

Notice

NOTICE is hereby given that the seventy-third Annual General Meeting of Stewarts and Lloyds of India Limited will be held at "RABINDRA-OKAKURA BHABAN", 27/A/1, DD Block, Salt Lake, on Friday, the 29th July 2011, at 11.30.A.M. to transact the following business:

1. To consider and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date.
2. To appoint a Director in place of Mr. Jatin Mavani who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors and 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. V K Sinha, who was appointed an Additional Director by the Board of the Company on 4th May 2011 pursuant to Section 260 of the Companies Act, 1956 and Article 90 of the Articles of Association of the Company, be and is hereby appointed 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 Section 94 and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to Clause 48 of the Articles of Association of the Company, the authorised Share Capital of the Company be and is hereby increased from 10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 20,00,00,000 (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores) equity shares of Rs. 10/- (Rupees Ten only) each by creation of an additional 1,00,00,000 (One Crore) equity shares of Rs. 10/- (Rupees Ten only) each."

6. To consider and, if thought fit, to pass the following resolution with or without modification as a SPECIAL RESOLUTION :

RESOLVED that pursuant to section 16 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause 5 of the Memorandum of Association of the Company relating to Share Capital be and is hereby

altered by deleting the same and substituting in its place the following as new Clause 5 :

- "5. The Authorised Share Capital of the Company is Rs. 20,00,00,000 (Rupees Twenty Crores only) divided into 2,00,00,000 (Two crores) equity shares of Rs. 10/- (Rupees Ten only) each with power to increase and/or reduce the capital of the Company in accordance with the provisions of the Act and to divide the shares in the increased capital into several classes and attach thereto respectively such preferential, qualified or special rights, privileges or conditions in such manner as may be permitted for the time being and to consolidate different classes of shares on such terms as the Company may determine and they may be attached to any class respectively whether before or after the issue thereof."

7. To consider and, if thought fit, to pass the following resolution with or without modification as a SPECIAL RESOLUTION :

RESOLVED that pursuant to section 31 and other applicable provisions, if any, of the Companies Act, 1956, the existing Clause 4 of the Company's Articles of Association be and is hereby deleted and the following Clause be substituted in its place and read as new Clause 4 :

- "4. The Authorised Share Capital of the Company be increased from Rs. 10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 20,00,00,000 (Rupees Twenty Crores only) divided into 2,00,00,000 (Two crores) equity shares of Rs. 10/- (Rupees Ten only) each."

8. To consider and, if thought fit, to pass the following resolution with or without modification as a SPECIAL RESOLUTION:

"RESOLVED that pursuant to Sections 198, 269, 309, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and in accordance with the provision of Article 124 of the Articles of Association of the Company and subject to such permissions, consents and approvals of the Central Government and other applicable authorities, if any, as may be required and subject to such conditions, if any, that may be imposed by any authority, while granting their permission, consents and approvals and which the Board of Directors is bound to accept, the Company hereby approves the appointment of Mr. S P Saha, Chief Executive Officer of the Company for a period of 3 years with effect from 1st May 2011 upto 31st April 2014, on the terms, conditions and remuneration (including remuneration to be paid in the event of loss or inadequacy

Notice (Contd.)

of profits in any financial year during the tenure of appointment) with authority to the Board of Directors/Committee of Directors to fix his salary from time to time, increasing thereby proportionately all benefits relating to the quantum of salary, with the liberty to the Board of Directors /Committee of Directors to alter and vary the terms and conditions of appointment and/or agreement in the event of any increase in remuneration, if permitted

under any statutory amendments or re-enactment of Schedule XIII and other applicable provisions of the Companies Act, 1956 and also the conditions as set out by the Central Government and/or any Statutory Authorities, if any, or otherwise and acceptable to Mr. S P Saha as set out in the terms of appointment."

The terms of appointment, duly signed by the two Directors of the Company, is submitted to this meeting.

Registered Office :
41, Chowringhee Road
Kolkata-700 071
Dated: 4th May 2011

By order of the Board

C. ROY CHOUDHURY
Company Secretary

NOTES :

- (a) The relative explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special business as under item nos. 4, 5, 6, 7 and 8 above and the relevant details in respect of item nos 2 and 4 above, pursuant to Clause 49 of the Listing Agreement are annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS 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.
- (c) The Register of Members and Share Transfer Books of the Company will remain close from 18th July 2011 to 29th July 2011 (both days inclusive).
- (d) As per the provisions of the Companies Act, 1956, 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 205C of the Companies Act, 1956, 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 1997-98, 1998-99, 1999-2000, 2000-2001, 2001-2002 and 2002-2003 which were lying in the Dividend Account of the

Company, was transferred to the Fund in the year 2004, 2005, 2006, 2007, 2008, 2009 and 2010 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
14th August, 1997	Ended on 31st March, 1997	13th September, 2004 (since transferred)
27th August, 1998	Ended on 31st March, 1998	26th September, 2005 (since transferred)
27th August, 1999	Ended on 31st March, 1999	26th September, 2006 (since transferred)
29th May, 2000	Ended on 31st March, 2000	28th June, 2007 (since transferred)
27th July, 2001	Ended on 31st March, 2001	26th August, 2008 (since transferred)
26th June, 2002	Ended on 31st March, 2002	26th 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
27th July, 2005	Ended on 31st March, 2005	26th August, 2012
1st August, 2006	Ended on 31st March, 2006	31st August, 2013
18th July, 2007	Ended on 31st March, 2007	17th August, 2014
29th July, 2008	Ended on 31st March, 2008	28th August, 2015
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 31.3.2004 onwards, 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 alongwith their copies of the Annual Report to the meeting.

Annexure to Notice

Explanatory Statements in respect of Special Business pursuant to Section 173 of the Companies Act, 1956.

(a) Item No. 4

Mr Vijoy Kumar Sinha, a B.Sc. Engineering (Mechanical) and P.G. Dip in Business Management, is having around 40 years of experience in Project and Construction Management. He is associated with Tata Steel al through his career in different portfolios at the top levels. Presently he is holding the post of Consultant at the Office of Vice President (P & CP), Special Project Office of Tata Steel.

The Board considers that with the wide experience of Mr. Sinha in the field of Engineering and project Construction, the Company would excel satisfactorily.

The Company has received a Notice in writing alongwith the requisite deposit under Section 257 (1) of the Companies Act, 1956 from a member proposing the appointment of Mr. V K Sinha as a Director of the Company at the ensuing Annual General Meeting.

Apart from Mr. V K Sinha, no other Director of the Company is concerned or interested in the Resolution.

(b) Item Nos. 5, 6 & 7

Your Directors consider that the capital base of the Company should be expanded sufficiently to cater to the Company's growing capital requirement. For this purpose it is considered that the authorized capital should be increased to make adequate provision for meeting the Company's requirements in the foreseeable future.

Alteration in the authorized capital of the Company as proposed in the resolution against item 6 above should be reflected in Clause 5 of the Memorandum of Association of the Company and as against item 7 above should be reflected in Clause 4 of the Articles of Association of the Company.

The Board therefore recommends that Clause 5 of the Company's Memorandum of Association and Clause 4 of the Company's Articles of Association be altered in the manner specified under Resolution against items 6 & 7 respectively.

No Director of the Company is interested in these resolutions.

(c) Item No. 8

Mr. Sankar Prasad Saha, a B.E (Civil) from Karnataka Regional Engineering College (Now NIT Surathkal, Karnataka), has a vast and wide experience of 27 years in Project Management. He was initially attached to Bridge & Roof Co Ltd. In the year 2004, he joined IOT (presently known as IOT Infrastructure and Energy Services Limited) and subsequently taken over the charge as Chief Executive Officer in Indian Oiltanking Engineering & Construction Services (IOTECS, Oman) where he recorded an excellent performance in his role as Chief Executive Officer.

Terms and Conditions:

1. **PERIOD OF APPOINTMENT:** 3 years with effect from 1st May 2011 i.e upto 31st April 2014.
2. **TERMS AND CONDITIONS**

Subject to approval of the Shareholders at the General Meeting pursuant to Sections 198, 269,309 and 311 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act and in accordance with the provisions of Article 124 of the Articles of Association of the Company and subject to such permissions, consents and approvals of the Central Government and other applicable authorities, if any, as may be required and subject to such conditions, if any, that may be imposed by any authority, while granting their permission, consents and approvals and which the Board of Directors is bound to accept, Mr S P Saha be and is hereby appointed as Chief Executive Officer of the Company for 3 years with effect from 1st May 2011 on the terms and conditions as are set out below:

(i) Monthly Remuneration:

Basic Salary Rs. 70,000 (Rupees seventy thousands only) per month alongwith a supplementary allowance of Rs. 2,41,350 (Rupees two lakhs forty one thousand three hundred and fifty only) per month with effect from 1st May, 2011 with such annual increment as may be approved by the Board (which includes any Committee thereof) from time to time.

(ii) PERFORMANCE LINKED REMUNERATION:

In addition to monthly remuneration and perquisites and allowances, performance linked remuneration would be paid to the Chief Executive Officer depending upon the performance criteria as may be settled by the Board and Holding Company, will be payable annually on approval of the annual accounts by the Board and its adoption by the members of the Company in the General Meeting. The annual performance linked remuneration may be approved by the Board/ Committee of Directors.

(iii) PERQUISITES AND ALLOWANCES:

In addition to the remuneration and performance linked bonus payable, the Chief Executive Officer shall also be entitled to perquisites like house rent allowance, education allowance, medical reimbursement, leave travel assistance, as may be approved by the Board or

a Committee thereof. Further, he will be provided with a company owned car with accessories, as per the company policy. Reimbursement on official use of the car will be on production of bills upto a maximum limit of Rs. 2.00 Lakhs p.a.

3. MINIMUM REMUNERATION

In the event of loss or inadequacy of profit, in any financial year during the currency of tenure of the Chief Executive Officer, the remuneration aforesaid shall be the minimum remuneration payable to him. However, any excess over the limits on minimum remuneration prescribed under the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 shall be payable to the Chief Executive Officer with the approval of the Central Government, if so required.

- (1) Mr. Saha undertakes not to become interested or otherwise concerned directly or through his wife and/ or minor children in any selling agency of the Company in future without the prior approval of the Board and this appointment shall cease and determine upon the contravention of this undertaking.
- (2) In compliance with the provisions of Section 309 of the Act, the terms of remuneration specified above are now being placed before the Members at the General Meeting for their approval.
- (3) Directors recommend the resolution regarding appointment of the Chief Executive Officer for approval.
- (4) Mr. Saha does not hold any share in the Company.

Information relevant to the appointment of Mr. S P Saha, Chief Executive Officer as per Notification No.GSR 36(E) dated 16th January 2002 issued by the Department of Company Affairs.

I. GENERAL INFORMATION:

- (1) Nature of Industry: **Engineering and Construction**
- (2) Year of commencement of commercial production: **1948-49**
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:
Not Applicable
- (4) Financial performance (as per the audited accounts for the year ended 31st March 2011) is as follows:

(Rs. In Lakhs)

Financial Parameters	2010-2011
Turnover	2078.37
Net Profit as per Profit & Loss A/c. as computed under Sec. 198 of the Companies Act	—
Net Profit after tax as per Profit & Loss A/c.	—
Net worth	1197.86

(5) Export performance and net foreign exchange collaborations: **Nil during the year 2010-2011.**

(6) Foreign investments or collaborations, if any: **Nil.**

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background details:

1.1 Educational Qualification : B.E (Civil) from Karnataka Regional Engineering College (Now NIT Surathkal, Karnataka).

1.2 Experience:

Mr. S P Saha has a vast and wide experience of 27 years in Project Management. He was initially attached to Bridge & Roof Co Ltd. In the year 2004, he joined (presently known as IOT Infrastructure and Energy Services Limited) and subsequently taken over the charge as Chief Executive Officer in Indian Oiltanking Engineering & Construction Services (IOTECS, Oman) where he recorded an excellent performance in his role as Chief Executive Officer.

(2) **Past remuneration (2009-10):** Rs. 75 Lakhs per annum

(3) Recognition or awards.

Mr. Sankar Prasad Saha was nominated by IOT Infrastructure and Energy Services Ltd. (IOT) as Chief Executive Officer of Indian Oiltanking Engineering & Construction Services LLC (IOTECS), Oman, an overseas joint venture company of IOT. With his able leadership and technical excellence, IOTECS has successfully executed the highest value project abroad in IOT Group of Companies, much before the scheduled time of completion. Mr. Saha's technical expertise and dynamic leadership qualities were highly appreciated by both the customer in Oman and other associates abroad. His sterling performance in execution of the state of the art project abroad has paved the path for IOT to penetrate into the entire Middle East market in Hydrocarbon Sector and yielded excellent results.

(4) Job profile and his suitability.

As Chief Executive Officer of the Company, he is the Overall Incharge of all operations of the Company subject to superintendence and control of Board.

Stewarts and Lloyds is engaged in Design and Engineering, Project Management, Procurement, Site Fabrication, Erection, Testing and Commissioning of Fluid Handling Systems including associated Civil, Structural, Electrical and Instrumentation Systems. His responsibility includes ensuring profitable operations through efficient Project Management, Marketing, Strategic tie-ups, Diversification, Employees Welfare, Customer Satisfaction, Enhancing Shareholder Value etc.

Taking into consideration of his qualification, experience and expertise, the Board considered that the appointment of Mr S P Saha would be beneficial to the Company.

(5) Remuneration proposed:

Salary	Rs. 70,000/- with effect from 1st May, 2011 per month.
Commission/ performance linked remuneration	To be approved by the Board/Committee of Directors within the stipulation under the Act as will be permitted by the Central Government.
Perquisites/ allowance *	As stipulated in the terms of appointment detailed in the Notice.
Minimum remuneration in case of loss or inadequacy of profits during any financial year	Salary, perquisites and allowances, performance linked remuneration as mentioned above but excluding commission subject to ceiling as prescribed by the Central Government.

* excludes encashment of leave and other retiral benefit, if any.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

Taking into consideration the size of the Company, the profile of Mr Saha, the responsibilities to be shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration package paid to similar senior level appointees in other Companies.

(7) Pecuniary relationship:

Mr. Saha has no pecuniary relationship either directly or indirectly with the Company or with any managerial personnel of the Company.

III. OTHER INFORMATION

(1) Inadequate profits.

Steps are being taken by the Company for continuous improvement in order booking and execution with consequential profit, in subsequent period.

(2) Steps taken or proposed to be taken for improvement.

Some of the strategies adopted by the Company for improvement includes the followings:

- (a) Regaining customers' confidence
- (b) Initiatives to tie-up with various Public/Private sectors
- (c) Strengthen the working capacity of two workshops with active business development drive.
- (d) Synergise with group companies to create value
- (e) Upgradation of safety and quality standard in order to meet up international standard
- (f) Restructuring its Marketing Group to focus on Company's business both for project related areas as well as for the production unit
- (g) Initiatives to penetrate Middle-East and South-East Asia markets for executing various construction jobs.
- (h) To build self-sustaining base for construction plant and machineries.
- (i) Aggressive implementation of cost reduction measures and cost control in all the activities.
- (j) Technical Tie-ups with collaborators in and/or outside the country.
- (k) Diversification in the related areas of operation.
- (l) Upgradation of equipment, IT and other resources.

(3) Expected increase in productivity and profits in measurable terms.

The Company is expecting that the turnover for 2011-2012 will be increased by more than 3 fold in comparison to 2010-2011 and an average growth of turnover for the next three financial years will be around 20%.

Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement)

Name of Director	Mr. JATIN MAVANI	Mr. V K SINHA
Date of Birth	22.09.1958	01.11.1946
Date of Appointment	28.07.2004	04.05.2011
Expertise in Specific Functional Areas	Finance and Administration	Project and Construction Management
Qualification	B. Com., ACA, ACS	B.Sc. Engg. (Mech.), P. G.Dip. In B.M.
List of Companies in which outside Directorship held as on 31.03.2011	<ol style="list-style-type: none"> 1. IOT Engineering Projects Limited 2. IOT Design Engineering Projects Limited 3. IOT Mabagas Limited 4. IOT Anwasha Engineering & Construction Limited. 	NIL
Chairman/Members of the Committees of the Board of Companies on which he is a Director as on 31.03.2011	IOT Engineering Projects Limited – Audit Committee – Member	NIL
No. of shares held in the Company	NIL	NIL
Relationship with other Directors of the Company	None	None

Directors' Report

TO THE MEMBERS,

The Directors hereby present the Seventy-Third Annual Report on business and operations together with Audited Accounts of the Company for the year ended 31st March, 2011:

1. FINANCIAL RESULTS

	2010-2011	2009-2010
	(Rs. in lakhs)	
(i) Total Earnings	2078.10	6258.24
(ii) Total Expenditure	<u>2505.69</u>	<u>6063.22</u>
(iii) Profit/(Loss) before interest, depreciation and taxes	(427.59)	195.02
(iv) Less: (a) Interest	429.43	335.19
(b) Depreciation	71.83	68.93
(v) Profit/(Loss) before taxes	(928.85)	(209.10)
Less : Provision for taxation		
Current Year	-	-
Deferred	10.77	(24.54)
Fringe Benefit	<u>-</u>	<u>10.77</u>
(vi) Profit/(Loss) after taxes	<u>(939.62)</u>	<u>(184.56)</u>
(vii) Less : Profit Brought Forward From Last Year	-	113.50
Transfer from General Reserve	<u>939.62</u>	<u>71.06</u>
(viii) Profit which the Directors have appropriated as under to:		
(a) Proposed Dividend	-	-
(b) Tax on Dividend distribution	-	-
(c) General Reserve	-	-
(d) Balance Carried Forward	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>

During the financial year 2010-11, the Company has achieved a turnover of Rs. 21 crores, which is commensurate with its operations, as against previous years' corresponding figures of Rs. 62 Crores. The reason for shortfall in achievement are various and can mainly be attributed towards the recent recessionary set back in the industrial scenario all over our Country.

As regards order booking, the target could not be achieved due to some unforeseen developments like re-tendering of some high value tenders where your Company had secured the L-1 position. However, during the current financial year the Company is making an all out effort to improve the order booking position and also achieve both higher turnover and profits.

2. RESERVES AND SURPLUS

The balance Reserves and Surplus, as at 31st March, 2011 stands at Rs. 8.98 crores after making the appropriations indicated above.

3. NEW INITIATIVES

In line with its growing business all over the country, the Company took various steps and new initiatives in different segments of operation.

The prospect, in financial year 2011-12 are expected to improve. All attempts are being made to improve the order booking position.

Following are the steps taken towards achievement of target :

- (a) Regaining customers' confidence
- (b) Initiatives to tie-up with various Public/Private sectors
- (c) Strengthen the working capacity of two workshops with active business development drive.
- (d) Synergise with group companies to create value
- (e) Upgradation of safety and quality standard in order to meet up international standard
- (f) Restructuring its Marketing Group to focus on Company's business both for project related areas as well as for the production unit
- (g) Initiatives to penetrate Middle-East and South-East Asia markets for executing various construction jobs.
- (h) To build self-sustaining base for construction plant and machineries.
- (i) Aggressive implementation of cost reduction measures and cost control in all the activities.
- (j) Technical Tie-ups with collaborators in and/or outside the country.
- (k) Diversification in the related areas of operation.
- (l) Upgradation of equipment, IT and other resources.

4. CONSERVATION OF ENERGY

The disclosures required in Form A of Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.

5. TECHNOLOGY ABSORPTION

Information in accordance with Provision to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules 1988 are given in the Annexure "A".

6. FOREIGN EXCHANGE EARNINGS AND OUTGO

Exports	Nil
Foreign Exchange utilised for purchase of materials	Nil
Expenditure in foreign currency	Nil
Foreign Exchange earned	Nil

7. AUDITORS

The retiring Auditors, Messrs Ray & Ray, being eligible have expressed their willingness to be re-appointed.

8. DIRECTORS

During the financial year 2010-11, there were some significant changes in the structure of the Board of Directors.

Mr. R P Singh, erstwhile Director desired to step down from the Board due to his other pressing work commitments.

With reluctance the Board accepted his resignation with effect from the end of business hour on 9th November 2010.

With effect from 4th May 2011, the Board Appointed Mr. Vijoy Kumar Sinha, as an additional Director, subject to approval by the shareholders at this Annual General Meeting.

Mr Vijoy Kumar Sinha, a B.Sc. Engineering (Mechanical) and P.G. Dip in Business Management, is having around 40 years of experience in Project and Construction Management. He is associated with Tata Steel all through his career in different portfolios at the top levels. Presently he is holding the post of Consultant at the Office of Vice President (P & CP), Special Project Office of Tata Steel.

The Board considers that with the wide experience of Mr. Sinha in the field of Engineering and project Construction, the Company would excel satisfactorily.

In terms of Companies Act, 1956 and Articles of Association of the Company, Mr. Jatin Mavani, Director, retires by rotation and being eligible, offer himself for reappointment at the ensuing Annual General Meeting.

None of the Directors are disqualified under Section 274 (1) (g) of the Companies Act, 1956. As required by law, this position is also reflected in the Auditors' Report.

9. HUMAN RESOURCES & INDUSTRIAL RELATIONS

At S&L, we believe and affirm the importance of development of human resources, which is most valuable and key element in bringing all round improvement and achieving growth of the business. S&L is proud to have a successful industrial relations philosophy which focuses on finding solutions through dialogue in a spirit of open work culture and constructive team work. This has enabled us to maintain a cordial and peaceful work environment throughout.

In addition to a core group of experienced professionals who have remained with the organization for decades, fresh professionals in various disciplines were also inducted. For enhancement of professional capabilities, employees were exposed to various training program both in-house organized by IOT and S&L as well as by reputed training institutions. In line with the current business requirements, employees were exposed to various programs on Project & Construction Management, Safety, Quality, Cost Control etc.

The details of the employees, who received remuneration above the limit as prescribed by Section 217 (2A) of the Companies Act, 1956, is not applicable to our Company for the Financial Year 2010-11.

10. ENVIRONMENT

Though the Company's operations are not inherently polluting in nature, the Company continues to take adequate precautions to comply with all regulatory measures in this regard at all factories and construction sites.

In order to maintain the highest standard of safety and security with all levels of employees, the Company has formulated a "Health, Safety, Security and Environmental Policy (HSSE)" which is being strictly complied with. This ensures continuous improvement in the environmental performance, health and safety of the employees through out the year. A green belt has been developed in the works at Khidderpore.

11. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report, Corporate Governance Report and Auditor's Certificate regarding Compliance of Condition of Corporate Governance are made a part of the Annual Report.

12. DECLARATION ON COMPLIANCE WITH CODE OF CONDUCTS

The Board has formulated a Code of Conducts for the members of Board and Senior Management team, which has been posted on the website of the Company.

It is hereby affirmed that all the Directors and Senior Management Personnel have complied with the Code and a confirmation to that effect has been obtained from the Directors and the Senior Management.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the confirmation received from the Operating Management, confirm that –

- in the preparation of annual accounts, the applicable accounting standards have been followed and that there are no material departures;

- ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgements 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; Quarterly and Half Yearly Results were also declared and limited reviews was undertaken;
- iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis.

For and on behalf of the Board

Kolkata
4th May, 2011

P. G. VAIDHYANATHAN
Chairman

FORM B	ANNEXURE – “A”
Form for disclosure of particulars with respect to absorption: 2010-2011	
1. Specific Areas in which R&D carried out by the Company	NIL
2. Benefits derived as a result of the above R&D	N.A.
3. Future Plan of action	-
4. Expenditure on R&D	
a) Capital	-
b) Recurring	-
c) Total	-
d) Total R&D expenditure as a percentage of total turnover	-
TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION	
1. Efforts made towards technology absorption:	During the Year 2010-11 there was no technology absorption
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction and product development, import substitution etc.	N.A.
3. Particulars of technology imported during the last five years:	NIL

Management Discussion and Analysis

BUSINESS REVIEW

Industrial Structure & Development

Company's performance during the FY 2010 -11 and future outlook of the Organization are as under :-

Project & Construction services business

During the financial year 2010-11, Company has bagged orders aggregating to Rs. 57.06 Crores and also order worth Rs.13.48 Crores has been booked in April, 2011, thereby aggregating to Rs. 70.54 Crores during period April, 2010 to April, 2011. Further, Live Offers as on 30-04-2011 is around Rs. 230 Crores, out of which Company expects a favourable response of around 20-25% within the half-yearly period ending 30-09-2011. With this expected business backdrop, management expects improved performance during the current financial year 2011-12.

Revenue for the financial year ended 31st March 2011 was Rs. 20.78 Crores, which is lower than the corresponding period of the previous year and the budget.

Revenue and profits during the period under review were lower than that of the corresponding previous period and periodic budget due to :

1. Severe dearth of orders for execution.
2. Decreased in order value in major part of works at TSL, Jamshedpur, IOCL/BRPL, Bongaigaon.
3. Virtually during the current financial year, two sites are running viz – TATA Steel, Jamshedpur.(TSL) - Project Works, Propane Plant Operations & Maintenance, Maintenance of EOT Cranes, Mechanical maintenance of continuous galvanizing lines and IOCL/BRPL where though progress of the job has been improved but there are some major constraints affecting our planned progress.
4. Contributions from such lower performance are not sufficient to cover overhead and finance charges.
5. Continuous exodus of technical and professional manpower affecting continuity of overall performance.

The Company continued its marketing efforts in Power & Metal Sectors as well as in the Hydrocarbon Sector. The Company has now fully established itself as a Multi-disciplinary Engineering Construction Company supported by its ISO-9000 accredited Design & Production Wings and would endeavour continuous growth and get fair business opportunities in the areas of its operation.

Various jobs bagged & executed

The break-up of orders received during the period April, 2010 to April, 2011 are as follows:

- **Propane Installation service at TATA STEEL**
- **Technical Expertise for Mechanical Maintenance at TATA STEEL**
- **Expansion Project at TATA STEEL for their overhead Yard Utility Pipework**
- **Supply of Movable Hood at SAIL, Rourkella**
- **Pressure Part Assembly of Integral Economiser of Boiler at SAIL, Durgapur**
- **Plant Piping work for Crude & finished product tankages facility Project at Paradeep Refinery of IOCL, Orissa**
- **Fabrication of Convection Module & Steel Structures for Matix Fertiliser from IOT Engineering Project Ltd.**
- **Fire Fighting Piping Work for Crude and Finished Product tankage facility at Paradeep Refinery of IOCL at Orissa**
- **Miscellaneous other jobs**

Some other jobs were also bagged like that for Rehabilitation of structures from Tata Power; LR Bends for HPCL, Mumbai; Supply of manpower with tools and tackles at Hindalco Industries, Ranchi; etc.

Production activities

In addition to various project activities, S&L was engaged for production work at their Khidderpore Works, which is ISO 9001 – 2000 set up accredited by NQAQSR.

The Company has restarted its another workshop at Jhinjirapole, Kolkata, which remained absolutely inoperative for last more than twelve years, with bagging of order from IOT Engineering Projects for Fabrication of Convection Modules are currently being manufactured at our JJP Works. The expected schedule of completion of these orders will be within December 2011. Upon successful completion of these orders within the expected scheduled time, Company will be able to have a good track record in these areas which will definitely enable the Company to build up an additional business model on a continuous basis in future.

Continuous thrust is being given to strengthen the working capacity of these two workshops with active business development drive.

Design & Engineering capabilities

The Company has design & engineering department with ISO 9001- 2000 certification from NQAQSR. Design department provides in-house support for our pre-bid engineering work, supply to our project sites towards purchase of equipment & materials including detail design of projects, providing support for shop fabrication. The various areas of work are piping, static & rotary equipments, Fire protection system, Material handling system, civil, structural, electrical & instrumentation work.

This department is equipped with latest version of softwares like CAESAR-II (Pipe Stress Analysis), STADD-PRO (Structural Analysis), FLONET (Flow & Pressure drop Analysis), AUTOCAD (Drawing Preparation), ADLPIPE (Pipe Stress Analysis) and have accessed like PDS (Plant Design), PIPENET (Network Analysis), PV-ELITE (Pressure Vessel Design) through our associates. Efforts are on to restructure its design capabilities with proper technical personnel for its internal purpose.

Marketing

S&L is restructuring its Marketing Group to focus on Company's business both for project related areas as well as for the production unit at Khidderpore. By inducting experienced technical personnel with adequate exposure in the field of Company's operations.

Opportunities & threats

S&L have been diversifying from piping and erection contract to composite work and EPC area in Metal & Power Sector. The business growth is directly link with capital investments in green field project for these sectors. However, because of cascading effect of global recession, green field project in Steel & Hydrocarbon Sector have received a set back on its further investment. In view of the above, the competition has become abnormally high for small and medium value bids.

Under these circumstances, S&L have given emphasis on power related green field project pertaining to Balance of Plant, Fuel Handling System and LP Piping Package. S&L has also targeted few EPC projects on Metal Sector like Lime & Dolomite Kiln from larger steel manufacturer players. The Company in the process of modernizing and re-structuring its resources of construction wings i.e. manpower, machineries and equipment.

Segment wise Performance

The Company is mainly engaged in Project Management and Construction in various projects sites and fabrication of equipments/items at their fabrication shop located at Khidderpore & Jhinjirapole. The project & construction services business deals 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. The Product business covers design engineering for fabrication of items like coils, skirt & hoods with cooling rings, pipes & pipe fittings, pressure vessels, storage tanks and small heat exchangers.

Performance of the Company has been already discussed and from the financial results, depicts a dip in the performance in order booking as well as sales due to global slowing down of economy and recession affected the Company. However, with the present business prospects available for the new financial year, it is expected an improved overall performance.

Outlook

With the present Management as well as constant evaluation process being evolved, it is expected that the order volume of S&L would improve in 2011-12 with a positive overall growth in order booking, turnover and margin.

Internal Control system

Company is equipped with internal control system for maintaining proper accounting, cost control and efficiency in operation. Company has developed documented procedures and various methods as follows :-

- Delegation of power
- Preparation of annual budget for targets of sales, billing and collection which are continuously monitored throughout the year by project review meetings and various other weekly meetings and interactive sessions amongst the various departments.
- Financial control & approval are mainly based on budget allocation before making any project related expenditure.

Management Information System

MIS department has the responsibility for collecting information, analyzing the same and reporting to the management for prompt and appropriate decision.

ERP at S&L

At S&L, Oracle Applications 11i has been upgraded to Oracle Applications R12 at the end of preceding financial year. The same is running as the primary enabler for computerized control of major business operations like –

- Projects
- Purchase
- Finance

In view of its success records in respect of the abovementioned business operations, the following two on-going projects are being targeted to monitor through the ERP system as an initial start up –

- IOCL, Paradeep
- TATA Steel, Jamshedpur

with subsequent extension of application to other distant locations in a phased manner.

Mail System at S&L

In order to improve the quality of mail system, Novell GroupWise Version 5.5 has been migrated to Lotus Notes 8.0.1 (A product from IBM) and the same has been successfully functioning to the satisfaction of various users to meet organizational email communication system. At present, the system is being used by S&L's Head Office as well as KDP Works with further extension of the system to Jhinjirapole, Kolkata works within a short while.

Implementation of UTM/Firewall at S&L

In order to ensure effective utilization of Internet, providing secured access etc, S&L have implemented Juniper Firewall/UTM. Further refinement of the networking system is being planned through the UTM solution.

Industrial Relation & Human Resource Management

Human Resource continued to play the key role in the restructuring process of the Company's growth and development to back track the Company in its earlier stage initially with plan for progressive growth. With the Company's views to regain its diversified capabilities in Hydrocarbon and other sectors, S&L have inducted experienced senior level as well as middle level management professionals, useful for this sector.

To restructure the human resource of the Company and make the Company more competitive and at par with the market competency, Board has accorded its approval for implementation of Voluntarily Retirement Scheme to restructure its human resources throughout the Company and also advised the management to fill up various positions in order to carry out effective business function. Keeping the same principle, Voluntarily Retirement Scheme was announced. A number of employees have opted for voluntarily retirement and the same has already been settled appropriately. Further, experienced professionals at various key functions namely, Head of Operations, HR Personnel, QA/QC & Safety Managers, Procurement etc. has identified and joined recently to strengthen its operational capabilities.

Due to this reshuffling, Manpower has been restructured to 130 nos. Various on-job training, training on welding, QA/QC, Safety, Project Management have been in place in close coordination the Parent Company to get the best possible market opportunity in the field of various training. The Company, as usual, has maintained cordial relation amongst the employees.

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 could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions, change in the Government regulations, tax laws and other statutes and other incidental factors.

AUDITORS' REPORT TO THE MEMBERS OF STEWARTS AND LLOYDS OF INDIA LIMITED

1. We have audited the attached Balance Sheet of **STEWARTS & LLOYDS OF INDIA LIMITED** ("the Company") as on 31st March, 2011, the related Profit & Loss Account and the Cash Flow Statement for the year ended on that date (hereinafter referred to as "financial statements"), all of which we have signed under the reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order 2003, as amended by the Companies (Auditors' Report) (Amendment) Order 2004 (together the "Order") issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the **Annexure**, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 - 4.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - 4.2 In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - 4.3 The Balance Sheet, Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - 4.4 In our opinion, the financial statements dealt with by this report comply with the applicable Accounting Standards referred to in Sub-section (3C) of Section 211 of the Act;
 - 4.5 On the basis of written representations received from the directors, as on 31 March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2011 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Act;
 - 4.6 In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act and also give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31 March 2011;
 - b) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For and on behalf of
RAY & RAY
Chartered Accountants
Registration No. 301072E

(A. NEOGI)
Partner
Membership Number: 61380

Kolkata
May 4, 2011

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the Members of 'STEWARTS AND LLOYDS OF INDIA LIMITED' on the financial statements for the year ended 31st March, 2011.

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and physical inventory have been noticed. In our opinion the frequency of verification is reasonable.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. (a) The inventory has been physically verified by the Management during the year/at the year end. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are generally reasonable and adequate in relation to the size of the Company and nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) As far as we can ascertain from the relevant register maintained by the company and based on Management representation, the company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 301 of the Act. As such, clauses (iii)(b) to (iii)(d) of paragraph 4 of the aforesaid Order are not applicable.
(b) As far as we can ascertain from the relevant register maintained by the Company and based on Management representation, as at the end of the year 2010-11 the Company has no outstanding balance of any loan, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. As far as we can ascertain from the relevant register maintained under Section 301 of the Act, in our opinion and according to the information and explanations given to us, there are no such contracts or arrangements referred to in Section 301 of the Act during the year whose particulars are needed to be entered into the register required to be maintained under that Act.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system, carried out by an outside firm of Chartered Accountants, commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Act for any of the products of the Company.
9. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company has generally been regular in depositing during the year the undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, Income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

- (b) As far as we can ascertain from the relevant records/documents, so produced and according to the information and explanations given to us the particulars of dues of Sales Tax, Income Tax, Service Tax, Custom Duty, Wealth Tax, Excise Duty and Cess as at Balance Sheet date, which have not been deposited on account of a dispute, are given in Appendix -1.
10. The Company has no accumulated losses as at 31st March, 2011 but it has incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not obtained any term loan during the year.
17. On the basis of an overall examination of the Balance Sheet and Cash Flow Statement of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year and no debentures are outstanding at the year-end. Accordingly, creation of Securities in this regard does not arise.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For and on behalf of
RAY & RAY
Chartered Accountants
Registration No. 301072E

(A. NEOGI)
Partner

Membership Number: 61380

Kolkata
May 4, 2011

**APPENDIX I
TO AUDITORS' REPORT**

NAME OF THE STATUTE	NATURE OF DUES	PERIOD	AMOUNT (IN RUPEES)	FORUM WHERE DISPUTE IS PENDING
The West Bengal Sales Tax Act, 1994	Declaration forms due, disallowance of erection, freight and other charges	1996-1997	51,09,552	West Bengal Commercial Taxes Appellate and Revision Board
The Central Sales Tax Act, 1956	Declaration forms due, disallowance of erection, freight and other charges	1996-1997	23,89,705	West Bengal Commercial Taxes Appellate and Revision Board
The Income-tax Act, 1961	Under assessment of capital gains for determination of cost of acquisition of the capital assets	2004-05	1,01,05,270	Income Tax Appellate Tribunal
The Income-tax Act, 1961	Disallowance of certain expenditures	2007-08	78,19,650	Commissioner of Income Tax (Appeal)
The Income-tax Act, 1961	Disallowance of certain expenditures	2005-06	20,73,370	Commissioner of Income Tax (Appeal)
The Income-tax Act, 1961	Disallowance of certain expenditures	2008-09	1,21,25,010	Commissioner of Income Tax (Appeal)
Finance Act, 1994, Service Tax	Service Tax towards other services	2004-05 2003-04	1,01,12,083	Central Excise and Service Tax Appellate Tribunal
Finance Act, 1994, Service Tax	Service Tax towards other services	2008-09 2005-06	61,01,525	Additional Commissioner of Service Tax
The Wealth Tax Act, 1957	Wealth Tax Liability on Land	2002-03	3,16,688	Commissioner of Wealth Taxes (Appeals)

**Balance Sheet as at 31st March, 2011**

	Schedule	31st March 2011 Rs.	31st March 2010 Rs.
SOURCES OF FUNDS :			
Shareholders' Funds :			
Capital	1	3,00,00,000	3,00,00,000
Reserves & Surplus	2	8,97,85,878	18,37,21,411
		11,97,85,878	21,37,21,411
Loan Funds :			
Secured Loans	3	26,19,08,261	28,77,36,589
	Total :	38,16,94,139	50,14,58,000
APPLICATION OF FUNDS :			
Fixed Assets :			
Gross Block	4	13,93,89,463	13,99,52,282
Less : Depreciation		9,54,53,624	8,99,18,640
Net Block		4,39,35,839	5,00,33,642
Investments	5	1,002	1,002
Deferred Tax Asset (Net) (Note 17.2 on Schedule 17)		37,10,382	47,87,288
Current Assets, Loans & Advances :			
Inventories	6	1,19,02,309	1,80,07,724
Sundry Debtors	7	38,91,69,120	53,58,15,306
Cash and Bank Balances	8	35,69,578	50,48,594
Other Current Assets	9	20,02,08,267	35,87,11,519
Loans and Advances	10	16,17,71,703	7,18,39,692
		76,66,20,977	98,94,22,835
Less : Current Liabilities and Provisions :			
Current Liabilities	11	43,28,47,764	54,33,34,182
Provisions		—	—
		43,28,47,764	54,33,34,182
Net Current Assets		33,37,73,213	44,60,88,653
Miscellaneous Expenditure (To the extent not written off or adjusted)	12	2,73,703	5,47,415
	Total :	38,16,94,139	50,14,58,000
Notes on Accounts :	17		

This is the Balance Sheet referred to in our report of even date.

For Ray & Ray

Chartered Accountants
Firm Registration Number – 301072E

(A. NEOGI)

Partner
Membership Number : 61380
Kolkata, 4th May, 2011

R. K. TRIPATHY

Director

P. G. VAIDHYANATHAN

Chairman

C. ROY CHOUDHURY

Company Secretary

Profit and Loss Account for the year ended 31st March, 2011

	Schedule	2010-2011 Rs.	2009-2010 Rs.
EARNINGS :			
Sales	13	20,29,69,043	61,51,48,283
Other Income	14	48,68,023	1,06,75,657
		20,78,37,066	62,58,23,940
OUTGOINGS :			
Operation and other expenses	15	25,05,68,809	60,63,21,696
Depreciation		71,83,427	68,93,163
Interest	16	4,29,43,457	3,35,19,512
		30,06,95,693	64,67,34,371
PROFIT/(LOSS) BEFORE TAXATION		(9,28,58,627)	(2,09,10,431)
PROVISION FOR TAXATION			
Current		—	—
Deferred		10,76,906	(24,54,574)
		10,76,906	(24,54,574)
PROFIT/(LOSS) AFTER TAXATION		(9,39,35,533)	(1,84,55,857)
PROFIT BROUGHT FORWARD FROM LAST YEAR			
Transfer from General Reserve		9,39,35,533	71,05,612
		—	—
APPROPRIATIONS :			
Proposed Dividend		—	—
Tax thereon		—	—
Transfer to General Reserve		—	—
BALANCE CARRIED FORWARD	2	—	—
Notes on Accounts :	17		
Earning/(Loss) per share of Rs. 10 each, basic and diluted (Note 17.17 on Schedule 17)		(31.31)	(6.15)

This is the Profit and Loss Account referred to in our report of even date.

The Schedules referred to above form an integral part of the Profit and Loss Account.

For Ray & Ray

Chartered Accountants

Firm Registration Number – 301072E

(A. NEOGI)

Partner

Membership Number : 61380

Kolkata, 4th May, 2011

R. K. TRIPATHY

Director

P. G. VAIDHYANATHAN

Chairman

C. ROY CHOUDHURY

Company Secretary

Schedules forming part of the Balance Sheet

	31st March 2011 Rs.	31st March 2010 Rs.		
1. CAPITAL				
Authorised :				
1,00,00,000 Equity Shares of Rs. 10/- each	10,00,00,000	10,00,00,000		
Issued and Subscribed :				
30,00,000 Equity Shares of Rs. 10/- each	3,00,00,000	3,00,00,000		
Of the above Shares				
(i) 1,992 Shares were issued for consideration other than Cash pursuant to a contract.				
(ii) 6,38,450 Shares were issued as Bonus Shares by capitalisation of General Reserve and Securities Premium.				
(iii) 16,63,754 Shares are held by IOT Infrastructure & Energy Services Limited (Formerly Indian Oiltanking Limited), Holding Company.				
2. RESERVES AND SURPLUS				
	Balance 31st March 2010 Rs.	Added During the year Rs.	Deducted During the year Rs.	Balance 31st March 2011 Rs.
A Reserves				
Capital Reserve	4,16,401	-	-	4,16,401
Securities Premium	12,13,970	-	-	12,13,970
General Reserve	18,20,91,040	-	9,39,35,533	8,81,55,507
	18,37,21,411	-	9,39,35,533	8,97,85,878
B Surplus				
Profit and Loss Account	-	-	-	-
Total :	18,37,21,411	-	9,39,35,533	8,97,85,878
	31st March 2011 Rs.			31st March 2010 Rs.
3. LOAN FUNDS				
Secured Loans :				
Working Capital Loans from Banks				
Cash Credit/Working Capital Demand Loan		26,19,08,261		28,77,36,589
Secured by pari passu first charge among Working Capital Bankers on the whole of the hypothecated current assets and movable assets including Plant and Machinery (other than Propane Gas Project at Jamshedpur), both present and future.		26,19,08,261		28,77,36,589

Schedules forming part of the Balance Sheet (Contd.)

4. FIXED ASSETS

	Gross Block at Cost				Depreciation includes Amortisation				Net Block	
	As at 31.03.2010	Addition	Deduction/ Adjustment	As at 31.03.2011	As at 31.03.2010	For the Year	Deduction/ Adjustment	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets :										
Leasehold Land	1,74,300	-	-	1,74,300	77,877	1,737	-	79,614	94,686	96,423
Buildings	2,26,81,040	-	-	2,26,81,040	1,21,82,688	5,60,796	-	1,27,43,484	99,37,556	1,04,98,352
Plant and Machinery	9,26,10,209	7,57,564	14,70,044	9,18,97,729	6,47,92,063	43,35,015	12,14,199	6,79,12,879	2,39,84,850	2,78,18,146
Furniture, Fixtures and Office Equipment	70,73,160	86,000	1,57,627	70,01,533	51,88,294	3,23,678	1,09,479	54,02,493	15,99,040	18,84,866
Electrical Equipment and Installation	33,02,607	-	4,00,080	29,02,527	26,90,128	82,933	3,22,627	24,50,434	4,52,093	6,12,479
Air Conditioning Plant	15,13,911	-	-	15,13,911	9,80,086	74,254	-	10,54,340	4,59,571	5,33,825
Veehicles	40,45,625	-	2,138	40,43,487	37,22,456	84,334	2,138	38,04,652	2,38,835	3,23,169
Intangible Assets :										
Computer Software - Acquired	85,51,430	6,23,506	-	91,74,936	2,85,048	17,20,680	-	20,05,728	71,69,208	82,66,382
Total	13,99,52,282	14,67,070	20,29,889	13,93,89,463	8,99,18,640	71,83,427	16,48,443	9,54,53,624	4,39,35,839	5,00,33,642
Previous year	13,30,69,585	99,44,329	30,61,632	13,99,52,282	8,53,95,205	68,93,163	23,69,728	8,99,18,640	5,00,33,642	

**31st March
2011
Rs.**

**31st March
2010
Rs.**

5. INVESTMENTS
LONG TERM – UNQUOTED

Other than trade

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. ½% Debentures of Rs. 100 each

– Woodlands Hospital and Medical Research Centre Ltd.

1

1

1,002

1,002

6. INVENTORIES

[Refer - Note 17.1 (c) on Schedule 17]

Stores and Spare parts

14,50,604

11,73,034

Loose Tools

9,69,977

9,89,771

Raw Materials

47,35,084

1,55,60,657

Work-in-process (Fabrication)

47,46,644

1,53,062

Miscellaneous Finished Products

-

1,31,200

[Note 17.7(b) on Schedule 17]

1,19,02,309

1,80,07,224

Schedules forming part of the Balance Sheet (Contd.)

	31st March 2011 Rs.	31st March 2010 Rs.
7. SUNDRY DEBTORS		
Unsecured		
Debts outstanding for a period exceeding six months –		
Considered Good	35,26,64,699	31,48,69,157
Considered Doubtful	2,04,85,625	2,04,85,625
	<u>37,31,50,324</u>	<u>33,53,54,782</u>
Less : Provision for Doubtful Debts	2,04,85,625	2,04,85,625
	<u>35,26,64,699</u>	<u>31,48,69,157</u>
Other Debts – Considered Good	3,65,04,421	22,09,46,149
	<u>38,91,69,120</u>	<u>53,58,15,306</u>
8. CASH AND BANK BALANCES		
Cash in hand	5,90,274	4,50,951
With Scheduled Banks on :		
Current Account	20,97,681	36,72,564
Fixed Deposit	6,865	6,468
Margin Money Account	3,74,840	3,48,590
Unpaid Dividend Account	4,99,918	5,70,021
	<u>35,69,578</u>	<u>50,48,594</u>
9. OTHER CURRENT ASSETS (UNSECURED)		
Considered Good :		
Tender and Security Deposits, etc.	70,48,859	48,90,671
Work-in-progress (Construction Contracts) (Note 17.14 on Schedule 17)	19,25,86,329	35,32,63,234
Prepaid Expenses	5,73,079	5,57,614
	<u>20,02,08,267</u>	<u>35,87,11,519</u>
10. LOANS AND ADVANCES (UNSECURED)		
Considered Good :		
Advances recoverable in cash or in kind or for value to be received	12,17,33,317	4,59,01,688
Balance with Central Excise and other Government Authorities	15,20,710	1,87,666
Tax payments and tax deducted at source less provision for Income Tax and Fringe Benefit Tax [Refer Note : 17.4(b) on Schedule 17]	3,85,17,676	2,57,50,338
	<u>16,17,71,703</u>	<u>7,18,39,692</u>

Schedules forming part of the Balance Sheet (Contd.)

	31st March 2011 Rs.	31st March 2010 Rs.
11. CURRENT LIABILITIES		
Sundry Creditors	14,90,09,796	36,92,36,293
a. Total outstanding dues of Micro Enterprises and Small Enterprises Rs. 4,18,492, Previous Year – Rs.4,39,963 (Refer Note 17.13 on Schedule 17)		
b. Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises Rs. 14,85,91,304, Previous Year – Rs. 36,87,96,330		
Advance from Customers	9,15,93,300	7,72,84,291
Other Liabilities	19,17,39,925	9,55,61,423
Security Deposits	4,825	4,825
Interest accrued but not due on Loans	–	6,77,329
Investor Education and Protection Fund shall be credited by the following amount :		
– Unpaid Dividend*	4,99,918	5,70,021
	<u>43,28,47,764</u>	<u>54,33,34,182</u>
*No amount is due at the Balance Sheet date for actual credit.		
12. MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Leave Encashment (Refer Note 17.16 on Sechedule 17)	2,73,703	5,47,415
	<u>2,73,703</u>	<u>5,47,415</u>

Schedules forming part of the Profit and Loss Account

	2010-2011		2009-2010
	Rs.		Rs.
13. SALES			
Erection Services (Note 17.14 on Schedule 17)	15,71,19,510		51,37,78,595
Other Sales (Industrial Pipework, Engineering and Procurement etc.)	4,62,59,443	10,24,28,022	
Less : Excise Duty [Note 17.7(a) on Schedule 17]	<u>4,09,910</u>	<u>10,58,334</u>	10,13,69,688
	<u>4,58,49,533</u>		
	<u>20,29,69,043</u>		<u>61,51,48,283</u>
14. OTHER INCOME			
Interest (Tax deducted at source Rs. 8,200, Previous Year – Rs.16,480)	1,48,621		15,29,942
Rent	11,45,700		10,80,000
Profit on Sale of Fixed Assets	–		3,55,444
Liabilities no longer required Written Back	35,08,618		71,65,981
Miscellaneous	65,084		5,44,290
	<u>48,68,023</u>		<u>1,06,75,657</u>
15. OPERATION AND OTHER EXPENSES			
I. Material Consumed			
Opening Stock	1,55,60,657	1,34,13,034	
Add : Purchases	98,57,795	5,59,54,373	
	<u>2,54,18,452</u>	<u>6,93,67,407</u>	
Less : Closing Stock	<u>47,35,084</u>	<u>1,55,60,657</u>	
	2,06,83,368		5,38,06,750
II. Employee Costs			
Salaries, Wages & Bonus etc. (including compensation of Voluntary Retirement)	6,06,31,034	8,90,59,108	
Contribution to Provident and other Funds	20,33,391	23,41,422	
Workmen's Insurance	7,89,799	5,17,591	
Workmen & Staff Welfare Expenses	<u>15,87,575</u>	<u>19,44,253</u>	
	6,50,41,799		9,38,62,374
III. Sub-Contractor Payments			
Sub-Contractors' Charges	9,01,82,449		22,60,04,330
IV. Freight & Handling Charges	81,50,897		1,38,59,348
Carried over	<u>18,40,58,513</u>		<u>38,75,32,802</u>

Schedules forming part of the Profit and Loss Account (Contd.)

	2010-2011	2009-2010
	Rs.	Rs.
15. OPERATION AND OTHER EXPENSES (Contd.)		
Brought forward	18,40,58,513	38,75,32,802
V. Other Expenses		
Advertising	1,86,011	3,54,885
Consumption of Stores & Tools (Including erection materials)	1,82,81,384	6,37,27,424
Insurance	6,52,336	10,07,407
Power & Fuel	32,34,640	36,00,841
Rent	1,12,95,128	1,00,43,492
Rates & Taxes	3,79,863	17,20,484
Repairs to Building	10,68,400	4,43,498
Repairs to Machinery	20,71,800	21,37,970
Travelling Expenses	48,74,507	1,02,99,986
Works Contract Tax Expenses	15,57,067	2,07,36,442
Hire Charges of Equipments	19,15,554	4,81,79,433
Bank Charges	41,55,417	73,16,871
Service Charges	72,15,531	94,01,299
Miscellaneous Expenses	1,32,02,506	2,52,54,757
	7,00,90,144	20,42,24,789
Provision for Doubtful Debts	-	98,66,132
	25,41,48,657	60,16,23,723
(Increase)/Decrease		
Work-in-progress (Erection)	8,82,534	5,10,817
Work-in-process (Fabrication)	(45,93,582)	21,98,433
Miscellaneous Finished Products	1,31,200	19,88,723
	(35,79,848)	46,97,973
	<u>25,05,68,809</u>	<u>60,63,21,696</u>
16. INTEREST		
On Fixed Loans	87,91,793	1,05,95,477
On Others	3,41,51,664	2,29,24,035
	<u>4,29,43,457</u>	<u>3,35,19,512</u>

17 NOTES ON ACCOUNTS**17.1 Significant Accounting Policies :**

The Financial Statements are prepared to comply in all material respects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211 (3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

a) FIXED ASSETS - Tangible

- (i) Assets other than those acquired on lease are stated at cost of acquisition and related expenditure. The cost of fixed assets acquired on finance lease comprises present value of minimum lease payments at the inception of lease, lease management fees and residual value of the related assets. The discounting factor considered in calculating the present value of the minimum lease payments is the rate of interest implicit in the lease. An impairment loss is recognised if and when the carrying amount of the fixed assets of a cash generating unit exceeds its net selling price or value in use whichever is higher. 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, 1956. Leasehold land is amortised over the period of lease 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. Expenses incurred on upgradation/enhancement is charged off as revenue expenditure unless it enable 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.
- b) LONG TERM investments are valued at cost less provision for permanent diminution, if any, in carrying amount of such investments.
 - c) 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.
 - d) 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, prescribed by the Companies Act, 1956, 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.

e) 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.

17. NOTES ON ACCOUNTS (Contd.)

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 Profit and Loss Account 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 Profit and Loss Account 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.

- f) 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 Profit and Loss Account. 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.
- g) 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.
- h) 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.
- i) 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. Fringe Benefit Tax is accounted for based on the estimated fringe benefits for the period as per the related provisions of the Income-tax Act, 1961.

17.2 Year-end Deferred Tax balance comprises the following :

	31st March 2011	31st March 2010
	(Rs.)	(Rs.)
Tax impact due to timing differences resulting in (liabilities)/ assets on account of :		
Payment under Voluntary Retirement Scheme	19,08,494	8,71,739
Depreciation as per tax law and book	(63,39,545)	(64,53,993)
Provision for doubtful debts	68,12,633	69,70,542
Items allowable for tax purpose on payment	13,28,800	33,99,000
Net Deferred Tax Assets/(Liability)	37,10,382	47,87,288

17. NOTES ON ACCOUNTS (Contd.)
17.3 Contingent Liabilities :

	31st March 2011	31st March 2010
	(Rs.)	(Rs.)
Claims not acknowledged as debts :		
(i) Disputed Sales Tax*	5,77,098	5,77,098
(ii) Disputed Income Tax	3,21,23,300	1,79,24,920
(iii) Disputed Wealth Tax	3,16,688	3,16,688
(iv) Disputed Service Tax	1,62,13,608	1,62,13,608
(v) Sundry other matters for which court cases are pending**	—	12,34,000

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

** There is a litigation filed by a Sub-Contractor before the Civil Judge, Senior Division No. 3 at Guwahati. The Company has contested the same, inter alia, on the grounds as legally advised that the same is false and frivolous and filed an action for recovery against the same Sub-Contractor which is pending before the Calcutta High Court. Both the litigations are pending and are sub-judice.

- 17.4** (a) Outstanding Bank Guarantees Rs. 20,75,18,752 (Previous Year: Rs. 28,98,03,259) are secured by a charge created on assets as recited under Secured Loans (Refer Schedule 3).
- (b) Tax payments and Tax deducted at source are net off provisions for taxation of Rs. 13,78,30,588 (Previous Year : Rs. 84,70,622).

17.5 Managing and other Directors' remuneration :

	2010-2011	2009-2010
	(Rs.)	(Rs.)
Salaries etc. (April-Sept. 2009)	— *	57,27,483
Other perquisites	—	1,50,000
Sitting Fees	2,60,000	2,60,000
Commission to Non-Executive Directors (Note 17.6 below)	—	—
	2,60,000	61,37,483

* Inclusive of Performance Linked Remuneration of Rs. Nil in respect of financial year 2009-10 (Previous Year : Rs. 30,95,000).

17.6 Computation of Net Profit under Section 198 read with Section 309/349 of the Companies Act, 1956 for the purpose of Commission payable to the Directors (other than Wholetime Director) :

	2010-2011		2009-2010	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Profit before taxation as per Profit and Loss Account	—	(Note below)	—	(Note below)
Add : Wealth Tax	—		—	—
Add : Directors' Remuneration	—		—	—
Net Profit in accordance with Section 198 of the Companies Act, 1956		—		—
Commission @ 1% on the above profit		—		—
Restricted to		—		—

Note : Computation of net profit under Section 198 read with Section 309/349 of the Companies Act 1956, has not been provided as no commission is payable in view of absence of profit.

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17. NOTES ON ACCOUNTS (Contd.)

17.7 (a) Quantitative information on Capacity and production and analysis of Other Sales :

	Licensed Capacity	Installed Capacity	Actual Production		Turnover			
	Tonnes	Tonnes	Tonnes		Quantity		Value	
			2010-11	2009-10	2010-11	2009-10	(Rs.)	(Rs.)
	2010-11	2010-11	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Industrial Pipework	11,440	9,850	13.5	33	17.5	49	17,30,759	1,19,03,690
Forged Flanges	700	300	–	–	–	–	–	–
Engineering and Procurement	–	–	–	–	–	–	4,41,18,774	8,94,65,998
							4,58,49,533	10,13,69,688

17.7 (b) Quantitative information on Finished Products :

		Opening Stock		Closing Stock	
		Tonnes	(Rs.)	Tonnes	(Rs.)
		Industrial Pipework	2010-11	4	1,31,200
	2009-10	20	21,19,923	4	1,31,200

* Total Licensed and Installed capacities are the same as in 2009-10.

* Installed capacities have been certified by the Management.

* As units shown in the sales bills relating to Engineering and Procurement are varied and heterogeneous, quantity of turnover in respect of this category has not been shown for which the Company has obtained necessary approval of the Central Government. Quantitative information for opening/closing stocks and purchases of these items also could not be furnished as it is not feasible for the reasons indicated above.

17.8 Materials Consumption :

	Unit	2010-2011		2009-2010	
		Quantity	(Rs.)	Quantity	(Rs.)
Tubes	Metres	26,934	76,89,006	608	7,83,650
Plates	Tonnes	27.044	31,12,592	29	27,15,719
Valves	Nos.	5	1,41,675	48	15,10,328
Fittings	Nos.	392,428	32,86,368	3,421	19,69,381
Miscellaneous	–	–	64,53,727	–	4,68,27,672
			2,06,83,368		5,38,06,750

(a) Above represents bought out items also which are ultimately used for erection services.

(b) Miscellaneous include items which individually do not constitute more than 10% of the total consumption.

17. NOTES ON ACCOUNTS (Contd.)
17.9 Value of Imported and Indigenous Materials Consumption as a percentage of total consumption :

	2010-2011		2009-2010	
	(Rs.)	%	(Rs.)	%
Indigenous	2,06,83,368	100.00	5,31,21,682	98.73
Imported	—	—	6,85,068	1.27
	2,06,83,368	100.00	5,38,06,750	100.00

17.10 Consumption of Imported and Indigenous Stores, Tools, Spare Parts and Components as a percentage of total consumption :

	2010-2011		2009-2010	
	(Rs.)	%	(Rs.)	%
Indigenous	1,82,81,384	100.00	5,93,57,123	93.14
Imported	—	—	43,70,301	6.86
	1,82,81,384	100.00	6,37,27,424	100.00

17.11 Earnings and Expenditure in foreign Currency :

	2010-2011	2009-2010
	(Rs.)	(Rs.)
a) Value of Imports calculated on C.I.F. basis		
– Materials	—	6,85,068
b) Expenditure in foreign currency		
– Travelling	—	1,31,921
– Technical Services	—	10,58,400
c) Earnings in foreign currency		
– F.O.B. Value of Export	—	1,02,70,757

17.12 Auditors' Remuneration :

	2010-2011	2009-2010
	(Rs.)	(Rs.)
Audit Fees	5,00,000	5,00,000
Miscellaneous certificates and reports	4,25,000	4,62,500
Reimbursement of out of pocket expenses	21,971	13,720
Reimbursement of Service Tax	99,138	90,251
	10,46,109	10,66,471

17. NOTES ON ACCOUNTS (Contd.)

17.13 Details of Dues to Micro enterprises and Small enterprises :

		2010-2011	2009-2010	
		(Rs.)	(Rs.)	
a)	The principal amount and interest due thereon remaining unpaid to any supplier as at the end of the year	Principal Interest	1,78,394 2,40,098	2,19,560 2,20,403
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 Interest	41,166 Nil	872 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 Interest remaining unpaid	19,695 2,40,098	1,44,529 2,20,403
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		19,695	1,44,529

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.

17.14 Information in accordance with the requirements of the revised Accounting Standard - 7 on Construction Contracts prescribed by the Companies Act, 1956 :

	2010-2011	2009-2010
	(Rs.)	(Rs.)
Contract revenue recognised for the year	15,71,19,510	51,37,78,595
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to the year end for all the contracts in progress	1,38,97,77,412	1,81,79,59,274
The amount of customer advances outstanding for contracts in progress as at the year end	3,11,76,396	6,69,70,022
The amount of retention due from customers for contracts in progress as at the year end	3,59,13,916	4,78,25,710
Gross amount due from customers	19,25,86,329	35,32,63,234
Gross amount due to customers	NIL	NIL

17.15 Employees Benefits :

Post Employment Defined Contribution Plans :

During the year an amount of Rs. 20,33,391 (2009-2010 : Rs. 24,53,119) 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

17. NOTES ON ACCOUNTS (Contd.)
17.15 Employees Benefits : (Contd.)

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 17.1.e.(iii) 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 2011 and corresponding figures for the previous year :

(Rupees)

	Description	Gratuity		Leave Encashment Unfunded	
		31st March 2011	31st March 2010	31st March 2011	31st March 2010
(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	79,29,216	90,34,391	43,45,942	49,75,461
	Current Service Cost	4,72,608	6,72,386	4,13,033	7,30,795
	Past Service Cost	–	2,29,238	–	–
	Interest Cost	6,18,479	6,32,407	3,38,983	3,48,282
	Actuarial (Gains)/Losses	(2,67,531)	(8,43,905)	(6,23,371)	(8,75,648)
	Benefits Paid	(17,40,221)	(17,95,301)	(9,40,582)	(8,32,948)
	Present Value of Obligation at the end of the year	70,12,551	79,29,216	35,34,005	43,45,942
(b)	Reconciliation of the Opening and Closing balances of Plan Assets :				
	Fair Value of Plan Assets at the beginning of the year	79,29,216	90,34,391	–	–
	Adjustment of Excess amount	–	(1,11,697)	–	–
	Expected Return on Plan Assets	7,25,523	8,35,681	–	–
	Actuarial Gains/(Losses)	41,785	(33,858)	–	–
	Contributions	56,248	–	–	–
	Benefits Paid	(17,40,221)	(17,95,301)	–	–
	Fair Value of Plan Assets at the end of the year	70,12,551	79,29,216	–	–
(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	70,12,551	79,29,216	35,34,005	43,45,942
	Fair Value of Plan Assets at the end of the year	70,12,551	80,40,913	–	–
	Assets/(Liabilities) recognised in the Balance Sheet	–	1,11,697	(35,34,005)	(43,45,942)
(d)	Expense recognised in the Profit and Loss Account :				
	Current Service Cost	4,72,608	6,72,386	4,13,033	7,30,795
	Past Service Cost	–	2,29,238	–	–
	Interest Cost	6,18,479	6,32,407	3,38,983	3,48,282
	Expected Return on Plan Assets	(7,25,523)	(8,25,349)	–	–
	Actuarial (Gains)/Losses	(3,09,316)	(8,20,379)	(6,23,371)	(8,75,648)
	Total Expense recognised	56,248	(1,11,697)	1,28,645	2,03,429
(e)	Category of Plan Assets :				
	Fund with LIC	73,85,271	79,75,015	–	–
	Central Government securities	–	50,000	–	–
	State Government securities	3,65,400	3,65,400	–	–
	Others (including bank balances)	(7,38,120)	(4,61,199)	–	–
	Total	70,12,551	79,29,216	–	–
(f)	Actual Return on Plan Assets	7,67,308	8,01,823	–	–
(g)	Actuarial Assumptions :				
	Discount Rate (Per annum)	8.00%	7.80%	8.00%	7.80%
	Expected Rate of Return on Assets (Per annum)	9.15%	9.15%	–	–
	Mortality Rate	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)	LIC (1994-96)

17. NOTES ON ACCOUNTS (Contd.)

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

	Gratuity			Leave Encashment		
	2011	2010	2009	2011	2010	2009
Present value of funded obligation	70,12,551	79,29,216	90,34,391	-	-	-
Present value of unfunded obligation	-	-	-	35,34,005	43,45,942	49,75,461
Fair Value of Plan Assets	70,12,551	80,40,913	9,034,391	-	-	-
Status [Surplus/(Deficit)]	-	1,11,697	-	-	-	-
Experience Adjustment of Plan Assets [Gain/(Loss)]	Not Available			Not Available		
Experience Adjustment of Obligation [Gain/(Loss)]						

The estimates of future salary increases, considered in actuarial valuations, take 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.

17.16 In accordance with the transitional provisions of Accounting Standard 15 (Revised 2005), the additional liability arising on the first application of the Standard amounting to Rs. 13,68,549 on account of Leave Encashment is being charged-off as an expense over a period of 5 years. The unamortised amount of Rs. 2,73,703 (Previous Year : Rs. 5,47,415) has been disclosed as Miscellaneous Expenditure to the extent not written-off (Refer Schedule 12 to the Balance Sheet).

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

i) Basic		2010-2011	2009-2010
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.)	(9,39,35,533)	(1,84,55,857)
	Basic Earning/(Loss) per Share (Rs.)	(31.31)	(6.15)
ii) Dilutive potential Equity Shares			
	Diluted Earning/(Loss) per Share (Rs.)	(31.31)	(6.15)

17.18 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 Design & Engineering Ltd. – Fellow Subsidiary

ii) **Key Managerial Personnel :**

Mr. R. N. Basuray – Chief Executive Officer

18. NOTES ON ACCOUNTS (Contd.)
Transactions with Related Parties

	2010-2011 <u>(Rs.)</u>	2009-2010 <u>(Rs.)</u>
a) Sales and Services billed		
Holding Company	2,25,422	1,54,78,682
b) Purchase of Raw Materials and Components and Services		
Holding Company	–	–
Fellow Subsidiary	53,606	–
c) Other Income – Rental Income		
Holding Company	4,25,700	3,60,000
Fellow Subsidiary	7,20,000	7,20,000
d) Expenditure on other services		
Holding Company	1,82,721	1,56,250
e) Outstanding Balances as at the end of Financial Year		
<u>Receivables (Net) :</u>		
Holding Company	–	83,23,245
<u>Payables :</u>		
Holding Company	9,93,27,088	–
Fellow Subsidiaries	6,93,40,059	1,66,73,180
f) Dividend paid		
Holding Company	–	24,95,631
g) Managing Director's Remuneration	(Refer Note 17.5 above)	

17.19 The Company is primarily engaged in execution of erection projects, which, in most cases involve supply of materials (procured or manufactured). Manufactured items are also supplied for servicing of refurbishment projects of clients and in a few cases to other customers. The management considers the entire activity process to be an integrated one. 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.

17.20 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 Schedules 1 to 17.

R. K. TRIPATHY
Director

P. G. VAIDHYANATHAN
Chairman

C. ROY CHOUDHURY
Company Secretary

Information pursuant to part IV of Schedule VI of the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(i) Registration Details :

Registration No. :

9	0	9	9
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 State Code :

2	1
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 Balance Sheet Date :

3	1
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 /

0	3
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2	0	1	1
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Date Month Year

(ii) Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	Rights Issue																
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-	-	-	-	-	-	-	-										
Bonus Issue	Private Placement																
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-	-	-	-	-	-	-	-										
-	-	-	-	-	-	-	-										

(iii) Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	Total Assets																				
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>8</td><td>1</td><td>4</td><td>5</td><td>4</td><td>1</td></tr></table>	-	-	-	-	8	1	4	5	4	1	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>8</td><td>1</td><td>4</td><td>5</td><td>4</td><td>1</td></tr></table>	-	-	-	-	8	1	4	5	4	1
-	-	-	-	8	1	4	5	4	1												
-	-	-	-	8	1	4	5	4	1												
Sources of Funds :																					
Paid-up Capital	Reserves & Surplus																				
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>3</td><td>0</td><td>0</td><td>0</td><td>0</td></tr></table>	-	-	-	-	-	3	0	0	0	0	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>8</td><td>9</td><td>7</td><td>8</td><td>6</td></tr></table>	-	-	-	-	-	8	9	7	8	6
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-	-	-	-	-	8	9	7	8	6												
Secured Loans	Unsecured Loans																				
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>2</td><td>6</td><td>1</td><td>9</td><td>0</td><td>8</td></tr></table>	-	-	-	-	2	6	1	9	0	8	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	-	-	-
-	-	-	-	2	6	1	9	0	8												
-	-	-	-	-	-	-	-	-	-												
Application of Funds :																					
Net Fixed Assets	Investment																				
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>4</td><td>3</td><td>9</td><td>3</td><td>6</td></tr></table>	-	-	-	-	-	4	3	9	3	6	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>1</td></tr></table>	-	-	-	-	-	-	-	-	-	1
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-	-	-	-	-	-	-	-	-	1												
Net Current Assets	Misc. Expenditure																				
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-	-	-	-	3	3	3	7	7	3												
-	-	-	-	-	-	-	2	7	4												

(iv) Performance of Company (Amount in Rs. Thousands)

Turnover	Total Expenditure																				
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>2</td><td>0</td><td>7</td><td>8</td><td>3</td><td>7</td></tr></table>	-	-	-	-	2	0	7	8	3	7	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>3</td><td>0</td><td>0</td><td>6</td><td>9</td><td>6</td></tr></table>	-	-	-	-	3	0	0	6	9	6
-	-	-	-	2	0	7	8	3	7												
-	-	-	-	3	0	0	6	9	6												
+ - Profit/Loss Before Tax	+ - Profit/Loss after Tax																				
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td><input checked="" type="checkbox"/></td><td>-</td><td>-</td><td>9</td><td>2</td><td>8</td><td>5</td><td>9</td></tr></table>	<input checked="" type="checkbox"/>	-	-	9	2	8	5	9	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td><input checked="" type="checkbox"/></td><td>-</td><td>-</td><td>9</td><td>3</td><td>9</td><td>3</td><td>5</td></tr></table>	<input checked="" type="checkbox"/>	-	-	9	3	9	3	5				
<input checked="" type="checkbox"/>	-	-	9	2	8	5	9														
<input checked="" type="checkbox"/>	-	-	9	3	9	3	5														
Earning per Share (Rs.)	Dividend rate @%																				
<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-							
-	-	-	-	-	-	-															
-	-	-	-	-	-																

(v) Generic Names of Three Principal Products/Services of Company (as per monetary terms)

1) Product Description :	Item Code No. (ITC Code)											
Construction and Project related activities	<table style="width: 100%; border-collapse: collapse;"><tr><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td> </td><td>N</td><td>I</td><td>L</td></tr></table>									N	I	L
								N	I	L		

The Company is primarily engaged in execution of projects, which, in most cases involve supply of materials and thus is a single product/service Company and no ITC Code is available for such service.

R. K. TRIPATHY
Director

P. G. VAIDHYANATHAN
Chairman

C. ROY CHOUDHURY
Company Secretary

CASH FLOW STATEMENT

(PREPARED PURSUANT TO LISTING AGREEMENT)

	For the Year ended 31st March 2011		For the Year ended 31st March 2010	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit/(Loss) Before Tax and Extraordinary Items :		(9,28,58,627)		(2,09,10,431)
Adjustments for –				
Depreciation	71,83,427		68,93,163	
Liability written back	(35,08,618)		(71,65,981)	
Profit/Loss on Sale of Fixed Assets	39,137		(3,55,444)	
Interest (Net) – shown separately	4,34,72,165		3,16,21,282	
Amortisation of Miscellaneous Expenditure	2,73,712		2,73,712	
Wealth Tax	–		15,000	
Provision for Doubtful Debts	–		98,66,132	
Advance Written Off	–		56,24,004	
		<u>4,74,59,823</u>		<u>4,67,71,868</u>
Operating Profit before Working Capital Changes		(4,53,98,804)		2,58,61,437
Adjustment for –				
Trade and other receivables	22,79,84,765		16,88,62,266	
Inventories	61,05,415		40,03,175	
Trade payable	(10,69,07,697)		(24,58,12,864)	
		<u>12,71,82,483</u>		<u>(7,29,47,423)</u>
Cash generated/(used in) from operation		8,17,83,679		(4,70,85,986)
Direct Taxes Paid (Net of refunds) (Including Fringe Benefit Tax)	(1,27,67,338)		28,42,331	
		<u>(1,27,67,338)</u>		<u>28,42,331</u>
Net Cash from/(used in) operating activities		6,90,16,341		(4,42,43,655)
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(14,67,070)		(49,22,499)	
Sale of Fixed Assets	3,42,309		10,47,348	
Interest Received	1,48,621		15,29,942	
Net Cash from /(used in) investing activities		(9,76,140)		(23,45,209)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Repayment of Short Term Bank Borrowing (Net)	(2,58,28,328)		8,60,41,221	
Interest paid	(4,36,20,786)		(3,31,51,224)	
Dividend Paid (including Tax thereon)	(70,103.00)		(52,81,841)	
Net Cash from/(used in) financing activities		(6,95,19,217)		4,76,08,156
Carried forward		(14,79,016)		10,19,292

STEWARTS AND LLOYDS OF INDIA LIMITED

CASH FLOW STATEMENT (Contd.)

(PREPARED PURSUANT TO LISTING AGREEMENT)

	For the Year ended 31st March 2011		For the Year ended 31st March 2010	
	Rs.	Rs.	Rs.	Rs.
Brought forward		14,79,018		10,19,292
NET CHANGES IN CASH AND CASH EQUIVALENT (A+B+C)		<u>14,79,018</u>		<u>10,19,292</u>
CASH AND CASH EQUIVALENTS				
– Opening Balance (Refer Schedule 8)	50,48,594		40,29,302	
CASH AND CASH EQUIVALENTS				
– Closing Balance (Refer Schedule 8)	<u>35,69,578</u>	<u>(14,79,016)</u>	<u>50,48,594</u>	<u>10,19,292</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, 1956.
 - (ii) The Schedule referred to above form an integral part of the Cash Flow Statement.
 - (iii) Previous year's figures have been re-grouped/re-arranged wherever necessary.

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

For Ray & Ray

Chartered Accountants

Firm Registration Number – 301072E

(A. NEOGI)

Partner

Membership Number : 61380

Kolkata, 4th May, 2011

R. K. TRIPATHY

Director

P. G. VAIDHYANATHAN

Chairman

C. ROY CHOUDHURY

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. Any practical Corporate Governance Policy must provide empowerment of the Management to meet their obligations to the stakeholders at all levels together with a check on the Management to ensure that the power vested on them are used with utmost care and responsibilities and not misused. Your Company's Management believes in continuous attainment of excellence, growth and value creation and in pursuit of that it continuously endeavours to leverage resources to transform opportunities into reality as much as possible.

2.0 BOARD OF DIRECTORS

The Board of Directors of the Company comprised five members as at 31st March 2011. It had a Non-Executive Chairman and 2 Independent Directors (more than one-third of the total number of Directors) one of whom is a nominee of General Insurance Corporation of India. However, Mr. V K Sinha joined the Board as Independent Director with effect from 4th May 2011, thereby making the total number of independent directors to 3 i.e half of the Board members. All of the Directors are Non-Executive Directors.

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

The Company did not have any pecuniary relationship or transactions with the Non Executive Directors during 2010-11.

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 2010-11	Whether attended AGM held on 23rd July 2010	No. of Directorships in other Indian public limited Companies as on 31st March 2011	No. of Committee* position held in other Indian public limited Companies as on 31st March 2011	
					Chairman	Member
Mr. P. G. Vaidhyanathan	Non-Executive Chairman	4	Yes	2	Nil	Nil
Mr. Radhakant Tripathy	Independent Non-Executive	4	Yes	3	Nil	Nil
Mr. R. P. Singh (upto 9.11.2010)	Independent Non-Executive	1	Yes	N.A.	N.A.	N.A.
Mr. Jatin Mavani	Non-Independent Non-Executive	3	Yes	4	Nil	1
Mr. K. P. Brahma	Independent Non-Executive (GIC Nominee)	3	Yes	Nil	Nil	Nil
Mr. K. K. Ranade	Non-Independent Non-Executive	1	Yes	1	Nil	Nil

*Committee positions held in Audit Committees and Shareholders'/ Investors' Grievance Committees are considered.

Four Board Meetings were held during the year 2010-11 and the gap between two meetings did not exceed four months.

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

29th April 2010, 12th August 2010, 9th November 2010 and 9th February 2011.

The information as required under Annexure IA to Clause 49 was being made available to the Board.

3.0 AUDIT COMMITTEE

The Audit Committee of the Board has been functioning since 1997. The broad terms of reference of the Audit Committee were to review the unaudited and audited financial results of the Company and 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 Internal Auditors and Statutory Auditors.

The terms of reference of the Audit Committee include the powers as stipulated in Clause 49 II(C) of the Listing Agreement and the role as laid out in Clause 49 II(D) of the Listing Agreement.

Composition of Audit Committee

Name of the Members	Category	No. of Meetings attended during the year 2010-11
Mr. Radhakant Tripathy (Chairman)	Non-Executive, Independent	4
Mr. Jatin Mavani	Non-Executive, Non-Independent	3
Mr. K. P. Brahma	Non-Executive, Independent	3

Mr. Jatin Mavani, Director, a member of the Audit Committee is a Chartered Accountant and has the requisite financial and accounting expertise.

No. of Audit Committee Meetings held during the year: 4

Dates of Audit Committee Meetings: 29th April 2010, 12th August 2010, 9th November 2010, and 9th February 2011.

The Audit Committee meetings were attended by the Financial Controller i.e. Head of Finance, the Regional and Operational Heads, whenever necessary. Representatives of Auditors both the Statutory Auditors and Internal Auditors were being invited to the meetings as and when required.

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

The present Chairman of the Audit Committee attended the 72nd Annual General Meeting held on 23rd July 2010.

At the Audit Committee Meeting held on 29th April 2010 the Annual Accounts for the year ended 31st March 2010 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 REMUNERATION COMMITTEE

The Remuneration Committee constituted in the year 1997. The broad terms of reference of the Remuneration Committee are to recommend to the Board salary (including annual increments), perquisites and performance linked remuneration to be paid to the Executive Director(s) depending upon merit, Company's performance and the terms of appointment as approved by the shareholders at the General Meeting.

Composition of Remuneration Committee

Name of the Members	Category	No. of Meetings attended during the year 2010-11
Mr. Radhakant Tripathy	Non-Executive, Independent	–
Mr. K. K. Ranade	Non-Executive, Non-Independent	–
Mr. K. P. Brahma	Non-Executive, Independent	–

No. of Remuneration Committee Meetings held during the year : Nil (did not require in absence of any Executive Director)

Dates of Remuneration Committee Meeting : N.A.

Details of remuneration paid to all Directors during the year 2010-2011 :

Non-Executive Directors :

Sl. No.	Name	Sitting Fees (Rs.)
1	Mr. P. G. Vaidhyanathan	40,000
2	Mr. R. P. Singh	10,000
3	Mr. Jatin Mavani	60,000
4	Mr. Radhakant Tripathy	80,000
5	Mr. K. K. Ranade	10,000
6	Mr. K. P. Brahma*	60,000
		2,60,000

* Amount paid to National Insurance Co. Ltd.

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

None of the Directors hold any share in the Company.

5.0 SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee was constituted in the year 2000 to specifically look into the redressal 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.

Composition of Shareholders'/Investors' Grievance Committee

Name	Category	No. of meetings attended during the year 2010-2011
Mr. Jatin Mavani	Non-Executive, Non-Independent	3
Mr. P. G. Vaidhyanathan (Chairman)	Non-Executive, Non-Independent	4
Mr. K. P. Brahma	Non-Executive, Independent	3

Compliance Officer : Ms. C. Roy Choudhury, Company Secretary

No. of shareholders complaints received during 2010-2011 : NIL

No. of pending shareholders complaints : NIL

No. of pending share transfer : NIL

6.0 GENERAL BODY MEETINGS

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

	2008	2009	2010
Date	24th July 2008	24th July 2009	23rd July 2010
Time	12 noon	11 a.m.	11 a.m.
Venue	"AIKATAN", Eastern Zonal Cultural Centre, IA-290, Salt Lake City, Kolkata-700 097	"AIKATAN", Eastern Zonal Cultural Centre, IA-290, Salt Lake City, Kolkata-700 097	"RABIDRA-OKAKURA BHABAN", 27/A/1, DD Block, Salt Lake, Kolkata-700 097

No special resolution was put through postal ballot in the previous year and no postal ballot is proposed for this year.

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.

Transaction with the related parties are disclosed in note no 17.18 of Schedule 17 to the accounts in the Annual Report.
- b) The members of management have informed the Board as per the requirements of Clause 49IV(F) of the Listing Agreement regarding their not having any personal interest in any material commercial and financial transactions of the Company that may have potential conflict with the interests of the Company at large. They have also informed about their compliance with the Code of Conduct as laid down by the Company.
- c) There are no instances 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 the employees across the Company, as suggested by the Non-mandatory requirements of Clause 49 of the Listing agreement. 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 Clause 49 of the Listing Agreement. Further it has also complied with some of the non-mandatory clauses of Clause 49 such as formation of Remuneration Committee, Whistle Blower Policy etc.
- f) While preparation of financial statements for the year under review, no accounting treatment, which was different from that prescribed in the Accounting Standard, was followed.
- g) The Company has laid down procedures to inform the Board Members about the risk assessment and minimization procedures. A register has been formulated and that has been adopted at the Board at their Meeting held on 28th April 2006 and is being placed before the Board at their meetings at the end of each quarter.
- h) A certificate had been placed before the Board of Directors at their Meeting held on 4th May 2011 in compliance with Clause 49 (V) of the Listing Agreement duly signed by the Chief Executive Officer and the Financial Controller.
- i) A code of conduct for prevention of insider trading in equity shares of the Company applicable to the employees and directors of the Company in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 has been formulated and adopted by the company since 2002.
- j) The Company has an established Internal Control System and Procedures which are being reviewed periodically.

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, review by the Audit Committee and adoption by the Board of Directors. Audited Annual Results are announced within two months 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 'Ajkal' (in Bengali version), within 48 hours of 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.

2. The corporate website of the Company (www.slofindia.com) displays any official news release on the Company, whenever there is any new releases.
3. Presentations are made to Institutional Investors on their specific request and the same is also made available on the website of the Company.

GENERAL SHAREHOLDERS' INFORMATION

1.0 AGM :

Date & time	: 29th July, 2011 (Friday) at 11.30 A.M.
Venue	"RABINDRA-OKAKURA BHABAN", 27/A/1, DD Block, Salt Lake Kolkata-700 064

2.0 Financial Calendar (tentative)

Financial Results for the quarter ending 30th June, 2011	: August, 2011
Financial Results for the quarter/half year ending 30th September, 2011	: November, 2011
Financial Results for the quarter ending 31st December, 2011	: February, 2012
Audited Results for the year ending 31st March, 2012	: May, 2012

3.0 Date of Book Closure

: 18th July, 2011 to 29th July, 2011 (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
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(Note: Annual Listing Fees for the year 2011-2012 have been duly paid to both these 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

STEWARTS AND LLOYDS OF INDIA LIMITED

7.0 Market Price Data : The high and low market price of shares of the Company during each month of the financial year 2010 -11 at the Bombay Stock Exchange Ltd., Mumbai were as follows :

Month	High (Rs.)	Low (Rs.)
April '10	120.00	96.25
May '10	141.00	103.00
June '10	143.90	113.00
July '10	174.00	110.00
August '10	154.85	105.25
Sept. '10	150.90	121.00
Oct. '10	142.45	115.15
Nov. '10	146.00	85.30
Dec. '10	112.00	86.25
Jan. '11	100.90	74.20
Feb. '11	97.90	60.00
March 11	70.00	55.60

Performance in comparison to BSE Sensex, CRISIL Index :

8.0 Registrar and Transfer Agent (for Physical and Demat)

: C B Management Services (P) Limited
P-22, Bondel Road
Kolkata-700 019
Tel.: (033) 2280 6692/93/94
Fax: (033) 2287 0263
E-mail: cbmsl1@cal2.vsnl.net.in

9.0 Share Transfer System :

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

Share transfers are registered and despatched within a period of 30 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 dematerialised form.

10.0 Distribution of Shareholding as on 31.03.2011 Categories of Shareholders as on 31.03.2011

No. of Shares held	No. of Shareholders	Total No. of Shares
Upto 2500	2958	472359
2501–5000	17	58881
5001–50000	16	222994
50001–100000	1	53189
Above 100000	5	2192577
Total	2997	3000000

Category	No. of Shares held	% of Capital
Promoters	1663754	55.46
FIs including Banks	326602	10.88
Indian Individuals	716810	23.90
Bodies Corporate	255405	8.51
NRIs	37429	1.25
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 2011 : 28,98,721

% of share dematerialised till 31st March 2011 : 96.62%

12.0 Outstanding GDR/ADRs/Warrants & Convertible Instruments, Conversion date and likely impact on equity : Not Applicable**13.0 Plant Locations:****Kolkata**

39, Hide Road
Kolkata-700 043
Phone: 2439 5756/ 5977
Fax: 033-2439 6411
E-mail: sliudp@slofindia.com

43/2, Hide Road Extn.
Kolkata-700 088
Phone: 2439 5914

14.0 Address for Correspondence:

Ms. C. Roy Choudhury
Company Secretary
Stewarts and Lloyds of India Limited
41, Chowringhee Road, Kolkata-700 071

Phone: 033 2288 8194 to 96
Fax: 033 2288 8236
E-mail: slical@slofindia.com
Website : www.slofindia.com

Corporate Governance Compliance Certificate

Registration No. of the Company : 21-9099

ISIN : INE 035600102

Nominal Capital : Rs. 10,00,00,000/- 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 & Lloyds of India Limited (The Company) for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with Calcutta Stock Exchange Ltd. and Bombay Stock Exchange Ltd. for the financial year ended 31st March, 2011. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes 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 of 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 conditions of Clause 49 of the Listing Agreement.

Date : 3rd May, 2011

Place : Kolkata

P. N. Sinha

Practising Company Secretary

Membership No. ACS-3896

Certificate of Practice No. 1676

STEWARTS AND LLOYDS OF INDIA LIMITED

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-THIRD ANNUAL GENERAL MEETING of the Company at the "RABINDRA-OKAKURA BHABAN", 27/A/1, DD Block, Salt Lake, Kolkata-700 064, at 11.30 A.M. on 29th July, 2011.

.....
Full name of the Shareholder
(In block capitals)

.....
Signature

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

* Applicable for members holding shares in electronic form.

.....
Full name of the Shareholder
(In block capitals)

.....
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

Proxy

I/We of
..... In the district of being a Member/ Members of the
above named Company, hereby appoint of
in the district or failing him
of in the district of as my/our Proxy to
attend and vote for me/us and on my/our behalf at the SEVENTY-THIRD ANNUAL GENERAL MEETING of the Company, to be held on
29rd July, 2011 and at any adjournment thereof.

Signed this day of 2011

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

* Applicable for members holding shares in electronic form

No. of Shares held

Signature

Affix
Re.1
Revenue
Stamp

This form is to be used @ in favour of the resolution. Unless otherwise instructed, the proxy will act as he thinks fit
@ against

.....
@ Strike out whichever is not desired.

- Note:**
- (1) The proxy from, duly filled in, must be returned so as to reach the Registered Office of the Company at 41, Chowringhee Road, Kolkata-700 071 not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.
 - (2) Those members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy.