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**32<sup>nd</sup>**  
**Annual Report**  
**2010 - 2011**

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**LORDS CHLORO ALKALI LIMITED**

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**Board of Directors**

Shri Laxmi Paul Dhir	Chairman, Non Executive Director
Shri Ashok Kumar	Managing Director
Shri Rakesh Ahuja	Non Executive Director
Shri Pawan Kumar Nayyar	Independent Director
Shri Ajay Virmani	Executive Director & CEO
Shri Vijay Kumar Chopra	Executive Director
Shri Jeevesh Kumar	Director (Corporate Strategy)
Shri Yuvraj Ahuja	Executive Director
Shri Krishan Lal Batra	Independent Director
Shri Sandeep Chaudhari	Independent Director
Shri Jagtar Singh	Director (Technical)
Shri Shiv Dutt Sharma	Independent Director
Shri Rajbir Singh Makhni	Independent Director
Shri Shyam Chowdhary	Independent Director
Shri Chandra Shakher Pathak	Independent Director

**Company Secretary &  
Compliance Officer**

Sandeep Singh

**Statutory Auditors**

M/s. Alag Kumar & Associates,  
Chartered Accountants,  
C-460, Defence Colony,  
New Delhi-110024.

**Registrar & Share  
Transfer Agent**

M/s. Skyline Financial Services Pvt. Ltd.,  
D-153A, 1<sup>st</sup> Floor,  
Okhla Industrial Area, Phase-1,  
New Delhi-110 020.  
Phone No. 011-26812682-83  
Fax No. 011-26812681.

**Registered Office &  
Plant**

SP-460, Matsya Industrial Area,  
Alwar-301030 (Rajasthan).

**Corporate Office**

B-88, Defence Colony,  
New Delhi-110024.

## NOTICE

**NOTICE** is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Members of **LORDS CHLORO ALKALI LIMITED** will be held on Monday the 21<sup>st</sup> November, 2011 at 10.30 a.m. at Regd. Off. at SP-460, Matsya Industrial Area, Alwar (Rajasthan) to transact the following business :

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 and Profit & Loss for the financial year ended on that date and report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri Sandeep Chaudhari who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a director in place of Shri Pawan Kumar Nayyar who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors and consider in this connection, to pass with or without modification(s) the following resolution proposed as an Ordinary Resolution: -

**“RESOLVED THAT** M/s. Gupta Vigg & Co., Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company, in place of M/s. Alag Kumar & Associates, Chartered Accountants, to hold office until the conclusion of next Annual General Meeting on the remuneration as may be fixed by the Board of Directors.”

### **SPECIAL BUSINESS:**

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

**“RESOLVED THAT** Shri Rajbir Singh Makhni who was appointed as an Additional Director of the Company w. e. f. 30.06.2010 and whose term of office expires at ensuing Annual General Meeting be and is hereby appointed as Director of the Company.”

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

“**RESOLVED THAT** Shri Shiv Dutt Sharma who was appointed as an Additional Director of the Company w. e. f. 30.06.2010 and whose term of office expires at ensuing Annual General Meeting be and is hereby appointed as Director of the Company.”

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

“**RESOLVED THAT** Shri Chandra Shekher Pathak who was appointed as an Additional Director of the Company w. e. f. 30.06.2010 and whose term of office expires at ensuing Annual General Meeting be and is hereby appointed as Director of the Company.”

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

“**RESOLVED THAT** Shri Shyam Chowdhary who was appointed as an Additional Director of the Company w. e. f. 30.06.2010 and whose term of office expires at ensuing Annual General Meeting be and is hereby appointed as Director of the Company.”

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

“**RESOLVED THAT** Shri Jeevesh Kumar who was appointed as an Additional Director of the Company w. e. f. 30.07.2010 and whose term of office expires at ensuing Annual General Meeting be and is hereby appointed as Director of the Company.”

10. 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 198, 269, 309 & 310 read with Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to the approval from Central Government (if required), consent of Shareholders of the Company be and are hereby accorded for re-appointment of Shri Jeevesh Kumar as Director (Corporate Strategy) for a period of 3 years w.e.f. 30th July, 2010 with a payment of remuneration of Rs. 24.00 lacs per annum (Rs. 2.00 lacs per month) (CTC) inclusive of all perquisites and allowances.

**RESOLVED FURTHER THAT** in the event of company having no profit or inadequacy of profit in any financial year, the company may pay to Shri Jeevesh Kumar, Director (Corporate Strategy), remuneration by way of salary inclusive of all perquisites and allowances not exceeding the ceiling limit of Rs. 24.00 lacs per annum or Rs. 2.00 lacs per month subject to the limits specified under Section-II of Part-II of Schedule-XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force.

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

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

“**RESOLVED THAT** Shri Vijay Kumar Chopra who was appointed as an Additional Director of the Company w. e. f. 30.04.2011 and whose term of office expires at ensuing Annual General Meeting be and is hereby appointed as Director of the Company.”

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

“**RESOLVED THAT** subject to the provisions of Section 198, 269, 309 & 310 read with Schedule-XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) and subject to the approval from Central Government (if required), consent of Shareholders of the Company be and are hereby accorded for appointment of Shri Vijay Kumar Chopra as Executive Director for a period of 3 years w.e.f. 12<sup>th</sup> August, 2011 with a payment of remuneration of Rs. 8.40 lacs per annum (Rs. 70,000/- per month) (CTC) inclusive of all perquisites and allowances.

**RESOLVED FURTHER THAT** in the event of company having no profit or inadequacy of profit in any financial year, the company may pay to Shri Vijay Kumar Chopra as Executive Director, remuneration by way of salary inclusive of all perquisites and allowances not exceeding the ceiling limit of Rs. 8.40 lacs per annum or Rs 70,000/- per month subject to the limits specified under Section II of Part II of Schedule-XIII of the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force.

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

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

“**RESOLVED THAT** consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, to mortgaging and/or charging by the Board of Directors of the Company of all the immoveable and moveable properties of the Company wheresoever situate, present and future, and the whole of the undertaking of the Company to or in favour of institutions / banks / NBFC Co(s) / Body Corporate / Individuals / other funding agencies (lenders) or the trustees for the lenders of the Company to secure the financial assistances granted / to be granted by the lenders upto an amount in the aggregate not exceeding Rs. 100 crores, together with all interest thereon, commitment charge, costs, charges, expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of foreign currencies involved and all other moneys payable by the Company to the lenders in terms of the respective facility agreements entered into by the Company in respect of the aforesaid assistances.

**RESOLVED FURTHER THAT** Board of Directors of the Company authorized to agreeing with the lenders in terms of the respective facility agreements / security documents to reserve a right over the property of the Company in certain events.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to finalise with the lenders / trustees for the lenders of the Company documents for creating aforesaid mortgage and /or charge and for reserving the aforesaid right and to do all such acts and things as may be necessary for giving effect to the above resolutions.”

**For and on behalf of the Board of Directors**

Place: New Delhi

**(Laxmi Paul Dhir)**

**(Ashok Kumar)**

Date: 24.10.2011

**Chairman**

**Managing Director**

**NOTES:-**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME OF THE MEETING. A BLANK PROXY FORM IS ENCLOSED.**
2. **MEMBERS/PROXIES SHOULD BRING THE ATTENDANCE SLIP DULY FILLED IN FOR ATTENDING THE MEETING.**
3. Register of Members and Share Transfer Books of the Company will remain close **from 18.11.2011 to 21.11.2011** (both days inclusive).
4. Members are requested to produce the enclosed attendance slip duly signed as per the specimen signature recorded with the Company for admission to the meeting hall.
5. All the documents referred to in the accompanying Notice and Explanatory Statements are open for inspection at the Registered Office of the Company between 11-00 a.m. to 1-00 p.m. on all working days till the date of 32<sup>nd</sup> Annual General Meeting.
6. The explanatory statements pursuant to section 173(2) of the Companies Act, 1956 in respect of item no. 5 to 13 are annexed herewith.

**EXPLANATORY STATEMENT**

(Pursuant to section 173(2) of the Companies Act, 1956)

**ITEM NO. 5**

Shri Rajbir Singh Makhni was appointed as an Additional Director of the Company w.e.f. 30.06.2010 and his term expires at ensuing Annual General Meeting. The Company has received a notice in writing under section 257 of the Companies Act, 1956 from one of its members signifying his intention to propose the candidature of Shri Rajbir Singh Makhni as a Director of the Company at ensuing Annual General Meeting along with security deposit of Rs. 500/-.

Shri Rajbir Singh Makhni, if appointed will be a Non Executive Independent Director of the company.

None of the director except Shri Rajbir Singh Makhni himself is concerned or interested in this resolution.



Hence, your Directors recommend you to pass the proposed resolution as an ordinary resolution.

**ITEM NO. 6**

Shri Chandra Shakher Pathak was appointed as an Additional Director of the Company w.e.f. 30.06.2010 and his term expires at ensuing Annual General Meeting. The Company has received a notice in writing under section 257 of the Companies Act, 1956 from one of its members signifying his intention to propose the candidature of Shri Chandra Shakher Pathak as a Director of the Company at ensuing Annual General Meeting along with security deposit of Rs. 500/-.

Shri Chandra Shakher Pathak, if appointed will be a Non Executive Independent Director of the company.

None of the director except Shri Chandra Shakher Pathak himself is concerned or interested in this resolution.

Hence, your Directors recommend you to pass the proposed resolution as an ordinary resolution.

**ITEM NO. 7**

Shri Shiv Dutt Sharma was appointed as an Additional Director of the Company w.e.f. 30.06.2010 and his term expires at ensuing Annual General Meeting. The Company has received a notice in writing under section 257 of the Companies Act, 1956 from one of its members signifying his intention to propose the candidature of Shri Shiv Dutt Sharma as a Director of the Company at ensuing Annual General Meeting along with security deposit of Rs. 500/-.

Shri Shiv Dutt Sharma, if appointed will be a Non Executive Independent Director of the company.

None of the director except Shri Shiv Dutt Sharma himself is concerned or interested in this resolution.

Hence, your Directors recommend you to pass the proposed resolution as an ordinary resolution.

**ITEM NO. 8**

Shri Shyam Chowdhary appointed as an Additional Director of the Company w.e.f. 30.06.2010 and his term expires at ensuing Annual General Meeting. The Company has received a notice in writing under section 257 of the Companies Act, 1956 from one of its members signifying his intention to propose the

candidature of Shri Shyam Chowdhary as a Director of the Company at ensuing Annual General Meeting along with security deposit of Rs. 500/-.

Shri Shyam Chowdhary, if appointed will be a Non Executive Independent Director of the company.

None of the Director except Shri Shyam Chowdhary himself is concerned or interested in this resolution.

Hence, your Directors recommend you to pass the proposed resolution as an ordinary resolution.

### **ITEM NO. 9**

Shri Jeevesh Kumar was appointed as an Additional Director of the Company w.e.f. 30.07.2010 and his term expires at ensuing Annual General Meeting. The Company has received a notice in writing under section 257 of the Companies Act, 1956 from one of its members signifying his intention to propose the candidature of Shri Jeevesh Kumar as a Director of the Company at ensuing Annual General Meeting along with security deposit of Rs. 500/-

Shri Jeevesh Kumar, if appointed will be an Executive Promoter Director of the company.

None of the directors except Shri Ashok Kumar, Managing Director and Jeevesh Kumar himself is concerned or interested in this item.

Hence, your Directors recommend you to pass the proposed resolution as an ordinary resolution.

### **ITEM NO. 10**

Shri Jeevesh Kumar, B.Tech. (USA), Engineer in ERP and Software, appointed as Director (Corporate Strategy) of the Company w.e.f. 30<sup>th</sup> July, 2007 and his terms of appointment expired on 29<sup>th</sup> July, 2010.

The Board of Directors re-appointed Shri Jeevesh Kumar as an Additional Director as Director (Corporate Strategy) of the Company for a period of three years with effect from 30<sup>th</sup> July, 2010, subject to the approval of the shareholders and Central Government, if required.

Pursuant to section 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956 and subject to approval of the Shareholders in the ensuing General Meeting and subject to approval from Central Govt. (if required), the Board has appointed Shri Jeevesh Kumar as Director (Corporate Strategy) on the Board of the Company for a period of 3 years w.e.f. 30<sup>th</sup> July, 2010 with the Remuneration of Rs. 24.00 lacs per annum (Rs. 2.00 Lacs per month) (CTC) inclusive of all prerequisites and allowances.

The Board of Directors after considering the recommendation of Remuneration Committee has fixed remuneration as mentioned in the resolution to be paid to Shri Jeevesh Kumar, Director (Corporate Strategy) during his tenure.

Therefore, special resolution and other terms and conditions of appointment including remuneration requires approval of the shareholders in the Annual General Meeting in pursuance of the provisions of the Companies Act, 1956 and the special resolution as set out at Item No. 10 is intended for this purpose.

The Notice and Explanatory Statement may be treated as an abstract of terms and memorandum of interest under section 302 of the Companies Act, 1956 regarding appointment of Shri Jeevesh Kumar as Director (Corporate Strategy) of the Company to be circulated to the shareholders of the company. In view of above, the Board accordingly recommends his appointment.

In this regard, as required under Part-II, Section-II of Schedule – XIII of the Companies Act, 1956, the following information is furnished below:

### **I. General Information :**

(1) **Nature of Industry :** Company 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 :**

	<b>(Rs. in lacs)</b>		
<b>Year</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>
Sales	13264.34	11428.60	12970.85
Net Profit/(Loss)	139.46	(10.70)	397.42

### **II. Information about the Appointee :**

(1) **Background Details:**

Shri Jeevesh Kumar, B.Tech. (USA), Engineer in ERP and Software, having experience in IBM (USA) and Polaris Software as a part of Business Development Team and presently he is working as Director (Corporate Strategy) of the Company with effect from 30.07.2007.

**(2) Past Remuneration:**

Details of remuneration drawn by the Appointee during 2009-10 and 2010-11 as under :

<b>Financial Year</b>	<b>(Amount in Rupees)</b>
2009-10	19,90,136
2010-11	20,26,136

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

Shri Jeevesh Kumar, B.Tech. (USA), re-appointed as Director (Corporate Strategy) of the Company w.e.f. 30<sup>th</sup> July, 2010. He contributed to setup and commissioned the 100 TPD capacity plant based on UDHE Technology, resulted the higher production. After setting up the expansion plant, the total capacity of Caustic Soda increased to 227 TPD.

**(4) Remuneration proposed:**

The details of remuneration as recommended by the Remuneration Committee, proposed to be paid to Shri Jeevesh Kumar are furnished in the resolution proposed for member's approval under Item No.10 of the Notice of this report.

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

The prevalent level remuneration in Chemicals Industries are higher. Taking into account the turnover of the Company, the academic background, qualification and experience of Shri Jeevesh Kumar, 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 Jeevesh Kumar has no pecuniary relationship with the Company (except to the extent of the remuneration received/receivable from the company) and he is also relative of Shri Ashok Kumar, Managing Director of the Company.

**III. Other Information :****(A) Reasons of loss or inadequacy of profit**

The Company has achieved the production of 47,746 MT of Caustic Soda during the year 2010-11 as compared to 51,812 MT during the year 2009-10.

However, the market situation was adverse during the year 2009-10 because of global recession. A huge quantity of Caustic Soda was imported at a very cheap price which has disturbed the sentiments of the market, resulting in direct impact on selling price. Despite the increase in production and reduction in cost of production due to efficiencies and cost reduction efforts, the company has incurred losses.

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

The company is taking steps for revamping the plant, increasing efficiencies and increasing capacity of the plant, to bring down the cost of production.

The sentiments of the market are also improving, as the selling rates have started firming up in the international market and the import of Caustic Soda have come down. The government has also taken the necessary steps and imposed the Safeguard Duty and is likely to impose the antidumping duty, which will further improve the sales realization and increase profitability.

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

The Company has taken up Brownfield project for expansion of Caustic Soda by 110 TPD. The project is expected to be completed during the year 2011-12. After implementation of project, the capacity of Caustic Soda will increase from 227 TPD to 337 TPD resulting in enhancement of turnover and profitability thereof.

The Company has restarted production of Trichloroethylene (TCE) and expecting to manufacture 350 MT to 450 MT per month. The turnover of the Company will increase along with profitability in coming months.

The Company has also taken up the measures to enhance the productivity of the existing plant by way of modifications, revamping and refurbishing the existing plant. This will further increase the turnover and profitability of the Company.

None of the directors except Shri Ashok Kumar, Managing Director and Jeevesh Kumar himself is concerned or interested in this item.

Hence, your Directors recommend you to pass the proposed resolution as special resolution.

**ITEM NO. 11**

Shri Vijay Kumar Chopra was appointed as an Additional Director of the Company w.e.f. 30.04.2011 and his term expires at ensuing Annual General Meeting. The Company has received a notice in writing under section 257

of the Companies Act, 1956 from one of its members signifying his intention to propose the candidature of Shri Vijay Kumar Chopra as a Director of the Company at ensuing Annual General Meeting along with security deposit of Rs. 500/-.

Shri Vijay Kumar Chopra, if appointed will be Executive Director of the company.

None of the director except Shri Vijay Kumar Chopra himself is concerned or interested in this resolution.

Hence, your Directors recommend you to pass the proposed resolution as an ordinary resolution.

## **ITEM NO. 12**

Shri Vijay Kumar Chopra , B.Sc (Hons), LLB, PGDBM from IIM Calcutta appointed as an Executive Director of the Company. He has twenty seven years of experience in banking sector and worked with SBI emphasis on commercial lending and loan documentation. He has been a member of Bar Council since 1964 and is heading the infrastructure and power group of the firm.

Pursuant to section 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956 and subject to approval of the Shareholders in the ensuing Annual General Meeting and subject to approval from Central Govt. (if required), the Board of Directors appointed Shri Vijay Kumar Chopra as Executive Director of the Company for a period of three years with effect from 12<sup>th</sup> August, 2011 with a Remuneration of Rs. 8.40 lacs per annum (Rs. 70,000/- per month) (CTC) inclusive of all perquisites and allowances.

The Board of Directors after considering the recommendation of Remuneration Committee has fixed remuneration as mentioned in the resolution to be paid to Shri Vijay Kumar Chopra, Executive Director during his tenure.

Therefore, resolution and other terms and conditions of appointment including remuneration requires approval of the shareholders in the Annual General Meeting in pursuance of the provisions of the Companies Act, 1956 and the resolution as set out at Item No. 12 is intended for this purpose.

The Notice and Explanatory Statement may be treated as an abstract of terms and memorandum of interest under section 302 of the Companies Act, 1956 regarding appointment of Shri Vijay Kumar Chopra as Executive Director of the Company to be circulated to the shareholders of the company. In view of above, the Board accordingly recommends his appointment.

None of the director except Shri Vijay Kumar Chopra himself is concerned or interested in this resolution.

Hence, your Directors recommend you to pass the proposed resolution as an ordinary resolution.

**ITEM NO. 13**

The Company is planning for expansion of business operations in plant and revamping the existing plant, for this purpose Company is require to borrow money from various institutions / banks / NBFC Co(s) / Body Corporate / Individuals / other funding agencies (lenders) to the extent of Rs. 100 crores.

As the assistances from the institutions / banks / NBFC Co(s) / Body Corporate / Individuals / other funding agencies (lenders) provided / agreed to be provided to the Company have to be secured by the mortgage and charge over assets of the Company, both present and future movable and immovable property and lender have right to take charge over the assets of the company in certain events. Therefore, consent of the shareholders required by passing Ordinary Resolution as mentioned in the notice of the meeting.

None of the Directors of your Company is interested, either directly or indirectly, in the said resolution.

Hence, your Directors recommend you to pass the proposed resolution as an ordinary resolution.

**For and on behalf of the Board of Directors**

Place: New Delhi

**(Laxmi Paul Dhir)**

**(Ashok Kumar)**

Date: 24.10.2011

**Chairman**

**Managing Director**

**Additional Information**

Details of Directors seeking appointments/re-appointments at the forthcoming Annual General Meeting Pursuant to Clause 49 of the Listing Agreement:

1.	<b>Name of the Director</b>	<b>Sh. Rajbir Singh Makhni</b>	<b>Sh. Shiv Dutt Sharma</b>	<b>Sh. Chandra Shaker Pathak</b>
2.	Date of Birth	17/05/1958	20/09/1944	16/06/1971
3.	Date of Appointment/ Re-appointment	30/06/2010	30/06/2010	30/06/2010
4.	Experience in Specific Areas	Businessman	B.E (Civil)	Finance & Accounts
5.	Shareholding in the Company	50,000	Nil	Nil
6.	Directorships in Other Companies	<ol style="list-style-type: none"> <li>1. Abhisar Estates Private limited</li> <li>2. Genins India Tpa Limited</li> <li>3. Makhni Consultants Private Limited</li> <li>4. Diwakar Commercial Pvt Ltd</li> <li>5. Euro Finmart Limited</li> <li>6. Euro Global Reinsurance Brokers Limited</li> <li>7. Europlus Financial Services Limited</li> </ol>		<ol style="list-style-type: none"> <li>1. Om Sai Ram Financial Advisors Private Limited</li> </ol>



1.	<b>Name of the Director</b>	<b>Sh. Shyam Chowdhary</b>	<b>Sh. Jeevesh Kumar</b>	<b>Sh Vijay Kumar Chopra</b>
2.	Date of Birth	28/09/1941	27/03/1983	10/12/1940
3.	Date of Appointment/ Reap- pointment	30/06/2010	30/07/2010	30/04/2011
4.	Experience in Specific Areas	Businessman	Corporate Strategy	Retired from SBI
5.	Shareholding in the Company	Nil	14320	Nil
6.	Directorships in Other Com- panies	<ol style="list-style-type: none"> <li>1. Multiplex Builders Private Limited</li> <li>2. Shivkala Infratech Private Limited</li> <li>3. Muse Farms Pvt. Ltd.</li> <li>4. Lark Projects Pvt. Ltd</li> <li>5. Distinct Horizon Orchard Pvt. Ltd.</li> <li>6. Lakhani Commercial Company Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Combined Securities Private Limited</li> <li>2. Jass Real Estates Pvt Ltd</li> <li>3. D S Portfolio Private Limited</li> <li>4. C S Portfolio Private Limited</li> <li>5. Innovative Portfolio Private Limited</li> <li>6. Greenscape Eco Management Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. Destinationindia Projects Private Limited</li> <li>2. Aquamarine Synthetics And Chemicals Private Limited</li> <li>3. Cygnat Projects Private Limited</li> <li>4. Triton Projects India Private Limited</li> <li>5. Turquoise Metals And Electricals Private Limited</li> </ol>

**DIRECTOR'S REPORT**

Your Directors are pleased to present the 32nd Annual Report together with the Audited Accounts of the Company for the financial year ended on 31<sup>st</sup> March, 2011.

**1. FINANCIAL RESULTS**

The comparative financial results of the company are given below:

(Rs. in lac)

<b>Particulars</b>	<b>2010-11</b>	<b>2009-10</b>
Sales	13264.34	11428.60
Other Income	233.00	994.42
Operating Profit / (Loss) before Interest, Depreciation & Exceptional Items	836.79	518.79
Interest	53.99	14.27
Depreciation	491.11	521.67
Net Profit/(Loss)	139.46	(10.70)

**2. PERFORMANCE**

Your Company has achieved the Gross Turnover of Rs. 13264 lac during the year 2010-11 as compare to Rs. 11429 lac (previous year) an increase of 16%.

The Company has restarted manufacturing Tri Chloro Ethylene (TCE) and sold 1230 MT of TCE during the year, which contributes to turnover of Rs. 968 Lac.

The sale of Hydrogen Gas has also increased to 93 MT from 58 MT as compared to last year, which contributes to additional revenue of Rs.31 lac.

The Company has taken steps for revamping and refurbishing the plant for increasing efficiency and Capacity, resulting in reduction of Cost of Production and increase the profitability.

**3. ACHIEVEMENTS, AWARDS AND APPRICIATIONS**

Persons coming forward with schemes and suggestions to reduce pollution levels, increase efficiencies of different equipments, are being appreciated and suitably rewarded.

**4. RESUMPTION OF TRADING OF EQUITY SHARES AT BSE**

Your directors are pleased to inform that Bombay Stock Exchange vide its notice dated 29<sup>th</sup> March 2010, has revoked the suspension of Trading

of equity Shares of the company w.e.f 5<sup>th</sup> April 2010. The trading of Shares resumed in 'T' Category.

## 5. **MARKETING**

The Company is engaged in the manufacture and sale of Caustic Soda and its related products viz. Chlorine, Hydrochloric Acid, Calcium Hypo Chloride, Hydrogen Gas, Stable Bleaching Powder (SBP) and Trichloro Ethylene (TCE).

Your Company is supplying Caustic Soda Lye and Chlorine to various companies in the organized sectors i.e. M/s. Hindustan Unilever Ltd. (HUL), M/s. Godrej Consumer Products Ltd., M/s. SRF Ltd. (SRF). During the year, the Company has added the new customers – M/s. Indian Oil Corporation.

In view of product mix, we are able to drive the benefit of better Chlorine realization by increasing the production of Stable Bleaching Powder and Trichloroethylene as and when the Chlorine realization is lower, thereby maximizing Company ECU realizations.

During the year, the Company has reported the total sales of products of Rs. 13264.34 lac in comparison to previous year Rs. 11428.60 lac.

## 6. **EXPANSION PROJECT**

We are pleased to inform that your company has re-started the production of Tri-Chloro- Ethylene (TCE) in the month of June 2010 and are in the process to increase the capacity by installing 3<sup>rd</sup> Reactor. Thereafter, the total capacity of TCE will be increased to 300 MT per month.

The Company is in process of refurbishing and revamping of existing Caustic Soda Capacity of 227 TPD and thereafter, the remaining capacity of 110 TPD of Caustic Soda will be commissioned during the year, for which your company is approaching to the bankers for Term Loan Assistance.

The Company is proposing to invest in Sodium Hypo Plant for better and comprehensive treatment of Waste Chlorine.

## 7. **FUTURE OUTLOOK**

The Company is continuing its endeavor to reduce its costs and utilizing the existing installed capacity of Caustic Soda, Stable Bleaching Powder (SBP), Tri Chloro Ethylene (TCE) etc.

The Company is making investment through own funds, unsecured loan and term loan to refurbish the existing plant and stabilize the production at 225 TPD in near future. After refurbishing, the break downs will reduce, resulting in cost savings and enhancement of profitability.

The Company has restarted the production of Tri Chloro Ethylene (TCE) which will be increased to 300 MT per month in the near future.

The Company is in the process of stabilizing the production of Caustic Soda and Stable Bleaching Powder and the actual production is expected to be increased to 60,000 MT and 8,000 MT respectively in 2011-12.

To reduce the power and fuel cost further, your Company is entering into a Power Trading Agreement.

The Company is proposing to invest for installing Sodium Hypo Plant for better treatment and comprehensive treatment of Waste Chlorine.

In the last five years, the Company has maintained cordial relationship with its workforce and taken initiatives to boost the morale and team spirits. The Company has been able to effectively manage its workforce, both own and contractual, to obtain amongst the highest efficiencies. The Company is continuing its endeavor to establish harmonious relations with its team to achieve the performance.

## **8. DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Sandeep Chowdhary & Shri Pawan Kumar Nayyar retire by rotation at the ensuing Annual General Meeting and being eligible offered themselves for re-appointment.

Shri Jeevesh Kumar was appointed as an additional director on the Board and appointed as Director (Corporate Strategy) w.e.f. 30.07.2010.

Shri S.M Sharma, Director of the Company has resigned from the Board w.e.f. 29.10.2010, Board of Directors placed their appreciation on the record for the services and guidance rendered by him to the company during his tenure as the Director of the Company.

## **9. AUDITORS' OBSERVATIONS**

In reference to the Comments mentioned in the para 4(I) and (II) of the Auditors Report for the year 2010-11, we wish to submit the following:

- (I) Company was a sick Industrial company and Hon`ble BIFR has sanctioned a scheme on 30<sup>th</sup> Nov. 2006 .Subsequently the scheme was successfully implemented and the company has revived. The BIFR accordingly has deregistered the company from its purview in March 2010. All the liabilities have been restructured as per the provisions of the rehabilitation scheme. Company has received confirmation letters from various parties, however we are still waiting confirmation from some of the parties, therefore some balances could not be ascertained.

- (II) Company has not received all the records from old Management. We are in the process of reconciliation the records. We shall deposit the whole amount in the Investor Education and Protection Fund (IEPF) as soon as records are reconciled.

## 10. AUDITORS

M/s. Alag Kumar & Associates, Chartered Accountants, Auditors of the Company, hold office until the conclusion of ensuing Annual General Meeting and are recommended for re-appointment. Certificate from the Auditors have been received to the effect that their re-appointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

## 11. COST AUDITORS

In accordance with section 233B of the Companies Act, 1956, and subject to approval of the Central Government, the Company has reappointed M/s. Goyal, Goyal & Associates, Cost Accountants, New Delhi, as Cost Auditors to conduct the cost audit of the accounts relating to its products for the financial year 2011-12. The Company has obtained the approval for the same from the Central Government.

## 12. SAFETY, ENVIRONMENT PROTECTION & POLLUTION CONTROL

The Company continues to give priority to safety and pollution control measures. It has been strictly following the requisite guidelines as received from the Pollution Control Board.

Pollution Control being one of the important point in our quality policy. We are putting maximum efforts and taking utmost care to ensure that surrounding environment is not getting polluted during the process of manufacturing our main and by-products.

Few other efforts being put are as under:

On the awareness front, employees are being given training as regards the handling of the products and by-products. We have already worked out HAZOP Study and continuously adopting the plan to avoid confusion for action to be taken in case of a sudden release of chlorine or similar harmful chemicals. The transporters and personals involved in the process of transportation have been trained to handle all sorts of problems which can arrive during the process of transportation. A culture has been inculcated wherein all employees are encouraged to use personal protective equipments. As a token of indication of pollution free atmosphere, we are maintaining greenery right in the heart of the plant. We have installed air sampling points at all strategic locations and continuous monitoring of air to ensure pollution free atmosphere. Chlorine sensors have been installed at different location of the plant for monitoring of Chlorine emission to proper control of pollution.

Company further planning to replace WAD unit from Calcium Hypo (Lime based) to Sodium Hypo (Caustic Soda based) for efficient and pollution free gas neutralization system.

500 KVA DG Set new engine replaced which complies to the latest requirements of Pollution Control Regulations.

### **13. PARTICULARS OF EMPLOYEES**

Information as required under section 217(2A) of the Companies Act, 1956, read with Companies (particulars of employees) Rules, 1975 amended on 31.03.2011. There is no employee covered under the above section.

### **14. INDUSTRIAL RELATIONS**

Cordial Industrial relations and improvement in productivity were maintained at the Company's Plant and Office and your management appreciates the support of employees/ workers at all levels for their dedicated services to achieve the performance.

### **15. DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors wish to inform that the audited accounts containing financial statement for the financial year 31<sup>st</sup> March, 2011 are in full conformity with the requirement of the Companies Act, 1956.

Directors believe that the financial statements reflect fairly, the forms and substance of the transactions carried out during the year and reasonably present the Company's financial condition and result of operations.

Pursuant to Section 217(2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000 the directors of the Company declare as under:

- (i) that in the preparation of the Annual Accounts, the applicable Accounting Standard have been followed along with proper explanation relating to material departures.
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit of the Company for that period.
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

- (iv) that the directors had prepared the annual accounts on a going concern basis.

## 16. CORPORATE GOVERNANCE REPORT

A Report on Corporate Governance forms part of this Report. The Management Discussion & Analysis Report and the Certificate from the Practicing Company Secretary confirming the compliance with Clause 49 of the Listing Agreement relating to Corporate Governance is also annexed to the Report.

In compliance with the requirement of clause 49 (V), a certificate from Executive Director & CEO and Chief Financial Officer was placed before the Board.

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

In compliance with provisions of clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 the statements giving the required information relating to energy conservation, technology absorption, foreign exchange earnings and outgoings are annexed hereto.

## 18. FIXED DEPOSIT

During the year under review, the Company did not raise funds by the way of fixed deposits and no such amount of principle or interest was outstanding as on the date of balance sheet.

## 19. 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 Shareholders, 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**

Place: New Delhi

**(Laxmi Paul Dhir)**

**(Ashok Kumar)**

Date: 30.04.2011

**Chairman**

**Managing Director**

**FORM - A**
**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

SL. NO.	PARTICULARS	YEAR 2010-2011	YEAR 2009-2010
<b>(A)</b>	<b>POWER &amp; FUEL CONSUMPTION :</b>		
1.	ELECTRICITY		
	(a) PURCHASE UNITS	167830200	164320560
	TOTAL AMT. Rs.	699214221	681183037
	AVG. RATE / KWH Rs.	4.17	4.15
	(b) OWN GENERATION:		
	THROUGH POWER GENERATORS		
	UNITS (KWH)	19201	47291
	CONSUMPTION OF HSD (MT)	7.21	15.82
	UNIT PER KG. OF HSD (KWH)	2.66	2.99
	COST OF UNIT (Rs.)/(KWH)	17.11	13.98
2.	FURNACE OIL QTY. (MT)	86	249
	TOTAL AMOUNT (Rs.)	2229392	6095791
	AVG. RATE PER MT (in Rs.)	25923	24481
3.	OTHERS	N.A.	N.A.
<b>(B)</b>	<b>CONSUMPTION (KWH/MT)</b>		
1.	PRODUCTION OF CAUSTIC SODA (MT)	47746	51812
2.	ELECTRICITY (KWH/MT)	3515	3172
3.	FURNACE OIL (LTR / MT)	85.43	50.39



## FORM - B

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION.

#### A. CONSERVATION OF ENERGY

- Efficient digital current calibrators have been procured which will further boost accurate calibration of various instruments indigenously.
- 500 KVA DG Set new engine replaced which complies to the latest requirements of Pollution Control Regulations. It will provide Added auxiliary power during shutdowns and will help in lower fuel consumption due to better efficiency
- At some strategic location in Brine System, ORP and pH Meters will be installed very soon in order to minimize chemical consumption and achieve better efficiency.
- UHDE Cell House to be modified based on DCS (Distributed Control System) to improve recording, measuring and efficient controlling plant process which will help in reduction of cost, optimum utilization of equipment and efficient operation.

It is ongoing process at Lords Chloro Alkali Limited to monitor the Process Flow Parameters, Pumps and Compressor Ratings etc., and to modify and alter them as per requirement in a view to optimize energy consumption.

#### B. TECHNOLOGY ABSORPTION & INNOVATION

Import substitution of spares & raw materials, energy conservation and cost reduction is under regular R&D efforts.

#### C. ASSISTANCE TO ANCILLARY INDUSTRIES

Company provides continuous assistance to CPW manufacturers (Ancillary Units) in the vicinity of Alwar and providing necessary technical support to them from time to time.

## FORM – C

### FOREIGN EXCHANGE EARNING AND OUTGOING

The total foreign exchange earned and used :

	(Rs. in Lac)	
	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010
(i) Earned	--	--
(ii) Used	25.14	19.83

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## MANAGEMENT DISCUSSION AND ANALYSIS

Your Company commenced the production in the year 1983 and started manufacturing Caustic Soda (Lye & Flakes), Chlorine, Hydrochloric Acid and value added products like Stable Bleaching Powder (SBP) and Tri-Chloro Ethylene (TCE).

The total domestic production of Caustic Soda during the year 2010-11 was 24.54 lacs MT as against 23.26 lacs MT during the year 2009-10. There has been an increase in domestic production by 5.50% during the year.

The Company's products Caustic Soda/Chlorine are required by variety of industries like Paper Mills, Textiles, Soap, Power House, Refineries and Aluminum. Other Products produced by the Company are required by industries like Sugar, Water Treatment and used as raw materials for production of various Chemicals and pesticides, Metal cleaning, finishing and solvent extraction etc.

Your Company has restarted TCE Plant which will improve the top and bottom line of the Company.

Hydrogen gas, another by-product of the industry, is traditionally used in hydrogenation of vegetable oils and is also finding increased usage in optical fiber industry and other hydrogenation applications in organic chemicals as well as clean fuel.

### **Safety and Environment**

Company's Commitment to safety and preservation of environment has been encompassed in its "Safety Health and Environment (SHE) policy". The Company has continued its emphasis on safety awareness for operations of caustic soda plant. Company has taken adequate steps for pollution controls as well as other safety measure steps for protection of environment.

### **POWER- MAJOR RAW MATERIAL**

Power forms 2/3<sup>rd</sup> of the direct variable cost of the product, and therefore the viability of this industry are dependent on power rate. The Government needs to rationalize power tariffs and also to make available inputs like furnace oil, coal, gas, etc. at international levels in order to make the domestic industry internationally competitive.

### **PERFORMANCE**

During the year, in our country, the installed capacity of Caustic Soda has increased from 32.02 lacs MT in 2009-10 to 33 lacs MT in 2010-11, an increase of 3% (approx.) over the previous year.

Due to continuous pollution problem in paper industry in north and chemical industry in Gujarat, the demand of Caustic Soda is increased by 3% to 4% only. The demand of our products are good in other consuming sectors

like soap, detergent, aluminium, organic chemicals etc. Due to increase in demand of Caustic Soda in global market, the international prices have started going upward from December, 2010/January, 2011, and because of this, the domestic price has also shoot up from February/March, 2011. We expect that the demand growth of our products in the year 2011-12 may be in the range of 8% to 10%.

## **OUTLOOK**

In the year 2011-12, no new capacities are likely to come and we expect the demand growth by 8% - 10%. The international prices of Caustic Soda and Chlorine shall also remain upward. Our market conditions are likely to remain good in the year 2011-12 which shall improve the top and bottom line of the Company.

The operating margins of the Company witnessed pressure on account of rise in prices of inputs cost like furnace oil, coal and major chemicals etc. which are raw materials for manufacturing Caustic Soda.

## **CORPORATE GOVERNANCE REPORT**

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

Corporate Governance is a reflection of a Company's culture, policies, its relationship with the stakeholders, and its commitment to values. Corporate Governance aims at fairness, transparency, accountability and responsibility in the functioning of the Company with ultimate objective of realizing and enhancing shareholders value. The company's philosophy on the Code of Corporate Governance is a tuned to these aspects and to the philosophy of the Company which is:

- i) to ensure that adequate control system exist to enable the Board in effectively discharging its responsibilities to all the stakeholders of the company,
- ii) to ensure that the decision making process is fair and transparent,
- iii) to ensure the fullest commitment of the management and the board for the maximization of the shareholder value,
- iv) to ensure that the employees of the company subscribed to the corporate values and apply them in their conduct and
- v) to ensure that the company follows globally recognized corporate governance practices.

## 2. Board of Directors

### Composition of Board

- i) At present the Board has an optimum combination of executive and non-executive directors, comprising of experts from various fields/ professions. The Board consisting of Fifteen Directors out of which Nine directors are Non-Executive Directors.
- ii) The Chairman of the Board is Non-Executive Director and is a relative to the promoters. Therefore, Company has the optimum combination of half of the Board as Independent Directors. The composition of the Board of directors of the Company is in accordance with clause 49 of the Listing Agreement.

### Board Meetings

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

During the financial year 2010-11, Eight (8) Board Meetings (including adjourned meetings) were held on 14.05.2010, 12.08.2010(Adj), 26.08.2010(Adj), 03.09.2010(Adj), 30.09.2010, 15.11.2010(Adj), 19.11.2010 and 15.02.2011.

### MEMBERSHIP, ATTENDANCE AND OTHER DIRECTORSHIP

The composition of the Board and attendance of each director at Board Meetings held during the financial year 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*	Designation	Directorship in other Pub.Co.	Committee	
		Board Meeting	Last AGM				Chairman	Member
1.	Shri Laxmi Paul Dhir*	7	Y	NED	Chairman	1	-	-
2.	Shri Ashok Kumar	7	Y	MD	Managing Director	1	-	-
3.	Shri Rakesh Ahuja	6	Y	NED	Director	5	1	-
4.	Shri Pawan Kumar Nayyar	1	N	I & NED	Director	-	-	-
5.	Shri Ajay Virmani*	7	Y	ED	Executive Director & CEO	-	-	1
6.	Shri Dhananjay Gautam	8	Y	ED	Director (Business Co-ordination)	-	-	-

7.	Shri Jeevesh Kumar	5	N	ED	Director (Corporate Strategy)	-	-	1
8.	Shri Yuvraj Ahuja*	5	N	ED	Director	1	-	-
9.	Shri Krishan Lal Batra*	6	N	NED	Director	-	2	1
10.	Shri Sandeep Chaudhari*	3	N	NED	Director	-	-	-
11.	Shri S. M. Sharma**	-	N	ID	Director	-	-	-
12.	Shri Jagtar Singh	4	Y	ED	Director (Technical)	-	-	-
13.	Shri Shiv Dutt Sharma*	3	N	NED	Director	-	-	-
14.	Shri Rajbir Singh Makhni*	5	N	NED	Director	-	-	-
15.	Shri Shyam Chowdhary*	3	N	NED	Director	4	-	-
16.	Shri Chandra Shakher Pathak*	3	N	NED	Director	-	-	-

MD– Managing Director, ED– Executive Director, I– Independent Director, NED– Non-Executive Director.

\* Appointed during the year.

\*\* Resigned during the year.

### Board Committees

To enable better and more focused attention on the affairs of the company, the Board delegate 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 scope of the functions and broad terms of reference of the Audit Committee are commensurate with provisions of Section 292A of the Companies Act, 1956 and as per clause 49 of the listing agreements with the Stock Exchanges. The Audit Committee reviews and reports to the Board on the followings:

- i) Scope of Internal Audit
- ii) Compliance with legal & statutory requirements.
- iii) Quarterly, half yearly and yearly Financial Results of the Company before submission to Board.
- iv) Recommendation of Appointment of Statutory / Cost Auditor to the Board.

As on 31<sup>st</sup> March, 2011, the Audit Committee of Directors of the Company comprised of three Directors including Independent Directors and Non-Executive Directors.

The constitution of the Audit Committee was as follows:

- |                         |          |
|-------------------------|----------|
| 1. Shri K.L.Batra       | Chairman |
| 2. Shri Shyam Chowdhary | Member   |
| 3. Shri Ajay Virmani    | Member   |

During the financial year 2010-11, Eight (8) Audit Committee Meetings (including adjourned meetings) were held on 14.05.2010, 12.08.2010(Adj), 26.08.2010(Adj), 03.09.2010(Adj), 30.09.2010, 15.11.2010(Adj), 19.11.2010 and 15.02.2011.

#### **4. Remuneration Committee**

Remuneration of Whole time/Executive Directors is considered by the Board of Directors, based on the recommendations of the Remuneration Committee.

The Remuneration Committee consists of three Directors and all of them are Independent Directors and Non-Executive Directors. As on 31<sup>st</sup> March, 2011, the constitution of the Remuneration Committee was as follows:

- |                             |          |
|-----------------------------|----------|
| 1. Shri K. L. Batra         | Chairman |
| 2. Shri Sandeep Chaudhari   | Member   |
| 3. Shri Rajbir Singh Makhni | Member   |

During the Financial Year 2009-10, Two (2) Remuneration Committee Meetings were held on 14.05.2010 and 30.06.2010.

#### **5. Shareholder's/ Investor's Grievance Committee**

The Shareholder's / Investor's Grievance Committee consisting of three Directors including Independent Directors and Non-Executive Directors.

The Committee also looks into the redressal of shareholder's complaint like transfer of shares, non-receipt of annual report, dividend/ warrant etc. As on 31<sup>st</sup> March, 2011, the constitution of the Shareholder's / Investor's Grievance Committee was as follows:

- |                       |          |
|-----------------------|----------|
| 1. Shri Rakesh Ahuja  | Chairman |
| 2. Shri K. L. Batra   | Member   |
| 3. Shri Jeevesh Kumar | Member   |

During the year 2010-11, Four (4) Shareholder's / Investor's Grievance Committee Meetings were held on 14.05.2010, 12.08.10, 15.11.2010 and 15.02.2011.

## 6. 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		
2009-2010	31	22.06.2010	10.30 AM	SP-460, Matsya Industrial Area, Alwar, (Raj)
2008-2009	30	29.09.2009	12.30 PM	SP-460, Matsya Industrial Area, Alwar, (Raj)
2007-2008	29	29-11-2008	12.30 PM	SP-460, Matsya Industrial Area, Alwar, (Raj)

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

### **31<sup>st</sup> Annual General Meeting (22.06.2010)**

- Appointment of Shri Yuvraj Ahuja as Executive Director.
- Article No. 111 of the Company is substituted regarding increase of Director from 15 to 18
- New Article No. 155 (11A) is inserted.

### **30<sup>th</sup> Annual General Meeting (29.09.2009)**

Appointment of Shri Jagtar Singh as Director (Technical)

### **29<sup>th</sup> Annual General Meeting (29.11.2008)**

There was no Special resolution passed in the 29<sup>th</sup> Annual General Meeting.

Neither any Extra-Ordinary General Meeting was held nor was any resolution passed through Postal Ballot during the year under review.

## 7. Disclosures

1. There are no materially significant related party transactions i.e. transactions material in nature having potential conflict with the interest of the company at large. Details of related party transactions are furnished under schedule to the 'Notes to Accounts' of the Balance Sheet as at 31/03/2011.
2. Presently, the Company does not have a Whistle Blower Policy. However, no personnel of the Company has been denied access to the Audit Committee.

3. The Company has complied with all the mandatory requirements of Clause 49. As regard the non-mandatory requirements, Company tries to implement them to the extent possible.

## 8. Means of Communications

The Unaudited Quarterly / Half Yearly Financial Results of the Company are published in English and local language news-papers as required under the Listing Agreement and intimation of the same also sent to Stock Exchanges from time to time. The Website of the Company has been launched i.e. **www.lordschloro.com**. Management discussion and analysis form a part of annual report and is given in a separate chapter thereto.

## 9. General Shareholder Information

- i) **Day, Date & Time of AGM** : Monday, 21<sup>st</sup> November, 2011 at 10:30AM  
**Venue of AGM** : Regd. Off. - SP-460, MIA, Alwar (Raj.)
- ii) **Financial Year** : 1<sup>st</sup> April, 2010 to 31<sup>st</sup> March, 2011
- iii) **Book Closure Period** : 18<sup>th</sup> November, 2011 to 21<sup>st</sup> November, 2011 (both days inclusive)
- iv) **Listing of Shares** : Bombay Stock Exchange, Delhi Stock Exchange, Jaipur Stock Exchange.
- v) **Stock Code** : 500284 (BSE)  
**Scrip id** : LORDSCHLO  
**ISIN NO.** : INE846D01012
- vi) **Registrar & Share Transfer Agents** : M/s. Skyline Financial Services Pvt. Ltd.,  
D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-1, New Delhi-110 065. Phone No. 011-26812682-83  
Fax No. 011-26812681.  
Email: admin@skylinerta.com
- vii) **Plant Location** : SP-460, Matsya Industrial Area, Alwar - 301030 (Rajasthan)
- viii) **Addresses for Correspondence** : 1) SP-460, Matsya Industrial Area, Alwar - 301030 (Rajasthan)  
: 2) B-88, Defence Colony, New Delhi-110024.
- ix) **Company Secretary & Compliance Officer** : Shri Sandeep Singh  
**Email id** : secretarial@lordschloro.com



**x) Market Price Data**

As the trading of the shares of the Company resumed w.e.f. 05.04.2010, following is the chart wise presentation of Market Price Date:

Month	Open Price	High Price	Low Price	Close Price	Total Turnover (Rs.)
Apr 10	10.10	49.80	10.10	26.45	9,23,717
May 10	27.75	29.25	26.00	27.30	29,262
Jun 10	25.95	30.00	22.10	30.00	1,01,538
Jul 10	28.55	28.55	22.35	22.35	14,798
Aug 10	21.25	24.65	18.65	24.65	82,67,403
Sep 10	25.85	31.70	22.25	22.25	1,08,291
Oct 10	23.35	26.80	21.10	22.30	75,093
Nov 10	23.40	29.80	21.35	24.40	18,12,616
Dec 10	23.95	23.95	17.10	21.65	70,017
Jan 11	22.70	39.90	22.70	39.90	5,17,094
Feb 11	37.95	37.95	29.55	35.85	4,56,111
Mar 11	35.00	35.00	32.00	32.00	5,015

Source: BSE Website

**xi) Share Transfer System & Dematerialization of Shares**

The Company appointed M/s. Skyline Financial Services Pvt. Ltd. as Registrar and Share Transfer Agent (RTA) for share transfer work . The share transfer Agent process shares sent for transfer / transmission, three times in a month. Transfers/ Transmissions are complete in all respects, are processed within 30 days.

The Company's shares are traded in the Stock Exchanges compulsorily in demat modes. Therefore, for DEMAT, Shareholders are requested to kindly note that physical documents, viz Demat Request Forms (DRF) and Share Certificates etc. should be sent by their Depository Participants (DP's) directly to the Registrar and Transfer Agents (RTA).

NSDL and CDSL, (Depositories) Mumbai have allotted ISIN INE 846D01012 for dematerialization of equity shares of the Company.

As on 31.03.2011, 54.65% of the total shares are held in Demat Form.

**xii) Listing**

The Equity Shares of the Company is listed with Bombay Stock Exchange, Delhi Stock Exchange and Jaipur Stock Exchange.

The Company has paid listing fees to all the exchanges namely Bombay Stock Exchange, Delhi Stock Exchange and Jaipur Stock Exchange upto the year 2011-2012. The Company is regularly complying with all the compliances of listing agreements with the stock exchanges.

**xiii) CEO and CFO Certification**

As required under Clause 49 of the listing agreement, necessary certification from Chief Executive Officer and Chief Financial Officer (CFO) of the Company for the financial year ended on 31<sup>st</sup> March, 2011 was placed before the Board of Directors of the Company.

**xiv) Shareholding Pattern as on 31<sup>st</sup> March, 2011 is as under:**

Category	No. of Shares	% of Share holding
Promoters	20292859	80.67
Financial Institutions/Banks/ Mutual Funds/Insurance/State Govt.	73407	0.29
Public	3166486	12.60
Others (NRI & OCBs)	1621109	6.44
<b>Total</b>	<b>25153861</b>	<b>100.00</b>

**Distribution Schedule of the Equity Shares as on 31<sup>st</sup> March, 2011**

Total Share holding		No. of Shareholder	% of to total Shareholders
0	500	48238	99.69
501	1000	61	0.13
1001	2000	26	0.05
2001	3000	8	0.02
3001	4000	2	0.00
4001	5000	0	0.00
5001	10000	6	0.01
10001 &	Above	46	0.10
	<b>Total</b>	<b>48387</b>	<b>100</b>

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**CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE**

To,  
The Members,  
Lords Chloro Alkali Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Lords Chloro Alkali Limited (the "Company"), for the year ended 31.03.2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said Clause of the above mentioned Listing Agreement(s).

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.

**For Sharma Jain & Associates  
Company Secretaries**

**(Deepak Sharma)  
Partner  
C. P. No. 3670**

Date : 24.10.2011  
Place : New Delhi

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**AUDITOR'S REPORT****THE MEMBERS  
LORDS CHLORO ALKALI LIMITED  
NEW DELHI**

1. We have audited the attached balance sheet of **Lords Chloro Alkali Limited** as at March 31, 2011 and also the profit and loss account and cash flow statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent they are applicable to the Company.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that :
  - (i) *Balances of current assets, sundry debtors, loans and advances and current liabilities including sundry creditors are subject to confirmation and adjustments necessary upon reconciliation thereof. The effect of the adjustment arising from the reconciliation/ confirmation that may arise is not ascertainable.*
  - (ii) *The Company has not transferred an amount of Rs. 11.64 Lakhs (previous year Rs. 11.64 Lakhs) to the "Investor Education and Protection Fund", as required. This is a contravention of the provisions of section 205 C of the Companies Act, 1956 (Refer note no. B-5 of schedule 'P').*

5. *Subject to our comments in (4) above the effects of which are indeterminate and further to our comments in the annexure referred, we report that :*
- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
  - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in section 211(3C) of the Companies Act, 1956.
  - (v) On the basis of written representations received from the directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) In the absence of notification by the Central government, the cess payable under section 441A of the Companies act, 1956, has not been provided for in the books of accounts.
  - (vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view and in conformity with the accounting principles generally accepted in India -
    - (a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
    - (b) in the case of the profit and loss account, of the profit of the Company for the year ended on that date; and

- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

**For ALAG KUMAR & ASSOCIATES**  
**Chartered Accountants**  
(Firm Regn. No. – FRN 015004N)

Place : New Delhi  
Date : 30.04.2011

**(GURBIR SINGH ALAG)**  
*(Partner)*  
Membership No. 84075

## Annexure

Re: **Lords Chloro Alkali Limited**

(Referred to in paragraph 3 of our report of even date)

1. a. The Company has maintained reasonable records showing necessary particulars including quantitative details and situation of fixed assets.
- b. As informed to us, no physical verification of the fixed assets has been done during the year by the management. Hence we are unable to comment on the discrepancies, if any, which may arise on such verification.
- c. During the year the Company has not discarded any Plant & Machinery, having material value, discarding of which can have any adverse impact on the performance of the Company. However company has sold its land at Moti-dungri, which was not being used for any production activity.
2. a. As informed to us, the inventory of the Company has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c. On the basis of our examination of the records of inventory, in our opinion, the Company has maintained proper records of inventory and as explained to us, the discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. a. No loan has been given by the company to any entity covered under section 301 of the Act.
- b. The company has taken unsecured loans from the entities covered in the register maintained under section 301 of the Act. The maximum amount involved during the year and the year end balance of such loan are Rs 8.47 cr and Rs 2.00 cr respectively.
- c. In our opinion, the terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
- d. In respect of the aforesaid loans, the company is regular in repaying the principal and interest as and where applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard

to purchases of inventories and fixed assets and with regard to the sale of goods. During the course of our audit, we have neither come across nor have been informed of any major weakness in the internal control system.

5. a. In our opinion and according to the information and explanation given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b. In our opinion and according to the information and explanation given to us and having regard to the explanation in para 4 above, the transactions made in pursuance of contracts and arrangements referred to in para 5 (a) above and exceeding the value of Rs. 5 lacs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at that time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of section 58A,58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government of India has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, in respect of Caustic Soda manufactured by the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
9. a. According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, related education cess and other statutory dues applicable to it except for dues to Investor Education and Protection Fund where there have been certain delays.
- b. According to the records of the Company examined by us and the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, wealth tax, service tax, sales tax, customs duty and excise duty were outstanding, as at 31st March, 2011 for a period of more than six months from the date they became payable *other than the following*:



S. No.	Nature of Dues	Amount Due Over six months (as on 31 <sup>st</sup> March, 2011) (Rs.)	Remarks
	Provident Fund & Employees State Insurance	3.99 lacs	i. The old PF dues are yet to be deposited related to previous years.
2	Income Tax (T.D.S)	1.33 lacs	Old TDS ( TPT.) balance
3	Wealth Tax	6.58 lacs	Provided for in the books.
4	Investor Education & Protection Fund	11.64 lacs	Refer Note no. B.5 –Schedule 'P'.

- c. According to the records of the Company examined by us and the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute, *other than the following:*

Name of the statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	145.62 lacs	1996-97	Hon'ble High Court, Rajasthan / CESTAT
Central Excise Act, 1944	Excise duty	110.72 lacs	1996-1999	Hon'ble High Court, Rajasthan
Central Excise Act, 1944	Excise duty	12.63 lacs	2003-2004	Hon'ble High Court, Rajasthan
Central Excise Act, 1944	Excise duty	157.91 lacs	1995-1999	Commissioner (Appeals) / CESTAT
Central Excise Act, 1944	Excise duty	8.96 lac	2010-2011	Additional Commissioner, Jaipur
Central Excise Act, 1944	Excise duty	20.53 lacs	2007-2010	Joint Commissioner, Jaipur / Asst. Commissioner Alwar
Rajasthan Sales Tax Act, 1994	Electricity Duty	20.03 lacs	2004-2006	Dy. Commissioner -Commercial Taxes ( Appeals)
Rajasthan Sales Tax Act, 1994	Entry Tax	27.38 lacs	2003-2011	Dy. Commissioner -Commercial Taxes ( Appeals)
Income Tax Act, 1961	Income Tax	287.17 lacs	1996-97	Commissioner, Appeal Alwar

10. During the year the company has started trading in commodities. The entries in this regard were found to be in order and proper contact notes/ ledger accounts from the respective brokers were also presented to us however the Sauda register is not being maintained up-to-date.
11. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
12. According to the records of the Company examined by us and the information and explanations given to us, no term loans have been raised during the year by the Company.
13. According to the information and explanations given to us and on the basis of an overall examination of the balance sheet of the Company, in our opinion, generally, there are no funds raised during the year by the Company on short-term basis, which have been used for long-term investment.
14. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
15. During the period covered by our audit report, the Company has not issued any debentures.
16. During the period covered by our audit report, the Company has not raised any money by public issue.
17. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

The other provisions of the Order do not appear to be applicable for the year under report.

**For ALAG KUMAR & ASSOCIATES**  
**Chartered Accountants**  
(Firm Regn. No. – FRN 015004N)

Place : New Delhi  
Date : 30.04.2011

**(GURBIR SINGH ALAG)**  
*(Partner)*  
Membership No. 84075

**BALANCE SHEET AS AT 31ST MARCH' 2011**

PARTICULARS	SCHEDULE	AS AT 31.03.2011 (Rs. In Lac)	AS AT 31.03.2010 (Rs. In Lac)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDER'S FUNDS :</b>			
Share Capital	A	2515.39	2515.39
Reserves & Surplus	B	2474.32	2335.57
<b>LOANS FUNDS:</b>			
Secured Loans	C	33.33	31.48
Unsecured Loans	D	556.09	742.99
Deferred Tax Liability(Net)		525.37	257.28
<b>TOTAL</b>		<u>6104.50</u>	<u>5882.71</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS:</b>			
Gross Block	E	14572.49	14855.82
Less:Depreciation		<u>10729.30</u>	<u>10530.89</u>
Net Block		3843.19	4324.93
Capital Work-in-Progress		<u>1219.79</u>	<u>794.10</u>
		<u>5062.98</u>	<u>5119.03</u>
<b>INVESTMENT</b>	F	2.77	2.77
<b>CURRENT ASSETS, LOANS &amp; ADVANCES:</b>			
Inventories	G	1026.48	722.76
Sundry Debtors		1172.73	616.25
Cash & Bank Balances		30.94	24.58
Loans & Advances		<u>1833.73</u>	<u>1789.88</u>
		4063.88	3153.47
<b>Less: CURRENT LIABILITIES &amp; PROVISIONS :</b>			
Current Liabilities		2741.98	2036.64
Provisions		283.15	355.92
Net Current Assets		<u>1038.75</u>	<u>760.91</u>
<b>TOTAL</b>		<u>6104.50</u>	<u>5882.71</u>
Significant Accounting Policies & Notes to Accounts	P		

(Schedule "A" to "H" and Schedule "P" form an integral part of the Balance Sheet)

As per our report of even date attached

**For ALAG KUMAR & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(Firm Regn. No. - FRN 015004N)**

**GURBIR SINGH ALAG**  
**PARTNER**  
**Membership No. 84075**

**LAXMI PAUL DHIR**  
**CHAIRMAN**

**ASHOK KUMAR**  
**MANAGING DIRECTOR**

**AJAY VIRMANI**  
**EXECUTIVE DIRECTOR & C.E.O.**

**P. K. GOYAL**  
**CHIEF FINANCIAL OFFICER**

**Place : New Delhi**  
**Dated : 30<sup>th</sup> April, 2011**

**SANDEEP SINGH**  
**COMPANY SECRETARY**

**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH' 2011**

<b>PARTICULARS</b>	<b>SCHE- DULE</b>	<b>2010-2011 (Rs. In Lac)</b>	<b>2009-2010 (Rs. In Lac)</b>
<b>INCOME</b>			
Sales		13264.34	11428.60
Less : Excise Duty		<u>1115.03</u>	<u>898.25</u>
		12149.31	10530.35
Other Income	I	233.00	994.42
Increase/(Decrease) in Stock	J	178.03	(49.27)
		<u>12560.34</u>	<u>11475.50</u>
<b>EXPENDITURE</b>			
Direct Manufacturing Expenses	K	10089.30	9405.57
Payments to and Provisions for Employees	L	868.79	787.66
Selling and Administrative Expenses	M	765.46	763.48
Financial Expenses	N	<u>53.99</u>	<u>14.27</u>
		11777.54	10970.98
Profit/ (Loss) before Depreciation, Exceptional Items and Tax		782.80	504.52
Depreciation		491.82	522.38
Less: Transferred from Revaluation Reserve		<u>0.71</u>	<u>0.71</u>
		491.11	521.67
Profit/ (Loss) before Tax and Exceptional Items		291.69	(17.15)
Adjustments for prior period (Net)/ Exceptional Items	O	<u>0.11</u>	<u>(10.18)</u>
Profit / (Loss) before Tax		291.80	(27.33)
Provision for Taxation			
Current year Tax		(61.35)	(138.76)
MAT Credit Entitlement		38.35	-
Current year Deferred Tax Asset/ (Liability)		(268.10)	155.39
Earlier years Tax		138.76	-
Net Profit / (Loss)		<u>139.46</u>	<u>(10.70)</u>
Surplus / (Deficit) Brought forward from previous years		188.46	199.16
Balance carried over to Balance Sheet		<u>327.92</u>	<u>188.46</u>
a)Basic and Diluted EPS Including Exceptional Items		0.55	(0.04)
b)Basic and Diluted EPS Excluding Exceptional Items		0.55	(0.04)
Refer Note No.14 of Schedule 'P') Significant Accounting Policies & Notes to Accounts	P		

(Schedule "I" to "O" and Schedule "P" form an integral part of the Profit & Loss Accounts)  
As per our report of even date attached

**For ALAG KUMAR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Firm Regn. No. - FRN 015004N)**

**GURBIR SINGH ALAG  
PARTNER  
Membership No. 84075**

**LAXMI PAUL DHIR  
CHAIRMAN**

**ASHOK KUMAR  
MANAGING DIRECTOR**

**AJAY VIRMANI  
EXECUTIVE DIRECTOR & C.E.O.**

**P. K. GOYAL  
CHIEF FINANCIAL OFFICER**

Place : New Delhi  
Dated : 30<sup>th</sup> April, 2011

**SANDEEP SINGH  
COMPANY SECRETARY**

(Schedule "A" to "P" annexed to and forming part of Balance Sheet as at 31st, March, 2011 and Profit & Loss Account for the year ended on that date)

**SCHEDULE "A" - SHARE CAPITAL**

PARTICULARS	AS AT 31.03.2011 (Rs. In Lac)	AS AT 31.03.2010 (Rs. In Lac)
<b>AUTHORISED</b>		
7,50,00,000 (Previous year 75000000) Equity Shares of Rs.10/-each	7500.00	7500.00
<b>ISSUED</b>		
2,51,58,885 (Previous year 2,51,58,885) Equity Shares of Rs.10/- each	2515.89	2515.89
<b>SUBSCRIBED/PAID-UP:</b>		
2,51,53,861 (Previous year 2,51,53,861) Equity Shares of Rs.10/- each fully called up and paid in cash	2515.39	2515.39
	<u>2515.39</u>	<u>2515.39</u>

**SCHEDULE "B" - RESERVES & SURPLUS**

PARTICULARS	AS AT 31.03.2011 (Rs. In Lac)	AS AT 31.03.2010 (Rs. In Lac)
<b>CAPITAL RESERVES:</b>		
Central Capital Subsidy	15.00	15.00
Surplus on Re-issue of forfeited Equity Shares	1.21	1.21
Revaluation Reserve	48.84	49.55
Add:Additions	-	-
Less:Deductions/Transfers	0.71	0.71
	<u>48.13</u>	<u>48.84</u>
Share Premium	2082.06	2082.06
Add:Additions	-	-
Less:Deductions/Transfers	-	-
	<u>2,082.06</u>	<u>2,082.06</u>
Profit and Loss Account	327.92	188.46
	<u>2474.32</u>	<u>2335.57</u>

**SCHEDULE - "C" - SECURED LOANS**

PARTICULARS	AS AT 31.03.2011 (Rs. In Lac)	AS AT 31.03.2010 (Rs. In Lac)
TERM LOANS:		
ICICI Bank Ltd.(Car Loan) (Secured by hypothecation of motor car financed)	9.02	11.16
IFCI Factors Limited (Bill Discounting)	24.31	20.32
	33.33	31.48

**SCHEDULE - "D" - UNSECURED LOAN**

PARTICULARS	AS AT 31.03.2011 (Rs. In Lac)	AS AT 31.03.2010 (Rs. In Lac)
Fixed Deposit	-	-
Other Loans and Advances:		
-From others *	556.09	742.99
	556.09	742.99

\* Includes Sales Tax Loan from RIICO Rs. 40.48 Lac (Previous year Rs. 40.48 Lac is Interest free and guaranteed by the earlier Ex- Managing Directors and Ex- Directors of the Company in their personal Capacity). Also includes loans from Directors Rs. 200.00 Lac (Previous year Rs. 20.00 Lac).

**SCHEDULE "E" - FIXED ASSETS (CONSOLIDATED)**

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK			
	As on 01.04.2010	Addition	Deletion	As on 31.03.2011	Up to 31.03.2010	For the Year	Deletion	Trf./Adjus ments	Up to 31.03.2011	As on 31.03.2011	As on 31.03.2010
LEASE HOLD LAND*	86.11	-	-	86.11	24.05	0.90	-	-	24.95	61.16	62.06
FREE HOLD LAND	20.29	-	20.29	-	-	-	-	-	-	-	20.29
LAND DEVELOPMENT	14.93	-	-	14.93	3.32	0.17	-	-	3.49	11.44	11.61
BUILDING	979.89	0.80	-	980.69	513.24	28.75	-	-	541.99	438.70	466.66
PLANT & MACHINERY	10,548.37	6.77	47.50	10,507.64	7,686.71	348.70	40.24	-	7,995.17	2,512.47	2,861.66
ELECTRICAL INSTALLATION	2,757.90	25.26	266.21	2,516.95	2,070.74	85.48	252.90	-	1,903.32	613.63	687.15
OFFICE EQUIPMENT	217.88	18.02	0.32	235.58	144.73	15.60	0.27	-	160.06	75.52	73.15
FURNITURE & FIXTURES	164.61	0.14	-	164.75	56.80	7.92	-	-	64.72	100.03	107.80
VEHICLES	65.84	-	-	65.84	31.30	4.30	-	-	35.60	30.24	34.55
<b>TOTAL</b>	<b>14,855.82</b>	<b>50.99</b>	<b>334.32</b>	<b>14,572.49</b>	<b>10,530.89</b>	<b>491.82</b>	<b>293.41</b>	<b>-</b>	<b>10,729.30</b>	<b>3,843.19</b>	<b>4,324.93</b>
CAPITAL WORK IN PROGRESS	794.10	458.96	33.27	1,219.79	-	-	-	-	-	1,219.79	794.10
<b>GRAND TOTAL</b>	<b>15,649.92</b>	<b>509.95</b>	<b>367.59</b>	<b>15,792.28</b>	<b>10,530.89</b>	<b>491.82</b>	<b>293.41</b>	<b>-</b>	<b>10,729.30</b>	<b>5,062.98</b>	<b>5,119.03</b>
PREVIOUS YEAR FIGURES	15,652.21	240.11	242.41	15,649.92	10,012.74	522.38	4.23	-	10,530.89	5,119.03	5,639.47

\* Leasehold Land at Alwar costing Rs. 17.32 lacs was revalued to Rs. 84.74 lacs as on 30.04.1984

**SCHEDULE - "F" - INVESTMENT**

PARTICULARS	FACE VALUE		
	AS AT 31.03.2011 (Rs. In Lac)	AS AT 31.03.2011 (Rs. In Lac)	AS AT 31.03.2010 (Rs. In Lac)
OTHER THAN TRADE (AT COST)			
1. Silver Coins & Wares		0.32	0.32
2. Quoted Investment in Shares & Trust & Securities			
a) Govt. & Trust Securities			
554 Units 6.75% Tax free US 64 Bonds of Rs. 100/- each in Unit Trust of India	0.55	0.32	0.32
b)Others			
1000 Fully paid up Equity Shares of Rs. 2/- each in DCM Shriram Consolidated Ltd.	0.02	0.32	0.32
100 Fully paid up Equity Shares of Rs.10/- each in Grasim Industries Ltd.	0.01	0.51	0.80
57 Fully paid up Equity Shares of Rs.10/- each in Ultra Tech Cement Ltd.	0.01	0.29	-
300 Fully paid up Equity Shares of Rs.2/- each in Ballarpur Industries Ltd.	0.01	0.22	0.22
100 Fully paid up Equity Shares of Rs.10/- each in SPIC Ltd.	0.01	0.11	0.11
165 Fully paid up Equity Shares of Rs.10/- each in Gujrat Alkalies & Chemicals Ltd.	0.02	0.31	0.31
300 Fully paid up Equity Shares of Rs. 5/- each in Kanoria Chemicals & Industries Ltd.	0.02	0.14	0.14
100 Fully paid up Equity Shares of Rs.10/- each in Punjab Alkalies & Chemicals Ltd.	0.01	0.10	0.10
500 Fully paid up Equity Shares of Rs.2/- each in DCW Ltd.	0.01	0.13	0.13
		<u>2.45</u>	<u>2.45</u>
<b>GRAND TOTAL</b>		<u><b>2.77</b></u>	<u><b>2.77</b></u>

Note: Market Value of Quated Shares and Trust Securities as on 31.03.2011 is Rs.4.58 Lac (Previous Year Rs. 4.41 Lac)



**SCHEDULE - "G" - CURRENT ASSETS, LOANS & ADVANCES**

PARTICULARS	AS AT 31.03.2011 (Rs. In Lac)	AS AT 31.03.2010 (Rs. In Lac)
<b>CURRENT ASSETS:</b>		
INVENTORIES:(As valued and certified by the management)		
Stores, Spares etc.	556.98	550.96
Less: Provision for Old Store	(10.56)	(202.83)
Stores, Spares etc.(Net)	546.42	348.13
Raw Materials, Chemicals & Catalysts	146.23	175.64
Fuel Oil Stocks of Power Plant	30.10	27.35
Scrap Material in Hand *	0.30	44.85
Packing Materials	12.91	14.30
Stock-in-Process	194.17	36.75
Finished Stock	96.35	75.74
	<u>1026.48</u>	<u>722.76</u>
*During the year Company has sold scrap of plant & machinery having written down value of Rs. 44.55 Lac and balance scrap material in hand amounting Rs. 0.30 Lac is fully realisable.		
<b>SUNDRY DEBTORS:</b>		
(Unsecured, considered good unless otherwise stated)		
Due for more than six months:		
-Considered Good	249.64	275.68
Others	923.09	340.57
	<u>1172.73</u>	<u>616.25</u>
<b>CASH &amp; BANK BALANCES:</b>		
Cash in Hand	19.37	19.80
Balance with Scheduled Banks in:		
-Current Accounts	11.49	2.60
-in Fixed Deposit	0.08	2.18
	<u>30.94</u>	<u>24.58</u>
<b>LOANS &amp; ADVANCES</b>		
(Unsecured, considered good unless otherwise stated)		
for value to be received		
-Considered Good	788.77	1312.67
-Considered Doubtful	69.71	69.71
	<u>858.48</u>	<u>1382.38</u>
Less: Provision for Doubtful Advances	(69.71)	(69.71)
	<u>788.77</u>	<u>1312.67</u>
Security Deposit with Government Authorities & Others	764.12	258.01
Deposit with Central Excise Department	75.00	75.00
Excise Amount Recoverable	10.68	19.60
Electricity Duty Under Protest	2.79	2.79
Entry Tax Deposited Under Protest	23.80	1.49
Income-tax Deducted at source/ MAT Credit	165.58	118.89
Advance Wealth Tax	0.08	0.08
Loans to Employees and Others	2.91	1.35
	<u>1833.73</u>	<u>1789.88</u>

**SCHEDULE - "H" - CURRENT LIABILITIES & PROVISIONS**

PARTICULARS	AS AT 31.03.2011 (Rs. In Lac)	AS AT 31.03.2010 (Rs. In Lac)
<b>CURRENT LIABILITIES:</b>		
Sundry Creditors	612.79	433.23
Advances from Customers & Agents	46.53	107.84
Security Deposit from Dealers, Agents & Others	37.84	41.43
Other Liabilities	2370.42	1442.50
<b>LESS:</b> Deposit against Electricity Bill	<u>337.24</u>	<u>-</u>
Investor Education & Protection Fund (U/s. 205C)	11.64	11.64
	<u>2741.98</u>	<u>2036.64</u>
<b>PROVISIONS :</b>		
Leave Pay, Gratuity & Leave Encashment	215.22	210.58
Income Tax (MAT U/s 115JB)	61.35	138.76
Wealth Tax	6.58	6.58
	<u>283.15</u>	<u>355.92</u>

**SCHEDULE - "I" - OTHER INCOME**

PARTICULARS	AS AT 2010-2011 (Rs. In Lac)	AS AT 2009-2010 (Rs. In Lac)
Interest	11.62	6.14
Miscellaneous Receipts/Income	68.38	367.31
Profit on Fixed Assets Sold/W/off	153.00	620.97
	<u>233.00</u>	<u>994.42</u>

**SCHEDULE - "J" - INCREASE/(DECREASE) IN STOCK**

<b>PARTICULARS</b>	<b>AS AT 2010-2011 (Rs. In Lac)</b>	<b>AS AT 2009-2010 (Rs. In Lac)</b>
<b>CLOSING STOCK:</b>		
- Finished Goods	96.35	75.74
- Work-in-Process	194.17	36.75
- Scrap in Hand	—	44.85
	<u>290.52</u>	<u>157.34</u>
<b>OPENING STOCK</b>		
- Finished Goods	75.74	104.91
- Work-in-Process	36.75	44.93
- Scrap in Hand	—	56.77
	<u>112.49</u>	<u>206.61</u>
Increase/(Decrease) in Stock	<u>178.03</u>	<u>(49.27)</u>

**SCHEDULE - "K" - DIRECT MANUFACTURING EXPENSES**

<b>PARTICULARS</b>	<b>AS AT 2010-2011 (Rs. In Lac)</b>	<b>AS AT 2009-2010 (Rs. In Lac)</b>
Raw Materials, Chemicals & Catalysts Consumed	2079.20	1636.37
Purchase CSF Trading.	10.04	29.92
Power & Fuel	7516.01	7297.60
Stores & Spares Consumed	351.40	318.67
Packing Expenses(Including Material Consumed)	89.11	81.38
Other Manufacturing Process, Material Shifting and Sludge Disposal Charges	43.54	41.63
	<u>10089.30</u>	<u>9405.57</u>

**SCHEDULE - "L" - PAYMENT TO AND PROVISION FOR EMPLOYEES**

<b>PARTICULARS</b>	<b>AS AT 2010-2011 (Rs. In Lac)</b>	<b>AS AT 2009-2010 (Rs. In Lac)</b>
Salaries, Wages, Allowances & Other Benefits	793.64	722.34
Contribution to Provident Fund, E.S.I. & Others Funds	36.77	29.33
Employees Welfare Expenses	38.38	35.99
	<u>868.79</u>	<u>787.66</u>

**SCHEDULE - "M"- SELLING AND ADMINISTRATIVE EXPENSES**

PARTICULARS	AS AT 2010-2011 (Rs. In Lac)		AS AT 2009-2010 (Rs. In Lac)
Lease Rent for Equipments		113.60	116.10
Rent		36.50	44.17
Rate & Taxes		12.77	23.13
Insurance		11.38	10.22
Repairs & Maintenance:			
-Plant & Machinery	145.75	123.11	
-Building	13.66	9.61	
-Others	8.25	5.37	138.09
Travelling, Conveyance & Vehicle Expenses		80.75	90.35
Communication Expenses		17.46	18.80
Legal, Professional & Consultancy Charges		166.61	146.98
Printing & Stationery		9.84	9.63
Publicity & Advertisement Expenses		4.73	4.51
Bank Charges		14.37	2.49
Auditors' Remuneration:			
- Audit Fee	2.65	2.65	
- Taxation Fee	0.60	0.60	
- Expenses Reimbursed/Incurred	2.32	0.95	4.20
Commission on Sale		11.46	14.96
Freight & Forwarding Expenses (Net of Recoveries)		37.36	48.43
Miscellaneous Expenses		9.57	34.63
Foreign Exchange Fluctuaion		2.92	2.67
Loss on Sale of Assets		0.64	-
QCD & Laboratory Expenses		5.85	6.01
General Charges		20.10	19.10
Water & Electricity Expenses		9.95	10.46
Business Promotion Expenses		26.37	18.55
		765.46	763.48

**SCHEDULE - "N" - FINANCIAL EXPENSES**

<b>PARTICULARS</b>	<b>AS AT 2010-2011 (Rs. In Lac)</b>	<b>AS AT 2009-2010 (Rs. In Lac)</b>
On Fixed Term Loans		
To Bank	9.54	-
To Others	44.45	14.27
	<u>53.99</u>	<u>14.27</u>

**SCHEDULE - "O" - ADJUSTMENT FOR PRIOR PERIOD/EXCEPTIONAL ITEMS**

<b>PARTICULARS</b>	<b>AS AT 2010-2011 (Rs. In Lac)</b>	<b>AS AT 2009-2010 (Rs. In Lac)</b>
<b>PRIOR PERIOD INCOME</b>		
Repair and Maintenance	0.11	-
Freight	-	0.93
Total	<u>0.11</u>	<u>0.93</u>
<b>PRIOR PERIOD EXPENSES</b>		
Others	-	11.11
Total	<u>-</u>	<u>11.11</u>
Net Prior Period Income /(Expenses)	<u>0.11</u>	<u>(10.18)</u>

**SCHEDULE – ‘P’: SIGNIFICANT ACCOUNTING POLICIES & PRACTICES  
AND  
NOTES TO ACCOUNTS**

**A. Significant Accounting Policies & Practices:**

1. General:

- (i) The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting & comply with the Companies (Accounting Standards) Rules 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards (NACAS) and relevant provisions of the Companies Act, 1956.
- (ii) The financial statements are prepared in accordance with accounting principles generally accepted (GAAP) in India. The accounting treatment and presentation in financial statements have been governed by their substance over form.

2. Revenue Recognition:

- (i) Revenue from sale of manufactured goods is recognised on dispatch to customers.
- (ii) Revenue from consignment sales is recognised after the subsequent sale by consignment agents to customers.
- (iii) Sales are inclusive of Excise Duty but net of rebate & discounts.
- (iv) Interest Receivable on Inter-Corporate Deposits, due to uncertainty of realization, is consistently accounted for on cash basis.

3. Fixed Assets and Depreciation:

- (i) Fixed assets (other than those which have been revalued) are stated at cost, net of CENVAT less accumulated depreciation except Leasehold Land which is being stated at revalued cost.
- (ii) Depreciation is provided on Straight Line Method at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- (iii) Depreciation on additions / deletions to fixed assets is provided on prorata basis from the date of addition / till the date of deletion.
- (iv) Leasehold Land – Acquisition cost of leasehold land is amortised over the period of lease including the revalued portion.
- (v) The cost of Fixed Assets taken on Financial Lease is capitalized and amortised by way of depreciation.
- (vi) Depreciation on the addition due to revaluation of Fixed Assets is amortised against the revaluation reserve.

(vii) Assets under installation / construction as at the balance sheet date are shown as Capital work-in-progress and are valued at cost. However advances paid towards acquisition of assets are not included under Capital work-in-progress.

4. Foreign Currency Transactions:

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

5. Inventory Valuation:

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

6. Employees Retirement Benefits:

The Company's contribution to Provident Fund is charged to the Profit & Loss Account. Gratuity and Leave Encashment are accounted for on the basis of actuarial valuation in accordance with AS-15(Revised) issued by NACAS.

7. Investments:

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

8. Taxation:

- (i) CENVAT credit is accounted for by reducing the purchase cost of related materials / services.
- (ii) In concurrence with the opinion of the ICAI, the Minimum Alternative Tax is considered as current tax for the year in which it arises and is charged to profit & loss account accordingly. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said assets is created by way of a credit to the profit and loss account and shown as 'MAT credit entitlement' under Loans & Advances.

- (iii) Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future.

9. Earnings per Share:

Basic EPS is computed using the weighted average number of equity shares outstanding during the year in accordance with AS-20.

**B. Notes to Accounts:**

1. Contingent Liabilities:

(a) Claims against the Company not acknowledged as debt:

- (i) In respect of Excise Duty disputes pending with various Judicial Authorities Rs.639.74 Lac including interest and penalty of Rs.183.38 Lac (previous year Rs. 709.34 Lac including interest and penalty of Rs. 239.46 Lac).
- (ii) In respect of Electricity Duty disputes pending with Judicial Authorities Rs. 20.03 Lac (previous year Rs.20.03 Lac).
- (iii) In respect of Entry Tax disputes pending with Judicial Authorities Rs. 27.38 Lac (previous year Rs. 69.27 Lac).
- (iv) In respect of Income Tax disputes pending with various Judicial Authorities Rs. 287.17 Lac (previous year Rs. 317.87 Lac).
- (v) In respect of previous years dispute relating to import, pending with Judicial Authorities Rs.35.00 Lac (previous year Rs.35.00 Lac).
- (vi) In respect of demand from DGFT, relating to default of export obligations related to advance licence Rs. 693.96 Lac (previous year Rs. 693.96 Lac), contested by the Company.
- (vii) Disputed demand for late payment surcharge on electricity dues amounting Rs. 939.59 Lac. However the company has paid Rs. 337.24 lac under protest during the year on account of late payment surcharge (previous year Rs. 515.28 Lac).
- (viii) Disputed demand from Provident Fund Department pending with Judicial Authorities Rs.140.30 Lac (previous year Rs. 201.64 Lac).
- (ix) Disputed demand for excess incentive allowed in electricity bill by JVVNL Rs. 55.94 Lac (previous year Rs. 55.94 lac) contested by the Company.
- (x) Disputed demand for unintercepted power cut by JVVNL Rs. 11.72Lac (previous year Rs. 11.72 Lac).



(b) Estimated amount of contracts remaining to be executed on capital account Rs. 126.39 Lac (net of advances) (previous year Rs. 26.39 Lac).

2. Managerial Remuneration:  
(Remuneration of Directors)

Particulars	2010-2011 (Rs.in Lac)	2009-2010 (Rs.in Lac)
Salaries & Allowances	150.11	108.84
Contribution to Provident Fund	6.48	5.40
Sitting Fee	0.70	0.40
Perquisites	2.25	2.92
<b>Total</b>	<b>159.54</b>	<b>117.56</b>

3. Balances of sundry debtors, loans and advances and current liabilities including sundry creditors are subject to confirmation and adjustments necessary upon reconciliation thereof.

4. High Power Consumption Incentive of Rs. 235.64 Lac has been adjusted in the payment due to JVVNL. Out of the total incentive of Rs.235.64 Lac, Rs. 120.00 Lac is confirmed by JVVNL and the balance amount of Rs. 115.64 Lac has been accounted for on due basis, subject to confirmation from JVVNL.

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

6. Particulars in respect of small scale industries have been furnished to the extent such parties have been identified on the basis of information available with the company. The small scale industries to whom the company owes any sum, which is outstanding as on 31<sup>st</sup> March 2011 for more than 30 days, are;

Sl. No	Party Name	Rs. in Lac
1	Moti Lime Pvt. Ltd.	20.70
2	Kapil Lime Pvt. Ltd.	0.95
3	Uniexcel Agencies & Services	0.05
4	Flow Tech Engineers	0.05
	<b>Total</b>	<b>21.75</b>

**7. Segment Results:**

<b>Business Segment</b>	<b>Manufacturing</b>	<b>Trading</b>	<b>Total</b>
<b>Segment Revenue</b>			
External Sale (Net of Excise)	10978.99	*1170.32	12149.31
<b>Segment Result</b>			
Profit before Interest & Tax	(576.40)	922.19	345.79
Less: Interest			53.99
<b>Profit before Tax</b>			<b>291.80</b>
Less: Current Year Tax			(61.35)
Add: Mat Credit Entitlement			38.35
Less: Deferred Tax Liability			(268.10)
Add: Earlier year tax			138.76
<b>Net Profit</b>			<b>139.46</b>
<b>Other Information</b>			
<b>Segment Assets</b>	<b>8705.14</b>	<b>424.49</b>	<b>9129.63</b>
<b>Segment Liabilities</b>	<b>3025.13</b>		<b>3025.13</b>
<b>Segment Capital Employed</b>	<b>5680.01</b>	<b>424.49</b>	<b>6104.50</b>
<b>Total Capital Expenditure</b>	<b>509.95</b>		<b>509.95</b>
Total Depreciation	491.11		491.11

\*The Company has started Commodity/ Derivative trading during the year 2010-11.

8. During the year, the Company has made investment in office space for enhancement of business activity which is included in CWIP.
9. The provision for obsolete / non – moving stores & Spares has been reduced to Rs. 10.56 lac on the basis of technical evaluation made by the management. Consequently, excess provision of Rs. 192.27 lac has been reversed during the year.
10. During the year, the company has realized Doubtful debts of Rs 300.57 Lac which was earlier termed as doubtful. Consequently, the provision for the same no longer required has been reversed.
11. The company has filed application to the Central Government for approval of Remuneration u/s 198, 269 & 309 of the Company's Act 1956 and the same is awaited.
12. In terms of AS-18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, information required to be disclosed in respect of related parties is given below:
  - (A) Name of related party and nature of related party's relationship where control exists:-
    - (i) Party having substantial interest in voting power and the power to direct, by statute or agreement, the financial and/or operating policies of the company.
      - a) Shri Alok Dhir & Shri Ashok Kumar
  - (B) Name of related party and nature of related party's relationship having transaction with the company:-

- (i) Key Managerial Personnel Relative of Key management Personnel
- a) Shri Laxmi Paul Dhir  
(Chairman, Non Executive Director)
- b) Shri Ashok Kumar Smt. Suman Kumar  
(Managing Director)
- c) Shri Ajay Virmani  
(Executive Director & CEO)
- d) Shri Dhananjay Gautam  
(Whole time Director)
- e) Shri Jeevesh Kumar  
(Whole time Director)
- f) Shri Yuvraj Ahuja  
(Executive Director)
- g) Shri Jagtar Singh  
(Whole time Director)
- (ii) Party having significant influence:
- a) Shri Rakesh Ahuja
- (iii) Associate Entities over which key management personnel and person having substantial interest in voting power are able to exercise significant influence.
- a) Dhir & Dhir Associates
- b) Shiva Consultants Pvt. Ltd.
- c) Opus Reality Development Ltd.
- d) Ariston Infrastructure Pvt. Ltd.
- (C) Transactions with related parties (consolidated) for the financial year 2010-11.

(Amount in Lac)

Nature of Transaction	Key Management Personnel/Person having Significant Influence	Relative of Key Management Personnel	Associate Entities	Outstanding As at 31/03/2011 Dr./(Cr.)
Interest Paid	27.82	-	0.32	-
Sale of Goods	-	-	-	-
Receiving of Services	-	-	48.03	(13.66)
Loan Received	382.00	-	75.00	(200.00)
Repayment of Loan Received	202.00	-	95.00	-
Remuneration	158.84	6.05	-	-
Lease Rent Paid	-	-	-	-

13. Future obligations towards lease rentals under the lease agreements as on 31<sup>st</sup> March, 2011 amount to Rs. 223.13 Lac (previous year Rs. 357.89 Lac)

Particulars	2011-2012 (Rs.in Lac)	2010-2011 (Rs.in Lac)
Within one Year	117.15	141.51
Later than one year and not later than five year	105.98	216.38
Later than five year	-	-
<b>Total</b>	<b>223.13</b>	<b>357.89</b>

14. Earnings per share (in terms of Accounting Standard AS-20 issued by the Institute of Chartered Accountants of India).

Particulars	2010-2011 (Rs.in Lac)	2009-2010 (Rs.in Lac)
Profit/(Loss) after taxation as per Profit & Loss Account Including Exceptional Items	139.46	(10.70)
Profit/(Loss) after taxation as per Profit & Loss Account Excluding Exceptional Items	139.46	(10.70)
Weighted Average No. of Equity Shares outstanding	25153861	25153861
Basic & Diluted Earnings Per Share Including Exceptional Items in Rs. (Face value – Rs.10/- per share)	0.55	(0.04)
Basic & Diluted Earnings Per Share Excluding Exceptional Items in Rs. (Face value – Rs.10/- per share)	0.55	(0.04)

15. The deferred Tax Assets/ (Liability) comprise of the following:

Particulars	2010-2011 (Rs.in Lac)	2009-2010 (Rs.in Lac)
<b>Deferred Tax Assets</b>		
Carried forward Depreciation/ LTCL	105.81	256.94
Carried forward Business Losses	-	38.08
Disallowance under the Income Tax Act, 1961	61.76	205.67
<b>Total</b>	<b>167.57</b>	<b>500.69</b>
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	692.94	757.97
<b>Total</b>	<b>692.94</b>	<b>757.97</b>
<b>Deferred Tax Assets (Net)</b>	<b>(525.37)</b>	<b>(257.28)</b>

16. As per the provision and definition given in AS-28, since the recoverable amount of the assets are more than the carrying amount of the assets, no impairment loss needs to be provided.
17. Additional information as far as applicable pursuant to Part II of Schedule VI to the Companies Act, 1956:

**a) Particulars of Capacities and Production (in MTs):**

Items of manufacture	Installed Capacity* (per annum)		Actual Production	
	Year Ended 31.03.11	Period ended 31.03.10	Year Ended 31.03.11	Year Ended 31.03.10
1) Caustic Soda	84150	84150	47746	51812
2) Liquid Chlorine	50300	50300	43562	47042
3)Hydrochloric Acid	39600	39600	19251	19413
4)Stable Bleaching Powder	16500	16500	6124	6319
5) Hydrogen Gas	-	-	1142	1239
6) TCE	5000	5000	1275	-
7) Calcium Hypo chloride (Bleach Liquor)	12600	12600	11819	10509

\*As certified by the management and not verified by the Auditors being technical matter.

**b) Particulars of Stocks & Sales:**

Items of manufacture	Stock				Sale			
	As on 31.03.2011		As on 31.03.2010		2010-2011		2009-2010	
	MT	Rs.in Lac	MT	Rs.in Lac	MT	Rs. In Lac	MT	Rs.in Lac
1) Caustic Soda	218	39.11	350	57.38	45600# 2330*	7361.98#	50579# 1614*	9317.07#
2) Liquid Chlorine	59	4.69	84	3.34	31668 11919*	2410.59	37037 10169*	1390.37
3) Hydrochloric Acid	394	6.53	247	6.40	3981 15123*	133.00	7410 11907*	88.54
4) Stable Bleaching Powder	97	10.14	68	6.38	6095	604.48	6269	557.45
5) Hydrogen Gas	-		-	-	93 1049*	80.44	58 1181*	48.99
6) TCE	48	35.88	3	2.24	1230	968.01	7	4.69
7)Calcium Hypo- chloride (Bleach Liquor), Spent Sulphuric Acid etc.	-	-	-	-	11819	1705.84	10509	21.49
		<b>96.35</b>		<b>75.74</b>		<b>13264.34</b>		<b>11428.60</b>

\*Reflects internal consumption/adjustment

# Value includes traded goods 52 MT of Rs. 10.92 Lac during the year (previous year 233 MT of Rs. 24.83 Lac)

- c) Particulars of Raw Materials and Chemicals consumed (including adjustment of excess and shortage ascertained on physical verification):

Particulars	2010-2011		2009-2010	
	Quantity (MTs)	Amount (Rs. in Lac)	Quantity (MTs)	Amount (Rs. in Lac)
Salt	81958	825.89	88820	997.36
Hydrated Lime	9291	373.86	8929	306.20
Barium Carbonate	877	212.35	954	190.17
Sulphuric Acid	1034	45.29	1087	30.23
Sodium Sulphite	470	78.62	335	50.22
Calcium Carbide	1188	478.82	-	-
Others		64.37		62.19
<b>Total</b>		<b>2079.20</b>		<b>1636.37</b>

- d) Analysis regarding imported and indigenous materials consumed:

Particulars	Imported		Indigenous		Total Value
	Value	%	Value	%	Rs. in Lac
Raw Materials and Chemicals	NIL (NIL)	NIL (NIL)	2079.20 (1636.37)	100.00 (100.00)	2079.20 (1636.37)
Stores & Spares	26.27 (22.30)	7.34 (7.00)	331.33 (296.41)	92.66 (93.00)	357.60 (318.71)
Packing Materials	NIL (NIL)	NIL (NIL)	70.88 (64.35)	100 (100)	70.88 (64.35)

Note: Figures in brackets are for previous year.

- e) C.I.F. value of imports:

Particulars	2010-2011 (Rs. in Lac)	2009-2010 (Rs. in Lac)
Stores & Spares	25.67	18.67
Raw Materials	-	0.73
<b>Total</b>	<b>25.67</b>	<b>19.40</b>

- f) Expenditure in Foreign Currency

Particulars	2010-2011 (Rs. in Lac)	2009-2010 (Rs. in Lac)
Traveling	-	3.40

- g) Earning in Foreign Currency on FOB value of Exports:

Particulars	2010-2011 (Rs. in Lac)	2009-2010 (Rs. in Lac)
i) Earnings in Foreign Currency	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**18. Balance Sheet Abstract and Company's General Business Profile as required under Part IV of Schedule VI to the Companies Act, 1956:**

<b>i)</b>	<b>Registration details</b>	
	Registration No.	2099
	State Code	17
	Balance Sheet Date	31.03.2011
<b>ii)</b>	<b>Capital raised during the year</b>	<b>(Amt. In Rs. Thousands)</b>
	Public Issue	-
	Rights Issue	-
	Bonus Issue	-
	Private Placement	-
	Calls in Arrears	-
<b>iii)</b>	<b>Position of mobilization and deployment of funds</b>	<b>(Amt. In Rs. Thousands)</b>
	Total Liabilities	610450
	Total Assets	610450
	<b>Sources of Funds</b>	
	Paid-up Capital	251539
	Reserves & Surplus	247432
	Secured Loans	3333
	Unsecured Loans	55609
	Deferred Tax Liability(Net)	52537
	<b>Application of Funds</b>	
	Net Fixed Assets	506298
	Investments	277
	Net Current Assets	103875
	Accumulated Losses	
<b>iv)</b>	<b>Performance of the Company</b>	<b>(Amt. In Rs. Thousands)</b>
	Turnover	1214931
	Total Expenditure	1185751
	Profit/(Loss) before Tax	29180
	Profit/(Loss) after Tax	13946
	Earning per Share (in Rs.)	0.55
	Dividend Rate (%)	

v)	Generic Names of three principal products of the Company	
	Item Code No.	281511 00
	Product Description	Caustic Soda
	Item Code No.	280610 00
	Product Description	Hydro Chloric Acid
	Item Code No.	290322 00
	Product Description	Tri Chloro Ethylene

19. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Accordingly, amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

Signatures to Schedules 'A' to 'P'

As per our Report of even date attached.

For **ALAG KUMAR & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
(Firm Regn. No. - FRN 015004N)

**GURBIR SINGH ALAG**  
**PARTNER**  
Membership No. 84075

**LAXMI PAUL DHIR**  
**CHAIRMAN**

**ASHOK KUMAR**  
**MANAGING DIRECTOR**

**AJAY VIRMANI**  
**EXECUTIVE DIRECTOR & C.E.O.**

**P. K. GOYAL**  
**CHIEF FINANCIAL OFFICER**

Place : New Delhi  
Dated : 30<sup>th</sup> April, 2011

**SANDEEP SINGH**  
**COMPANY SECRETARY**



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	2010-11 (Rs. In Lac)	2009-10 (Rs. In Lac)
<b>A. Cash Flow from Operating Activities</b>		
Net Profit/( Loss) before Tax and Exceptional Items	291.69	(17.15)
Adjustments for: -		
Depreciation	491.11	521.67
Interest	53.99	14.27
Interest & Dividend Income	-	-
Profit on sale of Investment	-	(0.30)
Profit on Sale of Fixed Assets	(153.00)	(620.97)
Prov. for Old Stock & debtors reversed	(492.84)	(100.74)
Operating Profit before Working Capital Changes	190.95	(102.48)
Adjustments for :-		
Decrease/(Increase) in Trade and Other Receivables	(423.22)	(904.28)
Decrease/(Increase) in Inventories	(303.71)	95.17
(Decrease)/Increase in Trade and Other Payables	771.34	44.41
Cash Generated from Operations	235.36	246.64
Advance Tax	-	(562.47)
Cash Flow from Operating Activities	235.36	(1.30)
Prior Period Items	0.11	(666.25)
Net Cash Flow From Operating Activities	235.47	(10.18)
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(476.69)	(38.80)
Sale/Transfer of Fixed Assets	486.62	657.84
Sale of Investments	-	0.71
Interest and Dividend received	-	-
Net Cash used in Investing Activities	9.93	619.75

**C. Cash Flow from Financing Activities**

Proceeds from long term borrowings	(185.05)	43.10
Repayment of long term borrowings	-	-
Proceeds from Equity	-	-
Proceeds from Share Premium		
Interest	(53.99)	(14.27)
Net Cash used in Financing Activities	(239.04)	28.83
Net Increase/(Decrease) in Cash and Cash equivalents	6.36	(27.85)
Cash & Cash Equivalents(Opening Balance)	24.58	52.43
Cash & Cash Equivalents(Closing Balance)	30.94	24.58

Note: Figures of previous year have been recast/regrouped wherever necessary

As per our report of even date attached

**For ALAG KUMAR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
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**Place : New Delhi  
Dated : 30<sup>th</sup> April, 2011**

**SANDEEP SINGH  
COMPANY SECRETARY**

**LORDS CHLORO ALKALI LTD.**

Regd. Office: SP-460, Matsya Industrial Area,  
Alwar, (Rajasthan) 301 030

**FORM OF PROXY**

Affix  
Revenue  
Stamp

I/We \_\_\_\_\_ in the district of \_\_\_\_\_  
having Regd. Folio No. \_\_\_\_\_ of \_\_\_\_\_  
being a member/s of **LORDS CHLORO ALKALI LTD.** hereby appoint  
\_\_\_\_\_ or falling him \_\_\_\_\_ of  
\_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/  
our behalf at the **32<sup>nd</sup> Annual General Meeting** of the Company to be held on  
**Monday 21<sup>st</sup> November, 2011 at Regd. Office at SP-460, Matsya Industrial  
Area, Alwar (Rajasthan)** and at any adjournment thereof .

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

**Note :** The proxy should be deposited at the Registered Office of the Com-  
pany not

less than 48 hours before the commencement of the meeting

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**LORDS CHLORO ALKALI LTD.**

Regd. Office: SP-460, Matsya Industrial Area,  
Alwar, (Rajasthan) 301 030

**ATTENDANCE SLIP**

(Please present this slip at the Entrance of the Meeting Hall)

I hereby record my presence at the 32<sup>nd</sup> Annual General Meeting held at SP-  
460, Matsya Industrial Area, (Rajasthan) on **Monday 21<sup>st</sup> November, 2011**

To be signed at the time of handing over the slip at the Meeting Hall.

Signature of Member/Proxy .....

Name & Regd. Folio of Shareholder .....

BOOK POST



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**LORDS CHLORO ALKALI LIMITED**  
B-88, Defence Colony, New Delhi-110024