sheet referred
to in our report of even date.

23 The Notes referred to above form
an integral part of the Balance Sheet.

For RAY & RAY
Chartered Accountants
Firm Registration Number - 301072E
Abhijit Neogi
Partner
Membership Number : 61380
Kolkata, 22nd April 2016

RAJESH GANESHVISWANATHAN
Director

DIPANKAR BANERJEE
Chief Financial Officer

BHARATI SRINIVASAN
Chairperson

SAMIR BHADRA
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Particulars	Note No.	2015 - 2016 Rs.	2014 - 2015 Rs.
I.	Revenue from Operations	16	4,34,45,118	13,04,86,612
II.	Other Income	17	1,99,97,134	3,94,15,611
III.	Total Revenue (I + II)		6,34,42,252	16,99,02,223
IV.	Expenses:			
	Cost of Materials Consumed	18	-	32,73,035
	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	19	3,25,428	43,11,320
	Employee Benefits Expense	20	1,87,98,034	2,67,95,853
	Finance Costs	21	2,34,977	1,52,58,323
	Depreciation and Amortisation Expense on			
	- Tangible Assets		20,08,025	54,24,210
	- Intangible Assets		1,24,912	15,49,930
	Other Expenses	22	33,70,69,627	12,25,21,119
	Total Expenses		35,85,61,003	17,91,33,790
V.	Profit/(Loss) before Tax (III - IV)		(29,51,18,751)	(92,31,567)
VI.	Tax Expense:			
	(1) Current Tax		-	-
	(2) Deferred Tax (Refer Other Note no. 23.2)		79,48,465	-
			79,48,465	-
VII.	Profit/(Loss) for the period (V - VI)		(30,30,67,216)	(92,31,567)
VIII.	Earnings per Equity Share:			
	Basic and Diluted (Refer Other Note no. 23.12)		(101.02)	(3.08)

Significant Policies & Other Notes on Accounts :
This is the Statement of Profit and Loss referred to in our report of even date.

23 The Notes referred to above form an integral part of the Statement of Profit and Loss

For RAY & RAY
Chartered Accountants
Firm Registration Number - 301072E
Abhijit Neogi
Partner
Membership Number : 61380
Kolkata, 22nd April 2016

RAJESH GANESHVISWANATHAN
Director

DIPANKAR BANERJEE
Chief Financial Officer

BHARATI SRINIVASAN
Chairperson

SAMIR BHADRA
Company Secretary

NOTES TO BALANCE SHEET AS AT 31ST MARCH 2016

	As at 31 st March 2016 Rs.	As at 31st March 2015 Rs.
1. Share Capital		
Authorised:		
2,00,00,000 Equity Shares of Rs.10 each (March 2015 : 2,00,00,000 Equity Shares of Rs. 10 each)	20,00,00,000	20,00,00,000
Issued, Subscribed and Paid up		
30,00,000 Equity Shares of Rs.10 each, fully paid up (March 2015 : 30,00,000 Equity Shares of Rs.10 each, fully paid up)	3,00,00,000	3,00,00,000
	3,00,00,000	3,00,00,000
Notes:		
a. Reconciliation of number of shares at the end of the period:		
Number of Shares at the beginning of the year	30,00,000	30,00,000
Number of Shares issued during the period	-	-
Number of Shares bought back during the period	-	-
Number of Shares at the end of the period	30,00,000	30,00,000
b. Shares held by Holding Company:		
16,63,754 Equity Shares (Previous year: 16,63,754) are held by IOT Infrastructure & Energy Services Limited (Formerly Indian Oil Tanking Limited), Holding Company		

c. Shareholders holding more than 5% shares

Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	Numbers	%	Numbers	%
IOT Infrastructure & Energy Services Ltd.	16,63,754	55.46	16,63,754	55.46

d. Shares allotted other than cash and bought back:

Particulars	Year (Aggregate number of Shares)				
	2015-16	2014-15	2013-14	2012-13	2011-12
Fully paid up Equity Shares pursuant to contract(s) with out payment being received in cash	-	-	-	-	-
Fully paid up Equity Shares by way of Bonus Shares	-	-	-	-	-
Shares bought back	-	-	-	-	-

- e. The Company has only one class of equity shares having a par value of Rs 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the Annual General Meeting except in case of interim dividend.

NOTES TO BALANCE SHEET AS AT 31ST MARCH 2016 (Contd.)

2. Reserves and Surplus :

	Balance 31st March 2015 Rs.	Additions During the period Rs.	Deductions During the period Rs.	Balance 31st March 2016 Rs.
Capital Reserve	4,16,401	-	-	4,16,401
Security Premium Reserve	12,13,970	-	-	12,13,970
General Reserve	8,81,55,507	-	-	8,81,55,507
Surplus (As per note below)	(48,19,60,576)	(30,30,67,216)	-	(78,50,27,792)
	<u>(39,21,74,698)</u>	<u>(30,30,67,216)</u>	-	<u>(69,52,41,914)</u>

Note :	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
Net Profit/(Loss) for the period	(30,30,67,216)	(92,31,567)
Less: Adjustment to Carrying value of Fixed Asset	-	5,02,924
Add: Transfer from Reserves	-	-
Less: 1. Proposed Dividends	-	-
2. Tax on Proposed Dividends	-	-
3. Transfer to Reserves	-	-
Closing balance	<u>(30,30,67,216)</u>	<u>(97,34,491)</u>

3. Other Long-term Liabilities

Others	-	1,20,32,966
	<u>-</u>	<u>1,20,32,966</u>

4. Long-term Provisions

Provision for Retirement benefits (Refer Other Note no. 23.10)	3,91,708	11,04,108
	<u>3,91,708</u>	<u>11,04,108</u>

5. Trade Payable

Trade Payable		
Due to Micro Enterprises and Small Enterprises (Refer Other Note no. 23.11)	11,05,930	8,70,953
Debts due to Related Parties (Refer Other Note no. 23.13)	1,30,26,197	1,30,26,197
Others	22,86,77,577	24,31,35,836
	<u>24,28,09,704</u>	<u>25,70,32,986</u>

6. Other Current Liabilities

Unpaid Dividends	55,845	1,47,957
Debts due to Related Parties (Refer Other Note no 23.13)	55,62,29,622	56,29,75,435
Other Liabilities	2,35,59,212	2,06,53,136
	<u>57,98,44,679</u>	<u>58,37,76,528</u>

NOTES TO BALANCE SHEET AS AT 31ST MARCH 2016 (Contd.)

	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
7 Short Term Provisions		
Provision for employee benefits	42,739	1,78,203
(Refer Other Note no 23.10)		
	42,739	1,78,203
8. Fixed Assets		
A Tangible Assets		
Gross Block	9,10,63,434	9,10,63,434
Depreciation	8,36,15,311	8,16,07,286
Net Block	74,48,123	94,56,148
B Intangible Assets		
Gross Block	92,27,936	91,74,936
Amortisation	91,85,534	90,60,622
Net Block	42,402	1,14,314
C Capital Work-in-Progress	26,18,548	56,59,884
Less : Allowance for doubtful Capital WIP	26,18,544	-
	4	56,59,884

Fixed Assets	Gross Block at Cost				Depreciation and Amortisation				Net Block	
	As at 31.03.2015	Addition	Deduction/ Adjustment	As at 31.03.2016	As at 31.03.2015	For the Year	Deduction/ Adjustment	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets :										
Leasehold Land	1,74,300	-	-	1,74,300	86,526	1,886	-	88,412	85,888	87,774
Buildings	68,99,612	-	-	68,99,612	66,93,487	1,23,396	-	68,16,883	82,729	2,06,125
Plant and Equipment	5,83,36,089	-	-	5,83,36,089	5,05,62,177	15,42,032	-	5,21,04,209	62,31,880	77,73,912
Computers	1,00,97,983	-	-	1,00,97,983	97,43,872	95,432	-	98,39,304	2,58,679	3,54,111
Furniture and Fixtures	44,63,194	-	-	44,63,194	41,35,708	1,11,872	-	42,47,580	2,15,614	3,27,486
Vehicles	45,80,675	-	-	45,80,675	42,82,116	75,259	-	43,57,375	2,23,300	2,98,559
Office Equipment	21,82,406	-	-	21,82,406	20,85,409	13,572	-	20,98,981	83,425	96,997
Electrical Equipment	23,95,715	-	-	23,95,715	22,83,135	7,649	-	22,90,784	1,04,931	1,12,580
Air Conditioning Plant	12,86,811	-	-	12,86,811	11,01,145	36,747	-	11,37,892	1,48,919	1,85,666
Railway Sidings	6,46,649	-	-	6,46,649	6,33,711	180	-	6,33,891	12,758	12,938
Sub-total	9,10,63,434	-	-	9,10,63,434	8,16,07,286	20,08,025	-	8,36,15,311	74,48,123	94,56,148
Previous year	9,10,09,117	54,317	-	9,10,63,434	7,56,80,152	54,24,210	(5,02,924)	8,16,07,286	94,56,148	
Intangible Assets :										
Computer Software - Acquired	91,74,936	53,000	-	92,27,936	90,60,622	1,24,912	-	91,85,534	42,402	1,14,314
Sub-total	91,74,936	53,000	-	92,27,936	90,60,622	1,24,912	-	91,85,534	42,402	1,14,314
Previous year	91,74,936		-	91,74,936	75,10,692	15,49,930	-	90,60,622	1,14,314	
Capital work in progress:										
Plant and Equipment under installation									26,18,548	26,18,548
Building under construction									-	29,88,336
Computer Software									-	53,000
									26,18,548	56,59,884
Less : Allowance for doubtful Capital WIP									26,18,544	
Sub-total									4	56,59,884
Previous year									56,59,884	

NOTES TO BALANCE SHEET AS AT 31ST MARCH 2016 (Contd.)

	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
9. Non-current Investments		
Other than Trade - Unquoted		
At cost :		
National Savings Certificate (Lodged as Security Deposit - Matured but not encashed)	1,000	1,000
At written down value :		
Rs.7000, 5% Non-redeemable Registered Mortgage Debenture Stock 1957		
- Woodlands Hospital and Medical Research Centre Ltd.	1	1
33 Nos. 1/2% Debentures of Rs.100 each		
- Woodlands Hospital and Medical Research Centre Ltd.	1	1
	1,002	1,002
10. Long-term Loans and Advances		
<i>(Unsecured, Considered Good)</i>		
Security Deposits	38,69,240	37,31,824
Tax payments and tax deducted at source less provision for taxation	7,43,20,921	7,26,06,256
	7,81,90,161	7,63,38,080
Note:		
Tax payments and tax deducted at source are net off provisions for taxation of Rs. 13,78,30,588 (Previous year: Rs. 13,78,30,588)		
11. Inventories		
<i>(Valued at lower of cost and estimated net realisable value)</i>		
Raw Materials	3,26,659	3,26,659
Stores and Spare Parts	9,10,993	9,10,993
Loose Tools	1,27,374	1,27,374
	13,65,026	13,65,026
Less: Allowance for slow/non moving stocks	4,09,510	2,04,755
	9,55,516	11,60,271
12. Trade Receivables		
<i>(Unsecured)</i>		
Trade Receivables outstanding for a period exceeding six months - Considered Good	1,76,15,109	22,63,34,046
Considered Doubtful	35,90,52,333	18,76,38,471
	37,66,67,442	41,39,72,517
Less: Allowance for Bad and Doubtful Debts	35,90,52,333	18,76,38,471
	1,76,15,109	22,63,34,046
Other Debts - Considered Good	2,38,16,443	2,94,37,847
	4,14,31,552	25,57,71,893

NOTES TO BALANCE SHEET AS AT 31ST MARCH 2016 (Contd.)

	As at 31st March 2016 Rs.	As at 31st March 2015 Rs.
13. Cash and Cash Equivalents:		
Balance with Banks:		
- In Current Accounts	55,29,596	51,79,860
Cash in hand	48,971	1,56,263
	55,78,567	53,36,123
Other Bank Balances:		
- In Fixed Deposit Account (Maturing within next twelve months)	4,54,534	4,20,410
- In Unpaid Dividend Account	1,52,361	2,44,473
	6,06,895	6,64,883
	61,85,462	60,01,006
14. Short-term Loans and Advances (Unsecured)		
Due from Related Parties (Considered Good) (Refer Other Note no, 23,13)	14,34,681	3,97,149
Other Advances:		
Considered Good	49,41,499	10,16,92,261
Considered Doubtful	9,41,70,782	-
	10,05,46,962	10,20,89,410
Less : Allowance for Bad and Doubtful Advances	9,41,70,782	-
	63,76,180	10,20,89,410
15. Other Current Assets (Unsecured Considered Good)		
Tender and Other Deposits	88,577	1,63,577
Prepaid Expenses	2,69,290	-
Work-in-progress (Construction Contracts)	1,68,58,647	2,72,46,043
	1,72,16,514	2,74,09,620
Note		
Information in accordance with the requirement of the revised Accounting Standard - 7 on Construction Contracts prescribed by the Companies Act, 2013:		
Contract revenue recognised for the year	4,02,10,118	12,75,96,707
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to the year end for all the contracts in progress.	23,28,49,625	44,42,53,797
The amount of customer advances outstanding for contracts in progress as at the year end	-	-
The amount of retention due from customers for contracts in progress as at the year end.	9,78,498	3,47,37,677
Gross amount due from customers	1,68,58,647	2,72,46,043
Gross amount due to customers	NIL	NIL

**NOTES TO STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH 2016**

	<u>2015-2016</u>	<u>2014-2015</u>
	Rs.	Rs.
16. Revenue from Operations		
Sale of Products	-	27,50,000
Sale of Services	4,02,10,118	12,75,96,707
Other Operating Revenues	32,35,000	1,39,905
	<u>4,34,45,118</u>	<u>13,04,86,612</u>
17. Other Income		
Interest Income	55,633	35,703
Liabilities no longer required Written Back	1,99,41,501	3,93,79,908
	<u>1,99,97,134</u>	<u>3,94,15,611</u>
18. Expenses		
Cost of Material Consumed		
Opening Stock	3,26,659	3,26,659
Add: Purchases	-	32,73,035
	<u>3,26,659</u>	<u>35,99,694</u>
Less: Closing Stock	3,26,659	3,26,659
	<u>-</u>	<u>32,73,035</u>
19. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade		
Work-in - progress (Erection)	3,25,428	43,11,320
	<u>3,25,428</u>	<u>43,11,320</u>
20. Employee Benefits Expense		
Salaries, Wages & Bonus etc.	1,76,55,118	2,47,99,789
Contribution to Provident Fund and Workmen Insurance (Refer Other Note no. 23.10)	6,16,500	8,23,565
Contribution to Gratuity Fund	24,797	81,396
Workmen & Staff Welfare Expenses	5,01,619	10,91,103
	<u>1,87,98,034</u>	<u>2,67,95,853</u>
21. Finance Costs		
Interest Expenses (Refer Other Note no. 23.11)	2,34,977	1,52,58,323
	<u>2,34,977</u>	<u>1,52,58,323</u>

**NOTES TO STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH 2016 (Contd.)**

	2015-16 (Rs.)	2014-15 (Rs.)
22. Other Expenses		
Sub-Contractor Payments	4,47,63,089	5,33,30,525
Freight & Handling Charges	16,94,637	1,58,65,602
Advertising	1,27,380	1,68,913
Consumption of Stores & Spare Parts	41,69,730	3,16,07,128
Insurance	4,87,225	11,99,033
Power and Fuel	7,04,122	19,64,747
Rent	20,21,814	21,65,703
Rates & Taxes	28,88,555	10,21,141
Repairs to Building	5,699	24,634
Repairs to Machinery	95,145	5,16,252
Repairs Others	7,67,980	2,70,947
Travelling Expenses	12,66,018	22,67,405
Hire Charges of Equipments	40,100	10,03,790
Bank Charges	18,648	34,560
Service Charges	30,60,704	25,15,282
Printing & Stationery	1,94,692	3,37,330
Auditor's Remuneration (Refer Other Note no. 23.9)	8,60,450	8,66,025
Postage & Telephone	5,48,968	6,21,636
Vehicle Expenses	11,40,651	16,38,615
Inspection Charges	-	1,36,960
Legal Expenses	12,66,686	14,19,834
Miscellaneous Expenses	25,39,390	33,40,302
Allowance for Doubtful Debts	17,14,13,863	-
Allowance for slow/non moving stocks	2,04,755	2,04,755
Allowance for doubtful capital WIP	26,18,544	-
Allowance for doubtful advances	9,41,70,782	-
	<u>33,70,69,627</u>	<u>12,25,21,119</u>

23. Significant Policies & Other Notes on Accounts**23.1 Significant Accounting Policies :**

- (a) **BASIS OF PREPARATION OF FINANCIAL STATEMENTS**
The financial statements are prepared on accrual basis under the historical cost convention (except where impairment is made) on the basis of going concern and is in accordance with Accounting Standards notified under section 133 pursuant to section 129(1) of the Companies Act, 2013.
- (b) **USE OF ESTIMATES**
In preparing the Financial Statements in conformity with accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities as at the date of Financial Statements and the amount of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to such estimates is recognized in the period in which the same is determined.
- (c) **FIXED ASSETS - Tangible**
- (i) Assets other than those acquired on lease are stated at cost of acquisition and related expenditure. Depreciation on fixed assets (including those acquired on finance lease) is provided on written down value method at the rates which are in conformity with the requirements of the Companies Act, 2013. Leasehold land is amortised over the period of lease under written down value method. Assets under separate contracts are amortised over the period of the respective contracts under written down value method.
- FIXED ASSETS - Intangible**
- (ii) Cost of Computer Software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and cost of implementation/ system integration services. The costs are capitalised in the year in which the relevant software is implemented for use. Expense incurred on upgradation / enhancement is charged off as revenue expenditure unless it enables the software to generate future economic benefits in excess of its originally assessed standard.
- (iii) Computer Software cost is amortised on a straight line basis over a period of five years.
- (d) **LONG TERM investments** are valued at cost less allowance for permanent diminution, if any, in carrying amount of such investments.
- (e) **INVENTORIES** are valued at lower of cost and net realisable value. The costs are, in general, determined under "First in First out" formula. Work in progress/process and Finished Goods include applicable fabrication charges and allocable overheads. Obsolete, slow and non moving inventories are identified at the time of physical verification and, where necessary, adequate allowance is made for such inventories.
- (f) **REVENUE** from erection contracts are recognised on the percentage of completion method, in proportion that the contract costs incurred for work performed (as techno-commercially assessed by the management) up to the reporting date bear to the estimated total contract costs. Revenue recognised in excess of billing and billing in excess of revenue recognised as per Accounting Standard-7, issued by the Institute of Chartered Accountants of India have been reflected under 'Other Current Assets' and 'Current Liabilities' respectively in the Balance Sheet. Escalation and other claims in respect of these contracts are accounted for on their acceptance by the customers. Adequate provision for foreseeable losses are made in the accounts.

OTHER SALES are recognised on completion of sale of goods, rendering of services and/or use of Company's resources by third parties.

23. Significant Policies & Other Notes on Accounts (contd.)**(g) EMPLOYEE BENEFITS****i) Short term Employee Benefits :**

The undiscounted amount of Short-term Employee Benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the service.

ii) Post Employment Benefit Plans :

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the year.

For Defined Benefit Plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost plus the present value of available refunds and reductions in future contributions to the scheme.

iii) Other Long-term Employment Benefits (unfunded) :

The cost of providing long term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Other long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

(h) TRANSACTIONS IN RESPECT OF FOREIGN CURRENCIES are recorded at exchange rates prevailing on the date of the transaction. Monetary items denominated in foreign currencies outstanding at the Balance Sheet date are restated at the exchange rate prevailing on the balance sheet date. Foreign currency non-monetary items carried in terms of historical cost are reported using the exchange rate at the date of transactions. Exchange differences arising on settlement of transactions and/or restatements are dealt with in the Statement of Profit and Loss. In respect of Forward Exchange Contracts with underlying transaction, the premium or discount arising at the inception of such contract is amortised as expense or income over the life of contract.

(i) BORROWING COSTS other than those directly attributable to acquisition and construction of fixed assets are recognised as an expense in the period in which they are incurred.

(j) PROVISIONS are recognised when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources or there is a present obligation, reliable estimate of the amount of which cannot be made. Where there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no provision or disclosure for contingent liability is made.

(k) CURRENT TAX in respect of taxable income is provided for the year based on applicable tax rates and laws. Deferred tax is recognised subject to the consideration of prudence in respect of deferred tax assets, on timing differences, between taxable income that originate in one period and are capable of reversal in one and more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realisability thereof.

23. Significant Policies & Other Notes on Accounts (contd.)

23.2 Year-end Deferred Tax balance comprises the following :

	31st March 2016 (Rs.)	31st March 2015 (Rs.)
Tax impact due to timing differences resulting in (liabilities) / assets on account of:		
Payment under Voluntary Retirement Scheme	—	16,59,535
Depreciation as per tax law and book	(9,20,618)	(29,76,628)
Allowance for bad and doubtful debts	14,09,81,611	86,47,558
Items allowable for tax purpose on payment	6,18,000	6,18,000
Net Deferred Tax Assets / (Liability)	14,06,78,993	79,48,465

In absence of virtual certainty of future profitability against which the deferred tax asset could be realised, deferred tax assets (net) has not been recognised during the year and deferred tax assets (net) appearing in the books as on 31st March 2015 has been derecognised during the year and charged to Statement of Profit and Loss.

23.3 Contingent Liabilities:

(a) Claims not acknowledged as debts :

	31st March 2016 (Rs.)	31st March 2015 (Rs.)
(i) Disputed Sales Tax *	1,24,28,467	1,26,78,467
(ii) Disputed Income Tax	4,96,67,091	6,51,42,191
(iii) Disputed Wealth Tax	3,16,688	3,16,688
(iv) Disputed Service Tax	3,18,56,704	1,67,51,790

*On account of certain reliefs claimed which are under dispute and pending sales tax declaration forms.

- (b) The Company had exported rubber lined pipes to Konkola Copper Mines, Zambia (KCM) during 2007 and 2008. The KCM went into International Arbitration Proceedings claiming damages for the alleged defects in the supplied rubber lined pipes and the Company was awarded to pay US \$ 3.36 Million plus running interest @ 1.5% p.a. (total equivalent to INR 24.70 Crores) approximately based on alleged seven years guarantee which the Company had never given. Being aggrieved, the Company has filed an appropriate application at the Competent Court challenging the award and the same is pending for hearing.
- (c) There are few litigations initiated by some sub-contractors involving Rs. 4.61 crores (previous year Rs. 4.61 crores) which have not been acknowledged by the Company as debts. However, Company had also initiated its counter claim amounting to Rs. 1.66 crores (previous year Rs. 1.66 crores) against some of said sub-contractors which are pending before various Courts.
- (d) There is a demand from Kolkata Port Trust towards alleged interest on unpaid lease rent for Rs. 3.19 crores (previous year Rs. 3.19 crores) which the Company has disputed in the absence of proper basis for such demand and the same has not been acknowledged as a debt.

23.4 (a) Bank Guarantee issued by the parent company (IOT Infrastructure and Energy Services Ltd.) on behalf of the Company is outstanding as on 31st March 2016 amounting to Rs. 1,15,01,979 (previous year Rs. 1,15,01,979).

(b) In the opinion of the Board, all assets other than fixed assets and non current investments, have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

23 Significant Policies & Other Notes on Accounts (contd.)

23.5 Information on Sale of products under broad heads (Net of Excise duty)

Particulars	2015-2016	2014-2015
	(Rs.)	(Rs.)
Engineering and Procurement	-	27,50,000
	-	27,50,000

23.6 Consumption of Materials under broad heads:

Particulars	2015-2016	2014-2015
	(Rs.)	(Rs.)
Plates	-	27,22,161
Coils	-	2,25,180
Bars	-	27,536
Ceramic Bricks	-	2,98,158
	-	32,73,035

23.7 Value of Imported and Indigenous Materials Consumption as a percentage of Total Consumption :

Particulars	2015-2016		2014-2015	
	(Rs.)	%	(Rs.)	%
Indigenous	-	-	32,73,035	100.00
Imported	-	-	-	-
	-	-	32,73,035	100.00

23.8 Consumption of Imported and Indigenous Stores, Tools, Spare Parts and Components as a percentage of Total Consumption :

Particulars	2015-2016		2014-2015	
	(Rs.)	%	(Rs.)	%
Indigenous	41,69,730	100.00	3,16,07,128	100.00
Imported	-	-	-	-
	41,69,730	100.00	3,16,07,128	100.00

23.9 Auditor's Remuneration

Nature of professional services	2015-2016	2014-2015
	(Rs.)	(Rs.)
a) For Statutory Audit	5,00,000	5,00,000
b) For Tax Audit	1,35,450	1,36,025
c) For Limited Review	2,25,000	2,25,000
d) For other services (see note below)	-	5,000
	8,60,450	8,66,025

Note: Fees for other services do not include Rs. 2,00,000/- (previous year: Rs. 2,00,000/-) being fees for certification job debited to parent company, M/s. IOT Infrastructure and Energy Services Ltd.

23 Significant Policies & Other Notes on Accounts (contd.)

23.10 Employees Benefits :

Post Employment Defined Contribution Plans :

During the year an amount of Rs.6,16,500 (2014-2015 : Rs.8,23,565) has been recognised as expenditure towards Defined Contribution plans of the Company.

Post Employment Defined Benefit Plans :

Gratuity (Funded)

The Company's Gratuity Scheme, a defined benefit plan, covers the eligible employees and is administered through a trust fund under group administration plan. Such gratuity fund, whose investments are managed by insurance companies/trustees themselves, make payments to vested employees or their nominees upon retirement, death, incapacitation or cessation of employment, of an amount based on the respective employee's eligible salary and tenure of employment as per the provision of "The Payment of Gratuity Act, 1972". Liabilities with regard to Gratuity Plan are determined by actuarial valuation as set out in Note 23.1.g.(ii) above based upon which the Company makes contribution to Gratuity Fund.

The following Table sets forth the particulars in respect of Post Employment and other Defined Benefit Plans of the Company for the year ended 31st March, 2016 and corresponding figures for the previous year :

(Rupees)

	Description	Gratuity (Funded)		Leave Encashment (Unfunded)	
		31st March 2016	31st March 2015	31st March 2016	31st March 2015
a)	Reconciliation of Opening and Closing balances of the Present Value of the Defined Benefit Obligation :				
	Present Value of Obligation at the beginning of the year	16,78,216	19,27,924	8,27,947	9,97,473
	Current Service Cost	69,551	1,65,690	68,048	1,41,168
	Past Service Cost	-	-	-	-
	Interest Cost	93,982	1,05,520	39,377	70,515
	Actuarial (Gains)/Losses	(44,252)	6,96,933	1,70,536	(1,49,130)
	Benefits Paid	(10,06,871)	(12,17,851)	(6,71,461)	(2,32,079)
	Present Value of Obligation at the end of the year	7,90,626	16,78,216	4,34,447	8,27,947
b)	Reconciliation of the Opening and Closing balances of Plan Assets :				
	Fair Value of Plan Assets at the beginning of the year	27,91,671	43,01,560	-	-
	Expected Return on Plan Assets	2,09,375	3,44,125	-	-
	Actuarial Gains/ (Losses)	(3,30,167)	(6,36,164)	-	-
	Contributions	-	1	-	-
	Benefits paid	(10,06,871)	(12,17,851)	-	-
	Fair Value of Plan Assets at the end of the year	16,64,008	27,91,671	-	-
c)	Reconciliation of the Present Value of the Defined Benefit Obligation and the Fair Value of Plan Assets :				
	Present Value of Obligation at the end of the year	7,90,626	16,78,216	4,34,447	8,27,947
	Fair Value of Plan Assets at the end of the year	16,64,008	27,91,671	-	-
	Assets/ (Liabilities) recognised in the Balance Sheet	8,73,382	11,13,455	(4,34,447)	(8,27,947)

23 Significant Policies & Other Notes on Accounts (contd.)

(Rupees)

	Description	Gratuity (Funded)		Leave Encashment (Unfunded)	
		31st March 2016	31st March 2015	31st March 2016	31st March 2015
d)	Expense recognised in the Statement of Profit and Loss :				
	Current Service Cost	69,551	1,65,690	68,048	1,41,168
	Past Service Cost	-	-	-	-
	Interest Cost	93,982	1,05,520	39,377	70,515
	Expected Return on Plan Assets	(2,09,375)	(3,44,125)	-	-
	Actuarial (Gains)/Losses	2,85,915	13,33,097	1,70,536	(1,49,130)
	Total Expense recognised	2,40,073	12,60,182	277,961	62,553
e)	Category of Plan Assets :				
	Fund with LIC	15,06,967	23,39,008	-	-
	Central Government Securities	-	-	-	-
	State Government Securities	-	-	-	-
	Others (including bank balances)	(8,68,712)	(8,67,464)	-	-
	Total	6,38,255	14,71,544	-	-
f)	Actual Return on Plan Assets :	2,09,375	3,44,125	-	-
g)	Actuarial Assumptions :				
	Discount Rate (Per annum)	8.00%	8.00%	8.00%	8.00%
	Expected Rate of Return on Assets (Per annum)	7.50%	8.00%	-	-
	Mortality Rate	IALM	IALM	IALM	IALM
		2006-2008	2006-2008	2006-2008	2006-2008
		ULTIMATE	ULTIMATE	ULTIMATE	ULTIMATE

Net Asset / (Liability) recognised in Balance Sheet including experience adjustment impact :

	Gratuity					Leave Encashment				
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
Present value of funded obligation	7,90,626	16,78,216	19,27,924	24,89,299	32,27,046	-	-	-	-	-
Present value of unfunded obligation	-	-	-	-	-	4,34,447	8,27,947	9,97,473	20,99,898	25,71,437
Fair Value of Plan Assets	16,64,008	27,91,671	43,01,560	24,94,761	32,27,046	-	-	-	-	-
Status [Surplus/(Deficit)]	8,73,382	11,13,455	23,73,636	5,462	-	-	-	-	-	-
Experience Adjustment of Plan Assets [Gain/(Loss)]	Not Available					Not Available				
Experience Adjustment of Obligation [Gain/(Loss)]	Not Available					Not Available				

The estimates of future salary increases, considered in actuarial valuations, take into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investment of funds during the estimated term of the obligation.

23 Significant Policies & Other Notes on Accounts (contd.)

23.11 Details of Dues to Micro Enterprises and Small Enterprises :

			2015-2016	2014-2015
			(Rs.)	(Rs.)
a)	The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the year.	Principal	1,39,770	1,39,770
		Interest	9,66,160	7,31,183
b)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year	Principal	Nil	Nil
		Interest	Nil	Nil
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006		Nil	Nil
d)	The amount of interest accrued and remaining unpaid at the end of accounting year	Interest accrued	2,34,977	2,02,868
		Interest remaining unpaid	9,66,160	7,31,183
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006		2,34,977	2,02,868

The above information has been compiled in respect of parties to the extent to which they could be identified as Micro and Small Enterprises under Micro, Small and Medium Enterprise Development Act, 2006 on the basis of information available with the Company.

23.12 Basic and Diluted Earning / (Loss) Per Share :

		2015-2016	2014-2015
i)	Basic		
a)	Number of Equity Shares at the beginning of the year	30,00,000	30,00,000
	Number of Equity Shares at the end of the year	30,00,000	30,00,000
	Weighted average number of Equity Shares outstanding during the year	30,00,000	30,00,000
	Face value of each Equity Share - (Rs.)	10	10
b)	Profit / (Loss) after tax available for Equity shareholders (Rs.)	(30,30,67,216)	(92,31,567)
	Basic Earning / (Loss) per Share - (Rs.)	(101.02)	(3.08)
ii)	Dilutive Potential Equity Shares	-	-
iii)	Diluted Earning / (Loss) per Share - (Rs.)	(101.02)	(3.08)

23.13 Related Party Disclosures in accordance with Accounting Standard 18 :

List of Related Parties

- (i) Parties where control exists :
- IOT Infrastructure & Energy Services Ltd., (Formerly Indian Oiltanking Ltd.) - Holding Company
 - IOT Engineering Projects Limited - Fellow Subsidiary
 - IOT Anwasha Engineering & Construction Limited - Fellow Subsidiary

- (ii) Key Managerial Personnel :
 Mr. Prabir Kumar Nag - Chief Executive Officer till 05.02.2016
 Mr. Aparesh Chandra Sen - Chief Executive Officer from 12.02.2016 to 15.04.2016
 Mr. Dipankar Banerjee - Chief Financial Officer
 Mr. Samir Bhadra - Company Secretary

Transactions with Related Parties	2015-2016 Rs.	2014-2015 Rs.
a) Sales and Services billed		
Holding Company	64,95,841	1,63,20,878
b) Purchase of Raw Materials and Components and Services		
Fellow Subsidiaries	-	18,28,226
c) Other Income -		
Rental Income		
Holding Company	2,25,000	-
Fellow Subsidiary	30,10,000	-
d) Expenditure on other services (Net)		
Holding Company	(9,23,260)	1,60,45,189
Fellow Subsidiary	(68,532)	4,50,244
e) Outstanding Balances as at the end of Financial Year		
<u>Receivables</u>		
Holding Company	38,09,266	54,22,477
Fellow Subsidiary	14,34,681	1,16,95,396
<u>Payables</u>		
Holding Company	48,75,90,141	48,26,25,507
Fellow Subsidiary	8,16,65,678	9,33,76,125
Key Managerial Personnel	3,94,813	1,84,728
f) Remuneration to Key Managerial Personnel		
Mr. Prabir Kumar Nag	-	16,39,189
Mr. Dipankar Banerjee	15,75,236	15,33,236
Mr. Samir Bhadra	14,55,344	14,06,601
Mr. Aparesh Chandra Sen	-	-
	—30,30,580	—45,79,026

- 23.14 The Company has accumulated losses of Rs. 78.50 Crores as at 31st March, 2016 and its net worth as at that date is negative by Rs. 66.52 Crores. These events or condition cast significant doubt on the company's ability to continue as a going concern. However, the management is making a detailed evaluation of the current situation, including assessment of potential reschedulement / renegotiations with creditors. Accordingly, the Financial Statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities. However, on the basis of the audited accounts as on 31st March 2014, the Company has been referred to the Board for Industrial and Financial Reconstruction (BIFR) by the management on 1st October, 2014 and the same has been duly registered on 24th February, 2015.
- 23.15 The company is primarily engaged in execution of erection projects in India, which, in most cases involve supply of materials (procured or manufactured). Further, the Company is managed organisationally as a single unit. Therefore, according to the management, the Company's operations are carried out in a single segment.
- 23.16 Previous year's figures have been re-arranged / re-grouped, where necessary to make the same comparable with the current year's figures.
 Signatures to Notes 1 to 23.

RAJESH GANESHWISWANATHAN
 Director
 DIPANKAR BANERJEE
 Chief Financial Officer

BHARATI SRINIVASAN
 Chairperson
 SAMIR BHADRA
 Company Secretary

CASH FLOW STATEMENT

	For the Year ended 31st March 2016		For the Year ended 31st March 2015	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) Before Tax and Extraordinary Items :		(29,51,18,751)		(92,31,567)
Adjustments for -				
Depreciation	21,32,937		69,74,140	
Liability written back	(1,99,41,501)		(3,93,79,908)	
Interest (Net) - shown separately	1,79,344		1,52,22,620	
Allowance for Bad and Doubtful Debts	17,14,13,863		-	
Allowance for slow/non moving stocks	2,04,755		2,04,755	
Allowance for doubtful Capital WIP	26,18,544		-	
Allowance for doubtful Advances	9,41,70,782		-	
		<u>25,07,78,724</u>		<u>(1,69,78,393)</u>
Operating Profit before Working Capital Changes		(4,43,40,027)		(2,62,09,960)
Adjustment for -				
Trade and Other Receivables	5,45,24,616		(2,07,65,610)	
Inventories	-		(4,03,347)	
Trade Payable	(1,10,02,348)		41,62,85,224	
		<u>4,35,22,268</u>		<u>39,51,16,267</u>
Cash generated from / (used in) operation		(8,17,759)		36,89,06,307
Direct Taxes Paid (Net of refunds)	(17,14,665)		(37,99,272)	
		<u>(17,14,665)</u>		<u>(37,99,272)</u>
Net Cash from / (used in) operating activities		(25,32,424)		36,51,07,035
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	-		(1,07,317)	
Adjustment to Fixed Assets	29,88,336		-	
Interest Received	55,633		35,703	
Net Cash from / (used in) investing activities		<u>30,43,969</u>		<u>(71,614)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from Short Term Bank Borrowings (Net)	-		(34,99,85,798)	
Interest Paid	(2,34,977)		(1,52,58,323)	
Dividend Paid (including Tax thereon)	(92,112)		(96,516)	
Net Cash from / (used in) financing Activities		<u>(3,27,089)</u>		<u>(36,53,40,637)</u>
NET CHANGES IN CASH AND CASH EQUIVALENT (A + B + C)		1,84,456		(3,05,216)
CASH AND CASH EQUIVALENTS				
Opening Balance (Refer Note 13 to Balance Sheet)	60,01,006		63,06,222	
CASH AND CASH EQUIVALENTS				
Closing Balance (Refer Note 13 to Balance Sheet)	61,85,462	<u>1,84,456</u>	60,01,006	<u>(3,05,216)</u>

- Notes: (i) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement prescribed by the Companies Act, 2013.
- (ii) For the purpose of Cash Flow Statement, Cash and Cash equivalents include Other Bank Balances.
- (iii) The Note referred to above forms an integral part of the Cash Flow Statement.
- (iv) Previous year's figures have been re-grouped/re-arranged where ever necessary.

This is the Cash Flow Statement referred to in our report of even date

For RAY & RAY

Chartered Accountants

Firm Registration Number - 301072E

Abhijit Neogi
Partner

Membership Number : 61380
Kolkata, 22nd April 2016

RAJESH GANESHVISWANATHAN
Director

DIPANKAR BANERJEE
Chief Financial Officer

BHARATI SRINIVASAN
Chairperson

SAMIR BHADRA
Company Secretary

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

1.0 A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company continues to focus on good Corporate Governance with emphasis on its further betterment on a continuous basis. Corporate Governance is an integral part of management. Your Company's management believes in continuous attainment of excellence, growth and value creation and in pursuit of that it continuously endeavors to leverage resources to transform opportunities into reality as much as possible.

2.0 BOARD OF DIRECTORS

The Board of Directors of the Company have four members. Out of this strength, there are two Independent Directors and two Non-Executive Directors, one of whom is Woman Director (Chairperson).

Mr. Rajesh Ganeshviswanathan has been appointed as Additional Director on 13.11.2015 and Mr Shibaji Dasgupta has been appointed as Additional Director (Independent) on 12.02.2016 in compliance with the Companies Act, 2013 as well as for Corporate Governance under SEBI Listing Regulations.

Mr. Asim Chandra, Chairman and Mr. R. Narayanan, Director resigned from the Board on 01.08.2015 and 13.11.2015 respectively. Mr. R. K. Tripathy resigned from the Board on 30.11.2015.

There was a change in the Key Managerial position also. Mr P. K. Nag, CEO was released from his services on 06.02.2016 and Mr. A. C. Sen was appointed as CEO w.e.f. 12.02.2016 but Mr. Sen also resigned w.e.f. 16.04.2016. However, the Company will take appropriate action to fill up the vacancy.

None of the Directors on the Board is a member of more than 10 committees and Chairman/Chairperson of more than 5 committees across all Companies in which he/she is a Director. The necessary disclosures regarding Committee positions have been made by the Directors. None of the Directors is related between themselves.

The Company did not have any pecuniary relationship or transactions with the non executive Directors during 2015-16

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting as also the number of Directorships and Committee Memberships held by them in other companies are given below:

Name	Category	No. of Board Meetings attended during 2015-16	Whether attended the AGM held on 31st July 2015	No. of Directorships in other Indian public limited companies as on 31st March 2016	No. of Committee* position held in other Indian public limited companies as on 31st March 2016	
					Chairman	Member
Mr. Asim Chandra (Resigned on 01.08.2015)	Non Executive Non Independent Chairman	2	Yes	1	NIL	NIL
Mr. Radhakant Tripathy (Resigned on 30.11.2015)	Independent Non Executive	3	Yes	NIL	NIL	NIL
Mr. R Narayanan (Resigned on 13.11.2015)	Non-independent Non-Executive	2	Yes	NIL	NIL	NIL
Mr. Ashok Mitra	Independent Non-Executive	4	Yes	NIL	NIL	NIL
Ms. Bharati Srinivasan (Appointed on 05.05.2015)	Non Executive Non Independent Chairperson	3	Yes	NIL	NIL	NIL
Mr. R. Ganeshviswanathan (Appointed on 13.11.2015)	Non Independent Non Executive	1	NA	NIL	NIL	NIL
Mr. Shibaji Dasgupta (Appointed on 12.02.2016)	Independent Non Executive	1	NA	1	NIL	NIL

* Committee positions held in Audit Committees and Shareholders'/ Stakeholders Relationship Committees are considered.

Four Board Meetings were held during the year 2015-16 and the gap between two meetings did not exceed four months.

The dates on which the Board Meetings were held are as follows:

5th May 2015, 31st July 2015, 13th November 2015 and 12th February 2016

3.0 AUDIT COMMITTEE

The Audit Committee of the Board has been functioning since 1997. The broad terms of reference of the Audit Committee are to review the unaudited and audited financial results of the Company and to recommend/ suggest the same for the approval and adoption by the Board, to review the Internal Audit Reports, discuss with the Auditors periodically, review and implement their suggestions and other related matters, to review weaknesses in internal controls if any, reported by the Internal Auditors and Statutory Auditors.

Composition of Audit Committee

Name of the Members	Category	No. of Meetings attended during the year 2015-16
Mr. R. Tripathy (Chairman) (Cessation On 30.11.2015)	Non-executive, Independent	3
Mr. Asim Chandra (Cessation On 01.08.2015)	Non-executive, Non- Independent	2
Mr. Ashok Mitra	Non-executive, Independent	4
Mr. R. Ganeshviswanathan (Joined on 13.11.2015)	Non-executive, Non-Independent	1
Mr. S. Dasgupta (Joined on 12.02.2016)	Non-executive, Independent	1

Number of Audit Committee Meetings held during the year : 4

Dates of Audit Committee Meetings : 5th May 2015, 31st July 2015
13th November 2015 and 12th February 2016.

The Audit Committee meetings were attended by the Chief Executive Officer, the Chief Financial Officer and representatives of Auditors of the company.

The Company Secretary acted as the Secretary to the Audit Committee.

At the Audit Committee Meeting held on 22nd April 2016, the Annual Accounts for the year ended 31st March 2016, were reviewed by the Audit Committee and recommended to the Board. The unaudited quarterly financial results for each quarter were also reviewed by the Audit Committee during the year before recommendation to the Board for its adoption.

4.0 NOMINATION AND REMUNERATION COMMITTEE

The Remuneration Committee was constituted in the year 1997. The broad terms of reference of the Remuneration Committee are to recommend to the Board in regard to identify the persons who are qualified to become directors, recommendation for their appointment and removal, recommendation of a policy for remuneration of directors, Key Managerial personnel and other Senior Management personnel.

Composition of Nomination and Remuneration Committee

Name of the Members	Category	No. of Meetings attended during the year 2015-16
Mr. R. Tripathy (Chairman) (Cessation On 30.11.2015)	Non-executive, Independent	1
Mr. Asim Chandra (Cessation On 01.08.2015)	Non-executive, Non- Independent	1
Mr. Ashok Mitra	Non-executive, Independent	1
Mr. R. Ganeshviswanathan (Joined on 13.11.2015)	Non-executive, Non-Independent	N.A.
Mr. S. Dasgupta (Joined on 12.02.2016)	Non-executive, Independent	N.A.

No. of Remuneration Committee Meeting held during the year : One, held on 5th May 2015

Remuneration Policy : The Committee is to satisfy that the remuneration is reasonable and sufficient to attract, retain and motivate directors. The remuneration shall be equal to the performance of the Company and remuneration to Directors, Key Managerial Personnel and other employees involve a balance between the performance of the Company and its goal.

Details of remuneration paid to all Directors during the year 2015-16 :

Non-Executive Directors:

Sl. No	Name	Sitting Fees (Rs)	Commission (Rs.)
1	Mr. Asim Chandra	NIL	-
2	Mr. Radhakant Tripathy	62,500	-
3	Mr. R. Narayanan	NIL	-
4	Mr. Ashok Mitra	92,500	-
5	Mr. R. Ganeshviswanathan	NIL	-
6	Ms. Bharati Srinivasan	NIL	-
7	Mr. Shibaji Dasgupta	30,000	-
	Total	1,85,000	-

Sitting fees paid to Directors for attending Board and Audit Committee Meeting was Rs. 10,000/- per meeting. However, for attending the Nomination and Remuneration Committee Meeting, sitting fees were Rs. 2,500/- per meeting.

The Independent Directors also held the Independent Directors Meeting on 18th March 2016 and the sitting Fees of Rs. 10,000/- was paid per head.

None of the Directors holds any shares in the Company

5.0 STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee was reconstituted in the year 2014 to consider and resolve the grievance of the security holders of the Company and also to look into the redress of investor's complaints like transfer of shares, non-receipt of declared dividend and other issues and shares transfer/transmission matters including issue of duplicate share certificates etc.

Composition of Stakeholders Relationship Committee

Name of the Members	Category	No. of Meetings attended during the year 2015-16
Mr. R. Tripathy (Chairman) Cessation on 30.11.2015 (Charman, Cessation on 30.11.2015)	Non-executive, Independent	3
Mr. Asim Chandra (Cessation on 01.08.2015)	Non-executive, Non- Independent	2
Mr. Ashok Mitra	Non-executive, Independent	4
Ms. Bharati Srinivasan Chairperson	Non-executive, Non-Independent	1
Mr. Shibaji Dasgupta (Appointment on 12.02.2016)	Non-executive, Independent	1

Compliance Officer : Mr. S Bhadra, Company Secretary and Vice President- Corporate Affairs

No. of shareholders complaints received during 2015-16 : NIL

No. of not solved to the satisfaction of shareholders : NIL

No. of pending complaints : NIL

6.0 GENERAL BODY MEETINGS

Location and time where last three Annual General Meetings were held:

	2013	2014	2015
Date	26th July 2013	30th July 2014	31st July 2015
Time	11.30 a.m	11.30 a.m	11.30 a.m.
Venue	RABINDRA-OKAKURA, BHABAN	BIRLA ACADEMY OF ART AND CULTURE	BIRLA ACADEMY OF ART AND CULTURE
	27/A/1, DD Block, Salt Lake, Kolkata - 700064	Ground Floor, 108 Southern Avenue, Kolkata – 700 029	Ground Floor, 108 Southern Avenue, Kolkata – 700 029

Special Resolutions passed in the last three Annual General Meetings are as follows:

- 2012-2013 : One Special Resolution was passed.
- 2013-2014 : Three Special Resolutions were passed.
- 2014-2015 : Nil

No special resolution was put through postal ballot in the previous year. However, as per SEBI Regulations E voting facilities were provided to all the shareholders. No special resolution is proposed to be conducted through postal ballot.

7.0 DISCLOSURES

- a) There has been no transaction of the Company with its promoters, their subsidiaries, Directors, their relatives or the management that may have potential conflict with the interest of the Company at large.
- b) Transactions with the related parties are disclosed in note no 23.13 to the accounts in the Annual Report.
- c) There are no instance of non-compliance by the Company for which any strictures imposed on it by the Stock Exchanges, SEBI or any other statutory authority or any matter related to capital market during the last three years.
- d) The Company has adopted a Whistle Blower Policy for all the employees and directors across the Company. No director or employee has been denied access to the Audit Committee. All the employees of the Company were informed about the policy and their access to the Audit Committee, if they feel necessary and the policy is also available in the website of the Company.
- e) The Company has complied with all the mandatory requirements of the Listing Regulations. However, pursuant to Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicability of 27(2) on Corporate Governance is not mandatory to your Company since, the Company doesn't have equity share capital exceeding Rs. 10 crore and net worth does not exceed Rs. 25 crores as on the last day of the previous financial year.

8.0 MEANS OF COMMUNICATION

1. The quarterly unaudited financial results of the Company are announced within 45 days from the end of the respective quarter, after its 'Limited Review' by the Statutory Auditors and reviewed by the Audit Committee & adopted by the Board of Directors. Audited Annual Results are announced within 60 days from the end of the financial year on 31st March of each year.
The results are published in two widely circulated newspapers in and around West Bengal, generally in 'Business Standard' (in English version) and in 'Aajkal' (in Bengali version), within 48 hours from the conclusion of the Board Meeting. The results are also made available at the website of the Company (www.slofindia.com), within the same period. All these results are also being posted on SEBI's Electronic Data Information Filing and Retrieval System (EDIFAR) website, within the time period as specified by SEBI.
2. The corporate website of the Company (www.slofindia.com) displays any official news release on the Company.
3. Presentations are made to Institutional Investors on their specific request and the same are also made available on the website of the Company.

9.0 GENERAL SHAREHOLDERS' INFORMATION

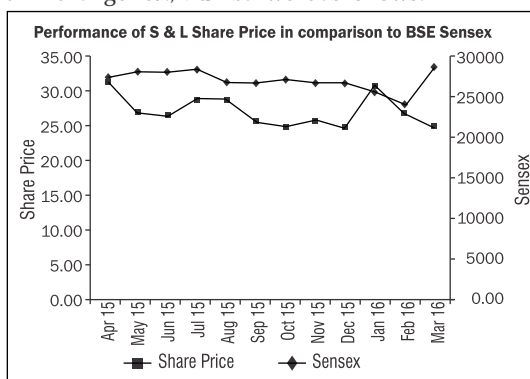
- 1.0 AGM
Date & Time : 22nd July, 2016 at 11.30 A.M.
Venue : Birla Academy of Art and Culture
Ground Floor, 108, Southern Avenue,
Kolkata - 700 029
- 2.0 Financial Calendar (tentative)
Financial Results for the quarter ending 30th June, 2016 : 14th August, 2016
Financial Results for the quarter/ half year
ending 30th September, 2016 : 15th November, 2016
Financial Results for the quarter ending 31st December, 2016 : 14th February, 2017
Audited Results for the year ending 31st March, 2017 : 30th May, 2017
- 3.0 Date of Book Closure : From 16th July, 2016 to
22nd July, 2016
(both days inclusive)
- 4.0 Dividend Payment Date : N.A
- 5.0 Listing on Stock Exchanges :
1) The Calcutta Stock Exchange Association Limited
7, Lyons Range
Kolkata - 700 001
2) The Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

(Note : Annual Listing Fees for the year 2016-2017 yet to be paid to both the Stock Exchanges)

- 6.0 A. Demat ISIN Number in NSDL and CDSL : INE356D01012
- B. Stock Code
The Bombay Stock Exchange Ltd. : Physical Segment 4960
: Demat Segment 504960
The Calcutta Stock Exchange Association Limited : Physical Segment 29962
: Demat Segment 10029962

7.0 Market Price Data : The high and low market price of shares of the Company during each month of the financial year 2015-16 at the Bombay Stock Exchange Ltd., Mumbai were as follows:

Month	High (Rs.)	Low (Rs.)
April' 15	34.70	27.05
May' 15	28.95	21.55
June' 15	28.40	21.30
July' 15	30.70	25.00
Aug' 15	31.75	23.75
Sept' 15	24.85	22.60
Oct' 15	24.20	21.60
Nov' 15	26.00	22.35
Dec' 15	24.00	21.55
Jan' 16	33.00	27.50
Feb' 16	27.65	22.60
Mar' 16	24.65	21.00



- 8.0 Registrar and Transfer Agent (for Physical and Demat) : CB Management Services (P) Limited
P-22, Bondel Road
Kolkata - 700 019
Tel.: (033) 4011-6700(100 lines)
Fax: (033) 4011-6739
E mail: rta@cbmsl.com

9.0 Share Transfer System

Share transfer in physical form can be lodged with C B Management Services (P) Limited at the above mentioned Registered Office of the Company.

Share transfers are registered and dispatched within a period of 15 days from the date of receipt if technically found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in the Company's Equity Shares in dematerialized form.

10.0 Distribution of Shareholding as on 31.03.16 Categories of Shareholders as on 31.03.16

No. of Shares held	No. of Shareholders	Total No. of Shares	Category	No. of Shares held	% of Capital
Upto – 2500	3026	473706	Promoters	1663754	55.46
2501 – 5000	22	77534	FIs incl. Banks	164775	5.49
5001 – 50000	28	364821	Indian Individuals	911186	30.38
50001 - 100000	1	53189	Bodies Corporate	218483	7.28
Above – 100000	4	2030750	NRIs	41802	1.39
Total	3081	3000000	Total	3000000	100.00

11.0 Dematerialisation of shares and liquidity

The equity shares of the Company are available for dematerialisation with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Total no. of shares dematerialised till 31st March, 2016: 29,07,846

% of share dematerialised till 31st March, 2016 : 96.93%

12.0 Outstanding GDR/ADRs/Warrants & Convertible Instruments, Conversion date and likely impact on equity : Not Applicable

13.0 Following Plants are now in possession of Kolkata Port Trust (KOPT) w.e.f. 3rd September 2013. Due to non payment of alleged dues, KOPT took possession of the units towards the eviction order passed by the Estate Officer of Kolkata Port Trust Authority and the Company has taken appropriate legal recourse against the same.

(a) 39, Hide Road
Kolkata - 700 043

(b) 43/2, Hide Road Extn.
Kolkata- 700 088

However, the Company is in process to build one manufacturing unit at Oregram, Burdwan, West Bengal.

14.0 Address for Correspondence:

Mr.S. Bhadra

Company Secretary and Vice President Corporate Affairs Phone: 033 2288 8194 to 95

Stewarts and Lloyds of India Limited Fax: 033 2288 8236

CIN – L28999WB1937PLC009099 E-Mail: slical@slofindia.com

41, Chowringhee Road, Website : www.slofindia.com

Kolkata - 700 071

Certificate of Compliance with Code of Conduct Policy

I declare that in terms of regulation 34 (3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company has received affirmation of Compliance with Code of Conduct from all Directors and Senior Management Personnel of the Company for the financial year ended 31st March 2016.

For Stewarts and Lloyds of India limited

Kolkata

Date: 22nd April 2016

Chief Financial Officer

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration No. of the Company : 21-9099

ISIN : INE 035600102

Nominal Capital : Rs. 20,00,00,000/-

Paid up Capital : Rs. 3,00,00,000/-

To

The Members

Stewarts and Lloyds of India Limited

41, Chowringhee Road,

Kolkata – 700 071

I have examined all relevant records of M/s. Stewarts and Lloyds of India Limited (The Company) for the purpose of certifying compliance of the conditions of Corporate Governance as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement with Calcutta Stock Exchange Ltd. and Bombay Stock Exchange Ltd for the financial year ended 31st March 2016. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

On the basis of my examination of the records produced, explanations and information furnished. I certify that the Company has complied with all the mandatory provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

It is further to note that in pursuance of regulation 15(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the compliance of corporate governance provisions is not applicable to the company.

Place : Kolkata

Date : 22.04.2016

Debasish Mukhopadhyay
Practicing Company Secretary
Membership No. ACS- 9680
Certificate of Practice No. 5323



STEWARTS AND LLOYDS OF INDIA LTD.

(A Subsidiary of IOT Infrastructure and Energy Services Ltd.)

CIN - L28999WB1937PLC009099

Stewarts and Lloyds of India Limited

(CIN – L28999WB1937PLC009099)

Regd.office: 41, Chowringhee Road, Kolkata - 700 071

Ph: 033-2288-8194/95, e-mail-slical@slofindia.com,website: www.slofindia.com

NOTICE

NOTICE is hereby given that the Seventy- Eighth Annual General Meeting of Stewarts and Lloyds of India Limited will be held at Birla Academy of Art and Culture, Ground Floor,108 Southern Avenue, Kolkata -700029, on Friday, the 22nd July 2016, at 11.30 a.m to transact the following business:

1. To consider and adopt the Directors' Report and Audited Financial Statement for the year ended 31st March 2016.
2. To appoint a Director in place of Ms. Bharati Srinivasan who retires by rotation and is eligible for re-appointment.
3. To ratify the appointment of Auditors in terms of Companies Act,2013 and to authorise the Board of Directors to fix their remuneration

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following resolution with or without modification as an ORDINARY RESOLUTION:
"RESOLVED THAT Mr. Rajesh Ganeshviswanathan (DIN. 05333345.) who was appointed as an Additional Director by the Board of Directors of the Company on 13th November 2015 pursuant to the provisions of sections 149,152,160,and other applicable provisions, if any, of the Companies Act, 2013, read with the Article 90 of the Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director who retires by rotation, be and is hereby appointed as a Director of the Company".
5. To consider and, if thought fit, to pass the following resolution with or without modification as an ORDINARY RESOLUTION:
"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152,160 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under, read with Schedule IV to the Companies Act, 2013, Mr. Shibaji Dasgupta (DIN - 03141826), who was appointed as Additional Director (Independent) in the Board Meeting held on 12th February 2016 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director be and is hereby appointed as an Independent Director of the Company for a period of five consecutive years".

Registered Office
41, Chowringhee Road
Kolkata-700 071
Dated 22nd April, 2016

By order of the Board
Samir Bhadra
Company Secretary and
Vice President – Corporate Affairs

NOTES:

- (a) The relevant details pursuant to Regulation 36(3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations,2015 on Directors for appointment /reappointment are annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY FORMS DULY COMPLETED, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.

PROVIDED THAT A MEMBER HOLDING MORE THAN TEN PERCENT, OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

- (c) The Register of Members and Share Transfer Books of the Company will remain closed from 16th July 2016 to 22nd July 2016 (both days inclusive).
- (d) As per provisions of the Companies Act, 2013, facility for making nomination is now available to the shareholders in respect of the shares held by them. Nomination forms can be obtained from the Registered Office and/or Registrar and Share Transfer Agent of the Company.
- (e) Pursuant to Section 125 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund set up by the Government of India and no payment shall be made in respect of any claim lodged thereafter by the Company. Accordingly, the unclaimed and unpaid amount of dividend declared by the Company for the financial years, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007 and 2007-2008 which were lying in the Dividend Account of the Company, were transferred to the Fund in the year 2008, 2009, 2010, 2011, 2012, 2013, 2014 and 2015 respectively.

Details of dividends declared by the Company, so far :

Date of payment of the dividend	Financial year related to	Due date for transfer of the unpaid or unclaimed amount to the IEPF
26th June 2002	Ended on 31st March 2002	25th July 2009 (since transferred)
26th July 2003	Ended on 31st March 2003	25th August 2010 (since transferred)
2nd August 2004	Ended on 31st March 2004	1st September 2011 (since transferred)
27th July 2005	Ended on 31st March 2005	26th August 2012 (since transferred)
1st August 2006	Ended on 31st March 2006	31st August 2013 (since transferred)
18th July 2007	Ended on 31st March 2007	17th August 2014 (since transferred)
29th July 2008	Ended on 31st March 2008	28th August 2015 (since transferred)
29th July 2009	Ended on 31st March 2009	28th August 2016

Members, who have not yet encashed their dividend warrant (s) for the financial year ended 31.3.2009, are requested to make their claims to the Company and/or Registrar and Share Transfer Agents accordingly, without any delay. In case any assistance is required please contact the Company.

- (f) Shareholders desiring any additional information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
- (g) As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring the admission slips along with their copies of the Annual Report to the meeting.
- (h) Documents referred to in the accompanying Notice and the Explanatory Statement shall be opened for inspection at the Registered Office of the Company during normal business hours (9.30 a.m to 6.30 p.m) on all working days except Saturdays, upto and including the date of Annual General Meeting of the Company.
- (i) All Members are requested to submit the Permanent Account Number (PAN) to their Depository participant with whom they are maintaining their Demat Account. Members holding Shares in physical form can submit their PAN details to the Company.
- (j) Annual Report for 2015-2016 is being sent to all the Members whose email ID's are registered with the Company/Depository Participants for communication purposes unless any Member has requested for a hard copy of the same. Physical Copies of the Annual Report for 2015-2016 are being sent as per permitted mode to the Members who have not registered their email addresses.
- (k) The Notice of 78th Annual General Meeting and the Annual Report for 2015-2016 will also be available on the company's Website i.e. www.slofindia.com
- (l) In compliance with provisions of section 108 of the Companies Act, 2013 and Rule made thereon, the members may exercise their voting right through Electronic Voting System (Details are attached herewith).

ANNEXURE TO NOTICE

Explanatory statements in respect of Special Business pursuant to section 102 of the Companies Act, 2013 are set out here under:

Item No. 4

Mr. Rajesh Ganeshviswanathan was nominated by the Principal Company i.e M/s. IOT Infrastructure and Energy Services Limited as a Director in the Company. The Board of Directors appointed him as an Additional Director with effect from 13th November 2015. Mr. Rajesh is the Chief Financial Officer in IOT Infrastructure and Energy Services Limited. He is qualified both in Chartered Accountancy and Cost and Works Accountancy and have 19 years experience in Finance and Accounts. However, the Board recommends his appointment as a Director for his valued patronage and rich experience in Accounts and Finance and the resolution is placed before the members for their approval. A notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received by the company from a member signifying his intention to propose the appointment of Mr. Rajesh Ganeshviswanathan as a Director of the company at the forthcoming Annual General Meeting.

Except Mr. Rajesh Ganeshviswanathan, none of the Directors and every other key managerial personnel and relatives of them are in any way concerned or interested, financial or otherwise in the proposed resolution.

Item No. 5

Mr. Shibaji Dasgupta is a Graduate Engineer and has also qualified in Mineral Processing and Materials handling course. Mr. Dasgupta has completed various courses in Management. He is a veteran Engineer and has rich experience of more than three decades in Marketing, Profit Centre Head and also as Executive Directors in various Companies both in India and abroad.

As per Companies Act, 2013 read with Listing Agreement, one third of the total number of Directors should be Independent Directors. The Board found him to be a fit and proper person to be an Independent Director pursuant to the provisions of section 149, 150, 152, 160 read with Schedule IV of the Companies Act, 2013 and appointed him to be an Independent Director at its meeting held on 12th February 2016 subject to approval of the Members of the Company for a period of consecutive Five years.

A notice in writing pursuant to Section 160 of the Companies Act, 2013 has been received by the company from a member signifying his intention to propose the appointment of Mr. Dasgupta as a Director of the company. Hence, this resolution

Except Mr. Shibaji Dasgupta, none of the Directors and every other key managerial personnel and relatives of them are in any way concerned or interested, financial or otherwise in the proposed resolution.

Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting in pursuance of Regulation 36(3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015

Name of Director	Mr. R Ganeshviswanathan	Mr. Shibaji Dasgupta
Date of Birth	21.10.1972	17.01.1958
Date of Appointment	13.11.2015	12.02.2016
Expertise in Specific Functional Areas	Finance and Accounts	Industrial Marketing and Profit Centre Head
Qualification	B COM, ACA, AICWA	BE, PGD in Mineral Processing and Materials Handling, Various professional Courses in Industrial Marketing and General Management
List of Companies in which outside Directorship held as on 31.03.2016	PTIOT Indonesia	Essel Tradelinks India Ltd Essel Enel JV. NEP Hydro Ventures Pvt.Ltd
Chairman / Members of the Committees of the Board of Companies on which he/she is a Director as on 31.03.2016	NIL	20% shares in NEP Hydro Ventures Pvt.Ltd .
No. of shares held in the Company	NIL	NIL
Relationship with other Directors of the Company	NIL	NIL

STEWARTS AND LLOYDS OF INDIA LIMITED

CIN - L28999WB1937PLC009099, Regd. Office : 41, Chowringhee Road, Kolkata- 700 071

Attendance Slip

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the SEVENTY-EIGHTH ANNUAL GENERAL MEETING of the Company at the auditorium of BIRLA ACADEMY OF ART AND CULTURE, GROUND FLOOR, 108 SOUTHERN AVENUE, KOLKATA 700 029 AT 11.30.A.M. on Friday, the 22nd July 2016.

Full name of the Shareholder (In capital)

Signature

Folio No. /D.P/ IDNO. * & Client ID No. *

* Applicable for members holding share(s) in electronic form.

Full name of Proxy holder (In capital)

Signature

Note : Shareholder/ Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

STEWARTS AND LLOYDS OF INDIA LIMITED

Regd. Office : 41, Chowringhee Road, Kolkata - 700 071, CIN - L28999WB1937PLC009099

Proxy Form in MGT - 11

Name of the member (s):

Registered address:

E-mail ID:

Folio No/ Client ID: DP ID.....

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name: Address.....

..... E-mail Id.....

Signature:....., or failing him

2. Name: Address.....

..... E-mail Id.....

Signature:....., or failing him

3. Name: Address.....

..... E-mail Id.....

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 78th Annual general meeting of the company, to be held on Friday, the 22nd day of July 2016 at 11.30 a.m. at Birla Academy of Art and Culture, Ground Floor, 108 Southern Avenue, Kolkata 700 029 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. :

- 1. for adoption of Director's report and audited financial statement
- 2. for appointment of director in place of retiring director
- 3. To ratify the appointment of auditors
- 4. for appointment of Mr. Rajesh Ganeshviswanathan as Director
- 5. For appointment of Mr. Shibaji Dasgupta as Independent Director.

Signed this day of 2016

Signature of shareholder

Signature of Proxy holder(s)

Affix of Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at 41 Chowringhee Road, Kolkata 700 071 not less than 48 hours before the commencement of the Meeting.