

**Date: 4<sup>th</sup> October, 2018**

**To,  
The General Manager,  
BSE Limited,  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai 400 001**

**BSE Scrip Code: 500824**

**Sub: Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,  
2015 – Submission of Annual Report of Lords Chloro Alkali Limited (the Company)**

Dear Sir,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Please find enclosed herewith the copy of Annual Report of the Company for the financial year 2017-18, approved and adopted in the 39<sup>th</sup> Annual General Meeting as per the provisions of the Companies Act, 2013 held on 27<sup>th</sup> September, 2018.

Request you to take the same on your record.

Yours faithfully

**For Lords Chloro Alkali Limited**

  
**Dipendra Chaudhary  
Company Secretary**





# CONTENTS

---

Managing Director’s Message	2
Notice	3
Board’s Report	20
Corporate Governance Report	54
Independent Auditor’s Report	68
Balance Sheet	78
Profit & Loss Account	79
Cash Flow Statement	81
Significant Accounting Policies & Practices	82
Notes to Financial Statements	94

---

## **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 Rajbir Singh Makhni	Independent Director
Shri Pawan Kumar Nayyar	Independent Director
Shri Sandeep Chaudhari	Independent Director
Shri Chandra Shakher Pathak	Independent Director
Smt. Poonam Rawat	Independent Director
Shri Shiv Dutt Sharma	Independent Director
Shri Deepak Mathur	Director (Technical)

## **Company Secretary & Compliance Officer**

Shri Dipendra Chaudhary

## **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. SSPK & Co.  
Company Secretaries,  
09, SG Shopping Mall,  
DC Chowk, Sector 9,  
Rohini, New Delhi 110085

## **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 & 42541956  
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  
E-mail: [secretarial@lordschloro.com](mailto:secretarial@lordschloro.com)  
Website: [www.lordschloro.com](http://www.lordschloro.com)

## About the Company

Lords Chloro Alkali Ltd. (LCAL) was incorporated in 1979, for producing and exporting a wide range of chemicals to cater to the ever increasing demand for feedstock to manufacture various products.

LCAL, over the years, has brought about relevant technological up gradations, moving from mercury technology to latest zero gap membrane technology. This has resulted in huge reduction in power requirements and has helped reduce the carbon footprint of the company.

The products of the company are Caustic Soda, Chlorine, Hydrogen, HCL, Stable bleaching powder and Tri Chloro Ethylene.

The Company is strategically located in the heart of North India where the demand outstrips the production in the region. The shortfall in the region is met through material coming from western parts of India which has a higher logistics cost.

LCAL supplies its products to most of the paper, soap, dyes, chemicals and plastic industries based in UP, Haryana, Rajasthan, Punjab & Delhi.



**Optimism is the faith that leads to achievement. Nothing can be done without hope and confidence.”**

## **Managing Director’s message**

Dear Members,

The financial year 2017-18 was a landmark year marked by record operational and financial performance. The Company delivered highest revenue with greater efficiency and productivity. Your Company has increased its production capacity to 207 TPD with the latest technology available in the world and plans to increase the same substantially to 275 TPD in near future. Simultaneously Company is focusing on the cost efficiency and completing the value chain of manufacturing.

The efforts of the Company are reflected in the results of the Company published every quarter. During the financial year, the Company has achieved the revenue of Rs. 16,594.74 lacs with the increase of 36.97% as compared to previous year. Profit after tax is Rs. 847.21 lacs with increase of 136.20% as compared to previous year. This shows the continuous efforts and execution by every department of the Company and the timely decision making of the management. The company expects to achieve a turnover of over 250 Crores in the financial year 2018-19.

As we enter the financial year 2018-19, we are very positive that our focus will drive growth and profitability of Lords Chloro Alkali Limited and we are confident of building the Company for the future.

With Warm Regards  
Ajay Virmani

## NOTICE

**NOTICE** is hereby given that the 39<sup>th</sup> Annual General Meeting of the Members of **LORDS CHLORO ALKALI LIMITED** will be held on Thursday, 27<sup>th</sup> September, 2018 at 10.30 a.m. at registered office at SP-460, Matsya Industrial Area, Alwar (Rajasthan) - 301030 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2018 and the reports of the Board of Directors and Auditors thereon.
2. To appoint Shri Yuvraj Ahuja (DIN: 00164675), who retires by rotation at this meeting and being eligible, has offered himself for re-appointment.
3. To ratify the appointment of Statutory Auditor of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** in line with the resolution passed by the members in their 37<sup>th</sup> Annual General Meeting (AGM) held for the F/Y 2015-16 appointing of M/s. Gupta Vigg & Co., Chartered Accountants (FRN:001393N) for a period of Five years and pursuant to the provisions of section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or amendments or re-enactments thereof for the time being in force), the members of the Company hereby ratifies their appointment as Statutory Auditor of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of 40<sup>th</sup> Annual General Meeting of the Company to be held for the financial year 2018-19, at such remuneration, reimbursement of out-of-pocket expenses, travelling and other expenses incurred in connection with audit to be carried out by them, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### SPECIAL BUSINESS:

4. **To re-appoint and payment of remuneration to Shri Ajay Virmani (DIN 00758726), Managing Director of the Company**

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

**“RESOLVED THAT** subject to the provisions of Section 196, 197 of the Companies Act, 2013 and rules made thereunder read with Schedule-V



of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) and as per the applicable provision of the Companies Act, 2013 and subject to the approval of the Central Govt., if required, consent of members of the Company be and is hereby accorded for re-appointment of Shri Ajay Virmani (DIN 00758726) as Managing Director of the Company for a further period of 3 years w.e.f. 12<sup>th</sup> July, 2018 with payment of remuneration subject to the following terms & conditions:

- a) **Minimum fixed salary of Rs. 1,00,00,000/- (Rupees One Crore Only) per annum.**
- b) **Special allowance @ 4% of Earning before Depreciation and Taxes after Interest (EBDTAI), if it is above Rs. 15 crores and upto Rs. 25 crores in a particular financial year and**
- c) **Performance bonus @ 5% of EBDTAI, if it is above Rs. 25 crores and upto Rs. 50 crores in a particular financial year, in addition to the above mentioned special allowance referred in point no. (b) above and**
- d) **Additional Performance Incentive @ 6% of EBDTAI, if it is above Rs. 50 crores and upto Rs. 100 crores in a particular financial year, in addition to the above mentioned special allowance and performance bonus referred in point no. (b) and (c) above and**
- e) **Special Incentive @ 7% of EBDTAI, if it is above Rs. 100 crores in a particular financial year, in addition to the above mentioned special allowance, performance bonus and incentive referred in point no. (b), (c) and (d) above.**

**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.”

**5. To increase in the remuneration of Shri Madhav Dhir (DIN 07227587), Whole-time Director of the Company**

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

**“RESOLVED THAT** subject to the provisions of Section 196 & 197 of the Companies Act, 2013 and rules made thereunder read with Schedule-V

of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) and Central Government (if required), consent of members of the Company be and is hereby accorded to increase in the remuneration of Shri Madhav Dhir (DIN 07227587), Whole-time Director of the Company upto Rs. 36 lacs per annum (Rs. 3 Lacs per month) by way of salary plus reimbursement of Rs. 20,000/- per month for conveyance with effect from 1<sup>st</sup> May, 2018 and other terms and condition of appointment remaining unchanged.

**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 re-appoint and payment of remuneration to Shri Deepak Mathur (DIN 07092786), as Director (Technical) of the Company**

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

“**RESOLVED THAT** subject to the provisions of Section 197, 198 of the Companies Act, 2013 and rules made thereunder read with Schedule-V of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) and from the Central Government (if required), consent of members of the Company be and is hereby accorded for re-appointment of Shri Deepak Mathur (DIN 07092786) as Director (Technical) and occupier of the factory for a further period of 3 years w.e.f. 19<sup>th</sup> February, 2018 with a payment of remuneration upto Rs. 40 lacs per annum (Rs. 3.33 lacs per month) (CTC) inclusive of all perquisites and allowances as approved by the Board of Directors.

**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 2018-19**

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

**“RESOLVED THAT** pursuant to the provision of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the members of the Company be and is hereby accorded for ratification of remuneration, as approved by the Board of Directors and set out in the statement annexed to the notice, to be paid to the Cost Auditors M/s. Goyal, Goyal & Associates, Cost Accountants, Delhi (FRN : 000100) appointed by the Board of Directors at their meeting held on 16<sup>th</sup> May, 2018 to conduct the audit of the cost records of the Company for the Financial Year 2018-19.”

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

**Place: New Delhi  
Date: 14<sup>th</sup> August, 2018**

**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 before the commencement of the above meeting i.e. by 10:30 a.m. of 27<sup>th</sup> September, 2018.

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 member.

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, 24<sup>th</sup> September, 2018 to Thursday, 27<sup>th</sup> September, 2018 (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 as Secretarial Standard 2 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 on all working days between 11.00 AM to 1.00 PM except Saturdays & Sundays 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, M/s. Alankit Assignments Ltd. (RTA).
9. Pursuant to section 72 of the Companies Act, 2013, members holding shares in physical forms may file nomination in the prescribed Form 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), M/s. Alankit Assignments Ltd.
11. SEBI vide its circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, the Company has sent letters to the members of the Company to update their PAN & Bank Details in its record. SEBI vide its circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 has mandated that w.e.f. December 5, 2018 no physical shares are allowed to be transferred (except in case of transmission or transposition of Shares) unless the securities are held in the dematerialized form. Members holding shares in physical form are requested to dematerialize their shareholding in the Company to avoid hassle in transfer of shares.
12. 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 2017-18 will also be available on the Company's website [www.lordschloro.com](http://www.lordschloro.com) for their download.
- 13. Voting through electronic means**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, 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 SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered

at the 39<sup>th</sup> 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 National Securities Depository Limited (NSDL).

- 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 to vote at the meeting through ballot paper.
- III. 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.
- IV. A Member can vote either by remote e-voting or at the AGM. In case a Member votes by both the modes then the votes cast through remote e-voting shall prevail and the votes cast at the AGM shall be considered invalid.
- V. The details of the process and manner for remote e-voting are explained herein below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 109304 then user ID is 109304001***

5. Your password details are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
  8. Now, you will have to click on “Login” button.
  9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.



## **General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [awanishcorporate@gmail.com](mailto:awanishcorporate@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

## **Other Instructions**

- I. The e-voting period commences on Monday, 24<sup>th</sup> September, 2018 (9.00 a.m. IST) and ends on Wednesday, 26<sup>th</sup> September, 2018 (5.00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Thursday, 20<sup>th</sup> September, 2018, i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.
- II. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. 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. Thursday, 20<sup>th</sup> September, 2018, only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through electronic voting system or poll paper.
- III. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Thursday, 20<sup>th</sup> September, 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or the Company/Registrar and Share Transfer Agent. However, if he/she is already registered with NSDL for remote e-voting then he/she can use

his/her existing User ID and password for casting the vote. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

- IV. 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 for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- V. The Chairman shall, at the AGM, 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 "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- VI. The Scrutinizer shall after the conclusion of voting at the 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 48 Hours 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 or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- VII. 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 NSDL 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.

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

**Place: New Delhi  
Date: 14<sup>th</sup> August, 2018**

**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**

Shri Ajay Virmani (DIN 00758726), Chartered Accountant, was re-appointed as Managing Director of the Company for a period of three years w.e.f. 12<sup>th</sup> July, 2015, with a payment of remuneration of ceiling limit of Rs. 84 lacs per annum (not exceeding the ceiling limit of Rs. 7 lacs per month).

The terms of service of Shri Ajay Virmani, as Managing Director is expired in the month of July, 2018, therefore 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, and as per the applicable provision of the Companies Act, 2013, the Board of Directors of the Company after reviewed by the Nomination and Remuneration Committee and the Audit Committee at its meeting held on 16<sup>th</sup> May, 2018 had reappointed Shri Ajay Virmani as Managing Director of the Company for further period of three years w.e.f 12<sup>th</sup> July, 2018 subject to the following terms & conditions:

- a) Minimum fixed salary of Rs. 1,00,00,000/- (Rupees One Crore Only) per annum.**
- b) Special allowance @ 4% of Earning before Depreciation and Taxes after Interest (EBDTAI), if it is above Rs. 15 crores and upto Rs. 25 crores in a particular financial year and**
- c) Performance bonus @ 5% of EBDTAI, if it is above Rs. 25 crores and upto Rs. 50 crores in a particular financial year, in addition to the above mentioned special allowance referred in point no. (b) above and**
- d) Additional Performance Incentive @ 6% of EBDTAI, if it is above Rs. 50 crores and upto Rs. 100 crores in a particular financial year, in addition to the above mentioned special allowance and performance bonus referred in point no. (b) and (c) above and**
- e) Special Incentive @ 7% of EBDTAI, if it is above Rs. 100 crores in a particular financial year, in addition to the above mentioned special allowance, performance bonus and incentive referred in point no. (b), (c) and (d) above.**

Shri Ajay Virmani aged 57 years, is a Chartered Accountant and working as a Managing Director of the Company. He has vast experience in Finance, taxation, manufacturing sectors including chemicals. He has been instrumental in shaping financial and business strategies for the Company. He is a high caliber professional and is ideally suited for this position.

For the purpose of turnaround the Company to the profitability, revamp of the plant, expansion of capacity of production and other projects, the Board of Directors of the Company, appointed Shri Ajay Virmani as Managing Director of the Company for the period of three years with the remuneration subject to approval of members and Central Government (if required) and as per the applicable provision of the Companies Act, 2013.

Except Shri Ajay Virmani, 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 of the notice.

Hence, your Directors recommend you to pass the proposed resolution as setout in item no. 4 as a Special Resolution respectively.

## **ITEM NO. 5**

Shri Madhav Dhir (DIN 07227587), Whole-time Director of the Company is working as Executive Director w.e.f. 1<sup>st</sup> June, 2016 on remuneration of Rs. 24 Lacs per annum (Rs. 2 Lacs per month) inclusive of all perquisites and allowances.

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, and as per the applicable provision of the Companies Act, 2013, the Board of Directors of the Company after reviewed by the Nomination and Remuneration Committee and the Audit Committee at its meeting held on 16<sup>th</sup> May, 2018 has increased the remuneration of Shri Madhav Dhir upto Rs. 36 lacs per annum (Rs. 3 Lacs per month) by way of salary with effect from 1<sup>st</sup> May, 2018 plus reimbursement of Rs. 20,000/- per month for conveyance and other terms and conditions of appointment remaining unchanged.

Shri Madhav Dhir, aged 26 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.

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.

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. 5 of the notice.

Hence, your Directors recommend you to pass the proposed resolution as set out in item no. 5 as a Special Resolution respectively.

#### **ITEM NO. 6**

Shri Deepak Mathur is a Chemical Engineer and having 33 years experience in chemical industry. He was working as a Director (Technical) in the Company w.e.f. 19.02.2015 for a period of three years.

Further pursuant to section 196 & 197 read with Schedule-V of the Companies Act, 2013, and subject to the approval of the members and approval of the Central Govt. (if required) and as per the applicable provision of the Companies Act, 2013, and after reviewed and recommended by the Nomination and Remuneration Committee and the Audit Committee, the Board appointed Shri Deepak Mathur as Director (Technical) on the Board of the Company for the period of three years on a remuneration upto Rs. 40 lacs (Rs. 3.33 lacs per month) (CTC) inclusive of all perquisites and allowances w.e.f. 13<sup>th</sup> February, 2018.

Shri Deepak Mathur, Chemical Engineer, having 33 years experience in manufacturing, project, & engineering operations. He is a high caliber professional is ideally suited for this position since as a Chemical Engineer and having vast experience in chemical Company, he is fully equipped to facilitate the operation of the Company due to his vital experience in the industry.

Except Shri Deepak Mathur, 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. 6 of the notice.

Hence, your Directors recommend you to pass the proposed resolution as set out in item no. 6 as a 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 2018-19 at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand Only).

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 2018-19.

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 an Ordinary Resolution.

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

**Place: New Delhi  
Date: 14<sup>th</sup> August, 2018**

**Ajay Virmani  
Managing Director  
DIN: 00758726**

### Annexure to the Notice

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

<b>Name of Director</b>	<b>Shri Yuvraj Ahuja</b>
<b>Director Identification No.</b>	<b>00164675</b>
<b>Date of Birth</b>	28/10/1987
<b>Brief Resume</b>	Shri Yuvraj Ahuja, aged 30 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 / Reappointment</b>	14/05/2010
<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, Non-Executive Promoter Director of the Company.
<b>Names of listed entities in which he holds the directorship as on 31.03.2018</b>	Lords Chloro Alkali Limited
<b>Names of listed entities in which he holds Membership of Committees of the board as on 31.03.2017</b>	Lords Chloro Alkali Limited
<b>No. of equity shares held as on 31.03.2018</b>	12,50,000

<b>Name of Director</b>	<b>Shri Ajay Virmani</b>
<b>Director Identification No.</b>	<b>00758726</b>
<b>Date of Birth</b>	25/05/1961
<b>Brief Resume</b>	Shri Ajay Virmani, aged 57 years, is a Chartered Accountant and working as a Managing Director of the Company. He has vast experience in Finance, taxation, manufacturing sectors including chemicals. He has been instrumental in shaping financial and business strategies for the Company.

<b>Date of Appointment / Reappointment</b>	14/05/2010
<b>Expertise in Specific Functional Area</b>	Finance, taxation, manufacturing sectors including chemicals
<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 31.03.2018</b>	Lords Chloro Alkali Limited
<b>Names of listed entities in which he holds Membership of Committees of the board as on 31.03.2018</b>	Lords Chloro Alkali Limited
<b>No. of equity shares held as on 31.03.2018</b>	NIL

<b>Name of Director</b>	<b>Shri Deepak Mathur</b>
<b>Director Identification No.</b>	07092786
<b>Date of Birth</b>	11/08/1960
<b>Brief Resume</b>	Shri Deepak Mathur, aged 57 years, is an engineer and working as Director (Technical) of the Company w.e.f 19 <sup>th</sup> February, 2015. He has vast experience working in manufacturing units including chemicals like caustic soda.
<b>Date of Appointment / Reappointment</b>	19/02/2015
<b>Expertise in Specific Functional Area</b>	Chemicals production
<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 31.03.2018</b>	Lords Chloro Alkali Limited
<b>Names of listed entities in which he holds Membership of Committees of the board as on 31.03.2018</b>	NIL
<b>No. of equity shares held as on 31.03.2018</b>	NIL



## BOARD'S REPORT

**TO**

**THE MEMBERS,**

Your Directors are pleased to present the 39<sup>th</sup> Annual Report together with the Audited Financial Statements of the Company for the Financial Year Ended on 31<sup>st</sup> March, 2018

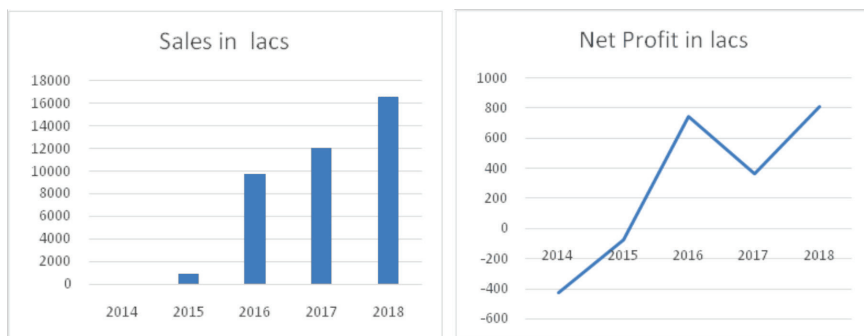
### 1. FINANCIAL PERFORMANCE

(Rs. in Lacs)

Particulars	For the year ended on 31 <sup>st</sup> March, 2018	For the year ended on 31 <sup>st</sup> March, 2017
Sales (Net of excise duty)	16,594.74	12,115.87
Other Income	49.95	36.71
Operating Profit / (Loss) before Interest and Depreciation	2,096.86	1,310.02
Interest/ Finance Cost	226.10	201.65
Depreciation	409.56	437.04
Exceptional Items – (Gain)/ Loss	-	(119.10)
Profit/(loss) before tax	1,461.20	790.43
Tax expense	(613.95)	(431.77)
Net Profit / (Loss)	847.25	358.66
Other Comprehensive Income (Net of Tax)	(31.58)	11.13
Total Comprehensive Income	815.67	369.79

During the year the Company has achieved the revenue of Rs. 16,594.74 lacs with the increase of 36.97% as compared to previous year. Profit after tax is Rs. 847.25 lakhs with increase of 136.21% as compared to previous year.

Previous five year trend of the sales and the net profit has been given below:



## **2. PERFORMANCE AND STATE OF COMPANY AFFAIRS**

As promised last year, Your Company has increased its production capacity to 207 TPD and plans to increase the same substantially to 275 TPD in near future. Further, your Company has plans to replace old forced circulation technology ASahi Electrolysers with NCZ technology Electrolysers for making the entire production process energy efficient and to be competent in the market. Company is also working on few new products for captive consumption of Chlorine.

## **3. MARKETING**

Demand for Caustic Soda in India was around 4.20 million TPA approx. in 2017-18. Further, Caustic Soda imports decreased by margin of 4 % approx. in comparison to 2016-17 resulting in better capacity utilization for domestic industry.

Your directors are pleased to inform you that the CIF price for caustic import has also jumped to \$590 per MT which indicates demand has increased across the sectors around the world. Reduced capacity utilization at plants in coastal region of China due to environmental reasons and Chlorine and Caustic price recovery in last quarter of 2017-18 had positive effect on prices of caustic soda and chlorine resulting in better profitability for the Company.

The Indian economy is growing at a healthy rate of around 7% and the pace may quicken up due to better business climate foreseen due to GST and other measures taken by the Government.

## **4. FUTURE OUTLOOK**

The economic parameters for the industry are looking good in the future with the government giving a big push to infrastructure and make in India. Caustic and Chlorine, the products of the Company, are closely linked with the growth of the economy.

Company has expanded its capacity by installing additional latest technology production facilities of 70 TPD. This resulted in the installed capacity of the Company increased to 207 TPD and products are sold comfortably. The Company is also planning to start project to make derivatives of Chlorine in the near future to create more value addition and in house consumption of Chlorine.

## **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 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 39<sup>th</sup> AGM of your Company. Your Directors recommend his re-appointment as a Non-Executive Director of the Company.

During the year under review, Board of Directors, on the recommendation of the Nomination & Remuneration Committee and the Audit Committee, had approved in their meeting held on 13<sup>th</sup> February, 2018 the re-appointment of Shri Deepak Mathur subject to approval of members by special resolution at the ensuing Annual General Meeting as Whole Time Director of the Company for a period of 3 (three) years w.e.f. 19<sup>th</sup> February, 2018.

The present term of Shri Ajay Virmani, Managing Director of the Company going to expire w.e.f. 11<sup>th</sup> July, 2018, On the recommendation of the Nomination & Remuneration Committee and the Audit Committee, the Board in its meeting held on 16<sup>th</sup> May, 2018 subject to the approval of members by special resolution at the ensuing Annual General Meeting, has re-appointed Shri Ajay Virmani as Managing Director of the Company for a term of 3 (three) years w.e.f. 12<sup>th</sup> July, 2018.

During the year under review Shri Rohit Verma has been appointed as a Company Secretary w.e.f. 29<sup>th</sup> May, 2017 of the Company and further, he has tendered his resignation from the post of Company Secretary w.e.f. 31<sup>st</sup> August, 2017. Shri Dipendra Chaudhary had joined the Company as a Company Secretary of the Company w.e.f. 27<sup>th</sup> February, 2018.

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.

## **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company in their meeting held on 13<sup>th</sup> February, 2018 had carried out the annual evaluation of its own performance, the Individual Directors (Including the Independent and Non Independent Directors) as well as of its Committees. The structured questionnaires were circulated to all the Directors, requesting them to fill and return the duly filled questionnaires to the Company giving their views for evaluation of the self & the peers. The feedback received from the Directors had been compiled and the outcome has been summarized.

The Independent Directors of the Company in their separate meeting held

on 13<sup>th</sup> February, 2018 reviewed the performance of the Non-Independent Directors and the Board as a whole. They also reviewed the performance of the Chairperson of the Company.

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; and
- b) Remuneration Policy for Directors, Key Managerial Personnel and other employees.

## **6. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186**

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

## **7. MATERIAL CHANGES AND COMMITMENTS, IF ANY:**

There were no material changes and commitments have been occurred between the end of the financial year of the Company to which the financial statements relate and date of signing of board report affecting the financial position of the Company.

## **8. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

The Company has not received any significant/material orders from the statutory regulatory bodies/courts/tribunals which affect the operations/status of the Company.

## **9. STATUTORY AUDITORS**

At the 37<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 42<sup>nd</sup> AGM subject to rectification by the Members at every Annual General Meeting.

The Board of Directors of your Company at their meeting held on 16<sup>th</sup> May, 2018, have on the recommendation of Audit Committee and subject to the approval of members, ratify the appointment of M/s Gupta Vigg & Co., Chartered Accountants as Statutory Auditors for the Financial Year 2018-19 i.e. from conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting.

## 10. COST AUDITORS

The provisions of section 148 of the Companies Act, 2013, read with Rules 4 & 5 of the Companies (Cost Audit and Record) Rules, 2014, for maintenance of Cost Records, Cost Audit are applicable to the Company for the financial year 2018-19.

The Board of Directors of your Company at its meeting held on 16<sup>th</sup> May, 2018, has on the recommendation of Audit Committee, had approved the appointment of M/s Goyal, Goyal & Associates, Cost Accountant as Cost Auditor of your Company to conduct the audit of cost records for the Financial Year 2018-19. The remuneration proposed to be paid to the Cost Auditor subject to your ratification at the 39<sup>th</sup> AGM will be Rs. 50,000/- (Rupees Fifty Thousand Only) for the Financial Year 2018-19.

## 11. 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 Sanjeev Pandey, Partner of M/s SSPK & Co., Practising Company Secretary, as Secretarial Auditors to conduct Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2018 is annexed herewith marked as **Annexure C** to this Report.

## 12. AUDITORS' OBSERVATIONS

In reference to the Comments mentioned in the Statutory Auditors Report for the year 2017-18, we wish to submit the following:

- (i) 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 auditor of the company under section 143(12) of the Companies Act, 2013.

### 13. 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.

### 14. DIVIDEND AND TRANSFER TO RESERVE

During the year, the Company has earned a profit of Rs. 815.67 Lacs, 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 2017-18 and Rs. 815.67 Lacs has been transferred to General Reserve.

### 15. 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 as **Annexure D**.

### 16. 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.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 in the prescribed Form AOC - 2 is annexed as **Annexure E** to this Report.

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: [www.lordschloro.com](http://www.lordschloro.com).

### 17. PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- (a) **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:**

<b>Name of the Directors</b>	<b>Ratio to median remuneration</b>	<b>Remuneration in Rs.</b>
Shri Rakesh Ahuja	-	-
Shri Madhav Dhir	8.81	24,07,000
Shri Yuvraj Ahuja	-	-
Shri Ajay Virmani	22.38	61,13,500
Shri Pawan Kumar Nayyar	-	-
Shri Sandeep Chaudhari	-	-
Shri Chandra Shaker Pathak	-	-
Shri Rajbir Singh Makhni	-	-
Smt. Poonam Rawat	-	-
Shri Shiv Dutt Sharma	-	-
Shri Deepak Mathur	10.64	29,04,817

- (b) **The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year:**

<b>Name</b>	<b>% Increase</b>
Shri Ajay Virmani	8.96
Shri Madhav dhir	-
Shri Deepak Mathur	11.67
Shri Rajiv Kumar (Chief Financial Officer)	10.99
Shri Dipendra Chaudhary* (Company Secretary)	-

\* Shri Dipendra Chaudhary has joined the Company w.e.f. 27<sup>th</sup> February, 2018, hence increase in percentage with previous year is not possible.

- (c) **The percentage increase in the median remuneration of employees in the financial year:**

The percentage increase in the median remuneration of employees in the financial year was 17.82%.

- (d) **the number of permanent employees on the rolls of Company;**

The number of permanent employees on the rolls of the company at the end of financial year were 177.

- (e) **average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in**

**the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

Average percentile increase in the salaries of employees other than the managerial personnel is 12.13%. Average percentile increase in the salaries of managerial personnel is 9.15%.

**(f) Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms that the remuneration is as per the remuneration policy of the Company.

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 who is employed throughout the financial year, was in receipt of remuneration of Rs. 1.02 crores (one crore and two lacs) or more per annum and no employee who is employed for a part of the financial year, was in receipt of remuneration Rs. 8.5 lacs (eight lacs fifty thousand) or more per month. Any member interested in obtaining the information of top-10 employee of the Company may write to the Company Secretary at the registered office or the corporate office of the Company.

## **18. ANNUAL RETURN**

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

## **19. 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).

## **20. 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 appended herewith.

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 Board.

## **21. 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 Risk Management are provided in the Corporate Governance Report.

## **22. CORPORATE SOCIAL RESPONSIBILITY**

In accordance with the provision of Section 135 of the Companies Act, 2013 read with rules made thereunder, Company has constituted Corporate Social Responsibility Committee, which framed a Board approved CSR Policy for the Company, same is available on Company's website [www.lordschloro.com](http://www.lordschloro.com).

An annual report of CSR activity has been disclosed with this report as **Annexure G**.

## **23. MEETINGS OF THE BOARD**

Four 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.

## **24. 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).

## **25. 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 out lined 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.

## **26. 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.

## **27. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended on 31<sup>st</sup> March, 2018, 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, 2018 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.

## **28. 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 thanks to 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 : 16<sup>th</sup> May, 2018**

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

**Yuvraj Ahuja**  
**Director**  
**DIN: 00164675**

**Madhav Dhir**  
**Whole Time**  
**Director**  
**DIN: 07227587**

**ANNEXURE A****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 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****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.

- 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 Director/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****SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2018****For the financial year ended on March 31, 2018)**

[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**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 my opinion thereon.

Based on our verification of the 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 ended on March 31, 2018, 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 period ended on March 31, 2018 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 prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
- 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
  - 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;
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- VI. other laws specifically applicable to the company namely:
- 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), 1981 read with Air (Prevention & Control of Pollution) Rules, 1982
  - d. Explosives Act, 1884
  - e. Manufacture Storage & Import of Hazardous and Chemicals Rules, 1989
  - f. Public Liability Insurance Act, 1991, as amended
  - g. Gas Cylinder Rules, 2004, 2016
  - h. The Hazardous wastes (Management, Handling & Trans boundary Movement) Rules, 2008
  - i. The Static and Mobile Pressure Vessels (Unfired) Rules 1981, 2016

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 Agreement entered into by the Company with the BSE Limited read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Regulation etc mentioned above subject to observation noted hereunder :

- A. The Company is required to transfer an amount of Rs. 11.64 lakhs to Investor Education and Protection Fund under the provisions of Section 125 of the Companies Act, 2013 and other applicable provisions. However, as per explanation received from management, this amount, due for transfer, pertains to period prior to period under review and delay is due to pending reconciliation of old records. Further, the Company is in the process of reconciliation of records and deposit the amount 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, 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 part of the minutes.

**We further report that** based on the information received and records maintained 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/actions such as public, rights or preferential issue of shares, debentures or sweat equity; redemption or buy back of securities; major decisions by members pursuant to section 180 of the Companies Act, 2013; merger, amalgamation or reconstruction; foreign technical collaboration or other events/actions that has major bearing on the Company affairs in pursuance of above referred laws, rules, regulations, guidelines, standards etc.

**Place : Delhi**

**Date : 16<sup>th</sup> May, 2018**

**For SSPK & Co.**

**Company Secretaries**

**Sanjeev Pandey**

**Partner**

**Mem No.: 33468**

**COP No : 17237**

*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.

**Place : Delhi  
Date : 16<sup>th</sup> May, 2018**

**For SSPK & Co.  
Company Secretaries**

**Sanjeev Pandey  
Partner  
Mem No.: 33468  
COP No : 17237**

**ANNEXURE D****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 technology up-gradation by replacing one Electrolyser on forced circulation technology of AKCC, Japan to latest NCZ technology of AKCC where the power consumption is the minimum among the best technologies available in the world.
- Company has carried out expansion of the plant with installation of new Electrolyser based on latest zero gap NCZ technology by AKCC, Japan
- This expansion is done with installation of new rectifier transformer to make the system energy efficient by minimizing the electrical losses.
- 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.
- 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 upgradation 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 Lacs)

		<b>For the year ended on 31<sup>st</sup> March, 2017</b>	<b>For the year ended on 31<sup>st</sup> March, 2018</b>
(i)	Earned	--	--
(ii)	Used	362.04	1305.34



**ANNEXURE- E**
**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 read with Section 188(1) of the Companies Act)**

**Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.**

**1. Details of contracts or arrangements or transactions not at arm's length basis - NONE**

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

**2. Details of material\* contracts or arrangements or transactions at Arm's length basis –**

S. No	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
	(a)	(b)	(c)	(d)	(e)	(f)
1	Cirrus Chemicals Private Limited Mr. Rakesh Ahuja (Director), Mr. Yuvraj Ahuja (Director) and Mr Madhav Dhir (Whole-time Director) are indirectly related as their relatives are shareholders in Cirrus Chemicals Private Limited Mrs. Poonam - Rawat is a common Director;	Sale & Purchase of Hydrogen gas, caustic soda lye, caustic soda flakes and allied products	To be executed (for 10 Years)	Hydrozen Gas Rs. 264.01 Lakhs Caustic Soda Lye Rs. 167.07 Lakhs, Return of Caustic Soda Flakes Rs. (658.72) Lakhs**	17.08.2017	Nil

*Note:- \*Material – Since the definition of Material is not defined under Companies Act, 2013 read with rules made thereunder, an inference is being drawn from the explanation to Regulation 23(1) of the SEBI (LODR) Regulations 2015, i.e transaction with related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a Financial Year, exceeds 10% of the Annual Consolidated Turnover of the Company as per the last audited Financial Statements of the Company.  
\*\*The transactions does not fall under material contracts even Company is giving disclosure.*

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

**Place : New Delhi**  
**Date : 16<sup>th</sup> May, 2018**

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

**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 31/03/2018

**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>	COMPANY LIMITED BY SHARES
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>	secretarial@lordschloro.com
	<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 &42541956
	<b>Fax Number :</b>	011-41543474
	<b>Email Address :</b>	<a href="mailto:rtal@alankit.com">rtal@alankit.com</a>

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

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					1
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 Share-holders	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>									
<b>(1) Indian</b>									
a) Individual/ HUF	13372039	0	13372039	53.16%	13372039	0	13372039	53.16%	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	2962029	0	2962029	11.78%	2962029	0	2962029	11.78%	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>(2) Foreign</b>									
a) NRI - Individual/	0	0	0	0	0	0	0	0	0
b) Other - Individual/	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Others	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A)</b>	<b>16334068</b>	<b>0</b>	<b>16334068</b>	<b>64.94%</b>	<b>16334068</b>	<b>0</b>	<b>16334068</b>	<b>64.94%</b>	<b>0</b>
<b>B. Public Share-holding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	105	215	320	0.00%	105	215	320	0.00%	0
b) Banks / FI	75	10254	10329	0.04%	75	10254	10329	0.04%	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	2685	0	2685	0.01%	0	0	0	0	-0.01%
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	36412	0	36412	0.14%	35264	0	35264	0.14%	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>39277</b>	<b>10469</b>	<b>49746</b>	<b>0.19%</b>	<b>35444</b>	<b>10469</b>	<b>45913</b>	<b>0.18%</b>	<b>-0.01%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1260779	2056593	3317372	13.18%	1063375	2056438	3119813	12.40%	-0.78%
ii) Overseas	0	1321	1321	0.01%	0	1321	1321	0.01%	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	271061	832456	1103517	4.38%	307560	812325	1119885	4.45%	0.07%

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2321745	1907303	4229048	16.84%	2507753	1907303	4415056	17.55%	0.71%
c) Others (specify)	4556	114233	118789	0.47%	21186	96619	117805	0.47%	0
<b>Sub-total (B)(2):-</b>	<b>3858141</b>	<b>4911906</b>	<b>8770047</b>	<b>34.87%</b>	<b>3899874</b>	<b>4874006</b>	<b>8773880</b>	<b>34.88%</b>	<b>0.01%</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>3897418</b>	<b>4922375</b>	<b>8819793</b>	<b>35.06%</b>	<b>3935318</b>	<b>4884475</b>	<b>8819783</b>	<b>35.06%</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>20231486</b>	<b>4922375</b>	<b>25153861</b>	<b>100.00%</b>	<b>20269386</b>	<b>4884475</b>	<b>25153851</b>	<b>100.00%</b>	<b>0</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.	Madhav Dhir	7384582	29.36%	0%	7384582	29.36%	10%	0%
2.	Rakesh Ahuja	3331447	13.24%	0%	3331447	13.24%	10%	0%
3.	Yuvraj Ahuja	1250000	4.97%	0%	1250000	4.97%	0%	0%
4.	Maneesha Dhir	1020000	4.06%	0%	1020000	4.06%	0%	0%
6.	Jyoti Ahuja	386010	1.53%	0%	386010	1.53%	0%	0%
7.	Matrix Dotcom Infonet Pvt. Ltd.	1780000	7.08%	0%	1780000	7.08%	0%	0%
8.	Shiva Consultants Pvt. Ltd.	1182029	4.7%	0%	1182029	4.7%	0%	0%

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

Sl No.	Shareholder's Name	Shareholding					Cumulative shareholding during the year 01.04.17 to 31.03.18	
		No. of Shares at 01.04.2017 (Beginning)/ 31.03.2018 (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	Rakesh Ahuja	3331447	13.24%	01.04.2017				
					0	No Movement		
		3331447	13.24%	31.03.2018			3331447	13.24%
2.	Madhav Dhir	7384582	29.36%	01.04.2017				
					0	No Movement		
		7384582	29.36%	31.03.2018			7384582	29.36%
3.	Yuvraj Ahuja	1250000	4.97%	01.04.2017				
					0	No Movement		
		1250000	4.97%	31.03.2018			1250000	4.97%
4.	Maneesha Dhir	1020000	4.06%	01.04.2017				
					0	No Movement		
		1020000	4.06%	31.03.2018			1020000	4.06%
5.	Jyoti Ahuja	386010	1.53%	01.04.2017				
					0	No Movement		
		386010	4.53%	31.03.2018			386010	1.53%
6.	Matrix Dotcom Infonet Pvt. Ltd.	1780000	7.08%	01.04.2017				
					0	No Movement		

		1780000	7.08%	31.03.2018			1780000	7.08%
7.	Shiva Consultants Pvt. Ltd.	1182029	4.70%	01.04.2017				
					0	No Movement		
		1182029	4.70%	31.03.2018			1182029	4.70%

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

SI No.	Shareholder's Name	Shareholding					Cumulative shareholding during the year 01.04.17 to 31.03.18	
		No. of Shares at 1.04.2017 (Beginning)/ 31.03.2018 (at theend)	% 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%	01-04-2017				
					0	No Movement		
		<b>1243792</b>	<b>4.94%</b>	<b>31-03-2018</b>			<b>1243792</b>	<b>4.94%</b>
2.	Bhavya Sahni	821868	3.27%	01-04-2017				
					0	No Movement		
		<b>821868</b>	<b>3.27%</b>	<b>31-03-2018</b>			<b>821868</b>	<b>3.27%</b>
3.	Sahni Lal Charanjit	800000	3.18%	01-04-2017				
					0	No Movement		
		<b>800000</b>	<b>3.18%</b>	<b>31-03-2018</b>			<b>800000</b>	<b>3.18%</b>
4.	Atul Kumar Singh	525000	2.09%	01-04-2017				
				02-03-2018	98158	Market Purchase	623158	2.48%
				09-03-2018	1000	Market Purchase	624158	2.48%
				30-03-2018	83303	Market Purchase	707461	2.81%
				<b>31-03-2018</b>			<b>707461</b>	<b>2.81%</b>
5.	Turnaround Consultants Pvt. Ltd.	700020	2.78%	01-04-2017				
						No Movement		
		<b>700020</b>	<b>2.78%</b>	<b>31-03-2018</b>			<b>700020</b>	<b>2.78%</b>
6.	JFC Finance (India) Ltd.	404142	1.61%	01-04-2017				
					0	No Movement		
		<b>404142</b>	<b>1.61%</b>	<b>31-03-2018</b>			<b>404142</b>	<b>1.61%</b>
7.	Isleworth Waste Management & Recyclers Pvt. Ltd.	391598	1.56%	01-04-2017				
					0	No Movement		
		<b>391598</b>	<b>1.56%</b>	<b>31-03-2018</b>			<b>391598</b>	<b>1.56%</b>
8.	Eva Exporters Pvt. Ltd.	375000	1.49%	01-04-2017				
					0	No Movement		
		<b>375000</b>	<b>1.49%</b>	<b>31-03-2018</b>			<b>375000</b>	<b>1.49%</b>
9.	Abhisar Estates Pvt. Ltd.	318246	1.27%	01-04-2017				
					0	No Movement		
		<b>318246</b>	<b>1.27%</b>	<b>31-03-2018</b>			<b>318246</b>	<b>1.27%</b>
10.	Zafar Ali	280000	1.11%	01-04-2017				
					0	No Movement		
		<b>280000</b>	<b>1.11%</b>	<b>31-03-2018</b>			<b>280000</b>	<b>1.11%</b>

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

SI No.	Director's and KMP Name	Shareholding					Cumulative shareholding during the year 01.04.17 to 31.03.18	
		No. of Shares at 01.04.2017 (Beginning)/ 31.03.2018 (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.	Rakesh Ahuja	3331447	13.24%	01-04-2017				
					No Movement			
		3331447	13.24%	31-03-2018			3331447	13.24%
2.	Madhav Dhir	7384582	29.36%	01-04-2017				
					No Movement			
		7384582	29.36%	31-03-2018			7384582	29.36%
3.	Yuvraj Ahuja	1250000	4.97%	01-04-2017				
					No Movement			
		1250000	4.97%	31-03-2018			1250000	4.97%
4.	Rajbir Singh Makhni	50500	0.20%	01-04-2017				
					No Movement			
		50500	0.20%	31-03-2018			50500	0.20%
5	Ajay Virmani	0	0	01-04-2017				
					No Movement			
		0	0	31-03-2018			0	0
6.	Poonam Rawat	0	0	01-04-2017				
					No Movement			
		0	0	31-03-2018			0	0
7.	Pawan Kumar Nayyar	0	0	01-04-2017				
					No Movement			
		0	0	31-03-2018			0	0
8.	Sandeep Chaudhary	0	0	01-04-2017				
					No Movement			
		0	0	31-03-2018			0	0
9.	Chander Shekhar Pathak	0	0	01-04-2017				
					No Movement			
		0	0	31-03-2018			0	0
10.	Deepak Mathur	0	0	01-04-2017				
					No Movement			
		0	0	31-03-2018			0	0
11.	Shiv Dutt Sharma	0	0	01-04-2017				
					No Movement			
		0	0	31-03-2018			0	0
12.	Rajiv Kumar	0	0	01-04-2017				
					No Movement			
		0	0	31-03-2018			0	0
13.	Dipendra Chaudhary	0	0	01-04-2017				
					No Movement			
				31-03-2018			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	22,88,56,063	44,47,45,664	-	67,36,01,727
ii) Interest due but not paid	7,99,801	-	-	7,99,801
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>22,96,55,864</b>	<b>44,47,45,664</b>	<b>-</b>	<b>67,44,01,528</b>
<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	17,96,61,357	26,04,50,000	-	44,01,11,357
* Reduction	13,92,57,977	21,06,98,280	-	34,99,56,257
<b>Net Change</b>	<b>4,04,03,380</b>	<b>4,97,51,720</b>	<b>-</b>	<b>9,01,55,100</b>
<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	27,00,59,243	49,44,97,384	-	76,45,56,627
ii) Interest due but not paid	21,60,409	-	-	21,60,409
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>27,22,19,652</b>	<b>49,44,97,384</b>	<b>-</b>	<b>76,67,17,036</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Ajay Virmani (Managing Director)	Madhav Dhir (Whole Time Director)	Deepak Mathur (Director-Technical)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	61,13,500	24,07,000	29,04,817	1,14,25,317
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- others, specify	0	0	0	0
5.	Others, please specify	0	0	0	0
	<b>Total (A)</b>	<b>61,13,500</b>	<b>24,07,000</b>	<b>29,04,817</b>	<b>1,14,25,317</b>
	<b>Ceiling as per the Act</b>	<b>84,00,000</b>	<b>84,00,000</b>	<b>84,00,000</b>	<b>2,52,00,000</b>

### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors						Total Amount
		Poonam Rawat	Chandera Shekhar Pathak	Rajbir Singh Makhni	Pawan Kumar Nayyar	Shiv Dutt Sharma	Sandeep Chaudhari	
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
	<b>Total (1)</b>	0	0	0	0	0	0	0
<b>2.</b>	<b>Other Non-Executive Directors</b>	<b>Rakesh Ahuja</b>	<b>Yuvraj Ahuja</b>	/				
	Fee for attending board committee meetings	0	0					
	Commission	0	0					
	Others, please specify	0	0					
	<b>Total (2)</b>	0	0					
	<b>Total (B)=(1+2)</b>	0	0					
	<b>Total Managerial Remuneration</b>	0	0					
	<b>Overall Ceiling as per the Act</b>	0	0					

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary		CFO	Total Amount
		(Dipendra Chaudhary)	(Rohit Verma)	(Rajiv Kumar)	
1.	Gross salary	51,659	1,12,234	14,66,720	16,30,613
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	- others, specify	0	0	0	0
5.	Others, please specify	0	0	0	0
	<b>Total (A)</b>	51,659	1,12,234	14,66,720	16,30,613

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A**

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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					



**ANNEXURE G**
**ANNUAL REPORT ON CSR ACTIVITY**

Sr. No.	A Brief outline of the Company's CSR Policy, including overview of the projects or programs undertaken and a reference to the web link to the CSR policy and project or programs						As per the CSR policy of the Company, Company can undertake any of the program or activity as defined in Schedule VII of the Companies Act, 2013, and which will include any modification or amendment thereof.
	The Composition of the CSR Committee						Disclosed in Corporate Governance Report.
							Figures in Lakhs
	Average net profit of the Company for last three financial year						430.06
	Prescribed CSR Expenditure						8.60
	Details of CSR spent during the financial year						Nil
	Total amount to be spent for the financial year						8.60
	Amount unspent, if any						8.60
	Manner in which the amount spent during the financial year detailed below:						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs Local Area or Other Specify the State and district where projects or programs was undertaken	amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheads: Direct expenditure Overheads	Cumulative expenditure upto the reporting period	Amount spent: Directly or through implementing agency
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**Reason for failure to spend the two percent of the average net profit of the last three financial years or any part thereof:** The CSR Committee has series of meeting and detailed discussions with Number of NGO's partners to actively support and channelize the activities/projects/programmes to be undertaken by the Company in line with CSR objectives.

However, even after meetings with such NGO partners, the Committee could not not identify any suitable NGO partner for this purpose and require more time to meet other NGO partners to achieve its CSR objective.

Therefore, the CSR committee could not make any recommendation to the Board for the Financial 2017-18, for the CSR activity to be undertaken by the Company and the amount of expenditure to be incurred on CSR activity, due

to non-identification of suitable NGO partner to undertake CSR activity of the Company. The Company is exploring the various possibilities for spending the amount of CSR and will spend the amount of CSR in coming years.

Accordingly, the Board resolved not to incur any expenditure toward CSR for the F/Y 2017-18.

**CSR Committee Responsibility Statement:**

I, Ajay Virmani, being Chairman of CSR Committee hereby undertake for and on behalf of CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objective and the policy of the Company for the period ended 31<sup>st</sup> March, 2018.

**Date: 16<sup>th</sup> May, 2018**

**Place: New Delhi**

**Sd/-**

**Ajay Virmani**

**Managing Director**

**&**

**Chairman, CSR Committee**

**DIN: 00758726**

## **CORPORATE GOVERNANCE REPORT**

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

Your Company's philosophy on Corporate Governance is aimed at optimizing the balance between stakeholders' interests and corporate goals through the efficient conduct of its business and meeting their obligation in a manner that is guided by transparency, accountability and integrity. We consider stakeholders as partners in our success and committed to maximizing stakeholder's value, be it members, employees, customers, vendors, governments, community at large. We believe in fair practices, transparent disclosures and empowerment of stakeholders are as necessary as delivering solid financial results, for creating and sustaining value for shareholders and meeting expectations of customers and society.

Your Company's Corporate Governance systems provide fundamental framework to execute its business in line with business ethics not only adheres to the prescribed Corporate Governance Practices as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, (Listing Regulations) but is also committed to sound Corporate Governance principles and practices. Your Company takes proactive approach and revisits its governance practices from time to time so as to meet business and regulatory needs. The Company has ensured stability in a dynamic environment and in challenging times.

Securities and Exchange Board of India (SEBI) has mandated the Corporate Governance standards for listed companies through Chapter IV of Listing Regulations. The Company continued to be in compliance with the Corporate Governance standards of said Chapter IV, as referred above.

### **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. Out of these 3 (Three) are Executive Director, 2 (Two) are Non Executive Director and 6 (Six) are Non-Executive Independent Directors.
- ii) The composition of the Board of Directors is in conformity with the provisions under Regulation 17 of Listing Regulations and the Companies Act, 2013 ("the Act").
- iii) The Directors are eminent persons with professional expertise and experience. The Independent Directors of the Company meet all the criteria mandated by Regulation 25 of the Listing Regulations and

Section 149 of the Act. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Act, and its rules thereto.

## 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 situated in New Delhi. The Board meets at least once a quarter to review the quarterly performance and financial results and the gap between two meetings did not exceed one hundred and twenty days.

During the financial year 2017-18, Four (4) Board Meetings were held on the following dates:

29 <sup>th</sup> May, 2017	14 <sup>th</sup> August, 2017(Adjourned) & 29 <sup>th</sup> August, 2017	7 <sup>th</sup> December, 2018
13 <sup>th</sup> February, 2018	-	-

## 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 31.03.2018 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 Rakesh Ahuja	2	N	Promoter & Non-Executive Director	3	1	-
2.	Shri Madhav Dhir (Whole Time Director)	4	Y	Promoter & Executive Director	-	-	-
3.	Shri Yuvraj Ahuja	4	Y	Promoter Non-Executive Director	2	-	-
4.	Shri Ajay Virmani (Managing Director)	4	Y	Executive Director	-	-	2
5.	Shri Pawan Kumar Nayyar	1	N	Independent Director	-	-	-
6.	Shri Sandeep Chaudhari	4	N	Independent Director	-	-	-
7.	Smt. Poonam Rawat	4	Y	Independent Director	-	-	-
8.	Shri Rajbir Singh Makhni	4	N	Independent Director	1	1	1

9.	Shri Shiv Dutt Sharma	3	N	Independent Director	-	-	-
10.	Shri Chandra Shakher Pathak	4	N	Independent Director	-	-	1
11	Shri Deepak Mathur (Whole-time Director)	3	Y	Executive Director	-	-	-

\*Other Directorship do not include directorship of private limited companies, foreign companies and companies incorporated under Section 8 of the Companies Act, 2013

\*\*As per SEBI (LODR) Regulations, 2015 Committee includes Audit committee and Stakeholder Relationship committee.

#Shri Yuvraj Ahuja is the son of Shri Rakesh Ahuja. None other directors are related to any other director on the Board.

No. of share held by Non-Executive Directors as on 31<sup>st</sup> March, 2018 are provided below:

S.No.	Name of Director	No. of Equity Shares
1.	Shri Rakesh Ahuja	33,31,447
2.	Shri Yuvraj Ahuja	12,50,000
3.	Shri Rajbir Singh Makhni	50,500

### Independent Directors' Meeting:

During the year under review, the Independent Directors met on 13<sup>th</sup> February, 2018 without the attendance of Non-Independent Directors and members of the management, inter alia, to discuss 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.

Details regarding familiarization programmes imparted to independent Directors has been disclosed on the given weblink i.e. <http://www.lordschloro.com/pdfs/independent-directors-familirisation-programme.pdf>.

### 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.

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

### Composition & Meetings:

The constitution of the Audit Committee are as follows:-

Sl. No.	Name	Designation
1.	Shri Rajbir Singh Makhni	Chairman
2.	Shri Chandra Shakher Pathak	Member
3.	Shri Ajay Virmani	Member

The Audit Committee met Four (4) times during the year 2017-18 on the following dates:

29 <sup>th</sup> May, 2017	14 <sup>th</sup> August, 2017 (Adjourned) & 29 <sup>th</sup> August, 2017	7 <sup>th</sup> December, 2018
13 <sup>th</sup> February, 2018	-	-

Attendance of the members at the meetings was as follows:

Sl. No.	Name	Nos. of Meeting held	Nos. of Meeting attended
1.	Shri Rajbir Singh Makhni	4	4
2.	Shri Chandra Shakher Pathak	4	4
3.	Shri Ajay Virmani	4	4

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

NRC identify 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 composition of the Nomination and Remuneration Committee are as follows:

Sl. No.	Name	Designation
1.	Shri Sandeep Chaudhari	Chairman
2.	Shri Rajbir Singh Makhni	Member
3.	Ms. Poonam Rawat	Member

The Committee met Two (2) times during the year 2017-18 on the following dates:

29 <sup>th</sup> May, 2017	13 <sup>th</sup> February, 2018
----------------------------	---------------------------------

Attendance of the members at the meetings was as follows:

Sl. No.	Name of Members	Nos. of Meeting held	Nos. of Meeting attended
1.	Shri Sandeep Chaudhari	2	2
2.	Shri Rajbir Singh Makhni	2	2
3.	Mrs. Poonam Rawat	2	2

### 5. 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 F** and other related information as required under Schedule V of SEBI (LODR) Regulations, 2015 has been disclosed in **Annexure-B**.

### 6. Stakeholders Relationship Committee

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 for its Approval to issue 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.

Sl. No.	Name	Designation
1.	Shri Rakesh Ahuja	Chairman
2.	Shri Rajbir Singh Makhni	Member
3.	Shri Ajay Virmani	Member

The Committee met Four (4) times during the year 2017-18 on the following dates:

29 <sup>th</sup> May, 2017	14 <sup>th</sup> August, 2017
7 <sup>th</sup> December, 2017	13 <sup>th</sup> February, 2018

Attendance of the members at the meetings was as follows:

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

### **Compliance Officer**

After resignation of Shri Rohit Verma from the position of Company Secretary cum Compliance Officer, Shri Rajiv Kumar, CFO, has been appointed as the Compliance Officer.

Shri Dipendra Chaudhary has been appointed as Company Secretary cum Compliance Officer w.e.f. 27<sup>th</sup> February, 2018 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 01.04.2017	4
2.	Complaints received during the year 2017-18	11
3.	Complaints resolved during the year 2017-18	15
4.	Complaints pending as on 31.03.2018	0

## Risk Management Committee –

### Risk and Concerns

The substantial areas of concern for the Company are hike in power tariff, expansion of installed capacities in the domestic caustic industry, cheaper import of Caustic Soda, and increase in Cost of production.

### Risk Management

Any organization, public or private, large or small, faces internal and external uncertainties that affect its ability to achieve its objectives. The effect of uncertainty on an organization's objectives is "risk".

Risk management is a structured, consistent and continuous process, applied across the organisation for the identification and assessment of risks, control assessment and exposure monitoring. The Company has in place Risk Management Committee to identify, assess and mitigate business risk. Risk identification, Assessment and minimization procedure of the Company are reviewed periodically to ensure that these reflect the current potential risks to its business.

The Company has identified

- (1) Production of Hazardous Chemicals-Caustic Soda and Chlorine;
- (2) Risk of Loss of production due to breakdown of Plant & Machinery and
- (3) Cost of Power – Being Power Intensive Industry.

During the Financial Year 2017-18, a meeting of Risk Management Committee were held on and 13<sup>th</sup> February, 2018.

The composition of the Risk Management Committee are as follows:

Sl. No.	Name	Designation
1.	Shri Ajay Virmani	Chairman
2.	Shri Yuvraj Ahuja	Member
3.	Shri Madhav Dhir	Member
4.	Shri Deepak Mathur	Member

## Corporate Social Responsibility Committee (CSR Committee)–

Company has constituted Corporate Social Responsibility Committee, under the provisions of Section 135 of Companies Act, 2013, to formulate & recommend CSR policy for the Company to the Board. The CSR Committee is responsible to recommend the budget/expenditure as may be needed for the financial year and monitor the execution of CSR Policy of the Company and if required, to recommend modification in CSR Policy to Board.

During the Financial Year 2017-18, a meeting of Corporate Social Responsibility Committee were held on 13<sup>th</sup> February, 2018.

The composition of the Corporate Social Responsibility Committee are as follows:

Sl. No.	Name	Designation
1.	Shri Ajay Virmani	Chairman
2.	Shri Yuvraj Ahuja	Member
3.	Shri Madhav Dhir	Member
4.	Smt. Poonam Rawat	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		
2016-17	38	27 <sup>th</sup> September, 2017	10.30 AM	SP-460, Matsya Industrial Area, Alwar, (Raj)-301030
2015-16	37	30 <sup>th</sup> September, 2016	10.30 AM	SP-460, Matsya Industrial Area, Alwar, (Raj)-301030
2014-15	36	30 <sup>th</sup> September, 2015	10.30 AM	SP-460, Matsya Industrial Area, Alwar, (Raj)-301030

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

### 38<sup>th</sup> Annual General Meeting (27<sup>th</sup> September, 2017)

- Re-appoint Shri Rajbir Singh Makhni as an Independent Director of the Company.
- Re-appoint Shri Pawan Kumar Nayyar as an Independent Director of the Company.
- Re-appoint Shri Sandeep Chaudhari as an Independent Director of the Company.
- Re-appoint Shri Chandra Shakher Pathak as an Independent Director of the Company.
- Re-appoint Smt. Poonam Rawat as an Independent Director of the Company.
- Re-appoint Shri Shiv Dutt Sharma as an Independent Director of the Company.

**37<sup>th</sup> Annual General Meeting (30<sup>th</sup> September, 2016)**

- Appointment of Shri Madhav Dhir as Whole Time Director.
- To pay Special Allowances, Performance Bonus and Incentive to Shri Ajay Virmani, Managing Director of the Company.

**36<sup>th</sup> Annual General Meeting (30<sup>th</sup> September, 2015)**

No special resolution was passed.

**Special Resolution passed through Postal Ballot:**

During the Financial year 2017-18 under review no Special Resolution has been passed through Postal Ballot.

There is no immediate proposal for passing any Special 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. 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 as a part of annual report and is given in a separate chapter thereto.

**9. General Shareholders' Information**

- |                                       |   |
|---------------------------------------|---|
| <b>i) Day, Date &amp; Time of AGM</b> | : Thursday, 27 <sup>th</sup> September, 2018 at 10:30 A.M.                                    |
| <b>Venue of AGM</b>                   | : Regd. Off. - SP-460, Matsya Industrial Area, Alwar (Raj.)- 301030                           |
| <b>ii) Financial Year</b>             | : 1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018                                 |
| <b>iii) Book Closure Period</b>       | : 24 <sup>th</sup> September, 2018 to 27 <sup>th</sup> September, 2018 (Both days Inclusive)  |
| <b>iv) e-voting period</b>            | : 24 <sup>th</sup> September, 2018 (9:00 a.m.) to 26 <sup>th</sup> September, 2018 (5.00 p.m) |
| <b>v) Listing of Shares</b>           | : BSE Limited   |
| <b>vi) Stock Code</b>                 | : 500284 (BSE Ltd.)   |
| <b>Scrip id</b>                       | : LORDSCHLO   |
| <b>ISIN NO.</b>                       | : INE846D01012  |

**vii) Registrar & Share Transfer Agent** : M/s. Alankit Assignments Limited,  
: “Alankit Heights” 1E/13, Jhandewalan  
Extension, New Delhi - 110 055.  
Phone No. 011-42541234, 42541956  
Fax No. 011-41543474.  
Email: [rta@alankit.com](mailto:rta@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 cum** : Shri Dipendra Chaudhary

**Compliance Officer& Email id** : [secretarial@lordschloro.com](mailto:secretarial@lordschloro.com)

**xi) Market Price Data**

Month	High Price	Low Price
Apr 17	38.00	29.50
May 17	35.95	29.05
Jun 17	32.15	27.70
Jul 17	40.00	27.90
Aug 17	33.05	28.00
Sep 17	35.35	27.20
Oct 17	45.20	31.00
Nov 17	45.00	38.00
Dec 17	51.95	42.00
Jan 18	76.50	47.85
Feb 18	66.10	53.60
Mar 18	64.00	48.15

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 grievance of the members. The process for transfer/ transmission, on weekly basis and complete in all respects, are processed within 15 days.

The Company's shares are traded in the Stock Exchanges compulsorily in demat modes. Therefore, for dematerialisation, 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: INE846D01012 for dematerialization of equity shares of the Company.

### **xiii) Listing**

The Equity Shares of the Company is listed with BSE Ltd. The Company has paid listing fees to the BSE Ltd. upto the year 2018-2019. 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 2018-19 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, 2018 was placed before the Board of Directors of the Company.

### **xv) Dematerialisation of Shares as on March 31, 2018**

Particulars	Shares on March 31, 2018	%
Physical Shares	4901845	19.49
NSDL	17715486	70.43
CDSL	2536530	10.08
<b>Total</b>	<b>25153861</b>	<b>100.00</b>

### **xvi) Share Price performance in comparison to broad based indices-BSE**

Particulars	LCAL Share Price v/s BSE	
	Share Price	BSE Sensex
As on April 1, 2017	30.95	29,620.50
As on March 31, 2018	50.50	32,968.68
Changes (%)	63.17	11.30

### **xvii) Distribution of Shareholding as on March 31, 2018**

Category	No. of Shareholders	% of Shares
1 to 5000	45360	4.642
5001-10000	10	0.303
10001-20000	7	0.411
20001-30000	4	0.362
30001-40000	3	0.420
40001-50000	0	0
50001-100000	6	1.814
100001 and above	26	92.047

## 10. Disclosures

- a) All transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Details of related party transactions are furnished under schedule to the 'Notes to Accounts' of the Financial Statement as at 31/03/2018.

The Policy on Related Party Transaction are available at the website of the Company <http://www.lordschloro.com/pdfs/policy-on-related-party-transactions.pdf>.

- b) Disclosure regarding 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 has been disclosed in the Report.

Further, during the year under review, SEBI has imposed penalty on the Company for non-compliance of Regulation 33 of the SEBI (LODR) Regulations, 2015 for the quarter ended December, 2016.

- c) 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 and the board affirm that no personnel has been denied access to the audit committee.

The Whistle Blower Policy and Vigil Mechanism are available at the website of the company <http://www.lordschloro.com/pdfs/lcal-whistle-blower.pdf>.

- d) 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.

## 11. 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 Listing Regulations. 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 2017-18. A declaration to this effect received under clause D of of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was obtained from Shri Ajay Virmani, Managing Director of the Company.

## 12. Compliance Certificate

Certificate from the Practising Company Secretary, Shri Sanjeev Pandey, Partner of M/s SSPK & 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.

## **Management Discussion and Analysis**

The management of the Company keeps itself aware of the domestic and International scenario and does regular deliberations to manage and create opportunities and handle any challenge or threat.

The Company in the year 2017-18 has increased its production capacity to 207 TPD from 142 TPD last year. Resultantly the turnover the Company has increased from 12,115.88 lacs to 16,594.74 lacs. The Company has deployed the latest technology available in the world for its expansion, which is highly power saving. In addition to this the Company has embarked upon a plan of replacing old high power consuming electrolyzers with latest zero gap technology to bring about huge savings. One out of three old electrolyser has already been replaced and two more will be replaced in the year 2018-19.

The Company is very conscious of adhering to the norms to keep air and water pollution under check and is systematically bringing in technology and awareness in the staff and workers to be sensitive to mother Earth.

The Company is having a very harmonious relationship with its work force and constantly works for their intellectual and financial betterment.

The outlook for the Chloro Alkali industry worldwide is very optimistic as the demand for caustic is outstripping the production. Aluminum production all over the world is taking a quantum jump in production and caustic is an important part in their production process. In India also all the Aluminum plants are poised for growth in their capacities, which augurs well for our industry. The management is exploring various options to increase capacity and make chlorine derivatives in future to encash this opportunity.

---

**CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE**

To,  
The Members,  
Lords Chloro Alkali Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Lords Chloro Alkali Limited (the "Company"), for the year ended 31.03.2018 as stipulated in Chapter IV and Schedule V of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation"), as applicable.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Our examination is limited to 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 representation made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said Clause of the above mentioned Listing Regulations.

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

**Place : Delhi**  
**Date: 16<sup>th</sup> May, 2018**

**For SSPK & Co.**  
**Company Secretaries**

**Sanjeev Pandey**  
**Partner**

**Mem No.: 33468**  
**COP No : 17237**

---

**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, 2018.

**Place: New Delhi**  
**Date: 16<sup>th</sup> May, 2018**

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



## **Independent Auditor's Report**

### **To the Members of Lords Chloro Alkali Limited**

#### **Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of Lords Chloro Alkali Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit & loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the companies (Indian accounting Standards) Rule 2015, as amended.

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 Ind AS 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 Ind AS 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018 and its Profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### **Other Matter**

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

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

1. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder;
  - (e) On the basis of written representations received from the directors, as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 A**”; 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, as amended, 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 Ind AS financial statements- Refer Note 45A to the Ind AS financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - 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 46 to the Ind AS financial statements.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the “**Annexure B**”, a statement on the matters specified in paragraphs 3 and 4 of the said Order.

**For Gupta Vigg & Co.***Chartered Accountants*

Firm’s Registration Number: 001393N

**(CA. Deepak Pokhriyal)***Partner*

Membership Number: 524778

Place of Signature: New Delhi

Date: May 16, 2018

**Annexure 'A' To the Independent Auditors' Report**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of the Company)

**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 March 31, 2018 in conjunction with our audit of the Ind AS 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, to the best of our information and according to the explanations given to us, 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 March 31, 2018, 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 Number: 001393N

**(CA. Deepak Pokhriyal)**

*Partner*

Membership Number: 524778

Place of Signature: New Delhi

Date: May 16, 2018

**Annexure 'B' To the Independent Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2018, we report that:

- (i) In respect of fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation 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 during the year, 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) On the basis of information and explanation provided by the management, the title deeds of immovable properties are held in the name of the Company.
- (ii) On the basis of information and explanation provided by the management, inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on physical verification of inventories by the management.
- (iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 of the Act. The company has complied with the provisions of Sections 186 of the Act in respect of investments made. The Company has not granted any loans, and has not provided any guarantees or securities to parties covered under Section 186 of the Act.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Sections 73 to 76 of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under subsection (I) of Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, duty of excise, duty of customs, goods and service tax, cess and other applicable statutory dues with the appropriate authorities though there have been delays in a few cases.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, duty of excise, duty of customs, goods and service tax, cess and other applicable statutory dues in arrears as at March 31 2018 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	Investor Education and Protection Fund	11.64 (11.64)

Note- Figures in bracket relates to the previous year.

- (b) There are no dues of income tax, sales tax, value added tax, service tax, goods and service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned as under:



<b>Name of the Statue</b>	<b>Nature of Dues</b>	<b>Period to which the amount relates</b>	<b>Amount (Rs. In lakhs)</b>	<b>Forum Where Dispute is Pending</b>
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	Nil (145.62)	CESTAT, New Delhi
Central Excise Act, 1944	Excise Duty	1996-99	Nil (110.72)	Hon'ble High Court, Rajasthan
Central Excise Act, 1944	Excise Duty	2003-04	Nil (6.32)	CESTAT, New Delhi
Central Excise Act, 1944	Excise Duty	2011-12	1.53 (1.53)	Additional Commissioner, Jaipur
Income Tax Act, 1961	Income Tax	A/Y 1996-97	Nil (287.17)	ITAT, Jaipur
Custom Tariff Act, 1975	C u s t o m Duty	2002-03	Nil (5.00)	Hon'ble High Court, Delhi
Total			66.29 (621.12)	

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 bank or to any financial institution. The Company has not borrowed any loan from Government. The Company has not issued any debentures.
- (ix) The Company has not raised 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 year.

- (xi) The Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to Act.
- (xii) The Company is not a nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (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 section 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records, 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 to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

**For Gupta Vigg & Co.***Chartered Accountants*

Firm's Registration Number: 001393N

**(CA. Deepak Pokhriyal)***Partner*

Membership Number: 524778

Place of Signature: New Delhi

Date: May 16, 2018

## BALANCE SHEET as at 31st March, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2	11,143.35	8,279.24	5,950.76
Capital work-in-progress	2	-	116.96	1,638.31
Financial assets				
Investments	3	12.62	9.91	9.55
Loans	4	7.25	7.00	7.00
Deferred tax assets	5	-	-	261.34
Other non-current assets	6	309.46	604.54	391.15
<b>Total non-current assets</b>		<b>11,472.68</b>	<b>9,017.65</b>	<b>8,258.11</b>
<b>Current assets</b>				
Inventories	7	1,923.37	1,354.26	896.16
Financial assets				
Loans	8	7.89	5.69	6.11
Trade and other receivables	9	352.44	881.81	1,068.12
Cash and cash equivalents	10	319.27	211.72	487.37
Current tax assets (net)	11	49.90	64.34	160.23
Other current assets	12	926.76	1,064.12	1,135.71
<b>Total current assets</b>		<b>3,579.63</b>	<b>3,581.94</b>	<b>3,753.70</b>
<b>Total assets</b>		<b>15,052.31</b>	<b>12,599.59</b>	<b>12,011.81</b>
<b>Equity and liabilities</b>				
Equity				
Equity share capital	13	2,515.39	2,515.39	2,515.39
Other equity	14	2,731.07	1,915.42	1,545.62
<b>Total Equity</b>		<b>5,246.46</b>	<b>4,430.81</b>	<b>4,061.01</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
Borrowings	15	6,801.28	5,103.18	4,980.35
Provisions	16	170.55	143.29	136.53
Deferred tax liabilities	5	145.69	65.73	-
Other non-current liabilities	17	400.21	682.51	1,213.29
<b>Total non-current liabilities</b>		<b>7,517.73</b>	<b>5,994.71</b>	<b>6,330.17</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	15	322.97	1,411.65	1,120.11
Trade payables	18	72.55	67.22	50.00
Other financial liabilities	19	597.87	231.02	221.07
Provisions	20	54.67	56.54	43.69
Current tax liabilities	21	105.08	119.99	9.78
Other current liabilities	22	1,134.98	287.65	175.98
<b>Total current liabilities</b>		<b>2,288.12</b>	<b>2,174.07</b>	<b>1,620.63</b>
<b>Total liabilities</b>		<b>9,805.85</b>	<b>8,168.78</b>	<b>7,950.80</b>
<b>Total equity and liabilities</b>		<b>15,052.31</b>	<b>12,599.59</b>	<b>12,011.81</b>

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.

This is the balance sheet referred to in our report of even date.

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

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

**Yuvraj Ahuja**  
Director  
DIN 00164675

**Madhav Dhir**  
Director  
DIN 07227587

**Ajay Virmani**  
Managing Director  
DIN 00758726

CA, Deepak Pokhriyal  
Partner  
Membership No. 524778

**Dipendra  
Chaudhary**  
Company Secretary

**Rajiv Kumar**  
Chief Financial  
Officer

Place: New Delhi  
Date: 16 May 2018

## STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note	For year ended 31 March 2018	For year ended 31 March 2017
<b>Revenue</b>			
Revenue from operations	23	17,005.85	13,667.27
Other income	24	49.95	36.71
<b>Total revenue</b>		<b>17,055.80</b>	<b>13,703.98</b>
<b>Expenses</b>			
Cost of materials consumed	25	2,305.03	1,788.50
Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(536.23)	(413.38)
Excise duty on sale of goods		411.11	1,551.40
Power and fuel		10,559.15	7,907.29
Employee benefit expense	27	790.63	710.82
Finance costs	28	226.10	201.65
Depreciation and amortization expense	29	409.56	437.04
Other expenses	30	1,429.25	849.33
<b>Total expenses</b>		<b>15,594.60</b>	<b>13,032.65</b>
<b>Profit before exceptional items and tax</b>		<b>1,461.20</b>	<b>671.33</b>
Exceptional items	31	-	119.10
<b>Profit before tax</b>		<b>1,461.20</b>	<b>790.43</b>
<b>Tax Expense</b>	32		
Current tax		305.43	110.21
Earlier years tax adjustments (net)		215.56	-
Deferred tax		92.96	321.56
<b>Total tax expense</b>		<b>613.95</b>	<b>431.77</b>
<b>Profit for the year</b>		<b>847.25</b>	<b>358.66</b>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations		(44.56)	16.63
Income tax relating to items that will not be reclassified to profit and loss		12.98	(5.50)
<b>Total other comprehensive (loss)/income</b>		<b>(31.58)</b>	<b>11.13</b>
<b>Total comprehensive income for the period</b>		<b>815.67</b>	<b>369.79</b>
<b>Earnings per equity share (Rs.10 per share):</b>	44		
Basic (Rs.)		3.37	1.43
Diluted (Rs.)		3.37	1.43

Summary of significant accounting policies and accompanying notes form an integral part of these financial statements.

This is the statement of profit or loss referred to in our report of even date.

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

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

**Yuvraj Ahuja**  
Director  
DIN 00164675

**Madhav Dhir**  
Director  
DIN 07227587

**Ajay Virmani**  
Managing Director  
DIN 00758726

CA. Deepak Pokhriyal  
Partner  
Membership No. 524778

**Dipendra Chaudhary**  
Company Secretary

**Rajiv Kumar**  
Chief Financial  
Officer

Place: New Delhi  
Date: 16 May 2018

**STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2018**

(All amounts in INR Lakhs, unless otherwise stated)

**A Equity share capital**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balance at beginning of the reporting year	2,515.39	2,515.39	2,515.39
Changes in equity share capital during the year	-	-	-
<b>Balance at the end of reporting year</b>	<b>2,515.39</b>	<b>2,515.39</b>	<b>2,515.39</b>

**B Other equity**

Particulars	Reserves and surplus			Total
	Capital reserve	Security premium	Retained earnings	
<b>Balance as at 1 April 2016</b>	1.21	2,082.06	(537.65)	1,545.62
<b>Addition during the year</b>				
Profit for the year	-	-	358.66	358.66
Items of OCI (net of tax)				
-Remeasurement benefit of defined benefit plans	-	-	11.13	11.13
<b>Balance as at 31 March 2017</b>	<b>1.21</b>	<b>2,082.06</b>	<b>(167.86)</b>	<b>1,915.41</b>
<b>Addition during the year</b>				
Profit for the year	-	-	847.25	847.25
Items of OCI (net of tax)				
-Remeasurement benefit of defined benefit plans	-	-	(31.59)	(31.59)
<b>Balance as at 31 March 2018</b>	<b>1.21</b>	<b>2,082.06</b>	<b>647.80</b>	<b>2,731.07</b>

This is the statement of change in equity referred to in our report of even date.

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

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

**Yuvraj Ahuja**  
Director  
DIN 00164675

**Madhav Dhir**  
Director  
DIN 07227587

**Ajay Virmani**  
Managing Director  
DIN 00758726

CA. Deepak Pokhriyal  
Partner  
Membership No. 524778

**Dipendra Chaudhary**  
Company Secretary

**Rajiv Kumar**  
Chief Financial Officer

Place: New Delhi  
Date: 16 May 2018

## CASH FLOW STATEMENT for the year ended 31 March 2018

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For year ended 31 March 2018	For year ended 31 March 2017
<b>A. Cash Flow from Operating activities</b>		
Profit before tax	1,461.20	790.43
<b>Adjustments for :-</b>		
Depreciation and amortisation	409.56	437.04
Finance cost	226.10	201.65
Dividend income classified as investing cash flows	(0.10)	(0.09)
Net gain arising on financial assets measured at FVTPL	(2.69)	(0.37)
Balance written off/(back)	33.22	(23.03)
Interest income classified as investing cash flows	-	(1.31)
Gain on disposal of property, plant and equipment (net)	(34.45)	(103.51)
Operating profit before working capital changes	<b>2,092.84</b>	<b>1,300.81</b>
<b>Movement in working capital</b>		
Decrease in trade receivables	492.48	184.06
Increase in inventories	(569.11)	(458.10)
Increase in trade payables	9.09	42.50
Decrease/(increase) in loans current & non current (asset)	(2.45)	0.42
Decrease/(increase) in other current and non current asset	696.45	(318.63)
Increase in provisions	25.39	19.61
(Decrease)/increase in other current and non current liabilities	349.47	(300.38)
<b>Cash generated from operations</b>	<b>3,094.16</b>	<b>470.29</b>
Income taxes paid (net of refund)	(341.16)	(1.38)
<b>Net cash flow generated from operating activities (A)</b>	<b>2,753.00</b>	<b>468.91</b>
<b>B. Cash Flow from Investing activities</b>		
Purchase of Property, plant and equipment	(3,378.27)	(1,099.40)
Proceeds on sale of Property, plant and equipment	35.65	132.61
Interest received	-	1.31
Dividend received	0.10	0.09
<b>Net cash used In investing activities (B)</b>	<b>(3,342.52)</b>	<b>(965.40)</b>
<b>C. Cash flow from Financing activities*</b>		
Proceeds from long term borrowings	4,401.53	799.64
Proceeds from short term borrowings	-	291.54
Repayment of long term borrowings	(2,403.30)	(676.69)
Repayment of short term borrowings	(1,088.67)	-
Finance cost paid	(212.49)	(193.65)
<b>Net cash flow generated from financing activities (C)</b>	<b>697.07</b>	<b>220.84</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>107.55</b>	<b>(275.65)</b>
Cash and cash equivalents as at the beginning of the year	211.72	487.37
<b>Cash and cash equivalents as at the end of the year</b>	<b>319.27</b>	<b>211.72</b>

\*Refer note 15 A for reconciliation of liabilities arising from financing activities

Accompanying notes form an integral part of these financial statements.

**Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) Statement of Cash Flow.**

This is the Cash flow statement referred to in our report of even date.

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

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

**Yuvraj Ahuja**  
Director  
DIN 00164675

**Madhav Dhir**  
Director  
DIN 07227587

**Ajay Virmani**  
Managing Director  
DIN 00758726

CA. Deepak Pokhriyal  
Partner  
Membership No. 524778

**Dipendra Chaudhary**  
Company Secretary

**Rajiv Kumar**  
Chief Financial Officer

Place: New Delhi  
Date: 16 May 2018

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

**1. Corporate information and statement of compliance with Indian Accounting Standards (Ind AS)**

Lords Chloro Alkali Limited ("the Company") a public limited company domiciled in India and having its registered office at SP-460, Matsya industrial area, Alwar (Rajasthan) - 301030, was incorporated under the provisions of Companies Act, 1956. The Company is primarily engaged in the business of manufacturing of caustic soda and other chemicals.

The financial statements of the Company have been prepared to comply in all material respects with accounting principles generally accepted in India, including Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Companies Act, 2013 (the "Act") and other relevant provisions of the Act. The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("Previous GAAP") and other relevant provisions of the Act.

These financial statements for the year ended 31 March 2018 are the first financial statements which the Company has prepared under Ind AS. For purpose of comparatives, financial statements for year ended 31 March 2017 and opening Balance Sheet as at 1 April 2016 are also prepared under Ind AS. Refer note.43 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

**2. Basis of preparation and significant accounting policies**

**Basis of preparation**

The financial statements have been prepared on accrual and going concern basis under historical cost convention except for certain financial instruments and plan assets, which are measured at fair values. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1 April 2016 being the date of transition to Ind AS, except where the Company has applied certain exemptions upon transition to Ind AS.

**The significant accounting policies and measurement bases have been summarised below.**

**Current versus non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and as per terms of

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

agreements wherever applicable. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

**a. Revenue recognition**

Revenue is recognised to the extent it is probable that future economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable net of related rebates. The following specific recognition criteria must also be met before revenue is recognised:

**Sale of goods**

A sale of goods is recognized when the goods has transferred to the buyer the significant risks and rewards of ownership, generally when the customer has taken undisputed delivery of the goods

**Interest income**

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

**Dividend**

Dividend are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**b. Inventories**

Finished goods, works-in-process, raw material, stores, spares and other components are valued at lower of cost and net realisable value. Cost of inventory has been arrived at by using the weighted average cost formula. Cost of inventory comprises all costs of purchase duties, taxes (other than those subsequent recoverable from tax authorities) & all other cost incurred to bring the inventories to their present condition & location. Tools and instruments are valued at cost less depletion in value. Stock of scrap is valued at estimated realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018****c. Income taxes**

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in Other Comprehensive Income (OCI) or directly in equity.

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (i.e. in OCI or equity depending upon the treatment of underlying item).

Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside statement of profit and loss (in OCI or equity depending upon the treatment of underlying item).

**d. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**e. Foreign currency transactions**

The financial statements are presented in Indian Rupee ('INR' or 'Rs.') which is also the functional currency of the Company.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/expenses, as the case maybe.

**f. Financial instruments***Initial recognition and measurement*

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below:

**Non-derivative financial assets***Subsequent measurement*

**i. Financial assets carried at amortised cost** – a financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**ii. Fair value through profit or loss** – Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**iii. Fair value through OCI**- A financial assets measured at FVOCI if both of the following conditions are met:

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

- The Company's business model objectives for managing the financial assets is achieved both by collecting contractual cash flows and selling the financial assets, and
- The contractual terms of the financial assets given raise in specified dates to cash flows that are solely payments.

*Impairment of financial assets*

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

**Trade receivables:** In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

**Other financial assets:** In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

***De-recognition of financial assets***

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Non-derivative financial liabilities*****Subsequent measurement***

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

***De-recognition of financial liabilities***

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**g. Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

**h. Property, plant and equipment ('PPE')**

*Recognition and initial measurement*

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, taxes (non-recoverable) borrowing cost if capitalisation criteria are met and other expenses, directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and definition of asset is met. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred.

In case an item of property, plant and equipment is acquired on deferred payment basis, interest expenses included in deferred payment is recognised as interest expense and not included in cost of asset.

*Subsequent measurement (depreciation and useful lives)*

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

*De-recognition of PPE*

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

**i. Capital work-in progress**

Cost of material consumed and erection charges thereon along with other direct cost incurred by the Company for the projects are shown as capital work-in-progress until capitalisation. Claims for price variation/exchange rate variation in case of contracts are accounted for on acceptance / receipt of claim.

**j. Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is higher of an asset's fair value less costs of disposal and value in use. For this purpose, assets are compared at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or company of assets (cash generating units). If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and the same is accordingly reversed in the statement of profit and loss.

**k. Operating leases**

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the increase in rent is to compensate the lessor for the effects of inflation.

**l. Borrowing costs**

Borrowing costs directly attributable to the acquisitions, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption.

**m. Provisions, contingent liabilities and contingent assets**

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

**n. Employee benefits**

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard 19- Employee Benefits.

**Defined benefit plans**

*Gratuity*

The Company operates one defined benefit plan for its employees, viz. gratuity. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gain and loss for the defined benefit plan is recognized in full in the period in which they occur in other comprehensive income.

**Other long-term benefits**

Accumulated leave expected to be carried forward beyond twelve months, is treated as long term employee benefit. Such long term compensated absences are provided for based on the actuarial valuation using the

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

projected unit credit method at the year end. Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short term employee benefit.

Liability under continuity linked key resource and deferred salary schemes is provided for on actuarial valuation basis, which is done as per the projected unit credit method at the end of each financial period.

**Defined contribution plans****Provident Fund**

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952. The plan is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which services are rendered by the employee.

**Short-term employee benefits**

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**o. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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.

**p. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments of the Company.

**3. Recent accounting pronouncement**

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, Revenue from contract with customers, Appendix B to Ind-AS 21, Foreign currency transactions and advance consideration and amendments to certain other standards. These amendments are



**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

applicable to the Company from 1st April, 2018. The Company will be adopting the amendments from their effective date.

***Ind AS 115: Revenue from Contracts with Customers***

Ind AS 115 supersedes Ind AS 11, Construction contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from contract with customers. The principle of Ind AS 115 is that an entity should recognize revenue that demonstrates the transfer of promised goods and services to customers at an amount that reflect the consideration to which the entity expects to be entitled in exchange for those goods and services. The standards can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the standard.

Based on the preliminary assessment performed by the Company, the impact of application of standard is not expected to be material.

***Appendix B to Ind AS 21, Foreign currency transaction and advance consideration***

The appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment of receipt of advance consideration towards such asset, expenses or income. If there are multiple payments or receipt in advance, then an entity must determine a transaction date for each payments or receipts of advance consideration.

Based on the preliminary assessment performed by the Company, the impact of application of appendix is not expected to be material.

**4. Significant accounting judgments, estimates and assumptions**

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgments, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2018**

*Significant judgments:*

**(i) Evaluation of indicators for impairment of non-financial assets**

The evaluation of applicability of indicators of impairment of non-financial assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**(ii) Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised. The recognition of deferred tax assets and reversal thereof is also dependent upon management decision relating to timing of Availment of tax holiday benefits available under the Income Tax Act, 1961 which in turn is based on estimates of future taxable profits.

*Sources of estimation uncertainty:*

**(i) Provisions**

At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from management's estimates.

**(ii) Fair valuation of financial instruments**

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**
**2 Property, plant & equipments**

Particulars	Leasehold land	Buildings	Plant & equipments	Furniture & fixtures	Vehicles	Office equipments	Total	Capital work-in-progress
<b>Gross block</b>								
At 1 April 2016	101.04	987.89	14,861.15	179.90	61.09	246.81	16,437.88	1,638.31
Additions	-	-	2,791.81	0.20	-	2.61	2,794.62	1,270.46
Disposals	-	5.83	229.11	26.96	30.57	191.33	483.79	2,791.81
<b>Balance as at 31 March 2017</b>	<b>101.04</b>	<b>982.06</b>	<b>17,423.85</b>	<b>153.14</b>	<b>30.52</b>	<b>58.09</b>	<b>18,748.71</b>	<b>116.96</b>
Additions	-	-	3,273.21	0.32	-	1.32	3,274.86	3,156.25
Disposals	-	-	23.94	-	-	-	23.94	3,273.21
<b>Balance as at 31 March 2018</b>	<b>101.04</b>	<b>982.06</b>	<b>20,673.12</b>	<b>153.46</b>	<b>30.52</b>	<b>59.41</b>	<b>21,999.63</b>	-
<b>Accumulated depreciation</b>								
At 1 April 2016	33.80	781.44	9,362.96	123.83	48.20	136.89	10,487.12	-
Charge for the year	1.07	20.99	303.22	18.50	1.68	91.58	437.04	-
Adjustments for disposals	-	5.38	215.66	25.60	26.62	181.43	454.69	-
<b>Balance as at 31 March 2017</b>	<b>34.87</b>	<b>797.05</b>	<b>9,450.52</b>	<b>116.73</b>	<b>23.26</b>	<b>47.04</b>	<b>10,469.47</b>	-
Charge for the year	1.05	20.64	366.77	16.60	0.97	3.55	409.56	-
Disposals	-	-	22.75	-	-	-	22.75	-
<b>Balance as at 31 March 2018</b>	<b>35.92</b>	<b>817.69</b>	<b>9,794.54</b>	<b>133.33</b>	<b>24.23</b>	<b>50.59</b>	<b>10,856.28</b>	-
<b>Net block as at 1 April 2016*</b>	<b>67.24</b>	<b>206.45</b>	<b>5,498.19</b>	<b>56.07</b>	<b>12.89</b>	<b>109.92</b>	<b>5,950.76</b>	<b>1,638.31</b>
<b>Net block as at 31 March 2017</b>	<b>66.17</b>	<b>185.01</b>	<b>7,973.33</b>	<b>36.41</b>	<b>7.26</b>	<b>11.05</b>	<b>8,279.24</b>	<b>116.96</b>
<b>Net block as at 31 March 2018</b>	<b>65.12</b>	<b>164.37</b>	<b>10,878.58</b>	<b>20.13</b>	<b>6.29</b>	<b>8.82</b>	<b>11,143.35</b>	-

\* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>3 Investments</b>			
<b>Investments in government or trust securities</b>			
<b>Unquoted, Investment in tax free bonds (at amortised cost)</b>			
554 Units (previous year 31 March 2017 and 1 April 2016: 554 units) 6.75% Tax free US 64 Bonds of Rs. 100 each in Unit trust of India	0.32	0.32	0.32
<b>Investment in mutual fund</b>			
Quoted, (at fair value through profit and loss)			
Principal large cap fund- regular plan growth 4190.606 (31 March 2017: 4190.606; 1 April 2016: 4190.606) units	2.00	2.00	2.00
<b>Investment - others (measured at cost)</b>			
Silver Coins	0.32	0.32	0.32
<b>Investment in equity instruments (fully paid-up)</b>			
<b>Quoted, equity shares (at fair value through profit and loss)</b>			
1000 fully paid up equity shares of Rs.2 each in DCM Shriram Consolidated Ltd	4.96	3.11	2.53
100 (previous year 31 March 2017 and 1 April 2016: 100) fully paid up equity shares of Rs.10 each in Grasim Industries Ltd	1.09	0.77	1.92
165 (previous year 31 March 2017 and 1 April 2016: 165) fully paid up equity shares of Rs.10 each in Gujarat Alkalies & Chemicals Ltd	1.18	0.67	0.27
300 (previous year 31 March 2017 and 1 April 2016: 300) fully paid up equity shares of Rs.5 each in Kanoria Chemicals & Industries Ltd	0.21	0.21	0.16
100 (previous year 31 March 2017 and 1 April 2016: 100) fully paid up equity shares of Rs.10 each in Punjab Alkalies & Chemicals Ltd	0.04	0.01	0.01
500 (previous year 31 March 2017 and 1 April 2016: 500) fully paid up equity shares of Rs.2 each in DCW Ltd	0.16	0.15	0.12
57 (previous year 31 March 2017 and 1 April 2016: 57) fully paid up equity shares of Rs.10 each in Ultra Tech Cement Ltd	2.27	2.27	1.84
300 (previous year 31 March 2017 and 1 April 2016: 300) fully paid up equity shares of Rs.2 each in Ballarpur Industries Ltd.	0.04	0.06	0.04
100 (previous year 31 March 2017 and 1 April 2016: 100) fully paid up equity shares of Rs.10 each in Southern Petrochemical Industries Corporation Ltd.	0.03	0.02	0.02
<b>Total</b>	<b>12.62</b>	<b>9.91</b>	<b>9.55</b>

**Aggregate value of quoted investments**

4.13

4.13

4.13

**Market value of quoted investments**

11.98

9.27

8.91

**Aggregate value of unquoted investments**

0.64

0.64

0.64

**Aggregate value of impairment in the value of investments**

-

-

-

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>4 Loans</b>			
(Unsecured, considered good unless otherwise stated)			
Security deposits	7.00	7.00	7.00
Advance to employees	0.25	-	-
	<b>7.25</b>	<b>7.00</b>	<b>7.00</b>
<b>5 Deferred tax (asset)/liabilities</b>			
<b>Deferred tax asset</b>			
<b>The balance comprises temporary difference attributable to :</b>			
Tax losses	233.28	604.87	917.02
<b>Disallowance under income tax act :-</b>			
Leave encashment	23.08	20.73	1.31
Gratuity	39.47	39.71	0.73
Provision for old stores	3.08	3.49	3.49
Provision for doubtful loan & advances	20.30	23.05	23.05
Bonus	3.04	5.63	3.42
Expenses admissible under income tax on payment basis	51.43	-	-
<b>Deferred tax asset</b>	<b>373.68</b>	<b>697.48</b>	<b>949.02</b>
Mat credit entitlement	559.78	254.34	144.13
<b>Total deferred tax asset (a)</b>	<b>933.46</b>	<b>951.82</b>	<b>1,093.15</b>
<b>Deferred tax liabilities</b>			
<b>Deferred tax liabilities arising on account of:-</b>			
Timing differences between written down value of fixed assets as per books and Income tax act, 1961	1,076.86	1,015.85	830.23
Difference in carrying value and tax base of Investments measured at FVTPL	2.29	1.70	1.58
<b>Total deferred tax liabilities (b)</b>	<b>1,079.15</b>	<b>1,017.55</b>	<b>831.81</b>
<b>Net deferred tax liabilities/(assets) (b-a)</b>	<b>145.69</b>	<b>65.73</b>	<b>(261.34)</b>

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**
**Movement in deferred tax liabilities (net)**

Particulars	31 March 2017	Recognised / (Reversed )	31 March 2018
<b>Assets</b>			
Tax losses	(604.87)	(371.59)	(233.28)
Leave encashment	(20.73)	2.35	(23.08)
Gratuity	(39.71)	(0.24)	(39.47)
Provision for old stores	(3.49)	(0.42)	(3.08)
Provision for doubtful loan & advances	(23.05)	(2.75)	(20.30)
Bonus	(5.63)	(2.60)	(3.04)
Expenses admissible under income tax on payment basis	-	51.43	(51.43)
MAT credit entitlement	(254.34)	305.43	(559.78)
<b>Liabilities</b>			
Timing differences between written down value of fixed assets as per books and Income tax act, 1961	1,015.85	(61.02)	1,076.86
Difference in carrying value and tax base of Investments measured at FVTPL	1.70	(0.59)	2.29
<b>Total</b>	<b>65.73</b>	<b>(79.98)</b>	<b>145.69</b>

**Movement in deferred tax liabilities (net)**

Particulars	31 March 2016	Recognised / (Reversed )	31 March 2017
<b>Assets</b>			
Tax losses	(917.02)	(312.15)	(604.87)
Leave encashment	(1.31)	19.42	(20.73)
Gratuity	(0.73)	38.97	(39.71)
Provision for old stores	(3.49)	0.00	(3.49)
Provision for doubtful loan & advances	(23.05)	0.00	(23.05)
Bonus	(3.42)	2.21	(5.63)
MAT credit entitlement	(144.13)	110.21	(254.34)
<b>Liabilities</b>			
Timing differences between written down value of fixed assets as per books and Income tax act, 1961	830.23	(185.62)	1,015.85
Difference in carrying value and tax base of Investments measured at FVTPL	1.58	(0.12)	1.70
<b>Total</b>	<b>(261.34)</b>	<b>(327.08)</b>	<b>65.73</b>

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>6 Other non-current assets</b>			
Advance for capital goods	100.13	364.15	176.83
Other advances	122.57	113.14	113.14
Fixed deposits	-	0.08	0.08
Prepaid expenses	7.90	6.81	0.41
Security deposit	78.86	120.36	100.69
	<b>309.46</b>	<b>604.54</b>	<b>391.15</b>

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>7 Inventories (at lower of cost and net realisable value)</b>			
Raw material	191.08	127.97	110.47
Work-in-progress	494.69	491.15	93.28
Finished goods	613.47	80.78	64.16
Fuel oil stock of power plant	23.73	40.12	29.53
Packing materials	4.68	5.75	10.36
Stores & spares and consumables	595.72	608.49	588.36
	<b>1,923.37</b>	<b>1,354.26</b>	<b>896.16</b>
<b>8 Loans</b>			
Advance to employees	7.89	5.69	6.11
	<b>7.89</b>	<b>5.69</b>	<b>6.11</b>
<b>9 Trade receivables</b>			
Unsecured, considered good	352.44	881.81	1,068.12
	<b>352.44</b>	<b>881.81</b>	<b>1,068.12</b>
<b>10 Cash and cash equivalents</b>			
Cash on hand	15.09	16.33	14.02
Cheques, drafts on hand	280.50	-	-
Balance with banks			
- with scheduled banks in current accounts	23.68	195.39	473.35
	<b>319.27</b>	<b>211.72</b>	<b>487.37</b>
<b>11 Current tax assets (net)</b>			
Advance payment of income tax (net)	49.90	64.34	160.23
	<b>49.90</b>	<b>64.34</b>	<b>160.23</b>
<b>12 Other current assets</b>			
Advance to suppliers			
- Unsecured, considered good (others)	870.53	878.25	1,065.52
- Unsecured, considered good (related party)	7.25	7.25	3.33
- Considered doubtful	69.71	69.71	69.71
	<b>947.49</b>	<b>955.21</b>	<b>1,138.56</b>
Less : Provision on advances	(69.71)	(69.71)	(69.71)
	<b>877.78</b>	<b>885.50</b>	<b>1,068.85</b>
Balances with government authorities	32.60	157.71	49.51
Prepaid expenses	16.38	20.91	17.35
	<b>926.76</b>	<b>1,064.12</b>	<b>1,135.71</b>

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>13 Share capital</b>			
Authorized share capital			
7,50,00,000 equity shares of Rs.10/- each	7,500.00	7,500.00	7,500.00
	<b>7,500.00</b>	<b>7,500.00</b>	<b>7,500.00</b>
<b>Issued share capital</b>			
2,51,58,885 equity shares; 31 March 2017:	2,515.89	2,515.89	2,515.89
2,51,58,885 equity shares; 01 April 2016: 2,51,58,885 equity shares of Rs.10/- each			
	<b>2,515.89</b>	<b>2,515.89</b>	<b>2,515.89</b>
<b>Issued, subscribed capital and fully paid up</b>			
2,51,58,885 equity shares; 31 March 2017:	2,515.39	2,515.39	2,515.39
2,51,58,885 equity shares; 01 April 2016: 2,51,58,885 equity shares of Rs.10/- each			
	<b>2,515.39</b>	<b>2,515.39</b>	<b>2,515.39</b>

**Details of shareholders holding more than 5% shares of the Company**

Name of shareholder	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Rakesh Ahuja	3,331,447	13.24%	3,331,447	13.24%	3,331,447	13.24%
Madhav Dhir	7,384,582	29.36%	7,384,582	29.36%	7,384,582	29.36%
M/s Matrix Dotcom Infonet Pvt. Ltd.	1,780,000	7.08%	1,780,000	7.08%	1,780,000	7.08%

**Reconciliation of number of equity shares outstanding at the beginning and end of the year**

Description	As at 31 March 2018		As at March 31,2017		As at 01 April 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	25,153,861	2,515.39	25,153,861	2,515.39	25,153,861	2,515.39
Add: shares issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	25,153,861	2,515.39	25,153,861	2,515.39	23,373,861	2,515.32

**14 Other equity**

Particulars	Capital reserve	Security premium	Retained earnings	Total
Balance as at 1 April 2016	1.21	2,082.06	(537.65)	1,545.62
Addition during the year	-	-	-	-
Profit for the year	-	-	358.66	358.66
Items of OCI (net of tax)	-	-	11.13	11.13
-Remeasurement benefit of defined benefit plans	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>1.21</b>	<b>2,082.06</b>	<b>(167.86)</b>	<b>1,915.41</b>
Addition during the year	-	-	847.25	847.25
Items of OCI (net of tax)	-	-	(31.59)	(31.59)
-Remeasurement benefit of defined benefit plans	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>1.21</b>	<b>2,082.06</b>	<b>647.80</b>	<b>2,731.07</b>



**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>15 Borrowings*</b>			
<b>Secured</b>			
Term loans			
-From banks	1,856.31	655.72	623.29
<b>Unsecured</b>			
From others			
-Loans from related parties	4,664.14	4,116.14	4,025.74
-loans from others	0.33	50.82	50.82
-Inter-corporate deposits	280.50	280.50	280.50
*for terms & conditions refer table below			
	<b>6,801.28</b>	<b>5,103.18</b>	<b>4,980.35</b>

Particulars	Rate of Interest (p.a)	Terms of Repayment	Nature of Security	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
<b>Secured Borrowings</b>						
Term loan - 1 from Punjab National Bank	9.65% (11.35%) (12.10%)	Punjab National Bank has sanctioned a term loan of Rs. 1100.00 lakhs for revamping of its existing manufacturing facilities out of total project cost of Rs. 1470.00 lakhs. The company has availed Term Loan of Rs. 1092.94 lakhs upto 31 March, 2017 and loan is repayable in 20 quarterly instalments of Rs.55.00 lakhs each from the end of May, 2016.	(i) 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. (ii) Personal guarantee of Directors (Mr. Rakesh Ahuja, Mr. Madhav Dhir and Mr. Yuvraj Ahuja).	658.29	880.84	839.32
Term loan - 2 from Punjab National Bank	9.65% (N/A) (N/A)	Punjab National Bank has sanctioned a term loan of Rs. 1800.00 lakhs for revamping of its existing manufacturing facilities out of total project cost of Rs.3040.00 lakhs. The loan is repayable in 24 quarterly instalments of Rs. 75.00 lakhs each from the end of December 2017.	(i) 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. (ii) Personal guarantee of Directors (Mr. Rakesh Ahuja, Mr. Madhav Dhir and Mr. Yuvraj Ahuja).	1,738.16	0.10	-
Term loan for vehicle from HDFC Bank Ltd.	10.50% (10.50%) (10.50%)	HDFC Bank has sanctioned a vehicle loan of Rs. 6.00 lakhs and repayable in 60 Monthly Instalments of Rs. 0.13 lakhs each (with interest) from April, 2015.	Secured against equitable mortgage of vehicle.	2.78	3.97	5.04
<b>Total Secured Borrowings</b>				<b>2,399.23</b>	<b>884.91</b>	<b>844.36</b>
<b>Unsecured Borrowings</b>						
Loan from related parties	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.33 of notes to accounts.	Unsecured borrowings	4,664.14	4,116.14	4,025.74

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**

Inter corporate deposit	Interest Free	Above inter corporate deposit comprises term loan obtained from cirrus infrastructure pvt ltd. And the same is repayable within a period of ten years from the date of receipt of loan on the terms as mutually decided between the parties.	Unsecured borrowings	280.50	280.50	280.50
Loan & advance from others	(i) Interest free loan Rs. 10.34 lakhs from Ex-managing Directors of previous management in their personal capacity. (ii) Interest free loan from RIICO for Rs. 40.48 lakhs.	(i) Outstanding loan of Rs. 0.33 lakhs (Previous Year Rs. 10.34 lakhs) obtained from body corporates and the terms and conditions of these loans are not known to the company.(ii) Sales tax loan from RIICO Rs.nil (Previous Year Rs. 40.48 lakhs, 01 April 2016: Rs. 40.48 lakhs) is interest free and guaranteed by the earlier ex-managing directors and ex-directors of the company in their personal capacity and repaid in the financial year 2017-18.	Unsecured borrowings	0.33	50.82	50.82
<b>Total unsecured borrowings</b>				<b>4,944.97</b>	<b>4,447.46</b>	<b>4,357.06</b>
<b>Total borrowings</b>				<b>7,344.20</b>	<b>5,332.37</b>	<b>5,201.42</b>
Less : Current maturities of long term debt				521.32	221.19	221.07
Less : Interest due but not paid				21.60	8.00	-
<b>Total non current borrowings</b>				<b>6,801.28</b>	<b>5,103.18</b>	<b>4,980.35</b>

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>15 Borrowings*</b>			
Secured			
Loan repayable on demand			
-From Banks (cash credit)	322.97	1,411.65	1,120.11
*for terms & conditions refer table below			
	<b>322.97</b>	<b>1,411.65</b>	<b>1,120.11</b>

Particulars	Rate of Interest (p.a)	Terms of Repayment	Detail of Security/ Guarantee	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Cash credit from Punjab National Bank	9.3% (11.05%) (11.60%)	Punjab National Bank, Mohan Nagar Branch (Ghaziabad) has sanctioned a cash credit loan facility Rs. 1600.00 Lakhs to meet the working capital requirement of the company. Further the bank has enhanced the working capital limits to Rs. 2000.00 Lakhs for the financial year 2017-18 to be released after completion of expansion plan.	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.	322.97	1,411.65	1120.11
<b>Total current borrowings</b>				<b>322.97</b>	<b>1,411.65</b>	<b>1,120.11</b>

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**
**15 A Reconciliation of liabilities arising from financing activities**

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Long-term borrowings	Short-term borrowings	Total
<b>1 April 2016</b>	5,201.42	1,120.11	6,321.53
<b>Cash flows:</b>			
- Repayment	676.69	-	676.69
- Proceeds	799.64	291.54	1,091.18
<b>31 March 2017</b>	<b>5,324.37</b>	<b>1,411.65</b>	<b>6,736.02</b>
<b>Cash flows:</b>			
- Repayment	2,403.30	1,088.67	3,491.97
- Proceeds	4,401.53	-	4,401.53
<b>31 March 2018</b>	<b>7,322.60</b>	<b>322.97</b>	<b>7,645.57</b>

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>16 Provisions</b>			
Provision for employee benefits:			
Provision for gratuity	109.12	93.17	88.75
Provisions for compensated absences	61.43	50.12	47.78
	<b>170.55</b>	<b>143.29</b>	<b>136.53</b>
<b>17 Other non-current liabilities</b>			
Old dues payable	-	-	224.60
Investor education and protection fund (u/s 125)	11.64	11.64	11.64
Creditors for capital goods	-	310.17	-
Security and other deposits	-	268.76	911.25
Statutory dues payable	388.57	91.94	65.80
	<b>400.21</b>	<b>682.51</b>	<b>1,213.29</b>
<b>18 Trade payables</b>			
<b>Due to :</b>			
Micro and small enterprisers (refer note no.39)	-	-	-
Others	72.55	67.22	50.00
	<b>72.55</b>	<b>67.22</b>	<b>50.00</b>
<b>19 Other financial liabilities</b>			
Current maturities of long-term debt	521.32	221.19	221.07
Interest accrued but not due	21.60	8.00	-
Creditors for capital goods	54.95	1.83	-
	<b>597.87</b>	<b>231.02</b>	<b>221.07</b>

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>20 Provisions</b>			
Provision for employee benefits:			
Provision for gratuity	26.41	26.92	19.00
Provisions for compensated absences	17.83	12.58	11.94
Provision for bonus	10.43	17.04	12.75
	<b>54.67</b>	<b>56.54</b>	<b>43.69</b>
<b>21 Current tax liabilities</b>			
Provision for current tax (net)	105.08	119.99	9.78
	<b>105.08</b>	<b>119.99</b>	<b>9.78</b>
<b>22 Other current liabilities</b>			
Advance from customers	317.26	112.57	37.72
Other payables	396.54	77.29	82.15
Statutory dues payables	421.18	97.79	56.11
	<b>1,134.98</b>	<b>287.65</b>	<b>175.98</b>

Particulars	As at 31 March 2018	As at 31 March 2017
<b>23 Revenue from operations</b>		
Sale of products (gross)	17,005.85	13,667.27
<b>Net sales</b>	<b>17,005.85</b>	<b>13,667.27</b>
<b>24 Other income</b>		
Interest Income	-	1.31
Gain on fair valuation of investments measured at FVTPL	2.69	0.37
Dividend income	0.10	0.09
Gain on plant, property and equipment	34.45	-
Miscellaneous income	12.70	11.91
Liabilities / Provision written back	0.01	23.03
	<b>49.95</b>	<b>36.71</b>
<b>25 Cost of raw materials consumed</b>		
Opening stock of raw material	127.97	110.47
Add: purchase during the year	2,368.14	1,806.00
	2,496.11	1,916.47
Less: closing stock of raw material	191.08	127.97
	<b>2,305.03</b>	<b>1,788.50</b>
<b>26 Changes in inventory of finished goods and work-in progress</b>		
Opening stock		
-Finished goods	80.78	64.17
-Work-in-progress	491.15	93.28
	<b>571.93</b>	<b>157.45</b>

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**

Particulars	As at 31 March 2018	As at 31 March 2017
Less : Closing stock		
-Finished goods	613.47	80.78
-Work-in-progress	494.69	491.15
	<b>1,108.16</b>	<b>571.93</b>
(Increase)/decrease in excise duty on closing stock of finished goods	-	(1.10)
	<b>(536.23)</b>	<b>(413.38)</b>
<b>27 Employee benefits expense</b>		
Salaries and wages	705.43	636.06
Staff welfare expenses	50.13	45.73
Contribution to provident & other funds	35.07	29.03
	<b>790.63</b>	<b>710.82</b>
<b>28 Finance cost</b>		
Interest on borrowings	206.20	197.51
Other borrowing cost	19.90	4.14
	<b>226.10</b>	<b>201.65</b>
<b>29 Depreciation and amortisation expenses</b>		
Depreciation and amortisation expenses	409.56	437.04
	<b>409.56</b>	<b>437.04</b>
<b>30 Other expenses</b>		
Consumption of stores and spares	281.61	245.32
Business promotion expenses	32.79	43.72
Computer expenses	0.36	0.70
<b>Repairs and maintenance</b>		
- Machinery	206.86	73.45
- Building	24.55	9.45
- Others	5.46	5.96
Loss on foreign exchange fluctuation	-	0.12
Rent expenses	103.31	64.87
Rates and taxes	292.84	4.46
<b>Auditors' remuneration (excluding service tax)</b>		
- Audit fee	3.40	3.40
- Taxation fee*	0.60	0.60
Bank charges	4.47	4.00
Insurance	19.27	21.80
Travelling and conveyance	81.65	76.51
Publicity and advertisement expenses	2.29	1.41
Communication expenses	16.36	16.37
Freight & forwarding expenses	106.23	39.26
General charges	25.23	26.37
Legal and professional	75.74	91.59

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**

Particulars	As at 31 March 2018	As at 31 March 2017
Manufacturing expenses	42.35	36.32
Office expenses	8.75	5.05
Printing & stationery	9.46	10.72
Security charges	47.40	45.10
Subscription charges	1.42	3.85
Water & electricity expenses	3.63	3.34
Loss on sale / disposal of plant, property and equipment	-	15.59
Balance written off	33.22	-
	<b>1,429.25</b>	<b>849.33</b>
* Paid to other auditor		
<b>31 Exceptional Items</b>		
Gain on disposal of items of plant, property and equipment	-	119.10
	<b>-</b>	<b>119.10</b>
<b>32 Tax Expenses</b>		
Income tax expense recognised in statement of profit and loss		
Current tax expense	305.43	110.21
Deferred tax expense	92.96	321.56
Previous year income tax	215.56	-
	<b>613.95</b>	<b>431.77</b>
The reconciliation of tax expense based on the domestic effective tax rate of at 34.608% (31 March 2017: 33.06%) and the reported tax expense in statement of profit or loss is as follows:		
Profit Before Tax	1,461.20	790.43
Income tax using the Company's domestic tax rate	505.69	261.34
<b>Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense</b>		
Non-deductible expenses	0.08	1.20
Non-taxable income	(6.39)	(0.03)
Change in tax rates during the year	(75.75)	-
Tax expense related to earlier years	215.56	-
Others	(25.25)	169.26
<b>Tax expenses as per statement of profit and loss account</b>	<b>613.95</b>	<b>431.77</b>

**Notes to the Financial Statements for the year ended 31 March 2018**

(All amounts in INR Lakhs, unless otherwise stated)

**33 Related party disclosures**

The nature of relationship and summary of transactions with related parties are summarised below

**a) Name of the related party and nature of their relationship**

<b>Name of the related party</b>	<b>Nature of relationship</b>
<b>Name of key managerial personnel (KMP)</b>	<b>Designation</b>
Mr. Rakesh Ahuja	Non Executive Director
Mr. Madhav Dhir	Executive Director
Mr. Yuvraj Ahuja	Non Executive Director
Mr. Ajay Virmani	Managing Director
Mr. Ranbir Singh Makhni	Independent Director
Mr. Pawan Kumar Nayyar	Independent Director
Mr. Sandeep Chaudhary	Independent Director
Mr. Chandra Shekhar Pathak	Independent Director
Mrs. Poonam Rawat	Independent Director
Mr. Shiv Dutt Sharma	Independent Director
Mr. Deepak Mathur	Director (Technical)
Mr. Rajiv Kumar	Chief Financial Officer
Mr. Rohit Verma(29 May'17 to 31 August'17)	Company Secretary
Mr. Dipendra Chaudhary(27 February '18 to present)	Company Secretary
Mr. Alok Dhir	Relative of key managerial personnel

Entities in which KMP/Relatives of KMP can exercise significant influence  
 Cirrus Chemicals Pvt. Ltd.  
 Dhir & Dhir Associates

**b) The following transactions were carried out with related parties:-**

<b>Particulars</b>	<b>Year</b>	<b>Key managerial personnel (KMP)</b>	<b>Relatives of key managerial personnel</b>	<b>Entities in which KMP/Relatives of KMP can exercise significant influence</b>
Transactions during the year				
Remuneration	31 March 2018	130.58	-	-
	31 March 2017	118.22	-	-
Sales	31 March 2018	-	-	431.08
	31 March 2017	-	-	833.40
Sales return	31 March 2018	-	-	658.72
	31 March 2017	-	-	-
Purchase of capital goods	31 March 2018	-	-	-
	31 March 2017	-	-	310.17
Sale of fixed asset	31 March 2018	-	-	-
	31 March 2017	-	-	2.50

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**

Particulars	Year	Key managerial personnel (KMP)	Relatives of key managerial personnel	Entities in which KMP/Relatives of KMP can exercise significant influence
Reimbursement of expenses (received)	31 March 2018	-	-	1.68
	31 March 2017	-	-	16.26
Reimbursement of expenses(paid)	31 March 2018	-	-	1.17
	31 March 2017	-	-	16.26
Loan taken	31 March 2018	1,824.00	-	500.00
	31 March 2017	90.40	-	175.00
Loan repaid	31 March 2018	-	1,576.00	200.00
	31 March 2017	-	-	175.00
Outstanding Balance				
Loan taken	31 March 2018	4,189.14	-	475.00
	31 March 2017	2,365.00	1,576.00	175.00
	1 April 2016	2,274.74	1,576.00	456.33
Amount Payable for capital goods	31 March 2018	-	-	-
	31 March 2017	-	-	310.17
	1 April 2016	-	-	-
Trade receivable	31 March 2018	-	-	-
	31 March 2017	-	-	605.32
	1 April 2016	-	-	1.07
Trade payable	31 March 2018	-	-	58.20
	31 March 2017	-	-	-
	1 April 2016	-	-	-
Remuneration payable	31 March 2018	12.64	-	-
	31 March 2017	10.01	-	-
	1 April 2016	7.56	-	-
Reimbursement of expenses(net)	31 March 2018	-	-	1.76
	31 March 2017	-	-	1.43
	1 April 2016	-	-	3.33

**c) The following transactions were carried out with KMP:-**

Description	31 March 2018	31 March 2017
Short term employee benefit		
Mr. Ajay Virmani	61.14	56.11
Mr. Madhav Dhir	24.07	20.07
Mr. Deepak Mathur	29.05	26.01
Mr. Rajiv Kumar	14.67	13.21
Mr. Rohit Verma	1.14	2.82
Mr. Dipendra Chaudhary	0.52	-



**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**
**34 Employee benefit obligations**

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Gratuity	26.41	109.12	26.93	93.17	19.01	88.75
Compensated absences	12.58	50.12	17.83	61.43	11.94	47.78
<b>Total</b>	<b>38.99</b>	<b>159.24</b>	<b>44.76</b>	<b>154.60</b>	<b>30.95</b>	<b>136.53</b>

**A Gratuity**

Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The following tables summarize the components of net benefit expense recognised in the Statement of Profit and Loss and amounts recognised in the balance sheet for the respective plans.

**(i) Amount recognised in the statement of profit and loss is as under:**

Description	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	12.21	10.85
Past service cost - vested	8.20	-
Net interest cost	9.01	8.08
<b>Amount recognised in the statement of profit and loss</b>	<b>29.41</b>	<b>18.94</b>
<b>Actuarial loss/(gain) recognised during the year included in OCI</b>	<b>22.92</b>	<b>(6.60)</b>

**(ii) Movement in the present value of defined benefit obligation recognised in the balance sheet is as under:**

Description	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of defined benefit obligation as at the start of the year	120.09	107.75	107.18
Current service cost	12.21	10.85	9.76
Past service cost - vested	8.20	-	-
Interest cost	9.01	8.08	8.33
Actuarial loss/(gain) on obligation	22.92	(6.60)	34.00
Benefits paid	(36.90)	-	(51.52)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>135.53</b>	<b>120.09</b>	<b>107.75</b>

**(iii) Breakup of actuarial (gain)/ loss:**

Description	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial (gain)/loss from change in demographic assumption	-	-
Actuarial (gain)/loss from change in financial assumption	(1.39)	-
Actuarial (gain)/loss from experience adjustment	24.32	(6.60)
<b>Total actuarial (gain)/loss</b>	<b>22.92</b>	<b>(6.60)</b>

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**
**(iv) Actuarial assumptions**

Description	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount rate	7.75%	7.50%	7.50%
Future Basic salary increase	5.00%	5.00%	5.00%
Retirement age	58	58	58

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**(v) Sensitivity analysis for gratuity liability**

Description	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	135.53	120.09
- Impact due to increase of 0.50 %	(3.33)	(3.18)
- Impact due to decrease of 0.50 %	3.11	2.99
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	135.53	120.09
- Impact due to increase of 0.50 %	3.20	3.07
- Impact due to decrease of 0.50 %	(3.42)	(3.27)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

**(vi) Maturity profile of defined benefit obligation**

Description	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Within next 12 months	30.04	28.78	20.31
Between 1-5 years	54.57	44.83	41.58
More than 5 years	70.32	62.68	61.24

**B Compensated absences**

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**

The earned leave liability arises on retirement, withdrawal, resignation and death-in-service of an employee. The actuary has used projected unit cost (PUC) actuarial method to assess the plan's liabilities of employees.

**(i) Amount recognised in the statement of profit and loss is as under:**

Description	Earned leave	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	9.65	8.67
Net interest cost	4.70	4.48
Actuarial loss/(gain) recognised during the year	21.64	(10.03)
<b>Amount recognised in the statement of profit and loss</b>	<b>35.99</b>	<b>3.12</b>
<b>Amount recognised in the statement of profit and loss</b>	<b>62.33</b>	<b>(2.44)</b>

**(ii) Movement in net liability**

Description	Earned leave		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening net liability	62.70	59.72	57.07
Expenses as above	35.99	3.12	25.80
Benefits paid	(19.43)	(0.13)	(23.15)
<b>Closing net liability</b>	<b>79.26</b>	<b>62.70</b>	<b>59.72</b>

**(iii) Actuarial assumptions**

Description	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount rate	7.75%	7.50%	7.50%
Future Basic salary increase	5.00%	5.00%	5.00%

**(iv) Maturity profile of defined benefit obligation**

Description	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Within next 12 months	17.02	11.92	11.37
Between 1-5 years	36.35	28.45	29.20
More than 5 years	35.31	30.00	25.76

**Notes:**

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long term basis.

**Notes to the Financial Statements for the year ended 31 March 2018**

(All amounts in INR Lakhs, unless otherwise stated)

**35 Leases**
**In case of assets taken on lease**

Operating Lease:

The Company has entered into various operating lease arrangements for factory building, guest house and office premises. The leases are renewable on a periodic basis cancellable at its option.

The total of minimum future lease payments under non-cancellable operating lease is as under:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Lease payments for the year recognised in the Statement of Profit and Loss	103.31	64.87	62.08
Minimum lease payments:			
Not later than one year	-	24.08	32.10
Later than one year but not later than five years	-	-	21.08
Later than five years	-	-	-

**36 Fair value disclosures**
**(i) Fair values hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are classified into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Financial assets measured at fair value - recurring fair value measurements**

	31 March 2018	31 March 2017	1 April 2016	Level	Valuation techniques and key inputs
Investment in equity instruments	9.98	7.28	6.92	Level 1	Fair value of equity instruments have been determined using the quoted market price. Net asset value (NAV) obtained from an active market.
Investment in mutual funds	2.00	2.00	2.00	Level 1	
<b>Total</b>	<b>11.98</b>	<b>9.28</b>	<b>8.92</b>		

**(iii) Fair value of instruments measured at amortised cost**

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	31 March 2018		31 March 2017		01 April 2016	
		Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets							
Investments	Level 3	0.32	0.32	0.32	0.32	0.32	0.32
Loans	Level 3	15.15	15.15	12.70	12.70	13.11	13.11

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**

Trade receivable	Level 3	352.44	352.44	881.81	881.81	1,068.12	1,068.12
<b>Total financial assets</b>		<b>367.91</b>	<b>367.91</b>	<b>894.83</b>	<b>894.83</b>	<b>1,081.55</b>	<b>1,081.55</b>
Borrowings	Level 3	7,124.26	7,124.26	6,514.83	6,514.83	6,100.46	6,100.46
Trade payables	Level 3	72.55	72.55	67.22	67.22	50.00	50.00
Other financial liabilities	Level 3	597.87	597.87	231.02	231.02	221.07	221.07
<b>Total financial liabilities</b>		<b>7,794.68</b>	<b>7,794.68</b>	<b>6,813.07</b>	<b>6,813.07</b>	<b>6,371.53</b>	<b>6,371.53</b>

The management assessed that cash and cash equivalents, trade receivables, other receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Other non-current financial assets and non-current borrowings bear a market interest rate and hence their carrying amounts are also considered a reasonable approximation of their fair values.

**37 Financial risk management**
**i) Financial instruments by category**

Particulars	31 March 2018			31 March 2017			01 April 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>									
Investments	11.98	-	0.32	9.28	-	0.32	8.92	-	0.32
Loan - security deposits	-	-	7.00	7.00	-	7.00	-	-	7.00
Loan - employees	-	-	8.15	-	-	5.70	-	-	6.11
Trade receivables	-	-	352.44	-	-	881.81	-	-	1,068.12
Cash and cash equivalents	-	-	319.27	-	-	211.72	-	-	487.37
<b>Total</b>	<b>11.98</b>	<b>-</b>	<b>687.18</b>	<b>16.28</b>	<b>-</b>	<b>1,106.55</b>	<b>8.92</b>	<b>-</b>	<b>1,568.92</b>
<b>Financial liabilities</b>									
Borrowings (including interest)	-	-	7,667.18	-	-	6,744.01	-	-	6,321.53
Trade payable	-	-	72.55	-	-	67.22	-	-	50.00
Other financial liabilities	-	-	54.95	-	-	1.84	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7,794.68</b>	<b>-</b>	<b>-</b>	<b>6,813.07</b>	<b>-</b>	<b>-</b>	<b>6,371.53</b>

**ii) Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

**A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the company. The company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits, etc. The company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**
**a) Credit risk management**

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

Assets under credit risk –

Credit rating	Particulars	31 March 2018	31 March 2017	1 April 2016
A: Low	Loans	15.14	12.69	13.11
	Investments	0.32	0.32	0.32
	Cash and cash equivalents	319.27	211.72	487.37
	Trade receivables	352.44	881.81	1,068.12

*Cash & cash equivalents and bank deposits*

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

*Trade receivables*

Company's trade receivables are considered of high quality and accordingly no life time expected credit losses are recognised on such receivables.

**Other financial assets measured at amortised cost**

Other financial assets measured at amortized cost includes advances to employees. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

**B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**Maturities of financial liabilities**

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2018	Less than 1 year	1-5 year	More than 5 years	Total
Borrowings including interest	322.98	1,856.31	4,944.97	7,124.26
Trade payable	72.55	-	-	72.55
Other financial liabilities	597.87	-	-	597.87
<b>Total</b>	<b>993.40</b>	<b>1,856.31</b>	<b>4,944.97</b>	<b>7,794.68</b>

31 March 2017	Less than 1 year	1-5 year	More than 5 years	Total
Borrowings including interest	1,411.65	655.72	4,447.46	6,514.83
Trade payable	67.22	-	-	67.22
Other financial liabilities	231.02	-	-	231.02
<b>Total</b>	<b>1,709.89</b>	<b>655.72</b>	<b>4,447.46</b>	<b>6,813.07</b>

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**

01 April 2016	Less than 1 year	1-5 year	More than 5 years	Total
Borrowings including interest	1,120.11	623.29	4,357.06	6,100.46
Trade payable	50.00	-	-	50.00
Other financial liabilities	221.07	-	-	221.07
<b>Total</b>	<b>1,391.18</b>	<b>623.29</b>	<b>4,357.06</b>	<b>6,371.53</b>

**C) Market risk**
**a) Interest rate risk**

The Company is not exposed to changes in market interest rates as all of the borrowings are at fixed rate of interest. Also the Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**b) Price risk**
**Exposure**

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds and equity investment, the Company diversifies its portfolio of assets.

**Sensitivity**

Below is the sensitivity of profit or loss and equity to changes in fair value of investments, assuming no change in other variables:

Particulars	31 March 2018	31 March 2017
Price sensitivity		
Price increase by 5%	0.60	0.46
Price decrease by 5%	(0.60)	(0.46)

**38 Capital management**

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	31 March 2018	31 March 2017	1 April 2016
Total borrowings	7,667.17	6,744.01	6,321.53
Less : cash and cash equivalent	319.27	211.72	487.37
Net debt	7,347.90	6,532.29	5,834.16
Total equity	5,246.46	4,430.81	4,061.01
<b>Net debt to equity ratio</b>	<b>140.05%</b>	<b>147.43%</b>	<b>143.66%</b>

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**
**39 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
i) Principal amount due to suppliers under MSMED Act	Nil	Nil	Nil
ii) Interest accrued and due to suppliers under MSMED Act on the above amount	Nil	Nil	Nil
iii) Payment made to suppliers (other than interest) beyond appointed day during the year	Nil	Nil	Nil
iv) Interest paid to suppliers under MSMED Act	Nil	Nil	Nil
v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil	Nil
vi) Interest due and payable to suppliers under MSMED Act towards payments already made	Nil	Nil	Nil
vii) Interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil	Nil

\*The details of amounts outstanding to micro enterprises and small enterprises under the Micro, Small and Medium Enterprises Development Act (MSMED), 2006 are as per available information with the Company.

**40 Segment information**

The Company's primary business segment is reflected based on principal business activities carried on by the Company i.e. Caustic soda and other chemicals, which as per Ind AS 108 on "Segment Reporting" as specified under Section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) is considered to be the only operating segment. **The Company is primarily operating in India which is considered as a single geographical segment.**

**41 Details of Corporate Social Responsibility (CSR) expenditure is as follows:**

i) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): Rs.8.60 Lakhs (March 31, 2017: Rs. Nil)

ii) Amount spent during the year

Purpose for which expenditure incurred	For the year ended 31 March, 2018	For the year ended 31 March, 2017
- Construction/acquisitions of any asset	-	-
- On purpose other than above mentioned	-	-
Amount yet to be spent	8.60	-
<b>Total</b>	<b>8.60</b>	<b>-</b>



**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**
**42 Details of assets pledged/ hypothecated as security:**

The carrying amounts of assets pledged/ hypothecated as security for current and non-current borrowings are:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Current</b>			
Inventories	1,923.37	1,354.26	896.16
Trade receivables	352.44	881.81	1,068.12
Cash and cash equivalents and other bank balances	319.27	211.72	487.37
Other current assets	926.76	1,064.12	1,135.71
<b>Non Current</b>			
Plant, Property and Equipment	11,143.35	8,279.24	5,950.76

**43 First time adoption of Ind AS**

Financial statements for the year ended 31 March 2018 are the first financial statements that the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31 March 2018. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016 which is the Company's date of transition to Ind AS. This note explains the key adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017 to Ind AS.

**A. Optional exemption availed:**
**i. Deemed cost for property, plant and equipment:**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment are recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

**B. Mandatory exceptions:**
**i. Estimates:**

An entity's estimates in accordance with IndASs at the date of transition to IndAS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made certain estimates in accordance with Ind AS at the date of transition which were not required under previous GAAP.

**C. Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**(i) Reconciliation of total equity as at 31 March 2017 and 1 April 2016**

Particulars	Note no.	Year ended 31 March 2017	Year ended 1 April 2016
<b>Total equity (Shareholder's funds) as per previous GAAP</b>		4,425.68	4,061.04
Ind AS adjustments:			
Fair valuation of financial instruments	1	5.13	4.79
Others		-	(4.82)
<b>Total adjustments</b>		<b>5.13</b>	<b>(0.03)</b>
<b>Total equity as per Ind AS</b>		<b>4,430.81</b>	<b>4,061.01</b>

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**
**(ii) Reconciliation of total comprehensive income for the year ended 31 March 2017:**

Particulars	Note no.	Year ended 31 March 2017
<b>Profit after tax as per previous GAAP [A]</b>		<b>365.35</b>
<b>Ind AS adjustments:</b>		
Fair valuation of financial instruments	1	0.37
Remeasurement of defined benefit obligations reclassified to other comprehensive income	2	(16.63)
Effects of deferred tax on above Ind AS adjustments		5.50
Change in depreciation due to transfer of revaluation reserve to retained earnings	6	(0.71)
Others		4.79
<b>Total adjustments [B]</b>		<b>(6.69)</b>
<b>Profit after tax as per Ind AS [A+B]</b>		<b>358.66</b>
<b>Other comprehensive income</b>		
Remeasurement of defined benefit obligations (net of tax)	2	11.13
<b>Total comprehensive income as per Ind AS</b>		<b>369.79</b>

**(iii) Reconciliation between previous GAAP and Ind AS for balance sheet as at 01 April 2016 and as at 31 March 2017:**

Particulars	Notes to first time adoption	Previous GAAP as at 31 March 2017*	Adjustments	Ind AS as at 31 March 2017	Previous GAAP as at 1 April 2016*	Adjustments	Ind AS as at 1 April 2016
<b>ASSETS</b>							
Non-current assets							
Property, plant and equipment		8,279.24	-	8,279.24	5,950.76	-	5,950.76
Capital work in progress		116.96	-	116.96	1,638.31	-	1,638.31
Financial assets							
Investments	1	4.77	5.14	9.91	4.77	4.78	9.55
Loans		7.00	-	7.00	7.00	-	7.00
Deferred tax asset (net)		-	-	-	261.34	-	261.34
Other non current assets		604.54	-	604.54	391.15	-	391.15
		<b>9,012.51</b>	<b>5.14</b>	<b>9,017.66</b>	<b>8,253.33</b>	<b>4.78</b>	<b>8,258.11</b>
<b>Current assets</b>							
Inventories		1,354.26	-	1,354.26	896.16	-	896.16
Financial assets							
Trade receivable		881.81	-	881.81	1,068.12	-	1,068.12
Cash and cash equivalents		211.72	-	211.72	487.37	-	487.37
Loans		5.69	-	5.69	6.11	-	6.11
Current tax assets		64.34	-	64.34	160.23	-	160.23
Other current assets		1,064.12	-	1,064.12	1,140.52	(4.82)	1,135.71
		<b>3,581.95</b>	<b>-</b>	<b>3,581.94</b>	<b>3,758.51</b>	<b>(4.82)</b>	<b>3,753.70</b>
<b>TOTAL</b>		<b>12,594.46</b>	<b>5.14</b>	<b>12,599.59</b>	<b>12,011.84</b>	<b>(0.03)</b>	<b>12,011.81</b>

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**

<b>EQUITY AND LIABILITIES</b>							
Equity							
Equity share capital		2,515.39	-	2,515.39	2,515.39	-	2,515.39
Other equity	1	1,910.29	5.12	1,915.42	1,545.65	(0.03)	1,545.62
		<b>4,425.68</b>	<b>5.12</b>	<b>4,430.80</b>	<b>4,061.04</b>	<b>(0.03)</b>	<b>4,061.01</b>
Non-current liabilities							
Financial liabilities							
Borrowings		5,103.18	-	5,103.18	4,980.35	-	4,980.35
Provisions		143.29	-	143.29	136.53	-	136.53
Deferred tax liabilities (net)		65.73	-	65.73	-	-	-
Other non-current liabilities		682.51	-	682.51	1,213.29	-	1,213.29
		<b>5,994.71</b>	<b>-</b>	<b>5,994.71</b>	<b>6,330.17</b>	<b>-</b>	<b>6,330.17</b>
Current liabilities							
Financial liabilities							
Borrowings		1,411.65	-	1,411.65	1,120.11	-	1,120.11
Trade payables		67.22	-	67.22	50.00	-	50.00
Other financial liabilities		231.02	-	231.02	221.07	-	221.07
Provisions		56.54	-	56.54	43.69	-	43.69
Current tax liabilities (net)		119.99	-	119.99	9.78	-	9.78
Other current liabilities		287.65	-	287.65	175.98	-	175.98
		<b>2,174.07</b>	<b>-</b>	<b>2,174.07</b>	<b>1,620.63</b>	<b>-</b>	<b>1,620.63</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>12,594.46</b>	<b>5.12</b>	<b>12,599.58</b>	<b>12,011.84</b>	<b>(0.03)</b>	<b>12,011.81</b>

\* The previous GAAP figures have been reclassified to confirm Ind AS presentation requirements for the purpose of this note.

**(iv) Reconciliation between previous GAAP and Ind AS for impact on statement of profit and loss**

Particulars	Notes to first time adoption	Previous GAAP For the year 31 March 2017*	Adjustments	Ind AS 31 March 2017
<b>Income</b>				
Revenue from operations	4	12,115.87	1,551.40	13,667.27
Other income	1	31.55	5.16	36.71
<b>Total Income</b>		<b>12,147.42</b>	<b>1,556.56</b>	<b>13,703.98</b>
<b>Expenses</b>				
Purchase of traded goods/ Cost of goods consumed		1,788.50	-	1,788.50
Changes in Inventory of traded goods		(413.38)	-	(413.38)
Excise duty on goods sold	4	-	1,551.40	1,551.40
Power and Fuel		7,907.29	-	7,907.29
Employee benefits expense	2,3	693.78	17.04	710.82
Finance costs		201.65	-	201.65
Depreciation and amortisation expense	6	436.33	0.71	437.04
Other expenses	3	849.73	(0.40)	849.33
<b>Total expenses</b>		<b>11,463.90</b>	<b>1,568.75</b>	<b>13,032.65</b>

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**

Profit before exceptional items and tax	683.52	(12.19)	671.33
Exceptional items	119.10	-	119.10
<b>Profit before tax</b>	<b>802.62</b>	<b>(12.19)</b>	<b>790.43</b>
<b>Tax expense</b>			
Current tax	110.21	-	110.21
Deferred tax charge	327.07	(5.50)	321.56
Previous year income tax	-	-	-
<b>Profit after tax</b>	<b>437.28</b>	<b>(5.50)</b>	<b>431.77</b>
	<b>365.34</b>	<b>(6.69)</b>	<b>358.66</b>
<b>Other comprehensive income</b>			
Item that will not to be reclassified to profit or loss			
Remeasurement income on defined benefit plans	-	16.63	16.63
Income tax relating to above items	-	(5.50)	(5.50)
<b>Total comprehensive income for the year</b>	<b>365.34</b>	<b>4.44</b>	<b>369.79</b>

**(v) Effect of Ind AS adoption on the Statement of Cash Flow for the year ended 31 March, 2017**

Particulars	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	468.91	-	468.91
Net cash flows from investing activities	(965.40)	-	(965.40)
Net cash flows from financing activities	220.84	-	220.84
Net increase in cash and cash equivalents	<b>(275.65)</b>	-	<b>(275.65)</b>
Cash and cash equivalents at the beginning of the year	487.37	-	487.37
Cash and cash equivalents at the end of the year	<b>211.72</b>	-	<b>211.72</b>

\* The previous GAAP figures have been reclassified to confirm Ind AS presentation requirements for the purpose of this note.

**Notes:**
**Note - 1: Fair valuation of investments**

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year.

**Note - 2: Remeasurement of defined benefit obligation**

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

**Note - 3: Prior period adjustments**

Under previous GAAP, expenses related to period other than current accounting period not captured earlier were shown as prior period expenses or income in the current period Statement of profit and loss. Under Ind AS, prior period adjustments are not allowed and expenses are to be adjusted in the year to which it pertains and balances are to be restated accordingly.

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**
**Note - 4: Excise duty**

Under previous GAAP reporting framework, statutory taxes levied on sales were required to be netted off from the revenue. Under current reporting framework, excise duty are to be shown separately as expenses.

**Note - 5: Deferred tax**

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.

**Note - 6: Deemed cost for property, plant and equipment:**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment are recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Earlier the company was crediting an amount equal to increased depreciation on leasehold land which was revalued in earlier years to statement of profit and loss account but due to adoption of the exemption the revaluation reserve was transferred to retained earning, due to which there was increase in depreciation.

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>44 Earnings per share</b>		
Net profit for the year	847.25	358.66
Total number of equity shares outstanding at the beginning of the year	25,153,861	25,153,861
Total number of equity shares outstanding at the end of the year	25,153,861	25,153,861
Weighted average number of equity shares	25,153,861	25,153,861
Nominal value of equity share	10.00	10.00
(1) Basic (Rs.)	3.37	1.43
(2) Diluted (Rs.)	3.37	1.43

**45 Contingent liabilities and commitments**

(to the extent not provided for)

**A Contingent liabilities**

S. no	Particulars	Period to which the amount relates	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 1 April, 2016
1	In respect of Excise duty disputes pending with various judicial authorities	1995-99	64.76	64.76	64.76
2	In respect of Excise duty disputes pending with various judicial authorities	1996-97	-	145.62	145.62

**Notes to the Financial Statements for the year ended 31 March 2018**
**(All amounts in INR Lakhs, unless otherwise stated)**

3	In respect of Excise duty disputes pending with various judicial authorities	1996-99	-	110.72	110.72
4	In respect of Excise duty disputes pending with various judicial authorities	2003-04	-	6.32	6.32
5	In respect of Excise duty disputes pending with various judicial authorities	2011-12	1.53	1.53	1.53
6	In respect of Electricity duty disputes pending with judicial authorities	2004-06	-	20.03	20.03
7	In respect of Entry tax disputes pending with judicial authorities	2003-11	27.28	27.28	27.28
8	In respect of Income tax disputes pending with various judicial authorities	1996-97	-	287.17	287.17
9	In respect of previous years dispute relating to import, pending with judicial authorities	2002-03	-	5.00	5.00
10	Disputed demand for late payment surcharge on electricity dues amounting Rs. 1226.12 lakh. However the company has paid Rs. 337.24 lakh under protest on account of late payment surcharge	2011-12	-	1,226.12	1,226.12
11	Disputed demand for uninterrupted power cut by JVVNL	2011-12	-	11.72	11.72
		<b>Total</b>	<b>93.57</b>	<b>1,906.27</b>	<b>1,906.27</b>

**B Commitments (net of advance):**

Estimated amount of contracts remaining to be executed on capital account Rs. Nil, (Previous years: 31 March 2017: Rs. 1,299.55 lakhs and 1 April 2016 Rs. 276.63 lakhs).

- 46** Unclaimed amount in respect of debentures and excess share application money refundable Rs. 11.64 lakhs, (Previous years: 31 March 2017: 11.64 lakhs and 1 April 2016 11.64 lakhs) is required to be transferred to the "Investor education and protection fund" in terms of section 125 of the companies act, 2013. the company is taking steps to reconcile the above accounts and deposit the amount with the appropriate authorities.

**47 Authorisation of financial statements**

These financial statements for the year ended 31 March 2018 (including comparatives) were approved by the Board of Directors on 16 May 2018.

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

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

**Yuvraj Ahuja**  
Director  
DIN 00164675

**Madhav Dhir**  
Director  
DIN 07227587

**Ajay Virmani**  
Managing Director  
DIN 00758726

CA. Deepak Pokhriyal  
Partner  
Membership No. 524778

**Dipendra  
Chaudhary**  
Company Secretary

**Rajiv Kumar**  
Chief Financial  
Officer

Place: New Delhi  
Date: 16 May 2018

**LORDS CHLORO ALKALI LIMITED****CIN No. : L24117RJ1979PLC002099****Registered Office:** SP-460, MIA, Alwar Rajasthan-301 030**Corporate Office :** A-264, 1<sup>st</sup> Floor, Defence Colony, New Delhi -110 024**Email Id.:** secretarial@lordschloro.com**Ph. No. :** 011 46865999**ATTENDANCE SLIP**

Name(s) of Member(s) :  
(In block letters (including joint holders, if any)  
Registered Address of the sole/ :  
First named member

Registered Folio No. /  
DPID No. & Client ID No.

No. of Shares held

I/ we hereby record my/our presence at the 39<sup>th</sup> Annual General Meeting of the company being held on Thursday 27<sup>th</sup> September, 2018 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. Member/ 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>EVEN</b> <b>(Electronic Voting</b> <b>Event Number)</b>	<b>User ID</b>	<b>Default PAN/Sequence</b> <b>Number</b>

*Please see note no. 13 to the Notice dated 14<sup>th</sup> August, 2018 convening the AGM for the procedure with respect to e-voting.*

**Note: The remote e-voting period commences on 24<sup>th</sup> September, 2018 (at 9.00 A. M.) and ends on 26<sup>th</sup> September, 2018 (at 5.00 P.M.)**

**LORDS CHLORO ALKALI LIMITED****Registered Office:** SP-460, MIA, Alwar Rajasthan-301 030**Corporate Office :** A-264, 1<sup>st</sup> Floor, Defence Colony, New Delhi -110 024**CIN No. :** L24117RJ1979PLC002099; **Ph. No. :** 011 46865999**Email Id.:** secretarial@lordschloro.com; **Website:** 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 39<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, the 27<sup>th</sup> day of September, 2018 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 Statements of the Company for the Financial Year ended on 31 <sup>st</sup> March, 2018 and the reports of the Board of Directors and Auditors thereon.		
2.	To appoint Shri Yuvraj Ahuja (DIN: 00164675), who retires by rotation at this meeting and being eligible has offered himself for re-appointment.		
3.	To ratify the appointment of Statutory Auditor of the Company from conclusion of this Annual General Meeting till the conclusion of 40th Annual General Meeting of the Company to be held for the financial year 2018-19 and to fix their remuneration.		
	<b>Special Business</b>		
4.	To re-appoint and payment of remuneration to Shri Ajay Virmani (DIN 00758726), Managing Director of the Company		
5.	To increase in the remuneration of Shri Madhav Dhir (DIN 07227587), Whole-time Director of the Company		
6.	To re-appoint and payment of remuneration to Mr. Deepak Mathur (DIN 07092786), as Director (Technical) of the Company		
7.	To ratify the remuneration of the Cost Auditors for the Financial Year 2018-19		

\* 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 entitled 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 .....

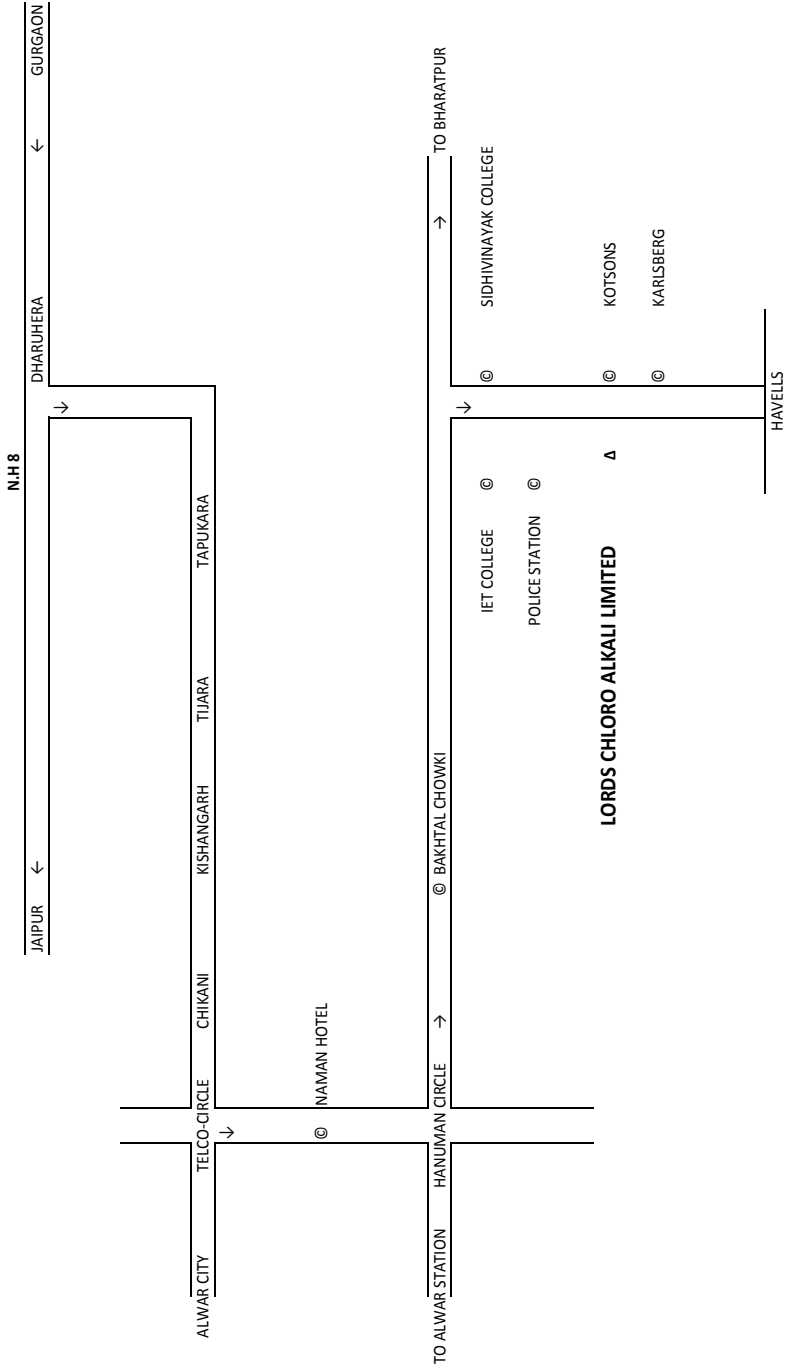
Signature of third Proxy holder .....

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 25<sup>th</sup> September, 2018.
2. For the Resolutions, Explanatory Statements and notes, please refer to the notice of the 39th 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