

**Date: 3<sup>rd</sup> September, 2019**

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

**BSE Scrip Code: 500824**

**Sub: Regulation 30 and 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Submission of Notice and Annual Report of Lords Chloro Alkali Limited (the Company)**

Dear Sir,

Pursuant to Regulation 30 and 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Please find enclosed herewith the copy of Annual Report along with the Notice for convening the **40<sup>th</sup> Annual General Meeting of the Members of the Company** scheduled to be held on **Monday, 30<sup>th</sup> September, 2019 at 10.30 A.M.** at Registered Office at SP-460, Matsya Industrial Area, Alwar (Rajasthan) - 301030.

The Copy of the Annual Report is also available on the website of the Company i.e. [www.lordschloro.com](http://www.lordschloro.com)

Request you to take the same on your record.

Yours faithfully  
**For Lords Chloro Alkali Limited**

  
**Rajiv Kumar**  
CFO

**Encl: A/a**

# 40<sup>TH</sup> ANNUAL REPORT 2018-19



**LORDS CHLORO ALKALI LIMITED**

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## **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   |
| Ms. Meenakshi Sharma        | Independent Director   |
| Shri Deepak Mathur          | Director (Technical)   |

## **Company Secretary & Compliance Officer**

Shri Anish Kumar

## **Chief Financial Officer**

Shri Rajiv Kumar

## **Statutory Auditors**

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

## **Secretarial Auditor**

M/s. 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),  
3E/7, 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 a wide range of chemicals i.e. Caustic Soda, Chlorine, Hydrogen, HCL, Stable Bleaching Powder and Tri Chloro Ethylene. LCAL is having a advanced technology plant situated at SP-460, Matsya Industrial Area, Alwar, Rajasthan 301030, with the production capacity of 220 TPD and is planning enhance the Caustic Soda capacity to 300 TPD in next year.

LCAL is a listed company on BSE Limited since 1982. The market capitalization was 15834.36 lakhs as on 31<sup>st</sup> March, 2019.

The Company is strategically located in the heart of North India. The demand outstrips the production in this 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.

Our Mission is to provide customer with high quality chemical products and services through sustained progress in technology and knowledge, to achieve improved profitability through sustained growth.

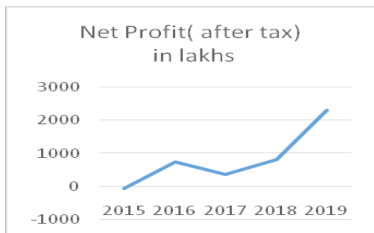


## Managing Director's message

Dear Members,

**“Just keep positive attitude no matter what comes in your way- challenges or opportunities- in the end we only regret the chances we did not take.”**

### Graphical presentation of Revenue and Profit after Tax



It is a matter of great happiness in sharing that your Company has achieved highest revenue growth and profit, ever, for the year ended March 2019. The Company achieved a Turnover of Rs. 25,113.56 lakhs, which is an increase of 51.33% as compared to Revenue of Rs. 16,594.74 lakhs in the previous year. Profit after tax is Rs. 2,298.92 lakhs with increase of 171.34% as compared to Profit after tax 815.67 in the previous year. It is due to the consolidated effort, teamwork, dedication and commitment of all the employees of the Company, vision and direction of the management and support of all our customers, suppliers and bankers.

The current financial year is full of challenges as the economy is slowing down which may impact the profitability of the sector. The Company is hopeful that this will be a small blip and the economy will bounce back to its previous pace of growth.

Your Company has carried modernization of the plant with replacement of two Electrolyser based on latest zero gap NCZ technology by AKCC, Japan to reduce the power consumption. This completes the cycle of modernization of the existing facilities, which now are operating on the latest technology available in the world.

The Company has been certified for ISO 9001, 14001 and 45001 by international audit agencies this year.

We remain committed to ensure the highest standards of corporate governance and social responsibility.

We would like to take this opportunity to thank each and every employee as well as all our raw material suppliers, customers and other stakeholders.

Most importantly, We would like to thank you, our shareholders, for your overwhelming trust, support and confidence in the Company.

With Warm Regards  
Ajay Virmani  
Managing Director

## NOTICE

**NOTICE** is hereby given that the 40<sup>th</sup> Annual General Meeting of the Members of **LORDS CHLORO ALKALI LIMITED** will be held on Monday, 30<sup>th</sup> September, 2019 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, 2019 and the reports of the Board of Directors and Auditors thereon.
2. To appoint Shri Rakesh Ahuja (DIN: 00224315), who retires by rotation at this meeting and being eligible has offered himself for re-appointment.

### SPECIAL BUSINESS:

3. **To consider and approve the re-appointment and payment of remuneration to 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 an **Ordinary 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, consent of the Members of the Company be and is hereby accorded for re-appointment of Shri Madhav Dhir (DIN: 07227587) as Whole Time Director of the Company for a further period of 5 years w.e.f. 1<sup>st</sup> June, 2019 on a remuneration of Rs. 36,00,000/- (Rupees Thirty Six Lakhs) per annum (Rupees 3,00,000/- per month) by way of salary plus reimbursement of Rs. 20,000/- per month for conveyance w.e.f. 1<sup>st</sup> June, 2019 or such remuneration not exceeding Rs. 5,00,000/- per month, as may be approved by the Board of Directors of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is 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.”

4. **To consider and approve appointment of Ms. Meenakshi Sharma (DIN: 03518749) as an Independent Director of the Company**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 & 152 read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 and rules framed there under, as amended from time to time, Ms. Meenakshi Sharma (DIN: 03518749), who was appointed as an Additional Director in the capacity of Independent Director, in terms of the provisions of Section 161 of the Companies Act, 2013 and in respect of whom a notice proposing his candidature for the office of Independent Director has been received, be and is hereby appointed as Independent Director of the Company for a period of 5 years w.e.f 1<sup>st</sup> November, 2018 and she shall not be liable to retire by rotation.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is 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 ratify the remuneration of the Cost Auditors for the Financial Year 2019-20**

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 29<sup>th</sup> May, 2019 to conduct the audit of the cost records of the company for the Financial Year 2019-20.”

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

**Place: New Delhi  
Date: 13<sup>th</sup> August, 2019**

**Ajay Virmani  
Managing Director  
DIN: 00758726**

**NOTES:**

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, in respect of the special business to be transacted at the meeting under Item No. 3 to 5 is annexed hereto.
2. **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 30<sup>th</sup> September, 2019.

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

3. 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.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. 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.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 27<sup>th</sup> September, 2019 to Monday, 30<sup>th</sup> September, 2019 (both days inclusive).
7. The information about the Director, proposed to be appointed / reappointed/payment of remuneration, as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed to this Notice.
8. During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any

time during the business hours of the company. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days except Saturdays & Sundays of the Company between 11:00 a.m. and 1:00 p.m. upto the date of the Annual General Meeting and at the venue of the Meeting for the duration of the Meeting.

9. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 ('Act') and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, will be available for inspection by the members at the Meeting.
10. 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).
11. Pursuant to section 72 of the Companies Act, 2013, members holding shares in physical forms may file nomination in the prescribed Forms SH-13 with the Company's RTA. In respect of shares held in electronic / demat form, nomination form may be filed with the respective Depository Participants (DP).
12. 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.
13. Pursuant to the Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 and Press Release No. 12/2019 issued by SEBI on 27<sup>th</sup> March, 2019, 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 w.e.f. 1<sup>st</sup> April, 2019. Accordingly, Shareholders holding shares in physical form are requested to dematerialize their shareholding in the Company to avoid hassle in transfer of shares.
14. Members are informed that the Company is sending Annual Report through email to those members who have registered their email 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 2018-19 will also be available on the Company's website [www.lordschloro.com](http://www.lordschloro.com) for their download.

## 15. 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 40<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<br><br>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<br><br>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<br><br>For example if folio number is 001*** and EVEN is 111772 then user ID is 111772001***. |

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 Thursday, 26<sup>th</sup> September, 2019 (9.00 A.M. IST) and ends on Sunday, 29<sup>th</sup> September, 2019 (5.00 P.M. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Monday, 23<sup>rd</sup> September, 2019, 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. Monday, 23<sup>rd</sup> September, 2019, 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. Monday, 23<sup>rd</sup> September, 2019, 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.

16. A route map to the venue of the Annual General Meeting is annexed.

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

**ITEM NO. 3**

The Members are hereby apprised that the term for office of Shri Madhav Dhir as Whole Time Director of the Company, expired on 31<sup>st</sup> May, 2019 and the Board of Directors of the Company upon recommendation of Nomination and Remuneration Committee and subject to the approval of the Members, had re-appointed Shri Madhav Dhir (DIN:07227587) as Whole Time Director of the Company for a further period of five years w.e.f. 1<sup>st</sup> June, 2019, on a remuneration of Rs. 36,00,000/- (Rupees Thirty Six Lakhs) per annum (Rupees 3,00,000/- per month) by way of salary plus reimbursement of Rs. 20,000/- per month for conveyance w.e.f. 1<sup>st</sup> June, 2019 or such remuneration not exceeding Rs. 5,00,000/- per month, as may be approved by the Board of Directors of the Company.

Shri Madhav Dhir, aged 27 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 (UK). He has also completed LLB from India. 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. He has been associated with the Company as Whole Time Director since 9<sup>th</sup> November, 2015 and 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.

The details of remuneration drawn and Board meetings attended by him during the financial year are provided at appropriate place in the Board Report. Shri Madhav Dhir is not related with any other director/KMP of the Company and hold 73,84,582 equity shares in the Company.

Further, Shri Madhav Dhir is not a Director of any other listed entity and details of other entities in which he holds Directorship, Chairmanship / Membership of Committees of their Board are as follows:

| S. No. | Name of the Companies                   | Position held | Name of the Committees of the Board | Chairman/ Member |
|--------|-----------------------------------------|---------------|-------------------------------------|------------------|
| 1      | Entry India Projects Private Limited    | Director      | -                                   | -                |
| 2      | Hub And Oak Accelerator Private Limited | Director      | -                                   | -                |

|    |                                                     |          |   |   |
|----|-----------------------------------------------------|----------|---|---|
| 3  | Turquoise Metals and Electricals Private Limited    | Director | - | - |
| 4  | Cirrus Chemicals Private Limited                    | Director | - | - |
| 5  | Aquamarine Synthetics and Chemicals Private Limited | Director | - | - |
| 6  | Triton Projects India Private Limited               | Director | - | - |
| 7  | Destinationindia Projects Private Limited           | Director | - | - |
| 8  | Cygnnet Projects Private Limited                    | Director | - | - |
| 9  | Sri Parthasarathy Infrastructure Private Limited    | Director | - | - |
| 10 | Ammadoes Trading and Consultants Private Limited    | Director | - | - |
| 11 | Acorn Global Investments Limited                    | Director | - | - |
| 12 | Dhir Chemicals Private Limited                      | Director | - | - |
| 13 | Dhir Hotels & Resorts Private Limited               | Director | - | - |

Except Shri Madhav Dhir, none of the Directors / Key Managerial Personnel of the Company are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 3 of the Notice.

Hence, your Directors recommend you to pass the proposed resolution as set out in item no. 3 of the Notice as an Ordinary Resolution.

#### **ITEM NO. 4**

In terms of the Nomination & Remuneration Policy of the Company and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors had appointed Ms. Meenakshi Sharma as an Independent Director, with effect from 1<sup>st</sup> November, 2018, not liable to retire by rotation and to holds office upto the ensuing Annual General Meeting of the Company.

The Company has received a notice under Section 160 of the Companies Act, 2013 ("the Act") proposing her candidature for the office of Independent Director of the Company.

Ms. Meenakshi Sharma is not disqualified from being appointed as a Director in terms of Section 164 of the Act. She has given her consent to act as a Director and a declaration to the effect that she meets the criteria of Independence as provided in Section 149(6) of the Act.

In the opinion of the Board, Ms. Meenakshi Sharma possesses appropriate skills, experience & knowledge and fulfils the conditions for appointment as an Independent Director as specified in the Act and the SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and that she is independent of the management.

Ms. Meenakshi Sharma, aged 54 years, a law graduate holds a Doctorate in NPA management and has extensive practical banking experience. She has served in the State Bank of India for 18 years in various divisions of the bank. She possesses excellent knowledge in credit, project appraisal and credit risk assessment. Ms. Meenakshi possesses rich analytical and financial skills. She has been associated with the Company as an Independent Director since 1<sup>st</sup> November, 2018.

Ms. Meenakshi Sharma has not drawn any remuneration in the Financial Year and details of the Board meetings attended by her during the financial year are provided at appropriate place in the Board Report. Ms. Meenakshi Sharma is not related with any other director/KMP of the Company and do not hold any equity share in the company.

Further, Ms. Meenakshi Sharma is not a Director of any other listed entity and details of other entities in which she holds Directorship, Chairmanship / Membership of Committees of their Board are as follows:

| S. No. | Name of the Companies          | Position held    | Name of the Committees of the Board | Chairman/ Member |
|--------|--------------------------------|------------------|-------------------------------------|------------------|
| 1      | Hotel Gaudavan Private Limited | Nominee Director | -                                   | -                |
| 2      | Ammadoes Private Limited       | Director         | -                                   | -                |
| 3      | Karuna Care Foundation         | Director         | -                                   | -                |

Except Ms. Meenakshi Sharma, being an appointee, none of the Directors / Key Managerial Personnel of the Company 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 set out in item no. 4 as an Ordinary Resolution.

## **ITEM NO.5**

The Board of Directors, on the recommendation of the Audit Committee, had 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 2019-20 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 is sought for passing an Ordinary Resolution as set out at item no. 5 of the notice for ratification of remuneration payable to the cost auditors for the financial year 2019-20.

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. 5 of the notice.

Hence, your Directors recommend you to pass the proposed resolution as mentioned in item no. 5 of the notice, as an Ordinary Resolution.

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

**Place: New Delhi  
Date: 13<sup>th</sup> August, 2019**

**Ajay Virmani  
Managing Director  
DIN: 00758726**

**Annexure to the Notice**

**Details of Directors seeking re-appointment at the Annual General Meeting of the Company pursuant to Reg. 36 of the Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India**

|                                                                                                          |                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of Director</b>                                                                                  | <b>Shri Rakesh Ahuja</b>                                                                                                                                                                                                                                         |
| <b>Director Identification No.</b>                                                                       | <b>00224315</b>                                                                                                                                                                                                                                                  |
| <b>Date of Birth</b>                                                                                     | 15/06/1962                                                                                                                                                                                                                                                       |
| <b>Brief Resume</b>                                                                                      | Shri Rakesh Ahuja, aged 57 years, is a Non-Executive Director and one of the Promoters of your Company. As a Non-Executive Director, he advises the management of the Company on all strategic matters relating to existing and future business of your Company. |
| <b>Date of Appointment</b>                                                                               | 28/03/2005                                                                                                                                                                                                                                                       |
| <b>Expertise in Specific Functional Area</b>                                                             | Businessman                                                                                                                                                                                                                                                      |
| <b>Disclosure of relationships between directors inter-se</b>                                            | He is father of Shri Yuvraj Ahuja, Non-Executive Promoter Director of the Company.                                                                                                                                                                               |
| <b>Names of listed entities in which he holds the directorship as on 31.03.2019</b>                      | Lords Chloro Alkali Limited                                                                                                                                                                                                                                      |
| <b>Names of listed entities in which he holds Membership of Committees of the board as on 31.03.2019</b> | Lords Chloro Alkali Limited                                                                                                                                                                                                                                      |
| <b>No. of equity shares held as on 31.03.2019</b>                                                        | 33,31,447 Shares                                                                                                                                                                                                                                                 |
| <b>Details of Remuneration</b>                                                                           | Shri Rakesh Ahuja has not drawn any remuneration from the Company in the year ended 31 <sup>st</sup> March, 2019 and further no remuneration is sought to be paid to him for the current appointment.                                                            |
| <b>No. of Meetings of the Board attended during the year</b>                                             | Details for the Board meetings attended by him during the financial year are provided at appropriate place in the Board Report.                                                                                                                                  |

|                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Other Directorships</b>                                    | <ol style="list-style-type: none"> <li>1. Jovees Herbal Care India Limited</li> <li>2. Matrix Dotcom Infonet Pvt. Ltd.</li> <li>3. Ahuja And Anand Real Estates Private Limited</li> <li>4. Ahuja And Anand Constructs Private Limited</li> <li>5. Alliance Promoters Limited</li> <li>6. Opus Reality Development Limited</li> <li>7. Kutumbh Builders Private Limited</li> <li>8. Aurochem Land Developers Private Limited</li> <li>9. JBG Realtech Private Limited</li> <li>10. KBN Realcon Private Limited</li> <li>11. Newage welfare Foundation</li> <li>12. Desi Care Foundation</li> <li>13. Hitkari Productions and Creations Pvt. Ltd.</li> </ol> |
| <b>Membership/ Chairmanship of Committees of other Boards</b> | Shri Rakesh Ahuja do not hold membership/ chairmanship of Committee of other Boards.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

**BOARD'S REPORT****TO  
THE MEMBERS,**

Your Directors are pleased to present the 40<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, 2019.

**1. FINANCIAL PERFORMANCE****(Rs. in Lakhs)**

| <b>Particulars</b>                                         | <b>For the year ended on<br/>31<sup>st</sup> March, 2019</b> | <b>For the year ended on<br/>31<sup>st</sup> March, 2018</b> |
|------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| Sales (Net of excise duty)                                 | 25,113.56                                                    | 16,594.74                                                    |
| Other Income                                               | 49.70                                                        | 49.95                                                        |
| Operating Profit / (Loss) before Interest and Depreciation | 4,238.42                                                     | 2,096.86                                                     |
| Interest/ Finance Cost                                     | 358.86                                                       | 226.10                                                       |
| Depreciation                                               | 507.80                                                       | 409.56                                                       |
| Exceptional Items – (Gain)/ Loss                           | -                                                            | -                                                            |
| Profit/(loss) before tax                                   | 3,371.76                                                     | 1,461.20                                                     |
| Tax expense                                                | (1,072.84)                                                   | (613.95)                                                     |
| Net Profit / (Loss)                                        | 2,298.92                                                     | 847.25                                                       |
| Other Comprehensive Income (Net of Tax)                    | 2.47                                                         | (31.58)                                                      |
| Total Comprehensive Income                                 | 2,301.39                                                     | 815.67                                                       |

During the year, the Company has achieved the revenue of Rs. 25,113.56 lakhs with the increase of 51.33% as compared to previous year. Profit after tax is Rs. 2,298.92 lakhs with increase of 171.34% as compared to previous year.

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

Your Company has increased its production capacity to 220 TPD. During this year remaining two electrolyzers of old forced circulation technology are also replaced by latest technology available in the market called NCZ from AKCC, Japan. This has made the entire operations more reliable, energy efficient and has made your Company to be stay competent in the market. Now all the electrolyzers are based on new technology.

Company has a plan to increase the Caustic soda capacity to 300 TPD in near future. Further your Company is also working on few new products for captive

consumption of Chlorine for which environment clearance has already been taken.

Also, Company has accredited with ISO 9001: 2015 for quality management system, ISO 14001: 2015 for environmental management system and ISO 45001: 2018 for occupational health and safety.

### **3. MARKETING**

There was adequate demand of caustic soda within India in year 2018-19. Imports of Caustic Soda decreased by 48% (approx) in comparison to 2017-18. Enforcement of BIS standards for Caustic Soda also played major role towards decrease in imports quantities, this resulted in better capacity utilization of manufacturing capacities in India.

CIF Prices of Caustic Soda Lye remained in the range of \$ 485 (approx) which supported the price of Caustic Soda and chlorine in India. Higher annual turnover and profitability shows that available production capacity of company was utilized at optimum level.

Economic conditions in India are showing growth around 6% (approx) year on year basis. Stable political environment and business opportunities prevailing in India may result in economy to grow even faster in years to come.

### **4 FUTURE OUTLOOK**

Products of company are linked with growth of economy which is expected to remain high with the vision of Government Infrastructure growth and make in India initiatives of Government will strengthen the demand for basic chemicals like Caustic Soda and chlorine in India. However the planned manufacturing capacity expansions in India and chances of higher import quantities may have impact on the prices of Caustic Soda prices.

Company is working on the possibilities of adding to the product line with chlorine derivatives like Aluminium chloride, Chlorinated paraffines etc. which will add value. In house consumption of chlorine will help Company in further expansion of caustic manufacturing facilities which are planned in 2020-21.

### **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 Rakesh Ahuja, Non-Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible has offered himself for re-appointment. Appropriate resolution for his re-appointment is being placed for your approval at the ensuing Annual General Meeting. The brief resume of Director and other related information has been detailed in the notice convening the 40<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, had approved in their meeting held on 1<sup>st</sup> November, 2018 the appointment of Ms. Meenakshi Sharma as an Additional Director in capacity of Independent Director of the Company to hold office till the ensuing Annual General Meeting.

The present term of Shri Madhav Dhir, Whole Time Director of the Company shall expire w.e.f. 31<sup>st</sup> May, 2019 and on the recommendation of the Nomination & Remuneration Committee of the Board in its meeting held on 29<sup>th</sup> May, 2019 subject to the approval of Members by Ordinary Resolution at the ensuing Annual General Meeting, had re-appointed him as Whole Time Director of the Company for a term of 5 (five) years w.e.f. 1<sup>st</sup> June, 2019.

During the year under review, Shri Dipendra Chaudhary, Company Secretary of the Company had tendered his resignation from w.e.f. 28<sup>th</sup> February, 2019.

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 11<sup>th</sup> February, 2019 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 11<sup>th</sup> February, 2019 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 [www.lordschloro.com](http://www.lordschloro.com).

The details of programmes for familiarization 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, the loans are given as per the provisions of Companies Act, 2013 and no 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. COST RECORDS**

The Cost accounts and records as required to be maintained under Section 148 (1) of Act are duly made and maintained by the Company.

## **10. 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 ratification by the Members at every Annual General Meeting.

However, pursuant to the amendment in Section 139 of the Companies Act, 2013, requirement of the ratification of the appointment of Statutory Auditors at every Annual General Meeting has been omitted and accordingly the proposal for the ratification of the M/s Gupta Vigg & Co., Chartered Accountants as Statutory Auditors has not been considered.

## **11. 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 2019-20.

The Board of Directors of your Company at its meeting held on 29<sup>th</sup> May, 2019, 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 2019-20. The remuneration proposed to be paid to the Cost Auditor subject to your ratification at the 40<sup>th</sup> AGM will be Rs. 50,000/- (Rupees Fifty Thousand) for the Financial Year 2019-20.

## **12. 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., Practicing Company Secretary, as Secretarial Auditors to conduct Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2019 is annexed herewith as **Annexure C** to this Report.

## **13. AUDITORS' OBSERVATIONS**

In reference to the Comments mentioned in the Statutory Auditors Report and Secretarial Audit Report for the year 2018-19, we wish to submit the following:

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.

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

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

We have started the work on implementing a water harvesting system to stop wastage of rain water and for improving the ground water level. Work is in advance stage. This is in line with the company's policy to safeguard the environment in and outside the factory.

To work in more organized way, Company has taken ISO 9001: 2015 for quality management system, ISO 14001: 2015 for environmental management system and ISO 45001: 2018 for occupational health and safety from world famous TUV NORD.

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

During the year, the Company has earned a profit of Rs. 2,301.39 Lakhs, however keeping in view the future needs, expansion plans and other fund requirements, your Board of Directors did not recommend any dividend for the financial year 2018-19 and Rs. 2,301.39 Lakhs has been transferred to General Reserve.

## **16. 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**.

## **17. 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 [www.lordschloro.com](http://www.lordschloro.com).

## **18. 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 (Rs. in Lakhs)</b> |
|------------------------------|-------------------------------------|------------------------------------|
| Shri Rakesh Ahuja            | -                                   | -                                  |
| Shri Madhav Dhir             | 10.96                               | 35.07                              |
| Shri Yuvraj Ahuja            | -                                   | -                                  |
| Shri Ajay Virmani            | 65.96                               | 211.11                             |
| Shri Pawan Kumar Nayar       | -                                   | -                                  |
| Shri Sandeep Chaudhari       | -                                   | -                                  |
| Shri Chandra Shaker Pathak   | -                                   | -                                  |
| Shri Rajbir Singh Makhni     | -                                   | -                                  |
| Smt. Poonam Rawat            | -                                   | -                                  |
| Shri Shiv Dutt Sharma*       | -                                   | -                                  |
| Ms. Meenakshi Sharma**       | -                                   | -                                  |
| Shri Deepak Mathur           | 10.28                               | 32.90                              |

\*Shri Shiv Dutt Sharma ceased to be Director of the Company w.e.f. 1<sup>st</sup> November, 2018.

\*\* Ms. Meenakshi Sharma has been inducted on the Board of the Company in the capacity of Independent Director w.e.f. 1<sup>st</sup> November, 2018.

- (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                               | 245.31            |
| Shri Madhav dhir                                | 45.70             |
| Shri Deepak Mathur                              | 13.26             |
| Shri Rajiv Kumar<br>(Chief Financial Officer)   | 21.16             |
| Shri Dipendra Chaudhary*<br>(Company Secretary) | -                 |

\*Shri Dipendra Chaudhary has joined the Company w.e.f. 27<sup>th</sup> February, 2018 and tendered his resignation w.e.f. 28<sup>th</sup> February, 2019, 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 17.19%.

**(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 187.

**(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 14.45%. Average percentile increase in the salaries of managerial personnel is 122.37%.

**(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 except Managing Director, who is employed throughout the financial year, was in receipt of remuneration of Rs. 1.02 crores (one crore and two lakh) 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 lakhs (eight lakhs 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.

## **19. ANNUAL RETURN**

Extract of Annual Return of the Company is annexed herewith as **Annexure F** to this Report and also available on the website of the Company.

## **20. 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).

## **21. 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.

## **22. 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.

## **23. 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**.

## **24. 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.

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

The Company established a vigil mechanism for directors and employees to report concerns about unethical behavior, 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).

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

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

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

## **27. 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.

## **28. 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, 2019, 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, 2019 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.

## **29. 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 : 29<sup>th</sup> May, 2019**

**Yuvraj Ahuja**

**Director**

**DIN: 00164675**

**Madhav Dhir**

**Whole Time  
Director**

**DIN: 07227587**

**Ajay Virmani**

**Managing  
Director**

**DIN: 00758726**

**Anish Kumar  
Company Secretary**

**Rajiv Kumar  
Chief Financial Officer**

**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 or member of the promoter group of the listed entity;

- (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 organization 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.
- g. who is not a non-independent director of another company on the board of which any non-independent director of the Company is an independent director.

## **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 -**

key managerial personnel”, in relation to a company, 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;
- (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (vi) 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) The quorum shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- 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, 2019**

[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, 2019, 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, 2019 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder, as applicable;
- II. The Secretarial Standards issued by the Institute of Company Secretaries of India;
- III. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- IV. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- V. 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;

- VI. 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:-
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - 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;
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

We have relied on the representation obtained from the management of the Company and based on the report received, there has been due compliance with the following laws applicable specifically to the Company namely:

- Environment Protection Act, 1986.
- The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975
- The Air (prevention & Control of Pollution), 1981 read with Air (Prevention & Control of Pollution) Rules, 1982
- Explosives Act, 1884
- Manufacture Storage & Import of Hazardous and Chemicals Rules, 1989
- Public Liability Insurance Act, 1991, as amended
- Gas Cylinder Rules, 2004, 2016
- The Hazardous wastes (Management, Handling & Trans boundary Movement) Rules, 2008
- The Static and Mobile Pressure Vessels (Unfired) Rules 1981, 2016

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Regulations 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 compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

**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 : 29<sup>th</sup> May, 2019**

**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 : 29<sup>th</sup> May, 2019**

**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 two Electrolysers on forced circulation technology of AKCC, Japan to latest NCZ zero gap technology of AKCC where the power consumption is the minimum among the best technologies available in the word. This good work is continued this year also by replacing remaining two electrolysers. Now all the electrolysers are of latest technology which is power saving.
- Entire electrical distribution revamped network is being monitored periodically to avoid losses in distribution system.
- Old motors and equipment 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 during new investments & in the revamp. This year two electrolysers on forced circulation technology of AKCC, Japan are replaced to the latest NCZ zero gap technology of AKCC where the power consumption is minimum.

**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 Lakhs)

|      |        | <b>For the year ended on<br/>31<sup>st</sup>March, 2018</b> | <b>For the year ended on<br/>31<sup>st</sup>March, 2019</b> |
|------|--------|-------------------------------------------------------------|-------------------------------------------------------------|
| (i)  | Earned | --                                                          | --                                                          |
| (ii) | Used   | 1305.34                                                     | 1,273.23                                                    |

**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<br>Shri Rakesh Ahuja (Director),<br>Shri. Yuvraj Ahuja (Director) are indirectly related as their relatives are shareholders in Cirrus Chemicals Private Limited<br>Smt. Poonam Rawat and Shri Madhav Dhir are common Directors. | Sale & Purchase of Hydrogen gas, caustic soda lye, caustic soda flakes and allied products | ( for 10 Years)                                      | Hydrozen Gas Rs. 343.87 Lakhs, Caustic Soda Lye Rs. 1223.08 Lakhs, & Caustic Soda Flakes Rs. 45.88 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 : 29<sup>th</sup> May, 2019**

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

**Annexure-F**
**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 31/03/2019**

**I REGISTRATION & OTHER DETAILS:**

|      |                                                                      |                                                              |
|------|----------------------------------------------------------------------|--------------------------------------------------------------|
| I.   | CIN                                                                  | L24117RJ1979PLC002099                                        |
| II.  | Registration Date                                                    | 1 <sup>ST</sup> MARCH, 1979                                  |
| III. | Name of the Company                                                  | LORDS CHLORO ALKALI LIMITED                                  |
| IV.  | Category of the Company                                              | COMPANY LIMITED BY SHARES                                    |
| V.   | <b>Address of the Registered office &amp; contact details</b>        |                                                              |
|      | Address :                                                            | SP-460, MATSYA INDUSTRIAL AREA,                              |
|      | Town / City :                                                        | ALWAR                                                        |
|      | State :                                                              | RAJASTHAN-301030                                             |
|      | Country Name :                                                       | INDIA                                                        |
|      | Telephone (with STD Code) :                                          | 0144-3202817                                                 |
|      | Fax Number :                                                         | 0144-2881360                                                 |
|      | Email Address :                                                      | secretarial@lordschloro.com                                  |
|      | Website, if any:                                                     | <a href="http://www.lordschloro.com">www.lordschloro.com</a> |
| VI.  | Whether listed company                                               | YES                                                          |
| VII. | <b>Name and Address of Registrar &amp; Transfer Agents ( RTA ):-</b> |                                                              |
|      | Name of RTA:                                                         | ALANKIT ASSIGNMENTS LIMITED                                  |
|      | Address :                                                            | ALANKIT HEIGHTS" (RTA DIVISION)                              |
|      | Town / City :                                                        | 3E/7, JHANDEWALAN EXTN.                                      |
|      | State :                                                              | NEW DELHI                                                    |
|      | Pin Code:                                                            | 110055                                                       |
|      | Telephone :                                                          | 011-42541234 & 42541956                                      |
|      | Fax Number :                                                         | 011-41543474                                                 |
|      | Email Address :                                                      | <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 |                                 |         |                                |                  |                    |
|--------------------------------------------------------|---------------------------------|---------|--------------------------------|------------------|--------------------|
| Sl. No.                                                | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY /ASSOCIATE | % of shares held | Applicable Section |
| 1.                                                     | NA                              | NA      | NA                             | NA               | NA                 |

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

| Category of Shareholders                                                 | No. of Shares held at the beginning of the year |              |                 |                   | No. of Shares held at the end of the year |              |                 |                   | % Change during the year |
|--------------------------------------------------------------------------|-------------------------------------------------|--------------|-----------------|-------------------|-------------------------------------------|--------------|-----------------|-------------------|--------------------------|
|                                                                          | Demat                                           | Physical     | Total           | % of Total Shares | Demat                                     | Physical     | Total           | % of Total Shares |                          |
| <b>A. Promoter</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 Shareholding</b>                                            |                                                 |              |                 |                   |                                           |              |                 |                   |                          |
| <b>1. Institutions</b>                                                   |                                                 |              |                 |                   |                                           |              |                 |                   |                          |
| a) Mutual Funds                                                          | 105                                             | 215          | 320             | 0                 | 105                                       | 215          | 320             | 0                 | 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)                                                         | 0                                               | 0            | 0               | 0                 | 0                                         | 0            | 0               | 0                 | 0                        |
| e) Venture Capital Funds                                                 | 0                                               | 0            | 0               | 0                 | 0                                         | 0            | 0               | 0                 | 0                        |
| f) Insurance Companies                                                   | 35264                                           | 0            | 35264           | 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>35444</b>                                    | <b>10469</b> | <b>45913</b>    | <b>0.18%</b>      | <b>35444</b>                              | <b>10469</b> | <b>45913</b>    | <b>0.18%</b>      | <b>0</b>                 |
| <b>2. Non-Institutions</b>                                               |                                                 |              |                 |                   |                                           |              |                 |                   |                          |
| a) Bodies Corp.                                                          |                                                 |              |                 |                   |                                           |              |                 |                   |                          |
| i) Indian                                                                | 1063375                                         | 2056438      | 3119813         | 12.40%            | 1273602                                   | 1804386      | 3077988         | 12.24%            | -0.16%                   |
| ii) Overseas                                                             | 0                                               | 1321         | 1321            | 0%                | 0                                         | 1321         | 1321            | 0                 | 0                        |
| b) Individuals                                                           |                                                 |              |                 |                   |                                           |              |                 |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 307560                                          | 812325       | 1119885         | 4.45%             | 387358                                    | 676876       | 1064234         | 4.23%             | -0.22                    |

|                                                                                  |                 |                |                 |                |                 |                |                 |                |           |
|----------------------------------------------------------------------------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------|
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 2507753         | 1907303        | 4415056         | 17.55%         | 2462589         | 19765533       | 4439122         | 17.64%         | 0.11      |
| c) Others (specify)                                                              | 21186           | 96619          | 117805          | 0.47%          | 78475           | 112740         | 191215          | 0.76%          | 0.29      |
| <b>Sub-total (B)(2):-</b>                                                        | <b>3899874</b>  | <b>4874006</b> | <b>8773880</b>  | <b>34.88%</b>  | <b>4202024</b>  | <b>4571856</b> | <b>8773880</b>  | <b>34.88</b>   | <b>0%</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>4237468</b>  | <b>4582325</b> | <b>8819793</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>20571536</b> | <b>4582325</b> | <b>25153861</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%                                        |
| 5.     | Jyoti Ahuja                     | 386010                                    | 1.53%                            | 0%                                               | 386010                              | 1.53%                            | 0%                                               | 0%                                        |
| 6.     | Matrix Dotcom Infonet Pvt. Ltd. | 1780000                                   | 7.08%                            | 0%                                               | 1780000                             | 7.08%                            | 0%                                               | 0%                                        |
| 7.     | Shiva Consultants Pvt. Ltd.     | 1182029                                   | 4.70%                            | 0%                                               | 1182029                             | 4.70%                            | 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 01.04.2018 to 31.03.2019 |                                  |
|--------|--------------------|------------------------------------------------------------------|----------------------------------|------------|------------------------------------|-------------|------------------------------------------------------------------|----------------------------------|
|        |                    | No. of Shares at 01.04.2018 (Beginning)/ 31.03.2019 (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%                           | 01.04.2018 |                                    |             |                                                                  |                                  |
|        |                    |                                                                  |                                  |            | 0                                  | No Movement |                                                                  |                                  |
|        |                    | 3331447                                                          | 13.24%                           | 31.03.2019 |                                    |             | 3331447                                                          | 13.24%                           |
| 2.     | Madhav Dhir        | 7384582                                                          | 29.36%                           | 01.04.2018 |                                    |             |                                                                  |                                  |
|        |                    |                                                                  |                                  |            | 0                                  | No Movement |                                                                  |                                  |
|        |                    | 7384582                                                          | 29.36%                           | 31.03.2019 |                                    |             | 7384582                                                          | 29.36%                           |
| 3.     | Yuvraj Ahuja       | 1250000                                                          | 4.97%                            | 01.04.2018 |                                    |             |                                                                  |                                  |
|        |                    |                                                                  |                                  |            | 0                                  | No Movement |                                                                  |                                  |
|        |                    | 1250000                                                          | 4.97%                            | 31.03.2019 |                                    |             | 1250000                                                          | 4.97%                            |
| 4.     | Maneesha Dhir      | 1020000                                                          | 4.06%                            | 01.04.2018 |                                    |             |                                                                  |                                  |
|        |                    |                                                                  |                                  |            | 0                                  | No Movement |                                                                  |                                  |
|        |                    | 1020000                                                          | 4.06%                            | 31.03.2019 |                                    |             | 1020000                                                          | 4.06%                            |
| 5.     | Jyoti Ahuja        | 386010                                                           | 1.53%                            | 01.04.2018 |                                    |             |                                                                  |                                  |
|        |                    |                                                                  |                                  |            | 0                                  | No Movement |                                                                  |                                  |

|    |                                 |         |       |            |   |             |         |       |
|----|---------------------------------|---------|-------|------------|---|-------------|---------|-------|
|    |                                 | 386010  | 4.53% | 31.03.2019 |   |             | 386010  | 1.53% |
| 6. | Matrix Dotcom Infonet Pvt. Ltd. | 1780000 | 7.08% | 01.04.2018 |   |             |         |       |
|    |                                 |         |       |            | 0 | No Movement |         |       |
|    |                                 | 1780000 | 7.08% | 31.03.2019 |   |             | 1780000 | 7.08% |
| 7. | Shiva Consultants Pvt. Ltd.     | 1182029 | 4.70% | 01.04.2018 |   |             |         |       |
|    |                                 |         |       |            | 0 | No Movement |         |       |
|    |                                 | 1182029 | 4.70% | 31.03.2019 |   |             | 1182029 | 4.70% |

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

| Sl No. | Shareholder's Name               | Shareholding                                                   |                                  |                   |                                    |                 | Cumulative shareholding during the year 01.04.2018 to 31.03.2019 |                                  |
|--------|----------------------------------|----------------------------------------------------------------|----------------------------------|-------------------|------------------------------------|-----------------|------------------------------------------------------------------|----------------------------------|
|        |                                  | No. of Shares at 1.04.2018 (Beginning)/ 31.03.2019 (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%                            | 01-04-2018        |                                    |                 |                                                                  |                                  |
|        |                                  |                                                                |                                  |                   | 0                                  | No Movement     |                                                                  |                                  |
|        |                                  | <b>1243792</b>                                                 | <b>4.94%</b>                     | <b>31-03-2019</b> |                                    |                 | <b>1243792</b>                                                   | <b>4.94%</b>                     |
| 2.     | Bhavya Sahni                     | 821868                                                         | 3.27%                            | 01-04-2018        |                                    |                 |                                                                  |                                  |
|        |                                  |                                                                |                                  |                   | 0                                  | No Movement     |                                                                  |                                  |
|        |                                  | <b>821868</b>                                                  | <b>3.27%</b>                     | <b>31-03-2019</b> |                                    |                 | <b>821868</b>                                                    | <b>3.27%</b>                     |
| 3.     | SahniLal Charanjit               | 800000                                                         | 3.18%                            | 01-04-2018        |                                    |                 |                                                                  |                                  |
|        |                                  |                                                                |                                  |                   | 0                                  | No Movement     |                                                                  |                                  |
|        |                                  | <b>800000</b>                                                  | <b>3.18%</b>                     | <b>31-03-2019</b> |                                    |                 | <b>800000</b>                                                    | <b>3.18%</b>                     |
| 4.     | Atul Kumar Singh                 | 707461                                                         | 2.81%                            | 01-04-2018        |                                    |                 |                                                                  |                                  |
|        |                                  |                                                                |                                  | 05-04-2018        | 17388                              | Market Purchase | 724849                                                           | 2.88%                            |
|        |                                  |                                                                |                                  | 06-04-2018        | -438                               | Market sale     | 724411                                                           | 2.88%                            |
|        |                                  |                                                                |                                  | 12-04-2018        | 438                                | Market Purchase | 724849                                                           | 2.88%                            |
|        |                                  |                                                                |                                  | 13-04-2018        | -438                               | Market sale     | 724411                                                           | 2.88%                            |
|        |                                  |                                                                |                                  | 19-04-2018        | 438                                | Market Purchase | 724849                                                           | 2.88%                            |
|        |                                  |                                                                |                                  | 20-04-2018        | -438                               | Market sale     | 724411                                                           | 2.88%                            |
|        |                                  |                                                                |                                  | 18-05-2018        | 359                                | Market Purchase | 724770                                                           | 2.88%                            |
|        |                                  |                                                                |                                  | 01-06-2018        | 79                                 | Market Purchase | 724849                                                           | 2.88%                            |
|        |                                  |                                                                |                                  | 30-12-2018        | 199849                             | Market sale     | 525000                                                           | 2.09%                            |
|        |                                  |                                                                |                                  | 31-12-2018        | 199849                             | Market Purchase | 724849                                                           | 2.88%                            |
|        |                                  |                                                                |                                  | <b>31-03-2019</b> |                                    |                 | <b>724849</b>                                                    | <b>2.88%</b>                     |
| 5.     | Turnaround Consultants Pvt. Ltd. | 700020                                                         | 2.78%                            | 01-04-2019        |                                    |                 |                                                                  |                                  |
|        |                                  |                                                                |                                  |                   |                                    | No Movement     |                                                                  |                                  |
|        |                                  | <b>700020</b>                                                  | <b>2.78%</b>                     | <b>31-03-2019</b> |                                    |                 | <b>700020</b>                                                    | <b>2.78%</b>                     |
| 6.     | JFC Finance (India) Ltd.         | 404142                                                         | 1.61%                            | 01-04-2018        |                                    |                 |                                                                  |                                  |
|        |                                  |                                                                |                                  |                   | 0                                  | No Movement     |                                                                  |                                  |
|        |                                  | <b>404142</b>                                                  | <b>1.61%</b>                     | <b>31-03-2019</b> |                                    |                 | <b>404142</b>                                                    | <b>1.61%</b>                     |
| 7.     | Mehak Infracon Pvt Ltd           | 0                                                              | 0%                               | 01-04-2018        |                                    |                 |                                                                  |                                  |

|     |                           |               |              |                   |        |             |               |              |
|-----|---------------------------|---------------|--------------|-------------------|--------|-------------|---------------|--------------|
|     |                           |               |              | 26-11-2018        | 391598 | Purchase    | 391598        | 1.56%        |
|     |                           |               |              | <b>31-03-2019</b> |        |             | <b>391598</b> | <b>1.56%</b> |
| 8.  | Eva Exporters Pvt. Ltd.   | 375000        | 1.49%        | 01-04-2018        |        |             |               |              |
|     |                           |               |              |                   | 0      | No Movement |               |              |
|     |                           | <b>375000</b> | <b>1.49%</b> | <b>31-03-2019</b> |        |             | <b>375000</b> | <b>1.49%</b> |
| 9.  | Abhisar Estates Pvt. Ltd. | 318246        | 1.27%        | 01-04-2018        |        |             |               |              |
|     |                           |               |              |                   | 0      | No Movement |               |              |
|     |                           | <b>318246</b> | <b>1.27%</b> | <b>31-03-2019</b> |        |             | <b>318246</b> | <b>1.27%</b> |
| 10. | Zafar Ali                 | 280000        | 1.11%        | 01-04-2018        |        |             |               |              |
|     |                           |               |              |                   | 0      | No Movement |               |              |
|     |                           | <b>280000</b> | <b>1.11%</b> | <b>31-03-2019</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 01.04.2018 to 31.03.2019 |                                  |
|--------|-------------------------|------------------------------------------------------------------|----------------------------------|------------|------------------------------------|--------|------------------------------------------------------------------|----------------------------------|
|        |                         | No. of Shares at 01.04.2018 (Beginning)/ 31.03.2019 (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%                           | 01-04-2018 |                                    |        |                                                                  |                                  |
|        |                         |                                                                  |                                  |            | No Movement                        |        |                                                                  |                                  |
|        |                         | 3331447                                                          | 13.24%                           | 31-03-2019 |                                    |        | 3331447                                                          | 13.24%                           |
| 2.     | Madhav Dhir             | 7384582                                                          | 29.36%                           | 01-04-2018 |                                    |        |                                                                  |                                  |
|        |                         |                                                                  |                                  |            | No Movement                        |        |                                                                  |                                  |
|        |                         | 7384582                                                          | 29.36%                           | 31-03-2019 |                                    |        | 7384582                                                          | 29.36%                           |
| 3.     | Yuvraj Ahuja            | 1250000                                                          | 4.97%                            | 01-04-2018 |                                    |        |                                                                  |                                  |
|        |                         |                                                                  |                                  |            | No Movement                        |        |                                                                  |                                  |
|        |                         | 1250000                                                          | 4.97%                            | 31-03-2019 |                                    |        | 1250000                                                          | 4.97%                            |
| 4.     | Rajbir Singh Makhni     | 50500                                                            | 0.20%                            | 01-04-2018 |                                    |        |                                                                  |                                  |
|        |                         |                                                                  |                                  |            | No Movement                        |        |                                                                  |                                  |
|        |                         | 50500                                                            | 0.20%                            | 31-03-2019 |                                    |        | 50500                                                            | 0.20%                            |
| 5      | Ajay Virmani            | 0                                                                | 0                                | 01-04-2018 |                                    |        |                                                                  |                                  |
|        |                         |                                                                  |                                  |            | No Movement                        |        |                                                                  |                                  |
|        |                         | 0                                                                | 0                                | 31-03-2019 |                                    |        | 0                                                                | 0                                |
| 6.     | Poonam Rawat            | 0                                                                | 0                                | 01-04-2018 |                                    |        |                                                                  |                                  |
|        |                         |                                                                  |                                  |            | No Movement                        |        |                                                                  |                                  |
|        |                         | 0                                                                | 0                                | 31-03-2019 |                                    |        | 0                                                                | 0                                |
| 7.     | Pawan Kumar Nayyar      | 0                                                                | 0                                | 01-04-2018 |                                    |        |                                                                  |                                  |
|        |                         |                                                                  |                                  |            | No Movement                        |        |                                                                  |                                  |
|        |                         | 0                                                                | 0                                | 31-03-2019 |                                    |        | 0                                                                | 0                                |
| 8.     | Sandeep Chaudhari       | 0                                                                | 0                                | 01-04-2018 |                                    |        |                                                                  |                                  |
|        |                         |                                                                  |                                  |            | No Movement                        |        |                                                                  |                                  |
|        |                         | 0                                                                | 0                                | 31-03-2019 |                                    |        | 0                                                                | 0                                |
| 9.     | Chander Shekhar Pathak  | 0                                                                | 0                                | 01-04-2018 |                                    |        |                                                                  |                                  |
|        |                         |                                                                  |                                  |            | No Movement                        |        |                                                                  |                                  |
|        |                         | 0                                                                | 0                                | 31-03-2019 |                                    |        | 0                                                                | 0                                |
| 10.    | Deepak Mathur           | 0                                                                | 0                                | 01-04-2018 |                                    |        |                                                                  |                                  |
|        |                         |                                                                  |                                  |            | No Movement                        |        |                                                                  |                                  |
|        |                         | 0                                                                | 0                                | 31-03-2019 |                                    |        | 0                                                                | 0                                |
| 11.    | Meenakshi Sharma        | 0                                                                | 0                                | 01-04-2018 |                                    |        |                                                                  |                                  |
|        |                         |                                                                  |                                  |            | No Movement                        |        |                                                                  |                                  |
|        |                         | 0                                                                | 0                                | 31-03-2019 |                                    |        | 0                                                                | 0                                |
| 12.    | Rajiv Kumar             | 0                                                                | 0                                | 01-04-2018 |                                    |        |                                                                  |                                  |
|        |                         |                                                                  |                                  |            | No Movement                        |        |                                                                  |                                  |
|        |                         | 0                                                                | 0                                | 31-03-2019 |                                    |        | 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                                 | 27,00,59,243.45                  | 494,497,384.00        | -        | 764,556,627.45        |
| ii) Interest due but not paid                       | 21,60,409.00                     | -                     | -        | 2,160,409.00          |
| iii) Interest accrued but not due                   | -                                | -                     | -        | -                     |
| <b>Total (i+ii+iii)</b>                             | <b>272,219,652.45</b>            | <b>494,497,384.00</b> | <b>-</b> | <b>766,717,036.45</b> |
| Change in Indebtedness during the financial year    | Secured Loans excluding deposits | Unsecured Loans       | Deposits | Total Indebtedness    |
| * Addition                                          | -                                | 166,900,000.00        | -        | 166,900,000.00        |
| * Reduction                                         | 84,428,539.00                    | 165,500,000.00        | -        | 249,928,539.00        |
| <b>Net Change</b>                                   | <b>-84,428,539.00</b>            | <b>1,400,000.00</b>   | <b>-</b> | <b>-83,028,539.00</b> |
| Indebtedness at the end of the financial year       | Secured Loans excluding deposits | Unsecured Loans       | Deposits | Total Indebtedness    |
| i) Principal Amount                                 | 185,630,704.45                   | 495,897,384.00        | -        | 681,528,088.45        |
| ii) Interest due but not paid                       | 1,770,675.00                     | 5,899,196.00          | -        | 7,669,871.00          |
| iii) Interest accrued but not due                   | -                                | -                     | -        | -                     |
| <b>Total (i+ii+iii)</b>                             | <b>187,401,379.45</b>            | <b>501,796,580.00</b> | <b>-</b> | <b>689,197,959.45</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/WTDI/ Manager            |                                     |                                       | Total Amount                      |
|---------|-------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|---------------------------------------|-----------------------------------|
|         |                                                                                     | Ajay Virmani<br>(Managing Director) | MadhavDhir<br>(Whole Time Director) | Deepak Mathur<br>(Director-Technical) |                                   |
| 1.      | Gross salary                                                                        |                                     |                                     |                                       |                                   |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 96,21,000                           | 35,07,000                           | 32,89,868                             | 1,64,17,868                       |
|         | (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                                                                          |                                     |                                     |                                       |                                   |
|         | - as % of profit                                                                    | 1,14,89,532                         | 0                                   | 0                                     | 1,14,89,532                       |
|         | - others, specify                                                                   | 0                                   | 0                                   | 0                                     | 0                                 |
| 5.      | Others, please specify                                                              | 0                                   | 0                                   | 0                                     | 0                                 |
|         | <b>Total (A)</b>                                                                    | <b>2,11,10,532</b>                  | <b>35,07,000</b>                    | <b>32,89,868</b>                      | <b>2,79,07,400</b>                |
|         | <b>Ceiling as per the Act</b>                                                       |                                     |                                     |                                       | <b>As per Companies Act, 2013</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 | Meenakshi Sharma | Sandeep Chaudhari |              |
| 1.      | <b>Independent Directors</b>               | 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>                           | <b>0</b>          | <b>0</b>                | <b>0</b>            | <b>0</b>           | <b>0</b>         | <b>0</b>          | <b>0</b>     |

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

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

| Sl. no. | Particulars of Remuneration                                                         | Key Managerial Personnel |           |                  |
|---------|-------------------------------------------------------------------------------------|--------------------------|-----------|------------------|
|         |                                                                                     | Company Secretary*       | CFO       | Total Amount     |
| 1.      | Gross salary                                                                        | 5,55,445                 | 1,777,072 | 23,32,517        |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 |                          | 0         | 0                |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 0                        | 0         | 0                |
|         | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             |                          | 0         | 0                |
| 2.      | Stock Option                                                                        | 0                        | 0         | 0                |
| 3.      | Sweat Equity                                                                        | 0                        | 0         | 0                |
| 4.      | Commission                                                                          | 0                        | 0         | 0                |
|         | - as % of profit                                                                    |                          | 0         | 0                |
|         | - others, specify                                                                   |                          | 0         | 0                |
| 5.      | Others, please specify                                                              |                          | 0         | 0                |
|         | <b>Total (A)</b>                                                                    | 5,55,445                 | 1,777,072 | <b>23,32,517</b> |

\*Company Secretary has resigned from the Company w.e.f. 28<sup>th</sup> February, 2019.

**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**

|                |                                                                                                                                                                                  |                                        |                                                                                                                   |                                                 |                                                                                 |                                                  |                                                                                                                                                                                                                 |
|----------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|---------------------------------------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Sr. No.</b> | 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                                                                                                                  |                                        |                                                                                                                   |                                                 |                                                                                 |                                                  | 1,044.10                                                                                                                                                                                                        |
|                | Prescribed CSR Expenditure                                                                                                                                                       |                                        |                                                                                                                   |                                                 |                                                                                 |                                                  | 20.88                                                                                                                                                                                                           |
|                | Details of CSR spent during the financial year                                                                                                                                   |                                        |                                                                                                                   |                                                 |                                                                                 |                                                  | Nil                                                                                                                                                                                                             |
|                | Total amount to be spent for the financial year                                                                                                                                  |                                        |                                                                                                                   |                                                 |                                                                                 |                                                  | 20.88                                                                                                                                                                                                           |
|                | Amount unspent, if any                                                                                                                                                           |                                        |                                                                                                                   |                                                 |                                                                                 |                                                  | 20.88                                                                                                                                                                                                           |
|                | Manner in which the amount spent during the financial year detailed below:                                                                                                       |                                        |                                                                                                                   |                                                 |                                                                                 |                                                  |                                                                                                                                                                                                                 |
| <b>(1)</b>     | <b>(2)</b>                                                                                                                                                                       | <b>(3)</b>                             | <b>(4)</b>                                                                                                        | <b>(5)</b>                                      | <b>(6)</b>                                                                      | <b>(7)</b>                                       | <b>(8)</b>                                                                                                                                                                                                      |
| 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                                                                                                                                                           |
| <b>1.</b>      | 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 2018-19, 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. Accordingly, the board resolved not to incur any expenditure toward CSR for the F/Y 2018-19.

But after the closure of financial year 2018-19, the Company has incurred expenditure towards green initiatives by planting trees for enhancing the greenery in the environment. The Company is exploring the various possibilities for spending the amount of CSR in the environment conservation as per local theme.

**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, 2019.

**Date: 29<sup>th</sup> May, 2019****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.**

Corporate Governance relates to governance of rules, regulation and best practice of transparency which enable the company to perform its business more effectively and efficiently which creates long term trust, wealth for its all stakeholders.

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 Listing Regulations. The Company continued to be in compliance with the Corporate Governance standards of said regulation, 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.

## 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 2018-19, Four (4) Board Meetings were held on the following dates:

|                           |                               |                                |                                 |
|---------------------------|-------------------------------|--------------------------------|---------------------------------|
| 16 <sup>h</sup> May, 2018 | 14 <sup>th</sup> August, 2018 | 1 <sup>st</sup> November, 2018 | 11 <sup>th</sup> February, 2019 |
|---------------------------|-------------------------------|--------------------------------|---------------------------------|

## 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 31.03.2019 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** |        | List of Directorship held in Other Listed Companies and Category of Directorship |
|---------|----------------------------------------|---------------|----------|-----------------------------------|-----------------------------------|-------------|--------|----------------------------------------------------------------------------------|
|         |                                        | 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             | N        | Promoter & Executive Director     | -                                 | -           | -      | -                                                                                |
| 3.      | Shri Yuvraj Ahuja                      | 4             | N        | Promoter & Non-Executive Director | 3                                 | -           | -      | -                                                                                |
| 4.      | Shri Ajay Virmani (Managing Director)  | 4             | Y        | Executive Director                | -                                 | -           | 2      | -                                                                                |
| 5.      | Shri Pawan Kumar Nayyar                | 1             | N        | Independent Director              | -                                 | -           | -      | -                                                                                |
| 6.      | Shri Sandeep Chaudhari                 | 1             | N        | Independent Director              | -                                 | -           | -      | -                                                                                |

|     |                                          |   |   |                      |   |   |   |   |
|-----|------------------------------------------|---|---|----------------------|---|---|---|---|
| 7.  | Smt. Poonam Rawat                        | 4 | N | Independent Director | - | - | - | - |
| 8.  | Shri Rajbir Singh Makhni                 | 4 | Y | Independent Director | 1 | 1 | 1 | - |
| 9.  | Shri Shiv Dutt Sharma ***                | 2 | N | Independent Director | - | - | - | - |
| 10. | Shri Chandra Shakher Pathak              | 4 | N | Independent Director | - | - | 1 | - |
| 11. | Shri Deepak Mathur (Whole-time Director) | 3 | Y | Executive Director   | - | - | - | - |
| 12. | Ms. Meenakshi Sharma ***                 | 0 | N | Independent 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 Shiv Dutt Sharma, Director of the Company has resigned w.e.f.1<sup>st</sup> November, 2018 and Ms. Meenakshi Sharma, appointed as Director w.e.f.1<sup>st</sup> November, 2018.

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

**The following is the list of core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board:**

- Leadership:** Skills in managing companies including strategic thinking and decision making.
- Chemicals manufacturing:** Technical and specialized knowledge of Chemical sector required for efficiently running of Chemical Industry including the issues related to Health, Safety and Environment.
- Engineering:** Skill to manage the manufacturing plant.
- Financials:** Experience in handling financial management alongwith understanding of accounting and financial statements.
- Sales and Marketing:** Experience in developing strategies to grow sales, market share and brand building.
- Compliance Management:** Experience in understanding of corporate governance issues, legal and regulatory matters.

No. of share held by Non-Executive Directors as on 31<sup>st</sup> March, 2019 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 11<sup>th</sup> February, 2019 without the attendance of Non-Independent Directors and members of the management, inter alia, to discuss on the following:

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

Details regarding familiarization programs 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:-

| <b>Sl. No.</b> | <b>Name</b>                 | <b>Designation</b> |
|----------------|-----------------------------|--------------------|
| 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 financial year 2018-19 on the following dates:

|                           |                               |                                |                                 |
|---------------------------|-------------------------------|--------------------------------|---------------------------------|
| 16 <sup>h</sup> May, 2018 | 14 <sup>th</sup> August, 2018 | 1 <sup>st</sup> November, 2018 | 11 <sup>th</sup> February, 2019 |
|---------------------------|-------------------------------|--------------------------------|---------------------------------|

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       | Smt. Poonam Rawat        | Member      |

The Committee met Three (3) times during the financial year 2018-19 on the following dates:

|                            |                                |                                 |
|----------------------------|--------------------------------|---------------------------------|
| 16 <sup>th</sup> May, 2018 | 1 <sup>st</sup> November, 2018 | 11 <sup>th</sup> February, 2019 |
|----------------------------|--------------------------------|---------------------------------|

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   | 3                    | 3                        |
| 2.      | Shri Rajbir Singh Makhni | 3                    | 3                        |
| 3.      | Smt. Poonam Rawat        | 3                    | 3                        |

## 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:**

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

## 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 financial year 2018-19 on the following dates:

|                            |                               |                                |                                 |
|----------------------------|-------------------------------|--------------------------------|---------------------------------|
| 16 <sup>th</sup> May, 2018 | 13 <sup>th</sup> August, 2018 | 1 <sup>st</sup> November, 2018 | 11 <sup>th</sup> February, 2019 |
|----------------------------|-------------------------------|--------------------------------|---------------------------------|

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

Shri Dipendra Chaudhary has resigned from the position of Company Secretary cum Compliance Officer w.e.f 28<sup>th</sup> February, 2019, after his resignation Shri Rajiv Kumar, CFO, has been appointed as the Compliance Officer of the Company w.e.f. 1<sup>st</sup> March, 2019 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 01.04.2018         | 0      |
| 2.      | Complaints received during the year 2018-19 | 16     |
| 3.      | Complaints resolved during the year 2018-19 | 14     |
| 4.      | Complaints pending as on 31.03.2019         | 2      |

### 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 2018-19 a meeting of Risk Management Committee was held on 11<sup>th</sup> February, 2019.

The composition of the Risk Management Committees 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 2018-19 a meeting of Corporate Social Responsibility Committee was held on 11<sup>th</sup> February, 2019.

| 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                             |          |                                                     |
| 2017-18        | 39                     | 27 <sup>th</sup> September, 2018 | 10.30 AM | SP-460, Matsya Industrial Area, Alwar, (Raj)-301030 |
| 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 |

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

**39<sup>th</sup> Annual General Meeting (27<sup>th</sup> September, 2018)**

- Re-appoint & Payment of remuneration to Shri Ajay Virmani, Managing Director of the Company.
- To increase in the remuneration of Shri Madhav Dhir, Whole Time Director of the Company.
- Re-appoint & Payment of remuneration to Shri Deepak Mathur, Director (Technical) of the Company.

**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 Mrs. 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 (07227587) as Whole Time Director.
- To pay Special Allowances, Performance Bonus and Incentive to Shri Ajay Virmani, Managing Director of the Company.

**Special Resolution passed through Postal Ballot:**

During the Financial Year 2018-19 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 newspapers 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 Shareholder Information

- i) **Day, Date & Time of AGM** : Monday, 30<sup>th</sup> September, 2019 at 10:30 A.M.  
**Venue of AGM** : Regd. Off. - SP-460, Matsya Industrial Area, Alwar (Raj.)- 301030
- ii) **Financial Year** : 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019
- iii) **Book Closure Period** : Friday, 27<sup>th</sup> September, 2019 to Monday, 30<sup>th</sup> September, 2019 (Both days Inclusive)
- iv) **e-voting period** : Thursday 26<sup>th</sup> September, 2019 (9:00 a.m.) to Sunday 29<sup>th</sup> September, 2019 (5.00 p.m.)
- v) **Listing of Shares** : BSE Limited
- vi) **Stock Code** : 500284 (BSE Ltd.)  
**Scrip id** : LORDSCHLO  
**ISIN NO.** : INE846D01012
- vii) **Registrar & Share Transfer Agent** : M/s. Alankit Assignments Limited,  
"Alankit Heights" 3E/7, Jhandewalan Extension, New Delhi - 110 055.  
Phone No. 011-42541234, 42541956  
Fax No. 011-41543474.  
Email: [rta@alankit.com](mailto:rta@alankit.com), [mareshcp@alankit.com](mailto:mareshcp@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) **Compliance Officer** : Shri Rajiv Kumar  
**Email id** : [secretarial@lordschloro.com](mailto:secretarial@lordschloro.com)

## xi) Market Price Data

| Month  | High Price (In Rs.) | Low Price (In Rs.) |
|--------|---------------------|--------------------|
| Apr 18 | 63.00               | 53.00              |
| May 18 | 59.95               | 52.70              |
| Jun 18 | 59.70               | 43.20              |
| Jul 18 | 51.40               | 41.85              |
| Aug 18 | 84.60               | 42.50              |

|        |       |       |
|--------|-------|-------|
| Sep 18 | 91.40 | 78.35 |
| Oct 18 | 82.50 | 62.10 |
| Nov 18 | 82.00 | 56.45 |
| Dec 18 | 62.35 | 53.10 |
| Jan 19 | 59.75 | 48.00 |
| Feb 19 | 64.50 | 45.15 |
| Mar 19 | 68.80 | 56.05 |

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 2019-20. 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 2019-20 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, 2019 was placed before the Board of Directors of the Company.

## **xiv) Dematerialisation of Shares as on 31<sup>st</sup> March, 2019**

| <b>Particulars</b> | <b>Shares on 31<sup>st</sup> March, 2019</b> | <b>%</b>      |
|--------------------|----------------------------------------------|---------------|
| Physical Shares    | 4582325                                      | 18.22         |
| NSDL               | 17995308                                     | 71.54         |
| CDSL               | 2576228                                      | 10.24         |
| <b>Total</b>       | <b>25153861</b>                              | <b>100.00</b> |

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

| Particulars                        | LCAL Share Price v/s BSE |            |
|------------------------------------|--------------------------|------------|
|                                    | Share Price              | BSE Sensex |
| As on 1 <sup>st</sup> April, 2018  | 50.50                    | 32,968.68  |
| As on 31 <sup>st</sup> March, 2019 | 62.95                    | 38,672.91  |
| Changes (%)                        | 24.65                    | 17.30      |

**xvi) Distribution of Shareholding as on 31<sup>st</sup> March, 2019**

| Category         | No. of Shareholders | % of Shares |
|------------------|---------------------|-------------|
| 1 to 5000        | 44565               | 4.821       |
| 5001-10000       | 9                   | 0.281       |
| 10001-20000      | 3                   | 0.167       |
| 20001-30000      | 4                   | 0.362       |
| 30001-40000      | 3                   | 0.420       |
| 40001-50000      | 0                   | 0           |
| 50001-100000     | 6                   | 1.814       |
| 100001 and above | 27                  | 92.135      |

**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 31/03/2019.

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 not raised any funds through qualified institutions placement and also there are no unutilized amount w.r.t. the funds raised by the Company through preferential allotment as specified under Regulation 32 (7A) of SEBI Listing Regulations during the year.
- e) The Company has obtained a certificate from M/s SSPK & Co., Company Secretaries, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such other Statutory Authority.
- f) In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, no complaint pertaining to sexual harassment at workplace has been reported to the Committee during the financial year ended 31<sup>st</sup> March, 2019.
- g) During the year under review, total fees for all services paid by the Company to the statutory auditor is Rs. 3,40,000/- plus GST.
- h) 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 2018-19. 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 Practicing 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 is keenly taking stock of the economic scenario prevailing in the country at this stage. Management has debated and decided to put the expansion plan on hold for two months and watch the economy for the next quarter and then take a decision.

The Company is keenly looking into bringing down the cost of power, which is almost 58% of the cost of production. This will result in managing the situation in a meaningful way. The outlook for the Chloro Alkali industry on a global basis is very bullish for the next 5 years and the company plans to implement future course of action keeping this in mind.

The Company in the year 2018-19 has increased its production capacity to 220 TPD and planning to increase the Caustic Soda capacity to 300 TPD at the right time in the near future. Company is also working on few new products for captive consumption of Chlorine for which environment clearance has already been taken.

The Company is taking strides in environmental protection under its CSR programs by taking tree plantation and water conservation as the main theme. Also to have industry and academic linkage, the company had adopted a ITI institution to train the students for industrial work and employment.

### I. Key Financial Ratios:

| S. No. | Particulars             | FY 2018-19 | FY 2017-18 |
|--------|-------------------------|------------|------------|
| 1.     | Debtors Turnover        | 40.09      | 27.56      |
| 2.     | Inventory Turnover      | 16.83      | 10.38      |
| 3.     | Interest Coverage Ratio | 10.40      | 7.46       |
| 4.     | Current Ratio           | 1.98       | 1.55       |
| 5.     | Debt Equity Ratio       | 1.20       | 1.87       |
| 6.     | Operating Profit Margin | 14.85      | 9.92       |
| 7.     | Net Profit Margin       | 9.15       | 4.98       |

### Detailed explanation of Ratios:

#### Debtors Turnover:

Debtor turnover ratio has improved by 45% as compared to previous year due to better receivable management.

#### Inventory Turnover

Inventory turnover ratio has improved by 62% as compared to previous year due to better inventory management.

#### Interest Coverage Ratio

Interest coverage ratio has improved by 39% due to better profit margin as compared to previous year.

**Current Ratio**

Current ratio has improved by 28% as compared to previous year due to better working capital management.

**Debt Equity Ratio**

Debt equity ratio has improved by 36% due to significant increase in net worth and decrease in debt as compare to previous year.

**Operating Profit Margin**

Operating profit margin has improved by 50% due to increase in production capacity and better profit margins as compared to previous year.

**Net Profit Margin**

Net profit margin has also improved by 84% due to increase in production capacity and better profit margins as compared to previous year.

**II. Return on Net Worth**

Return on Net worth was 30.46% in comparison to 16.15% previous year. It has improved by 89% due to better profit margins.

In reference to future outlook, products of company are linked with growth of economy which is expected to slow down in the near future. But the longer outlook is very encouraging as the global demand for our product is very robust and the world is expected to have shortages of caustic Soda in the next year.

Company is following the standard safety measures and 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.

Your Company has also put in place adequate internal financial controls with reference to the financial statements and Management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary action, wherever necessary.

Company continues to focus on training its employees on a continuous basis. The Company is having a very harmonious relationship with its work force and constantly work for their intellectual and financial betterment.

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**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 31.03.2019 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: 29<sup>th</sup> May, 2019**

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

**Sanjeev Pandey**  
**Partner**

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

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**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, 2019.

**Place: New Delhi**  
**Date: 29<sup>th</sup> May, 2019**

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

## **Independent Auditors' Report**

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

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Lords Chloro Alkali Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

| Key Audit Matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Auditor's Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Borrowings</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <p>As at March 31, 2019, the Company had a borrowing liability (Non-current) of Rs.6,293.81 Lakhs representing 69.38% of total liabilities. Borrowings as a percentage of the total assets size of the Company is 37.87% as at March 31, 2019.</p> <p>The borrowings are under agreements with terms and conditions detailed in note no. 14 to the notes of the financial statements.</p> <p>Given the size of the borrowings balance and the importance of the capital structure for continued growth, the accounting for the Company's borrowings is considered a key audit matter.</p> | <p>Our audit procedures in respect of this area included:</p> <ul style="list-style-type: none"> <li>• We read the agreements between the Company and its financiers to understand the terms associated with the facilities.</li> <li>• We obtained confirmations from the Company's banks/financial institutions to confirm all significant borrowings, including amounts, tenure and conditions.</li> <li>• Where debt is regarded as non-current, we tested whether the Company has the unconditional right to defer payment such that there were no repayments required within 12 months from the balance date.</li> <li>• We further considered whether the disclosures related to the borrowings in the financial statements are appropriate in all material respects.</li> </ul> |

### Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's Board Report including annexures to the Board Report, Management Discussion & Analysis Report and Corporate Governance, but does not include the financial statements and our auditors' report thereon. The Company's Board Report including annexures to the Board Report, Management Discussion & Analysis Report and Corporate Governance is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

When we read the Company's Board Report including annexures to the Board's Report, Management Discussion & Analysis Report and Corporate Governance, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in

order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which

to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditors' 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 financial statements- Refer Note 43 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - ii. 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 44 to the financial statements.

**For Gupta Vigg & Co.**

*Chartered Accountants*

Firm's Registration Number: 001393N

**(CA. Deepak Pokhriyal)**

*Partner*

Membership Number: 524778

Place of Signature: New Delhi

Date: 29 May, 2019

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

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2019, 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, 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, duty of customs, goods and service tax, cess and other applicable statutory dues in arrears as at March 31 2019 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<br>(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:

| Name of the Statue       | Nature of Dues | Period to which the amount relates | Amount (Rs. In lakhs) | Forum Where Dispute is Pending                  |
|--------------------------|----------------|------------------------------------|-----------------------|-------------------------------------------------|
| Central Excise Act, 1944 | Excise Duty    | 1995-99                            | 64.76<br>(64.76)      | Commissioner (Appeals) Jaipur/ CESTAT New Delhi |
| Central Excise Act, 1944 | Excise Duty    | 2011-12                            | 1.53<br>(1.53)        | Additional Commissioner, Jaipur                 |
| Total                    |                |                                    | 66.29<br>(66.29)      |                                                 |

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 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 29, 2019

## **Annexure 'B' 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 Lords Chloro Alkali Limited)

### **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 with reference to financial statements of Lords Chloro Alkali Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 auditors' 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 with reference to financial statements.

## **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements 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: 29 May, 2019

**BALANCE SHEET as at 31st March, 2019**

(All amounts in INR Lakhs, unless otherwise stated)

| Particulars                                                                  | Note No. | As on March<br>31, 2019 | As on March<br>31, 2018 |
|------------------------------------------------------------------------------|----------|-------------------------|-------------------------|
| <b>ASSETS</b>                                                                |          |                         |                         |
| (1) <b>Non-current assets</b>                                                |          |                         |                         |
| a) Property, plant and equipment                                             | 2        | 12,433.17               | 11,143.35               |
| b) Financial assets                                                          |          |                         |                         |
| i) Investments                                                               | 3        | 11.81                   | 12.62                   |
| ii) Loans                                                                    | 4        | 0.42                    | 0.25                    |
| c) Other non-current assets                                                  | 5        | 413.06                  | 360.79                  |
| <b>Total non-current assets</b>                                              |          | <b>12,858.46</b>        | <b>11,517.01</b>        |
| (2) <b>Current assets</b>                                                    |          |                         |                         |
| a) Inventories                                                               | 6        | 1,060.99                | 1,923.37                |
| b) Financial assets                                                          |          |                         |                         |
| i) Trade and other receivables                                               | 7        | 900.40                  | 352.44                  |
| ii) Cash and cash equivalents                                                | 8        | 1,104.15                | 319.27                  |
| iii) Loans                                                                   | 9        | 46.56                   | 7.91                    |
| c) Current tax assets (Net)                                                  | 10       | 0.19                    | 49.90                   |
| d) Other current assets                                                      | 11       | 648.69                  | 882.42                  |
| <b>Total current assets</b>                                                  |          | <b>3,760.98</b>         | <b>3,535.31</b>         |
| <b>TOTAL ASSETS</b>                                                          |          | <b>16,619.44</b>        | <b>15,052.32</b>        |
| <b>EQUITY AND LIABILITIES</b>                                                |          |                         |                         |
| <b>Equity</b>                                                                |          |                         |                         |
| a) Equity share capital                                                      | 12       | 2,515.39                | 2,515.39                |
| b) Other equity                                                              | 13       | 5,032.46                | 2,731.08                |
| <b>Total Equity</b>                                                          |          | <b>7,547.85</b>         | <b>5,246.47</b>         |
| <b>Liabilities</b>                                                           |          |                         |                         |
| (1) <b>Non-current liabilities</b>                                           |          |                         |                         |
| a) Financial liabilities                                                     |          |                         |                         |
| i) Borrowings                                                                | 14       | 6,293.81                | 6,801.28                |
| b) Provisions                                                                | 15       | 141.00                  | 170.55                  |
| c) Deferred tax liabilities (Net)                                            | 16       | 437.88                  | 145.70                  |
| d) Other non-current liabilities                                             | 17       | 297.79                  | 400.21                  |
| <b>Total non-current liabilities</b>                                         |          | <b>7,170.48</b>         | <b>7,517.74</b>         |
| (2) <b>Current liabilities</b>                                               |          |                         |                         |
| a) Financial liabilities                                                     |          |                         |                         |
| i) Borrowings                                                                | 14       | -                       | 322.97                  |
| ii) Trade payables                                                           |          |                         |                         |
| - Total outstanding dues to micro and small enterprises                      |          | -                       | -                       |
| - Total outstanding dues to creditors other than micro and small enterprises | 18       | 42.82                   | 72.55                   |
| iii) Other financial liabilities                                             | 19       | 599.53                  | 597.87                  |
| b) Provisions                                                                | 20       | 115.85                  | 54.67                   |
| c) Current tax liabilities                                                   | 21       | 30.78                   | 105.08                  |
| d) Other current liabilities                                                 | 22       | 1,112.13                | 1,134.97                |
| <b>Total current liabilities</b>                                             |          | <b>1,901.11</b>         | <b>2,288.11</b>         |
| <b>Total liabilities</b>                                                     |          | <b>9,071.59</b>         | <b>9,805.85</b>         |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                          |          | <b>16,619.44</b>        | <b>15,052.32</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 and on behalf of Board of Directors of  
Lords Chloro Alkali Limited**

**For Gupta Vigg & Co.**

Chartered Accountants

Firm Registration No. 001393N

**CA. Deepak Pokhriyal**

Partner

Membership No. 524778

**Yuvraj Ahuja**

Director

DIN 00164675

**Madhav Dhira**

Director

DIN 07227587

**Ajay Virmani**

Managing Director

DIN 00758726

**Anish Kumar**

Company Secretary

**Rajiv Kumar**

Chief Financial Officer

Place: New Delhi

Date: 29 May 2019

**STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2019**

(All amounts in INR Lakhs, unless otherwise stated)

| Particulars                                                                    | Notes No. | For the year ended<br>March 31, 2019 | For the year ended<br>March 31, 2018 |
|--------------------------------------------------------------------------------|-----------|--------------------------------------|--------------------------------------|
| <b>Revenue</b>                                                                 |           |                                      |                                      |
| Revenue from operations                                                        | 23        | 25,113.56                            | 17,005.85                            |
| Other income                                                                   | 24        | 49.70                                | 49.95                                |
| <b>Total revenue</b>                                                           |           | <b>25,163.26</b>                     | <b>17,055.80</b>                     |
| <b>Expenses</b>                                                                |           |                                      |                                      |
| Cost of materials consumed                                                     | 25        | 3,501.85                             | 2,305.03                             |
| Changes in inventories of finished goods and work-in-progress.                 | 26        | 994.14                               | (536.23)                             |
| Excise duty on sale of goods                                                   |           | -                                    | 411.11                               |
| Power and fuel                                                                 |           | 14,018.74                            | 10,559.15                            |
| Employee benefit expense                                                       | 27        | 1,090.91                             | 790.63                               |
| Finance costs                                                                  | 28        | 358.86                               | 226.10                               |
| Depreciation and amortization expense                                          | 29        | 507.80                               | 409.56                               |
| Other expenses                                                                 | 30        | 1,319.20                             | 1,429.25                             |
| <b>Total expenses</b>                                                          |           | <b>21,791.50</b>                     | <b>15,594.60</b>                     |
| <b>Profit before exceptional items and tax</b>                                 |           | <b>3,371.76</b>                      | <b>1,461.20</b>                      |
| Exceptional items                                                              |           | -                                    | -                                    |
| <b>Profit before tax</b>                                                       |           | <b>3,371.76</b>                      | <b>1,461.20</b>                      |
| <b>Tax expense</b>                                                             | 31        |                                      |                                      |
| Current tax                                                                    |           | 730.78                               | 305.43                               |
| Earlier years tax adjustments (net)                                            |           | 50.89                                | 215.56                               |
| Deferred tax                                                                   |           | 291.17                               | 92.96                                |
| <b>Total tax expense</b>                                                       |           | <b>1,072.84</b>                      | <b>613.95</b>                        |
| <b>Profit for the year</b>                                                     |           | <b>2,298.92</b>                      | <b>847.25</b>                        |
| <b>Other comprehensive income</b>                                              |           |                                      |                                      |
| Items that will not be reclassified to profit or loss                          |           |                                      |                                      |
| -Remeasurement of post employment benefit obligations                          |           | 3.48                                 | (44.56)                              |
| -Income tax relating to items that will not be reclassified to profit and loss |           | (1.01)                               | 12.98                                |
| <b>Total other comprehensive (loss)/income</b>                                 |           | <b>2.47</b>                          | <b>(31.58)</b>                       |
| <b>Total comprehensive income for the year</b>                                 |           | <b>2,301.39</b>                      | <b>815.67</b>                        |
| <b>Earnings per equity share (Rs 10 per share):</b>                            | 42        |                                      |                                      |
| (1) Basic                                                                      |           | 9.14                                 | 3.37                                 |
| (2) Diluted                                                                    |           | 9.14                                 | 3.37                                 |

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

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

**CA. Deepak Pokhriyal**  
Partner  
Membership No. 524778

**Yuvraj Ahuja**  
Director  
DIN 00164675

**Madhav Dhir**  
Director  
DIN 07227587

**Ajay Virmani**  
Managing Director  
DIN 00758726

**Anish Kumar**  
Company Secretary

**Rajiv Kumar**  
Chief Financial Officer

Place: New Delhi  
Date: 29 May 2019

**STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2019**

(All amounts in INR Lakhs, unless otherwise stated)

**A Equity share capital**

| Particulars                                     | As at 31<br>March 2019 | As at 31<br>March 2018 |
|-------------------------------------------------|------------------------|------------------------|
| Balance at beginning of the reporting year      | 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 Other equity**

| Particulars                                     | Reserves and surplus |                     |                      |                 |
|-------------------------------------------------|----------------------|---------------------|----------------------|-----------------|
|                                                 | Capital<br>reserve   | Security<br>premium | Retained<br>earnings | Total           |
| <b>Balance as at 1 April 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 | -                    | -                   | (31.58)              | (31.58)         |
| Transferred from revaluation reserve            | -                    | -                   | -                    | -               |
| <b>Balance as at 31 March 2018</b>              | <b>1.21</b>          | <b>2,082.06</b>     | <b>647.81</b>        | <b>2,731.08</b> |
| <b>Addition during the year</b>                 |                      |                     |                      |                 |
| Profit for the year                             | -                    | -                   | 2,298.92             | 2,298.92        |
| Items of OCI (net of tax)                       |                      |                     |                      |                 |
| -Remeasurement benefit of defined benefit plans | -                    | -                   | 2.47                 | 2.47            |
| <b>Balance as at 31 March 2019</b>              | <b>1.21</b>          | <b>2,082.06</b>     | <b>2,949.19</b>      | <b>5,032.46</b> |

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

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

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

**CA. Deepak Pokhriyal**  
Partner  
Membership No. 524778

**Yuvraj Ahuja**  
Director  
DIN 00164675

**Madhav Dhir**  
Director  
DIN 07227587

**Ajay Virmani**  
Managing Director  
DIN 00758726

**Anish Kumar**  
Company Secretary

**Rajiv Kumar**  
Chief Financial Officer

Place: New Delhi  
Date: 29 May 2019

## CASH FLOW STATEMENT for the year ended 31 March 2019

(All amounts in INR Lakhs, unless otherwise stated)

| Particulars                                                         | For year ended<br>31 March 2019 | For year ended<br>31 March 2018 |
|---------------------------------------------------------------------|---------------------------------|---------------------------------|
| <b>A. Cash Flow from Operating activities</b>                       |                                 |                                 |
| Profit before tax                                                   | 3,371.76                        | 1,461.20                        |
| <b>Adjustments for: -</b>                                           |                                 |                                 |
| Depreciation and amortisation                                       | 507.80                          | 409.56                          |
| Finance cost                                                        | 358.86                          | 226.10                          |
| Dividend income classified as investing cash flows                  | (0.21)                          | (0.10)                          |
| Net gain arising on financial assets measured at FVTPL              | (0.81)                          | (2.69)                          |
| Balance written off/(back)                                          | 23.15                           | 33.22                           |
| Interest income classified as investing cash flows                  | (1.88)                          | -                               |
| Gain on disposal of property, plant and equipment (net)             | 3.48                            | (34.45)                         |
| Operating profit before working capital changes                     | 4,262.15                        | 2,092.84                        |
| <b>Movement in working capital</b>                                  |                                 |                                 |
| Decrease/(increase) in trade receivables                            | (547.96)                        | 492.48                          |
| Decrease/(increase) in inventories                                  | 872.38                          | (569.11)                        |
| Decrease/(increase) in trade payables                               | (52.97)                         | 9.09                            |
| Decrease/(increase) in loans current & non current (asset)          | (31.81)                         | (2.45)                          |
| Decrease/(increase) in other current and non current asset          | 254.74                          | 696.45                          |
| Increase in provisions                                              | 31.62                           | 25.39                           |
| (Decrease)/increase in other current and non current liabilities    | (173.59)                        | 349.47                          |
| <b>Cash generated from operations</b>                               | <b>4,614.55</b>                 | <b>3,094.16</b>                 |
| Income taxes paid (net of refund)                                   | (806.07)                        | (341.16)                        |
| <b>Net cash flow generated from operating activities (A)</b>        | <b>3,808.48</b>                 | <b>2,753.00</b>                 |
| <b>B. Cash flow from investing activities</b>                       |                                 |                                 |
| Purchase of property, plant and equipment                           | (1,921.63)                      | (3,378.27)                      |
| Proceeds on sale of property, plant and equipment                   | 30.42                           | 35.65                           |
| Interest received                                                   | 1.61                            | -                               |
| Dividend received                                                   | 0.21                            | 0.10                            |
| <b>Net cash used in investing activities (B)</b>                    | <b>(1,889.39)</b>               | <b>(3,342.52)</b>               |
| <b>C. Cash flow from financing activities*</b>                      |                                 |                                 |
| Proceeds from long term borrowings                                  | 1,669.00                        | 4,401.53                        |
| Repayment of long term borrowings                                   | (2,176.47)                      | (2,403.30)                      |
| Repayment of short term borrowings                                  | (322.97)                        | (1,088.67)                      |
| Finance cost paid                                                   | (303.77)                        | (212.49)                        |
| <b>Net cash flow generated from financing activities (C)</b>        | <b>(1,134.21)</b>               | <b>697.07</b>                   |
| <b>Net Increase/(Decrease) in cash and cash equivalents (A+B+C)</b> | <b>784.88</b>                   | <b>107.55</b>                   |
| Cash and cash equivalents as at the beginning of the year           | 319.27                          | 211.72                          |
| <b>Cash and cash equivalents as at the end of the year</b>          | <b>1,104.15</b>                 | <b>319.27</b>                   |

\*Refer note 14 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 and on behalf of Board of Directors of  
Lords Chloro Alkali Limited

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

**CA. Deepak Pokhriyal**  
Partner  
Membership No. 524778

**Yuvraj Ahuja**  
Director  
DIN 00164675

**Madhav Dhir**  
Director  
DIN 07227587

**Ajay Virmani**  
Managing Director  
DIN 00758726

**Anish Kumar**  
Company Secretary

**Rajiv Kumar**  
Chief Financial Officer

Place: New Delhi  
Date: 29 May 2019

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

**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.

**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 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 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 and presentation:-**

Revenue arises mainly from the sale of manufactured and traded goods.

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and service tax, etc.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

**Sale of goods**

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from 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 packing material 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. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. Stock of scrap is valued at estimated realizable value. Net realisable value is the estimated selling price in the ordinary

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**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

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities 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.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

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

- 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

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly 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 2019**

**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 life)*

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*

The carrying amount of an item of property, plant and equipment shall be derecognized 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 impaired. If any such indication exists, the Company estimates the recoverable

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

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. Leases**

Determining whether arrangement contains a lease.

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the incremental borrowing rate.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalized at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Assets held under lease

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

equal to the lower of their fair value and the present value of minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risk and rewards of ownership (i.e. operating leases) are not recognized in the Company's balance sheet.

**I. 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.

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.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

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 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.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

**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 pronouncements-Standards issued but not yet effective:**

**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

**Ind AS 115- Revenue from Contract with Customers:** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

**The standard permits two possible methods of transition:**

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company is yet to decide the method of applicability and is evaluating the requirements of the amendment and its effect on the financial statements.

Modifications on Ind AS 102, have been issued by MCA, however the standard is not applicable to the Company.

Amendment to Ind AS 12 : The amendment to Ind AS 12 requires the entities to consider restriction in tax laws in sources of taxable profit against which entity may make deductions on reversal of deductible temporary difference (may or may not have arisen from same source) and also consider probable future taxable profit. The Company is evaluating the requirements and its impact on the financial statements.

**Recent accounting pronouncement**

In March 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Ind AS 12, 'Income taxes', Ind AS 19, 'Employee benefits', Ind AS 23, 'Borrowing costs and also Ind AS 116 'Leases'. These amendments rules are applicable to the Company from 1 April 2019.

**Ind AS 116- Leases:**

On 30 March 2019, MCA has notified Ind AS 116, Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Ind AS 116, which is effective for annual periods beginning on or after 01 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is evaluating the requirements of this new standard on its financial statements.

**Appendix C to Ind AS 12, Uncertainty over income tax treatment:**

The Interpretation addresses the accounting for income taxes when

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- whether an entity considers uncertain tax treatments separately
- the assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The interpretation is effective for annual reporting periods beginning on or after 01 April 2019. The Company is evaluating the impact of this amendment on its financial statements.

**Amendments to Ind AS 19, Plan amendment, curtailment or settlement:**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.

**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2019**

- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 01 April 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company. The Company does not expect any impact on its financial statements of such amendment.

**Amendments to Ind 23 Borrowing costs:** The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 01 April 2019, with early application permitted. The Company is evaluating the impact of this amendment on its financial statements.

#### **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 2019****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 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**
**2 Property, plant & equipments**

| Particulars                                    | Lease-<br>hold land | Build-<br>ings | Plant &<br>equip-<br>ments | Furni-<br>ture<br>& fix-<br>tures | Ve-<br>hicles | Office<br>equip-<br>ments | Total            | Capital<br>work-in-<br>progress |
|------------------------------------------------|---------------------|----------------|----------------------------|-----------------------------------|---------------|---------------------------|------------------|---------------------------------|
| <b>Gross carrying amount</b>                   |                     |                |                            |                                   |               |                           |                  |                                 |
| At 1 April 2017                                | 101.04              | 982.06         | 17,423.85                  | 153.15                            | 30.52         | 58.09                     | 18,748.71        | 116.96                          |
| Additions                                      | -                   | -              | 3,273.21                   | 0.32                              | -             | 1.31                      | 3,274.84         | 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>153.47</b>                     | <b>30.52</b>  | <b>59.40</b>              | <b>21,999.61</b> | <b>-</b>                        |
| Additions                                      | -                   | -              | 1,837.71                   | 0.04                              | -             | 3.74                      | 1,841.49         | -                               |
| Disposals                                      | -                   | -              | 796.04                     | 19.41                             | -             | 44.49                     | 859.94           | -                               |
| <b>Balance as at 31 March 2019</b>             | <b>101.04</b>       | <b>982.06</b>  | <b>21,714.79</b>           | <b>134.10</b>                     | <b>30.52</b>  | <b>18.65</b>              | <b>22,981.16</b> | <b>-</b>                        |
| <b>Accumulated depreciation</b>                |                     |                |                            |                                   |               |                           |                  |                                 |
| At 1 April 2017                                | 34.87               | 797.06         | 9,450.51                   | 116.73                            | 23.27         | 47.03                     | 10,469.47        | -                               |
| Charge for the year                            | 1.05                | 20.64          | 366.77                     | 16.60                             | 0.97          | 3.53                      | 409.56           | -                               |
| Disposals                                      | -                   | -              | 22.77                      | -                                 | -             | -                         | 22.77            | -                               |
| <b>Balance as at 31 March 2018</b>             | <b>35.92</b>        | <b>817.70</b>  | <b>9,794.51</b>            | <b>133.33</b>                     | <b>24.24</b>  | <b>50.57</b>              | <b>10,856.26</b> | <b>-</b>                        |
| Charge for the year                            | 1.07                | 20.64          | 478.60                     | 3.56                              | 0.96          | 2.97                      | 507.80           | -                               |
| Disposals                                      | -                   | -              | 755.94                     | 18.48                             | -             | 41.65                     | 816.07           | -                               |
| <b>Balance as at 31 March 2019</b>             | <b>36.99</b>        | <b>838.34</b>  | <b>9,517.17</b>            | <b>118.41</b>                     | <b>25.20</b>  | <b>11.89</b>              | <b>10,547.99</b> | <b>-</b>                        |
| <b>Net carrying amount as at 31 March 2018</b> | <b>65.12</b>        | <b>164.36</b>  | <b>10,878.62</b>           | <b>20.14</b>                      | <b>6.28</b>   | <b>8.83</b>               | <b>11,143.35</b> | <b>-</b>                        |
| <b>Net carrying amount as at 31 March 2019</b> | <b>64.05</b>        | <b>143.72</b>  | <b>12,197.63</b>           | <b>15.69</b>                      | <b>5.32</b>   | <b>6.76</b>               | <b>12,433.17</b> | <b>-</b>                        |

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**

|   | Particulars                                                                                                                                           | As at 31<br>March 2019 | As at 31<br>March 2018 |
|---|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| 3 | <b>Investments</b>                                                                                                                                    |                        |                        |
|   | <b>Investment in government or trust securities</b>                                                                                                   |                        |                        |
|   | <b>Unquoted investments in tax free bonds (Measured at amortised cost)</b>                                                                            |                        |                        |
|   | 554 Units (previous year 31 March 2018: 554 units) 6.75% Tax free US 64 Bonds of Rs 100 each in Unit trust of India                                   | 0.32                   | 0.32                   |
|   | <b>Investment in Mutual Fund</b>                                                                                                                      |                        |                        |
|   | Quoted, (Measured at fair value through profit and loss)<br>Principal large cap fund- regular plan growth<br>4190.606 (31 March 2018: 4190.606) units | 2.66                   | 2.00                   |
|   | <b>Investment - Others (Measured at cost)</b>                                                                                                         |                        |                        |
|   | Silver Coins                                                                                                                                          | 0.32                   | 0.32                   |
|   | <b>Investment in equity instruments (fully paid-up)</b>                                                                                               |                        |                        |
|   | <b>Quoted equity shares (Measured at fair value through profit and loss)</b>                                                                          |                        |                        |
|   | 1000 (previous year 31 March 2018: 1000) Fully paid up Equity Shares of INR 2 each in DCM Shriram Consolidated Ltd                                    | 4.14                   | 4.96                   |
|   | 100 (previous year 31 March 2018: 100) Fully paid up Equity Shares of INR 10 each in Grasim Industries Ltd                                            | 0.86                   | 1.09                   |
|   | 165 (previous year 31 March 2018: 165) Fully paid up Equity Shares of INR 10 each in Gujarat Alkalies & Chemicals Ltd                                 | 0.81                   | 1.18                   |
|   | 300 (previous year 31 March 2018: 300) Fully paid up Equity Shares of INR 5 each in Kanoria Chemicals & Industries Ltd                                | 0.19                   | 0.21                   |
|   | 100 (previous year 31 March 2018: 100) Fully paid up Equity Shares of INR 10 each in Punjab Alkalies & Chemicals Ltd                                  | 0.06                   | 0.04                   |
|   | 500 (previous year 31 March 2018: 500) Fully paid up Equity Shares of INR 2 each in DCW Ltd                                                           | 0.11                   | 0.16                   |
|   | 57 (previous year 31 March 2018: 57) Fully paid up Equity Shares of INR 10 each in Ultra Tech Cement Ltd                                              | 2.29                   | 2.27                   |
|   | 300 (previous year 31 March 2018: 300) Fully paid up Equity Shares of INR 2 each in Ballarpur Industries Ltd.                                         | 0.01                   | 0.04                   |
|   | 100 (previous year 31 March 2018: 100) Fully paid up Equity Shares of INR 10 each in SPIC Ltd                                                         | 0.04                   | 0.03                   |
|   | <b>Total</b>                                                                                                                                          | <b>11.81</b>           | <b>12.62</b>           |
|   | Aggregate value of quoted investments                                                                                                                 | 4.13                   | 4.13                   |
|   | Market value of quoted investments                                                                                                                    | 11.17                  | 11.98                  |
|   | Aggregate value of unquoted investments                                                                                                               | 0.64                   | 0.64                   |
|   | Aggregate value of impairment in the value of investments                                                                                             | -                      | -                      |

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**

|   | Particulars                                                             | As at March<br>31, 2019 | As at March<br>31, 2018 |
|---|-------------------------------------------------------------------------|-------------------------|-------------------------|
| 4 | <b>Loans</b>                                                            |                         |                         |
|   | <b>(Unsecured, considered good unless otherwise stated)</b>             |                         |                         |
|   | Advance to Employees                                                    | 0.42                    | 0.25                    |
|   | <b>Total</b>                                                            | <b>0.42</b>             | <b>0.25</b>             |
| 5 | <b>Other non current assets</b>                                         |                         |                         |
|   | Advance for capital goods                                               | 180.27                  | 100.13                  |
|   | Other advances                                                          | 122.57                  | 122.57                  |
|   | Prepaid expenses                                                        | 4.55                    | 7.90                    |
|   | Security deposit                                                        | 105.67                  | 130.19                  |
|   |                                                                         | <b>413.06</b>           | <b>360.79</b>           |
| 6 | <b>Inventories (Measured at lower of cost and net realisable value)</b> |                         |                         |
|   | Raw material                                                            | 271.27                  | 191.08                  |
|   | Work-in-progress                                                        | 35.31                   | 494.69                  |
|   | Finished goods                                                          | 78.71                   | 613.47                  |
|   | Fuel oil stock of power plant                                           | 8.44                    | 23.73                   |
|   | Packing materials                                                       | 4.61                    | 4.68                    |
|   | Stores and spares parts                                                 | 662.65                  | 595.72                  |
|   |                                                                         | <b>1,060.99</b>         | <b>1,923.37</b>         |
| 7 | <b>Trade receivables</b>                                                |                         |                         |
|   | Unsecured, Considered good                                              | 900.40                  | 352.44                  |
|   |                                                                         | <b>900.40</b>           | <b>352.44</b>           |
| 8 | <b>Cash &amp; Cash Equivalents</b>                                      |                         |                         |
|   | Cash on hand                                                            | 11.86                   | 15.09                   |
|   | Cheques, drafts on hand                                                 | 300.00                  | 280.50                  |
|   | Balance with bank                                                       |                         |                         |
|   | - with scheduled banks in current accounts                              | 6.53                    | 23.68                   |
|   | - Cash credit from Punjab National Bank                                 | 785.76                  | -                       |
|   | Terms of Repayment: Refer note no. 14                                   |                         |                         |
|   |                                                                         | <b>1,104.15</b>         | <b>319.27</b>           |
| 9 | <b>Loans</b>                                                            |                         |                         |
|   | Advance to employees                                                    | 6.32                    | 7.91                    |
|   | Others                                                                  | 40.24                   | -                       |
|   |                                                                         | <b>46.56</b>            | <b>7.91</b>             |

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**

| Particulars                                                                          | As at<br>31 March 2019 | As at<br>31 March 2018 |
|--------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>10 Current Tax Assets (net)</b>                                                   |                        |                        |
| Advance payment of income tax (net)                                                  | 0.19                   | 49.90                  |
| <b>Total</b>                                                                         | <b>0.19</b>            | <b>49.90</b>           |
| <b>11 Other current assets</b>                                                       |                        |                        |
| Advance to suppliers                                                                 |                        |                        |
| - Unsecured, Considered good                                                         | 588.98                 | 833.46                 |
| - Considered doubtful                                                                | 69.71                  | 69.71                  |
|                                                                                      | <b>658.69</b>          | <b>903.17</b>          |
| Less : Provision on advances                                                         | (69.71)                | (69.71)                |
|                                                                                      | <b>588.98</b>          | <b>833.46</b>          |
| Balance with government authorities                                                  | 26.92                  | 32.60                  |
| Prepaid expenses and other advances                                                  | 32.79                  | 16.36                  |
|                                                                                      | <b>648.69</b>          | <b>882.42</b>          |
| <b>12 Share capital</b>                                                              |                        |                        |
| <b>Authorized share capital</b>                                                      |                        |                        |
| 7,50,00,000 equity shares of Rs.10/- each                                            | 7,500.00               | 7,500.00               |
|                                                                                      | <b>7,500.00</b>        | <b>7,500.00</b>        |
| <b>Issued share capital</b>                                                          |                        |                        |
| 2,51,58,885 equity shares; 31 March 2018: 2,51,58,885 equity shares; of Rs.10/- each | 2,515.89               | 2,515.89               |
|                                                                                      | <b>2,515.89</b>        | <b>2,515.89</b>        |
| <b>Subscribed capital and fully paid up</b>                                          |                        |                        |
| 2,51,53,861 equity shares; 31 March 2018: 2,51,58,885 equity shares; of Rs.10/- each | 2,515.39               | 2,515.39               |
|                                                                                      | <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 2019 |              | As at 31 March 2018 |              |
|-------------------------------------|---------------------|--------------|---------------------|--------------|
|                                     | No. of Shares       | % of Holding | No. of Shares       | % of Holding |
| Rakesh Ahuja                        | 3,331,447           | 13.24%       | 3,331,447           | 13.24%       |
| Madhav Dhir                         | 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%        |

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**
**Reconciliation of number of equity shares outstanding at the beginning and end of the year**

| Description                                      | As at 31 March 2019 |                 | As at March 31,2018 |                 |
|--------------------------------------------------|---------------------|-----------------|---------------------|-----------------|
|                                                  | 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        |
| Add: shares issued during the year               | -                   | -               | -                   | -               |
| <b>Shares outstanding at the end of the year</b> | <b>25,153,861</b>   | <b>2,515.39</b> | <b>25,153,861</b>   | <b>2,515.39</b> |

**13 Other equity**

| Particulars                                     | Capital reserve | Security premium | Retained earnings | Total           |
|-------------------------------------------------|-----------------|------------------|-------------------|-----------------|
| <b>Balance as at 1 April 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 | -               | -                | (31.58)           | (31.58)         |
|                                                 |                 |                  |                   | -               |
| <b>Balance as at 31 March 2018</b>              | <b>1.21</b>     | <b>2,082.06</b>  | <b>647.81</b>     | <b>2,731.08</b> |
| <b>Addition during the year</b>                 |                 |                  |                   | -               |
| Profit for the year                             | -               | -                | 2,298.92          | 2,298.92        |
| Items of OCI (net of tax)                       |                 |                  |                   |                 |
| -Remeasurement benefit of defined benefit plans | -               | -                | 2.47              | 2.47            |
| <b>Balance as at 31 March 2019</b>              | <b>1.21</b>     | <b>2,082.06</b>  | <b>2,949.19</b>   | <b>5,032.46</b> |

| Particulars                               | As at 31 March 2019 | As at 31 March 2018 |
|-------------------------------------------|---------------------|---------------------|
| <b>14 Borrowings*</b>                     |                     |                     |
| Secured                                   |                     |                     |
| Term loans                                |                     |                     |
| -From banks                               | 1,334.84            | 1,856.31            |
| Unsecured                                 |                     |                     |
| From others                               |                     |                     |
| Loans from related parties                | 4,089.14            | 4,664.14            |
| Loans from others                         | 0.33                | 0.33                |
| Inter-corporate deposits                  | 869.50              | 280.50              |
| *for terms & conditions refer table below |                     |                     |
|                                           | <b>6,293.81</b>     | <b>6,801.28</b>     |

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**

| Particulars                               | Rate of Interest (p.a) | Maturity   | Terms of Repayment                                                                                                                                                                                                                                                                                                               | Nature of Security                                                                                                                                                                                                                                                                          | As at 31 March 2019 | As at 31 March 2018 |
|-------------------------------------------|------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Secured</b>                            |                        |            |                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                             |                     |                     |
| Term loan - 1 from Punjab National Bank   | 9.65% (9.65%)          | Feb'2021   | 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. | (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). | 437.72              | 658.29              |
| Term loan - 2 from Punjab National Bank   | 9.65% (9.65%)          | Sep'2023   | 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.                                                                            | (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). | 1,434.83            | 1,738.16            |
| Term loan for vehicle from HDFC Bank Ltd. | 10.50% (10.50%)        | Mar'2020   | 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).                                                                                                                                                                                        | Secured against equitable mortgage of vehicle.                                                                                                                                                                                                                                              | 1.46                | 2.78                |
| <b>Total Secured Borrowings</b>           |                        |            |                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                             | <b>1,874.01</b>     | <b>2,399.23</b>     |
| <b>Unsecured Borrowings</b>               |                        |            |                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                             |                     |                     |
| Loan from related parties                 | 9.25% (0.00%)          | April'2028 | 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.32 of notes to accounts.                                               | Unsecured borrowings                                                                                                                                                                                                                                                                        | 514.54              | 475.00              |
| Loan from related parties                 | Interest Free          | Sept'2025  | 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.32 of notes to accounts.                                               | Unsecured borrowings                                                                                                                                                                                                                                                                        | 3,614.14            | 4,189.14            |

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**

| Particulars                                 | Rate of Interest (p.a)                                                                                               | Maturity   | Terms of Repayment                                                                                                                                                                                                                                                         | Nature of Security   | As at 31 March 2019 | As at 31 March 2018 |
|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------|---------------------|
| Inter corporate deposit                     | 9.25% (0.00%)                                                                                                        | April'2028 | Above inter corporate deposit comprises term loan obtained from cirrus infrastructure pvt ltd. and JFC finance india limited 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 | 888.96              | 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. | NA         | (i) Outstanding loan of Rs. 0.33 lakhs (Previous Year Rs. 0.33 lakhs) obtained from body corporates and the terms and conditions of these loans are not known to the company.                                                                                              | Unsecured borrowings | 0.33                | 0.33                |
| <b>Total unsecured borrowings</b>           |                                                                                                                      |            |                                                                                                                                                                                                                                                                            |                      | <b>5,017.97</b>     | <b>4,944.97</b>     |
| <b>Total borrowings</b>                     |                                                                                                                      |            |                                                                                                                                                                                                                                                                            |                      | <b>6,891.98</b>     | <b>7,344.20</b>     |
| Less : Current maturities of long term debt |                                                                                                                      |            |                                                                                                                                                                                                                                                                            |                      | 521.46              | 521.32              |
| Less : Interest due but not paid            |                                                                                                                      |            |                                                                                                                                                                                                                                                                            |                      | 76.71               | 21.60               |
| <b>Total non current borrowings</b>         |                                                                                                                      |            |                                                                                                                                                                                                                                                                            |                      | <b>6,293.81</b>     | <b>6,801.28</b>     |

| Particulars                               | As at 31 March 2019 | As at 31 March 2018 |
|-------------------------------------------|---------------------|---------------------|
| <b>14 Borrowings*</b>                     |                     |                     |
| <b>Secured</b>                            |                     |                     |
| Loan repayable on demand                  |                     |                     |
| -From Banks (cash credit)                 | -                   | 322.97              |
| *for terms & conditions refer table below |                     |                     |
|                                           | <b>-</b>            | <b>322.97</b>       |

| Particulars                           | Rate of Interest (p.a) | Maturity | Terms of Repayment                                                                                                                                                                                                                                                                     | Detail of Security/ Guarantee                                                                                                                                                                                                                                                                                                                                                                                | As at 31 March 2019 | As at 31 March 2018 |
|---------------------------------------|------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Cash credit from Punjab National Bank | 9.30% (9.30%)          | NA       | 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 in the financial year 2017-18. | 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              |
| <b>Total current borrowings</b>       |                        |          |                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                              | <b>-</b>            | <b>322.97</b>       |

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**
**14 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 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             | 1,088.68              | 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> |
| <b>Cash flows:</b>   |                      |                       |                 |
| - Repayment          | 2,176.33             | 322.97                | 2,499.30        |
| - Proceeds           | 1,669.00             |                       | 1,669.00        |
| <b>31 March 2019</b> | <b>6,815.27</b>      | <b>-</b>              | <b>6,815.27</b> |

| Particulars | As at March<br>31,2019 | As at March<br>31,2018 |
|-------------|------------------------|------------------------|
|-------------|------------------------|------------------------|

**15 Provisions**
**Provision for Employee benefits**

|                                    |               |               |
|------------------------------------|---------------|---------------|
| Provision for Gratuity             | 98.74         | 109.12        |
| Provision for compensated absences | 42.26         | 61.43         |
|                                    | <b>141.00</b> | <b>170.55</b> |

**16 Deferred Tax (asset)/liabilities**
**Deferred tax asset**

| Particulars | As at March<br>31,2019 | As at March<br>31,2018 |
|-------------|------------------------|------------------------|
|-------------|------------------------|------------------------|

**The balance comprises temporary difference attributable to :**

|            |   |        |
|------------|---|--------|
| Tax Losses | - | 233.28 |
|------------|---|--------|

**Disallowance under Income tax act :-**

|                                                        |        |       |
|--------------------------------------------------------|--------|-------|
| -Leave Encashment                                      | 27.73  | 23.08 |
| -Gratuity                                              | 47.93  | 39.47 |
| -P & L on sales of fixed assets                        | (2.05) | -     |
| -Provision for old stores                              | 3.08   | 3.08  |
| -Provision for doubtful loan & Advances                | 20.30  | 20.30 |
| -Bonus (Provision - 2018-19)                           | 4.35   | 3.04  |
| -Expenses admissible under income Tax on payment basis | 42.84  | 51.43 |

**Deferred Tax Asset**

|               |               |
|---------------|---------------|
| <b>144.18</b> | <b>373.68</b> |
|---------------|---------------|

Mat credit entitlement

|        |        |
|--------|--------|
| 677.67 | 559.78 |
|--------|--------|

**Total deferred tax asset (a)**

|               |               |
|---------------|---------------|
| <b>821.85</b> | <b>933.46</b> |
|---------------|---------------|

**Deferred Tax Liabilities**
**Deferred Tax Liabilities arising on account of:-**

|                                                                                                   |          |          |
|---------------------------------------------------------------------------------------------------|----------|----------|
| Timing difference between written down value of fixed assets as per books and income tax act 1961 | 1,259.73 | 1,079.16 |
|---------------------------------------------------------------------------------------------------|----------|----------|

**Total deferred tax liabilities (b)**

|                 |                 |
|-----------------|-----------------|
| <b>1,259.73</b> | <b>1,079.16</b> |
|-----------------|-----------------|

**Net Deferred Tax Liabilities/(Assets) (b-a)**

|               |               |
|---------------|---------------|
| <b>437.88</b> | <b>145.70</b> |
|---------------|---------------|

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**

| <b>Movement in deferred tax liabilities (net)</b>                                                 |                            |                                 |                            |
|---------------------------------------------------------------------------------------------------|----------------------------|---------------------------------|----------------------------|
| <b>Particulars</b>                                                                                | <b>As at March 31,2018</b> | <b>Recognised / (Re-versed)</b> | <b>As at March 31,2019</b> |
| <b>Assets</b>                                                                                     |                            |                                 |                            |
| Tax Losses                                                                                        | (233.28)                   | (233.28)                        | -                          |
| Leave Encashment                                                                                  | (23.08)                    | 4.64                            | (27.73)                    |
| Gratuity                                                                                          | (39.47)                    | 8.46                            | (47.93)                    |
| P & L on sales of fixed assets                                                                    | -                          | (2.05)                          | 2.05                       |
| Provision for old stores                                                                          | (3.08)                     | -                               | (3.08)                     |
| Provision for doubtful loan & Advances                                                            | (20.30)                    | -                               | (20.30)                    |
| Bonus (Provision - 2018-19)                                                                       | (3.04)                     | 1.31                            | (4.35)                     |
| Expenses admissible under income Tax on payment basis                                             | (51.43)                    | (8.59)                          | (42.84)                    |
| Mat Credit entitlement                                                                            | (559.78)                   | 117.89                          | (677.67)                   |
| <b>Liabilities</b>                                                                                |                            |                                 |                            |
| Timing difference between written down value of fixed assets as per books and income tax act 1961 | 1,079.16                   | (180.57)                        | 1,259.73                   |
| <b>Total</b>                                                                                      | <b>145.70</b>              | <b>(292.19)</b>                 | <b>437.88</b>              |
| <b>Particulars</b>                                                                                | <b>As at March 31,2019</b> | <b>As at March 31,2018</b>      |                            |
| <b>17 Other non-current liabilities</b>                                                           |                            |                                 |                            |
| Investor Education and Protection Fund (U/S 205C)                                                 | 11.64                      | 11.64                           |                            |
| Statutory Tax Payable                                                                             | 286.15                     | 388.57                          |                            |
|                                                                                                   | <b>297.79</b>              | <b>400.21</b>                   |                            |
| <b>18 Trade Payables</b>                                                                          |                            |                                 |                            |
| <b>Due to :</b>                                                                                   |                            |                                 |                            |
| Total outstanding dues to micro and small enterprises                                             | -                          | -                               |                            |
| Total outstanding dues to creditors other than micro and small enterprises                        | 42.82                      | 72.55                           |                            |
|                                                                                                   | <b>42.82</b>               | <b>72.55</b>                    |                            |
| <b>19 Other financial liabilities</b>                                                             |                            |                                 |                            |
| Current maturities of long-term debt                                                              | 521.46                     | 521.32                          |                            |
| Interest accrued but not due                                                                      | 76.70                      | 21.60                           |                            |
| Creditors for capital goods                                                                       | 1.37                       | 54.95                           |                            |
|                                                                                                   | <b>599.53</b>              | <b>597.87</b>                   |                            |
| <b>20 Provisions</b>                                                                              |                            |                                 |                            |
| <b>Provision for employee benefits:</b>                                                           |                            |                                 |                            |
| Provision for gratuity                                                                            | 56.13                      | 26.41                           |                            |
| Provision for compensated absences                                                                | 44.79                      | 17.83                           |                            |
| Provision for bonus                                                                               | 14.93                      | 10.43                           |                            |
|                                                                                                   | <b>115.85</b>              | <b>54.67</b>                    |                            |

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**

| Particulars                                                             | As at<br>31 March 2019 | As at<br>31 March 2018 |
|-------------------------------------------------------------------------|------------------------|------------------------|
| <b>21 Current tax liabilities</b>                                       |                        |                        |
| Provision for current tax (net)                                         | 30.78                  | 105.08                 |
|                                                                         | <b>30.78</b>           | <b>105.08</b>          |
| <b>22 Other current liabilities</b>                                     |                        |                        |
| Advance from Customers                                                  | 119.16                 | 317.26                 |
| Other payables                                                          | 490.18                 | 396.54                 |
| Statutory dues payables                                                 | 502.79                 | 421.17                 |
|                                                                         | <b>1,112.13</b>        | <b>1,134.97</b>        |
| <b>23 Revenue from operations</b>                                       |                        |                        |
| Sale of products (gross)                                                | 25,113.56              | 17,005.85              |
| <b>Net sales</b>                                                        | <b>25,113.56</b>       | <b>17,005.85</b>       |
| <b>24 Other income</b>                                                  |                        |                        |
| Interest income on financial assets measured at amortised cost          | 1.88                   | 1.71                   |
| Gain on fair valuation of investments measured at FVTPL                 | -                      | 2.69                   |
| Dividend income on non current investments                              | 0.21                   | 0.10                   |
| Gain on disposal of property, plant & equipment                         | -                      | 34.45                  |
| Profit on account of foreign exchange fluctuation (Net)                 | 46.66                  | 10.88                  |
| Misc income                                                             | 0.95                   | 0.12                   |
|                                                                         | <b>49.70</b>           | <b>49.95</b>           |
| <b>25 Cost of materials consumed</b>                                    |                        |                        |
| Opening stock of raw material                                           | 191.08                 | 127.97                 |
| Add: Purchase during the year                                           | 3,582.04               | 2,368.14               |
|                                                                         | <b>3,773.12</b>        | <b>2,496.11</b>        |
| Less: Closing stock of raw material                                     | 271.27                 | 191.08                 |
|                                                                         | <b>3,501.85</b>        | <b>2,305.03</b>        |
| <b>26 Changes in inventories of finished goods and work-in progress</b> |                        |                        |
| <b>Finished goods</b>                                                   |                        |                        |
| -Opening stock                                                          | 613.47                 | 80.78                  |
| -Closing stock                                                          | 78.71                  | 613.47                 |
|                                                                         | <b>534.76</b>          | <b>(532.69)</b>        |
| <b>Work-in-progress</b>                                                 |                        |                        |
| -Opening stock                                                          | 494.69                 | 491.15                 |
| -Closing stock                                                          | 35.31                  | 494.69                 |
|                                                                         | <b>459.38</b>          | <b>(3.54)</b>          |
| (Increase)/decrease in stock of inventories                             | <b>994.14</b>          | <b>(536.23)</b>        |

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**

|    | Particulars                                                                                             | As at<br>March 31, 2019 | As at<br>March 31, 2018 |
|----|---------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| 27 | <b>Employee benefits expense</b>                                                                        |                         |                         |
|    | Salaries, wages, allowances & other benefits                                                            | 969.88                  | 652.81                  |
|    | Staff welfare expenses                                                                                  | 53.65                   | 50.13                   |
|    | Contribution to provident & other funds (Refer note (a) below)                                          | 37.53                   | 35.07                   |
|    | Gratuity (Refer note 33)                                                                                | 29.85                   | 52.62                   |
|    |                                                                                                         | <b>1,090.91</b>         | <b>790.63</b>           |
|    | <br>Note (a) - Defined contribution plan<br>Amount recognized in the statement of profit & loss account |                         |                         |
|    | (i) Provident fund                                                                                      | 29.89                   | 25.95                   |
|    | (ii) Employee state insurance                                                                           | 7.64                    | 9.12                    |
|    |                                                                                                         | <b>37.53</b>            | <b>35.07</b>            |
| 28 | <b>Finance cost</b>                                                                                     |                         |                         |
|    | Interest on borrowings                                                                                  | 354.61                  | 206.20                  |
|    | Other borrowing cost                                                                                    | 4.25                    | 19.90                   |
|    |                                                                                                         | <b>358.86</b>           | <b>226.10</b>           |
| 29 | <b>Depreciation and amortisation expenses</b>                                                           |                         |                         |
|    | Depreciation and amortisation expenses                                                                  | 507.80                  | 409.56                  |
|    |                                                                                                         | <b>507.80</b>           | <b>409.56</b>           |
| 30 | <b>Other expenses</b>                                                                                   |                         |                         |
|    | Consumption of stores and spares                                                                        | 331.40                  | 281.61                  |
|    | Business promotion expenses                                                                             | 46.34                   | 32.79                   |
|    | Computer expenses                                                                                       | 0.17                    | 0.36                    |
|    | <b>Repairs and maintenance</b>                                                                          |                         |                         |
|    | - Machinery                                                                                             | 260.26                  | 206.86                  |
|    | - Building                                                                                              | 38.51                   | 24.55                   |
|    | - Others                                                                                                | 3.12                    | 5.46                    |
|    | Rent expenses                                                                                           | 99.37                   | 103.31                  |
|    | Rates and taxes                                                                                         | 13.55                   | 292.84                  |
|    | <b>Auditors' remuneration</b>                                                                           |                         |                         |
|    | - Audit fee                                                                                             | 4.00                    | 3.40                    |
|    | - Taxation fee*                                                                                         | 1.60                    | 0.60                    |
|    | - Internal audit expenses                                                                               | 0.08                    | -                       |
|    | Bank charges                                                                                            | 1.74                    | 4.47                    |
|    | Insurance charges                                                                                       | 10.90                   | 19.27                   |
|    | Travelling and conveyance                                                                               | 90.27                   | 81.65                   |
|    | Publicity and advertisement expenses                                                                    | 2.13                    | 2.29                    |
|    | Communication expenses                                                                                  | 27.11                   | 16.36                   |

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**

| Particulars                                            | As at           | As at           |
|--------------------------------------------------------|-----------------|-----------------|
|                                                        | March 31, 2019  | March 31, 2018  |
| Freight & forwarding expenses (Net)                    | 120.42          | 106.23          |
| General charges                                        | 26.60           | 25.23           |
| Legal and professional                                 | 66.96           | 75.74           |
| Manufacturing expenses                                 | 70.42           | 42.35           |
| Office expenses                                        | 7.87            | 8.75            |
| Printing & stationery                                  | 12.45           | 9.46            |
| Security charges                                       | 49.50           | 47.40           |
| Subscription charges                                   | 2.95            | 1.42            |
| Water & electricity expenses                           | 3.95            | 3.63            |
| Loss on disposal of property, plant & equipment        | 3.48            | -               |
| Balance written off                                    | 23.24           | 33.22           |
| Loss on fair valuation of investment measured at FVTPL | 0.81            | -               |
|                                                        | <b>1,319.20</b> | <b>1,429.25</b> |

\* Paid to other auditors

**31 Tax expenses**

Income tax expense recognised in statement of profit and loss

|                                     |                 |               |
|-------------------------------------|-----------------|---------------|
| Current tax                         | 730.78          | 305.43        |
| Earlier years tax adjustments (net) | 50.89           | 215.56        |
| Deferred tax                        | 291.17          | 92.96         |
|                                     | <b>1,072.84</b> | <b>613.95</b> |

The reconciliation of tax expense based on the domestic effective tax rate of at 34.944% (31 March 2018: 34.608%) and the reported tax expense in statement of profit or loss is as follows:

|                                                                                                         |                 |               |
|---------------------------------------------------------------------------------------------------------|-----------------|---------------|
| Profit Before Tax                                                                                       | 3,371.76        | 1,461.20      |
| Income tax using the Company's domestic tax rate                                                        | 981.86          | 505.69        |
| <b>Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense</b> |                 |               |
| Non-deductible expenses                                                                                 | 5.69            | 0.08          |
| Non-taxable income                                                                                      | (0.06)          | (6.39)        |
| Change in tax rates during the year                                                                     |                 | (75.75)       |
| Tax expense related to earlier years                                                                    | 50.89           | 215.56        |
| Others                                                                                                  | 34.46           | (25.25)       |
| <b>Tax expenses as per statement of profit and loss account</b>                                         | <b>1,072.84</b> | <b>613.95</b> |

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**
**32 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**

| Name of the related party                                     | Nature of relationship  |
|---------------------------------------------------------------|-------------------------|
| <b>Name of Directors &amp; 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. Rajbir 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    |
| Ms Meenakshi Sharma                                           | Independent Director    |
| Mr. Deepak Mathur                                             | Director (Technical)    |
| Mr. Rajiv Kumar                                               | Chief Financial Officer |
| Mr. Dipendra Chaudhary*                                       | Company Secretary       |

\* Company secretary Mr Dipender Chaudhary has resigned on 28th feb 2019

# Mr Shiv Dutt Sharma has resigned from date 01 November, 2018

**Entities in which KMP/Relatives of KMP can exercise significant influence**

Cirrus Chemicals Pvt. Ltd.

Entry India Projects Private Limited

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

| Particulars                         | Year          | Key managerial personnel (KMP) | Relatives of key managerial personnel | Entities in which KMP/Relatives of KMP can exercise significant influence |
|-------------------------------------|---------------|--------------------------------|---------------------------------------|---------------------------------------------------------------------------|
| <b>Transactions during the year</b> |               |                                |                                       |                                                                           |
| Remuneration                        | 31 March 2019 | 302.40                         | -                                     | -                                                                         |
|                                     | 31 March 2018 | 130.58                         | -                                     | -                                                                         |
| Sale of goods                       | 31 March 2019 | -                              | -                                     | 1,612.84                                                                  |
|                                     | 31 March 2018 | -                              | -                                     | 431.08                                                                    |
| Sales return                        | 31 March 2019 | -                              | -                                     | -                                                                         |
|                                     | 31 March 2018 | -                              | -                                     | 658.72                                                                    |

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**
**b) The following transactions were carried out with related parties:-**

| Particulars                         | Year          | Key managerial personnel (KMP) | Relatives of key managerial personnel | Entities in which KMP/ Relatives of KMP can exercise significant influence |
|-------------------------------------|---------------|--------------------------------|---------------------------------------|----------------------------------------------------------------------------|
| Purchase of capital goods           | 31 March 2019 | -                              | -                                     | 89.22                                                                      |
|                                     | 31 March 2018 | -                              | -                                     | -                                                                          |
| Reimbursement of expenses(received) | 31 March 2019 | -                              | -                                     | -                                                                          |
|                                     | 31 March 2018 | -                              | -                                     | 1.68                                                                       |
| Reimbursement of expenses(paid)     | 31 March 2019 | -                              | -                                     | -                                                                          |
|                                     | 31 March 2018 | -                              | -                                     | 1.17                                                                       |
| Loan taken                          | 31 March 2019 | -                              | -                                     | 969.00                                                                     |
|                                     | 31 March 2018 | 1,824.00                       | -                                     | 500.00                                                                     |
| Loan repaid                         | 31 March 2019 | 575.00                         | -                                     | 969.00                                                                     |
|                                     | 31 March 2018 | -                              | 1,576.00                              | 200.00                                                                     |
| Interest Paid                       | 31 March 2019 | -                              | -                                     | 77.23                                                                      |
|                                     | 31 March 2018 | -                              | -                                     | -                                                                          |
| <b>Outstanding Balance</b>          |               |                                |                                       |                                                                            |
| Loan taken                          | 31 March 2019 | 3,614.14                       | -                                     | 475.00                                                                     |
|                                     | 31 March 2018 | 4,189.14                       | -                                     | 475.00                                                                     |
| Trade receivable                    | 31 March 2019 | -                              | -                                     | 529.63                                                                     |
|                                     | 31 March 2018 | -                              | -                                     | -                                                                          |
| Trade payable                       | 31 March 2019 | -                              | -                                     | -                                                                          |
|                                     | 31 March 2018 | -                              | -                                     | 58.20                                                                      |
| Remuneration payable                | 31 March 2019 | 92.38                          | -                                     | -                                                                          |
|                                     | 31 March 2018 | 12.64                          | -                                     | -                                                                          |
| Reimbursement of expenses(net)      | 31 March 2019 | -                              | -                                     | -                                                                          |
|                                     | 31 March 2018 | -                              | -                                     | 1.76                                                                       |

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

| Description                        | 31 March 2019 | 31 March 2018 |
|------------------------------------|---------------|---------------|
| <b>Short term employee benefit</b> |               |               |
| Mr. Ajay Virmani                   | 211.11        | 61.14         |
| Mr. Madhav Dhir                    | 35.07         | 24.07         |
| Mr. Deepak Mathur                  | 32.90         | 29.05         |
| Mr. Rajiv Kumar                    | 17.77         | 14.67         |
| Mr. Rohit Verma                    | -             | 1.14          |
| Mr. Dipendra Chaudhary             | 5.55          | 0.52          |

As the liability for defined benefit plan are provided on actuarial basis for company as a whole, the amount pertaining to long term employee benefit and post employment benefit of key managerial personnel are not included.

**Notes to the Financial Statements for the year ended 31 March 2019**

(All amounts in INR Lakhs, unless otherwise stated)

**33 Employee benefit obligations**

| Particulars          | As at<br>31 March 2019 |               | As at<br>31 March 2018 |               |
|----------------------|------------------------|---------------|------------------------|---------------|
|                      | Current                | Non-current   | Current                | Non-current   |
| Gratuity             | 56.13                  | 98.74         | 26.41                  | 109.12        |
| Compensated absences | 44.79                  | 42.26         | 17.83                  | 61.43         |
| <b>Total</b>         | <b>100.92</b>          | <b>141.00</b> | <b>44.24</b>           | <b>170.55</b> |

**A Gratuity**

As per the payment of gratuity act 1972 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 gratuity plan is wholly unfunded.

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<br>ended<br>31 March<br>2019 | For the year<br>ended<br>31 March<br>2018 |
|-------------------------------------------------------------------------|-------------------------------------------|-------------------------------------------|
| Current service cost                                                    | 13.93                                     | 12.21                                     |
| Past service cost - vested                                              | -                                         | 8.20                                      |
| Net interest cost                                                       | 10.50                                     | 9.01                                      |
| <b>Amount recognised in the statement of profit and loss</b>            | <b>24.43</b>                              | <b>29.42</b>                              |
| <b>Actuarial loss/(gain) recognised during the year included in OCI</b> | <b>1.94</b>                               | <b>22.92</b>                              |

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

| Description                                                                    | As at<br>31 March<br>2019 | As at<br>31 March<br>2018 |
|--------------------------------------------------------------------------------|---------------------------|---------------------------|
| <b>Present value of defined benefit obligation as at the start of the year</b> | <b>135.53</b>             | <b>120.09</b>             |
| Current service cost                                                           | 13.93                     | 12.21                     |
| Past service cost - vested                                                     | -                         | 8.20                      |
| Interest cost                                                                  | 10.50                     | 9.01                      |
| Actuarial loss/(gain) on obligation                                            | 1.94                      | 22.92                     |
| Benefits paid                                                                  | (7.04)                    | (36.90)                   |
| <b>Present value of defined benefit obligation as at the end of the year</b>   | <b>154.86</b>             | <b>135.53</b>             |

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**
**(iii) Breakup of actuarial (gain)/loss:**

| Description                                                 | For the year ended<br>31 March 2019 | For the year ended<br>31 March 2018 |
|-------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Actuarial (gain)/loss from change in demographic assumption | -                                   | -                                   |
| Actuarial (gain)/loss from change in financial assumption   | 0.61                                | (1.39)                              |
| Actuarial (gain)/loss from experience adjustment            | 1.33                                | 24.32                               |
| <b>Total actuarial (gain)/loss</b>                          | <b>1.94</b>                         | <b>22.93</b>                        |

**(iv) Actuarial assumptions**

| Description                                       | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------------------------------------|------------------------|------------------------|
| <b><u>Financial assumptions:</u></b>              |                        |                        |
| Discount rate                                     | 7.65%                  | 7.75%                  |
| Future Basic salary increase                      | 5.00%                  | 5.00%                  |
| <b><u>Demographic assumptions:</u></b>            |                        |                        |
| Average remaining working lives employees (years) | 17.59                  | 16.25                  |
| Retirement age (Years)                            | 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) Expected Contribution for the next annual reporting period**

| Description               | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------------|------------------------|------------------------|
| Service cost              | 15.47                  | 13.55                  |
| Net interest cost         | 11.85                  | 10.50                  |
| Net periodic benefit cost | 27.31                  | 24.05                  |

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

| Description                                        | For the year ended<br>31 March 2019 | For the year ended<br>31 March 2018 |
|----------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Impact of the change in discount rate</b>       |                                     |                                     |
| Present value of obligation at the end of the year | <b>154.86</b>                       | <b>135.53</b>                       |
| - Impact due to increase of 0.50 %                 | (3.87)                              | (3.33)                              |
| - Impact due to decrease of 0.50 %                 | 3.58                                | 3.11                                |
| <b>Impact of the change in salary increase</b>     |                                     |                                     |
| Present value of obligation at the end of the year | <b>154.86</b>                       | <b>135.53</b>                       |
| - Impact due to increase of 0.50 %                 | 3.68                                | 3.20                                |
| - Impact due to decrease of 0.50 %                 | (3.98)                              | (3.42)                              |

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**

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<br>31 March 2019 | As at<br>31 March 2018 |
|--------------------------|------------------------|------------------------|
| March 2019 to March 2020 | 57.62                  | 30.04                  |
| March 2020 to March 2021 | 9.58                   | 28.63                  |
| March 2021 to March 2022 | 14.75                  | 8.30                   |
| March 2022 to March 2023 | 5.75                   | 12.61                  |
| March 2023 to March 2024 | 23.35                  | 5.04                   |
| March 2024 to March 2025 | 14.07                  | 20.61                  |
| March 2025 onwards       | 51.68                  | 49.70                  |

**B Compensated absences**

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<br>ended<br>31 March 2019 | For the year<br>ended<br>31 March 2018 |
| Current service cost                                         | 10.86                                  | 9.65                                   |
| Net interest cost                                            | 6.14                                   | 4.70                                   |
| Actuarial loss/(gain) recognised during the year             | (5.42)                                 | 21.64                                  |
| <b>Amount recognised in the statement of profit and loss</b> | <b>11.58</b>                           | <b>35.99</b>                           |
| <b>Amount recognised in the statement of profit and loss</b> | <b>(3.80)</b>                          | <b>(19.43)</b>                         |

**(ii) Movement in net liability**

| Description                  | Earned leave           |                        |
|------------------------------|------------------------|------------------------|
|                              | As at<br>31 March 2019 | As at<br>31 March 2018 |
| <b>Opening net liability</b> | <b>92.84</b>           | <b>76.28</b>           |
| Expenses as above            | 11.58                  | 35.99                  |
| Benefits paid                | (3.80)                 | (19.43)                |
| <b>Closing net liability</b> | <b>100.62</b>          | <b>92.84</b>           |

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**
**(iii) Actuarial assumptions**

| Description                                       | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------------------------------------|------------------------|------------------------|
| <b>Financial assumptions:</b>                     |                        |                        |
| Discount rate                                     | 7.65%                  | 7.75%                  |
| Future Basic salary increase                      | 5.00%                  | 5.00%                  |
| <b>Demographic assumptions:</b>                   |                        |                        |
| Average remaining working lives employees (years) | 17.59                  | 16.25                  |
| Retirement age (Years)                            | 58                     | 58                     |

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

| Description              | As at<br>31 March 2019 | As at<br>31 March 2018 |
|--------------------------|------------------------|------------------------|
| March 2019 to March 2020 | 43.92                  | 17.02                  |
| March 2020 to March 2021 | 2.62                   | 28.71                  |
| March 2021 to March 2022 | 3.84                   | 2.33                   |
| March 2022 to March 2023 | 1.34                   | 3.30                   |
| March 2023 to March 2024 | 10.13                  | 2.01                   |
| March 2024 to March 2025 | 4.79                   | 9.09                   |
| March 2025 onwards       | 31.54                  | 26.22                  |

**(v) Expected Contribution for the next annual reporting period**

| Description               | As at<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------------|------------------------|------------------------|
| Service cost              | 11.51                  | 10.23                  |
| Net interest cost         | 6.66                   | 6.14                   |
| Net periodic benefit cost | 18.17                  | 16.37                  |

**(vi) Sensitivity analysis for compensated absences liability**

| Description                                        | For the year<br>ended<br>31 March 2019 | For the year<br>ended<br>31 March 2018 |
|----------------------------------------------------|----------------------------------------|----------------------------------------|
| <b>Impact of the change in discount rate</b>       |                                        |                                        |
| Present value of obligation at the end of the year | <b>87.05</b>                           | <b>79.26</b>                           |
| - Impact due to increase of 0.50 %                 | 0.21                                   | (1.08)                                 |
| - Impact due to decrease of 0.50 %                 | 0.63                                   | (0.72)                                 |
| <b>Impact of the change in salary increase</b>     |                                        |                                        |
| Present value of obligation at the end of the year | <b>87.05</b>                           | <b>79.26</b>                           |
| - Impact due to increase of 0.50 %                 | 0.22                                   | (1.11)                                 |
| - Impact due to decrease of 0.50 %                 | 0.65                                   | (0.74)                                 |

**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.
- The discount rate, future basic salary increase are significant actuarial assumptions
- The average remaining working lives and retirement age are insignificant actuarial assumptions

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**
**34 Leases**
**In case of assets taken on lease**
*Operating Lease:*

The company does not have any cancelable lease (other than those specified below), The aggregate lease rentals payable are charged as rent in the Statement of Profit and Loss. The Company has entered into agreement for lease arrangements of factory building and office premises on non cancel-able operating lease for official and operational activities from a third party. The lease arrangement is in the range between 3 to 99 years,. The lease rent of Rs 99.37 Lakhs (2017-18: Rs 103.31 Lakhs) on such lease is included in rent expenses.

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

| Particulars                                                                | As at 31<br>March 2019 | As at 31<br>March 2018 |
|----------------------------------------------------------------------------|------------------------|------------------------|
| Lease payments for the year recognised in the Statement of Profit and Loss | 99.37                  | 103.31                 |
| <b>Minimum lease payments:</b>                                             |                        |                        |
| Not later than one year                                                    | 36.92                  | -                      |
| Later than one year but not later than five years                          | 61.15                  | -                      |
| Later than five years                                                      | -                      | -                      |

**35 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**

| Particulars                      | 31 March 2019 | 31 March 2018 | Level   | Valuation techniques and key inputs                                                  |
|----------------------------------|---------------|---------------|---------|--------------------------------------------------------------------------------------|
| Investment in equity instruments | 9.17          | 9.98          | Level 1 | Fair value of equity instruments have been determined using the quoted market price. |
| Investment in mutual funds       | 2.66          | 2.00          | Level 1 | Net asset value (NAV) obtained from an active market.                                |
| <b>Total</b>                     | <b>11.83</b>  | <b>11.98</b>  |         |                                                                                      |

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**
**(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 2019   |                 | 31 March 2018   |                 |
|------------------------------------|---------|-----------------|-----------------|-----------------|-----------------|
|                                    |         | Carrying value  | Fair value      | Carrying value  | Fair value      |
| <b>Financial assets</b>            |         |                 |                 |                 |                 |
| Investments                        | Level 3 | 0.32            | 0.32            | 0.32            | 0.32            |
| Loans                              | Level 3 | 46.98           | 46.98           | 15.15           | 15.15           |
| Trade receivable                   | Level 3 | 900.40          | 900.40          | 352.44          | 352.44          |
| <b>Total financial assets</b>      |         | <b>947.70</b>   | <b>947.70</b>   | <b>367.91</b>   | <b>367.91</b>   |
| Borrowings                         | Level 3 | 6,293.81        | 6,293.81        | 7,124.26        | 7,124.26        |
| Trade payables                     | Level 3 | 42.82           | 42.82           | 72.55           | 72.55           |
| Other financial liabilities        | Level 3 | 599.53          | 599.53          | 597.87          | 597.87          |
| <b>Total financial liabilities</b> |         | <b>6,936.16</b> | <b>6,936.16</b> | <b>7,794.68</b> | <b>7,794.68</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.

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

| Particulars                     | 31 March 2019 |          |                 | 31 March 2018 |          |                 |
|---------------------------------|---------------|----------|-----------------|---------------|----------|-----------------|
|                                 | FVTPL         | FVOCI    | Amortised cost  | FVTPL         | FVOCI    | Amortised cost  |
| <b>Financial assets</b>         |               |          |                 |               |          |                 |
| Investments                     | 11.83         | -        | 0.32            | 11.98         | -        | 0.32            |
| Loan - security deposits        | -             | -        | -               | -             | -        | -               |
| Loan - employees                | -             | -        | 6.74            | -             | -        | 15.15           |
| Loan - Other                    | -             | -        | 40.24           | -             | -        | -               |
| Trade receivables               | -             | -        | 900.40          | -             | -        | 352.44          |
| Cash and cash equivalents       | -             | -        | 1,104.15        | -             | -        | 319.27          |
| <b>Total</b>                    | <b>11.83</b>  | <b>-</b> | <b>2,051.85</b> | <b>11.98</b>  | <b>-</b> | <b>687.18</b>   |
| <b>Financial liabilities</b>    |               |          |                 |               |          |                 |
| Borrowings (including interest) | -             | -        | 6,815.28        | -             | -        | 7,667.18        |
| Trade payable                   | -             | -        | 42.82           | -             | -        | 72.55           |
| Other financial liabilities     | -             | -        | 78.07           | -             | -        | 54.95           |
| <b>Total</b>                    | <b>-</b>      | <b>-</b> | <b>6,936.17</b> | <b>-</b>      | <b>-</b> | <b>7,794.68</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.

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**
**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

**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 2019 | 31 March 2018 |
|---------------|---------------------------|---------------|---------------|
| A: Low        | Loans                     | 46.98         | 15.14         |
|               | Investments               | 0.32          | 0.32          |
|               | Cash and cash equivalents | 1,104.15      | 319.27        |
|               | Trade receivables         | 900.40        | 352.44        |

*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.

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**
**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.

| <b>31 March 2019</b>          | <b>Less than 1 year</b> | <b>1-5 year</b> | <b>More than 5 years</b> | <b>Total</b>    |
|-------------------------------|-------------------------|-----------------|--------------------------|-----------------|
| Borrowings including interest | -                       | 1,275.85        | 5,017.97                 | 6,293.82        |
| Trade payable                 | 42.82                   | -               | -                        | 42.82           |
| Other financial liabilities   | 599.53                  | -               | -                        | 599.53          |
| <b>Total</b>                  | <b>642.35</b>           | <b>1,275.85</b> | <b>5,017.97</b>          | <b>6,936.17</b> |

| <b>31 March 2018</b>          | <b>Less than 1 year</b> | <b>1-5 year</b> | <b>More than 5 years</b> | <b>Total</b>    |
|-------------------------------|-------------------------|-----------------|--------------------------|-----------------|
| 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> |

**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:

| <b>Particulars</b>       | <b>31 March 2019</b> | <b>31 March 2018</b> |
|--------------------------|----------------------|----------------------|
| <b>Price sensitivity</b> |                      |                      |
| Price increase by 5%     | 0.59                 | 0.60                 |
| Price decrease by 5%     | (0.59)               | (0.60)               |

**37 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.

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**

| Particulars                     | 31 March 2019   | 31 March 2018   |
|---------------------------------|-----------------|-----------------|
| Total borrowings                | 6,815.27        | 7,667.18        |
| Less : cash and cash equivalent | 1,104.15        | 319.27          |
| <b>Net debt</b>                 | <b>5,711.12</b> | <b>7,347.91</b> |
| Total equity                    | 7,547.85        | 5,246.46        |
| <b>Net debt to equity ratio</b> | <b>75.67%</b>   | <b>140.05%</b>  |

**38 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:**

| Particulars                                                                                                                                                                                                                                                        | As at<br>31 March 2019 | As at<br>31 March 2018 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| i) Principal amount due to suppliers under MSMED Act                                                                                                                                                                                                               | Nil                    | Nil                    |
| ii) Interest accrued and due to suppliers under MSMED Act on the above amount                                                                                                                                                                                      | Nil                    | Nil                    |
| iii) Payment made to suppliers (other than interest) beyond appointed day during the year                                                                                                                                                                          | Nil                    | Nil                    |
| iv) Interest paid to suppliers under MSMED Act                                                                                                                                                                                                                     | 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                    |
| vi) Interest due and payable to suppliers under MSMED Act towards payments already made                                                                                                                                                                            | Nil                    | Nil                    |
| vii) Interest accrued and remaining unpaid at the end of the accounting year                                                                                                                                                                                       | 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.

**39 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.

**40 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.20.88 Lakhs (March 31, 2018: Rs. 8.60 Lakh)

ii) Amount spent during the year

| Purpose for which expenditure incurred   | For the year<br>ended<br>31 March, 2019 | For the year<br>ended<br>31 March, 2018 |
|------------------------------------------|-----------------------------------------|-----------------------------------------|
| - Construction/acquisitions of any asset | -                                       | -                                       |
| - On purpose other than above mentioned  | -                                       | -                                       |
| Amount yet to be spent                   | 29.48                                   | 8.60                                    |
| <b>Total</b>                             | <b>29.48</b>                            | <b>8.60</b>                             |

**Notes to the Financial Statements for the year ended 31 March 2019**
**(All amounts in INR Lakhs, unless otherwise stated)**
**41 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<br>31 March 2019 | As at<br>31 March 2018 |
|---------------------------------------------------|------------------------|------------------------|
| <b>Current</b>                                    |                        |                        |
| Inventories                                       | 1,060.99               | 1,923.37               |
| Trade receivables                                 | 900.40                 | 352.44                 |
| Cash and cash equivalents and other bank balances | 1,104.15               | 319.27                 |
| Other current assets                              | 648.69                 | 926.76                 |
| <b>Non Current</b>                                |                        |                        |
| Plant, Property and Equipment                     | 12,433.17              | 11,143.35              |

**42 Earnings per share**

| Particulars                                                            | For the year<br>ended<br>31 March 2019 | For the year<br>ended<br>31 March 2018 |
|------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Net profit for the year                                                | 2,298.92                               | 847.25                                 |
| 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.)                                                        | 9.14                                   | 3.37                                   |
| (2) Diluted (Rs.)                                                      | 9.14                                   | 3.37                                   |

**43 Contingent liabilities and commitments**

(to the extent not provided for)

**A Contingent liabilities**

Claim against the company not acknowledge as debt

| S.no | Particulars                                                                  | Period to<br>which the<br>amount<br>relates | For the year<br>ended<br>31 March 2019 | For the year<br>ended<br>31 March<br>2018 |
|------|------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------|-------------------------------------------|
| 1    | In respect of Excise duty disputes pending with various judicial authorities | 1995-99                                     | 64.76                                  | 64.76                                     |
| 2    | In respect of Excise duty disputes pending with various judicial authorities | 2011-12                                     | 1.53                                   | 1.53                                      |
| 3    | In respect of Entry tax disputes pending with judicial authorities           | 2003-11                                     | 27.28                                  | 27.28                                     |
|      |                                                                              | <b>Total</b>                                | <b>93.57</b>                           | <b>93.57</b>                              |

1. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings

**Notes to the Financial Statements for the year ended 31 March 2019****(All amounts in INR Lakhs, unless otherwise stated)**

as it is determinable only on receipt of judgements/decisions pending with various forums/ authorities.

2. The Company does not expect any reimbursements in respect of the above contingent liabilities.

3. The Company's pending litigations comprise of claims against the Company pertaining to proceedings pending with Sales tax authorities. The Company has reviewed

all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where

applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results

- 44** Unclaimed amount in respect of debentures and excess share application money refundable Rs. 11.64 lakhs, (Previous year: 31 March 2018: 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.

**45 Authorisation of financial statements**

These financial statements for the year ended 31 March 2019 (including comparatives) were approved by the Board of Directors on 29 May 2019.

**For Gupta Vigg & Co.****For and on behalf of Board of Directors of  
Lords Chloro Alkali Limited**

Chartered Accountants

Firm Registration No. 001393N

**CA. Deepak Pokhriyal**  
Partner**Yuvraj Ahuja**

Director

DIN 00164675

**Madhav Dhir**

Director

DIN 07227587

**Ajay Virmani**

Managing Director

DIN 00758726

Membership No. 524778

**Anish Kumar**

Company Secretary

**Rajiv Kumar**

Chief Financial Officer

Place: New Delhi

Date: 29 May 2019

**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 40<sup>th</sup> Annual General Meeting of the company being held on Monday, 30<sup>th</sup> September, 2019 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<br/>(Electronic Voting<br/>Event Number)</b> | <b>User ID</b> | <b>Default PAN/Sequence<br/>Number</b> |
|------------------------------------------------------|----------------|----------------------------------------|
|                                                      |                |                                        |

*Please see note no. 15 to the Notice dated 13<sup>th</sup> August, 2019 convening the AGM for the procedure with respect to e-voting.*

**Note:** The remote e-voting period commences on Thursday, 26<sup>th</sup> September, 2019 (at 9.00 A.M. IST) and ends on Sunday, 29<sup>th</sup> September, 2019 (at 5.00 P.M. IST)

**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 40<sup>th</sup> Annual General Meeting of the Company, to be held on Monday, the 30<sup>th</sup> day of September, 2019 at 10.30 A.M. at the Registered office of the Company at SP-460, MIA, Alwar, Rajasthan 3010 01 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, 2019 and the reports of the Board of Directors and Auditors thereon. |           |         |
| 2.             | To appoint Shri Rakesh Ahuja (DIN: 00224315), who retires by rotation at this meeting and being eligible has offered himself for re-appointment.                                                   |           |         |
|                | <b>Special Business</b>                                                                                                                                                                            |           |         |
| 3.             | To Consider and approve the re-appointment and payment of remuneration to Shri Madhav Dhir (DIN:07227587) Whole Time Director of the Company.                                                      |           |         |
| 4.             | To Consider and approve appointment of Ms. Meenakshi Sharma (DIN:03518749) as an Independent Director of the Company.                                                                              |           |         |
| 5.             | To ratify the remuneration of the Cost Auditors for the Financial Year 2019-20                                                                                                                     |           |         |

\* 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 .....

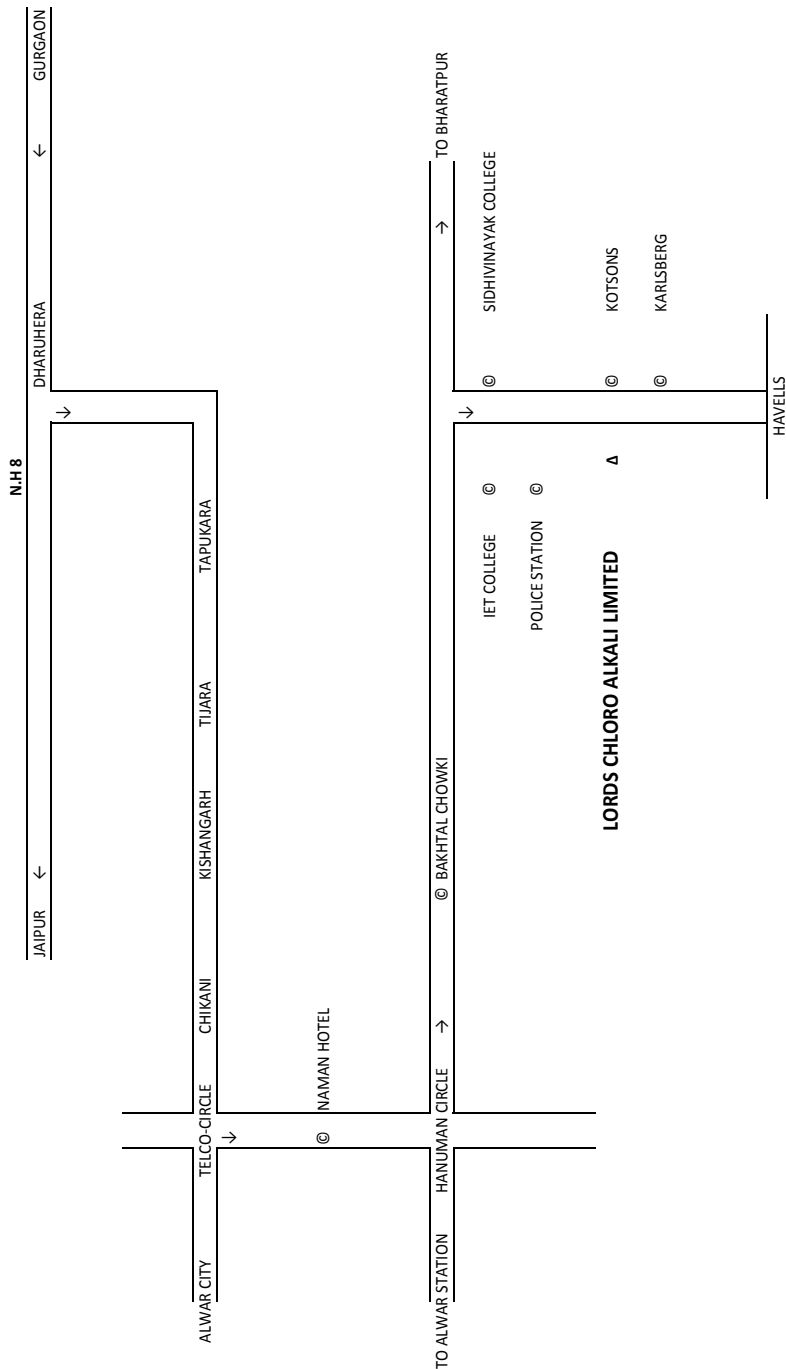
Signature of third Proxy holder .....

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 28<sup>th</sup> September, 2019.
2. For the Resolutions, Explanatory Statements and notes, please refer to the notice of the 40<sup>th</sup> Annual General Meeting of the Company.
3. Please complete all details including detail of member(s) in above box before submission.

## Route Map of AGM venue







BOOK POST

*If undelivered, please return to :*

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