

Dt. 1<sup>st</sup> October, 2016

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001.  
Phones: 91-22-22721233/4, 91-22-66545695 (Hunting)  
Fax: 91-22-22721919

Scrip Code: 500284  
Sub: Copy of Annual Report of 37<sup>th</sup> Annual General Meeting of Lords  
Chloro Alkali Limited

Dear Sir,

Pursuant to provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith a copy of 37<sup>th</sup> Annual Report of the Company duly approved and adopted by the members of the Company in the 37<sup>th</sup> Annual General Meeting of the Company held on Friday, 30<sup>th</sup> September, 2016.

Request you to take the same on your record.

Thanking You,

Yours Faithfully,  
For Lords Chloro Alkali Limited

  
Rajiv Kumar  
CFO



Encl: As above.



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**37<sup>th</sup>**  
**Annual Report**  
**2015 - 2016**

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**LORDS CHLORO ALKALI LIMITED**

## CONTENTS

Notice

1

Board's Report

20

Corporate Governance Report

50

Independent Auditor's Report

63

Balance Sheet

71

Profit & Loss Account

72

Cash Flow Statement

73

Significant Accounting Policies & Practices

74

Notes to Financial Statements

78

## **Board of Directors**

Shri Rakesh Ahuja	Non Executive Director
Shri Madhav Dhir	Executive Director
Shri Yuvraj Ahuja	Non Executive Director
Shri Ajay Virmani	Managing Director
Shri Pawan Kumar Nayyar	Independent Director
Shri Rajbir Singh Makhni	Independent Director
Shri Sandeep Chaudhari	Independent Director
Shri Chandra Shakher Pathak	Independent Director
Ms. Poonam Rawat	Independent Director
Shri Shiv Dutt Sharma	Independent Director
Shri Deepak Mathur	Director (Technical)

## **Company Secretary & Compliance Officer**

Shri Santosh Kumar

## **Chief Financial Officer**

Shri Rajiv Kumar

## **Statutory Auditors**

M/s. Gupta Vigg & Co.,  
Chartered Accountants,  
E-61, Lower Ground Floor,  
Kalkaji, New Delhi-110019.

## **Secretarial Auditor**

M/s. SKP & Co.,  
Company Secretaries,  
2F CS 03, Ansal Corporate Suites,  
Ansal Plaza, Sector 1, Vaishali,  
Ghaziabad 201010

## **Cost Auditors**

M/s Goyal, Goyal & Associates,  
Cost Accountants,  
G-14, Lower Ground Floor,  
Lajpat Nagar 3, New Delhi - 110024

## **Registrar & Share Transfer Agent**

M/s.Alankit Assignments Limited,  
"Alankit Heights" (RTA Division),  
1E/13, Jhandewalan Extn.  
New Delhi - 110055  
Ph No: 011-42541234 & 23541234  
Fax No: 011-41543474

**Registered Office &  
Plant**

SP-460, Matsya Industrial Area,  
Alwar-301030 (Rajasthan).  
Ph. No: 0144-3202817  
Fax No: 0144-2881360

**Corporate Office**

A-264, 1<sup>st</sup> Floor, Defence Colony,  
New Delhi-110024.  
Ph. No: 011-46865999  
Fax No: 011-46865930  
Website: [www.lordschloro.com](http://www.lordschloro.com)  
E-mail: [secretarial@lordschloro.com](mailto:secretarial@lordschloro.com)

## NOTICE

**NOTICE** is hereby given that the 37<sup>th</sup> Annual General Meeting of the Members of **LORDS CHLORO ALKALI LIMITED** will be held on Friday, the 30<sup>th</sup> September, 2016 at 10.30 a.m. at Registered Office, SP-460, Matsya Industrial Area, Alwar (Rajasthan) - 301030 to transact the following business:

### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Financial Statement of the Company for the Financial Year ended on 31<sup>st</sup> March, 2016 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Yuvraj Ahuja (DIN: 00164675), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint and fix the remuneration of the Auditors.

To consider and if thought fit to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139 & 142 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications or re-enactment thereof, for the time being in force) and such other applicable provisions, if any, M/s. Gupta Vigg & Co., Chartered Accountants (FRN:001393N), be and are hereby appointed as Statutory Auditors of the Company for five consecutive years, to hold the office from conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in the year 2021, subject to ratification by members at every Annual General Meeting at such remuneration as shall be fixed in this behalf by the Board of Directors of the Company.”

### **SPECIAL BUSINESS**

4. **To appoint Shri Madhav Dhir as Director of the Company.**

To consider and if thought fit to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) and such other applicable provisions, if any, Shri Madhav Dhir (DIN: 07227587) who was appointed as an Additional Director of the Company with effect from 9<sup>th</sup> November 2015 by the Board of Directors and in respect of whom the Company has received a notice in writing

under Section 160(1) of the Act, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office shall be reckoned as a Director for the purpose of determining the rotation of retirement of directors.”

**5. To appoint Shri Madhav Dhir as Whole Time Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section(s) 196 & 197 read with Schedule V of the Companies Act, 2013 and rules made thereunder (including any statutory modifications or re-enactment thereof, for the time being in force) and such other applicable provisions, if any and subject to the approval from Central Government (if required), consent of the members of the Company be and are hereby accorded for appointment of Shri Madhav Dhir as Whole Time Director of the Company for a period of 3 years w.e.f. 1<sup>st</sup> June, 2016 on remuneration of Rs. 24 Lakh per annum (Rs. 2 Lakh per month) inclusive of all perquisites and allowances as approved by the Board of Directors.

**RESOLVED FURTHER THAT** in the event Company having no profit or inadequacy of profit in any financial year, the Company may pay to Shri Madhav Dhir, Whole Time Director of the Company, remuneration by way of salary, inclusive of perquisites and allowances as approved by the Board of Directors, not exceeding the ceiling limit of Rs. 24 Lakh per annum (Rs. 2 Lakh per month) or within the limit approved by the Central Government (if required) or limits specified under Section II of Part II of Schedule-V of the Companies Act, 2013 including any statutory modification or re-enactment thereof, for the time being in force.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things, as in its absolute discretion it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or as may be otherwise considered by the Board to be in the best interest of the Company.”

**6. To pay Special Allowance, Performance Bonus and Incentive to Shri Ajay Virmani, Managing Director of the Company.**

To consider and if thought fit to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in partial modification of the Resolution passed by the members of the Company through Postal Ballot held on 3<sup>rd</sup> March, 2015 and pursuant to the provisions of Sections 196, 197 & 198 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and such other applicable provisions, if any and subject to the approval of Central Government, if required, consent of the members of the Company be and are hereby accorded:

- i) to pay special allowance @ 5% of Earning before Depreciation and Taxes (EBDT), after Interest, if it is above Rs. 15 crores and upto Rs. 25 crores in a particular financial year and
- ii) to pay performance bonus @ 6% of EBDT (after Interest) if it is above Rs. 25 crores and upto Rs. 50 crores in a particular financial year, in addition to the abovementioned special allowance referred in point no. (i) above and
- iii) to pay incentive @ 8% of EBDT (after Interest) if it is above Rs. 50 crores in a particular financial year, in addition to the abovementioned special allowance and performance bonus referred in point no. (i) and (ii) above

All the aforesaid allowances mentioned in point no. (i) to (iii) payable to Shri Ajay Virmani, Managing Director, will be in addition to his approved remuneration not exceeding Rs. 84,00,000/- per annum, may be paid on a *pro rata* basis every month or on annual basis or partly monthly and partly on an annual basis subject to the limits prescribed under Schedule V of the Companies Act, 2013 or limit approved by the Central Government, if required, and other terms and conditions of his appointment shall remain the same as approved by the members of the Company through Postal Ballot held on 3<sup>rd</sup> March, 2015.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things, as in its absolute discretion it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or as may be otherwise considered by the Board to be in the best interest of the Company.”

**7. To ratify the remuneration of the Cost Auditors for the Financial Year 2016-17.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:



**“RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re enactment thereof, for the time being in force) and such other applicable provisions, if any, consent of the members of the Company be and are hereby accorded for ratification of remuneration of Rs. 25,000/- for the Financial Year 2016-17, payable to the Cost Auditors M/s. Goyal, Goyal & Associates, Cost Accountants, Delhi (FRN : 000100), appointed by the Board of Directors at its meeting held on 27<sup>th</sup> May, 2016, to conduct the audit of the cost records of the Company for the Financial Year 2016-17.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things, as in its absolute discretion it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or as may be otherwise considered by the Board to be in the best interest of the Company.”

**For and on behalf of the Board of Directors  
Lords Chloro Alkali Limited**

**Place: New Delhi  
Date: 10<sup>th</sup> August, 2016**

**Ajay Virmani  
Managing Director  
DIN: 00758726**

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxy Form should be lodged with the Company at the registered office not later than 48 hours i.e. by 10:30 a.m. on 28<sup>th</sup> September, 2016 before the commencement of the above meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate Members intending to send their authorised representative to attend the meeting are requested to send a certified copy of the Board Resolution, pursuant to section 113 of the Companies Act, 2013 authorising their representative to attend & vote on their behalf at the AGM.
3. Members/ Proxies are requested to bring their copies of the Annual Report to the meeting.
4. In case of joint holders attending the meeting, only such joint holder whose name is higher in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 26<sup>th</sup> September, 2016 to Friday, 30<sup>th</sup> September, 2016 (both days inclusive).
6. Brief resume of Directors, those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, disclosure of relationships between directors inter-se, names of listed entities in which they also hold directorships and the membership of Committees of the board and shareholding of non-executive directors as stipulated under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by The Institute of Company Secretaries of India are annexed to the Notice of AGM.
7. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company during business hours on any working days upto the date of the AGM.

8. The Members are requested to notify promptly any change in their address to the Company's Registrar and Transfer Agent (RTA), i.e. M/s. Alankit Assignments Ltd.
9. Pursuant to section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Forms SH-13 with the Company's RTA. In respect of shares held in electronic / demat form, nomination form may be filed with the respective Depository Participants (DP).
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Transfer Agent (RTA), i.e. M/s. Alankit Assignments Ltd.
11. Members are informed that the Company is sending Annual Report through email to those members who have registered their E-mail address with the Company. For Members who have not registered their email address, physical copy of the Annual Report are being sent in the permitted mode. Members may also note that the Annual Report for the FY 2015-16 will also be available on the Company's website [www.lordschloro.com](http://www.lordschloro.com).
12. **Voting through electronic means**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members, facility to exercise their right to vote on all shareholders' resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
  - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The instructions for members voting electronically are as under:

- (a) The remote e-voting period commences on Monday, 26<sup>th</sup> September, 2016 (9:00 am) and ends on Thursday, 29<sup>th</sup> September, 2016 (5:00 pm). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 23<sup>rd</sup> September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting on Thursday, 29<sup>th</sup> September, 2016 (after 5:00 pm). Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently..
- (b) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (c) The members should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (d) Click on Shareholders.
- (e) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (f) Next enter the Image Verification as displayed and Click on Login.
- (g) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.
- (h) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat members as well as physical members)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence no is printed on attendance slip enclosed with the Annual Report.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details  <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (e).</li> </ul>

- (i) After entering these details appropriately, click on “SUBMIT” tab.
- (j) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (k) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (l) Click on the EVSN for the relevant Company Name i.e. “Lords Chloro Alkali Limited” on which you choose to vote.
- (m) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (n) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (o) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (p) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (q) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (r) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (s) Members can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (t) Note for Non – Individual members and Custodians
  - Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (u) In case you have any query or issue regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (v) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Deputy Manager, Central Depository Services (India) Limited, 16th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001, or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 18002005533
- IV. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Friday, 23<sup>rd</sup> September, 2016.
- V. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. Friday, 23<sup>rd</sup> September, 2016 may obtain the sequence number, in case of holding shares in physical form, by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [secretarial@lordschloro.com](mailto:secretarial@lordschloro.com) and if the shares are in demat form, please refer sub point (h) of point V for voting.
- VI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Friday, 23<sup>rd</sup> September, 2016 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VII. Shri Awanish K. Dwivedi (C.P. No 9080), proprietor of M/s. Awanish Dwivedi & Associates, Company Secretaries, New Delhi has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- VIII. The Chairman of the meeting shall, at the AGM venue, at the end of

discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

- IX. The Scrutinizer shall after the conclusion of voting at the Annual General Meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the meeting or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- X. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.lordschloro.com](http://www.lordschloro.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai and Delhi Stock Exchange.
- XI. The Notice of the AGM shall also available on the website of the Company and CDSL.

**For and on behalf of the Board of Directors  
Lords Chloro Alkali Limited**

**Place: New Delhi  
Date: 10<sup>th</sup> August, 2016**

**Ajay Virmani  
Managing Director  
DIN: 00758726**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 SETTING OUT MATERIAL FACTS IS ANNEXED HERETO.**

**ITEM NO. 4 & 5**

The Board of Directors at its meeting held on 9<sup>th</sup> November, 2015 had appointed Shri Madhav Dhir, as an Additional Director of the Company w.e.f. 9<sup>th</sup> November, 2015. Pursuant to Section 161 (1) of the Companies Act, 2013, Shri Madhav Dhir, holds office only upto the date of this Annual General Meeting (AGM) of the Company.

A notice in writing from a member along with the requisite deposit under Section 160 of the Companies Act, 2013 has been received by the Company signifying intention to appoint Shri Madhav Dhir as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.

Pursuant to Section 196, 197 read with Schedule V of the Companies Act, 2013 and subject to the approval of the Members and Central Govt., if required, the Board of Directors of the Company at its meeting held on 27<sup>th</sup> May, 2016 has appointed Shri Madhav Dhir, as Whole Time Director of the Company w.e.f. 1<sup>st</sup> June, 2016 for the period of three years on a remuneration of Rs. 24,00,000/- (Rupees Twenty Four Lakhs) per annum i.e. Rs. 2,00,000/- (Rupees Two Lakh) per month, inclusive of all perquisites and allowances.

Shri Madhav Dhir, aged 24 years, has a Masters Degree in Economics and Strategy for Business from the prestigious Imperial College London and has completed his B.Sc (Hons) Management from University of Warwick. He is having expertise in strategy and management and advises the management of the Company on all strategic matters relating to existing and future business of the Company. In this capacity, he works closely with Managing Director and is part of the decision making of Lords Chloro Alkali Limited. The Remuneration and terms and conditions of appointment as Whole Time Director, have been specified in the Item No 5.

**In this regard, the details under Section-II of Part-II of Schedule V of the Companies Act, 2013, required for the Resolution No. 5 of the Notice, is furnished below:**

**(I) General Information :**

**(1) Nature of Industry:**

Company is engaged in manufacturing of Caustic Soda, Liquid Chlorine, Stable Bleaching Powder, Hydrochloric Acid, Trichloroethylene and Hydrogen Gas.



(2) Date of Commencement of Commercial Production:

The Company commenced production of Caustic Soda in April 1973 with a capacity of 125 tonnes per day.

(3) Financial Performance:

(Rs. in lakh)

Year	2015-2016	2014-2015	2013-2014
Sales	9443.41	904.94	NIL
Net Profit/(Loss)	749.41	(67.46)	(422.42)

**(II) Information about the appointee:**

1) Background Details:

Shri Madhav Dhir, aged 24 years, has a Masters Degree in Economics and Strategy for Business from the prestigious Imperial College London and has completed his B.Sc(Hons) Management from University of Warwick. He is having expertise in strategy and management and advises the management of the Company on all strategic matters relating to existing and future business of the Company.

(2) Past Remuneration:

He was getting Rs. 1,00,000/- per month from Dhir & Dhir Associates since October, 2014, in the capacity of Business Development Head.

(3) Job profile and his suitability:

He is actively involved in the secretarial, finance, production and marketing department of the Company. He has contributed substantially in increasing the production capacity of the Company. Under his dynamic leadership and guidance Company will move forward in right direction.

(4) Remuneration proposed:

After recommendation of Nomination and Remuneration Committee, the Board proposed the remuneration to be paid to Shri Madhav Dhir as Whole Time Director of the Company, are furnished in the resolution proposed for member's approval under Item No. 5 of this Notice.

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

The prevalent level remuneration in Chemicals Industries is higher. Taking into account his qualification, dynamic approach, his vital role and invaluable contribution towards the Company, the proposed remuneration to the appointee is reasonable.

- (6) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Shri Madhav Dhir as Whole Time Director has no pecuniary relationship with the Company or Key Managerial Personnel of the Company or their relatives (except to the extent of the remuneration received/receivable from the Company as Whole Time Director).

**(III) Other Information:**

- (A) Reasons of inadequacy of profit:

As the Company's plant was not operational since 2011 because the major equipment of the plant required revamp. The life of Anodes, Cathodes and Membranes had got exhausted and thus got replaced the necessary plant and machinery. Consequently, the plant of the Company became operational (though at limited capacity) since February, 2015, however it has yet to achieve its full efficiency due to leakage problem from the cells.

- (B) Steps taken or proposed to be taken for improvement:

The Company is putting its hard efforts for removing the inefficiencies, in the existing plant and expansion of production capacity of plant to bring down the cost of production and efficiency enhancement. Further, the Company has increased its production capacity from 107 TPD to 144 TPD by revamping the old 37TPD UDHE Electroclysers.

- (C) Expected increase in productivity and profits in measurable terms

The plant is currently not operating at desired efficiencies but making efforts to enhance efficiency of its plant by further revamping of its plant. At present, the Company is operating at 144 TPD and plans to commission new Electroclysers of 70 TPD of latest technology in the year 2016-17 taking the total operating capacity to 214 TPD by mid 2017.

The other relevant information required to be given as per applicable provisions of Companies Act, 2013 read with Secretarial Standards issued by The Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Annexure I of this notice and in the section named as "*Corporate Governance Report*" of Board's Report for the financial year 2015-2016.

Except Shri Madhav Dhir, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 4 & 5 of the notice.

Hence, your Directors recommend you to pass the proposed resolution as set out in item no. 4 & 5 as an Ordinary and Special Resolution respectively.

## ITEM NO. 6

Shri Ajay Virmani was re-appointed as Managing Director of the Company on Remuneration not exceeding Rs. 84,00,000/- (Rupees Eighty Four Lakh Only) per annum for a period of three years w.e.f. 12<sup>th</sup> July, 2015.

Considering the inflationary trend and the substantial increase in the business activities of the Company resulting in increase in the workload and responsibilities of the Managing Director and also the amount of remuneration payable to managerial personnel occupying similar positions in other companies, the Board of Directors of the Company, pursuant to section 196, 197 & 198 read with Schedule V of the Companies Act, 2013, and subject to the approval of the Members and Central Govt. (if required), considered the payment of special allowance, performance bonus and incentives to Shri Ajay Virmani, Managing Director of the Company as per the details mentioned in Item No. 6 of the Notice. However, other terms and conditions of his appointment shall remain the same as approved by the members of the Company through Postal Ballot held on 3<sup>rd</sup> March, 2015.

As increase in the remuneration payable to Shri Ajay Virmani, Managing Director, exceeds the limit of Schedule V of the Companies Act, 2013, thus it requires the approval of the Members of the Company through Special Resolution, subject to the approval by the Central Government, if required.

**In this regard, the details under Section-II of Part-II of Schedule V of the Companies Act, 2013, required for the Resolution No. 6 of the Notice, is furnished below:**

### (I) General Information :

#### (1) Nature of Industry:

Company is engaged in manufacturing of Caustic Soda, Liquid Chlorine, Stable Bleaching Powder, Hydrochloric Acid, Trichloroethylene and Hydrogen Gas.

#### (2) Date of Commencement of Commercial Production:

The Company commenced production of Caustic Soda in April 1973 with a capacity of 125 tonnes per day.

#### (3) Financial Performance:

(Rs. in lakh)

Year	2015-2016	2014-2015	2013-2014
<b>Sales</b>	9443.41	904.94	NIL
<b>Net Profit/(Loss)</b>	749.41	(67.46)	(422.42)

**(II) Information about the appointee:****1) Background Details:**

Shri Ajay Virmani, Chartered Accountant, aged 55 years, was appointed as Executive Director & CEO of the Company for a period of three years w.e.f. 14<sup>th</sup> May, 2010 and designated as Managing Director of the Company w.e.f. 12<sup>th</sup> July, 2012. Further, he was re-appointed as a Managing Director of the Company w.e.f. 12<sup>th</sup> July, 2015 for a period of three years. He is a high caliber professional and is ideally suited for this position. He is fully equipped to facilitate the operation of the Company due to his vital experience of over 29 years.

**(2) Past Remuneration:**

He was appointed as Executive Director & CEO of the Company for a period of three years w.e.f. 14<sup>th</sup> May, 2010 with a payment of Remuneration of Rs. 3.00 lakhs per month besides perquisites and allowances as approved by the Board of Directors. Further, he was re-appointed as a Managing Director of the Company w.e.f. 12<sup>th</sup> July, 2015 on Remuneration not exceeding Rs. 84,00,000/- (Rupees Eighty Four Lakh Only) per annum for a period of three years.

**(3) Job profile and his suitability:**

Under his leadership and guidance, Company has earned profit this year and is in process of expansion of production capacity and other project, the Board of Directors of the Company in its meeting held on 15<sup>th</sup> December, 2014, re-appointed Shri Ajay Virmani as Managing Director of the Company w.e.f. 12<sup>th</sup> July, 2015 for the period of three years.

**(4) Remuneration proposed:**

The details of remuneration proposed to be paid to Shri Ajay Virmani as Managing Director of the Company are furnished in the resolution proposed for member's approval under Item No. 6 of this Notice.

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

The prevalent level of remuneration in Chemicals industry is higher. Taking into account the academic background, qualification & experience of Shri Ajay Virmani as Managing Director of the Company, his invaluable contribution to the Company and his vital role, the proposed remuneration to the appointee is reasonable.

**(6) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Shri Ajay Virmani as Managing Director has no pecuniary relationship with the Company or Key Managerial Personnel of the Company or their relatives (except to the extent of the remuneration received/receivable from the Company as Managing Director).

**(III) Other Information:**

**(A) Reasons of inadequacy of profit:**

As the Company's plant was not operational since 2011 because the major equipment of the plant required revamp. The life of Anodes, Cathodes and Membranes had got exhausted and thus got replaced the necessary plant and machinery. Consequently, the plant of the Company became operational (though at limited capacity) since February, 2015, however it has yet to achieve its full efficiency due to leakage problem from the cells.

**(B) Steps taken or proposed to be taken for improvement:**

The Company is putting its hard efforts for removing the inefficiencies, in the existing plant and expansion of production capacity of plant to bring down the cost of production and efficiency enhancement. Further, the Company has increased its production capacity from 107 TPD to 144 TPD by revamping the old 37TPD UDHE Electrolysers.

**(C) Expected increase in productivity and profits in measurable terms**

The plant is currently not operating at desired efficiencies but making efforts to enhance efficiency of its plant by further revamping of its plant. At present, the Company is operating at 144 TPD and plans to commission new Electrolysers of 70 TPD of latest technology in the year 2016-17 taking the total operating capacity to 214 TPD by mid 2017.

The other relevant information required to be given as per applicable provisions of Companies Act, 2013 read with Secretarial Standards issued by The Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the section named as "Corporate Governance Report" of Board's Report for the financial year 2015-2016.

Except Shri Ajay Virmani as Managing Director, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution set out at item no. 6 of the notice.

Hence, your Directors recommend you to pass the proposed resolution as mentioned in item no. 6 of the notice, as Special Resolution.

**ITEM NO. 7**

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment & remuneration of the Cost Auditor M/s. Goyal, Goyal & Associates, Cost Accountants, New Delhi (FRN : 000100) to conduct the audit of the cost records of the Company for the financial year 2016-17 at a remuneration of Rs. 25,000/ (Rupees Twenty Five Thousand).

Pursuant to the provisions of section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members sought for passing an Ordinary Resolution as set out at item no. 7 of the notice for ratification of remuneration payable to the cost auditors for the financial year 2016-17.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution set out at item no. 7 of the notice.

Hence, your Directors recommend you to pass the proposed resolution as mentioned in item no. 7 of the notice, as Ordinary Resolution.

**For and on behalf of the Board of Directors**  
**Lords Chloro Alkali Limited**

**Place: New Delhi**  
**Date: 10<sup>th</sup> August, 2016**

**Ajay Virmani**  
**Managing Director**  
**DIN: 00758726**

**Annexure -I**

Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of Directors seeking appointment/ reappointment at the forthcoming Annual General Meeting .

<b>Name of Director</b>	<b>Shri Yuvraj Ahuja</b>
<b>Director Identification No.</b>	<b>00164675</b>
<b>Date of Birth</b>	28 <sup>th</sup> October, 1987
<b>Brief Resume</b>	Shri Yuvraj Ahuja, aged 28 years, is the Non-Executive Director and one of the Promoters of the Company. As a Non-Executive Director, he advises the management of the Company on all strategic matters relating to existing and future business of the Company.
<b>Date of Appointment</b>	14 <sup>th</sup> May, 2010
<b>Expertise in Specific Functional Area</b>	Strategy and Management
<b>Disclosure of relationships between Directors inter-se</b>	He is son of Shri Rakesh Ahuja, other Non-Executive Promoter Director of the Company.
<b>Names of listed entities in which he holds the directorship as on 31.03.2016</b>	Lords Chloro Alkali Limited
<b>Names of listed entities in which he holds Membership of Committees of the Board as on 31.03.2016</b>	Nil
<b>No. of equity shares held as on 31.03.2016</b>	12,50,000

<b>Name of Director</b>	<b>Shri Madhav Dhir</b>
<b>Director Identification No.</b>	<b>07227587</b>
<b>Date of Birth</b>	18 <sup>th</sup> February, 1992
<b>Brief Resume</b>	Shri Madhav Dhir, aged 24 years, is the Executive Director and one of the Promoters of our Company. As an Executive Director, he advises on all strategic matters relating to existing and future business of the Company.
<b>Date of Appointment / Reappointment</b>	9 <sup>th</sup> November, 2015
<b>Expertise in Specific Functional Area</b>	Strategy and Management, Secretarial, Finance, Production and Marketing Department
<b>Disclosure of relationships between Directors inter-se</b>	He is not related to any of the Directors on the Board of the Company.
<b>Names of listed entities in which he holds the directorship as on 31.03.2016</b>	Lords Chloro Alkali Limited
<b>Names of listed entities in which he holds Membership of Committees of the Board as on 31.03.2016</b>	Nil
<b>No. of equity shares held as on 31.03.2016</b>	73,84,582



## BOARD'S REPORT

Your Directors are pleased to present the 37<sup>th</sup> Annual Report together with the Audited Financial Statement of the Company for the financial year ended on 31<sup>st</sup> March, 2016.

### 1. FINANCIAL PERFORMANCE

(Rs. in Lakhs)

Particulars	For the year ended on 31 <sup>st</sup> March, 2016	For the year ended on 31 <sup>st</sup> March, 2015
Sales	9443.41	904.94
Other Income	405.24	98.75
Operating Profit / (Loss) before Interest and Depreciation	1376.64	(237.65)
Interest/ Finance Cost	153.35	23.37
Depreciation	275.28	119.85
Exceptional Items – Gain/ (Loss)	(2.40)	-
Profit/(loss) before tax	945.61	(380.87)
Provision for deferred tax assets (liability)	(196.20)	313.41
Net Profit / (Loss)	749.41	(67.46)

### 2. PERFORMANCE AND STATE OF COMPANY AFFAIRS

Your Company has increased its production capacity to 144 TPD and plans to increase the same substantially to 207 TPD in near future. Further, your Company has also carried out major revamp of the ASHA and UHDE plant for making the entire production process energy efficient.

### 3. MARKETING

The domestic demand for Caustic Soda in 2015-16 is around 3.7 million TPA. The industry is expected to have capacity addition of approx. 1068.8 KT in 2016-17. The growth in demand for Caustic Soda is linked to GDP growth and the Indian Economy is expected to grow at a healthy rate of approx. 8% in 2016-17. Further, Caustic Soda Imports spurted with growth rate of 24% during last 5 years.

The primary growth drivers for Caustic Soda are Alumina, Textiles/ Viscose Fiber, Soaps & Detergents and Pulp & Paper to be used in Electrical power transmission, cables, housing, cans packaging, auto air conditioning etc. There is excellent growth prospects of Alumina @ 6%, generating additional 0.7-0.8 million tons Caustic demand.

## **4 FUTURE OUTLOOK**

The Chlor Alkali sector is showing continuously positive indication after few years. Since, caustic soda serves as a major raw material in the refining process of alumina, growth in the alumina industry is expected to propel the demand for caustic soda in the coming years, thus benefiting the market for chlor alkali chemicals market in the long run.

The Company has already started Caustic Soda production of 144 TPD and shall subsequently targeting the total installed capacity of 334 TPD by revamping the remaining facilities in the coming years. For this purpose the Company will meet out the funds requirement through internal resources viz-a-viz accruals / profits and balance sourcing from bank loan.

As a first step your Company is setting up brand new plant having capacity of 70TPD in its endeavor to increase the production to the optimum level.

Further, in the Union Budget 2016-17, basic custom duties (BCD) on electrolyzers, membranes, and their parts required by caustic soda/ potash units using membrane cell technology has been reduced from 2.5% to Nil. It will help the industry to reduce the cost of capacity expansion.

## **5. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of the Section 152 of Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company, Shri Yuvraj Ahuja, Non-Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible has offered himself for reappointment. Appropriate resolution for his re-appointment is being placed for your approval at the ensuing AGM. The brief resume of Director and other related information has been detailed in the notice convening the 37<sup>th</sup> AGM of your Company. Your Directors recommend his re-appointment as Non-Executive Director of the Company.

The Independent Directors of your Company hold office upto 29<sup>th</sup> September, 2017 and are not liable to retire by rotation.

During the year under review, members approved the re-appointment of Shri Alok Dhir as Non-Executive Director in the AGM held on 30<sup>th</sup> September, 2015. However, Shri Alok Dhir, Director of the Company, resigned w.e.f. 9<sup>th</sup> November, 2015 & on the same date Shri Madhav Dhir was appointed as an Additional Director in the capacity of Non-Executive Director on the Board of the Company and was further appointed/ re-designated as Whole Time Director of the Company w.e.f. 1<sup>st</sup> June, 2016 for a period of three years.

The Company has received the declaration from all Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees of Board and other individual Directors which includes criteria for performance evaluation of the non-executive directors and executive directors.

The Company has considered the Policy for performance evaluation of Independent Directors, Board of Directors, Committees and other individual Directors, and accordingly the process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

The Policy on performance evaluation of Independent Directors, Board of Directors, Committees and other individual Directors covered the role, rights, responsibilities of Independent Director and related matters are put up on the website of the Company at the link [www.lordschloro.com](http://www.lordschloro.com).

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link [www.lordschloro.com](http://www.lordschloro.com).

The following policies of the Company are attached herewith marked as **Annexure A and B**.

- a) Policy for selection of Directors and determining Directors independence:
- b) Remuneration Policy for Directors, Key Managerial Personnel and other employees.

## **6. STATUTORY AUDITORS**

At the 36<sup>th</sup> AGM of your Company, the members had approved the appointment of M/s Gupta Vigg & Co., Chartered Accountants as Statutory Auditors of the Company, to hold office till the conclusion of 37<sup>th</sup> AGM.

The Board of Directors of your Company at its meeting held on 27<sup>th</sup> May, 2016, have on the recommendation of Audit Committee and subject to the approval of members, approved the appointment of M/s Gupta Vigg & Co., Chartered Accountants as Statutory Auditors for five consecutive years to hold the office from conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in the year 2021, subject to ratification by members at every Annual General Meeting.

## **7. COST AUDITORS**

The provisions of section 148 of the Companies Act, 2013 read with Rule 4 & 5 of the Companies (Cost Audit and Record) Rules, 2014, for maintenance of

Cost Records, Cost Audit was not applicable to the Company for the financial year 2015-16.

The Board of Directors of your Company at its meeting held on 27<sup>th</sup> May, 2016, has on the recommendation of Audit Committee, had approved the appointment of M/s Goyal, Goyal & Associates, Cost Accountant as Cost Auditors of your Company to conduct the audit of cost records for the Financial Year 2016-17. The remuneration proposed to be paid to the Cost Auditor subject to your ratification at the 37<sup>th</sup> AGM will be Rs. 25,000 (Rupees Twenty Five Thousand) for the year Financial Year 2016-17.

## **8. SECRETARIAL AUDITOR**

Pursuant to the provisions of section 204 of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company had appointed Shri Sundeep Kumar Parashar, proprietor of M/s SKP & Co., Practising Company Secretary, to conduct Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2016 is annexed herewith marked as **Annexure C** to this Report.

The Board of Directors of your Company at its meeting held on 27<sup>th</sup> May, 2016, has approved the appointment of Shri Sundeep Kumar Parashar, proprietor of M/s SKP & Co., Practising Company Secretary, to conduct Secretarial Audit of the Company for the financial year 2016-17.

## **9. AUDITORS' OBSERVATIONS**

In reference to the Comments mentioned in the Statutory Auditors Report & Secretarial Audit Report for the year 2015-16, we wish to submit the following:

- (i) All the liabilities of the Company had been restructured in 2006 as per the provisions of the rehabilitation scheme. While the Company has received confirmation letters from various parties, however, we are still waiting confirmation from some of the parties, therefore some balances could not be ascertained.
- (ii) Company has not received all the records from old management. We are in the process of reconciliation the records. We shall deposit the whole amount in the Investor Education and Protection Fund (IEPF) as soon as records are reconciled.

During the year under review, no fraud was reported by the Statutory Auditors of the Company under section 143(12) of the Companies Act, 2013.

## **10. SAFETY, ENVIRONMENT PROTECTION & POLLUTION CONTROL**

Your Company is continuously making endeavors to have safe operations by training and conducting various safety mock drills/ safety audits.

Your Company has recently commissioned a water recycling/ purifier plant which has helped to bring down the dosing of chemicals and has also improved the process. We are also implementing a water harvesting system to stop wastage of rain water. This is in line with the Company's policy to safeguard the environment in and outside the factory.

## **11. DIVIDEND AND TRANSFER TO RESERVE**

During the year, the Company has earned a profit of Rs. 749.41 Lakhs, however, keeping in view the future needs, expansion plans and other fund requirements, your Board of Directors did not recommend any dividend for the financial year 2015-16 and Rs. 749.41 Lakhs has been transferred to General Reserve.

## **12. PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES**

The Industrial Relations scenario continued to be cordial. The Company regards its employees as a great asset and accords high priority to training and development of employees. Number of employees as on 31<sup>st</sup> March, 2016 was 332.

Pursuant to the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee is getting salary more than Rupees Sixty Lakhs per annum.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the Reports and Accounts are being sent to all members of the Company excluding the information required in accordance with the Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any member interested in obtaining such information may write to the Chief Financial Officer at the registered office or the corporate office of the Company.

Disclosures pertaining to remuneration and other details of Directors and KMPs are provided in the Extract of Annual Return annexed herewith marked as **Annexure E** to this Report.

## **13. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state that:

a) in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and 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 as at the financial year ended on 31<sup>st</sup> March, 2016 and of the profit of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a 'going concern' basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating.

#### **14. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGOING.**

In compliance with provisions of clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 the statements giving the required information relating to energy conservation, technology absorption, foreign exchange earnings and outgoings is annexed herewith marked as **Annexure D** to this Report.

#### **15. EXTRACT OF ANNUAL RETURN**

Extract of Annual Return of the Company is annexed herewith marked as **Annexure E** to this Report.

#### **16. PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

#### **17. CORPORATE GOVERNANCE REPORT**

Pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance and a Certificate from the Practicing Company Secretary confirming the compliance with conditions of corporate governance are annexed herewith to this Report.

Further as per the above mentioned regulation and Schedule, the Report on Management Discussion & Analysis is also annexed herewith to this Report.

A certificate from Managing Director and Chief Financial Officer of the Company in terms of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, *inter alia* confirming the correctness of financial statements and cash flow statements, adequacy of internal control measures and reporting of matters was placed before the audit committee and the Board.

## **18. RISK MANAGEMENT**

The Company has constituted a Risk Management Committee which ensures that the Company has an appropriate and effective Enterprise Risk Management system with appropriate policies and processes which carries out risk assessment and ensures that risk mitigation plans are in place by validating the same at regular intervals.

Brief details about the policy are provided in the Corporate Governance Report.

## **19. MEETINGS OF THE BOARD**

Seven meetings of the Board of Directors were held during the year. For further details, please refer section of Report on Corporate Governance of this Annual Report.

## **20. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED**

During the year, there was no loan given, investment made, guarantees given or securities provided by the Company.

## **21. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with applicable laws and as per the policy of the Company on Materiality of Related Party Transactions.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.lordschloro.com>.

Your Directors draw attention of the members to Note 30 to the financial statement which sets out related party disclosures.

## **22. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

This mechanism provides adequate safeguards against victimization of

director(s) / employee(s) and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

The details of establishment of such mechanism disclosed at the website of the Company [www.lordschloro.com](http://www.lordschloro.com).

## **23. DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS**

Your Company has put in place adequate internal financial controls with reference to the financial statements, some of which are outlined below.

Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 1956, to the extent applicable. These are in accordance with generally accepted accounting principles in India.

The Management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary action, wherever necessary.

## **24. GENERAL**

Your Directors state that during the year under review, there was no case reported pursuant to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

## **25. ACKNOWLEDGEMENT**

Your Directors wish to convey their deep appreciation to all the Company's employees/workers for their dedication and hard work as well as their collective contribution to the Company's performance.

The Directors would also like to thank the Members, Customers, Dealers, Suppliers, Bankers, Financial Institutions, Government Authorities and all other business associates for continued support given by them to the Company and their confidence in its management.

**For and on behalf of the Board of Directors**  
**Lords Chloro Alkali Limited**

**Place : New Delhi**  
**Date : 27<sup>th</sup> May 2016**

**(Ajay Virmani)**  
**Mg. Director**

**(Yuvraj Ahuja)**  
**Director**

**(Madhav Dhir)**  
**Director**



## **ANNEXURE A TO THE BOARD'S REPORT**

### **POLICY FOR THE SELECTION AND APPOINTMENT OF DIRECTORS TO THE BOARD**

#### **Policy**

The Company's primary concern in relation to the composition of the Board is to have a well balanced group with a variety of backgrounds, skills and experience. The priority in the nomination of a proposed board member is to identify their respective skills that will add value to the Company and which may not exist in the present composition of board members.

#### **Procedure**

Any Board member may recommend a candidate for a Board position to the Nomination and Remuneration Committee which shall be responsible for identifying whether the nominee meets the criteria, is suitable and whether a position exists.

If considered acceptable by the Nomination and Remuneration Committee the candidate is introduced to the other directors and a vote taken at a Board meeting as to the appointment of the candidate to the Board.

In terms of the Constitution, a person appointed as a director by the Board, retires at the next Annual General Meeting and is eligible for election as a director by the Members.

#### **Criteria**

Appointment of Board members is to be considered keeping in mind a broad range of criteria *inter alia* including but not be limited to qualifications, skills, industry experience, background, integrity and other qualities required to successfully fulfill his/her responsibilities and obligations as the member of the Board.

#### **Criteria for Independent Director**

1. For the purpose of this clause, the expression 'independent director' shall mean a non-executive director, other than a nominee director of the Company:
  - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - b. (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company;

- (ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate Company;
- c. apart from receiving director's remuneration, has or had no material pecuniary relationship with the Company, its holding, subsidiary or associate Company or their promoters or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company or their promoters or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e. who, neither himself nor any of his relatives —
- (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
- (A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
- (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten percent or more of the gross turnover of such firm;
- (iii) holds together with his relatives two percent or more of the total voting power of the Company; or
- (iv) is a Chief Executive Officer or director, by whatever name called, of any non-profit organisation that receives twenty-five percent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the Company;
- (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- f. who is less than 21 years of age.

**Other directorships / committee memberships**

The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance.

The Nomination and Remuneration Committee shall take into account the nature of and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies. A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.-

## **ANNEXURE B TO THE BOARD'S REPORT**

### **Nomination and Remuneration Policy**

This Nomination and Remuneration Policy applies to the Board of Directors (the "Board"), Key Managerial Personnel (the "KMP") and the Senior Management Personnel of Lords Chloro Alkali Limited (the "Company").

#### **"Key Managerial Personnel" (KMP) means -**

- (i) The Chief Executive Officer or the Managing Director or the Manager;
- (ii) The Company Secretary;
- (iii) The Whole-time Director;
- (iv) The Chief Financial Officer; and
- (v) Such other officer as may be prescribed;

The term "Senior Management" means all personnel of the Company who are members of its core management team excluding members of the Board of Directors, comprising all members of management one level below the executive directors, including the functional heads.

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

#### **1. Purpose**

The primary objective of the Policy is to provide a framework and set standards for the nomination and remuneration of Directors, Key Managerial Personnel and other employee comprising the senior management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

#### **2. Accountabilities**

- 2.1 The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.
- 2.2 The Board had delegated responsibility for assessing and selecting the candidates for the enrolment of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

#### **3. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee is responsible for:

- 3.1 Identifying individuals suitably qualified to be appointed as the Director and KMPs or as in the Senior Management of the Company;

- 3.2 Recommending to the Board on the selection of individuals nominated for directorship;
- 3.3 Making recommendations to the Board on the remuneration payable to the Directors/KMPs/Senior Officials so appointed/reappointed;
- 3.4 Assessing the independence of Independent Directors;
- 3.5 Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provisions of the Companies Act 2013 and Rules there under.
- 3.6 To make recommendations to the Board concerning any matters relating to the continuation in office of any Director, Senior Management at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- 3.7 Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

The Nomination and Remuneration Committee comprises of the following:

- a) The Committee shall consist of a minimum 3 or more non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee and Nomination and Remuneration policy shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

## **CHAIRMAN**

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the Members' queries.

## **COMMITTEE MEMBERS' INTERESTS**

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## **VOTING**

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

## **4. Appointment of Directors/ KMPs/ Senior Officials**

4.1 Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP/ a level below KMP are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee has regard to:

- Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
- The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
- The skills and experience that the appointee brings to the role of KMP/Senior Official and how an appointee will enhance the skill sets and experience of the Board as a whole;
- The nature of existing positions held by the appointee including directorships or other relationships and
- The impact they may have on the appointee's ability to exercise independent judgment;

4.2 Personal specifications to be broadly considered:

- Holding relevant education qualification in relevant disciplines;
- Experience of management in a diverse organization;
- Excellent interpersonal, communication and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;

- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- Having continuous professional development to refresh knowledge and skills.

## **5. Letters of Appointment**

Each Director/KMP/Senior Officials is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

## **6. Remuneration of Directors, Key Managerial Personnel and Senior Management**

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials. The Directors, Key Management Personnel and other senior official's salary shall be based & determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nominations & Remuneration Committee determines individual remuneration packages for Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines.

### **i) Remuneration:**

#### **a) Base Compensation (fixed salaries)**

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

#### **b) Variable salary:**

The nomination and remuneration committee may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

**ii) Statutory Requirements:**

- Section 197(5) provides for remuneration by way of a fee to a director for attending meetings of the Board of Directors and Committee meetings or for any other purpose as may be decided by the Board.
  - Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors including managing director and whole time director and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 as prescribed under the Act.
  - The Company with the approval of the Members and Central Government may authorise the payment of remuneration exceeding eleven percent of the net profits of the Company, subject to the provisions of Schedule V.
  - The Company may with the approval of the Members authorise the payment of remuneration upto five percent of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.
  - The Company may pay remuneration to its directors, other than Managing Director and Whole Time Director upto one percent of the net profits of the Company, if there is a managing director or whole time director or manager and three percent of the net profits in any other case.
  - The net profits for the purpose of the above remuneration shall be computed in the manner referred to in Section 198 of the Companies Act, 2013.
- 6.1 The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.
- 6.2 The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.



- 6.3 The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

**7. Evaluation/ Assessment of Directors/ KMPs/Senior Officials of the Company –**

The evaluation/ assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis on such criteria as may be deemed fit and appropriate.

The Executive Directors/ Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the such parameters as may be deemed fit and appropriate. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

**ANNEXURE C TO THE BOARD'S REPORT****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED  
31.03.2016**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Lords Chloro Alkali Limited  
CIN: L24117RJ1979PLC002099  
Delhi.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Lords Chloro Alkali Limited (hereinafter called "the Company"). Secretarial Audit was Conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder as applicable;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines, wherever applicable, prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- VI. Following are some of the significant laws which are specifically applicable to the Company in addition to the general laws:
  - a. Environment Protection Act, 1986
  - b. The Water (Prevention & Control of Pollution) Act 1974 read with Water (Prevention & Control of Pollution) Rules, 1975
  - c. The Air (prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982
  - d. Explosives Act, 1889
  - e. Manufacture Storage & import of Hazardous and Chemicals Rules, 1989
  - f. Public liability Insurance Act, 1991, as amended
  - g. Gas Cylinder Rules, 1981
  - h. The Hazardous wastes (Management, Handling & Trans boundary Movement) Rules, 2008

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and Delhi Stock Exchange Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to observation that the Company has not transferred an amount of

Rs 11.64 lakhs to the Investor Education and Protection Fund as required under the provisions of Section 125 of the Companies Act 2013, however this outstanding amount due for transfer, belongs to a period much prior to the financial year under review and as per explanation given to us, the delay in deposit, is due to pending reconciliation of old relevant records and the Company is taking steps to reconcile these accounts and deposit the same with appropriate authorities .

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except where a meeting was called on shorter notice as per the prescribed procedure, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period, the Company has not undertaken such events as public, rights or preferential issue of shares, debentures or sweat equity; redemption or buy-back of securities; major decisions by the Members in pursuance to Section 180 of the Companies Act, 2013; merger, amalgamation or reconstruction; Foreign Technical Collaboration or any other like event(s)/ action(s) having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For SKP & Co.**  
**Company Secretaries**

**(CS Sundeep K. Parashar)**

**Date : 20.05.2016**

**M. No. : FCS 6136**

**Place : Vaishali**

**C.P. No. : 6575**

*Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.*

**Annexure A to Secretarial Audit Report**

**To,  
The Members,  
Lords Chloro Alkali Limited,  
CIN: L24117RJ1979PLC002099**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial record and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report 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

**For SKP & Co.  
Company Secretaries**

**(CS Sundeep K. Parashar)**

**Date : 20.05.2016  
Place : Vaishali**

**M. No. : FCS 6136  
C.P. No. : 6575**

**ANNEXURE D TO THE BOARD'S REPORT****Form - A****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION.****A. CONSERVATION OF ENERGY**

- Company has carried out major revamp of UHDE plant from 2<sup>nd</sup> generation to 4<sup>th</sup> generation for making the entire production process energy efficient.
- Company has carried out major revamp of Rectifier and Rectifier transformer to make the system energy efficient and there is ongoing programme to procure more efficient Rectifier.
- Energy meters have been calibrated and energy consumption will be tracked to ensure optimum energy for various processes.
- Entire electrical distribution network has been revamped to avoid losses in distribution system.
- Instrumentation has been revamped so that process could be operated more critically with optimum power consumption.
- Old motors and equipments are being replaced with energy efficient motors/equipment.
- It is an ongoing process at Lords Chloro Alkali Limited to monitor the energy consumption figures and these are analyzed regularly, modifications carried out as and when required with a view to optimize energy consumption.

**B. TECHNOLOGY ABSORPTION & INNOVATION**

Technology up-gradation and training on energy conservation are continuous practice in the Company and due care is being given to this aspect in the revamp.

**C. ASSISTANCE TO ANCILLARY INDUSTRIES**

Company provides continuous assistance to CPW manufacturers (Ancillary Units) in the vicinity by providing necessary technical support and also aids/tools to handle gas leakage situation.

**FORM- B****FOREIGN EXCHANGE EARNING AND OUTGOING**

The total foreign exchange earned and used:

(Rs. in Lakh)

		<b>For the year ended on 31<sup>st</sup> March, 2016</b>	<b>For the year ended on 31<sup>st</sup> March, 2015</b>
(i)	Earned	--	--
(ii)	Used	275.87	719.53

## ANNEXURE E TO THE BOARD'S REPORT

### FORM NO. MGT 9

**(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.)**

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2016

#### I REGISTRATION & OTHER DETAILS:

i	<b>CIN</b>	L24117RJ1979PLC002099
ii	<b>Registration Date</b>	1 <sup>ST</sup> MARCH, 1979
iii	<b>Name of the Company</b>	LORDS CHLORO ALKALI LIMITED
iv	<b>Category of the Company</b>	LIMITED COMPANY
v	<b>Address of the Registered office &amp; contact details</b>	
	<b>Address :</b>	SP-460, MATSYA INDUSTRIAL AREA,
	<b>Town / City :</b>	ALWAR
	<b>State :</b>	RAJASTHAN- 301030
	<b>Country Name :</b>	INDIA
	<b>Telephone (with STD Code) :</b>	0144-3202817
	<b>Fax Number :</b>	0144-2881360
	<b>Email Address :</b>	<a href="mailto:secretarial@lordschloro.com">secretarial@lordschloro.com</a>
	<b>Website, if any:</b>	<a href="http://www.lordschloro.com">www.lordschloro.com</a>
vi	<b>Whether listed Company</b>	YES
vii	<b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b>	
	<b>Name of RTA:</b>	ALANKIT ASSIGNMENTS LIMITED
	<b>Address :</b>	"ALANKIT HEIGHTS" (RTA DIVISION)
	<b>Town / City :</b>	1E/13, JHANDEWALAN EXTN.
	<b>State :</b>	NEW DELHI
	<b>Pin Code:</b>	110055
	<b>Telephone :</b>	011-42541234 & 23541234
	<b>Fax Number :</b>	011-41543474
	<b>Email Address :</b>	<a href="mailto:rta@alankit.com">rta@alankit.com</a>

#### II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

1
---

	All the business activities contributing 10 % or more of the total turnover		
Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Manufacturing of Caustic Soda (Flakes & lye) and its derivatives like etc.	20119	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – Nil

	No. of Companies for which information is being filled				Nil
Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	NA	NA	NA	NA	NA

**iv. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	13122039	250000	13372039	53.16%	13372039	0	13372039	53.16%	0.00%
b) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Bodies Corp.	2406474	555555	2962029	11.78%	2962029	0	2962029	11.78%	0.00%
e) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-total (A)(1):-	15528513	805555	16334068	64.94%	16334068	0	16334068	64.94%	0.00%
(2) Foreign									
a) NRI - Individual	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Other - Individual	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Any Others	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-total (A)(2):-	15528513	805555	16334068	64.94%	16334068	0	16334068	64.94%	0.00%
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	15528513	805555	16334068	64.94%	16334068	0	16334068	64.94%	0.00%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	105	215	320	0.00%	105	215	320	0.00%	0.00%
b) Banks / FI	75	10254	10329	0.04%	75	10254	10329	0.04%	0.00%
c) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt(s)	0	23000	23000	0.09%	17708	0	17708	0.07%	-0.02%
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Insurance Companies	38953	0	38953	0.15%	36412	0	36412	0.14%	-0.01%
g) FIIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-total (B)(1):-	39133	33469	72602	0.29%	54300	10469	64769	0.26%	-0.03%
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	2509006	2184448	4693454	18.66%	1336983	2056668	3393651	13.49%	-5.17%
ii) Overseas	0	1321	1321	0.01%	0	1321	1321	0.01%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	183140	864095	1047235	4.16%	241135	846592	1087727	4.32%	0.16%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1027584	1756703	2784287	11.07%	2248791	1907303	4156094	16.52%	5.45%
c) Others (specify)	105666	115228	220894	0.88%	1390	114841	116231	0.46%	-0.42%
Sub-total (B)(2):-	3825396	4921795	8747191	34.77%	3828299	4926725	8755024	34.80%	0.03%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3864529	4955264	8819793	35.06%	3882599	4937194	8819793	35.06%	0.00%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Grand Total (A+B+C)</b>	<b>19393042</b>	<b>5760819</b>	<b>25153861</b>	<b>100.00%</b>	<b>20216667</b>	<b>4937194</b>	<b>25153861</b>	<b>100.00%</b>	<b>0.00%</b>



**ii Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Alok Dhir	6371000	25.33%	13.00%	0	0.00%	0.00%	-25.33%
2.	Rakesh Ahuja	3331447	13.24%	13.00%	3331447	13.24%	0.00%	0.00%
3.	Matrix Dotcom Infonet Pvt. Ltd.	1780000	7.08%	0.00%	1780000	7.08%	0.00%	0.00%
4.	Maneesha Dhir	1020000	4.06%	0.00%	1020000	4.06%	0.00%	0.00%
5.	Madhav Dhir	1013582	4.03%	0.00%	7384582	29.36%	0.00%	25.33%
6.	Shiva Consultants Pvt. Ltd.	1182029	4.70%	0.00%	1182029	4.70%	0.00%	0.00%
7.	Jyoti Ahuja	386010	1.53%	0.00%	386010	1.53%	0.00%	0.00%
8.	Yuvraj Ahuja	1250000	4.97%	0.00%	1250000	4.97%	0.00%	0.00%
	<b>TOTAL</b>	<b>9963068</b>	<b>64.94%</b>	<b>13.00%</b>	<b>16334068</b>	<b>64.94%</b>	<b>0.00%</b>	<b>0.00%</b>

**iii Change in Promoters' Shareholding (please specify, if there is no change)**

Sl No.	Shareholder's Name	Shareholding					Cumulative shareholding during the year 01-04-15 to 31-03-16	
		No. of Shares at 01.04.2015 (Beginning)/ 31.03.2016 (at the end)	% of total Shares of the Company	Date	Increase/ Decrease in share holding	Reason	No. of Shares	% of total shares of the Company
1.	Alok Dhir	6371000	25.33%	01-04-2015				
				11-06-2015	-3100000	Transfer	3271000	13%
				19-02-2016	-3271000	Transfer	0	0
		0	0	31-03-2016			0	0
2.	Rakesh Ahuja	3331447	13.24%	01-04-2015				
					0	No Movement		
		3331447	13.24%	31-03-2016			3331447	13.24%
3.	Madhav Dhir	1013582	4.03%	01-04-2015				
				11-06-2015	3100000	Transfer	4113582	13.00%
				19-02-2016	3271000	Transfer	7384582	29.36%
		7384582	29.36%	31-03-2016			7384582	29.36%
4.	Yuvraj Ahuja	1250000	4.97%	01-04-2015				
					0	No Movement		
		1250000	4.97%	31-03-2016			1250000	4.97%
5.	Maneesha Dhir	1020000	4.06%	01-04-2015				
					0	No Movement		
		1020000	4.06%	31-03-2016			1020000	4.06%
6.	Jyoti Ahuja	386010	1.53%	01-04-2015				
					0	No Movement		
		386010	1.53%	31-03-2016			386010	1.53%
7.	Matrix Dotcom Infonet Pvt. Ltd.	1780000	7.08%	01-04-2015				
					0	No Movement		
		1780000	7.08%	31-03-2016			1780000	7.08%
8.	Shiva Consultants Pvt. Ltd.	1182029	4.70%	01-04-2015				
					0	No Movement		
		1182029	4.70%	31-03-2016			1182029	4.70%

**iv Shareholding Pattern of top 10 shareholders( other than Director, Promoter and holder's of ADR & GDR)**

Sl No.	Shareholder's Name	Shareholding					Cumulative shareholding during the year 01-04-15 to 31-03-16	
		No. of Shares at 01.04.2015 (Beginning) / 31.03.2016 (at the end)	% of total Shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total shares of the Company
1.	Paras Wadhwa	1243792	4.94%	01-04-2015				
					0	No Movement		
		1243792	4.94%	31-03-2016			1243792	4.94%
2.	Bhavya Sahni	821868	3.27%	01-04-2015				
					0	No Movement		
		821868	3.27%	31-03-2016			821868	3.27%
3.	Sahni Lal Charanjit	0	0	01-04-2015				
				30-10-2015	550000	Transfer	550000	2.19%
				06-11-2015	200000	Transfer	750000	2.98%
				31-12-2015	50000	Transfer	800000	3.18%
		800000	3.18%	31-03-2016			800000	3.18%
4.	Turnaround Consultants Pvt Ltd	750020	2.98%	01-04-2015				
				27-04-2015	-50000	Transfer	700020	2.78%
		700020	2.78%	31-03-2016			700020	2.78%
5.	Atul Kumar Singh	0	0	01-04-2015				
				24-04-2015	374380	Transfer	374380	1.49%
				27-04-2015	150620	Transfer	525000	2.09%
		525000	2.09%	31-03-2016			525000	2.09%
6.	JFC Finance (India) Ltd.	639142	2.54%	01-04-2015				
				24-04-2015	-134380	Transfer	504762	2.01%
				27-04-2015	-100620	Transfer	404142	1.60%
		404142	1.60%	31-03-2016			404142	1.60%
7.	Isleworth Waste Management & Recyclers Pvt. Ltd.	0	0	01-04-2015				
				08-06-2015	391598	Transfer	391598	1.56%
		391598	1.56%	31-03-2016			391598	1.56%
8.	Eva Exporters Pvt. Ltd.	375000	1.49%	01-04-2015				
					0	No Movement		
		375000	1.49%	31-03-2016			375000	1.49%
9.	Abhisar Estates Pvt. Ltd.	318246	1.27%	01-04-2015				
					0	No Movement		
		318246	1.27%	31-03-2016			318246	1.27%
10.	Zafar Ali	280000	1.11%	01-04-2015				
					0	No Movement		
		280000	1.11%	31-03-2016			280000	1.11%

**v Shareholding of Directors and Key Managerial Personnel:**

Sl No.	Director's and KMP Name	Shareholding					Cumulative shareholding during the year 01-04-15 to 31-03-16	
		No. of Shares at 01.04.2015 (Beginning)/ 31.03.2016 (at the end)	% of total Shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total shares of the Company
1.	Alok Dhir	6371000	25.33%	01-04-2015				
				11-06-2015	-3100000	Transfer	3271000	13%
				19-02-2016	-3271000	Transfer	0	0
		0	0	31-03-2016			0	0
2.	Rakesh Ahuja	3331447	13.24%	01-04-2015				
					0	No Movement		
		3331447	13.24%	31-03-2016			3331447	13.24%
3.	Madhav Dhir	1013582	4.03%	01-04-2015				
				11-06-2015	3100000	Transfer	4113582	13.00%
				19-02-2016	3271000	Transfer	7384582	29.36%
		7384582	29.36%	31-03-2016			7384582	29.36%
4.	Yuvraj Ahuja	1250000	4.97%	01-04-2015				
					0	No Movement		
		1250000	4.97%	31-03-2016			1250000	4.97%
5.	Rajbir Singh Makhni	50300	0.20%	01-04-2015				
					200	Transfer	50500	0.20%
		50500	0.20%	31-03-2016			50500	0.20%
6.	Ajay Virmani	0	0	01-04-2015				
					0	No Movement		
		0	0	31-03-2016			0	0
7.	Poonam Rawat	0	0	01-04-2015				
					0	No Movement		
		0	0	31-03-2016			0	0
8.	Pawan Kumar Nayyar	0	0	01-04-2015				
					0	No Movement		
		0	0	31-03-2016			0	0
9.	Sandeep Chaudhari	0	0	01-04-2015				
					0	No Movement		
		0	0	31-03-2016			0	0
10.	Chander Shakher Pathak	0	0	01-04-2015				
					0	No Movement		
		0	0	31-03-2016			0	0
11.	Deepak Mathur	0	0	01-04-2015				
					0	No Movement		
		0	0	31-03-2016			0	0
12.	Shiv Dutt Sharma	0	0	01-04-2015				
					0	No Movement		
		0	0	31-03-2016			0	0
13.	Rajiv Kumar	0	0	01-04-2015				
					0	No Movement		
		0	0	31-03-2016			0	0
14.	Santosh Kumar	0	0	01-04-2015				
					0	No Movement		
		0	0	31-03-2016			0	0

**V INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	12,00,00,000.00	39,04,81,664.00	0	51,04,81,664.00
ii) Interest due but not paid	0	37,79,591.00	0	37,79,591.00
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	12,00,00,000.00	39,42,61,255.00	0	51,42,61,255.00
<b>Change in Indebtedness during the financial year</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
* Addition	19,65,42,707.08	9,47,24,000.00	0	29,12,66,707.08
* Reduction	12,00,96,277.28	5,32,79,591.00	0	17,33,75,868.28
Net Change	7,64,46,429.80	4,14,44,409.00	0	11,78,90,838.80
<b>Indebtedness at the end of the financial year</b>	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
i) Principal Amount	19,64,46,429.80	43,57,05,664.00	0	63,21,52,093.80
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	<b>19,64,46,429.80</b>	<b>43,57,05,664.00</b>	<b>0</b>	<b>63,21,52,093.80</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

S I . no.	Particulars of Remuneration	Name of MD/ WTD/ Manger		
		Ajay Virmani (Managing Director)	Deepak Mathur (Director Technical)	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5609000.00	25,11,041.00	81,20,041.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify	0	0	0
5.	Others, please specify	0	0	0
	Total (A)	56,09,000.00	25,11,041.00	81,20,041.00
	Ceiling as per the Act	84,00,000.00	42,00,000.00	1,26,00,000.00

**B. Remuneration to other directors:**

S I . no.	Particulars Remuneration	Name of Directors						Total Amount
		Poonam Rawat	Chandra Shakher Pathak	Rajbir Singh Makhni	Pawan Kumar Nayyar	Shiv Dutt Sharma	Sandeep Chaurdhari	
1.	Independent Directors	0	0	0	0	0	0	0
	Fee for attending board committee meetings	0	0	0	0	0	0	0
	Commission	0	0	0	0	0	0	0
	Others, please specify	0	0	0	0	0	0	0
	Total (1)	0	0	0	0	0	0	0

2.	Other Non-Executive Directors	Rakesh Ahuja	Madhav Dhir	Yuvraj Ahuja		
	Fee for attending board committee meetings	0	0	0		0
	Commission	0	0	0		0
	Others, please specify	0	0	0		0
	Total (2)	0	0	0		0
	Total (B)=(1+2)	0	0	0		0
	Total Managerial Remuneration	0	0	0		0
	Overall Ceiling as per the Act	-	-	-		-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

Sl. no.	Particulars of Remuneration	KEY MANAGERIAL PERSONNEL		
		Chief Financial Officer	Company Secretary	Total Amount
1.	Gross salary	7,68,185.00*	69,377.00**	8,37,562.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify	0	0	0
5.	Others, please specify	0	0	0
	Total (A)	7,68,185.00	69,377.00	8,37,562.00

\* Chief Financial Officer of the Company was appointed on 20<sup>th</sup> August, 2015.

\*\* Company Secretary of the Company was appointed on 19<sup>th</sup> February, 2016.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

## Management Discussion and Analysis

The Board of Directors of the Company is well aware of the challenges and opportunities available to the Company and has carved out the future plans for the Company accordingly.

Your Company is operating only in one segment i.e. manufacturing of chemicals like Caustic Soda, Chlorine, Hydrogen and HCL acid. The Company has been running its plant at 107 TPD during the year and is in process of increasing the production shortly by 37TPD. The Company is also embarking upon increasing the capacity to 207 TPD during the financial year 2016-17.

Being a good corporate citizenry your Company has already installed instruments for online monitoring of the water and air pollution levels. These instruments are linked to the online portal of the Central Board for Control of Pollution. We are also in process of installing more RO's at plant to provide recycled water for processing requirements and putting endeavor for healthy environment in place. This shows Company's commitment to social responsibility by adhering to prescribed safe environmental norms.

The Indian economy grew 7.5% in FY 2015-16 compared to 7.2% in FY 2014-15 which is one of the highest in the world. The outlook of Indian economy is very strong as low inflation, declining fiscal deficit, forecast for good rainfall and favourable government policies are likely to boost growth across all sectors of economy. The real GDP growth for the country is expected to be around 8% FY 2016-17. Caustic Soda is a feedstock to many industries which are linked to the growth of economy. Aluminum, paper, soap, textiles, pharma are major consumers of the products of the Company and all these sectors are growing at a healthy pace.

Risk management is an integral part of the Company's operations as it protects the Company from uncertainties due to various external and internal factors. It helps in strengthening business operations through better planning and being prepared to face challenges.

## **CORPORATE GOVERNANCE REPORT**

### **1. Company's philosophy on Code of Corporate Governance.**

At LCAL, Corporate Governance philosophy essentially is the system by which the Company is directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investors' confidence and commitment to the Company. The Company's Corporate Governance principles are fair, transparent, ethical processes and good practices.

LCAL recognizes the importance of transparency and integrity in dealing at all levels. The Company believes that the goodwill resulting from implementing a code of business ethics will, in due course, translate into economic gains. Stakeholders rate the companies higher that are managed properly and also have better Corporate Governance, which also ensures the optimum use of the human, physical and financial resources of an enterprise. The Company has integrated ethics into its corporate culture and concentrates on putting appropriate Corporate Governance mechanisms in place.

### **2. Board of Directors**

#### **Composition of Board**

- i) At present the Board has an optimum combination of executive, non-executive and independent directors, comprising of experts from various fields/ professions, consisting of 11 Directors. 3 are Executive Directors, 2 are Non Executive Directors and 6 are Independent Directors.
- ii) The composition of the Board of directors of the Company is in accordance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **Board Meetings**

The Meeting of the Board of Directors and its Committees are scheduled well in advance and generally held at the Company's corporate office in New Delhi. The Board meets atleast once a quarter to review the quarterly performance and financial results.

During the financial year 2015-16, Seven (7) Board Meetings were held on 01.04.2015, 30.05.2015, 12.08.2015, 26.08.2015, 09.11.2015, 29.12.2015 and 09.02.2016.

#### **Membership, Attendance and Other Directorship**

The composition of the Board and attendance of each director at Board Meetings held during the financial year ended on 31.03.2016 and last Annual General Meeting and number of other Directorships and Chairmanship / Membership of Committees of the Board are as under:

Sl. No.	Name of Directors	Attendance		Category	Directorship in other Public Co.	Committee	
		Board Meeting	Last AGM			Chairman	Member
1	Shri Alok Dhir*	5	N	Promoter Non-Executive	1	-	-
2	Shri Rakesh Ahuja	2	N	Promoter Non-Executive	3	1	-
3.	Shri Madhav Dhir**	3	N	Promoter Executive	-	-	-
4	Shri Yuvraj Ahuja	6	Y	Promoter Non-Executive	1	-	-
5	Shri Ajay Virmani	7	Y	Managing Director-Executive Director	-	-	2
6	Shri Pawan Kumar Nayyar	2	N	Independent Director	-	-	-
7	Shri Sandeep Chaudhari	5	N	Independent Director	-	-	-
8	Ms. Poonam Rawat	7	Y	Independent Director	-	-	-
9	Shri Rajbir Singh Makhni	7	Y	Independent Director	1	1	1
10	Shri Shiv Dutt Sharma	5	N	Independent Director	-	-	-
11	Shri Chandra Shaker Pathak	7	N	Independent Director	-	-	1
12	Shri Deepak Mathur	3	N	Director (Technical) Executive Director	-	-	-

\* Resigned as Director from the Company w.e.f. 9<sup>th</sup> November, 2015.

\*\* Appointed as Director on the Board of Directors of the Company w.e.f. 9<sup>th</sup> November, 2015 and Whole Time Director w.e.f. 1<sup>st</sup> June, 2016

Shri Alok Dhir is father of Shri. Madhav Dhir and Shri Rakesh Ahuja is father of Shri Yuvraj Ahuja.

No. of share held by Non-Executive Directors as on 31<sup>st</sup> March, 2016 are provided below:

S.No.	Name of Director	No. of Equity Shares
1.	Shri Rakesh Ahuja	3331447
2.	Shri Madhav Dhir	7384582
3.	Shri Yuvraj Ahuja	1250000
4.	Shri Rajbir Singh Makhni	50500

## Remuneration of Directors:

The details of the Remuneration paid to the Directors of the Company are stated in the Extract of the Annual Return in Form MGT- 9 which forms part of the Board's Report in this report and is annexed herewith as Annexure E.

## Independent Directors:

The Independent Directors of your Company have been appointed by the members of your Company at their AGM held on 30<sup>th</sup> September, 2014 for a tenure of 3 (three) years upto 29<sup>th</sup> September, 2017. The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013. A sample letter of appointment is available on the website of your Company and can be accessed at the link [www.lordschloro.com](http://www.lordschloro.com).

## Independent Directors' Meeting:

During the year under review, the Independent Directors met on 26<sup>th</sup> August, 2015, without the attendance of Non-Independent Directors and members of



the management, inter alia, to discuss on the following:

- To review the performance of the Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of your Company, taking into account views of Executive / Non- Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between your Company's management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

### **Board Committees**

To enable better and more focused attention on the affairs of the Company, the Board delegates particular matters to Committees of the Board set up for the purpose. These committees prepare the ground work for decision making and report at the next Board Meeting.

### **3. Audit Committee:**

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Members of the Audit Committee possess financial / accounting expertise / exposure.

#### **A. Powers of Audit Committee**

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **B. Role of Audit Committee**

The role of the Audit Committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.

- d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the board for approval;
  6. Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  8. Approval or any subsequent modification of transactions of the Company with related parties;
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the Company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors of any significant findings and follow up there on;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  16. Discussion with Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, Members (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the Whistle Blower mechanism.

19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee of Directors of the Company comprised of three Directors including Independent Directors and Executive Directors.

### **Composition & Meetings:**

The constitution of the Audit Committee are as follows:-

- |    |                             |          |
|----|-----------------------------|----------|
| 1. | Shri Rajbir Singh Makhni    | Chairman |
| 2. | Shri Chandra Shakher Pathak | Member   |
| 3. | Shri Ajay Virmani           | Member   |

During the financial year 2015-16, Five (5) Audit Committee Meetings were held on 30.05.2015, 12.08.2015, 09.11.2015, 29.12.2015 and 09.02.2016.

Attendance of the members at the meetings was as follows:

Sl. No.	Name of Members	Status	Nos. of Meeting attended
1.	Shri Rajbir Singh Makhni	Chairman	5
2.	Shri Chandra Shakher Pathak	Member	5
3.	Shri Ajay Virmani	Member	5

### **4. Nomination and Remuneration Committee (NRC)**

NRC identifies persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment, remuneration & removal and shall carry out evaluation of every directors performance.

**The terms of reference of NRC shall, inter-alia, include the following:**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board for their appointment and removal.

**Composition & Meetings:**

Committee consists of three Directors and all of them are Independent Directors and Non-Executive Directors.

The constitution of the Nomination and Remuneration Committee are as follows:

- |    |                          |          |
|----|--------------------------|----------|
| 1. | Shri Sandeep Chaudhari   | Chairman |
| 2. | Shri Rajbir Singh Makhni | Member   |
| 3. | Ms. Poonam Rawat         | Member   |

During the Financial Year 2015-16 three meetings of NRC were held on 12.08.2015, 09.11.2015 and 09.02.2016.

Attendance of the members at the meetings was as follows:

Sl. No.	Name of Members	Status	Nos. of Meeting attended
1.	Shri Sandeep Chaudhari	Chairman	3
2.	Shri Rajbir Singh Makhni	Member	3
3.	Ms. Poonam Rawat	Member	3

**5. Stakeholders Relationship Committee (SRC)**

The Committee looks into the Redressal of Members grievances like transfer of shares, non-receipt of annual report, dividend/ warrant etc.

**Terms of Reference of the Committee, *inter alia*, includes the following:**

- Oversee and review all matters connected with the transfer of the Company's securities.
- Recommend to the Board to approve the issue of duplicate share / debenture certificates.
- Consider, resolve and monitor redressal of investors' / Members' / security holders' grievances related to transfer of securities, non-receipt of Annual Report, non-receipt of declared dividend etc.
- Oversee the performance of the Company's Registrars and Transfer Agents.
- Perform such other functions as may be necessary or appropriate for the performance of its duties.

**Composition & Meetings:**

Stakeholders and Relationship Committee is consisting of three Directors including Independent Directors.

- |    |                          |          |
|----|--------------------------|----------|
| 1. | Shri Rakesh Ahuja        | Chairman |
| 2. | Shri Rajbir Singh Makhni | Member   |
| 3. | Shri Ajay Virmani        | Member   |

During the financial year 2015-16, Four (4) meetings of SRC were held on 30.05.2015, 12.08.2015, 09.11.2015 and 09.02.2016.

Attendance of the members at the meetings was as follows:

Sl. No.	Name of Members	Status	No. of Meeting attended
1.	Shri Rakesh Ahuja	Chairman	2
2.	Shri Rajbir Singh Makhni	Member	4
3.	Shri Ajay Virmani	Member	4

### Compliance Officer

Shri Santosh Kumar, Company Secretary, is the Compliance Officer for complying with requirements of Securities Laws and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Investor Grievance Redressal

The number of complaints received and resolved to the satisfaction of investors during the year under review are as under:

Sl. No.	Status of Complaints	Status
1.	Complaints pending as on 01.04.2015	4
2.	Complaints received during the year 2015-16	169
3.	Complaints resolved during the year 2015-16	173
4.	Complaints pending as on 31.03.2016	0

### 6. Risk Management Committee (RMC) –

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the risk & its mitigation plans within framework and in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee reviews risks trends, exposure, potential impact analysis and mitigation plan.

The constitution of the Risk Management Committee is as follows:

- |    |                    |             |
|----|--------------------|-------------|
| 1. | Ms. Poonam Rawat   | Chairperson |
| 2. | Shri Ajay Virmani  | Member      |
| 3. | Shri Deepak Mathur | Member      |

## **7. Annual General Body Meeting**

The details as to the timings, date and venue of the last three Annual General Meetings (AGM) of the Company were held as under:-

Financial Year	Annual General Meeting		Time	Venue
	No	Date		
2014-15	36	30.09.2015	10.30 AM	SP-460, Matsya Industrial Area, Alwar, (Raj)
2013-14	35	30.09.2014	10.30 AM	SP-460, Matsya Industrial Area, Alwar, (Raj)
2012-13	34	31.10.2013	10.30 AM	SP-460, Matsya Industrial Area, Alwar, (Raj)

A gist of the Special Resolutions passed in the previous three Annual General Meetings is given below:

### **36<sup>th</sup> Annual General Meeting (30.09.2015)**

- No special resolution was passed.

### **35<sup>th</sup> Annual General Meeting (30.09.2014)**

- Adoption of the new Article of Association of the Company
- Borrowing money in excess of paid up capital and free reserve of the Company

### **34<sup>th</sup> Annual General Meeting (31.10.2013)**

- Appointment of Shri Yuvraj Ahuja, as an Executive Director of the Company
- Appointment of Shri Ajay Virmani, as Managing Director of the Company

## **Special Resolution passed through Postal Ballot:**

During the year the members of the Company have approved the following special resolution by way of postal ballot on 15<sup>th</sup> February, 2016 and voting pattern of the said resolutions are giving below.

SI No.	Particulars	Total Votes cast	In favour	In against
1.	Borrow money upto Rs. 125 crore pursuant to Section 180 (1) (c ) of the Companies Act, 2013.	17698714	17698714 (100.00)	0 (0.00)
2.	Creation of Mortgage and / or Charge over the moveable and immoveable properties of the Company	17698714	17698714 (100.00)	0 (0.00)
3.	Amendment(s) to the Memorandum of Association of the Company	17698714	17698714 (100.00)	0 (0.00)

The Board had appointed M/s Awanish Dwivedi & Associates, Company Secretaries, a firm of Companies Secretaries in practice, New Delhi as a Scrutinizer to conduct the postal ballot include e-voting process in a fair and transparent manner.

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

## 8. Disclosures

- There are no materially significant related party transactions i.e. transactions material in nature having potential conflict with the interest of the Company at large. Details of related party transactions are furnished under schedule to the 'Notes to Accounts' of the Financial Statement as at 31<sup>st</sup> March, 2016.
- There is no non-compliance, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- The Company has established a Whistle Blower Policy and Vigil Mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

The Whistle Blower Policy and Vigil Mechanism are available at the website of the Company [www.lordschloro.com](http://www.lordschloro.com).

- The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As regard the non-mandatory requirements, Company tries to implement them to the extent possible.

## 9. Compliance Certificate

Certificate from the Practising Company Secretary, Shri Sundeep Kumar Parashar, proprietor of M/s SKP & Co., confirming compliance with conditions of Corporate Governance as stipulated under Clause E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached to this Report

## 10. Code of Conduct

Your Company has adopted a Code of Conduct for all the Board Members and Senior Management Personnel of your Company in accordance with the requirement under Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct has been posted on the website of your Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year 2015-16. The declaration to this effect signed by Shri Ajay Virmani, Managing Director of the Company forms part of the Report.

## 11. Means of Communications

The Unaudited Quarterly / Half Yearly Financial Results of the Company are published in English and local language news papers as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and intimation of the same also sent to Stock Exchanges from time to time. The aforesaid results are also available on the Website of the Company [www.lordschloro.com](http://www.lordschloro.com). Management discussion and analysis form a part of annual report and is given in a separate chapter thereto.

## 12. General Shareholder Information

- |                                       |   |
|---------------------------------------|---|
| <b>i) Day, Date &amp; Time of AGM</b> | : Friday, 30 <sup>th</sup> September, 2016 at 10:30 A.M.                                      |
| <b>Venue of AGM:</b>                  | Regd. Off. - SP-460, MIA, Alwar -301030 (Raj.)  |
| <b>ii) Financial Year</b>             | : 1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016                                 |
| <b>iii) Book Closure Period</b>       | : 26 <sup>th</sup> September, 2016 to 30 <sup>th</sup> September, 2016 (Both days Inclusive)  |
| <b>iv) e-voting period</b>            | : 26 <sup>th</sup> September, 2016 (9.00 a.m.) to 29 <sup>th</sup> September, 2016 (5.00 p.m) |
| <b>v) Listing of Shares</b>           | : Bombay Stock Exchange, Delhi Stock Exchange,  |
| <b>vi) Stock Code</b>                 | : 500284 (BSE Ltd.)   |
| <b>Scrip id</b>                       | : LORDSCHLO   |
| <b>ISIN NO.</b>                       | : INE846D01012  |



- vii) **Registrar & Share Transfer Agents** : M/s. Alankit Assignments Limited,  
 “Alankit Heights” 1E/13, Jhandewalan  
 Extension, New Delhi - 110 055.  
 Phone No. 011-42541234, 23541234  
 Fax No. 011-41543474.  
 Email: [rita@alankit.com](mailto:rita@alankit.com),  
[maheshcp@alankit.com](mailto:maheshcp@alankit.com)
- viii) **Plant Location** : SP-460, Matsya Industrial Area, Alwar  
 (Raj.)- 301030
- ix) **Addresses for Correspondence** : 1) Registered Office: SP-460, Matsya  
 Industrial Area, Alwar (Raj.)- 301030  
 2) Corporate Office: A-264, 1<sup>st</sup> Floor,  
 Defence Colony, New Delhi - 110024.
- x) **Company Secretary & Compliance Officer** : Shri Santosh Kumar  
**Email id** : [secretarial@lordschloro.com](mailto:secretarial@lordschloro.com)
- xi) **Market Price Data**

Month	Open Price	High Price	Low Price	Close Price	Total Turnover (Rs.)
Apr 15	15.50	18.80	14.00	18.00	11793
May 15	18.25	24.00	16.25	23.95	112096
Jun 15	24.00	25.05	17.40	19.15	134433
Jul 15	18.25	30.60	18.25	23.85	3178105
Aug 15	23.05	29.95	23.00	29.75	5009964
Sep 15	30.50	40.60	27.25	39.50	8970603
Oct 15	37.55	39.40	27.75	30.40	15050784
Nov 15	29.10	37.80	28.00	32.95	35906357
Dec 15	34.50	37.00	28.25	29.35	21445082
Jan 16	28.15	34.45	25.55	32.10	38652676
Feb 16	30.50	33.30	25.60	31.15	33673762
Mar 16	29.60	31.45	27.05	28.75	23128387

Source: BSE Website

## xii Share Transfer System & Dematerialization of Shares

The Company has appointed M/s. Alankit Assignments Ltd. as Registrar and Share Transfer Agent (RTA) for share transfer work and to resolve other grievances of the members. The process for transfer/ transmission,

on weekly basis and are complete in all respects, processed within 15 days.

The Company's shares are traded in the Stock Exchanges compulsorily in demat modes. Therefore, for DEMAT, Members are requested to kindly note that physical documents viz Demat Request Forms (DRF) and Share Certificates etc. should be sent by their Depository Participants (DP's) directly to the Registrar and Transfer Agents (RTA). NSDL and CDSL, (Depositories) Mumbai have allotted ISIN INE 846D01012 for dematerialization of equity shares of the Company.

### **xiii Listing**

The Equity Shares of the Company is listed with BSE Ltd. and Delhi Stock Exchange Ltd.

The Company has paid listing fees to the exchange namely BSE Ltd. upto the year 2016-2017. The Company is regularly complying with all the compliances pertaining to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Annual Custodial fees for the year 2016-17 has been paid by the Company to NSDL & CDSL.

### **xiv MD and CFO Certification**

As required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, necessary certificate, obtained from Managing Director and CFO of the Company for the financial year ended on 31<sup>st</sup> March, 2016 was placed before the Board of Directors of the Company.

### **xv Shareholding Pattern as on 31<sup>st</sup> March, 2016 are as under:**

<b>Particulars</b>	<b>31-03-2016</b>	
<b>Category</b>	<b>No. of Shares</b>	<b>% of holding</b>
Promoters	1,63,34,068	64.94
Financial Institutions/Banks/ Mutual Funds/Insurance/State Govt.	72,602	0.29
Public	86,29,409	34.30
Others (NRI & OBCs)	1,17,782	0.47
<b>Total</b>	<b>2,51,53,861</b>	<b>100.00</b>

**CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE**

To,  
**The Members,**  
**Lords Chloro Alkali Limited**  
**CIN: L24117RJ1979PLC002099**

We have examined the compliance of conditions of Corporate Governance by M/s Lords Chloro Alkali Limited for the year ended on 31<sup>st</sup> March, 2016 as stipulated in clause 49 of the erstwhile Listing Agreement as entered into with the Stock Exchanges and as stipulated in relevant clauses of Chapter IV of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the above mentioned Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SKP & Co.**  
**Company Secretaries**

**(CS Sundeep K. Parashar)**

**Date : 20.05.2016**  
**Place : Vaishali**

**M. No. : FCS 6136**  
**C.P. No. : 6575**

**DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT**

I hereby confirm that:

the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31<sup>st</sup> March, 2016.

**Place: New Delhi**  
**Date: 27<sup>th</sup> May, 2016**

**Ajay Virmani**  
**Managing Director**  
**DIN: 00758726**

## **INDEPENDENT AUDITORS' REPORT**

### **To The Members of Lords Chloro Alkali Limited Report on the Financial Statements**

We have audited the accompanying financial statements of Lords Chloro Alkali Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### **Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Basis of Qualified Opinion**

We draw attention to:

- (a) Note 34 of the financial statements, which describes to the fact that balances of current assets, sundry loans and advances, other long term liabilities including security deposits and current liabilities including sundry creditors are subject to confirmation and adjustments necessary upon reconciliation thereof. The effect of the adjustment arising from the reconciliation/confirmation that may arise is not ascertainable.
- (b) Note 36 of the financial statements, which describes to the fact that Company has not transferred an amount of Rs.11.64 lacs (previous year Rs.11.64 lacs) to the "Investor Education and Protection Fund" as required. This is the contravention of the provisions of the section 205C of the Companies Act, 1956.

### **Qualified Opinion**

Subject to our comments in the para above, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

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

- 1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - I. The Company has disclosed the impact of pending litigations on its financial position in its financial statement- Refer Note 32 to the financial statements;
    - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - III. There has been delay in transferring the amounts, which was required to be transferred to the investor education and protection fund by the Company- Refer Note 36 to the financial statements.

For Gupta Vigg & Co.  
Chartered Accountants  
Firm's Registration No.: 001393N

Place: New Delhi  
Date: 27.05.2016

CA. Deepak Pokhriyal  
Partner  
Membership Number: 524778

## **ANNEXURE - A TO THE AUDITORS' REPORT**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records to show full particulars including quantitative details and situations of fixed assets.  
(b) The Company has a regular programme of verification of fixed assets. All the fixed assets have been physically verified by the management which in our opinion is reasonable having regard to size of the Company and nature of fixed assets. No material discrepancies were noticed on such verification.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us, the inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancies were noticed on physical verification of inventories by the management.
- (iii) The Company has not granted any loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not made any loans, guarantees and security under the provisions of section 185 of the Companies Act, 2013. According to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 are not applicable to the Company. Therefore, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during

the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable except below.

S. No.	Nature of Dues	Amount (Rs. In Lakhs)
1	Income Tax (TDS)	1.33
2	Wealth Tax	6.58
3	Investor Education and Protection Fund	11.64

- (b) According to the information and explanations given to us, there are no dues of sales tax or duty of customs or duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of duty of excise, duty of customs and income tax have not been deposited by the Company on account of disputes:

(Rs. In Lakhs)

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount (Rs.)	Forum Where Dispute is Pending
Central Excise Act, 1944	Excise Duty	1995-99	64.76 (64.76)	Commissioner (Appeals) JAIPUR/ CESTAT New Delhi
Central Excise Act, 1944	Excise Duty	1996-97	145.62 (145.62)	CESTAT, NEW DELHI
Central Excise Act, 1944	Excise Duty	1996-99	110.72 (110.72)	HIGH COURT, JAIPUR
Central Excise Act, 1944	Excise Duty	2003-04	6.32 (12.63)	CESTAT, NEW DELHI
Central Excise Act, 1944	Excise Duty	2011-12	1.53 (1.53)	Addl. Commissioner Jaipur,
Income Tax Act, 1961	Income Tax	A/Y 1996-97	287.17 (287.17)	ITAT, JAIPUR
Custom Tariff Act, 1975	Custom Duty	2002-03	5.00 (35.00)	HIGH COURT, DELHI
Note- Figures in brackets relates to the previous year.				

- (viii) Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted



in repayment of dues to any banks or to any financial institution. The Company did not have any outstanding debentures during the year.

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Based on our audit procedures and on the information given by the management, we report that term loans have been utilized for the purpose, for which they have been raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Gupta Vigg & Co.  
Chartered Accountants  
Firm's Registration No.: 001393N

CA. Deepak Pokhriyal  
Partner  
Membership Number: 524778

Place: New Delhi  
Date: 27.05.2016

## **ANNEXURE - B TO THE AUDITORS' REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Lords Chloro Alkali Limited ('the Company'), as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### **Auditors' Responsibility**

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

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

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

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

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

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

For Gupta Vigg & Co.  
Chartered Accountants  
Firm's Registration No.: 001393N

CA. Deepak Pokhriyal  
Partner

Place: New Delhi

Date: 27.05.2016

Membership Number: 524778

**BALANCE SHEET as at 31st March, 2016**

		(₹ In Lacs)	
PARTICULARS	NOTE NO.	AS AT 31.03.2016	AS AT 31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
(a) Share capital	2	<b>2,515.39</b>	2,515.39
(b) Reserves and surplus	3	<b>1,545.65</b>	796.95
<b>2. NON-CURRENT LIABILITIES</b>			
(a) Long-term borrowings	4	<b>4,980.35</b>	4,644.82
(b) Other Long-term liabilities	5	<b>1,213.30</b>	366.20
(c) Long-term provisions	6	<b>136.53</b>	132.41
<b>3. CURRENT LIABILITIES</b>			
(a) Short-term borrowings	7	<b>1,120.11</b>	100.00
(b) Trade payables	8	<b>50.00</b>	436.73
(c) Other current liabilities	9	<b>397.05</b>	912.48
(d) Short-term provisions	10	<b>53.47</b>	79.61
<b>TOTAL</b>		<b>12,011.85</b>	<b>9,984.59</b>
<b>II. ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
(a) Fixed assets	11		
(i) Tangible assets		<b>5,950.79</b>	6,204.07
(ii) Capital work-in-progress		<b>1,638.31</b>	794.79
(b) Non-current investments	12	<b>4.77</b>	4.77
(c) Deferred tax assets (net)	13	<b>117.21</b>	313.41
(d) Long-term loans and advances	14	<b>284.52</b>	162.65
(e) Other non-current assets	15	<b>0.49</b>	1.27
<b>2. CURRENT ASSETS</b>			
(a) Inventories	16	<b>896.16</b>	864.90
(b) Trade receivables	17	<b>1,181.26</b>	494.18
(c) Cash and bank balances	18	<b>487.37</b>	176.04
(d) Short-term loans and advances	19	<b>1,433.62</b>	949.04
(e) Other current assets	20	<b>17.35</b>	19.47
<b>TOTAL</b>		<b>12,011.85</b>	<b>9,984.59</b>

Significant accounting policies and practices 1

**AS PER OUR REPORT OF EVEN  
DATE**
**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
LORDS CHLORO ALKALI LIMITED**
**FOR GUPTA VIGG & CO.**
**CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 001393N**
**YUVRAJ AHUJA  
DIRECTOR**
**MADHAV DHIR  
DIRECTOR**
**AJAY VIRMANI  
MANAGING DIRECTOR**
**CA. DEEPAK POKHRIYAL  
PARTNER  
MEMBERSHIP NO. 524778**
**SANTOSH KUMAR  
COMPANY  
SECRETARY**
**RAJIV KUMAR  
CHIEF FINANCIAL  
OFFICER**
**PLACE: NEW DELHI  
DATE : 27.05.2016**

**STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2016**

PARTICULARS	NOTE No.	(₹ In Lacs)	
		Year ended 31.03.2016	Year ended 31.03.2015
<b>1. Revenue from operations</b>			
(a) Sale of products (Gross)	21	10,648.65	1,021.69
Less : Excise duty		1,205.24	116.75
Sale of products (Net)		9,443.41	904.94
<b>2. Other Income</b>	22	405.24	98.75
<b>3. Total Revenue (1+2)</b>		9,848.65	1,003.69
<b>4. Expenses</b>			
(a) Cost of materials consumed	23	1,449.28	165.95
(b) Change in inventories of finished goods and work-in-progress	24	(0.69)	(77.33)
(c) Power and fuel		5,386.19	722.14
(d) Employees benefits expenses	25	687.74	177.08
(e) Finance costs	26	153.35	23.37
(f) Depreciation and amortization expenses	11	275.98	120.56
Less: Transfer from Revaluation reserve		0.71	0.71
(g) Other expenses	27	949.49	253.50
<b>Total Expenses (4)</b>		8,900.63	1,384.56
<b>5. Profit/ (Loss) before tax, exceptional and extra ordinary items (3-4)</b>		948.02	(380.87)
<b>6. Exceptional items</b>		2.40	-
<b>7. Profit / (Loss) before tax (5-6)</b>		945.62	(380.87)
<b>8. Tax Expenses</b>			
(a) Current tax		-	-
(b) Deferred tax asset/(liability)		(196.20)	313.41
<b>9. Net Profit / (Loss) for the year (7-8)</b>		749.41	(67.46)
<b>10. Earnings/(Loss) per equity share</b>			
Number of shares (Face value of shares ₹10/-each)		25,153,861	25,153,861
(a) Basic and Diluted		2.98	(0.27)

AS PER OUR REPORT OF EVEN  
DATE

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
LORDS CHLORO ALKALI LIMITED

FOR GUPTA VIGG & CO.

CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 001393N

YUVRAJ AHUJA  
DIRECTOR

MADHAV DHIR  
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MANAGING DIRECTOR

CA. DEEPAK POKHRIYAL  
PARTNER  
MEMBERSHIP NO. 524778

SANTOSH KUMAR  
COMPANY  
SECRETARY

RAJIV KUMAR  
CHIEF FINANCIAL  
OFFICER

PLACE: NEW DELHI  
DATE : 27.05.2016

**CASH FLOW STATEMENT for the year ended 31st March, 2016**

PARTICULARS	(₹ In Lacs)	
	Year ended 31.03.2016	Year ended 31.03.2015
<b>A. Cash Flow from Operating Activities</b>		
Net Profit/( Loss) before Tax, after Exceptional Items	<b>945.62</b>	(380.87)
Adjustments for :-		
Depreciation	<b>275.27</b>	119.85
Finance costs	<b>153.35</b>	23.37
Dividend income	<b>(0.05)</b>	(0.05)
Loss on sale of fixed assets (including capital work-in-progress)	<b>26.50</b>	-
	<b>455.07</b>	143.17
Operating profit before working capital changes	<b>1400.69</b>	(237.70)
Adjustments for :-		
Decrease/(Increase) in trade receivables	<b>(687.08)</b>	(108.17)
Decrease/(Increase) in inventories	<b>(31.27)</b>	(189.90)
(Decrease)/Increase in trade payables	<b>(386.73)</b>	(21.60)
Decrease/(Increase) in loans and advances	<b>(491.15)</b>	107.70
Decrease/(Increase) in other current assets	<b>2.90</b>	(15.52)
(Decrease)/Increase in other current liabilities	<b>(376.49)</b>	(583.83)
(Decrease)/Increase in other long liabilities	<b>847.10</b>	194.92
(Decrease)/Increase in provisions	<b>(22.02)</b>	8.74
Cash generated from operations	<b>255.95</b>	(845.35)
Cash flow from operating activities	<b>255.95</b>	(845.35)
Net cash flow from operating activities	<b>255.95</b>	(845.35)
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets (including capital work-in-progress)	<b>(1,057.47)</b>	(2,479.11)
Proceeds on sale of fixed assets (including capital work-in-progress)	<b>49.45</b>	-
Purchase of non-current investments	-	(2.00)
Dividend received	<b>0.05</b>	0.05
Net cash used In investing activities	<b>(1,007.97)</b>	(2,481.06)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from long term borrowings	<b>196.59</b>	3,275.79
Proceeds from short term borrowings	<b>1,020.11</b>	100.00
Interest	<b>(153.35)</b>	(23.37)
Net cash flow from financing activities	<b>1,063.35</b>	3,352.42
Net Increase/(Decrease) in Cash and cash equivalents	<b>311.33</b>	26.01
Cash and cash equivalents as at the beginning of the year	<b>176.04</b>	150.03
Cash and cash equivalents as at the end of the year	<b>487.37</b>	176.04
Components of cash and cash equivalents		
- Cash on hand	<b>14.02</b>	3.65
-Balances with banks in current account	<b>473.35</b>	172.39

**AS PER OUR REPORT OF EVEN  
DATE**

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
LORDS CHLORO ALKALI LIMITED**

**FOR GUPTA VIGG & CO.**

**CHARTERED ACCOUNTANTS**

**YUVRAJ AHUJA**

**MADHAV DHIR**

**AJAY VIRMANI**

**FIRM REGISTRATION NO. 001393N**

**DIRECTOR**

**DIRECTOR**

**MANAGING DIRECTOR**

**CA. DEEPAK POKHRIYAL**

**PARTNER**

**SANTOSH KUMAR**

**RAJIV KUMAR**

**MEMBERSHIP NO. 524778**

**COMPANY**

**CHIEF FINANCIAL**

**SECRETARY**

**OFFICER**

**PLACE: NEW DELHI**

**DATE : 27.05.2016**

**Note 1 Significant Accounting Policies & Practices:****1. General**

- i. The Financial Statements are prepared under the historical cost convention on accrual basis and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.
- ii. Accounting Policies not specifically referred to otherwise are consistent and in accordance with generally accepted accounting principles.

**2. Revenue Recognition**

- i. Revenue from sale of manufactured goods is recognised on dispatch to customers.
- ii. Revenue from consignment sales is recognised after the subsequent sale by consignment agents to customers.
- iii. Sales are inclusive of Excise duty but net of rebate & discounts.
- iv. Interest Receivable on Inter-Corporate Deposits, due to uncertainty of realization, is consistently accounted for on cash basis.
- v. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. Dividend income is recognized, when right to receive is established.

**3. Fixed Assets and Depreciation**

- i. Fixed assets (other than those which have been revalued) are stated at cost, net of CENVAT less accumulated depreciation except Leasehold Land which is being stated at revalued cost.
- ii. Depreciation on tangible assets is charged on pro-rata basis on straight line method based on the life assigned to each asset in accordance with Schedule II of Companies Act, 2013. Intangible assets are amortized over their respective individual estimated useful life on the basis of straight line method commencing from the date, the asset is available to the Company for its use.
- iii. Leasehold Land – Acquisition cost of leasehold land is amortised over the period of lease including the revalued portion.
- iv. The cost of Fixed Assets taken on Financial Lease is capitalized and amortised by way of depreciation.

- v. Depreciation on the addition due to revaluation of Fixed Assets is amortised against the revaluation reserve.
- vi. Assets under installation / construction as at the balance sheet date are shown as Capital work-in-progress and are valued at cost. However advances paid towards acquisition of assets are not included under Capital work-in-progress.

#### **4. Foreign Currency Transactions**

- i. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year-end rates.
- ii. Any income or expense on account of exchange difference, either on settlement or on translation at balance sheet date, is recognized in the profit and loss as per the revised AS-11.

#### **5. Inventory Valuation**

- i. Inventory of Stores & Spares, Raw Materials, Chemicals & Catalyst and Fuel oil is valued at cost or net realizable value, whichever is lower.
- ii. Finished goods & Stock-in-process are valued at cost or net realizable value whichever is lower.
- iii. The cost of bought out inventory is computed on the basis of weighted average method.
- iv. Scrap/Waste is valued at net realizable value.

#### **6. Employees Retirement Benefits**

- i. Short term employee benefits obligations are estimated and provided for.
- ii. Payments to defined contribution retirement benefit schemes (such as Provident Fund, Employee's State Insurance Corporation) are charged to the statement of profit and loss of the year in which contribution to such schemes becomes due.
- iii. Company's liability towards gratuity, other retirement benefits and compensated absences are actuarially determined at each balance sheet date using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period of occurrence.

#### **7. Investments**

Long Term Investments are stated at cost unless there is a permanent fall in value thereof.



## **8. Taxation**

- i. Tax expenses comprise current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future.
- ii. CENVAT credit is accounted for by reducing the purchase cost of related materials / services.
- iii. In concurrence with the opinion of the ICAI, the Minimum Alternative Tax is considered as current tax for the year in which it arises and is charged to profit & loss account accordingly. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said assets is created by way of a credit to the profit and loss account and shown as 'MAT credit entitlement' under Loans & Advances.

## **9. Earnings per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## **10. Contingent liabilities and provisions**

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of obligation can be made. A disclosure is made for possible future obligations that may but probably will not require outflow of resources or where a reliable estimate cannot be made, as a contingent liability in the financial statements.

## **11. Impairment of Assets**

At each Balance Sheet date, the Company reviews whether there is any indication that an asset may be impaired. If any such indication

exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Statement of Profit & Loss to the extent the carrying amount exceeds the recoverable amount.

## **12. Cash Flow Statement**

Cash flow statements are reported using the indirect method, whereby profit/ (loss) before extra-ordinary items/exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipt or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on available information including taxes paid relating to these activities.

## **13. Cash and Cash Equivalents**

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

## **14. Leases**

Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

**Notes to the Financial Statements as at and for the year ended 31st March, 2016**
**Note 2 - SHARE CAPITAL**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
<b>(a) Authorised Capital</b> 7,50,00,000 (Previous year 7,50,00,000) Equity Shares of ₹10/- each with voting rights	<b>7,500.00</b>	7,500.00
<b>(b) Issued</b> 2,51,58,885 (Previous year 2,51,58,885) Equity shares of ₹10/- each with voting rights	<b>2,515.89</b>	2,515.89
<b>(c) Subscribed and fully paid-up</b> 2,51,53,861 (Previous year 2,51,53,861) Equity shares of ₹10/- each with voting rights fully paid-up	<b>2,515.39</b>	2,515.39
	<b>2,515.39</b>	2,515.39

**(d) Reconciliation of the number of shares outstanding at the beginning and at the end of the year**

Particulars	AS AT 31.03.2016		AS AT 31.03.2015	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares with voting rights outstanding at the beginning of the year	25153861	2,515.39	25153861	2515.39
Add: Shares issued during the year	-	-	-	-
Equity Shares with voting rights outstanding at the end of the year	25153861	2,515.39	25153861	2515.39

**(e) Terms/rights attached to equity shares**

The Company has only one class of share referred as equity share having at par value ₹10/-. Each holder of equity share is entitled to same right in all respect.

**(f) Shareholders holding more than five percent at the end of the year**

Name	AS AT 31.03.2016		AS AT 31.03.2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Alok Dhir	NIL	NIL	6,371,000	25.33
Rakesh Ahuja	3,331,447	13.24	3,331,447	13.24
Madhav Dhir	7,384,582	29.36	-	-
M/s Matrix Dotcom Infonet Pvt. Ltd.	1,780,000	7.08	1,780,000	7.08

**Notes to the Financial Statements as at and for the year ended 31st March, 2016**
**Note 3 - RESERVES & SURPLUS**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
<b>(a) Capital Reserves</b>		
(i) Central Capital Subsidy		
Balance outstanding at the beginning of the year	15.00	15.00
Add: Additions during the Year	-	-
Less: Utilised during the Year	-	-
Balance outstanding at the close of the year	15.00	15.00
(ii) Surplus on re-issue of forfeiture of equity shares	1.21	1.21
<b>(b) Revaluation Reserve</b>		
Balance outstanding at the beginning of the year	45.29	46.00
Add: Additions during the Year	-	-
Less: Utilised during the Year	0.71	0.71
Balance outstanding at the close of the year	44.58	45.29
<b>(c) Securities Premium Reserve</b>		
Balance outstanding at the beginning of the year	2,082.06	2082.06
Add: Additions during the Year	-	-
Less: Utilised during the Year	-	-
Balance outstanding at the close of the year	2,082.06	2,082.06
<b>(d) Surplus in Statement of Profit &amp; Loss</b>		
Balance outstanding at the beginning of the year	(1346.61)	(1,240.27)
Less: Depreciation on account of transitional provision as per schedule II of companies Act 2013 on tangible assets having NIL life	-	(38.88)
Add: Transferred from statement of Profit & Loss	749.41	(67.46)
Balance outstanding at the close of the year	(597.19)	(1,346.61)
<b>TOTAL</b>	<b>1,545.65</b>	<b>796.95</b>

**Note 4 - LONG TERM BORROWINGS**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016			AS AT 31.03.2015		
	SECURED	UNSECURED	TOTAL	SECURED	UNSECURED	TOTAL
<b>(a) Term Loans</b>						
(i) From Punjab National Bank (Refer Note B. 4.1(a) below)	619.32	-	619.32	-	-	-
(ii) From HDFC Bank Limited (Refer Note B. 4.1(b) below)	3.97	-	3.97	-	-	-
(iii) From others parties (Refer Note B. 4.1(c) below)	-	-	-	840.00	-	840.00
<b>(b) Loan and advances from related parties</b> (Refer Note B. 4.1(d) below)	-	4,306.24	4,306.24	-	3,359.00	3,359.00
<b>(c) Loan and advances from others</b> (Refer Note B. 4.1(e) below)	-	50.82	50.82	-	445.82	445.82
<b>TOTAL</b>	<b>623.29</b>	<b>4,357.06</b>	<b>4,980.35</b>	<b>840.00</b>	<b>3,804.82</b>	<b>4,644.82</b>

**Notes to the Financial Statements as at and for the year ended 31st March, 2016**
**Note : 4.1**
**DETAIL OF BORROWING FROM BANK/ FINANCIAL INSTITUTION/ RELATED PARTIES/ OTHERS**

(₹ In Lacs)

Particulars	Loan Outstanding as at 31.03.2016	Current Maturity	Long Term	Rate of Interest (p.a)	Terms of repayment	Security
a. Term loan from Punjab National Bank (Secured)	839.32	220.00	619.32	12.10%	Punjab National Bank has sanctioned a term loan of ₹ 1100 Lacs for revamp of its existing manufacturing facilities out of total project cost of ₹ 1470 Lacs. The Company has availed Term Loan of ₹ 839.32 Lacs upto 31st March, 2016 and loan is repayable in 20 quarterly installments of ₹ 55 Lacs each from the end of May, 2016.	First and exclusive charge by way of hypothecation on all the Plant & Machinery of the Company and all the Fixed Asset of the Company (both movable or immovable) both present & future.
b. Term loan for vehicle from HDFC Bank Ltd. (Secured)	5.04	1.07	3.97	10.50%	HDFC Bank has sanctioned a vehicle loan of ₹ 6 Lacs and repayable in 60 Monthly Installement of ₹ 0.13 Lacs each (with interest) from April, 2015.	Secured against equitable mortgage of vehicle.
c. Term loan from others parties (Secured)	0.00 (1200.00)	0.00 (360.00)	0.00 (840.00)	14.50%	Term loan from SREI INFRASTRUCTURE FINANCE LIMITED for ₹ 1200 Lacs has fully repaid during the financial year 2015-2016	Secured by way of first charge on all the movable fixed assets and lease hold project land of the Company
d. Loan from related parties	4306.24 (3359.00)	0.00 (0.00)	4306.24 (3359.00)	Interest Free	All the loan have been taken from the Directors and allied concerns are repayable within a period of ten years from the date of receipt of loan on the terms as mutually decided between the parties. For detail related parties disclosure refer note no. B.30 of Notes to Accounts.	Unsecured borrowings
e. Loan & advance from others	50.82 (445.82)	0.00 (0.00)	50.82 (445.82)	(i) Interest rate of 9% p.a. from NBFC.  (ii) Interest free loan ₹ 10.34 Lacs from Ex-managing Directors of previous management in their personal capacity.  (iii) Interest free loan from RIICO for ₹ 40.48 Lacs.	(i) All the loans have been taken during the previous financial year from seven NBFC's, repayable on quarterly basis.*  (ii) Outstanding loan of ₹ 10.34 Lacs (Previous Year ₹ 10.34 Lacs) obtained from two body corporates and are subject to confirmation and the terms & conditions of these loan are not known to the Company.  (iii) Sales Tax loan from RIICO ₹ 40.48 Lacs (Previous Year ₹ 40.48 Lacs) is interest free and guaranteed by the earlier ex-managing directors and ex-directors of the Company in their personal capacity.	Unsecured borrowings

\* Loan from NBFC's for ₹395 Lacs has fully repaid during the current financial year 2015-16.

**Notes to the Financial Statements as at and for the year ended 31st March, 2016**
**Note 5 - OTHER LONG TERM LIABILITIES**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(a) Trade payables		
(i) Due to Micro, Small & Medium Enterprises* (Refer Note 8.1)	-	-
(ii) Others	290.41	323.79
(b) Others		
(i) Security and Other Deposits	911.25	30.77
(ii) Investor Education and Protection Fund (U/S 205C)	11.64	11.64
<b>TOTAL</b>	<b>1,213.30</b>	<b>366.20</b>

\*Based on the information received and available with the Company, there are no dues outstanding to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes due on account of principal or interest. The above information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**Note 6 - LONG TERM PROVISIONS**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(a) Provision for employees benefits		
(i) Provision for gratuity	88.75	85.60
(ii) Provisions for compensated absences	47.78	46.81
<b>TOTAL</b>	<b>136.53</b>	<b>132.41</b>

**Note 7 - SHORT TERM BORROWINGS**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016			AS AT 31.03.2015		
	SECURED	UNSECURED	TOTAL	SECURED	UNSECURED	TOTAL
(a) Loan repayable on demand						
(i) Cash credit from Punjab National Bank (Refer Note 7.1(a) below)	1,120.11	-	1,120.11	-	-	-
(ii) Loan and advances from others (Refer Note 7.1(b) below)	-	-	-	-	100.00	100.00
<b>TOTAL</b>	<b>1,120.11</b>	<b>-</b>	<b>1,120.11</b>	<b>-</b>	<b>100.00</b>	<b>100.00</b>

**Notes to the Financial Statements as at and for the year ended 31st March, 2016**
**Note : 7.1**
**DETAIL OF BORROWING FROM BANK/ FINANCIAL INSTITUTION/ RELATED PARTIES/ OTHERS**

Particulars	Loan Outstanding as at 31.03.2016	Rate of Interest (p.a)	Terms & conditions	Security
a. Cash credit from Punjab National Bank	1,120.11	11.60%	Punjab National Bank, Mohan Nagar Branch (Ghaziabad) has sanctioned a cash credit loan facility ₹ 1600.00 Lacs to meet the working capital requirement of the Company.	First and exclusive charge by way of hypothecation of Company's entire stocks of raw materials, stock-in-progress, semi-finished, finished goods, consumable stores and spares, receivables bills whether documentary of clean, outstanding monies, receivables, both present and future, in a form or manner satisfactory to the bank and all other current assets of the Company, both present and future.
b. Loan from Others	0.00 (100.00)	9%	Loan has been taken during the previous financial year on different-2 dates from a NBFC named Banshi Commosales Private Limited, which was payable on quarterly basis.	Unsecured borrowing

\*Loan from Banshi commsales Pvt. Ltd has fully repaid during the current financial year 2015-16.

**Note 8 - TRADE PAYABLES**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(a) Due to Micro, Small & Medium Enterprises* (Refer Note 8.1)	-	-
(b) Due to others	50.00	436.73
<b>TOTAL</b>	<b>50.00</b>	<b>436.73</b>

\*Based on the information received and available with the Company, there are no dues outstanding to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes due on account of principal or interest. The above information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**Notes to the Financial Statements as at and for the year ended 31st March, 2016**
**Note 8.1 - TRADE PAYABLES TO MICRO AND SMALL ENTERPRISES**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(a) Principal amount remaining unpaid to any supplier	-	-
(b) Interest due and remaining unpaid to any supplier	-	-
(c) Amount of Interest paid under the Act	-	-
(d) Amount of Interest due and payable for the period of delay in making payment	-	-
(e) Amount of Interest accrued and remaining unpaid	-	-
(f) Amount of further interest due and payable in succeeding year	-	-
<b>TOTAL</b>	-	-

**Note 9 - OTHER CURRENT LIABILITIES**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(a) Current maturities of long-term borrowings *	221.07	360.00
(b) Advance from customers	36.65	127.51
(c) Advance from customers (Related party)	1.07	-
(d) Statutory dues payable	56.11	57.81
(e) Other payables	419.39	704.40
Less : Deposit Against Electricity Bills	337.24	337.24
<b>TOTAL</b>	397.05	912.48

\* for details of security for current maturities of long-term borrowing please refer note no. 4.1

**Note 10 - SHORT TERM PROVISIONS**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(a) Provision for employees benefits		
(i) Provisions for gratuity	19.00	21.58
(ii) Provisions for compensated absences	11.94	10.27
(iii) Provisions for bonus	12.75	37.98
(b) Provisions for income tax	3.20	3.20
(c) Provisions for wealth tax	6.58	6.58
<b>TOTAL</b>	53.47	79.61



**Notes to the Financial Statements as at and for the year ended 31st March, 2016**
**Note 11 - FIXED ASSETS**

(₹ In Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 01.04.2015	ADDITION	DELETION	As on 31.03.2016	Up to 31.03.2015	For the Period	Up to 31.03.2016	As on 31.03.2016
LEASE HOLD LAND*	86.11	-	-	86.11	28.55	0.90	29.45	56.66
LAND DEVELOPMENT	14.93	-	-	14.93	4.17	0.17	4.34	10.59
BUILDING	980.70	7.19	-	987.89	760.36	21.08	781.44	206.45
PLANT & MACHINERY	12,402.05	-	-	12,402.05	7,271.19	207.00	7,478.19	4,923.86
ELECTRICAL INSTALLATION	2,459.10	-	-	2,459.10	1,862.98	21.78	1,884.76	574.34
OFFICE EQUIPMENT	240.84	6.42	0.45	246.81	133.63	3.69	136.89	109.92
FURNITURE & FIXTURES	178.86	1.05	-	179.91	105.17	18.66	123.83	56.08
VEHICLE	53.03	8.06	-	61.09	45.50	2.70	48.20	12.89
<b>TOTAL</b>	<b>16,415.62</b>	<b>22.72</b>	<b>0.45</b>	<b>16,437.89</b>	<b>10,211.55</b>	<b>275.98</b>	<b>10,487.10</b>	<b>5,950.79</b>
CAPITAL WORK IN PROGRESS	794.79	919.45	75.93	1638.31	-	-	-	1638.31
<b>GRAND TOTAL</b>	<b>17,210.41</b>	<b>942.17</b>	<b>76.38</b>	<b>18,076.20</b>	<b>10,211.55</b>	<b>275.98</b>	<b>10,487.10</b>	<b>7,589.10</b>
PREVIOUS YEAR	14,557.20	3,727.26	1,074.05	17,210.41	10,052.11	120.56	10,211.55	6,998.86

1. Leasehold Land at Alwar costing ₹ 17.32 lacs was revalued to ₹ 84.74 lacs as on 30.04.1984

2. The management based on external technical evaluation, reassessed the remaining useful life of assets primarily consisting of Plant &amp; Machinery and Electrical Installations at its Alwar Plant, Rajasthan. Accordingly, the useful lives of Plant &amp; Machinery and Electrical Installations at its Alwar Plant, Rajasthan have been changed from the previous estimates.

**Notes to the Financial Statements as at and for the year ended 31st March, 2016**
**Note 12 - NON CURRENT INVESTMENTS**

(₹ In Lacs)

PARTICULARS	FACE VALUE AS AT 31.03.2016	AS AT 31.03.2016	AS AT 31.03.2015
Trade Investments (at cost) - Quoted			
(a) Investment in Equity Instruments			
(i) 1000 Fully paid up Equity Shares of ₹2/- each in DCM Shriram Consolidated Ltd.	0.02	0.32	0.32
(ii) 100 Fully paid up Equity Shares of ₹10/- each in Grasim Industries Ltd.	0.01	0.51	0.51
(iii) 165 Fully paid up Equity Shares of ₹10/- each in Gujrat Alkalies & Chemicals Ltd.	0.02	0.31	0.31
(iv) 300 Fully paid up Equity Shares of ₹5/- each in Kanoria Chemicals & Industries Ltd.	0.02	0.14	0.14
(v) 100 Fully paid up Equity Shares of ₹10/- each in Punjab Alkalies & Chemicals Ltd.	0.01	0.10	0.10
(vi) 500 Fully paid up Equity Shares of ₹2/- each in DCW Ltd.	0.01	0.13	0.13
(vii) 57 Fully paid up Equity Shares of ₹10/- each in Ultra Tech Cement Ltd.	0.01	0.29	0.29
(viii) 300 Fully paid up Equity Shares of ₹2/- each in Ballarpur Industries Ltd.	0.01	0.22	0.22
(ix) 100 Fully paid up Equity Shares of ₹10/- each in SPIC Ltd.	0.01	0.11	0.11
Other Investments (at cost) - Quoted			
(a) Investment in Mutual Funds			
(i) Principal Mutual Fund - Regular Plan Growth 4190.606 unit of Principal Large Cap Fund	2.00	2.00	2.00
Other Investments (at cost) - Unquoted			
(a) Investment in Government/Trust Securities			
(i) 554 Units 6.75% Tax free US 64 Bonds of ₹100/- each in Unit Trust of India	0.55	0.32	0.32
(b) Silver Coins & Wares		0.32	0.32
<b>GRAND TOTAL</b>		<b>4.77</b>	<b>4.77</b>

(a) Long term investments are stated at cost.

(b) Aggregate cost of quoted investments are ₹4.12 Lac

(c) Market Value of Quoted Shares and Mutual Fund as on 31.03.2016 is ₹9.56 Lac (Previous Year ₹9.40 Lac)

(d) Aggregate cost of Unquoted Investments are ₹0.64 Lac (Previous Year ₹0.64 Lac)

(e) Aggregate provision made for diminution in value of Investments are NIL

**Notes to the Financial Statements as at and for the year ended 31st March, 2016**
**Note 13 - DEFERRED TAX ASSETS (NET)**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
Deferred tax assets	957.79	892.25
Deferred tax liabilities	840.58	578.84
<b>Net deferred tax liabilities/ (assets)</b>	<b>(117.21)</b>	<b>(313.41)</b>
<b>Component of deferred tax assets and liabilities on account of timing differences are</b>		
<b>Deferred tax assets</b>		
Carry forward depreciation/ long term capital loss	487.93	437.92
Carry forward business losses	429.09	434.28
Disallowance under the Income tax Act, 1961	40.77	20.05
	957.79	892.25
<b>Deferred tax liabilities</b>		
<b>Related to fixed assets</b>	<b>840.58</b>	<b>578.84</b>

**NOTE 14 - LONG TERM LOANS AND ADVANCES**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(Unsecured, considered good)		
(a) Capital Advances	176.83	61.53
(b) Security Deposits	107.69	101.12
<b>TOTAL</b>	<b>284.52</b>	<b>162.65</b>

**Note 15 - OTHER NON CURRENT ASSETS**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(a) Prepaid expenses	0.41	1.19
(b) Fixed deposit held as margin money against bank guarantee in favour of Rajasthan State Pollution Control Board	0.08	0.08
<b>TOTAL</b>	<b>0.49</b>	<b>1.27</b>

**Note 16 - INVENTORIES**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(Valued at the lower of cost and net realisable value)		
(a) Raw materials & chemicals	110.47	143.12
(b) Work-in-progress (Salt, Caustic soda & HCL)	93.28	80.92
(c) Finished goods (Caustic soda, Liquid chlorine & HCL)	64.16	76.45
(d) Fuel oil stock of power plant	29.53	49.44
(e) Packing materials	10.36	10.40
(f) Stores and spares parts (Net of provision for old store ₹ 10.56 lacs, previous year ₹ 10.56 lacs)	588.36	504.57
<b>TOTAL</b>	<b>896.16</b>	<b>864.90</b>

**Notes to the Financial Statements as at and for the year ended 31st March, 2016**
**Note 17 - TRADE RECEIVABLES**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
<b>(Unsecured, considered good unless otherwise stated)</b>		
<b>(a) Outstanding for a period exceeding six months from the date they are due for payment</b>		
(i) Unsecured, considered good	248.83	272.83
(ii) Unsecured, considered good (Related parties)	-	9.55
	248.83	282.38
Less: Provision for doubtful debts	-	-
	248.83	282.38
<b>(b) Others</b>	932.43	211.80
<b>TOTAL</b>	<b>1,181.26</b>	<b>494.18</b>

**Note 18 - CASH AND BANK BALANCES**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
<b>Cash and cash equivalents</b>		
(a) Cash on hand	14.02	3.65
(b) Balance with banks in Current accounts	473.35	172.39
<b>TOTAL</b>	<b>487.37</b>	<b>176.04</b>

**Note 19 - SHORT TERM LOANS & ADVANCES**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
<b>(Unsecured, considered good unless otherwise stated)</b>		
<b>(a) Advances recoverable in cash or kind</b>		
(i) Considered Good	1,070.31	435.15
(ii) Considered Good (Related Parties)	3.33	27.73
(iii) Considered Doubtful	69.71	69.71
	1,143.35	532.59
Less: Provision for Doubtful Advances	(69.71)	(69.71)
	1,073.64	462.88
<b>(b) Advances to employees</b>	6.11	7.66
<b>(c) Balances with government authorities</b>		
(i) Deposit with Central Excise Department	78.32	72.00
(ii) Electricity duty under protest	-	2.79
(iii) Entry tax deposited under protest	22.35	24.09
(iv) Excise amount recoverable	92.89	219.62
(v) Income-tax deducted at source/ MAT credit	160.23	159.92
(vi) Advance wealth tax	0.08	0.08
<b>TOTAL</b>	<b>1,433.62</b>	<b>949.04</b>

**Note 20 - OTHER CURRENT ASSETS**

(₹ In Lacs)

PARTICULARS	AS AT 31.03.2016	AS AT 31.03.2015
(a) Prepaid expenses	17.35	19.47
<b>TOTAL</b>	<b>17.35</b>	<b>19.47</b>

**Notes to the Financial Statements as at and for the year ended 31st March, 2016**
**Note 21 - REVENUE FROM OPERATIONS (GROSS)**

(₹ In Lacs)

PARTICULARS	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
(a) Sale of Products (Gross)	10,648.65	1,021.69
	10,648.65	1,021.69
Details of products sold		
(a) Caustic soda	9,828.33	899.15
(b) Hydrogen gas	170.60	10.31
(c) Liquid chlorine	553.04	50.69
(d) Hydrochloric acid	89.17	7.69
(e) Calcium hypochloride (Bleach liquor)	2.32	1.04
(f) Spent sulphuric acid	5.19	0.53
(g) Other Sales	-	52.28
<b>TOTAL</b>	<b>10,648.65</b>	<b>1,021.69</b>

**Note 22 - OTHER INCOME**

(₹ In Lacs)

PARTICULARS	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
(a) Dividend income from long term investments	0.05	0.05
(b) Other non-operating income		
(i) Profit on account of foreign exchange fluctuations (Net)	12.52	-
(ii) Sundry balances written back	37.50	98.48
(iii) Miscellaneous income (includes scrap sales, provision written back etc.)	355.17	0.22
<b>TOTAL</b>	<b>405.24</b>	<b>98.75</b>

**Note 23 - COST OF MATERIAL CONSUMED**

(₹ In Lacs)

PARTICULARS	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
Opening stock of Raw material	143.12	35.77
Add: Purchase during the year	1,416.63	273.30
	1559.75	309.07
Less: Closing stock of Raw material	110.47	143.12
Raw material consumed	1,449.28	165.95
<b>TOTAL</b>	<b>1,449.28</b>	<b>165.95</b>

**Notes to the Financial Statements as at and for the year ended 31st March, 2016**
**Note 23.1 - DETAILS OF RAW MATERIALS CONSUMED**

(₹ In Lacs)

TYPE OF MATERIALS	YEAR ENDED 31.03.2016		YEAR ENDED 31.03.2015	
	%	Amount	%	Amount
(a) Salt	81.28	1177.95	71.83	119.20
(b) Hydrated Lime	3.83	55.52	6.17	10.25
(c) Barium Carbonate	0.73	10.56	0.82	1.36
(d) Sulphuric Acid	1.46	21.22	1.61	2.67
(e) Sodium Sulphite	0.84	12.13	2.36	3.91
(f) Barium Chloride	8.23	119.23	8.60	14.26
(g) Others	3.63	52.67	8.61	14.30
<b>TOTAL</b>	<b>100.00</b>	<b>1,449.28</b>	<b>100.00</b>	<b>165.95</b>

**Note 23.2 - ANALYSIS OF MATERIAL CONSUMED**

(₹ In Lacs)

TYPE OF MATERIALS	YEAR ENDED 31.03.2016		YEAR ENDED 31.03.2015	
	%	Amount	%	Amount
(a) Raw materials and chemicals				
(i) Imported	-	-	-	-
(ii) Indigenous	100.00	1449.28	100.00	165.95
<b>TOTAL</b>	<b>100.00</b>	<b>1,449.28</b>	<b>100.00</b>	<b>165.95</b>
(b) Stores and spares				
(i) Imported	-	-	-	-
(ii) Indigenous	100.00	212.66	100.00	8.27
<b>TOTAL</b>	<b>100.00</b>	<b>212.66</b>	<b>100.00</b>	<b>8.27</b>

**Note 23.3 C.I.F. VALUE OF IMPORTS**

(₹ In Lacs)

PARTICULARS	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
(a) Stores and spares / Capital goods	269.32	636.70
<b>TOTAL</b>	<b>269.32</b>	<b>636.70</b>

**Note 24 - CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS**

(₹ In Lacs)

PARTICULARS	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
<b>CLOSING STOCK</b>		
(a) Finished goods		
(i) Caustic soda	60.41	75.12
(ii) Liquid chlorine	2.77	0.59
(iii) Hydrochloric acid	0.82	0.74
(iv) Stable bleaching powder	0.01	-
(v) Hydrogen gas	-	-
(vi) Others products	0.16	-
	64.17	76.45
(b) Work-in-progress (Salt, Caustic soda & HCL)	93.28	80.92
	157.45	157.37
<b>OPENING STOCK</b>		
(a) Finished goods		
(i) Caustic soda	75.12	19.08
(ii) Liquid chlorine	0.59	-
(iii) Hydrochloric acid	0.74	-
(iv) Stable bleaching powder	-	0.01
(v) Hydrogen gas	-	0.19
	76.45	19.28
(b) Work-in-progress (Salt, Caustic soda & HCL)	80.92	62.21
	157.36	81.49
<b>Change in Excise duty in stock of Finished Goods (Net)</b>	<b>0.61</b>	<b>1.45</b>
<b>Net increase/(decrease) in stocks</b>	<b>0.69</b>	<b>77.33</b>

**Notes to the Financial Statements as at and for the year ended 31st March, 2016**
**Note 25 - EMPLOYEES BENEFIT EXPENSES**

(₹ In Lacs)

PARTICULARS	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
Salaries, wages, allowances and other benefits	597.05	150.71
Contribution to provident fund and other funds	25.55	5.31
Staff welfare expenses	65.14	21.06
<b>TOTAL</b>	<b>687.74</b>	<b>177.08</b>

**Note 25.1 - DETAILS OF EMPLOYEES BENEFIT EXPENSES**
**The disclosure of employees benefits as required in Accounting Standard - 15 is given below :-**

## a) Defined Benefits Plan :

The liability for Employee Gratuity and Leave Encashment is determined on actuarial valuation using projected unit credit method. The Obligations are as under :-

PARTICULARS	GRATUITY (non funded)		LEAVE ENCASHMENT (non funded)	
	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
<b>Principal actuarial assumptions :</b>				
Discount rate	7.50%	7.75%	7.50%	7.75%
Rate of increase in compensation levels	5.00%	5.25%	5.00%	5.25%
Expected Rate of return of plan assets	N.A.	N.A.	N.A.	N.A.
Average remaining working lives of employees (years)	14.65	12.02	14.65	14.06
<b>Change in the present value of obligation :</b>				
Present value of obligation as at April 1, 2015	107.18	101.50	57.07	54.02
Interest cost	8.33	8.88	4.44	4.73
Past Service Cost – Vested	-	-	-	-
Past Service Cost – Non Vested	-	-	-	-
Current service cost	9.76	6.91	7.53	4.51
Benefits paid	(51.52)	(11.24)	(23.15)	(2.21)
Actuarial (gain)/loss on obligations	34.00	1.13	13.83	(3.97)
Present value of obligation as at March 31, 2016	107.75	107.18	59.72	57.08
<b>The amount to be recognized in Balance Sheet</b>				
Present value of obligation as at March 31, 2016	107.75	107.18	59.72	57.08
Fair value of plan assets as at March 31, 2016	-	-	-	-
Unfunded Status	(107.75)	(107.18)	(59.72)	(57.08)
Unrecognized Actuarial (gain)/ losses	-	-	-	-
Net Asset/ (Liability) recognized in Balance Sheet	(107.75)	(107.18)	(59.72)	(57.08)
<b>Expenses recognized in the Profit and Loss Account:</b>				
Current service cost	9.76	6.91	7.53	4.51
Past Service Cost – Vested	-	-	-	-
Past Service Cost – Non Vested	-	-	-	-
Interest cost	8.33	8.88	4.44	4.73
Expected Rate of return of plan assets	-	-	-	-
Net actuarial (gain)/loss recognized in the period	34.00	1.13	13.83	(3.97)
Total expenses recognized in the Profit & Loss Account	52.09	16.92	25.80	5.27
<b>Experience Adjustments</b>				
Experience Adjustments loss/(gain) - Plan	-	-	-	-
Experience Adjustments loss/(gain) - Obligations	34.00	1.13	13.83	(3.97)

**Notes to the Financial Statements as at and for the year ended 31st March, 2016**
**Note 26 - FINANCE COST**

(₹ In Lacs)

PARTICULARS	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
<b>(a) Interest expense on borrowings</b>		
(i) From banks	71.21	0.10
(ii) From others	79.17	23.27
<b>(b) Other borrowings cost (Processing fees)</b>	2.97	-
<b>TOTAL</b>	<b>153.35</b>	<b>23.37</b>

**Note 27 - OTHER EXPENSES**

(₹ In Lacs)

PARTICULARS	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
Stores and spares consumed	212.66	8.27
Manufacturing expenses	25.52	3.40
Rent	62.08	25.11
Security charges	42.12	21.52
Rates and taxes	9.33	4.24
Insurance charges	21.47	4.36
<b>Repairs and maintenance</b>		
Plant and machinery	165.42	2.30
Building	7.01	-
Others	12.04	3.85
Travelling, conveyance & vehicle expenses	70.16	50.24
Communication expenses	21.74	18.74
Legal, professional & consultancy charges	64.93	38.89
Printing and stationery charges	10.01	10.00
Publicity and advertisement expenses	2.74	2.31
Bank charges	7.39	2.73
<b>Auditors' remuneration</b>		
Audit fees	3.40	3.40
Taxation fees#	0.60	0.60
Brokerage and commission charges	1.24	1.93
Freight and forwarding expenses (Net)	7.93	0.28
Subscription charges	0.85	2.36
Computer related expenses	0.81	0.07
General charges	20.04	15.26
Office expenses	5.71	5.57
Water and electricity expenses	3.94	3.52
Business promotion expenses	24.46	21.92
Prior period expenses	56.75	2.63
Bad debts	62.64	-
Loss on sale of fixed assets (Including capital work-in-progress)	26.50	-
<b>TOTAL</b>	<b>949.49</b>	<b>253.50</b>

#Paid to another auditor



**Notes to the Financial Statements as at and for the year ended 31st March, 2016**
**Note 28 - EXPENDITURE IN FOREIGN CURRENCY**

(₹ In Lacs)

PARTICULARS	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
(a) Installation and other charges	5.73	79.87
(b) Travelling expenses	0.82	-
<b>TOTAL</b>	<b>6.55</b>	<b>79.87</b>

**Note 29 - FUTURE OBLIGATION TOWARDS THE LEASE RENTALS**

(₹ In Lacs)

PARTICULARS	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
Within one Year	32.10	23.10
Later than one year and not later than five year	21.08	40.43
Later than five year	-	-
<b>TOTAL</b>	<b>53.18</b>	<b>63.53</b>

**Note 30 - RELATED PARTY TRANSACTIONS**

In accordance with the Accounting Standard on "Related Party Disclosures" (AS-18), the disclosures in respect of Related Parties and Transactions with them, as identified and certified by the Management, are as follows:

**I. Description and Name of Related Parties**

Description of Relationship

Name

(a) Individuals controlling voting power/exercising significant influence and their relatives

Mr. Ajay Virmani (Managing Director)  
(Also Key Managerial Personnel)

Mr. Yuvraj Ahuja (Director)

Mr. Rakesh Ahuja (Director)

Mr. Alok Dhir (Director)

Mr. Mohit Ahuja (Relative of Director)

Ms. Srishti Dhir (Relative of Director)

Mr. Deepak Mathur (Director Tech.)

(b) Key management personnel and their relatives

Included in (a) above

(c) Enterprises over which anyone in (a) and (b) exercises significant influence

Cirrur Chemicals Pvt. Ltd.

Dhir &amp; Dhir Associates

Cirrur Infrastructure Pvt. Ltd.

**II Related Party Transactions**

(₹ In Lacs)

PARTICULARS	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
(a) Sales of goods		
- Enterprises over which individuals/ key management personnel can exercise significant influence		
Cirrur Chemicals Pvt. Ltd.	179.28	10.83
<b>TOTAL</b>	<b>179.28</b>	<b>10.83</b>

**Notes to the Financial Statements as at and for the year ended 31st March, 2016**

(b) Rendering of services		
- Enterprises over which individuals/ key management personnel can exercise significant influence		
Dhir & Dhir Associates	-	0.35
<b>TOTAL</b>	-	0.35
(c) Interest outstanding		
- Individuals controlling voting power/exercising significant influence and their relatives		
Mr. Rakesh Ahuja	-	21.75
<b>TOTAL</b>	-	21.75

(₹ In Lacs)

<b>PARTICULARS</b>	<b>YEAR ENDED 31.03.2016</b>	<b>YEAR ENDED 31.03.2015</b>
(d) Unsecured loan received		
- Individuals controlling voting power/exercising significant influence and their relatives		
Mr. Rakesh Ahuja	306.74	963.00
Mr. Yuvraj Ahuja	60.00	75.00
Mr. Alok Dhir	125.00	775.00
Mr. Mohit Ahuja	-	75.00
- Enterprises over which individuals/ key management personnel can exercise significant influence		
Cirrus Chemicals Pvt. Ltd.	175.00	225.00
Cirrus Infrastructure Pvt. Ltd.	280.50	300.00
<b>TOTAL</b>	<b>947.24</b>	<b>2413.00</b>
(e) Unsecured loan repayment		
- Enterprises over which individuals/ key management personnel can exercise significant influence		
Cirrus Chemicals Pvt. Ltd.	-	225.00
Cirrus Infrastructure Pvt. Ltd.	-	300.00
- Individuals controlling voting power/exercising significant influence and their relatives		
Ms. Srishti Dhir	-	130.00
Mr. Mohit Ahuja	-	75.00
<b>TOTAL</b>	-	730.00
(f) Remuneration to key management personnel		
- Key Management Personnel		
Mr. Ajay Virmani	56.09	39.21
Mr. Deepak Mathur	25.11	4.95
<b>TOTAL</b>	<b>81.20</b>	<b>44.16</b>
(g) Amounts written off		
- Enterprises over which individuals/ key management personnel can exercise significant influence		
Dhir & Dhir Associates	24.61	0.00
<b>TOTAL</b>	<b>24.61</b>	<b>0.00</b>

**Notes to the Financial Statements as at and for the year ended 31st March, 2016**

(h) Reimbursement of expenses (received)		
- Enterprises over which individuals/ key management personnel can exercise significant influence		
Cirrus Chemicals Pvt. Ltd.	<b>15.16</b>	12.65
Cirrus Infrastructure Pvt. Ltd.	<b>1.78</b>	1.50
<b>TOTAL</b>	<b>16.94</b>	14.15
(i) Amount payable as at year end		
- Enterprises over which individuals/ key management personnel can exercise significant influence		
(1) Unsecured loans		
Cirrus Chemicals Pvt. Ltd.	<b>175.83</b>	0.00
Cirrus Infrastructure Pvt. Ltd.	<b>280.50</b>	0.00
(2) Sales of goods		
Cirrus Chemicals Pvt. Ltd.	<b>1.07</b>	0.00
- Individuals controlling voting power/exercising significant influence and their relatives		
Mr. Alok Dhir	<b>1,576.00</b>	1451.00
Mr. Rakesh Ahuja	<b>2,099.74</b>	1793.00
Mr. Yuvraj Ahuja	<b>175.00</b>	115.00
<b>TOTAL</b>	<b>4,308.14</b>	3359.00
(j) Amount receivable as at year end		
- Enterprises over which key management personnel can exercise significant influence		
Cirrus Chemicals Pvt. Ltd.	-	35.73
Cirrus Infrastructure Pvt. Ltd.	<b>3.33</b>	1.56
<b>TOTAL</b>	<b>3.33</b>	37.29

**Note 31 - Earnings Per Share**

In accordance with Accounting Standard (AS-20) on "Earning Per Share" the following table reconciles the numerator and denominator used to calculate Basic & Diluted Earning Per Share:

<b>PARTICULARS</b>	<b>YEAR ENDED 31.03.2016</b>	<b>YEAR ENDED 31.03.2015</b>
(a) Net Profit / (Loss) available to Equity Shareholders (₹ in lacs)	<b>749.41</b>	(67.46)
(b) Number of Weighted Average Equity Shares outstanding during the period for the purpose of calculation of Earning Per Share	<b>25,153,861</b>	25,153,861
(c) Nominal value of Equity Share (in ₹)	<b>10.00</b>	10.00
(d) Basic & Diluted Earning per Share (in ₹)	<b>2.98</b>	(0.27)

**Note 32 - CONTINGENT LIABILITIES**

(₹ In Lacs)

<b>PARTICULARS</b>	<b>Period to which the amount relates</b>	<b>YEAR ENDED 31.03.2016</b>	<b>YEAR ENDED 31.03.2015</b>
(a) In respect of Excise duty disputes pending with various judicial authorities	<b>1995-99</b>	<b>64.76</b>	64.76
(b) In respect of Excise duty disputes pending with various judicial authorities	<b>1996-97</b>	<b>145.62</b>	145.62
(c) In respect of Excise duty disputes pending with various judicial authorities	<b>1996-99</b>	<b>110.72</b>	110.72

**Notes to the Financial Statements as at and for the year ended 31st March, 2016**

(d) In respect of Excise duty disputes pending with various judicial authorities	<b>2003-04</b>	<b>6.32</b>	12.63
(e) In respect of Excise duty disputes pending with various judicial authorities	<b>2011-12</b>	<b>1.53</b>	1.53
(f) In respect of Electricity duty disputes pending with judicial authorities	<b>2004-06</b>	<b>20.03</b>	20.03
(g) In respect of Entry tax disputes pending with judicial authorities	<b>2003-11</b>	<b>27.28</b>	27.28
(h) In respect of Income tax disputes pending with various judicial authorities	<b>1996-97</b>	<b>287.17</b>	287.17
(i) In respect of previous years dispute relating to import, pending with judicial authorities	<b>2002-03</b>	<b>5.00</b>	35.00
(j) Disputed demand for late payment surcharge on electricity dues amounting ₹ 1226.12 Lac. However the Company has paid ₹337.24 Lac under protest on account of late payment surcharge	<b>2011-12</b>	<b>1226.12</b>	1226.12
(k) Disputed demand for uninterpreted power cut by JVVNL	<b>2011-12</b>	<b>11.72</b>	11.72
<b>TOTAL</b>		<b>1906.27</b>	1942.58

Note 33 - Estimated amount of contracts remaining to be executed on capital account ₹276.63 Lac (previous year NIL) (net of advances).

Note 34 - Balances of current assets, sundry loans and advances, other long term liabilities including security deposits and current liabilities including sundry creditors are subject to confirmation and adjustments necessary upon reconciliation thereof.

Note 35 - High Power Consumption Incentive of ₹ 235.64 Lac has been adjusted in the payment due to Jaipur Vidyut Vitran Nigam Limited (JVVNL). Out of the total incentive of ₹235.64 Lac, ₹ 120.00 Lac is confirmed by JVVNL and the balance amount of ₹ 115.64 Lac has been accounted for on due basis, subject to confirmation from JVVNL.

Note 36 - Unclaimed amount in respect of debentures and excess share application money refundable (amount outstanding is ₹ 11.64 Lac) is required to be transferred to the "Investor Education and Protection Fund" in terms of Section 205C of the Companies Act, 1956. The Company is taking steps to reconcile the above accounts and deposit the amount with the appropriate authorities.

Note 37 - As per the provision and definition given in AS-28, since the recoverable amount of the assets are more than the carrying amount of the assets, no impairment loss needs to be provided.

Note 38 - The previous year figures have been regrouped, rearranged and reclassified to confirm to this year's classification wherever found necessary.

**AS PER OUR REPORT OF EVEN  
DATE**

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF  
LORDS CHLORO ALKALI LIMITED**

**FOR GUPTA VIGG & CO.**

**CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 001393N**

**YUVRAJ AHUJA  
DIRECTOR**

**MADHAV DHIR  
DIRECTOR**

**AJAY VIRMANI  
MANAGING DIRECTOR**

**CA. DEEPAK POKHRIYAL  
PARTNER  
MEMBERSHIP NO. 524778**

**SANTOSH KUMAR  
COMPANY  
SECRETARY**

**RAJIV KUMAR  
CHIEF FINANCIAL  
OFFICER**

**PLACE: NEW DELHI  
DATE : 27.05.2016**

**LORDS CHLORO ALKALI LIMITED**

CIN No. : L24117RJ1979PLC002099

**Registered Office:** SP-460, MIA, Alwar Rajasthan-301 030**Corporate Office:** A-264, 1st Floor, Defence Colony, New Delhi -110 024**Ph. No. :** 011 46865999, **Fax No.:** 011 46865930**Email Id.:** [secretarial@lordschloro.com](mailto:secretarial@lordschloro.com) **Web.** [www.lordschloro.com](http://www.lordschloro.com)**ATTENDANCE SLIP**Name(s) of Member(s) :  
(in block letters (including joint holders, if any))Registered Address of the sole/ :  
First Named MemberRegistered Folio No. /  
DPID No. & Client ID No.

No. of Shares held

I/ we hereby record my/our presence at the 37<sup>th</sup> Annual General Meeting (AGM) of the Company being held on Friday, 30<sup>th</sup> September, 2016 at 10.30 A. M. at registered office of the Company at SP- 460, Matsya Industrial Area, Alwar (Rajasthan) 301030.

**Signature of the Member/ Proxy present.....**

Notes:

1. Shareholder/ Proxy holder wishing to attend the meeting must bring the attendance slip to the meeting and handover at the entrance duly signed.
2. Please cut here and bring the above attendance slip to the meeting.

**E-VOTING INFORMATION**

<b>EVSN (Electronic Voting Sequence Number)</b>	<b>User ID</b>	<b>Default PAN/ Sequence Number</b>

Please see Note No. 12 to the Notice dt. 10<sup>th</sup> August, 2016 convening the AGM for the procedure with respect to e-voting.

**Note: The remote e-voting period commences on Monday, 26<sup>th</sup> September, 2016 (at 9.00 A. M.) and ends on Thursday, 29<sup>th</sup> September, 2016 (at 5.00 P.M.)**

**LORDS CHLORO ALKALI LIMITED****CIN No. :** L24117RJ1979PLC002099**Registered Office:** SP-460, MIA, Alwar Rajasthan-301 030**Corporate Office :** A-264, 1st Floor, Defence Colony, New Delhi -110 024**Ph. No. :** 011 46865999, **Fax No.:** 011 46865930**Email Id.:** [secretarial@lordschloro.com](mailto:secretarial@lordschloro.com) **Web.** [www.lordschloro.com](http://www.lordschloro.com)**FORM NO. MGT-11****PROXY FORM**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of the Member (s):

Registered address:

E-mail Id:

DP ID and Client Id / Folio No.

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

1. Name: ..... Address: .....

E-mail Id: ..... Signature:..... or failing him

2. Name: ..... Address: .....

E-mail Id: ..... Signature:..... or failing him

3. Name: ..... Address: .....

E-mail Id: ..... Signature:.....

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 37<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, 30<sup>th</sup> September, 2016 at 10.30 A.M. at the Registered office of the Company at SP-460, MIA, Alwar, Rajasthan 301030 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Ordinary Business	Optional*	
		For	Against
1	To consider and adopt the Audited Financial Statement of the Company for the Financial Year ended on 31 <sup>st</sup> March, 2016 and the reports of the Board of Directors and Auditors thereon.		
2	To appoint a Director in place of Shri Yuvraj Ahuja (DIN: 00164675), who retires by rotation and being eligible, offers himself for re-appointment.		
3	To appoint M/s Gupta Vigg. & Co., Chartered Accountants (FRN:001393N) as Auditors for five consecutive years, to hold the office from conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in the year 2021 and fix their remuneration.		
	<b>Special Business</b>		
4	To appoint Shri Madhav Dhir as Director of the Company.		
5	To appoint Shri Madhav Dhir as Whole Time Director of the Company for three years w.e.f. 1 <sup>st</sup> June, 2016 on remuneration of Rs. 24,00,000/- p.a. (Rs. 2,00,000 per month).		
6	To pay Special Allowance, Performance Bonus and Incentive to Shri Ajay Virmani, Managing Director of the Company.		
7	To ratify remuneration of Rs. 25,000/- (Rupees Twenty Five Thousand) payable to the Cost Auditors for the Financial Year 2016-17.		

\* It is optional to put "x" in the appropriate column against the resolutions indicated in the box. If you leave the ' For' or 'Against' column blank against any or all resolutions, your proxy will be entitle to vote in the manner as he/she thinks appropriate.

Signed this..... day of.....

Signature of Member

Signature of first Proxy holder .....

Signature of second Proxy holder .....

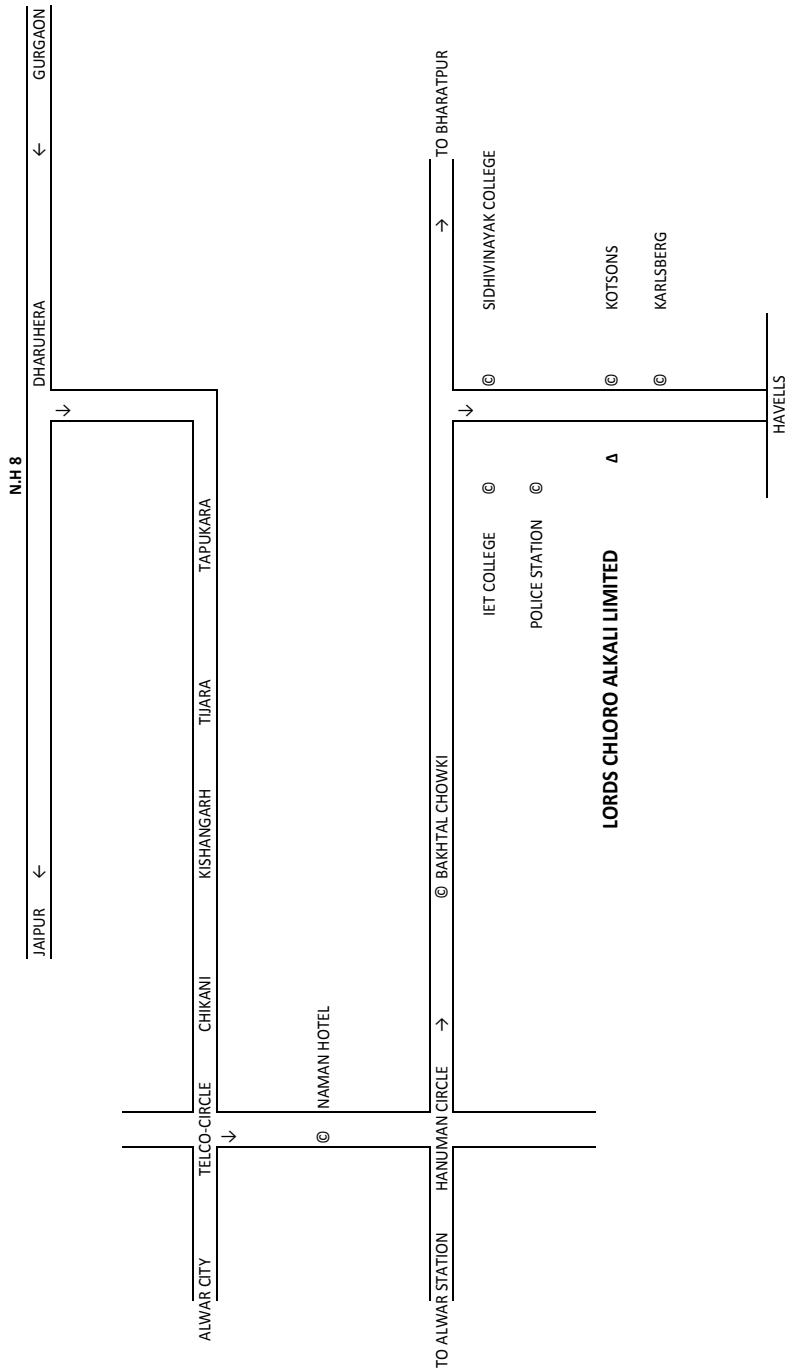
Signature of third Proxy holder .....

Affix the  
revenue  
stamp of  
Rs. 1/-

#### Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting i.e. by 10:30 am 28<sup>th</sup> September, 2016.
2. For the Resolutions, Explanatory Statements and notes, please refer to the notice of the 37<sup>th</sup> Annual General Meeting of the Company.
3. Please complete all details including detail of member(s) in above box before submission.

## Route Map of AGM venue







BOOK POST

*If undelivered, please return to :*

**LORDS CHLORO ALKALI LIMITED**  
A-264, 1<sup>st</sup> Floor, Defence Colony, New Delhi-110024