

Date: 5th December, 2020

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

BSE Scrip Code: 500284

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)

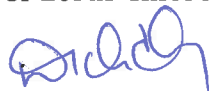
Dear Sir,

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 **41st Annual General Meeting of the Members of the Company** scheduled to **be held on Wednesday, 30th December, 2020 at 11.00 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

Kindly take the above in your record.

Yours faithfully
For Lords Chloro Alkali Limited



**Dipendra Chaudhary
Company Secretary**

Encl: A/a



41st Annual Report

2019 - 2020

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
Ms. Poonam Bisht	Independent Director
Shri Rajendra Prasad Chauhan	Independent Director
Shri Sandeep Singh	Independent Director
Shri Deepak Mathur	Director (Technical)

**Company Secretary &
Compliance Officer**

Shri Dipendra Chaudhary

Chief Financial Officer

Shri Rajiv Kumar

Statutory Auditors

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

Secretarial Auditor

M/s. SSPK & Co.,
Company Secretaries,
09, SG Shopping Mall,
DC Chowk, Sector 9, Rohini,
New Delhi 110085

Cost Auditors

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

**Registrar & Share Transfer
Agent**

M/s. Alankit Assignments Limited
"Alankit Heights" (RTA Division),
4E/2, Jhandewalan Extn.
New Delhi – 110055
Ph No: 011-42541234 &23541234
Fax No.: 011-41543474

Registered Office & Plant

SP-460, Matsya Industrial Area,
Alwar, Rajasthan- 301030

Corporate Office

A-264, 1st Floor, Defence Colony,
New Delhi-110024.

Ph. No.: 011-46865999

Fax No: 011-46865930

E-mail: secretarial@lordschloro.com

Website: www.lordschloro.com

About the Company

Lords Chloro Alkali Ltd. (LCAL) was incorporated in 1979 and listed company on BSE Limited since 1982, for producing a wide range of chemicals i.e. Caustic Soda, Chlorine, Hydrogen, HCL, Stable bleaching powder and Tri Chloro Ethylene, which commanded the market in North India. LCAL is having a advanced technology plant situated at SP-460, Matsya Industrial Area, Alwar Rajasthan 301030, with the production capacity of 210 TPD and planning to enhance Caustic soda capacity to 300 TPD in next year.



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

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

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,

“Teamwork is the ability to work together toward a common vision. It is the fuel that allows common people to attain uncommon results”

It is an honor for me to share my thoughts with you as your Company's Managing Director. I hope you and your families are safe. We are indeed living through very unusual times and your Company also has faced the challenge of Covid-19 pandemic. The company took timely and essential measures for well-being of its employees by implementing covid preventive work practices. Your company also donated almost 200 tons of hypochlorite to local communities in addition to distribution of thousands of parcels of cooked food. Government of Rajasthan duly recognized the efforts of your company.

The current times are really testing our resources but your company has shown resolve to overcome these challenges and shall achieve full capacity production in the third quarter of the current year.

We had started financial year 2019-20 with a very positive thought on growth and had planned for the execution of strategies to improve technology, environment, product range to bring in cost efficiency and better profitability but had to defer the plans due to the pandemic and the resultant downturn in the economy. Your company will start implementing these plans from the fourth quarter of the current year and is looking forward to a great 2021-22 due to bounce back in the economy.

Your Company, in the past, had increased its production capacity to 210 TPD and now all the electrolyzers are based on new zero gap technology, which is more reliable, energy efficient and has enabled the company to be meaningfully viable in the market. Company has plans to increase the Caustic soda capacity to 300 TPD in the near future and also to add derivatives of caustic soda and chlorine. The consent to establish for these projects from the relevant authorities has already been received by the company.

We also remain committed to ensure the highest standards of corporate governance in true spirit.

We would like to take this opportunity to thank each and every employee, supplier, customer and technology partners for their unflinching support. 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 41st Annual General Meeting of the Members of **LORDS CHLORO ALKALI LIMITED** will be held on Wednesday, 30th December, 2020 at 11.00 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 31st March, 2020 and the reports of the Board of Directors and Auditors thereon.
2. To appoint Shri Yuvraj Ahuja (DIN: 00164675), who retires by rotation at this meeting and being eligible has offered himself for reappointment.

SPECIAL BUSINESS:

3. **To consider and approve increase in remuneration to Shri Ajay Virmani (DIN 00758726), Managing Director of the Company**

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

“RESOLVED THAT subject to the provisions of Section 197 and 198 of the Companies Act, 2013 (“the Act”) and rules made thereunder read with Schedule-V of the Act (including any statutory modifications or re-enactment thereof for the time being in force) and other applicable provisions of the Act, Articles of Association of the Company, subject to approval of any other authorities, if required, and as per the recommendation of Nomination & Remuneration Committee and Board of Directors of the Company, consent of Members of the Company be and is hereby accorded to increase the remuneration of Shri Ajay Virmani (DIN 00758726) as Managing Director of the Company w.e.f. 1st January, 2021 for his remaining term subject to the following terms & conditions:

- a) Minimum fixed salary of Rs. 1,33,00,000/- (Rupees One Crore Thirty Three Lakhs Only) per annum.
- b) Special allowance @ 4% of Earning before Depreciation and Taxes after Interest (EBDTAI), if it is above Rs. 15 crores and upto Rs. 25 crores in a particular financial year and
- c) Performance bonus @ 5% of EBDTAI, if it is above Rs. 25 crores and upto Rs. 50 crores in a particular financial year, in addition to the above mentioned special allowance referred in point no. (b) above and

- d) Additional Performance Incentive @ 6% of EBDTAI, if it is above Rs. 50 crores and upto Rs. 100 crores in a particular financial year, in addition to the above mentioned special allowance and performance bonus referred in point no. (b) and (c) above and
- e) Special Incentive @ 7% of EBDTAI, if it is above Rs. 100 crores in a particular financial year, in addition to the above mentioned special allowance, performance bonus and incentive referred in point no. (b), (c) and (d) above.

RESOLVED FURTHER THAT in the event of Company having no profit or inadequacy of profit in any financial year, during the tenure of Shri Ajay Virmani as Managing Director of the Company, the aforesaid remuneration shall be paid as the minimum remuneration payable to him subject to the provisions and necessary approvals in accordance with the limits prescribed in Schedule V of the Act.

RESOLVED FURTHER THAT Board of Directors 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 Shri Rajendra Prasad Chauhan (DIN: 01444662) 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, 152, 161 read with Schedule IV, and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”), Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Rajendra Prasad Chauhan (DIN: 01444662), who was appointed as an Additional Director (Independent) w.e.f. 1st August, 2020 by the Board of Directors upon recommendation by the Nomination and Remuneration Committee of the Company, and whose term expires at this Annual General Meeting, in respect of whom a notice proposing his candidature for the office of Independent Director has been received be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable

to retire by rotation, to hold office for a period of Five (5) consecutive years with effect from 1st August, 2020.

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 consider and approve appointment of Shri Sandeep Singh (DIN: 03603531) 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, 152, 161 read with Schedule IV, and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”), Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Sandeep Singh (DIN: 03603531), who was appointed as an Additional Director (Independent) w.e.f. 1st September, 2020 by the Board of Directors upon recommendation by the Nomination and Remuneration Committee of the Company, and whose term expires at this Annual General Meeting, in respect of whom a notice proposing his candidature for the office of Independent Director has been received be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a period of Five (5) consecutive years with effect from 1st September, 2020”.

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.”

6. To ratify the remuneration of the Cost Auditors for the Financial Year 2020-21

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 20th July, 2020 to conduct the audit of the cost records of the company for the Financial Year 2020-21.”

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

**Place: New Delhi
Date: 17th September, 2020**

**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 6 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 11:00 A.M. of 30th December, 2020.

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 Saturday, 26th December, 2020 to Wednesday, 30th December, 2020 (both days inclusive).
7. The information about the Director, proposed to be appointed/ re-appointed 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 27th 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. 1st 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. In compliance with MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019- 20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members whose email is not registered may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.lordschloro.com, websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com respectively.

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 41st 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 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.
- III. 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.
- IV. 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 :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 115064 then user ID is 115064001***

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.
 - b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on 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 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 with a copy marked to 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.nsd.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.nsd.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Other Instructions

- I. The e-voting period commences on Saturday, 26th December, 2020 (9.00 A.M. IST) and ends on Tuesday, 29th December, 2020 (5.00 P.M. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Wednesday, 23rd December, 2020 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 Wednesday, 23rd December, 2020 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 email of the notice and holding shares as of the cut-off date i.e. Wednesday, 23rd December, 2020, may obtain the login ID and password by sending a request

at 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, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting 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 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

Shri Ajay Virmani (DIN 00758726) aged 59 years, Chartered Accountant, was re-appointed as Managing Director of the Company for a further period of three years w.e.f. 12th July, 2018, with payment of remuneration subject to the following terms & conditions:

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

Pursuant to section 197 read with Schedule-V of the Companies Act, 2013, and subject to the approval of the shareholders and recommended by the Nomination and Remuneration Committee, the Board has enhanced the Minimum fixed salary from Rs. 1,00,00,000/- (Rupees One Crore Only) per annum to Rs. 1,33,00,000/- (Rupees One Crore Thirty Three Lakhs Only) per annum with effect from 1st January, 2021 for his remaining term and other terms and condition including perquisites, incentives remaining unchanged.

Shri Ajay Virmani was appointed as Executive Director & CEO of the Company for a period of three years w.e.f. 14th May, 2010. Further, he was appointed as Managing Director of the Company for a period of three years w.e.f. 12th July, 2012. He is involved in the day to day management of the Company and takes keen interest in all the on-going projects right from conception and planning till its execution and has been guiding the activities of the Company all through. Shri Ajay Virmani is not on the Board of any other Company and any committee(s) of other Company. He is completely devoting his time to this Company only. He has no shareholding in this Company. He has attended all Board meeting during the year 2019-20. He has not any relationship with other Directors, Manager and other Key Managerial Personnel of the company,

In this regard, the details under Section-II of Part-II of Schedule – V of the Companies Act, 2013, required for the resolutions mentioned in item No. 3 of the Notice, the following information is furnished below for resolution No. 3

I. General information:

- (1) **Nature of Industry:** Company is engaged in manufacturing of Caustic Soda, Liquid Chlorine, Stable Bleaching Powder, Hydrochloric Acid, Trichloroethylene and Hydrogen Gas.
- (2) **Date of Commencement of Commercial Production:** The Company commenced production of Caustic Soda in April 1983 with a capacity of 125 tonnes per day.
- (3) **Financial Performance:**

(Rs. In Lakhs)

Year	2018-19	2017-18	2016-17
Sales	25,113.56	16,594.74	12,115.87
Net Profit/(Loss)	2,298.92	847.25	358.66

II. Information about the appointee:

1. Background Details:

Shri Ajay Virmani, Chartered Accountant, appointed as Managing Director of the Company w.e.f. 12th July, 2012. He is a high caliber professional and is ideally suited for this position. He is fully equipped to facilitate the operation of the Company due to his vital experience of over 33 years.

2. Past Remuneration:

He was reappointed Managing Director of the Company for a period of three years w.e.f. 12th July, 2018 with a Minimum fixed salary of Rs. 1,00,00,000/- (Rupees One Crore Only) per annum besides perquisites and allowances as approved by the Board of Directors.

3. Job profile and his suitability:

Shri Ajay Virmani is involved in the day to day management of the Company and takes keen interest in all the on-going projects right from conception and planning till its execution and has been guiding the activities of the Company all through.

For the purpose of turnaround the Company to the profitability, revamp of the plant, expansion of capacity of production and other project, the Shareholders of the Company in their Annual

General Meeting held on 27th September, 2018, has approved the re- appointment of Shri Ajay Virmani as Managing Director of the Company for the period of three years w.e.f. 12th July, 2018.

4. Remuneration proposed

The details of remuneration proposed to be paid to Shri Ajay Virmani as Managing Director of the Company are furnished in the resolution proposed for member's approval under Item No. 3 of this Notice.

5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)

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

6. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

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

(III) Other Information:

1. Reasons of loss or inadequacy of profit

The demand for caustic soda in India in 2019-20 is 3.95 million TPA including exports. Aluminum, Textile, Paper and other consuming sectors performance resulted in increased demand for Caustic Soda. There was no expansion in caustic soda production capacity in 2019-20 in Northern India. However the year seen decline in Caustic Soda price realization due to slow economic conditions and COVID-19 in the year end. Slowdown in the manufacturing sector and supply rate hugely impacted the revenue of the Company during the year under review.

2. Steps taken or proposed to be taken for improvement

The Company has increased its production capacity to 210 TPD. Now all the electrolyzers are based on new technology which is more reliable, energy efficient and has made the company to stay in the market.

3. **Expected increase in productivity and profits in measurable terms**

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. Company actively considering to come up with captive chlorine consumption plant next year.

IV. Disclosures

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

None of the other Directors and Key Managerial Personnel of the Company in anyway, concerned or interested in the said resolutions. Above may also be treated as an abstract of the terms and conditions governing the remuneration of the Managing Director pursuant to Section 197 and 203 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.

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 Shri Rajendra Prasad Chauhan (DIN: 01444662) as an Independent Director, with effect from 1st August, 2020, 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 his candidature for the office of Independent Director of the Company.

Shri Rajendra Prasad Chauhan is not disqualified from being appointed as a Director in terms of Section 164 of the Act. He has given his consent to act as a Director and a declaration to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Act.

In the opinion of the Board, he 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 he is independent of the management.

Shri Rajendra Prasad Chauhan, aged 48 years, is a commerce graduate and a Chartered Accountant from the Institute of Chartered Accountants of India.

He is also a Qualified Cost Accountant from the Institute of Cost and Works Accountants of India. He having a vast and rich experience & knowledge in Financial Accounting & Reporting, Project Financing, Audit Management (Statutory/ Internal/Taxation), Statutory Compliances, Direct & Indirect Taxation matters, Transfer Pricing etc. He has been associated with the Company as an Independent Director since 1st August, 2020.

He is not related with any other director/KMP of the Company and do not hold any equity share in the company.

Further, he is not a Director of any other Company and he does not hold any Directorship, Chairmanship / Membership of Committees of other Board.

Except Shri Rajendra Prasad Chauhan, 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 of the Notice as an Ordinary Resolution.

ITEM NO. 5

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 Shri Sandeep Singh (DIN: 03603531) as an Independent Director, with effect from 1st September, 2020, 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.

Shri Sandeep Singh is not disqualified from being appointed as a Director in terms of Section 164 of the Act. He has given his consent to act as a Director and a declaration to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Act.

In the opinion of the Board, he 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.

Shri Sandeep Singh, aged 34 years is a practising Company Secretary. He is also a law graduate. Possessing an expertise of over a decade, he has a very wide experience in the statutes concerning Corporate Laws, Foreign Exchange Management Act, RBI related statues and laws, Insolvency & Bankruptcy Code and SEBI related laws and regulations. His advisory and consultancies have been widely sought after by various corporate houses, thereby assuring

the up to date compliances of these corporates with the applicable laws, as well as with the applicable amendments.

He is not related with any other director/KMP of the Company and do not hold any equity share in the company.

Further, Shri Sandeep Singh is also an Independent Director of other Company and details of other entities in which she holds Directorship, Chairmanship / Membership of Committees of other Board are as follows:

S. No.	Name of the Companies	Position held	Name of the Committees of the Board	Chairman/ Member
1	C.J. Gelatine Products Limited	Director	Audit Committee	Member

Except Shri Sandeep Singh, 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. 5 of the Notice.

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

ITEM NO.6

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 2020-21 at a remuneration of Rs. 75,000/- (Rupees Seventy Five 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. 6 of the notice for ratification of remuneration payable to the cost auditors for the financial year 2020-21.

None of the Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution set out at item no. 6 of the notice.

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

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

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

**Place: New Delhi
Date: 17th September, 2020**

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

Name of Director	Shri Yuvraj Ahuja
Director Identification No.	00164675
Date of Birth	28/10/1987
Brief Resume	Shri Yuvraj Ahuja, aged 32 years, is the Non-Executive Director and one of the Promoters of the Company. As a Non-Executive Director, he advises the management of the Company on all strategic matters relating to existing and future business of the Company
Date of Appointment	14/05/2010
Expertise in Specific Functional Area	Strategy and Management
Disclosure of relationships between directors inter-se	He is son of Shri Rakesh Ahuja, Non Executive Promoter Director of the Company.
Names of listed entities in which he holds the directorship as on 31.03.2020	Lords Chloro Alkali Limited
Names of listed entities in which he holds Membership of Committees of the board as on 31.03.2020	Lords Chloro Alkali Limited
No. of equity shares held as on 31.03.2020	21,72,040 Shares
Details of Remuneration	Shri Yuvraj Ahuja has not drawn any remuneration from the Company in the year ended 31 st March, 2020 and further no remuneration is sought to be paid to him for the current appointment.
No. of Meetings of the Board attended during the year	Details for the Board meetings attended by him during the financial year are provided at appropriate place in the Board Report.

Other Directorships	<ol style="list-style-type: none"> 1. Yuvraj International Limited 2. Chanduka Trading Limited 3. Ahuja and Anand Real Estates Private Limited 4. Corenthum Promoters Private Limited 5. Beaver International (India) Private Limited 6. Corenthum Builders Private Limited 7. Opus Buildtech Private Limited 8. Jovees Infratech Private Limited 9. Consolidated Marketing Private Limited 10. Matrix Dotcom Infonet Private Limited 11. Sai Fortune Developers Private Limited 12. Enlightened Welfare Association 13. AYI Foundation 14. Desi Care Foundation 15. Jovees Herbal Care India Limited
Membership/ Chairmanship of Committees of other Boards	Shri Yuvraj Ahuja do not hold membership/ chairmanship of Committee of other Boards.

Name of Director	Shri Rajendra Prasad Chauhan
Director Identification No.	01444662
Date of Birth	23/08/1972
Brief Resume	Shri Rajendra Prasad Chauhan, aged 48 years, is a commerce graduate and a Chartered Accountant from the Institute of Chartered Accountants of India. He is also a Qualified Cost Accountant from the Institute of Cost and Works Accountants of India. He having a vast and rich experience & knowledge in Financial Accounting & Reporting, Project Financing, Audit Management (Statutory/ Internal/Taxation), Statutory Compliances, Direct & Indirect Taxation matters, Transfer Pricing etc.

Date of Appointment	01.08.2020
Expertise in Specific Functional Area	Financial Accounting & Taxation
Disclosure of relationships between directors inter-se	He is not related to any of the Directors on the Board of the Company
Names of listed entities in which he holds the directorship as on 31.03.2020	None
Names of listed entities in which he holds Membership of Committees of the board as on 31.03.2020	None
No. of equity shares held as on 31.03.2020	Nil
Details of Remuneration	Shri Rajendra Prasad Chauhan being Independent Director is not getting any remuneration from the Company.
No. of Meetings of the Board attended during the year 2019-20	NA
Other Directorships	None
Membership/ Chairmanship of Committees of other Boards	None

Name of Director	Shri Sandeep Singh
Director Identification No.	03603531
Date of Birth	28.01.1986
Brief Resume	He is a practising Company Secretary. He is also a law graduate. Possessing an expertise of over a decade, he has a very wide experience in the statutes concerning Corporate Laws, Foreign Exchange Management Act, RBI related statutes and laws, Insolvency & Bankruptcy Code and SEBI related laws and regulations
Date of Appointment	01.09.2020
Expertise in Specific Functional Area	Legal and corporate laws
Disclosure of relationships between directors inter-se	He is not related to any of the Directors on the Board of the Company

Names of listed entities in which he holds the directorship as on 31.03.2020	C.J. Gelatine Products Limited (Director)
Names of listed entities in which he holds Membership of Committees of the board as on 31.03.2020	C.J. Gelatine Products Limited (Audit Committee- Member)
No. of equity shares held as on 31.03.2020	None
Details of Remuneration	He is appointed after the period under review and being Independent Director is not getting any remuneration from the Company.
No. of Meetings of the Board attended during the year	NA
Other Directorships	C.J. Gelatine Products Limited
Membership/ Chairmanship of Committees of other Boards	C.J. Gelatine Products Limited (Audit Committee- Member)

BOARD'S REPORT

**TO
THE MEMBERS,**

Your Directors are pleased to present the 41st Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2020.

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

Particulars	For the year ended on 31st March, 2020	For the year ended on 31st March, 2019
Sales (Net of Indirect Taxes)	20,368.88	25,113.56
Other Income	150.16	49.70
Operating Profit/(Loss) before Interest and Depreciation	2,302.32	4,238.42
Interest/Finance Cost	301.60	358.86
Depreciation	624.94	507.80
Exceptional Items – (Gain)/Loss	-	-
Profit/(loss) before tax	1,375.78	3,371.76
Tax expense	(345.76)	(1,072.84)
Net Profit /(Loss)	1,030.02	2,298.92
Other Comprehensive Income (Net of Tax)	(5.13)	2.47
Total Comprehensive Income	1,024.89	2,301.39

2. COVID-19 PANDEMIC

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees.

The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. In view of the outbreak of the pandemic, the Company undertook timely and essential measures to ensure the safety and well-being of all its employees at all its plant location, and the corporate office. The Company observed all the government advisories and guidelines thoroughly.

3. PERFORMANCE AND STATE OF COMPANY AFFAIRS

Your Company had increased its production capacity to 210 TPD presently. All the electrolyzers are based on new technology which is more reliable, energy efficient and has made the company to stay in the market.

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. Company actively considering to come up with captive chlorine consumption plant next year.

4. MARKETING

The demand for caustic soda in India in 2019-20 is 3.95 million TPA including exports. Aluminum, Textile, Paper and other consuming sectors performance resulted in increased demand for Caustic Soda. However the year seen decline in Caustic Soda price realization due to slow economic conditions and COVID-19 in the year end. Imports of Caustic Soda increased to over 60% in comparison to last year from 235 KMT to 375 KMT which also widens the demand and supply gap, Further there was increase in installed capacity of Caustic Soda production in rest of the India by 6.2%.

5. FUTURE OUTLOOK

Economic conditions around the globe will be weak due to COVID-19, as Govt. will be taking initiatives to contain the spread of virus which will in turn affect the consumption pattern of industrial as well as consumer goods. However, we may see better demand for company's product in the second half of the financial year because of widespread understanding and measures about COVID-19 will be taken by public and Govt.

The company has already started caustic Soda production at almost full capacity and shall be targeting to increase it further in phased manner with the production of chlorine value adding products like stable bleaching powder, sodium hypochlorite and chlorinated paraffin wax in the coming year.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of the Section 152 of Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of Company, Shri Yuvraj Ahuja, Non-Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible has offered himself for 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 41st AGM of your Company. Your Directors recommend his re-appointment as a Non-Executive Director of the Company.

During the year under review, Shri Anish Kumar has been appointed as a Company Secretary w.e.f. 29th May, 2019 of the Company and further, he has tendered his resignation from the post of Company Secretary w.e.f. 25th July, 2019. Shri Dipendra Chaudhary has been appointed as a Company Secretary of the Company w.e.f. 19th August, 2019.

Shri Chandra Shakher Pathak, Independent Director, has resigned from the directorship of the Company w.e.f. 31st July, 2020. He confirm that there is no other material reasons of his resignation. Ms. Meenakhsi Sharma, Independent Director, has resigned from the directorship of the Company w.e.f. 31st August, 2020. She confirm that there is no other material reasons of her resignation.

On the recommendation of the Nomination and Remuneration Committee, Shri Rajendra Prasad Chauhan has been appointed as Independent Director w.e.f. 1st August, 2020 and Shri Sandeep Singh has been appointed as Independent Director w.e.f. 1st September, 2020 of the Company for a term of 5 (five) years subject to the approval of shareholders at the ensuing AGM of the Company.

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.

7. 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 12th February, 2020 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 evaluation was carried out based on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and all stakeholders etc.

The Independent Directors of the Company in their separate meeting held on 12th February, 2020 reviewed the performance of the Non-Independent Directors and the Board as a whole. They also reviewed the performance of the Chairperson of the Company.

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

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.

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.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186

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

9. MATERIAL CHANGES AND COMMITMENTS, IF ANY:

Nationwide lockdown declared by the Govt. of India due to Covid-19 pandemic, our operations at plant remained shut from 22/03/2020 and resumed w.e.f. 03/05/2020. The capacity utilization is going up continuously in accordance with the demand of the products. The company has considered the possible impact of internal and external factors known to the management.

Except above, there were no other 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..

10. 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.

11. 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.

12. STATUTORY AUDITORS

At the 37th 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 42nd 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.

13. 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 20th July, 2020, 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 2020-21. The remuneration proposed to be paid to the Cost Auditor subject to your ratification at the 41stAGM will be Rs. 75,000/- (Rupees Seventy Five Thousand only) for the Financial Year 2020-21.

14. 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 2019-20. The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed herewith as **Annexure C** to this Report.

15. AUDITORS' OBSERVATIONS

In reference to the Comments mentioned in the Secretarial Audit Report for the year 2019-20, 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.

16. 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 on roof top rain water harvesting in two of the main building is completed and remaining work is in progress. This is in line with the company's policy to safeguard the environment in and outside the factory.

17. DIVIDEND AND TRANSFER TO RESERVE

During the year, the Company has earned a profit of Rs. 1,024.89 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 2019-20 and Rs. 1,024.89 has been transferred to General Reserve.

18. 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**.

19. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

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

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

20. 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:

Name of the Directors	Ratio to median remuneration	Remuneration in Rs.
Shri Rakesh Ahuja	-	-
Shri Madhav Dhir	13.13	36,07,000
Shri Yuvraj Ahuja	-	-
Shri Ajay Virmani	41.90	1,15,10,860
Shri Pawan Kumar Nayar	-	-
Shri Sandeep Chaudhari	-	-
Shri Chandra Shaker Pathak	-	-
Shri Rajbir Singh Makhni	-	-
Smt. Poonam Bisht	-	-
Smt. Meenakshi Sharma	-	-
Shri Deepak Mathur	12.88	35,38,968

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

Name	% Increase
Shri Ajay Virmani	(45.47%)
Shri Madhav Dhir	2.85%
Shri Deepak Mathur	7.57%
Shri Rajiv Kumar (Chief Financial Officer)	12.18%
Shri Anish Kumar# (Company Secretary w.e.f. 29 th May, 2020 to 25 th July, 2020)	-
Shri Dipendra Chaudhary## (Company Secretary w.e.f. 19 th August, 2020)	-

#Shri Anish Kumar has joined the Company w.e.f. 29th May, 2019 and tendered his resignation w.e.f. 25th July, 2019, hence increase in percentage with previous year is not possible.

##Shri Dipendra Chaudhary has joined the Company w.e.f. 19th August, 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 (14.16%).

(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 232.

(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 6.74%. Average percentile increase in the salaries of managerial personnel is (30.07%).

(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.

21. ANNUAL RETURN

The Annual Return of the Company can be accessed on the website of the Company at following link <https://www.lordschloro.com/pdfs/annual-return-2018-19.pdf>

22. 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).

23. 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.

24. 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.

25. 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.

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

26. 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.

27. 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.

28. 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.

29. 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.

30. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended on March 31, 2020, 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 31st March, 2020 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.

31. 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 17thSeptember, 2020

Ajay Virmani
Managing
Director

DIN: 00758726

Yuvraj Ahuja
Director

DIN: 00164675

Madhav Dhir
Whole Time
Director

DIN: 07227587

ANNEXURE A**POLICY FOR THE SELECTION AND APPOINTMENT OF
DIRECTORS TO THE BOARD****Policy**

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

Procedure

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

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

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

Criteria

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

Criteria for Independent Director

1. For the purpose of this clause, the expression 'independent director' shall mean a non-executive director, other than a nominee director of the company:
 - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
 - b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company 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, 2020**

[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, 2020, 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, 2020 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;

- I. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. 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;
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - g. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - h. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and
 - i. 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:

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

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 : July 20, 2020

For SSPK & Co.
Company Secretaries

Sanjeev Pandey
Mem No.: F10272
COP No : 17237
(UDIN No. F010272B000475033)

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 : July 20, 2020**

**For SSPK & Co.
Company Secretaries**

**Sanjeev Pandey
Mem No.: F10272
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 world. 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.
- Regular energy audits are being conducted.

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)

		For the year ended on 31stMarch, 2019	For the year ended on 31stMarch, 2020
(i)	Earned	--	41.08
(ii)	Used	1,273.23	83.06

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 Shri Rakesh Ahuja (Director), Shri. Yuvraj Ahuja (Director) are indirectly related as their relatives are shareholders in Cirrus Chemicals Private Limited Smt. Poonam Bisht and Shri Madhav Dhir are common Directors;	Sale & Purchase of Hydrogen gas, caustic soda lye, caustic soda flakes and allied products	(for 10 Years)	Hydrogen Gas Rs. 285.55 Lakhs, Sales Return Caustic Soda Flakes Rs. 11.47 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

(Ajay Virmani)

Managing Director

DIN: 00758726

Place : New Delhi

Date : 17th September, 2020

ANNEXURE F
ANNUAL REPORT ON CSR ACTIVITY

Sr. No.	A Brief outline of the Company's CSR Policy, including overview of the projects or programs undertaken and a reference to the web link to the CSR policy and project or programs	As per the CSR policy of the company, company can undertake any of the program or activity as defined in Schedule VII of the Companies Act, 2013, and which will include any modification or amendment thereof.					
1	The Composition of the CSR Committee	Disclosed in Corporate Governance Report.					
							Figures in Lakhs
2	Average net profit of the Company for last three financial year	1,845.09					
3	Prescribed CSR Expenditure	36.90					
4	Details of CSR spent during the financial year	7.58					
a.	Total amount to be spent for the financial year	36.90					
b.	Amount unspent, if any	29.32					
c.	Manner in which the amount spent during the financial year detailed below:						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs Local Area or Other Specify the State and district where projects or programs was undertaken	amount outlay (budget) project or programs wise (Rs. in Lakhs)	Amount spent on the projects or programs subheads: Direct expenditure Overheads (Rs. in Lakhs)	Cumulative expenditure upto the reporting period (Rs. in Lakhs)	Amount spent: Directly or through implementing agency
1.	Environmental sustainability	Tree(s) Plantation Expenses	District Alwar, Rajasthan	8.00	2.29	2.29	Directly
2.	Promoting Health Care	Health Care	Local – National Capital Region	12.00	3.00	3.00	Through implementing agency (Karuna Care Foundation)
3.	Promoting Education	Educational programme	District Alwar, Rajasthan	10.00	1.00 0.87	1.00 0.87	Through implementing agency (Rockcraft Media) Directly
4.	Eradicating hunger, poverty and malnutrition	Food distribution	District Alwar, Rajasthan	6.90	0.42	0.42	Directly
Total				36.90	7.58	7.58	

Reason for failure to spend the two percent of the average net profit of the last three financial years or any part thereof: The Company has directly 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. The Company has also incurred expenditure on healthcare and education/cultural programme for upgrade the socially underprivileged persons. Now, the Company is focusing on shortlisting projects/activities to ensure maximum impact to society. The Company is also in discussion with NGO's partners to actively support and channelize the activities/projects/programmes to be undertaken by the Company in line with CSR objectives. Covid-19 pandemic has also impacted our CSR activities during the end of last quarter of the FY 2019-20.

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 31st March, 2020.

Date: 17th September, 2020
Place: New Delhi

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.

Corporate Governance has always been intrinsic to the management of the business and affairs of our Company. In line with the above philosophy, your Company continuously strives for excellence and focuses on enhancement of long-term stakeholder value through adoption of best governance and disclosure practices. Your Company is committed to the adoption of best governance practices and its adherence in true spirit, at all times. Your Company aims at fostering and sustaining a culture that demonstrates highest standard of ethical and responsible business conduct.

Your Company confirms compliance with the Corporate Governance requirements stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of which for the Financial Year ended 31st March 2020 are as set out hereunder.

2. Board of Directors

A. 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.
- (iv) All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013 (Act). In the opinion of the Board, all the Independent Directors fulfil the conditions specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

and are independent of the management. The maximum tenure of Independent Directors is in accordance with the Act.

B. 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.

C. 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 31.03.2020 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	3	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	N	Executive Director	-	-	2	-
5.	Shri Pawan Kumar Nayyar	2	N	Independent Director	-	-	-	-
6.	Shri Sandeep Chaudhari	2	N	Independent Director	-	-	-	-
7.	Ms. Poonam Bisht	4	N	Independent Director	-	-	-	-
8.	Shri Rajbir Singh Makhni	4	Y	Independent Director	-	1	1	-
9.	Shri Chandra Shaker Pathak##	4	N	Independent Director	-	-	1	-

10.	Shri Deepak Mathur (Whole-time Director)	2	Y	Executive Director	-	-	-	-
11	Ms. Meenakshi Sharma##	4	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 Chandra Shakher Pathak, Independent Director, has resigned from the directorship of the Company we.f. 31stJuly, 2020. He confirm that there is no other material reasons of his resignation. Ms. Meenakshi Sharma, Independent Director, has resigned from the directorship of the Company we.f. 31stAugust, 2020. She confirm that there is no other material reasons of her resignation.

D. During the financial year 2019-20 Four (4) Board Meetings were held on the following dates:

29 th May, 2019	13 th August, 2019	12 th November, 2019 (Adjourned) & 13 th November, 2019	12 th February, 2020
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E. Disclosure of relationships between directors inter-se:

Shri Yuvraj Ahuja (Promoter- Non Executive Director) is the son of Shri Rakesh Ahuja (Promoter- Non Executive Director). None other directors are related to any other director on the Board.

F. No. of share held by Non-Executive Directors as on 31st March, 2020 are provided below:

S.No.	Name of Director	Catagory	No. of Equity Shares
1.	Shri Rakesh Ahuja	Non-Executive Director	33,31,447
2.	Shri Yuvraj Ahuja	Non-Executive Director	21,72,040
3.	Shri Rajbir Singh Makhni	Non Executive Independent Director	50,500

G. Familiarization programs of independent Directors

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>.

Independent Directors' Meeting:

During the year under review, the Independent Directors met on 12th February, 2020 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.

H. 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:

S. No.	Directors	Areas of Core Skills/Expertise/Competence					
		Leadership	Chemicals manufacturing	Engineering	Financials	Sales and Marketing	Compliance Management
1.	Shri Rakesh Ahuja	√	√		√	√	√
2.	Shri Ajay Virmani	√	√	√	√	√	√
3.	Shri MadhavDhir	√	√		√	√	√
4.	Shri Yuvraj Ahuja	√	√		√		√
5.	Shri Poonam Bisht	√					√
6.	Shri Rajbir Singh Makhni				√		√
7.	Shri Pawan Kumar Nayyar	√					√
8.	Shri Sandeep Chaudhari	√					√
9.	Shri Chandra Shakher Pathak	√			√		√
10.	Ms. Meenakshi Sharma	√			√	√	√
11.	Shri Deepak Mathur	√	√	√			√

- I. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013 (Act). In the opinion of the Board, all the Independent

Directors fulfil the conditions specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. The maximum tenure of Independent Directors is in accordance with the Act.

- J. During the under review, No independent Director has resigned from the directorship of the Company. But after the closure of this financial year, Shri Chandra Shakher Pathak, Independent Director, has resigned from the directorship of the Company we.f. 31stJuly, 2020. He confirmed that there is no other material reasons of his resignation. Ms. Meenakshi Sharma, Independent Director, has resigned from the directorship of the Company we.f. 31stAugust, 2020. She confirmed that there is no other material reasons of her resignation.

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 terms of reference of Audit Committee:

The brief terms of reference of Audit Committee are as under:

1. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. examination of the financial statement and the auditors' report thereon;
4. approval or any subsequent modification of transactions of the company with related parties;
5. scrutiny of inter-corporate loans and investments;
6. valuation of undertakings or assets of the company, wherever it is necessary;
7. evaluation of internal financial controls and risk management systems;
8. monitoring the end use of funds raised through public offers and related matters.

9. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
10. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
11. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;
12. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
13. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
14. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process
15. valuation of undertakings or assets of the Company, wherever necessary.
16. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

17. discussion with internal auditors of any significant findings and follow up there on;
18. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
19. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
20. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. to review the functioning of the whistle blower mechanism;
22. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
23. To perform such other functions as may be prescribed by the Companies act, 2013 or the SEBI Listing Regulations, as amended or under any other law or as may be prescribed or specified by the Board from time to time.

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

Composition & Meetings:

The constitution of the Audit Committee are as follows:-

Sl. No.	Name	Category	Designation
1.	Shri Rajbir Singh Makhni	Independent Director	Chairman
2.	Shri Chandra Shakher Pathak*	Independent Director	Member
3.	Shri Ajay Virmani	Executive Director	Member

*Due to resignation from directorship, Shri Chandra Shakher Pathak ceased to be member of the Audit Committee w.e.f. 31st July, 2020. Shri Rajendra Prasad Chauhan was inducted as member of the Audit Committee w.e.f. 1st August, 2020.

The Audit Committee met Four (4) times during the financial year 2019-20 on the following dates:

29 th May, 2019	13 th August, 2019	12 th November, 2019 (Adjourned) & 13 th November, 2019	12 th February, 2020
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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	Category	Designation
1	Shri Sandeep Chaudhari	Independent Director	Chairman
2	Shri Rajbir Singh Makhni	Independent Director	Member
3	Ms. Poonam Bisht	Independent Director	Member

The Committee met Three (3) times during the financial year 2019-20 on the following dates:

29 th May, 2019	13 th August, 2019	12 th February, 2020
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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.	Ms. Poonam Bisht	3	3

5. Remuneration of Directors:

The Company's philosophy for remuneration of Directors, KMP and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, KMP and other employees, which is aligned to this philosophy. During the year under review, details of Remuneration paid to Executive Directors are given below:

S. No.	Particulars	Name of Directors		
		Shri Ajay Virmani (Managing Director)	Shri Madhav Dhir (Executive Director)	Shri Deepak Mathur (Executive Director)
1.	Basic salary	42,60,000	24,00,000	16,07,680
2.	Allowance(s)	51,54,000	12,00,000	19,24,288
3.	Bonus	7,000	7,000	7000
4.	Incentive(s)	20,89,860	0	0
	Total	11510860	36,07,000	35,38,968

The appointment of Executive Directors is governed by the resolutions passed by the Board and the Shareholders of the Company, which covers the terms and conditions of such appointment.

During the year under review, no sitting fees/ commission was paid to any Independent Director

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	Category	Designation
1	Shri Rakesh Ahuja	Non- Executive Director	Chairman
2	Shri Rajbir Singh Makhni	Independent Director	Member
3	Shri Ajay Virmani	Executive Director	Member

The Committee met Four (4) times during the financial year 2019-20 on the following dates:

29 th May, 2019	13 th August, 2019	12 th November, 2019	12 th February, 2020
----------------------------	-------------------------------	---------------------------------	---------------------------------

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	4
2.	Shri Rajbir Singh Makhni	4	4
3.	Shri Ajay Virmani	4	4

Compliance Officer

Shri Anish Kumar has been appointed as Company Secretary and Compliance Officer w.e.f 29th May, 2019 and he has resigned from the position of Company Secretary and Compliance Officer w.e.f 25th July, 2019. Shri Dipendra Chaudhary has been appointed as Company Secretary and Compliance Officer of the Company w.e.f. 19th August, 2020 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 01.04.2019	2
2.	Complaints received during the year 2019-20	3
3.	Complaints resolved during the year 2019-20	5
4.	Complaints pending as on 31.03.2020	0

Risk Management Committee –

Risk and Concerns

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

Risk Management

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

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

The Company has identified

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

During the Financial Year 2019-20 a meeting of Risk Management Committee was held on 12th February, 2020.

The composition of the Risk Management Committee is as follows:

Sl. No.	Name	Category	Designation
1	Shri Ajay Virmani	Executive Director	Chairman
2	Shri Yuvraj Ahuja	Non-Executive Director	Member
3	Shri Madhav Dhir	Executive Director	Member
4	Shri Deepak Mathur	Executive Director	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 2019-20 a meeting of Corporate Social Responsibility Committee was held on 12th February, 2020.

Sl. No.	Name	Category	Designation
1	Shri Ajay Virmani	Executive Director	Chairman
2	Shri Yuvraj Ahuja	Non-Executive Director	Member
3	Shri Madhav Dhir	Executive Director	Member
4	Ms. Poonam Bisht	Independent Director	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		
2018-19	40 th	30 th September, 2019	10.30 AM	SP-460, Matsya Industrial Area, Alwar, (Raj)-301030
2017-18	39 th	27 th September, 2018	10.30 AM	SP-460, Matsya Industrial Area, Alwar, (Raj)-301030
2016-17	38 th	27 th September, 2017	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:

40th Annual General Meeting (30th September, 2019)

- No special resolution was passed.

39th Annual General Meeting (27th September, 2018)

- Re-appoint & Payment of remuneration to Shri Ajay Virmani (DIN 00758726), Managing Director of the Company.
- To increase in the remuneration of Shri Madhav Dhir (DIN 07227587), Whole Time Director of the Company.
- Re-appoint & Payment of remuneration to Shri Deepak Mathur (DIN 07092786), Director (Technical) of the Company.

38th Annual General Meeting (27th 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.

Special Resolution passed through Postal Ballot:

During the Financial year 2019-20 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/ Audited 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. 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** : Wednesday, 30th December, 2020 at 11.00 A.M.
Venue of AGM : Regd. Off. - SP-460, Matsya Industrial Area, Alwar (Raj.)- 301030
- ii) **Financial Year** : 1st April, 2019 to 31st March, 2020
- iii) **Book Closure Period** : Saturday, 26th December, 2020 to Wednesday, 30th December, 2020 (Both days Inclusive)
- iv) **e-voting period** : Saturday, 26th December, 2020 (9:00 a.m.) to Tuesday, 29th December, 2020 (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" (RTA Division), 4E/12, Jhandewalan Extension, New Delhi - 110 055.
Phone No. 011-42541234, 23541234
Fax No. 011-41543474.
Email: rtal@alankit.com, maheshcp@alankit.com
- viii) **Plant Location** : SP-460, Matsya Industrial Area, Alwar (Raj.)- 301030
- ix) **Addresses for Correspondence** : 1) Registered Office: SP-460, Matsya Industrial Area, Alwar, (Raj.)- 301030
2) Corporate Office: A-264, 1st Floor, Defence Colony, New Delhi - 110024.
- x) **Company Secretary cum Compliance Officer &** : Shri Dipendra Chaudhary
Email id : : secretarial@lordschloro.com

xi) Market Price Data

Month	High Price (In Rs.)	Low Price (In Rs.)
Apr-19	66.00	56.10
May-19	62.70	53.10
Jun-19	56.00	36.15
Jul-19	39.90	33.05
Aug-19	45.35	32.20
Sep-19	48.00	40.15
Oct-19	44.30	38.20
Nov-19	44.95	32.70
Dec-19	37.40	29.05
Jan-20	35.90	31.50
Feb-20	34.20	24.25
Mar-20	25.70	18.00

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 2020-2021. 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 2020-21 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 31st March, 2020 was placed before the Board of Directors of the Company.

xv) Dematerialization of Shares as on 31st March, 2020

Particulars	Shares on 31 st March, 2020	%
Physical Shares	4006930	15.93
NSDL	17890896	71.13
CDSL	3256035	12.94
Total	25153861	100.00

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

Particulars	LAL Share Price v/s BSE	
	Share Price	BSE Sensex
As on 1 st April, 2019	63.05	38,871.87
As on 31 st March, 2020	18.00	29,468.49
Changes (%)	-71.45	-24.19

xvii) Distribution of Shareholding as on 31st March, 2020

Category	No. of Shareholders	% of Shares
1 to 5000	43586	99.89
5001-10000	9	0.02
10001-20000	6	0.01
20001-30000	4	0.01
30001-40000	3	0.01
40001-50000	0	0.00
50001-100000	4	0.01
100001 and above	21	0.05

10. Disclosures

- a) There is no materially significant related party transactions that may have potential conflict with the interests of listed entity at large.

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 31/03/2020.

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 given below:

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

- d) The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As regard the non-mandatory requirements, Company tries to implement them to the extent possible.
- e) 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.
- f) 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.
- g) During the year under review, all recommendation of the Committees of the Board which were mandatorily required have been accepted by the Board.
- h) 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 31st March, 2020.
- i) During the year under review, total fees for all services paid by the Company to the statutory auditor is Rs. 4,00,000/-plus GST.

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 2019-20. A declaration to this effect received under clause D 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.

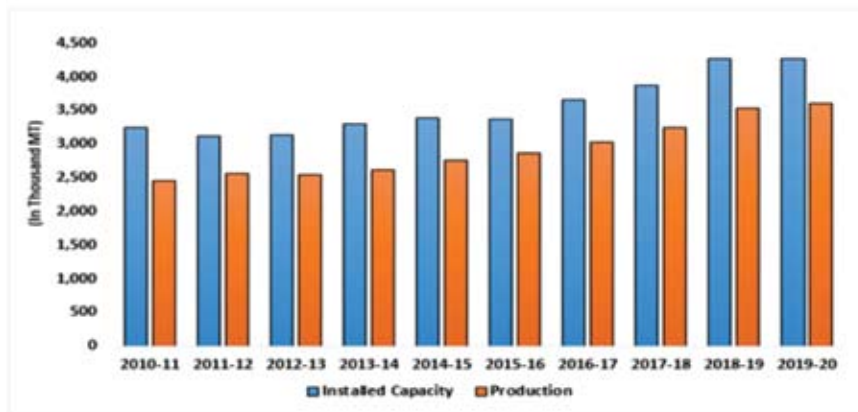
Management Discussion and Analysis

1. Industry structure and developments

India's GDP growth slipped to 4.2% in FY2019-20, compared to 6.8% in FY2018-19. Primary factors responsible for growth deceleration are the global economic slowdown, subdued consumption and private investment, liquidity constraints and, finally, towards the end of the year, the COVID-19-induced nationwide lockdown.

The Chlor-Alkali Industry in India has combined installed capacity of 45.44 Lakh MT per annum. The Production during the year 2019-20 was 36.05 Lakh MT. Capacity utilization was 82.3% during 2019-20. The imports during 2019-20 were 375 KMT, an increase of 60% as compared to the previous year. The total exports during 2019-20 were 189 KMT, out of which Physical Exports were 158 KMT & Deemed Exports were 31 KMT, an increase of 18% during the year as compared to previous year. The installed capacity and production in India in last 10 year given as under:

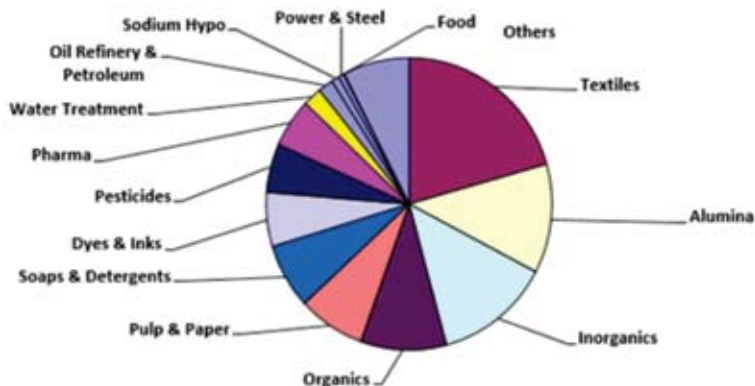
Installed Capacity & Production in Last 10 Years



Source: Member Units

Sector wise Caustic Soda Consumption in India

Further, caustic soda is used in various other industries like textiles, soap & detergent, pulp & papers, alumina, inorganics, organics, dyes & inks, pesticides, pharma, water treatment, oil refinery & petroleum, sodium hypo, power & steel, food & others which are shown as given:



*Some miscellaneous caustic soda usage sectors have been merged with major categories like DM Water (Water Treatment), Vanaspathi (Food), Brine Treatment (Inorganics) and Iron & Steel (Others)

Source: Member Units (2019-20)

2. Opportunities and Threats

The Company has built sophisticated manufacturing facilities at its Plant having installed capacity of 275 MT per day of Caustic Soda situated in Alwar at Matsya Industrial Area, Alwar (Rajasthan) which is located at a distance of about 160 KMs from Delhi having locational advantage in chlora –alkali deficit region. The Company is strategically located in the heart of North India where the demand for its products is more than the supply. We supply our products to paper, soap, dyes, chemicals, and plastic industries based at the western part of the UP, Haryana, Punjab, Rajasthan & Delhi.

The Chlor-Alkali Industry is a high power consuming industry. Power covers the major part of its cost of production. It is more than half of the total cost of production of the Company. Increase in tariff rates for supply of power and its huge penalty on open access are the big threats to the Company's profitability. The other possible expansion of installed capacities in Indian Caustic Soda Industry and facing throat cut completion.

3. Segment-wise or product-wise performance

The company is operating in only one segment i.e. Chloro Alkali. The Company has increased its production capacity to 210 TPD. Now all the electrolyzers are based on new technology which is more reliable, energy efficient and has made the Company to stay in the market. 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. Company actively considering to come up with captive chlorine consumption plant next year.

4. Outlook

Economic conditions around the globe will be weak due to COVID-19, as Govt. will be taking initiatives to contain the spread of virus which will in turn affect the consumption pattern of industrial as well as consumer goods. However, we may see better demand for company's product in the second half of the financial year because of widespread understanding and measures about COVID -19 will be taken by public and Govt.

The company has already started caustic Soda production at full capacity and shall be targeting to increase it further in phased manner with the production of chlorine value adding products like stable bleaching powder, sodium hypochlorite and chlorinated paraffin wax in the coming year.

5. Risks and concerns

The Company is engaged in the manufacturing of hazardous chemical i.e. caustic soda through highly technical process and having industrial safety risk, environmental and other regulatory risks. The 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. We are continuously making endeavors to have safe operations by training and conducting various safety audits/ mock drills.

6. Internal control systems and their adequacy

The Company has well-established and robust internal control systems in place that are commensurate with the nature of its businesses, size & scale and complexity of its operations. Roles and responsibilities are clearly defined and assigned. The Company has also put in place adequate internal financial controls with reference to the financial statements by adopting accounting policies which are in line with the Accounting Standards as prescribed. The Management periodically reviews the financial performance of the Company against the approved plans across various parameters and takes necessary action, wherever necessary.

7. Discussion on financial performance with respect to operational performance

The total revenue from operations was Rs. 20,368.88 Lakhs during the year which was 18.89% decreased as compared to total revenue from operations of Rs. 25,113.56 Lakhs previous year. The revenue

was impacted due to reduction in price of caustic soda in India which was due the slow economy growth in manufacturing/production in India. Covid-19 pandemic has also impacted financial and operation performance during the last quarter and thereafter announcement of countrywide lockdown.

8. Human Resources

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.

I. Key Financial Ratios:

S.No.	Particulars	FY 2019-20	FY 2018-19
1.	Debtors Turnover	15.67	40.09
2.	Inventory Turnover	15.95	16.83
3.	Interest Coverage Ratio	5.56	10.40
4.	Current Ratio	1.62	1.98
5.	Debt Equity Ratio	1.00	1.20
6.	Operating Profit Margin	8.24	14.85
7.	Net Profit Margin	5.06	9.15

Detailed explanation of Ratios:

Debtors Turnover:

Debtor turnover ratio has decreased by 61% as compared to previous year due to lower sales during the year and lower collection in the month of March due to Covid-19 Pandemic.

Inventory Turnover

Inventory turnover ratio has decreased by 5% as compared to previous year.

Interest Coverage Ratio

Interest coverage ratio has decreased by 47% due to lower profits as compared to previous year.

Current Ratio

Current ratio has decreased by 18% as compared to previous year due to shrink in margins resulting increase in working capital requirement.

Debt Equity Ratio

Debt equity ratio has improved by 17% due to increase in net worth and decrease in debt as compare to previous year.

Operating Profit Margin

Operating profit margin has decreased by 45% due to lower sales and margins as compared to previous year.

Net Profit Margin

Net profit margin has also decreased by 45% due to lower sales and Margin as compared to previous year.

II. Return on Net Worth

Return on Net worth was 12.02% in comparison to 30.46% previous year due to lower sales and lower margins as compared to previous year.

Cautionary Statement

The statement made in this report describing the Company's expectations and estimations may be a forward looking statement within the meaning of applicable securities laws and regulations. Actual results may differ from those expressed or implied in this report due to the influence of external and internal factors which are beyond the control of the Company.

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 March 31, 20 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.

Date : September 15, 2020
Place : Delhi

For SSPK & Co.
Company Secretaries

Sanjeev Pandey
Mem No.: F10272
COP No : 17237
(UDIN No. F010272B000475033)

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 31st March, 2020.

Place : Delhi
Date : 17th September, 2020

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, 2020, 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit 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.

Emphasis of Matter

We draw attention to Note No. 40 of the financial statements, which describes the possible effect of uncertainties relating to COVID-19 pandemic on the Company's financial performance as assessed by the management.

Our opinion is not modified in respect of the above matter.

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
<p>Borrowings</p> <p>As at March 31, 2020, the Company had a borrowing liability of Rs. 6,412.36 Lakhs representing 74.85% of total liabilities. Borrowings as a percentage of the total assets size of the Company is 37.41% as at March 31, 2020.</p> <p>The borrowings are under agreements with terms and conditions detailed in Note No. 13 and Note No.19 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"> • We read the agreements between the Company and its financiers to understand the terms associated with the facilities. • We obtained confirmations from the Company's banks/financial institutions to confirm all significant borrowings, including amounts, tenure and conditions. • 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. • We further considered whether the disclosures related to the borrowings in the financial statements are appropriate in all material respects.

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 Annual Report, but does not include the financial statements and our auditors' report thereon. The Annual Report 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 Annual Report, 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. 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.

The 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, to the extent applicable.
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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 38 A to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been delay in transferring the amounts, which was required to be transferred to the investor education and protection fund by the company- Refer Note 39 to the financial statements.

For Gupta Vigg & Co.*Chartered Accountants*

Firm's Registration Number: 001393N

(CA. Abhishek Jain)*Partner*

Membership Number: 554842

ICAI UDIN: 20554842AAAAAC8584

Place of Signature: New Delhi

Date: July 20, 2020

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, 2020, 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 2020 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

(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.

(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. The Company has not borrowed any loan from financial institution or 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. Abhishek Jain)*Partner*

Membership Number: 554842

ICAI UDIN: 20554842AAAAAC8584

Place of Signature: New Delhi

Date: July 20, 2020

Annexure 'B' To the Independent Auditors' Report

(Referred to in paragraph 2(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")

Opinion

We have audited the internal financial controls with reference to financial statements of Lords Chloro Alkali Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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, 2020, 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.

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.

For Gupta Vigg & Co.*Chartered Accountants*

Firm's Registration Number: 001393N

(CA. Abhishek Jain)*Partner*

Membership Number: 554842

ICAI UDIN: 20554842AAAAAC8584

Place of Signature: New Delhi

Date: July 20, 2020

Balance Sheet as at 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
(1) Non-current assets			
a) Property, plant and equipment	2	11,921.82	12,433.17
b) Right-of-use assets	3A	119.64	-
c) Intangible assets under development	3B	7.75	-
d) Financial assets			
i) Investments	4	7.91	11.81
ii) Loans	5A	1.68	0.42
e) Other non-current assets	6A	430.44	413.06
Total non-current assets		12,489.24	12,858.46
(2) Current assets			
a) Inventories	7	1,493.36	1,060.99
b) Financial assets			
i) Trade and other receivables	8	1,699.88	900.40
ii) Cash and cash equivalents	9A	613.18	1,104.15
iii) Bank balances other than (ii) above	9B	0.44	-
iv) Loans	5B	47.75	46.56
c) Current tax assets (net)	10	86.61	0.19
d) Other current assets	6B	708.94	648.69
Total current assets		4,650.16	3,760.98
TOTAL ASSETS		17,139.40	16,619.44
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	11	2,515.39	2,515.39
b) Other equity	12	6,057.35	5,032.46
Total Equity		8,572.74	7,547.85
Liabilities			
(1) Non-current liabilities			
a) Financial liabilities			
i) Borrowings	13	4,223.30	6,293.81
ii) Lease liabilities	14A	24.54	-
b) Provisions	15A	165.46	141.00
c) Deferred tax liabilities (net)	16	531.75	437.88
d) Other non-current liabilities	17A	745.06	297.79
Total non-current liabilities		5,690.11	7,170.48
(2) Current liabilities			
a) Financial liabilities			
i) Borrowings	13	1,580.64	-
ii) Trade payables	18	-	-
-total outstanding dues to micro and small enterprises		-	-
-total outstanding dues to creditors other than micro and small enterprises		101.92	42.82
iii) Lease liabilities	14B	34.72	-
iv) Other financial liabilities	19	348.43	599.53
b) Other current liabilities	17B	664.04	1,112.13
c) Provisions	15B	146.80	115.85
d) Current tax liabilities (net)	20	-	30.78
Total current liabilities		2,876.55	1,901.11
Total liabilities		8,566.66	9,071.59
TOTAL EQUITY AND LIABILITIES		17,139.40	16,619.44

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 attached.

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

Chartered Accountants

Firm Registration No. 001393N

Yuvraj Ahuja

Director

DIN 00164675

Madhav Dhir

Director

DIN 07227587

Ajay Virmani

Managing Director

DIN 00758726

CA. Abhishek Jain

Partner

Membership No. 554842

ICAI UDIN : 20554842AAAAC8584

Dipendra Chaudhary

Company Secretary

M.No. A34853

Rajiv Kumar

Chief Financial Officer

M.No. 508277

Place: New Delhi

Date: 20 July 2020

Statement of profit and loss for the year ended 31 March 2020
 (All amounts in INR Lakhs, unless otherwise stated)

Particulars	Notes No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue			
Revenue from operations	21	20,368.88	25,113.56
Other income	22	150.16	49.70
Total revenue		20,519.04	25,163.26
II Expenses			
Cost of materials consumed	23A	3,246.71	3,501.85
Purchases of stock-in-trade	23B	11.12	-
Changes in inventories of finished goods and work-in-progress	24	(396.90)	994.14
Power and fuel		13,028.06	14,018.74
Employee benefit expenses	25	1,085.18	1,090.91
Finance costs	26	301.60	358.86
Depreciation and amortization expense	27	624.94	507.80
Other expenses	28	1,242.55	1,319.20
Total expenses		19,143.26	21,791.50
III Profit before exceptional items and tax		1,375.78	3,371.76
IV Exceptional items		-	-
III Profit before tax		1,375.78	3,371.76
IV Tax expense	29		
Current tax		239.35	730.78
Deferred tax charged		95.98	291.17
Earlier year tax adjustment (net)		10.43	50.89
Total tax expense		345.76	1,072.84
V Profit for the year		1,030.02	2,298.92
VI Other comprehensive income			
Items that will not be reclassified to profit or loss			
-Remeasurement of post employment benefit obligations		(7.23)	3.48
-Income tax relating to items that will not be reclassified to profit & loss		2.10	(1.01)
Total other comprehensive (loss)/income		(5.13)	2.47
VII Total comprehensive income for the year		1,024.89	2,301.39
VIII Earnings per equity share (Rs 10 per share):	30		
(1) Basic		4.09	9.14
(2) Diluted		4.09	9.14

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 attached.

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

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

Yuvraj Ahuja
Director
DIN 00164675

Madhav Dhir
Director
DIN 07227587

Ajay Virmani
Managing Director
DIN 00758726

CA. Abhishek Jain
Partner
Membership No. 554842
ICAI UDIN : 20554842AAAAAC8584

Dipendra Chaudhary
Company Secretary
M.No. A34853

Rajiv Kumar
Chief Financial Officer
M.No. 508277

Place: New Delhi
Date: 20 July 2020

Statement of changes in equity for the year ended 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

A Equity share capital*

Particulars	As at March 31, 2020	As at March 31, 2019
Balance as at beginning of the year	2,515.39	2,515.39
Changes in equity share capital during the year	-	-
Balance as at the end of the year	2,515.39	2,515.39

B Other equity**

Particulars	Reserves and surplus			Total
	Capital reserve	Security premium reserve	Retained earnings	
Balance as at 1 April 2018	1.21	2,082.06	647.81	2,731.08
Addition during the year				
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
Balance as at 31 March 2019	1.21	2,082.06	2,949.19	5,032.46
Addition during the year				
Profit for the year	-	-	1,030.02	1,030.02
Items of OCI (net of tax)				
-Remeasurement benefit of defined benefit plans	-	-	(5.13)	(5.13)
Balance as at 31 March 2020	1.21	2,082.06	3,974.08	6,057.35

*Refer note no. 11 for details

**Refer note no. 12 for details

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

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

**For and on behalf of Board of Directors of
Lords Chloro Alkali Limited**
For Gupta Vigg & Co.
 Chartered Accountants
 Firm Registration No. 001393N

CA. Abhishek Jain
 Partner
 Membership No. 554842
 ICAI UDIN : 20554842AAAAAC8584

 Place: New Delhi
 Date: 20 July 2020

Yuvraj Ahuja
 Director
 DIN 00164675

Dipendra Chaudhary
 Company Secretary
 M.No. A34853

Madhav Dhir
 Director
 DIN 07227587

Ajay Virmani
 Managing Director
 DIN 00758726

Rajiv Kumar
 Chief Financial Officer
 M.No. 508277

Cash flow statement for the year ended 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash Flow from Operating activities		
Profit before tax	1,375.78	3,371.76
Adjustments for: -		
Depreciation and amortisation expenses	624.94	507.80
Finance costs	301.60	358.86
Dividend income classified as investing cash flows	(0.12)	(0.21)
Net (gain)/loss arising on financial assets measured at FVTPL	3.91	(0.81)
Balance written off/(back)	(146.33)	23.15
Interest income classified as investing cash flows	(3.70)	(1.88)
Loss on disposal of property, plant and equipment (net)	54.07	3.48
Operating profit before working capital changes	2,210.15	4,262.15
Movement in working capital		
Decrease/(increase) in trade receivables	(799.49)	(547.96)
Decrease/(increase) in inventories	(432.37)	872.38
Increase/(decrease) in trade payables	59.10	(52.97)
Decrease/(increase) in loans current & non current (asset)	(2.45)	(31.81)
Decrease/(increase) in other current and non current asset	(230.53)	254.74
Increase/(decrease) in provisions	48.20	31.62
Increase/(decrease) in other current and non current liabilities	144.17	(173.59)
Cash generated from operations	996.78	4,614.55
Income taxes paid (net of refund)	(367.01)	(806.07)
Net cash flow from operating activities (A)	629.77	3,808.48
B. Cash Flow from Investing activities		
Payment for procurement of Property, plant and equipment including capital advances	(117.78)	(1,921.63)
Proceeds from disposal of Property, plant and equipment	66.47	30.42
Payment for margin money and bank deposits	(0.44)	-
Interest received	3.70	1.61
Dividend received	0.12	0.21
Net cash used in investing activities (B)	(47.93)	(1,889.39)
C. Cash flow from Financing activities*		
Proceeds from long term borrowings	4,521.63	1,669.00
Proceeds from short term borrowings	1,580.84	-
Repayment of long term borrowings	(6,853.61)	(2,176.47)
Repayment of short term borrowings	-	(322.97)
Repayment of principal portion of lease liabilities	(31.59)	-
Interest paid on lease liabilities	(7.05)	-
Finance costs paid	(282.83)	(303.77)
Net cash used in financing activities (C)	(1,072.81)	(1,134.21)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(490.97)	784.88
Cash and cash equivalents as at the beginning of the year	1,104.15	319.27
Cash and cash equivalents as at the end of the year	613.18	1,104.15

*Refer note 13 A for reconciliation of liabilities arising from financing activities

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

Cash flows from operating activities include Rs. 7.58 Lakh (31 March 2019 Nil) being expenses towards Corporate Social Responsibility initiatives.

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

Chartered Accountants

Firm Registration No. 001393N

Yuvraj Ahuja

Director

DIN 00164675

Madhav Dhir

Director

DIN 07227587

Ajay Virmani

Managing Director

DIN 00758726

CA. Abhishek Jain

Partner

Membership No. 554842

ICAI UDIN : 20554842AAAAAC8584

Dipendra Chaudhary

Company Secretary

M.No. A34853

Rajiv Kumar

Chief Financial Officer

M.No. 508277

Place: New Delhi

Date: 20 July 2020

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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 2020

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 recognized 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 2020

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 2020

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 2020

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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly 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 2020

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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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

k. 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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

finance leases. The leased assets are measured initially at an amount 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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

Contingent liability is disclosed for:

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

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

n. Employee benefits

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

Defined benefit plans*Gratuity*

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

Other long-term benefits

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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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

Short-term employee benefits

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

o. Earnings per share

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

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

p. Segment reporting

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

3. 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:

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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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 2020
(All amounts in INR Lakhs, unless otherwise stated)
2 Property, plant & equipments

Particulars	Leasehold land	Buildings	Plant & equipments	Furniture & fixtures	Vehicles	Office equipments	Total
Gross carrying amount							
At 1 April 2018	101.04	982.06	20,673.12	153.47	30.52	59.40	21,999.61
Additions	-	-	1,837.71	0.04	-	3.74	1,841.49
Disposals	-	-	(796.04)	(19.41)	-	(44.49)	(859.94)
Balance as at 31 March 2019	101.04	982.06	21,714.79	134.10	30.52	18.65	22,981.16
Reclassified on adoption of IND AS 116	(101.04)	-	-	-	-	-	(101.04)
Additions	-	-	137.91	1.41	73.27	52.70	265.29
Disposals	-	-	(627.71)	-	(2.63)	-	(630.34)
Balance as at 31 March 2020	-	982.06	21,224.99	135.51	101.16	71.35	22,515.07
Accumulated depreciation							
At 1 April 2018	35.92	817.70	9,794.51	133.33	24.24	50.57	10,856.26
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)
Balance as at 31 March 2019	36.99	838.34	9,517.17	118.41	25.20	11.89	10,547.99
Reclassified on adoption of IND AS 116	(36.99)	-	-	-	-	-	(36.99)
Charge for the year	-	20.64	553.69	1.61	8.64	5.11	589.69
Disposals	-	-	(504.94)	-	(2.50)	-	(507.44)
Balance as at 31 March 2020	-	858.98	9,565.92	120.02	31.34	17.00	10,593.25
Net carrying amount as at 31 March 2019	64.05	143.72	12,197.62	15.69	5.32	6.76	12,433.17
Net carrying amount as at 31 March 2020	-	123.08	11,659.07	15.49	69.82	54.36	11,921.82

Refer note no. 13 for information on property, plant & equipment hypothecated/mortgage as security by the company.

Refer note no. 38B for disclosure of contractual commitment for acquisition of property, plant & equipment.

Refer note no. 37 for information on property, plant and equipment pledged as security by the company.

Notes to the Financial Statements for the year ended 31 March 2020
 (All amounts in INR Lakhs, unless otherwise stated)

3A Right-of-use assets

Particulars	Leasehold land	Building	Total
Gross carrying amount			
At 1 April 2019	-	-	-
Transition impact of Ind AS 116	101.04	90.85	191.89
Additions	-	-	-
Adjustments/disposals	-	-	-
Balance as at 31 March 2020	101.04	90.85	191.89
Accumulated depreciation			
At 1 April 2019	-	-	-
Transition impact of Ind AS 116	36.99	-	36.99
Charge for the year	1.07	34.19	35.26
Adjustments for disposals	-	-	-
Balance as at 31 March 2020	38.06	34.19	72.25
Net carrying amount as at 31 March 2020	62.98	56.66	119.64

Note: The company has adopted Ind AS 116 "Leases" using modified retrospective approach. Hence, previous year figures have not been disclosed.

3B Intangible assets under development

Computer software	Total
Gross carrying amount	
At 1 April 2018	-
Additions	-
Disposals	-
Balance as at 31 March 2019	-
Additions	7.75
Disposals	-
Balance as at 31 March 2020	7.75
Accumulated amortisation	
At 1 April 2018	-
Charge for the year	-
Impairment charge	-
Balance as at 31 March 2019	-
Charge for the year	-
Impairment charge	-
Balance as at 31 March 2020	-
Net carrying amount as at 31 March 2019	-
Net carrying amount as at 31 March 2020	7.75

Notes to the Financial Statements for the year ended 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
4 Investments: non current		
Investment in equity instruments (fully paid-up)		
Quoted equity shares (Measured at fair value through profit and loss)		
• 1000 (previous year 31 March 2019: 1000) Fully paid up Equity Shares of INR 2 each in DCM Shriram Consolidated Ltd	2.15	4.14
• 500 (previous year 31 March 2019: 500) Fully paid up Equity Shares of INR 2 each in Grasim Industries Ltd	0.48	0.86
• 700 (previous year 31 March 2019: 700) Fully paid up Equity Shares of INR 10 each in Aditya Birla Capital Limited	0.30	-
• 165 (previous year 31 March 2019: 165) Fully paid up Equity Shares of INR 10 each in Gujarat Alkalies & Chemicals Ltd	0.37	0.81
• 300 (previous year 31 March 2019: 300) Fully paid up Equity Shares of INR 5 each in Kanoria Chemicals & Industries Ltd	0.07	0.19
• 100 (previous year 31 March 2019: 100) Fully paid up Equity Shares of INR 10 each in Punjab Alkalies & Chemicals Ltd	0.03	0.06
• 500 (previous year 31 March 2019: 500) Fully paid up Equity Shares of INR 2 each in DCW Ltd	0.04	0.11
• 57 (previous year 31 March 2019: 57) Fully paid up Equity Shares of INR 10 each in Ultra Tech Cement Ltd	1.85	2.29
• 300 (previous year 31 March 2019: 300) Fully paid up Equity Shares of INR 2 each in Ballarpur Industries Ltd.	0.00	0.01
• 100 (previous year 31 March 2019: 100) Fully paid up Equity Shares of INR 10 each in SPIC Ltd	0.00	0.04
Investment in government or trust securities		
Unquoted investments in tax free bonds (Measured at amortised cost)		
Nil Units (previous year 31 March 2019: 554 units) 6.75% Tax free US 64 Bonds of Rs 100 each in Unit trust of India	-	0.32
Investment in Mutual Fund		
Quoted, (Measured at fair value through profit and loss)	2.30	2.66
Principal focused multi cap fund- regular plan growth 4190.606 (31 March 2019: 4190.606) units		
Investment - Others (Measured at cost)		
Silver Coins	0.32	0.32
Total	7.91	11.81
Aggregate value of quoted investments	4.13	4.13
Market value of quoted investments	7.59	11.17
Aggregate value of unquoted investments	0.32	0.64
Aggregate value of impairment in the value of investments	-	-
5A Loans: non-current		
(Unsecured, considered good unless otherwise stated)		
Advance to employees	1.68	0.42
	1.68	0.42
5B Loans: current		
Advance to employees	4.16	6.32
Others	43.59	40.24
	47.75	46.56

Notes to the Financial Statements for the year ended 31 March 2020
(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
6A Other non current assets		
Advance for capital goods*	27.36	180.27
Other advances	122.57	122.57
Prepaid expenses	173.09	4.55
Security deposit	107.42	105.67
	430.44	413.06
*Refer note no. 38B for disclosure of contractual commitment for aquisition of property, plant & equipment		
6B Other current assets		
Advance to suppliers		
- Unsecured, Considered good	603.86	588.98
- Considered doubtful	-	69.71
	603.86	658.69
Less : Provision on advances	-	(69.71)
	603.86	588.98
Balance with government authorities	34.03	26.92
Prepaid expenses and other advances	59.31	32.79
Security deposit - others	11.73	-
Interest accrued on fixed deposit	0.01	-
	708.94	648.69
7 Inventories (Valued at lower of cost and net realisable value)		
Raw material	272.95	271.27
Work-in-progress	378.67	35.31
Finished goods	132.25	78.71
Fuel oil stock of power plant	19.59	8.44
Packing materials	4.51	4.61
Stores and spares	685.39	662.65
	1,493.36	1,060.99
8 Trade receivables		
Unsecured, Considered good	1,699.88	900.40
	1,699.88	900.40
* For related party balances refer note no. 31		
9A Cash & Cash Equivalents		
Balance with bank		
with scheduled banks in current accounts	606.18	6.53
cash credit	-	785.76
Cash on hand	7.00	11.86
Cheques, drafts on hand	-	300.00
	613.18	1,104.15
9B Bank balances other than (ii) above		
Fixed Deposit*	0.44	-
	0.44	-
* Margin money is equal to 5% margin on Bank Guarantee of Rs 8.79 Lakh (31 March 2019: Nil)		
10 Current Tax Assets (net)		
Advance income tax	325.96	0.19
Less: Provision for taxation	(239.35)	-
	86.61	0.19

Notes to the Financial Statements for the year ended 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
11 Equity share capital		
Authorized share capital		
7,50,00,000 equity shares of Rs.10/- each	7,500.00	7,500.00
	7,500.00	7,500.00
Issued share capital		
2,51,58,885 equity shares; 31 March 2019: 2,51,58,885 equity shares; of Rs.10/- each	2,515.89	2,515.89
	2,515.89	2,515.89
Subscribed capital and fully paid up		
2,51,53,861 equity shares; 31 March 2019: 2,51,53,861 equity shares; of Rs.10/- each	2,515.39	2,515.39
	2,515.39	2,515.39

(i) Details of shareholders holding more than 5% shares of the Company

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	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%
Yuvraj Ahuja	2,172,040	8.64%	-	-
M/s Matrix Dotcom Infonet Pvt. Ltd.	1,780,000	7.08%	1,780,000	7.08%
Total	14,668,069	58.32%	12,496,029	49.68%

(ii) Reconciliation of number of equity shares outstanding at the beginning and end of the year

Description	As at 31 March 2020		As at March 31, 2019	
	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	-	-	-	-
Shares outstanding at the end of the year	25,153,861	2,515.39	25,153,861	2,515.39

(iii) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares with paid up value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share on all resolutions submitted to shareholders. They have right to participate in the profits of the company, if declared by the Board as interim dividend and recommended by the Board and declared by the members as final dividend. They are also entitled to bonus/right issue, as declared by Company from time to time. They have right to receive annual report of the Company, beside other rights available under the Companies Act and Listing Regulations.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, beside other rights available under the Companies Act.

The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, by way of bonus shares and shares bought back for the period of 5 years immediately preceding the balance sheet date

The Company has not issued any shares pursuant to contract(s) without payment being received in cash.

No bonus shares have been issued in preceding 5 years.

The Company has not undertaken any buy back of shares.

Notes to the Financial Statements for the year ended 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

12 Other equity

Particulars	Capital reserve	Security premium reserve	Retained earnings	Total
Balance as at 1 April 2018	1.21	2,082.06	647.81	2,731.08
Addition during the year				
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
Balance as at 31 March 2019	1.21	2,082.06	2,949.19	5,032.46
Addition during the year				
Profit for the year	-	-	1,030.02	1,030.02
Items of OCI (net of tax)				
-Remeasurement benefit of defined benefit plans	-	-	(5.13)	(5.13)
Balance as at 31 March 2020	1.21	2,082.06	3,974.08	6,057.35

Particulars	As at 31 March 2020	As at 31 March 2019
13 Borrowings: non-current*		
Secured		
Term loans		
-From banks	999.83	1,334.84
Unsecured		
From others		
-Loans from related parties	3,111.14	4,089.14
-Loans from others	0.33	0.33
-Inter-corporate deposits	112.00	869.50
*for terms & conditions refer table below		
	4,223.30	6,293.81

Particulars	Rate of Interest (p.a)	Maturity	Terms of Repayment	Nature of Security	As at 31 March 2020	As at 31 March 2019
Secured Borrowings						
Term loan - 1 from Punjab National Bank	NA (9.65%)	NA	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

Notes to the Financial Statements for the year ended 31 March 2020

(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 2020	As at 31 March 2019
Term loan - 2 from Punjab National Bank	NA (9.65%)	NA	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
Term Loan - HDFC Bank Limited	8.90% (NA)	March'2024	HDFC Bank Limited, Malcha Marg Branch has sanctioned takeover of existing Term Loan credit facilities with Punjab National bank, Mohan Nagar Branch of 1900 Lakh. The loan is repayable in 7 quarterly instalments of Rs 55 Lakh and 17 quarterly instalments of Rs 75 Lakh	Primary security: (i) First charge on all existing and future current assets and movable fixed asset of borrower (ii) First charge on all/ entire movable fixed asset both present and future in the name of borrower Secondary Collateral: First charge on all immovable fixed assets both present and future including equitable mortgage of land & building in the name of borrower for the instance i.e manufacturing unit located at Plot No. SP-460, RIICO Industrial area, MIA, Alwar	1,269.90	-
Term loan for vehicle from HDFC Bank Ltd.	10.50% (10.50%)	March'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
Total Secured Borrowings					1,269.90	1,874.01
Unsecured Borrowings						
Loan from related parties	9.25% (9.25%)	April'2028	All the loan have been taken from the allied concerns are repayable on the terms as mutually decided between the parties. For detail related parties disclosure refer note no.31 of notes to accounts.	Unsecured borrowings	2,425.54	514.54

Notes to the Financial Statements for the year ended 31 March 2020

(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 2020	As at 31 March 2019
Loan from related parties	Interest Free	September 2025	All the loan have been taken from the directors are repayable on the terms as mutually decided between the parties. For detail related parties disclosure refer note no.31 of notes to accounts.	Unsecured borrowings	751.34	3,614.14
Inter corporate deposit	9.25% (9.25%)	April 2028	Inter corporate deposit comprises term loan obtained from Cirrus Infrastructure Pvt Ltd., JFC Finance India Limited, And the same is repayable on the terms as mutually decided between the parties.	Unsecured borrowings	124.61	888.96
Loan & advance from others	Interest free loan	NA	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
Total unsecured borrowings					3,301.82	5,017.97
Total borrowings					4,571.72	6,891.98
Less : Current maturities of long term borrowings					260.00	521.46
Less : Interest accrued but not due					88.42	76.71
Total non current borrowings					4,223.30	6,293.81

Particulars	As at 31 March 2020	As at 31 March 2019
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13 Borrowings: current*
Secured

Working capital loans repayable on demand from banks 1,580.64 -

*for terms & conditions refer table below

1,580.64	-
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Notes to the Financial Statements for the year ended 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Rate of Interest (p.a)	Maturity	Terms of Repayment	Detail of Security/ Guarantee	As at 31 March 2020	As at 31 March 2019
Cash credit from Punjab National Bank	NA (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.	-	-
Cash credit from HDFC Bank Limited	8.90% (NA)	NA	HDFC Bank Limited, Malcha Marg Branch has sanctioned takeover of our existing cash credit loan facility Rs. 2000.00 Lakhs from Punjab National Bank, Mohan Nagar Branch (Ghaziabad) to meet the working capital requirement of the company.	Primary security: (i) First charge on all existing and future current assets and movable fixed asset of borrower (ii) First charge on all/entire movable fixed asset both present and future in the name of borrower (iii) First charge on all immovable fixed assets both present and future including equitable mortgage of land & building in the name of borrower for the instance i.e manufacturing unit located at Plot No. SP-460, RIICO Industrial area, MIA, Alwar	1,580.64	-
Total current borrowings					1,580.64	-

13 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
1 April 2018	7,322.60	322.97	7,645.57
Cash flows:			
- Repayment	2,176.33	322.97	2,499.30
- Proceeds	1,669.00		1,669.00
31 March 2019	6,815.27	-	6,815.27
Cash flows:			
- Repayment	6,853.61	-	6,853.61
- Proceeds	4,521.63	1,580.64	6,102.27
31 March 2020	4,483.30	1,580.64	6,063.94

Notes to the Financial Statements for the year ended 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
14A Lease liabilities - non current		
Lease liabilities	24.54	-
	<u>24.54</u>	<u>-</u>
14B Lease liabilities - current		
Lease liabilities	34.72	-
	<u>34.72</u>	<u>-</u>
Particulars	As at March 31, 2020	As at March 31, 2019
15A Provisions - non current		
Employees post retirement/long term benefits		
Provision for Gratuity	110.38	98.74
Provision for compensated absences	55.08	42.26
	<u>165.46</u>	<u>141.00</u>
15B Provisions - current		
Employees post retirement/short term benefits		
Gratuity	74.63	56.13
Compensated absences	54.72	44.79
Bonus	17.45	14.93
	<u>146.80</u>	<u>115.85</u>
*For movement in each class of provision during the financial year refer note no. 32		
16 Deferred tax liabilities (net)		
Deferred tax asset arising on account of :		
Provision for leave encashment	30.55	27.73
Provision for gratuity	51.47	47.93
Provision for old stores	2.94	3.08
Provision for doubtful debt & advances	-	20.30
Provision for bonus	4.86	4.35
Right-of-use assets & lease liabilities	0.73	-
Expenses admissible under income tax on payment basis	-	42.84
Mat credit entitlement	908.66	677.67
Total deferred tax asset (a)	<u>999.21</u>	<u>823.90</u>
Deferred tax liabilities arising on account of:-		
Property, plant & equipment	1,530.09	1,259.73
Fair valuation of investments	0.87	2.05
Total deferred tax liabilities (b)	<u>1,530.96</u>	<u>1,261.78</u>
Net deferred tax liabilities (b-a)	<u>531.75</u>	<u>437.88</u>

Notes to the Financial Statements for the year ended 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

Movement in deferred tax liabilities (net)

Particulars	As at March 31, 2019	Recognised / (re-verses)	As at March 31, 2020
Deferred tax asset arising on account of :			
Provision for leave encashment	(27.73)	2.82	(30.55)
Provision for gratuity	(47.93)	3.54	(51.47)
Provision for old stores	(3.08)	(0.14)	(2.94)
Provision for doubtful debt & Advances	(20.30)	(20.30)	-
Provision for bonus	(4.35)	0.50	(4.86)
Right-of-use assets & lease liabilities	-	0.73	(0.73)
Expenses admissible under income tax on payment basis	(42.84)	(42.84)	-
Mat credit entitlement	(677.67)	231.00	(908.66)
Deferred tax liabilities arising on account of:-			
Property, plant & equipment	1,259.73	(270.36)	1,530.09
Fair valuation of investments	2.05	1.18	0.87
Total	437.88	(95.05)	531.75

Movement in deferred tax liabilities (net)

Particulars	As at March 31, 2018	Recognised / (re-verses)	As at March 31, 2019
Deferred tax asset arising on account of :			
Tax Losses	(233.28)	(233.28)	-
Provision for leave encashment	(23.08)	4.64	(27.73)
Provision for gratuity	(39.47)	8.46	(47.93)
Fair valuation of investments	-	(2.05)	2.05
Provision for old stores	(3.08)	-	(3.08)
Provision for doubtful debt & Advances	(20.30)	-	(20.30)
Provision for bonus	(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)
Deferred tax liabilities arising on account of:-			
Property, plant & equipment	1,079.16	(180.57)	1,259.73
Total	145.70	(292.19)	437.88

Notes to the Financial Statements for the year ended 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
17A Other non-current liabilities		
Investor Education and Protection Fund (u/s 125 of the companies act, 2013) *	11.64	11.64
Security and Other Deposits	565.00	-
Payable to statutory authorities	168.42	286.15
	745.06	297.79
*Refer note no. 39		
17B Other current liabilities		
Advance from Customers	105.88	119.16
Other payables	386.16	490.18
Statutory dues payables	172.00	502.79
	664.04	1,112.13
18 Trade Payables		
- total outstanding dues to micro and small enterprises	-	-
- total outstanding dues to creditors other than micro and small enterprises	101.92	42.82
	101.92	42.82

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

Particulars	As at 31 March 2020	As at 31 March 2019
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
19 Other financial liabilities - current		
Current maturities of long-term borrowings	260.00	521.46
Interest accrued but not due	88.43	76.70
Creditors for capital goods	-	1.37
	348.43	599.53
20 Current tax liabilities		
Provision for current tax (net)	-	30.78
	-	30.78

Notes to the Financial Statements for the year ended 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
21 Revenue from operations		
Sale of products	20,368.88	25,113.56
	20,368.88	25,113.56
22 Other income		
Interest income on bank deposits	0.01	1.88
Dividend income on non current investments	0.12	0.21
Profit on account of foreign exchange fluctuation (Net)	-	46.66
Provision written back	146.26	-
Miscellaneous income	3.77	0.95
	150.16	49.70
23A Cost of materials consumed		
Opening stock of raw material	271.27	191.08
Add: Purchase during the year	3,248.39	3,582.04
	3,519.66	3,773.12
Less: Closing stock of raw material	272.95	271.27
	3,246.71	3,501.85
23B Purchase of stock-in-trade		
Opening stock of traded goods	-	-
Add: Purchase during the year	11.12	-
	11.12	-
Less: Closing stock of traded goods	-	-
	11.12	-
24 Changes in inventories of finished goods and work-in-progress		
Finished goods		
-Opening stock	78.71	613.47
-Closing stock	132.25	78.71
	(53.54)	534.76
Work-in-progress		
-Opening stock	35.31	494.69
-Closing stock	378.67	35.31
	(343.36)	459.38
(Increase)/decrease in inventories of finished goods and work-in-progress	(396.90)	994.14
25 Employee benefits expense		
Salaries, wages, allowances & other benefits	955.74	969.88
Gratuity fund contributions (Refer note no. 32)	27.67	29.85
Contribution to provident & other funds (Refer note (a) below)	40.98	37.53
Staff welfare expenses	60.79	53.65
	1,085.18	1,090.91
Note (a) - Defined contribution plan		
Amount recognized in the statement of profit & loss account		
(i) Provident fund	34.91	29.89
(ii) Employee state insurance	6.07	7.64
	40.98	37.53
26 Finance costs		
Interest on		
-Loan from banks	283.08	354.61
-Lease liabilities	7.05	-
Other borrowing cost	11.47	4.25
	301.60	358.86

Notes to the Financial Statements for the year ended 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
27 Depreciation and amortisation expenses		
Depreciation and amortisation expenses	552.69	507.80
Depreciation on right-of-use assets	72.25	-
	624.94	507.80
28 Other expenses		
Consumption of stores and spares	273.98	331.40
Business promotion expenses	51.62	46.34
Computer expenses	0.96	0.17
Repairs and maintenance		
-Plant & machinery	220.15	260.26
-Building	41.37	38.51
-Others	0.54	3.12
Rent expenses	55.69	99.37
Rates and taxes	18.77	13.55
Auditor's remuneration		
-Audit fee	4.00	4.00
-Tax audit fee*	1.60	1.60
-Out of pocket expenses	0.86	0.08
Bank charges	1.59	1.74
Insurance charges	28.91	10.90
Travelling and conveyance	90.13	90.27
Publicity and advertisement expenses	3.77	2.13
Communication expenses	9.25	27.11
Freight & forwarding expenses (Net)	105.14	120.42
General charges	25.39	26.60
Legal and professional expenses	100.11	66.96
Manufacturing expenses	60.37	70.42
Office expenses	7.82	7.87
Printing & stationery	17.44	12.45
Security charges	49.82	49.50
Subscription charges	2.96	2.95
Water & electricity expenses	4.03	3.95
Loss on disposal of property, plant & equipment	54.07	3.48
Balance written off	-	23.24
Loss on foreign exchange fluctuation	0.72	-
Corporate social responsibility expenses#	7.58	-
Loss on fair valuation of investment measured at FVTPL	3.91	0.81
	1,242.55	1,319.20

*Paid to other auditors other than statutory auditors

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

The requisite disclosure relating to the CSR expenditure in terms on guidance note on corporate social responsibility issued by Institute of chartered accountant of India

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. 36.90 Lakhs (31 March 2019: Rs 20.88 Lakhs)

ii) Amount spent during the financial year ended on March 31, 2020 and March 31, 2019 on :

Purpose for which expenditure incurred	For the year ended March 31, 2020	For the year ended March 31, 2019
-Construction/acquisitions of any asset	-	-
-On purpose other than above mentioned	7.58	-
Amount yet to be spent	29.32	20.88
Total	36.90	20.88

29 Tax expenses

Income tax expense recognised in statement of profit and loss

Current tax	239.35	730.78
Deferred tax charge	95.98	291.17
Earlier years tax adjustments (net)	10.43	50.89
	345.76	1,072.84

The reconciliation of tax expense based on the domestic effective tax rate of at 27.82% (31 March 2019: 34.944%) and the reported tax expense in statement of profit or loss is as follows:

Profit Before Tax	1,375.78	3,371.76
Income tax using the Company's domestic tax rate	382.74	981.86

Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense

Non-deductible expenses	16.76	5.69
Non-taxable income	(0.03)	(0.06)
Previously unrecognised Deferred Tax	(21.67)	-
Deferred tax assets not recognised as realisation is not probable	22.81	-
Change in tax rates during the year	(67.34)	-
Tax expense related to earlier years	10.43	50.89
Others	2.07	34.46
Tax expenses as per statement of profit and loss account	345.76	1,072.84

30 Earnings per share

Net profit for the year	1,030.02	2,298.92
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.)	4.09	9.14
(2) Diluted (Rs.)	4.09	9.14

Notes to the Financial Statements for the year ended 31 March 2020**(All amounts in INR Lakhs, unless otherwise stated)****31 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 key managerial personnel (KMP)	Designation
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
Ms Meenakshi Sharma	Independent Director
Mr. Deepak Mathur	Director (Technical)
Mr. Rajiv Kumar	Chief Financial Officer
Mr. Anish Kumar*	Company Secretary
Mr. Dipendra Chaudhary*	Company Secretary

* Mr Dipendra Chaudhary has been appointed as company secretary on date 19/08/2019 , in place of Mr. Anish Kumar (till date 25/07/2019)

Enterprises over which key management personnel and relatives of such personnel exercise significant influence with whom transactions has been undertaken

Cirrus Chemicals Private Limited
Entry India Projects Private Limited
Yuvaraj International Limited
Chanduka Trading Limited

Notes to the Financial Statements for the year ended 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

- b) The following transactions were carried out during the year with related parties in the ordinary course of business:-

Particulars	Year	Key managerial personnel (KMP)	Entities in which KMP/ Relatives of KMP can exercise significant influence
Remuneration	31 March 2020	212.89	-
	31 March 2019	302.40	-
Sale of goods	31 March 2020	-	285.55
	31 March 2019	-	1,612.84
Purchase of goods	31 March 2020	-	11.47
	31 March 2019	-	-
Purchase of capital goods	31 March 2020	-	-
	31 March 2019	-	89.22
Loan taken	31 March 2020	-	2,759.80
	31 March 2019	-	969.00
Loan repaid	31 March 2020	2,862.80	875.00
	31 March 2019	575.00	969.00
Interest expense	31 March 2020	-	73.04
	31 March 2019	-	77.23

Closing balance with related parties in the ordinary course of business:-

Loan outstanding	31 March 2020	751.34	2,359.80
	31 March 2019	3,614.14	475.00
Trade receivable	31 March 2020	-	748.71
	31 March 2019	-	529.63
Remuneration payable	31 March 2020	11.42	-
	31 March 2019	92.38	-
Interest payable	31 March 2020	-	65.74
	31 March 2019	-	-

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

Particulars*	31 March 2020	31 March 2019
Short term employee benefit	210.97	302.40
Defined contribution plan	1.92	-

*Does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for all the employees together.

Terms & Condition of transactions with related party:

- (i) All related party transactions entered during the year were in the ordinary course of business & are on arm's length basis

Notes to the Financial Statements for the year ended 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

32 Employee benefits
A Compensated absences - earned leave
Risk

Salary Increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment Risk	If plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

i) Amounts recognised in the balance sheet:

Particulars	31 March 2020	31 March 2019
Present value of the obligation	109.80	87.05
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	109.80	87.05
Current liability (amount due within one year)	54.72	44.79
Non-current liability (amount due over one year)	55.08	42.26

ii) Expenses recognised in statement of profit and loss:

Particulars	31 March 2020	31 March 2019
Current service cost	13.25	10.86
Interest cost	6.68	6.14
Cost recognised during the year	19.93	17.00

iii) Actuarial (gain)/loss on obligation:

Particulars	31 March 2020	31 March 2019
Actuarial (gain)/loss net on account of:		
-Changes in demographic assumptions	-	-
-Changes in financial assumptions	1.82	0.32
-Changes in experience adjustment	2.92	(5.74)
	4.74	(5.42)

iv) Movement in the liability recognised in the balance sheet is as under:

Particulars	31 March 2020	31 March 2019
Present value of defined benefit obligation at the beginning of the year	87.05	79.26
Current service cost	13.25	10.86
Interest cost	6.68	6.14
Actuarial (gain)/loss net	4.74	(5.42)
Benefits paid	(1.91)	(3.80)
Present value of defined benefit obligation at the end of the year	109.80	87.05

Notes to the Financial Statements for the year ended 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

v) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	31 March 2020	31 March 2019
Discount rate	6.80%	7.65%
Salary escalation rate	5.00%	5.00%
Retirement Age (years)	58.00	58.00
Ages	Withdrawal rate (%)	
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Leave		
Leave availment rate	20.00%	20.00%

Mortality rates inclusive of provision for disability -100% of IALM 2012-14. Ultimate rates has been assumed which also includes the allowance for disability benefits.

(b) Maturity profile of defined benefit obligation

Particulars	31 March 2020	31 March 2019
0 to 1 year	53.40	43.92
1 to 2 year	4.72	2.62
2 to 3 year	2.87	3.84
3 to 4 year	11.54	1.34
4 to 5 year	6.06	10.13
5 to 6 year	3.19	4.79
6 year onwards	41.04	31.54

vi) Sensitivity analysis for compensated absences liability

Particulars	31 March 2020	31 March 2019
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	109.80	87.05
Impact due to increase of 0.50 %	(0.62)	0.21
Impact due to decrease of 0.50 %	5.10	0.63
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	109.80	87.05
Impact due to increase of 0.50 %	(0.64)	0.22
Impact due to decrease of 0.50 %	5.24	0.65

Sensitivities due to mortality and with draws are insignificant and hence ignored.

Notes to the Financial Statements for the year ended 31 March 2020
(All amounts in INR Lakhs, unless otherwise stated)
B Gratuity
Risk

Salary Increases	Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment Risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality & disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

i) Amounts recognised in the balance sheet:

Particulars	31 March 2020	31 March 2019
Present value of the obligation	185.02	154.86
Fair value of plan assets	-	-
Net obligation recognised in balance sheet as provision	185.02	154.86
Current liability (amount due within one year)	74.63	56.13
Non-current liability (amount due over one year)	110.38	98.74

ii) Loss recognised in other comprehensive income:

Particulars	31 March 2020	31 March 2019
Actuarial loss on asset	-	-
Actuarial loss on PBO	2.49	1.94
Loss recognised in other comprehensive income	2.49	1.94

iii) Actuarial (gain)/loss on obligation:

Particulars	31 March 2020	31 March 2019
Actuarial (gain)/loss net on account of:		
- Changes in demographic assumptions	-	-
- Changes in financial assumptions	2.66	0.61
- Changes in experience adjustment	(0.17)	1.33

iv) Expenses recognised in statement of profit and loss

Particulars	31 March 2020	31 March 2019
Current service cost	15.79	13.93
Interest cost	11.88	10.50
Cost recognised during the year	27.67	24.43

Notes to the Financial Statements for the year ended 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

v) Movement in the liability recognised in the balance sheet is as under:

Particulars	31 March 2020	31 March 2019
Present value of defined benefit obligation at the beginning of the year	154.86	135.53
Current service cost	15.79	13.93
Past service cost	-	-
Interest cost	11.88	10.50
Actuarial loss (net)	2.49	1.94
Benefits paid	-	(7.04)
Present value of defined benefit obligation at the end of the year	185.02	154.86

vi) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	31 March 2020	31 March 2019
Discount rate	6.80%	7.65%
Salary escalation rate	5.00%	5.00%
Retirement age (years)	58.00	58.00
Withdrawal rate		
Up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Weighted average duration of PBO		

Mortality rates inclusive of provision for disability -100% of IALM 2012-14. Ultimate rates has been assumed which also includes the allowance for disability benefits.

(b) Maturity profile of defined benefit obligation:

Particulars	31 March 2020	31 March 2019
0 to 1 year	74.87	57.62
1 to 2 year	17.39	9.58
2 to 3 year	7.14	14.75
3 to 4 year	27.26	5.75
4 to 5 year	16.74	23.35
5 to 6 year	12.58	14.07
6 year onwards	49.01	51.68

vii) Sensitivity analysis for gratuity liability:

Particulars	31 March 2020	31 March 2019
a) Impact of the change in discount rate		
Present value of obligation at the end of the year	185.02	154.86
Impact due to increase of 0.50 %	(4.36)	(3.87)
Impact due to decrease of 0.50 %	4.01	3.58
b) Impact of the change in salary increase		
Present value of obligation at the end of the year	185.02	154.86
Impact due to increase of 0.50 %	4.12	3.68
Impact due to decrease of 0.50 %	(4.47)	(3.98)

Notes to the Financial Statements for the year ended 31 March 2020
(All amounts in INR Lakhs, unless otherwise stated)
33 Lease related disclosures

The Company has leases for land and office building. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability as a borrowings. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of Ind-AS 116 are only applied after that date.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office building the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

A Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2020
Short-term leases	33.24
Leases of low value assets	0.56
Variable lease payments	-

B Total cash outflow for leases for the year ended 31 March 2020 was Rs 94.33 lakh

C The Company has total commitment for short-term leases of Rs. 1.56 lakh as at 31 March 2020.

D Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

31 March 2020	Minimum lease payments due						Total
	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	
Lease payments	38.64	25.30	-	-	-	-	63.94
Interest expense	3.92	0.76	-	-	-	-	4.68
Net present values	34.72	24.54	-	-	-	-	59.26

E Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2020 is of Rs. Nil

Notes to the Financial Statements for the year ended 31 March 2020
(All amounts in INR Lakhs, unless otherwise stated)
F Information about extension and termination options

Right of use assets	Number of leases	Range of remaining term	Average remaining lease term	Number of leases with extension option	Number of leases with purchase option	Number of leases with termination option
Land	1	60 years	60 years	0	1	0
Office building	2	1-2 years	1.5 years	0	0	2

G Impact on transition

- Effective 1 April 2019, the Company has adopted Ind AS 116 "Leases" and applied modified retrospective approach to all lease contracts existing as at 1 April 2019. On transition, the adoption of new standard resulted in recognition of lease liability of Rs. 90.85 lakh and corresponding right of use asset of Rs. 90.85 lakh.
- For contracts in place as at 1 April 2019, Company has elected to apply the definition of a lease from Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17.
- The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of Ind AS 116, being 1 April 2019.
- Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.
- On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.
- For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application. Accordingly, an amount of Rs 64.05 lakh has been reclassified from property, plant and equipment to right-of-use assets.
- The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.
- On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 9.48% p.a.
- The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements for the year ended 31 March 2019) to the lease liabilities recognised at 1 April 2019:

Total operating lease commitments disclosed as at 31 March 2019	98.07
Recognition exemptions:	
Leases of low value assets	-
Leases with remaining lease term of less than 12 months	-
Variable lease payments not recognised	-
Other adjustments relating to lease commitment disclosures	4.51
Operating lease liabilities before discounting	102.58
Discounting impact (using incremental borrowing rate)	(11.73)
Operating lease liabilities	90.85
Finance lease obligations under Ind AS 17	-
Total lease liabilities recognised under Ind AS 116 at 1 April 2019	90.85

Notes to the Financial Statements for the year ended 31 March 2020
(All amounts in INR Lakhs, unless otherwise stated)
34A Financial instruments
(i) Fair values hierarchy

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

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

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

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

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

	31 March 2020	31 March 2019	Level	Valuation techniques and key inputs
Investment in equity instruments	5.28	9.17	Level	Fair value of equity instruments have been determined using the quoted market price.
Investment in mutual funds	2.30	2.66	Level	Net asset value (NAV) obtained from an active market.
Total	7.58	11.83		

(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 2020		31 March 2019	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Investments	Level 3	0.32	0.32	0.32	0.32
Loans	Level 3	49.43	49.43	46.98	46.98
Trade receivable	Level 3	1,699.88	1,699.88	900.40	900.40
Cash and cash equivalents	Level 3	613.18	613.18	1,104.15	1,104.15
Total financial assets		2,362.81	2,362.81	2,051.85	2,051.85
Financial liabilities					
Borrowings	Level 3	6,063.94	6,063.94	6,293.81	6,293.81
Trade payables	Level 3	101.92	101.92	42.82	42.82
Other financial liabilities	Level 3	88.43	88.43	599.53	599.53
Total financial liabilities		6,254.29	6,254.29	6,936.17	6,936.17

Notes to the Financial Statements for the year ended 31 March 2020
(All amounts in INR Lakhs, unless otherwise stated)

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.

iv) Financial instruments by category

Particulars	31 March 2020			31 March 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments	7.58	-	0.32	11.83	-	0.32
Loan - security deposits	-	-	-	-	-	-
Loan - employees	-	-	5.84	-	-	6.74
Loan - Other	-	-	43.59	-	-	40.24
Other financial assets	-	-	-	-	-	-
Trade receivables	-	-	1,699.88	-	-	900.40
Cash and cash equivalents	-	-	613.18	-	-	1,104.15
Total	7.58	-	2,362.81	11.83	-	2,051.85
Financial liabilities						
Borrowings	-	-	6,063.94	-	-	6,293.81
Trade payable	-	-	101.92	-	-	42.82
Other financial liabilities	-	-	88.43	-	-	599.53
Total	-	-	6,254.29	-	-	6,936.17

34B Financial risk management

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

A) Credit risk

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

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

Credit risk management

Credit risk rating

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

Notes to the Financial Statements for the year ended 31 March 2020
(All amounts in INR Lakhs, unless otherwise stated)

Assets under credit risk –

Credit rating	Particulars	31 March 2020	31 March 2019
Low	Loans	49.43	46.98
	Investments	0.32	0.32
	Cash and cash equivalents	613.18	1,104.15
	Trade receivables	1,699.88	900.40

Cash & cash equivalents and bank deposits

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

Trade receivables

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

Other financial assets measured at amortised cost

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

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities

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

31 March 2020	Less than 1 year	1-5 year	More than 5 years	Total
Borrowings	1,840.64	999.83	3,223.47	6,063.94
Trade payable	101.92	-	-	101.92
Other financial liabilities	88.43	-	-	88.43
Total	2,030.99	999.83	3,223.47	6,254.29

31 March 2019	Less than 1 year	1-5 year	More than 5 years	Total
Borrowings	-	1275.85	5,017.97	6,293.82
Trade payable	42.82	-	-	42.82
Other financial liabilities	599.53	-	-	599.53
Total	642.35	1275.85	5,017.97	6,936.17

Notes to the Financial Statements for the year ended 31 March 2020
(All amounts in INR Lakhs, unless otherwise stated)
C) Market risk
a) Interest rate risk

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

b) Price risk
Exposure

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

Sensitivity

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

Particulars	31 March 2020	31 March 2019
Price sensitivity		
Price increase by 5%	0.38	0.59
Price decrease by 5%	(0.38)	(0.59)

35 Capital management

The Company's capital management objectives are

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

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

Particulars	31 March 2020	31 March 2019
Total borrowings	6,063.94	6,815.27
Less : cash and cash equivalent	613.18	1,104.15
Net debt*	5,450.76	5,711.12
Total equity	8,572.74	7,547.85
Net debt to equity ratio	0.64	0.76

*Net debt = non current borrowings + current borrowings + current maturities of long term borrowings - cash & cash equivalents

Notes to the Financial Statements for the year ended 31 March 2020
(All amounts in INR Lakhs, unless otherwise stated)
36 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.

37 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 March 31, 2020	As at March 31, 2019
Current		
Inventories	1,493.36	1,060.99
Trade receivables	1,699.88	900.40
Cash and cash equivalents and other bank balances	613.18	1,104.15
Other current assets	708.94	648.69
Non Current		
Property, plant and equipment	11,921.82	12,433.17

38 Contingent liabilities and commitments

(to the extent not provided for)

A Contingent liabilities

Particulars	Period to which the amount relates	For the year ended 31 March 2020	For the year ended 31 March 2019
In respect of Excise duty disputes pending with various judicial authorities	1995-99	-	64.76
In respect of Excise duty disputes pending with various judicial authorities	2011-12	-	1.53
In respect of Entry tax disputes pending with judicial authorities	2003-11	27.28	27.28
	Total	27.28	93.57

B Commitments (net of advance):

Estimated amount of contracts remaining to be executed on capital account Rs. Nil, (Previous year: 31 March 2019: Nil).

39 Unclaimed amount in respect of debentures and excess share application money refundable Rs. 11.64 lakhs, (Previous year: 31 March 2019: Rs 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.

40 Impact of Covid-19:

The announcement of lockdown restriction by the government of india with effect from March 22, 2020 led to shutting down of operations at our plant situated at Alwar. The operation of our plant had restarted in phased manner starting from May, 3 2020. The capacity utilisation is going up continuously in accordance with the demand of the products. The company has considered the possible impact of internal and external factors known to the management upto the date of approval of accounts, to assess and finalize the carrying amount of its assets and liabilities. As on date no material impact anticipated in these financial statements.

41 Authorisation of financial statements

These financial statements for the year ended 31 March 2020 were approved by the Board of Directors on 20th July 2020.

42 The figures have been rounded off to the nearest Rs. Lakhs upto two decimals

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

For Gupta Vigg & Co.

Chartered Accountants

Firm Registration No. 001393N

CA. Abhishek Jain

Partner

Membership No. 554842

ICAI UDIN : 20554842AAAAAC8584

Place: New Delhi

Date: 20 July 2020

Yuvraj Ahuja

Director

DIN 00164675

Dipendra Chaudhary

Company Secretary

M.No. A34853

Madhav Dhir

Director

DIN 07227587

Ajay Virmani

Managing Director

DIN 00758726

Rajiv Kumar

Chief Financial Officer

M.No. 508277

LORDS CHLORO ALKALI LIMITED

CIN No. : L24117RJ1979PLC002099

Registered Office: SP-460, MIA, Alwar, Rajasthan-301 030

Corporate Office : A-264, 1st Floor, Defence Colony, New Delhi -110 024

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 41st Annual General Meeting of the company being held on Wednesday, 30th December, 2020 at 11.00 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

EVEN (Electronic Voting Event Number)	User ID	Default PAN/Sequence Number

Please see note no. 15 to the Notice dated 17th September, 2020 convening the AGM for the procedure with respect to e-voting.

Note: The remote e-voting period commences on Saturday, 26th December, 2020 (at 9.00 A.M. IST) and ends on Tuesday, 29th December, 2020 (at 5.00 P.M. IST)

LORDS CHLORO ALKALI LIMITED

Registered Office: SP-460, MIA, Alwar, Rajasthan-301 030
Corporate Office : A-264, 1st 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) ofshares 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 41st Annual General Meeting of the Company, to be held on Wednesday, 30th December, 2020 at 11:00 A.M. at the Registered office of the Company at SP-460, MIA, Alwar Rajasthan 301001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Reso- lution 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 st March, 2020 and the reports of the Board of Directors and Auditors thereon.		
2.	To appoint Shri Yuvraj Ahuja (DIN: 00164675), who retires by rotation at this meeting and being eligible has offered himself for re-appointment.		
Special Business			
3.	To consider and approve increase in remuneration to Shri Ajay Virmani (DIN 00758726), Managing Director of the Company.		
4.	To consider and approve appointment of Shri Rajendra Prasad Chauhan (DIN: 01444662) as an Independent Director of the Company.		
5.	To consider and approve appointment of Shri Sandeep Singh (DIN: 03603531) as an Independent Director of the Company.		
6.	To ratify the remuneration of the Cost Auditors for the Financial Year 2020-21		

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

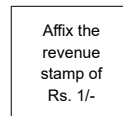
Signed this..... day of..... ..

Signature of Member

Signature of first Proxy holder

Signature of second Proxy holder

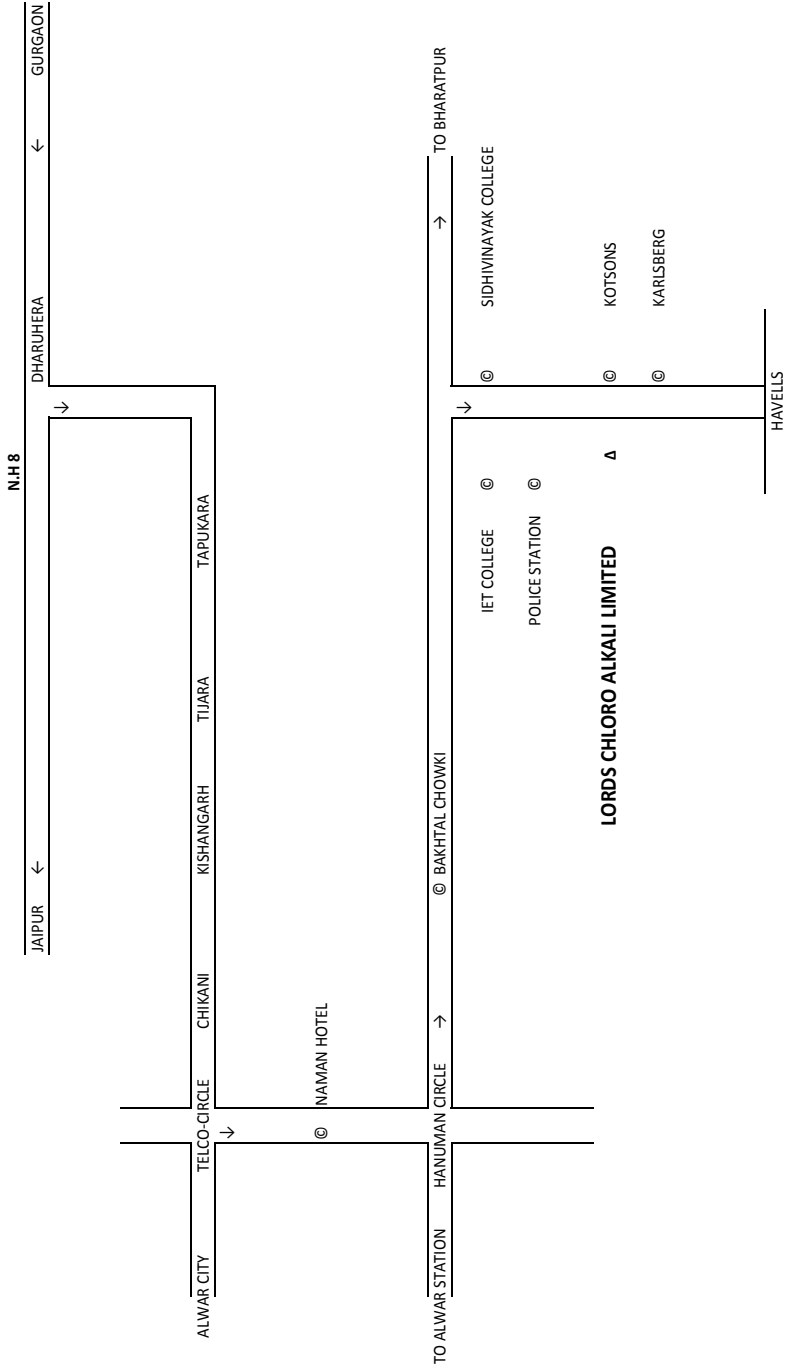
Signature of third Proxy holder



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 11:00 A.M. 28th December, 2020.
2. For the Resolutions, Explanatory Statements and notes, please refer to the notice of the 41st 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, 1st Floor, Defence Colony, New Delhi-110024