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**34<sup>th</sup>**  
**Annual Report**  
**2012 - 2013**

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**LORDS CHLORO ALKALI LIMITED**

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**Board of Directors**

Shri Alok Dhir	Non Executive Director
Shri Rakesh Ahuja	Non Executive Director
Shri Ajay Virmani	Managing Director
Shri Yuvraj Ahuja	Executive Director
Shri Pawan Kumar Nayyar	Independent Director
Shri Rajbir Singh Makhni	Independent Director
Shri Sandeep Chaudhari	Independent Director
Shri Chandra Shakher Pathak	Independent Director
Mrs. Poonam Rawat	Independent Director
Shri Shiv Dutt Sharma	Independent Director

**Company Secretary & Compliance Officer**

Rahas Bihari Panda

**Statutory Auditors**

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

**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**

A-263, IInd Floor, Defence Colony,  
New Delhi-110024.

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**NOTICE**

**NOTICE** is hereby given that the 34<sup>th</sup> Annual General Meeting of the Members of **LORDS CHLORO ALKALI LIMITED** will be held on Thursday the 31<sup>st</sup> October, 2013 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, 2013 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 C. S. Pathak, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a director in place of Shri Shiv Dutt Sharma, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri Pawan Kumar Nayyar, who retires by rotation and, being eligible, offers himself for re-appointment.
5. 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, 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:**

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution proposed as an **Ordinary Resolution:**  
  
“**RESOLVED THAT** Shri Alok Dhir, who was appointed as an Additional Director of the Company w. e. f. 26<sup>th</sup> August, 2013 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 resolution proposed 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 Yuvraj Ahuja as an Executive Director for a further period of 3 years w.e.f. 14<sup>th</sup> May, 2013 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 Yuvraj Ahuja, Executive Director, remuneration by way of salary inclusive of all perquisites and allowances not exceeding the ceiling limit of Rs. 24.00 lacs per annum (Rs. 2.00 lacs per month) or 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.”

8. 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 appointment of Shri Ajay Virmani as Managing Director of the company for a period of 3 years w.e.f. 12th July, 2012 with a payment of remuneration of Rs. 36.00 lacs per annum (Rs. 3.00 lacs per month) (CTC) inclusive perquisites and allowances as approved by the Board of Directors.

**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 Ajay Virmani, Managing Director of the Company remuneration by way of salary, inclusive perquisites and allowances as approved by

the Board of Directors, not exceeding the ceiling limit of Rs. 36.00 lacs per annum (Rs. 3.00 lacs per month) or within the limit approved by the Central Government or 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 are hereby authorized to do all such acts, deeds, matters and things, as in its absolute discretion it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or as may be otherwise considered by the Board to be in the best interest of the Company.”

**For and on behalf of the Board**

**Place: New Delhi**  
**Date: 30-09-2013**

**(Ajay Virmani)**  
**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 30.10.2013 to 31.10.2013 (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 34<sup>th</sup> Annual General Meeting.
6. The Company has obtained the permission from the office of Registrar of Companies, Jaipur (Rajasthan) ROC, for extension of time for

holding the Annual General Meeting of the Company by one month i.e. 31-10-2013.

7. The explanatory statements pursuant to section 102 of Companies Act, 2013 (Section 173(2) of the Companies Act, 1956) in respect of item no. 6 to 8 are annexed herewith.
8. **Pursuant to the Circulars No. 17/2012 and No. 18/2012 dated 21st April 2012 and 29th April 2012 respectively, issued by the Ministry of Corporate Affairs, Shareholders are requested to register their e-mail address with the Company, to enable the Company to serve notice/documents/ Annual Report etc. through e-mail, in compliance with Section 53 of the Companies Act, 1956.**

## **EXPLANATORY STATEMENT**

{Pursuant to section 102 of Companies Act, 2013 (OR section 173(2) of the Companies Act, 1956)}

### **ITEM NO. 6**

Shri Alok Dhir was appointed as an Additional Director of the Company w.e.f. 26-08-2013 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 a member of the company, signifying his intention to propose the appointment of Shri Alok Dhir as a Director of the Company at this Annual General Meeting.

Except Shri Alok Dhir, none of the other directors are concerned or interested in this resolution.

Hence, your Directors recommend you to pass the proposed resolution as an **Ordinary Resolution**.

### **ITEM NO. 7**

Shri Yuvraj Ahuja, relative of Shri Rakesh Ahuja, Director of the Company, completed his graduation (BSc - Hons.) from the University of Nottingham (U.K.) in Management Studies. He has been working in his family business - construction and infrastructure development besides actively involved in the manufacturing and marketing of herbal, cosmetics, under the brand name - JOVEES; over the last five years.

Shri Yuvraj Ahuja, appointed Executive Director of the Company w.e.f. 14<sup>th</sup> May, 2010 for a period of three years and his terms of appointment expired on 13<sup>th</sup> May, 2013.

The Board of Directors of the Company in its meeting held on 30<sup>th</sup> May 2013, reappointed him Executive Director of the Company for further period of 3 years w.e.f. 14<sup>th</sup> May, 2013, 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 Annual General Meeting and subject to approval from Central Govt. (if required), the Board reappointed Shri Yuvraj Ahuja as Executive Director of the Company for a further period of three years w.e.f. 14<sup>th</sup> May, 2013 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 resolution to be paid to Shri Yuvraj Ahuja as Executive Director during his tenure.

Therefore, resolution and other terms and conditions of appointment of Shri Yuvraj Ahuja, Executive Director of the Company, including the remuneration require approval of the Shareholders in the Annual General Meeting in pursuance to the provisions of the Companies Act, 1956 and resolution as set at item no. 7 of the Notice is intended for this purpose.

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

(Rs. in lac)

Year	2011-12 (Audited)	2010-11 (Audited)	2009-10 (Audited)
Sales	2912.31	13264.34	11428.60
Net Profit/(Loss)	(822.89)	139.46	(10.70)
(* including exceptional item profit)			



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

Shri Yuvraj Ahuja, graduate from The University of Nottingham (U.K.) in Management Studies, having experience in infrastructure development and construction over the last Six years. He has been actively involved with JOVEES - a herbal, cosmetics manufacturing and marketing business (started by his family in 2004), over the last Five years working directly with the National Sales Manager (Marketing and the CFO).

**(2) Past Remuneration:**

He is appointed as Executive Director of the Company for a period of three years w.e.f. 14-05-2010 with a payment of Remuneration of Rs. 2.00 lacs per month inclusive of all perquisites and allowances.

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

For the purpose of turnaround the Company to the profitability, expansion of capacity of production and other project, the Board of Director of the Company in their meeting held on 30<sup>th</sup> May, 2013, reappointed Shri Yuraj Ahuja as Executive Director of the Company for the period of three year with the remuneration subject to approval of shareholders and Central Government (if required).

**(4) Remuneration proposed:**

The details of remuneration proposed to be paid to Shri Yuvraj Ahuja as Executive Director of the Company are furnished in the resolution proposed for member's approval under Item No.7 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 is higher. Taking into account the turnover of the Company, the academic background, qualification and experience of Shri Yuvraj Ahuja as Executive Director of the Company, his invaluable contribution to the Company, his vital role, the proposed remuneration to the appointee is reasonable.

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

Sh. Yuvraj Ahuja as Executive Director, has no pecuniary relationship with the Company (except to the extent of the remuneration received/receivable from

the Company as Executive Director ) and he is relative of Shri Rakesh Ahuja, Director & Promoter of the Company.

**(III) Other Information:**

**(A) Reasons of loss or inadequacy of profit**

During the year plant was closed as the major equipments of the plant require revamp. The life of Anodes, Cathodes and Membranes has got exhausted and these require replacement. The company is talking to the OE suppliers of these items. The delivery period for these items is very long and the company is making arrangements for earlier delivery of these parts so that the plant can be restarted shortly.

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

The company is taking steps for revamping the plant, executed the purchase order for equipments / machinery etc., increasing efficiencies and increasing capacity of the plant, to bring down the cost of production.

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

The Company has taken up effective steps and executed the order for import of machinery, parts etc. for revamping the whole plant, after installation the company will start its production at low cost.

**(III) Disclosures:**

1. Remuneration proposed to payable to Shri Yuvraj Ahuja is Rs. 2.00 lacs per month inclusive of perquisites and allowances.
2. The prevalent level remuneration in Chemicals Industries is higher. Taking into account the turnover of the Company, the academic background, qualification and experience of Shri Yuvraj Ahuja as Executive Director of the Company, his invaluable contribution to the Company, his vital role, the proposed remuneration to the appointee is reasonable.

Except Shri Yuvraj Ahuja, Executive Director and Shri Rakesh Ahuja, Director & Promoter of the Company, none of the other Directors are interested in the resolution.

Hence, your Directors recommend you to pass the proposed resolution as **Special Resolution**.

**ITEM NO. 8**

Shri Ajay Virmani, Chartered Accountant, appointed as CEO of the Company

on 08.10.2008 and thereafter Board of Directors had appointed him as Executive Director & CEO of the Company for the period of 3 years w.e.f. 14th May 2010, which was approved by the shareholders in their meeting held on 22.06.2010 and the company has already obtained the approval from Central Government for appointment & remuneration payable to Shri Ajay Virmani.

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 Ajay Virmani as Managing Director of the Company for a period of three years w.e.f. 12th July, 2012, with a payment of remuneration of Rs. 36.00 lacs per annum (Rs. 3.00 lacs per month) (CTC) inclusive perquisites and allowances as approved by the Board of Directors.

The Board of Directors after considering the recommendation of remuneration Committee has fixed remuneration as mentioned in resolution to be paid to the Managing Director during his tenure.

Therefore, resolution and other terms and conditions of appointment of Shri Ajay Virmani, Managing Director, including the remuneration, require approval of the shareholders in the Annual General Meeting in pursuance to the provisions of the Companies Act, 1956 and resolution as set at item no. 8 is intended for this purpose.

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

(Rs. in lac)

Year	2011-12 (Audited)	2010-11 (Audited)	2009-10 (Audited)
Sales	2912.31	13264.34	11428.60
Net Profit/(Loss)	(822.89)	139.46	(10.70)

(\* including exceptional item profit)

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

Shri Ajay Virmani, Chartered Accountant, appointed as CEO of the Company w.e.f. 9<sup>th</sup> October 2008. He is a highly caliber professional is ideally suited for this position since as a qualified Chartered Accountant, he is fully equipped to facilitate the operation of the Company due to his vital experience of over 26 years. On 14-05-2010, Board of Directors appointed him as Executive Director & CEO of the company for a period of three years.

**(2) Past Remuneration:**

He is appointed as Executive Director & CEO of the Company for a period of three years w.e.f. 14-05-2010 with a payment of Remuneration of Rs. 3.00 lacs per month besides perquisites and allowances as approved by the Board of Director.

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

For the purpose of turnaround the Company to the profitability, revamp of the plant, expansion of capacity of production and other project, the Board of Director of the Company in their meeting held on 14-08-2013, appointed Shri Ajay Virmani as Managing Director of the Company for the period of three year with the remuneration subject to approval of shareholders and Central Government (if required).

**(4) Remuneration proposed:**

The details of remuneration proposed to be paid to Shri Ajay Virmani as Managing Director of the Company are furnished in the resolution proposed for member's approval under Item No.8 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 is higher. Taking into account the turnover of the Company, the academic background, qualification and experience of Shri Ajay Virmani as Managing Director of the Company, his invaluable contribution to the Company, his vital role, the proposed remuneration to the appointee is reasonable.

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

Shri Ajay Virmani as Managing Director, has no pecuniary relationship with the Company (except to the extent of the remuneration received/receivable from the Company as Managing Director).

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

During the year plant was closed as the major equipments of the plant require revamp. The life of Anodes, Cathodes and Membranes has got exhausted and these require replacement. The company is talking to the OE suppliers of these items. The delivery period for these items is very long and the company is making arrangements for earlier delivery of these parts so that the plant can be restarted shortly.

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

The company is taking steps for revamping the plant, executed the purchase order for equipments / machinery etc., increasing efficiencies and increasing capacity of the plant, to bring down the cost of production.

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

The Company has taken up effective steps and executed the order for import of machinery, parts etc. for revamping the whole plant, after installation the company will start its production at low cost.

**(III) Disclosures:**

1. Remuneration proposed to payable to Shri Ajay Virmani is Rs. 3.00 lacs per month inclusive of perquisites and allowances.
2. The prevalent level remuneration in Chemicals Industries is higher. Taking into account the turnover of the Company, the academic background, qualification and experience of Shri Ajay Virmani as Managing Director of the Company, his invaluable contribution to the Company, his vital role, the proposed remuneration to the appointee is reasonable.

Except Shri Ajay Virmani as Managing Director, none of the other Directors are interested in the resolution.

Hence, your Directors recommend you to pass the proposed resolution as **Special Resolution**.

**For and on behalf of the Board**

**Place: New Delhi**  
**Date: 30-09-2013**

**(Ajay Virmani)**  
**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:

	<b>Name of the Director</b>	<b>Shri C. S. Pathak</b>	<b>Shri Shiv Dutt Sharma</b>	<b>Shri Pawan Kumar Nayyar</b>	<b>Shri Alok Dhir</b>
1	Date of Birth	18-06-1971	22-09-1944	01-07-1958	17-02-1961
2	Date of Appointment/ Reappointment	30-06-2010	30-06-2010	30-07-2007	26-08-2013
3	Experience in Specific Areas	Chartered Accountant	B. E. (Civil)	Financial Advisor	Legal
4	Shareholding in the Company	NIL	NIL	NIL	30.29%
5	Directorships in Other major Companies	Om Sai Ram Financial Advisors Pvt. Ltd.	NIL	NIL	<ol style="list-style-type: none"> <li>1. Shiva Consultants Private Limited</li> <li>2. Alchemist Asset Re-construction Company Limited</li> <li>3. Dhir India Investment plc.</li> <li>4. Entry India Projects Pvt. Ltd.</li> <li>5. Ammaodes Consultants Pvt. Ltd.</li> </ol>

## DIRECTOR'S REPORT

Your Directors are pleased to present the 34<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the financial year ended on 31<sup>st</sup> March, 2013.

### 1. FINANCIAL RESULTS

The comparative financial results of the company are given below:

(Rs. in lac)

Particulars	2012-13	2011-12
Sales	NIL	2912.31
Other Income	400.82	208.10
Operating Profit/(Loss) before Interest, Depreciation & Exceptional Items	66.18	(779.37)
Interest	15.13	10.96
Depreciation	417.37	471.34
Net Profit/(Loss)	(322.88)	(822.89)

### 2. PERFORMANCE

During the year plant was closed as the major equipments of the plant require revamp. The life of Anodes, Cathodes and Membranes has got exhausted and these require replacement. The company has executed an order with M/s. Asahi Kasei Chemicals Corporation, Japan for supply of membrane, anode, cathode etc. The delivery for these items has been started and supply of all parts will be completed shortly so that the plant can be restarted shortly.

The company has filed a Miscellaneous Application before the Hon'ble BIFR, New Delhi, for claim of Rs. 106 crore against JVVNL, which is pending before BIFR.

### 3. MARKETING

The company is making effort to restart the production shortly. The price of the caustic soda has been increasing, trend as rupee having depreciated against dollar making impact of caustic soda very expensive. There is also a steady demand growth in the product.

#### **4. REVAMP PROJECT**

The Company is in process of refurbishing and revamping of existing Caustic Soda Capacity of 227 TPD. The capacity of 107 TPD of Caustic Soda will be commissioned during the year 2013-14, for which your company has approached to the bankers for Loan Assistance of Rs. 20 Crore for Term Loan facility and Rs. 10 crore for Working Capital facility. The company plans to revamp and restart additional 120 TPD in 2014-15.

#### **5. FUTURE OUTLOOK**

The future plans of the company to revamp and refurbish the existing Caustic soda facilities of 120 TPD thereby making total capacity of 227 TPD. For this purpose the company will meet out the fund requirement from invest internal accruals/ profits and remain from further loan after streamline of 107 TPD.

Further, the company is also planning to enhanced capacity of Caustic Soda Plant after putting in operation the uninstalled of 107 TPD with some balancing equipments can be increased to 334 TPD, which will be the largest plant in North India and 8th Largest in India.

Further, the company are focussed on forward integration in the field of Chlorine by venturing into manufacture of value added chlorine derivatives including Aluminium Chloride at a later stage. These measures are expected to bring in added competitive edge and act as a cushion against demand-price fluctuations in the market.

#### **6. DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and as per the provision of Articles of Association of the Company, Shri C. S. Pathak, Shri Shiv Dutt Sharma & Shri Pawan Kumar Nayyar, Directors are retire by rotation at the ensuing Annual General Meeting and received the eligible offer from them for re-appointment.

Shri Alok Dhir, has appointed as an Additional Director on the Board w.e.f. 26<sup>th</sup> August, 2013. Board has recommended to the Shareholders to accord their approval for his appointment as Director of the Company.

Shri Laxmi Paul Dhir, Chairman and Director, of the Company has resigned from the Board with effect from 26<sup>th</sup> August, 2013 and Shri Vijay Kumar Chopra, Executive Director of the Company has resigned from the Board w.e.f. 15<sup>th</sup> July, 2013. Board of Directors placed their appreciation on the record for the services and guidance rendered by them to the company during their tenure as the Director of the Company.



## **7. AUDITORS' OBSERVATIONS**

In reference to the Comments mentioned in the Auditors Report for the year 2012-13, 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.

## **8. AUDITORS**

M/s. Gupta Vigg & Co., 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.

## **9. 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 2013-14. The Company has submitted the forms/documents for obtaining the approval from the Central Government.

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

The Company is implementing new membrane water purifier plant, which will result in recycling of and which will also bring down the dosing of chemicals resulting good environment practice.

## **11. 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 31.03.2013. There is no employee covered under the above section.

## **12. 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.

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

Your Directors wish to inform that the audited accounts containing financial statement for the financial year 31<sup>st</sup> March, 2013 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 loss 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.

## **14. 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 Managing Director and AGM (Finance & Accounts) was placed before the Board.

#### **15. 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.

#### **16. 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.

#### **17. 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**

**(Alok Dhir)**  
**Director**

**(Rakesh Ahuja)**  
**Director**

**Place : New Delhi**

**Date : 30.09.2013**

## FORM - A

 FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO  
 CONSERVATION OF ENERGY

SL. NO.	PARTICULARS	YEAR 2012-2013	YEAR 2011-2012
<b>(A)</b>	<b>POWER &amp; FUEL CONSUMPTION :</b>		
1.	ELECTRICITY		
	(a) PURCHASE UNITS	-	34281360
	TOTAL AMT. Rs.	-	145810049
	AVG. RATE / KWH Rs.	-	4.25
	(b) OWN GENERATION:		
	THROUGH POWER GENERATORS		
	UNITS (KWH)	155921	14358
	CONSUMPTION OF HSD (MT)	65.24	6.00
	UNIT PER KG. OF HSD (KWH)	2.39	2.39
	COST OF UNIT (Rs.)/(KWH)	19.84	19.07
2.	FURNACE OIL QTY. (MT)	-	-
	TOTAL AMOUNT (Rs.)	-	-
	AVG. RATE PER MT (in Rs.)	-	-
3.	OTHERS	N.A.	N.A.
<b>(B)</b>	<b>CONSUMPTION (KWH/MT)</b>		
1.	PRODUCTION OF CAUSTIC SODA (MT)	-	8476
2.	ELECTRICITY (KWH/MT)	-	4046
3.	FURNACE OIL (LTR/ MT)	-	-

**FORM-B****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION.****A. CONSERVATION OF ENERGY**

- Company is carrying out major jobs in present electrolyses which will make the entire process very much energy efficient.
- Energy meters will calibrated and energy consumption will be tracked to ensure optimum energy for various processes.
- Entire electrical distribution network is being revamped to avoid losses in distribution system.
- Entire instrumentation is being revamped so that process could be operated more critically with optimum power consumption.

It is ongoing process at Lords Chloro Alkali Limited to monitor the energy consumption figures in different processes and are analyzed regularly, modifications carried out as and when required in a view to optimize energy consumption.

**B. TECHNOLOGY ABSORPTION & INNOVATION**

Technology up gradation is a continuous practice in the company and due care is being given to this aspect in the revamp.

**C. ASSISTANCE TO ANCILLARY INDUSTRIES**

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

**FORM – C**

## FOREIGN EXCHANGE EARNING AND OUTGOING

The total foreign exchange earned and used :

(Rs. in Lac)

	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
(i) Earned	--	--
(ii) Used	65.99	9.53

---

## MANAGEMENT DISCUSSION AND ANALYSIS

The management has already started executing the revamp plan and whole revamp is expected to be completed over the next four to five months and the plant will be restarted.

### SAFETY AND ENVIRONMENT

The Company is implementing new membrane water purifier plant, which will result in recycling of and which will also bring down the dosing of chemicals resulting good environment practice.

The revamp of effluent treatment plant is also being affected to achieve zero discharge.

### PERFORMANCE

The revamp plan is under implementation. The company is probably restart the production by February, 2014.

---

## CORPORATE GOVERNANCE REPORT

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

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

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

### 2. Board of Directors

#### Composition of Board

- i) At present the Board has an optimum combination of executive and non-executive directors, comprising of experts from various fields/professions, the Board consisting of 10 Directors out of which 8 Directors are Non Executive including 6 Directors are Independent Directors.
- ii) 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 2012-13, Five (5) Board Meetings were held on 12.04.2012, 12.07.2012, 14.08.2012, 9.11.2012 and 14.02.2013.



**MEMBERSHIP, ATTENDANCE AND OTHER DIRECTORSHIP**

The composition of the Board and attendance of each director at Board Meetings held during the financial year ended on 31.03.2013 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	4	Y	NED	Chairman	1	-	-
2.	Shri Rakesh Ahuja	2	Y	NED	Director	4	1	-
3.	Shri Pawan Kumar Nayyar	0	N	I & NED	Director	-	-	-
4.	Shri Ajay Virmani	5	Y	ED	Managing Director	-	-	1
5.	Shri Jeevesh Kumar	0	N	ED	Director (Corporate Strategy)	-	-	-
6.	Shri Yuvraj Ahuja	4	Y	ED	Executive Director	1	-	-
7.	Shri Sandeep Chaudhari	3	N	I & NED	Director	-	1	-
8.	Ms. Poonam Rawat	5	N	I & NED	Director	-	-	1
9.	Shri Shiv Dutt Sharma	2	N	I & NED	Director	-	-	1
10.	Shri Rajbir Singh Makhni	4	N	I & NED	Director	4	1	2
11.	Shri Chandra Shakher Pathak	4	N	I & NED	Director	-	-	-
12.	Shri Vijay Kumar Chopra	4	N	ED	Executive Director	-	-	1

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

## 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.

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

The constitution of the Audit Committee are as follows:

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

During the financial year 2012-13, Four (4) Audit Committee Meetings were held on 12.04.2012, 14.08.2012, 9.11.2012 and 14.02.2013.

### 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.

The constitution of the Remuneration Committee are as follows:

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

During the Financial Year 2012-13, Remuneration Committee Meeting was held on 12.08.2012.

## 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 date, the constitution of the Shareholder's / Investor's Grievance Committee was as follows:

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

During the year 2012-13, Four (4) Shareholder's/Investor's Grievance Committee Meetings were held on 12.04.2012, 14.08.2012, 9.11.2012 and 14.02.2013.

## 8. 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		
2011-12	33	29.09.2012	10.30 AM	SP-460, Matsya Industrial Area, Alwar, (Raj)
2010-11	32	21.11.2011	10.30 AM	SP-460, Matsya Industrial Area, Alwar, (Raj)
2009-10	31	22.06.2010	10.30 AM	SP-460, Matsya Industrial Area, Alwar, (Raj)

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

33<sup>rd</sup> Annual General Meeting (29.09.2012)

- Alter the Article of Association (AOA) – Article No. 113A of AOA is deleted

32<sup>nd</sup> Annual General Meeting (21.11.2012)

- Appointment of Shri Jeevesh Kumar as Executive Director

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.

Extra-Ordinary General Meeting was held on 29.07.2012 and there was not 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 31/03/2013.
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](http://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** : Thursday, 31<sup>st</sup> October, 2013 at 10.30 A.M.
- Venue of AGM** : Regd. Off. - SP-460, MIA, Alwar (Raj.)
- ii) Financial Year** : 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013
- iii) Book Closure Period** : 30<sup>th</sup> October, 2013 to 31<sup>st</sup> October, 2013  
(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 - 110 020.  
Phone No. 011-26812682-83  
Fax No. 011-26812681.  
Email: admin@skylinerta.com
- vii) **Plant Location** : SP-460, Matsya Industrial Area,  
Alwar (Raj.)
- viii) **Addresses for Correspondence** : 1) SP-460, Matsya Industrial Area,  
Alwar (Raj.)  
2) A-263, IInd Floor, Defence Colony,  
New Delhi-110024.
- ix) **Company Secretary & Compliance Officer** : Shri Rahas Bihari Panda  
**Email id** : secretarial@lordschloro.com

**x) Market Price Data**

Month	Open Price	High Price	Low Price	Close Price	Total Turnover (Rs.)
Apr 12	25.85	26.00	22.65	26.00	6960832
May 12	27.30	29.90	27.00	28.90	48635
Jun 12	29.00	40.05	28.70	38.00	49094
Jul 12	36.15	37.50	25.80	25.80	45059
Aug 12	24.55	25.00	14.25	14.25	44042
Sep 12	13.55	14.70	10.00	10.01	24112
Oct 12	10.50	20.59	10.06	20.59	35386
Nov 12	21.00	22.70	21.00	21.85	18000
Dec 12	21.45	21.45	17.15	17.15	23379
Jan 13	16.90	18.00	13.20	14.75	33777537
Feb 13	14.26	16.50	13.60	15.30	78316840
Mar 13	16.00	16.70	12.40	12.40	12483

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 process for transfer/transmission, three times in a month. Transfers/ Transmissions are complete in all respects, are processed with in 15 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 31.03.2013, 76.86% 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 the exchange namely Bombay Stock Exchange upto the year 2013-2014 and company proposing to delist the shares from Delhi Stock Exchange and Jaipur Stock Exchange. The Company is regularly complying with all the compliances of listing agreements with the stock exchanges.

**xiii) MD and AGM (F & A) Certification**

As required under Clause 49 of the listing agreement, necessary certificate, obtained from Managing Director and AGM (Finance & Accounts) of the Company for the financial year ended on 31<sup>st</sup> March, 2013 was placed before the Board of Directors of the Company.

**xiv) Shareholding Pattern as on 31<sup>st</sup> March, 2013 & 30<sup>th</sup> June, 2013 are as under:**

Promoter of the Company has reduced shareholding on 3<sup>rd</sup> June, 2013 through offer for sale mechanism provided by BSE, Mumbai and maintain the clause 40A of the listing agreement i.e. minimum public shareholding.

Category	31-03-2013		30-06-2013	
	No. of Shares	% of Share holding	No. of Shares	% of Share holding
Promoters	19209859	76.37	18849859	74.94
Financial Institutions/Banks/ Mutual Funds/Insurance/State Govt.	73072	0.29	72602	0.29
Public	4252105	16.90	4612415	18.33
Others (NRI & OBCs)	1618825	6.44	1618985	6.44
Total	25153861	100.00	25153861	100

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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 31.03.2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).

The compliance of condition 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 condition of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the above mentioned Listing Agreement(s) during the period starting 01.04.2012 to the date of this report.

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 : 30.05.2013**

**Place: New Delhi**

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## INDEPENDENT AUDITORS' REPORT

**To The Members of**

**Lords Chloro Alkali Limited**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Lords Chloro Alkali Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



## Opinion

- a) *Note no. B.27 to the financial statements, which describes that 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.*
- b) *Note no. B.30 to the financial statements, which describes that 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 the section 205C of the Companies Act, 1956.*

*Subject to our comments in opinion para above the effect of which is indeterminable*, in our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Statement of Profit and Loss, of the loss 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.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2003 (“the Order”) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) 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;
  - b) 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 those books
  - c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Firm Registration No. 001393N

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

Place: New Delhi  
Date: 30.09.2013

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Lords Chloro Alkali Limited on the accounts of the Company for the year ended 31<sup>st</sup> March, 2013.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The Company has maintained reasonable records showing full particulars including quantitative details and situation of its fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
  - (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off a substantial part of its fixed asset during the year and therefore does not affect the going concern assumption.
2. (a) The inventories have been physically verified during the year by the management. 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 inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of paragraph 4 of the order are not applicable to the Company.
  - (b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year end balance of such loan is Rs. 360 lakhs (Previous Year Rs. 300 lakhs) and Rs. 195 lakhs (Previous Year Rs. 300 lakhs) respectively. The total number of parties involved is two (Previous Year one).

- (c) According to the information and explanations given to us and on the basis of our examination of the books of account, the above loan is interest free and in our opinion, other terms and conditions on which the loans have been taken from Companies, Firms or Other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
- (d) In respect of aforesaid loans, the Company is regular in repaying the principal as and where applicable.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts/arrangements entered in the Register maintained under section 301 of the Companies Act, 1956, during the year have been made at prices which appear reasonable as per information available with the Company.
6. According to information and explanation given to us by the management, the Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956 and the companies (Acceptance of Deposit) Rules 1975.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues have generally

been regularly deposited with the appropriate authorities, *though there has been delay in some cases in deducting and depositing of Income Tax, Provident Fund and Service Tax.* According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2013 for a period of more than six months from the date they became payable, except following.

Sl. No.	Nature of Dues	Amount due over six months on 31.03.2013 (Rs. in Lakhs)
1	Income Tax (TDS)	1.33
2	Wealth Tax	6.58
3	Investor Education & Protection Fund	11.64
4	Vat	20.00

(b) According to the information and explanations given to us, there is no amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes except following:

Name of the statute	Nature of dues	Amount (Rs.)	Period for which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	141.58 lacs	1995-99	Commissioner (Appeals) Jaipur/ CESTAT New Delhi
Central Excise Act, 1944	Excise Duty	145.62 lacs	1996-97	CESTAT, New Delhi
Central Excise Act, 1944	Excise Duty	110.72 lacs	1996-99	Hon'ble High Court, Rajasthan
Central Excise Act, 1944	Excise Duty	12.63 lacs	2003-04	Hon'ble High Court, Rajasthan
Central Excise Act, 1944	Excise Duty	1.53 lacs	2011-12	Additional Commissioner, Jaipur
Rajasthan Sales Tax Act, 1994	Electricity Duty	20.03 lacs	2004-06	Dy. Commissioner-Commercial Taxes (Appeals)
Rajasthan Sales Tax Act, 1994	Entry Tax	27.28 lacs	2003-11	Dy. Commissioner-Commercial Taxes (Appeals)
Income Tax Act, 1961	Income Tax	287.17 lacs	1996-97	Commissioner Appeal, Alwar

10. The Company has accumulated losses of Rs. 817.85 Lacs at the end of the financial year (Previous Year Rs. 494.97 Lacs). The Company has not incurred any cash loss during the financial year covered by the audit (Previous Year cash loss amounting to Rs. 790.33 Lacs).
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. The Company is not dealing or trading in shares, securities, debentures and other investment hence this clause is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the Company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that 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 during the year.
19. During the period covered by our audit report, the Company has not issued any debentures.
20. The Company has not raised any money by public issue during the year.

21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

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

Firm Registration No. 001393N

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

Place: New Delhi  
Date: 30.09.2013

**BALANCE SHEET AS AT 31ST MARCH' 2013**

PARTICULARS	NOTES	AS AT 31.03.2013 (Rs. In Lac)	AS AT 31.03.2012 (Rs. In Lac)
<b>EQUITY AND LIABILITIES</b>			
1. SHAREHOLDER'S FUNDS :			
a. Share Capital	B.1	2,515.39	2,515.39
b. Reserves & Surplus	B.2	1,327.13	1,650.72
2. NON- CURRENT LIABILITIES			
a. Long Term Borrowing	B.3	483.04	160.53
b. Deferred Tax Liability(Net)	B.4	43.16	86.60
c. Long Term Provisions	B.5	140.11	169.66
3. CURRENT LIABILITIES			
a. Short Term Borrowing	B.6	-	393.27
b. Trade Payables	B.7	498.02	531.53
c. Other Current Liabilities	B.8	1,350.64	1,496.13
d. Short Term Provisions	B.9	87.38	88.25
<b>TOTAL</b>		<b>6,444.87</b>	<b>7,092.08</b>
<b>ASSETS</b>			
1. NON CURRENT ASSETS:			
a. Fixed Assets	B.10		
i. Tangible Assets		2,869.55	3,287.54
ii. Capital Work-in-Progress		1,032.16	794.79
b. Non Current Investment	B.11	2.77	2.77
c. Long Term Loans & Advances	B.12	96.72	156.67
d. Other non-current Assets	B.13	0.91	0.97
2. CURRENT ASSETS			
a. Inventories	B.14	680.01	688.91
b. Trade Receivable	B.15	386.07	479.30
c. Cash & Cash Equivalents	B.16	102.81	101.29
d. Short Term Loans & Advances	B.17	1,271.55	1,574.85
e. Other Current Assets	B.18	2.32	4.99
<b>TOTAL</b>		<b>6,444.87</b>	<b>7,092.08</b>

Significant Accounting Policies A

Notes B.1 to B. 39 form an integral part of financial statements

**FOR GUPTA VIGG & CO.**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGISTRATION NO. 001393N**

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

**ALOK DHIR**  
**DIRECTOR**

**RAKESH AHUJA**  
**DIRECTOR**

**AJAY VIRMANI**  
**MANAGING DIRECTOR**

**PLACE : NEW DELHI**  
**DATED: 30.09.2013**

**RAHAS BIHARI PANDA**  
**COMPANY SECRETARY**



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDING 31st MARCH' 2013**

PARTICULARS	NOTES	2012-2013		2011-2012	
		(Rs. In Lac)		(Rs. In Lac)	
1. Revenue From Operation (Gross)	B.19	-	-	2,912.31	2,912.31
Less : Excise Duty		-	-	241.79	241.79
Revenue From Operation (Net)		-	-	2,670.52	2,670.52
2. Other Income	B.20	400.82	400.82	208.10	208.10
3. Total Revenue (1+2)		400.82	400.82	2,878.62	2,878.62
4. EXPENSES					
a. Cost of Material Consumed	B.21	-	-	593.14	593.14
b. Purchase of Traded Goods		-	-	308.48	308.48
c. Change in Inventories of Finished Goods, Stock-in-process	B.22	-	-	202.16	202.16
d. Power and Fuel		30.94	30.94	1,595.08	1,595.08
e. Employees Benefits Expenses	B.23	131.00	131.00	434.56	434.56
f. Finance Cost	B.24	15.13	15.13	10.96	10.96
g. Depreciation and Amortization Expenses	B.10	418.08	418.08	472.05	472.05
Less: Transfer from Revaluation Reserve		0.71	0.71	0.71	0.71
h. Other Expenses	B.25	172.70	172.70	524.57	524.57
Total Expenses		767.14	767.14	4,140.29	4,140.29
5. Profit/ (Loss) before Tax, Exceptional and Extra Ordinary Items		(366.32)	(366.32)	(1,261.67)	(1,261.67)
6. Exceptional/ Extra Ordinary Items		-	-	-	-
7. Profit / (Loss) before Tax		(366.32)	(366.32)	(1,261.67)	(1,261.67)
8. Tax Expenses					
a. Current year Tax		-	-	-	-
b. MAT Credit Entitlement		-	-	-	-
c. Current year Deferred Tax Asset/(Liability)		43.44	43.44	438.78	438.78
d. Earlier years Tax		-	-	-	-
9. Net Profit / (Loss)		(322.88)	(322.88)	(822.89)	(822.89)
10. Earning per share					
No. of shares for the calculation of Basic and Diluted EPS		25,153,861	25,153,861	25,153,861	25,153,861
a) Basic and Diluted EPS Including Exceptional Items		(1.28)	(1.28)	(3.27)	(3.27)
b) Basic and Diluted EPS Excluding Exceptional Items		(1.28)	(1.28)	(3.27)	(3.27)

Significant Accounting Policies A  
Notes B.1 to B. 39 form an integral part of financial statements

**FOR GUPTA VIGG & CO.**  
**CHARTERED ACCOUNTANTS**  
**FIRM REGISTRATION NO. 001393N**

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

**ALOK DHIR**  
**DIRECTOR**

**RAKESH AHUJA**  
**DIRECTOR**

**AJAY VIRMANI**  
**MANAGING DIRECTOR**

PLACE : NEW DELHI  
DATED: 30.09.2013

**RAHAS BIHARI PANDA**  
**COMPANY SECRETARY**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

PARTICULARS	2012-13 (Rs. In Lac)	2011-12 (Rs. In Lac)
<b>A. Cash Flow from Operating Activities</b>		
Net Profit/( Loss) before Tax, Exceptional Items	(366.32)	(1261.67)
Adjustments for: -		
Depreciation	417.37	471.34
Interest	15.13	10.96
Interest & Dividend Income	(0.11)	(11.60)
Profit on sale of Investment	-	-
Profit on Sale of Fixed Assets	-	-
	432.39	(98.05)
Operating Profit before Working Capital Changes	66.07	(889.02)
Adjustments for :-		
Decrease/(Increase) in Trade Receivables	93.23	693.42
Decrease/(Increase) in Inventories	8.89	337.57
(Decrease)/Increase in Trade Payables	(33.50)	18.78
Decrease/(Increase) in Loans and Advances	363.26	(82.99)
Decrease/(Increase) in other Current Assets	2.73	4.55
(Decrease)/Increase in other Current Liabilities	(145.49)	(135.47)
(Decrease)/Increase in provisions	(30.42)	(25.24)
Cash Generated from Operations	324.77	(78.40)
Advance Tax	-	-
Cash Flow from Operating Activities	324.77	(78.40)
Net Cash Flow From Operating Activities	324.77	(78.40)
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(237.47)	(24.38)
Sale/Transfer of Fixed Assets	-	206.05
Interest and Dividend received	0.11	11.60
Net Cash used in Investing Activities	(237.36)	193.27

**C. Cash Flow from Financing****Activities**

Proceeds from long term borrowings	322.51	-
Proceeds from short term borrowings	-	93.69
Repayment of long term borrowings	-	(127.25)
Repayment of short term borrowings	(393.27)	-
Proceeds from Equity	-	-
Proceeds from Share Premium	-	-
Interest	(15.13)	(10.96)
Net Cash used in Financing Activities	<u>(85.89)</u>	<u>(44.52)</u>
Net Increase/ (Decrease) in Cash and Cash equivalents	1.52	70.35
Cash & Cash Equivalents (Opening Balance)	101.29	30.94
Cash & Cash Equivalents (Closing Balance)	102.81	101.29

Note: Figures of previous year have been recast/regrouped wherever necessary  
As per our report of even date attached

**For GUPTA VIGG & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 001393N**

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

**ALOK DHIR  
DIRECTOR**

**RAKESH AHUJA  
DIRECTOR**

**AJAY VIRMANI  
MANAGING DIRECTOR**

**PLACE : NEW DELHI  
DATED: 30-09-2013**

**RAHAS BIHARI PANDA  
COMPANY SECRETARY**

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**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.

10. Contingent liabilities and provisions:

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

**B. NOTES TO FINANCIAL STATEMENTS**
**B.1 - SHARE CAPITAL**

PARTICULARS	AS AT 31.03.2013 (Rs. In Lac)	AS AT 31.03.2012 (Rs. In Lac)
AUTHORISED		
7,50,00,000 (Previous year 75000000)	7,500.00	7,500.00
Equity Shares of Rs.10/-each with voting rights		
ISSUED		
2,51,58,885 (Previous year 2,51,58,885)	2,515.89	2,515.89
Equity Shares of Rs.10/- each with voting rights		
SUBSCRIBED/FULLY PAID-UP:		
2,51,53,861 (Previous year 2,51,53,861)	2,515.39	2,515.39
Equity Shares of Rs.10/- each with voting rights fully called up and paid up		
	2,515.39	2,515.39

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

**a. Reconciliation of the number of shares outstanding**

Particulars	AS AT 31.03.2013		AS AT 31.03.2012	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares with voting rights outstanding at the beginning of the year	25153861	2,515.39	25153861	2,515.39
Add: During the year	-	-	-	-
Equity Shares with voting rights outstanding at the end of the year	25153861	2,515.39	25153861	2,515.39

**b. Share holder holding more than 5% shares of Company**

Name	AS AT 31.03.2013		AS AT 31.03.2012	
	No. of Shares	%of Holding	No. of Shares	%of Holding
Alok Dhir	-	-	7482700	29.75
Rakesh Ahuja	2611447	10.38	2611447	10.38
Srishti Dhir	8245950	32.78	-	-
Matrix Dotcom Infonet Pvt. Ltd.	2500000	9.94	2500000	9.94
Agate India Investment Ltd.	15,00,000	5.96	15,00,000	5.96

**B.2 - RESERVES & SURPLUS**

PARTICULARS	AS AT 31.03.2013 (Rs. In Lac)		AS AT 31.03.2012 (Rs. In Lac)	
<b>CAPITAL RESERVE</b>				
<b>Central Capital Subsidy:-</b>				
Opening Balance	15.00		15.00	
Add: Additions during the Year	-		-	
Less: Utilised during the Year	-	15.00	-	15.00
Surplus on Re-issue of forfeiture of Equity Shares		1.21		1.21
<b>Revaluation Reserve:-</b>				
Opening Balance	47.42		48.13	
Add: Additions during the Year	-		-	
Less: Utilised during the Year	0.71	46.71	0.71	47.42
<b>Share Premium:-</b>				
Opening Balance	2,082.06		2082.06	
Add: Additions during the Year	-		-	
Less: Utilised during the Year	-	2,082.06	-	2,082.06
<b>Surplus</b>				
Opening Balance	(494.97)		327.92	
Add: Transferred from statement of Profit & Loss	(322.88)		(822.89)	
Closing Balance		(817.85)		(494.97)
		1,327.13		1,650.72

**B.3 - LONG TERM BORROWINGS**

<b>a. Term Loan from Bank (Secured)</b>				
Loan Against Hypothecation of Car *		2.22		4.71
<b>b. Term Loan from Others (Secured) **</b>				
From Body Corporate		235.00		100.00
<b>c. Loan and Advances (Unsecured)</b>				
Loan from Body Corporate		10.34		15.34
Loan from Related Parties***		195.00		-
Loan from Others****		40.48		40.48
		483.04		160.53

**\* Terms of Term Loan from Bank**

- Secured by way of Hypothecation of Car.
- Repayable monthly installment of Rs.0.24 lac along with interest of 9.51% (also refer note B-8a)
- Last installment payable on January 2015.

**\*\* Terms of Term Loan from Others**

- Secured by way of first charge over all Movable and Imovable assets of the company present and future.
- Repayable ten half yearly installments payable from 1st July 2013 along with interest @12.50% per annum.
- Last installment payable on January 2018.

\*\*\* Refer Note No B-33 in Notes to Accounts

**\*\*\*\* Terms of Loan and Advances from others**

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).

There is no specific terms and conditions attached of Loan from related party amounting to Rs. 195 Lacs and Loan from body corporates amounting to Rs. 10.34 Lacs.



**B.4 - DEFERRED TAX**

PARTICULARS	AS AT 31.03.2013 (Rs. In Lac)	AS AT 31.03.2012 (Rs. In Lac)
<b>DEFERRED TAX ASSETS</b>		
Carry forward Depreciation/ Long Term Capital Loss	291.57	192.00
Carry forward Business Losses	280.80	294.84
Disallowance under the Income tax Act, 1961	36.23	47.91
	<u>608.60</u>	<u>534.75</u>
<b>DEFERRED TAX LIABILITIES</b>		
Related to Fixed Assets	651.76	621.35
	<u>651.76</u>	<u>621.35</u>
<b>NET DEFERRED TAX LIABILITIES/ (ASSETS)</b>	<u>43.16</u>	<u>86.60</u>
<b>B.5 - LONG TERM PROVISIONS</b>		
Provision for Gratuity	91.09	104.91
Provision for Leave Encashment	49.02	64.75
	<u>140.11</u>	<u>169.66</u>
<b>B.6 - SHORT TERM BORROWINGS</b>		
a. Loan and Advances (Unsecured)		
Loan from Related Parties	-	300.00
Loan from Others	-	93.27
	<u>-</u>	<u>393.27</u>
<b>B.7 - TRADE PAYABLES</b>		
a. Creditors		
Payable to Micro, Small & Medium Enterprises	-	57.77
Payable to Others	497.54	473.14
b. Other Trade Payable		
Employee Benefit Expenses	0.48	0.62
	<u>498.02</u>	<u>531.53</u>
<b>B.8 - OTHER CURRENT LIABILITIES</b>		
a. Current maturity of long term borrowings (refer note B-3)	2.48	2.26
b. Advance from Customers	123.54	181.82
c. Security and Other Deposits	34.07	38.39
d. Statutory dues payable	23.13	14.62
e. Other Liabilities	1493.02	1584.64
LESS: Deposit against Electricity Bill	<u>337.24</u>	<u>337.24</u>
h. Investor Education & Protection Fund (U/s. 205C)	11.64	11.64
	<u>1,350.64</u>	<u>1,496.13</u>
<b>B.9 - SHORT TERM PROVISIONS</b>		
a. Provisions for Gratuity	12.79	14.09
b. Provisions for Leave Encashment	6.66	6.23
c. Provisions for Income tax	61.35	61.35
d. Provisions for Wealth Tax	6.58	6.58
	<u>87.38</u>	<u>88.25</u>

**B.10 - TANGIBLE ASSETS (CONSOLIDATED)**
**Reconciliation of the Gross and Net Carrying Amount of each class of tangible Assets during F.Y.2012-13**

PARTICULARS	GROSS BLOCK					As on 31.03.2013
	As on 01.04.2012	Addition			Deletion	
		Actual Cost	Borrowing Cost	Exchange Fluctuation Cost		
LEASE HOLD LAND*	86.11	-	-	-	-	86.11
LAND DEVELOPMENT	14.93	-	-	-	-	14.93
BUILDING	980.69	-	-	-	-	980.69
PLANT & MACHINERY	8,897.91	-	-	-	-	8,897.91
ELECTRICAL INSTALLATION	2,254.66	-	-	-	-	2,254.66
OFFICE EQUIPMENT	235.65	0.10	-	-	-	235.75
FURNITURE & FIXTURES	164.75	-	-	-	-	164.75
VEHICLES	53.03	-	-	-	-	53.03
<b>TOTAL</b>	<b>12,687.73</b>	<b>0.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,687.83</b>
CAPITAL WORK IN PROGRESS	794.79	237.37	-	-	-	1,032.16
<b>GRAND TOTAL</b>	<b>13,482.52</b>	<b>237.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,719.99</b>

PARTICULARS	DEPRECIATION			
	As on 01.04.2012	For the Year	Deletion	As on 31.03.2013
LEASE HOLD LAND*	25.85	0.90	-	26.75
LAND DEVELOPMENT	3.66	0.17	-	3.83
BUILDING	570.77	28.78	-	599.55
PLANT & MACHINERY	6,793.89	295.26	-	7,089.15
ELECTRICAL INSTALLATION	1,723.73	65.27	-	1,789.00
OFFICE EQUIPMENT	177.06	16.45	-	193.51
FURNITURE & FIXTURES	72.57	7.83	-	80.40
VEHICLES	32.67	3.42	-	36.09
<b>TOTAL</b>	<b>9,400.19</b>	<b>418.08</b>	<b>-</b>	<b>9,818.28</b>
CAPITAL WORK IN PROGRESS	-	-	-	-
<b>GRAND TOTAL</b>	<b>9,400.19</b>	<b>418.08</b>	<b>-</b>	<b>9,818.28</b>

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

**Reconciliation of the Gross and Net Carrying Amount of each class of tangible Assets during F.Y.2011-12:**

PARTICULARS	GROSS BLOCK					As on 31.03.2012
	As on 01.04.2011	Addition			Deletion	
		Actual Cost	Borrowing Cost	Exchange Fluctuation Cost		
LEASE HOLD LAND*	86.11	-	-	-	-	86.11
LAND DEVELOPMENT	14.93	-	-	-	-	14.93
BUILDING	980.69	-	-	-	-	980.69
PLANT & MACHINERY	10,507.64	23.94	-	-	1,633.67	8,897.91
ELECTRICAL INSTALLATION	2,516.95	0.16	-	-	262.45	2,254.66
OFFICE EQUIPMENT	235.58	0.25	-	-	0.18	235.65
FURNITURE & FIXTURES	164.75	-	-	-	-	164.75
VEHICLES	65.84	0.03	-	-	12.84	53.03
<b>TOTAL</b>	<b>14,572.49</b>	<b>24.38</b>	<b>-</b>	<b>-</b>	<b>1,909.14</b>	<b>12,687.73</b>
CAPITAL WORK IN PROGRESS	794.79	-	-	-	-	794.79
<b>GRAND TOTAL</b>	<b>15,367.28</b>	<b>24.38</b>	<b>-</b>	<b>-</b>	<b>1,909.14</b>	<b>13,482.52</b>

PARTICULARS	DEPRECIATION			
	Up to 31.03.2011	For the Year	Deletion	Up to 31.03.2012
LEASE HOLD LAND*	24.95	0.90	-	25.85
LAND DEVELOPMENT	3.49	0.17	-	3.66
BUILDING	541.99	28.78	-	570.77
PLANT & MACHINERY	7,995.17	343.66	1,544.94	6,793.89
ELECTRICAL INSTALLATION	1,903.32	69.74	249.34	1,723.72
OFFICE EQUIPMENT	160.06	17.17	0.17	177.06
FURNITURE & FIXTURES	64.72	7.85	-	72.57
VEHICLES	35.60	3.78	6.71	32.67
<b>TOTAL</b>	<b>10,729.30</b>	<b>472.05</b>	<b>1,801.16</b>	<b>9,400.19</b>
CAPITAL WORK IN PROGRESS	-	-	-	-
<b>GRAND TOTAL</b>	<b>10,729.30</b>	<b>472.05</b>	<b>1,801.16</b>	<b>9,400.19</b>

**B.11 - NON CURRENT INVESTMENTS**

PARTICULARS	FACE VALUE AS AT 31.03.2013 (Rs. In Lac)	AS AT 31.03.2013 (Rs. In Lac)	AS AT 31.03.2012 (Rs. In Lac)
<b>a) TRADED (AT COST)</b>			
<b>Quoted</b>			
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	0.51
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
<b>b) OTHER THAN TRADE (AT COST)</b>			
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			
57 Fully paid up Equity Shares of Rs.10/- each in Ultra Tech Cement Ltd.	0.01	0.29	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
<b>GRAND TOTAL</b>		<u>2.77</u>	<u>2.77</u>
a) Long Term Investments are stated at Cost.			
b) Market Value of Quoted Shares and Trust Securities as on 31.03.2013 is Rs.5.56 Lac (Previous Year Rs. 5.28 Lac)			
c) Aggregate amount of Unquoted Investments are NIL			
d) Aggregate provision made for diminution in value of Investments are NIL			
<b>B.12 - LONG TERM LOANS AND ADVANCES</b>			
Security Deposits (Unsecured, Considered Good)		96.72	156.67
		<u>96.72</u>	<u>156.67</u>

**B.13 - OTHER NON CURRENT ASSETS**

PARTICULARS	AS AT 31.03.2013 (Rs. In Lac)	AS AT 31.03.2012 (Rs. In Lac)
Pre-paid Expenses	0.91	0.97
	0.91	0.97

**B.14 - INVENTORIES**

INVENTORIES:(As valued and certified by the management)

(Value at cost or net realisable value which ever is lower)

Stores, Spares etc.	519.24	527.28
Less: Provision for Old Store	(10.56)	(10.56)
Stores, Spares etc.(Net)	508.68	516.72
Raw Materials, Chemicals & Catalysts	36.31	36.80
Fuel Oil Stocks of Power Plant	40.30	40.22
Scrap Material in Hand	-	0.30
Packing Materials	13.23	13.38
Stock-in-Process	62.21	62.21
Finished Stock	19.28	19.28
	680.01	688.91

**B.15 - TRADE RECEIVABLE**

(Unsecured, considered good unless otherwise stated)

Outstanding for a period exceeding six months from the date they are due for payment

-Considered Good	386.07	479.30
-Considered Doubtful	-	-
	386.07	479.30
Less: Provision for Doubtful Debts	-	-
	386.07	479.30
Others	-	-
	386.07	479.30

**B.16 - CASH & CASH EQUIVLENTS**

Cash in Hand	4.15	6.56
Balance with Scheduled Banks in:		
-Current Accounts	98.58	94.65
-in Fixed Deposit held as Margin Money against Bank Guarantee in favour of Rajasthan State Pollution Control Board	0.08	0.08
	102.81	101.29

**B.17 - SHORT TERM LOANS & ADVANCES**

PARTICULARS	AS AT 31.03.2013 (Rs. In Lac)	AS AT 31.03.2012 (Rs. In Lac)
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in Cash or in kind for value to be received		
-Considered Good	734.41	807.45
-Considered Doubtful	69.71	69.71
	<u>804.12</u>	<u>877.16</u>
Less: Provision for Doubtful Advances	(69.71)	(69.71)
	<u>734.41</u>	<u>807.45</u>
Advance for Capital Goods		
Office Building	144.00	490.00
Plant & Machinery	114.96	-
Amounts held with Govt. Authorities:-		
Deposit with Central Excise Department	75.00	75.00
Electricity Duty Under Protest	2.79	2.79
Entry Tax Deposited Under/Protest	23.80	23.80
Excise Amount Recoverable	1.79	4.19
Income-tax Deducted at source/ MAT Credit	172.87	169.80
Advance Wealth Tax	0.08	0.08
Loans to Employees	1.85	1.74
	<u>1,271.55</u>	<u>1,574.85</u>
<b>B.18 - OTHER CURRENT ASSETS</b>		
Pre-paid Expenses	2.32	4.99
	<u>2.32</u>	<u>4.99</u>
<b>B.19 - REVENUE FROM OPERATIONS</b>		
Sale of Products	-	2,912.31
	<u>-</u>	<u>2,912.31</u>
<b>Details of sale of product</b>		
CAUSTIC SODA	-	1,797.40
HYDROGEN GAS	-	23.39
STABLE BLEACHING POWDER	-	116.24
LIQUID CHLORINE	-	300.49
HYDROCHLORIC ACID	-	2.20
T.C.E SALE	-	284.91
CALCIUM HYPOCHLORIDE (BLEACH LIQUOR)	-	60.13
SPENT SULPHURIC ACID, ETC	-	-
TRADING SALE	-	327.55
	<u>-</u>	<u>2,912.31</u>

**B.20 - OTHER INCOME**

PARTICULARS	AS AT 31.03.2013 (Rs. In Lac)	AS AT 31.03.2012 (Rs. In Lac)
Interest	0.04	11.40
Dividend	0.07	0.20
Miscellaneous Receipts/Income	363.29	36.20
Provisions/ Miscellaneous Balance written back	30.42	57.04
Foreign Exchange Fluctuations	-	5.21
Profit on Fixed Assets Sold/W/off	7.00	98.05
	400.82	208.10

**B.21 - COST OF MATERIAL CONSUMED**

Raw Materials & Chemicals	-	570.66
Packing Material Consumed	-	22.48
	-	593.14

**B.22- CHANGE IN STOCK OF FINISHED GOODS, STOCK IN PROCESS**
**CLOSING STOCK:**

- Finished Goods	19.28	19.28
- Work-in-Process	62.21	62.21
	81.49	81.49

**OPENING STOCK**

- Finished Goods	19.28	96.35
- Work-in-Process	62.21	194.17
	81.49	290.52

Change in Excise duty in stock of Finished Goods (Net)	-	6.87
Increase/(Decrease) in Stock	-	(202.16)

**B.23 - EMPLOYEES BENEFIT EXPENSES**

Salaries, Wages, Allowances & Other Benefits	118.04	392.06
Contribution to Provident Fund,	4.28	24.57
E.S.I. & Others Funds		
Employee Welfare Expenses	8.68	17.93
	131.00	434.56

**B.24 - FINANCE COST**

Interest on Borrowings	0.56	1.74
Other Borrowing Cost	14.57	9.22
	15.13	10.96

**B.25 - OTHER EXPENSES**

PARTICULARS	AS AT 31.03.2013 (Rs. In Lac)	AS AT 31.03.2012 (Rs. In Lac)
Stores & Spares Consumed	1.60	160.94
Other Manufacturing Process, Material	-	8.30
Lease Rent for Equipments	-	40.36
Rent	27.03	36.59
Security Charges	33.83	32.77
Rates & Taxes	6.35	2.38
Insurance	0.77	10.24
Repairs & Maintenance:		
-Plant & Machinery	5.69	66.41
-Building	0.02	2.68
-Others	3.08	6.31
Travelling, Conveyance & Vehicle Expenses	24.69	53.05
Communication Expenses	5.09	10.96
Legal, Professional & Consultancy Charges	20.97	44.22
Printing & Stationery	2.38	3.91
Publicity & Advertisement Expenses	1.35	0.77
Bank Charges	0.68	1.15
Auditors' Remuneration:		
- Audit Fee	2.65	2.65
- Taxation Fee	0.60	0.60
- Expenses Reimbursed/Incurred	0.14	0.53
Commission on Sale	-	0.56
Freight & Forwarding Expenses	-	1.81
Subscription	1.43	1.65
Plantation Expenses	0.84	1.19
Penalty and Interest	0.38	2.24
Foreign Exchange Fluctuation	8.17	-
QCD & Laboratory Expenses	-	1.74
Other Misc. Exp.	10.13	10.52
Office Expenses	3.58	4.20
Water & Electricity Expenses	9.53	8.82
Business Promotion Expenses	1.72	4.43
Prior Period Expenses	-	2.59
	172.70	524.57



**B.26 Contingent Liabilities:****(a) Claims against the Company not acknowledged as debt:**

- (i) In respect of Excise Duty disputes pending with various Judicial Authorities Rs.595.41 Lac including interest and penalty of Rs.183.33 Lac (previous year Rs. 641.27 Lac including interest and penalty of Rs.183.38 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. 27.28 Lac (previous year Rs. 27.38 Lac).
- (iv) In respect of Income Tax disputes pending with various Judicial Authorities Rs. 287.17 Lac (previous year Rs. 287.17 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. NIL (previous year Rs. 693.96 Lac). The matters has been remanded back by the appropriate authority.
- vii) Disputed demand for late payment surcharge on electricity dues amounting Rs. 1226.12 Lac. However the company has paid Rs. 337.24 lac under protest on account of late payment surcharge (previous year Rs. 1226.12 Lac).
- viii) Disputed demand for incentive allowed in electricity bill by JVVNL Rs.68.86 Lac (previous year Rs. 68.86 lac) contested by the Company.
- ix) Disputed demand for unintercepted power cut by JVVNL Rs. 11.72 Lac (previous year Rs. 11.72 Lac).

**(b) Estimated amount of contracts remaining to be executed on capital account Rs. 955.54 Lac (net of advances) (previous year Rs. 25.09 Lac).**

B.27 Balances of sundry debtors, loan and advances and current liabilities including sundry creditors are subject to confirmation and adjustments necessary upon reconciliation thereof.

B.28 The Company has taken steps for revamping and refurbishing the plant for increasing efficiency and Capacity. Therefore the production has been stopped since Aug. 2011.

- B.29 High Power Consumption Incentive of Rs. 235.64 Lac has been adjusted in the payment due to Jaipur Vidyut Vitran Nigam Limited (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.
- B.30 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.
- B.31 Based on the available information with the Company, the information related to Micro, Small and Medium Enterprises Development Act, 2006 is as under:

<b>Sl. No</b>	<b>Particulars</b>	<b>2012-2013 (Rs. in Lac)</b>	<b>2011-2012 (Rs. in Lac)</b>
1.	i) Principal amount remaining unpaid to any supplier at the end of the accounting year. ii) Interest due on above	- -	<b>57.77</b> -
2.	Amount of interest paid by the buyer in term of Section 16 of the Act, along with amount of the payment made beyond the appointed date during the year.	-	-
3.	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but with out adding the interest specified under the Act	-	-
4.	Amount of interest accrued and remaining unpaid at the end of the financial year.	-	-
5	Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Act.	-	-

**B.32 Employee benefits**
**(a) Defined benefit plans: Gratuity**

- (1) Provision towards gratuity is based upon actuarial valuation done by an independent actuary using Projected Unit Credit method and it covers all regular employees. Gain and losses on changes in actuarial assumptions are accounted for in the profit and loss account.
- (2) The charge on account of provision for gratuity has been included in 'Salaries, Wages, Allowances and other Benefits.
- (3) Actuarial valuation of gratuity has been done with the following assumptions.

Particulars	2012-2013 (Rs. in Lac)	2011-2012 (Rs. in Lac)
<b>Principal actuarial assumptions :</b>		
Discount rate	8.00% P.A.	8.50% P.A.
Rate of increase in compensation levels	5.50% P.A.	6.00% P.A.
Expected Rate of return of plan assets	N.A.	N.A.
Average remaining working lives of employees (years)	12.96	14.36

<b>Change in the present value of obligation :</b>		
Present value of obligation as at April 1, 2012	119.01	135.68
Interest cost	9.52	11.56
Past Service Cost – Vested	-	-
Past Service Cost – Non Vested	-	-
Current service cost	6.76	7.50
Benefits paid	(21.83)	(16.71)
Actuarial (gain)/loss on obligations	(9.57)	(19.02)
Present value of obligation as at March 31, 2013	103.89	119.01

<b>The amount to be recognized in Balance Sheet and statements of Profit &amp; Loss:</b>		
Present value of obligation as at March 31, 2013	103.89	119.01
Fair value of plan assets as at March 31, 2013	-	-

Funded Status	(103.89)	(119.01)
Unrecognized Actuarial (gain)/ losses	-	-
Net Asset/ (Liability) recognized in Balance Sheet	(103.89)	(119.01)

<b>Expenses recognized in the Profit and Loss Account :</b>		
Current service cost	6.76	7.50
Past Service Cost – Vested	-	-
Past Service Cost – Non Vested	-	-
Interest cost	9.52	11.56
Expected Rate of return of plan assets	-	-
Net actuarial (gain)/loss recognized in the period	(9.57)	(19.02)
Total expenses recognized in the Profit & Loss Account	6.71	0.04

**(b) Defined benefit plans: Leave Encashment**

- (1) Provision towards Leave Encashment is based upon actuarial valuation done by an independent actuary using Projected Unit Credit method and it covers all regular employees. Gain and losses on changes in actuarial assumptions are accounted for in the profit and loss account.
- (2) The charge on account of provision for Leave Encashment has been included in Salaries, Wages, Allowances and other Benefits.
- (3) Actuarial valuation of Leave Encashment has been done with the following assumptions.

<b>Particulars</b>	<b>2012-2013 (Rs. in Lac)</b>	<b>2011-2012 (Rs. in Lac)</b>
<b>Principal actuarial assumptions :</b>		
Discount rate	8.00% P.A.	8.50% P.A.
Rate of increase in compensation levels	5.50% P.A.	6.00% P.A.
Expected Rate of return of plan assets	N.A.	N.A.
Average remaining working lives of employees (years)	14.93	15.54

<b>Change in the present value of obligation :</b>		
Present value of obligation as at April 1, 2012	70.97	79.54
Interest cost	5.68	6.78
Past Service Cost	-	-
Current service cost	5.56	7.13
Benefits paid	(7.97)	(5.14)
Actuarial (gain)/loss on obligations	(18.57)	(17.34)
Present value of obligation as at March 31, 2013	55.67	70.97

**The amount to be recognized in Balance Sheet and statements of Profit & Loss:**

Present value of obligation as at March 31, 2013	55.67	70.97
Fair value of plan assets as at March 31, 2013	-	-
Funded Status	(55.67)	(70.97)
Unrecognized Actuarial (gain)/ losses	-	-
Net Asset/ (Liability) recognized in Balance Sheet	(55.67)	(70.97)

**Expenses recognized in the Profit and Loss Account :**

Current service cost	5.56	7.13
Past Service Cost	-	-
Interest cost	5.68	6.78
Expected Rate of return of plan assets	-	-
Net actuarial (gain)/loss recognized in the period	(18.57)	(17.34)
Total expenses recognized in the Profit & Loss Account	(7.33)	(3.43)

B.33 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 Rakesh Ahuja



Repayment of Loan Received	315.00 -	- -	- -	315.00 -
Loan Outstanding as on 31.03.2013	195.00 (300.00)	- -	- -	195.00 (300.00)
Remuneration	37.76 (78.24)	- (1.50)	- -	37.76 (79.74)

Note:

1. Figures in brackets are for previous year.
2. There have been no write off/ write back in respect of the related parties during the year.

**B.34 Future obligations towards lease rentals under the lease agreements as on 31<sup>st</sup> March, 2013 amount to Rs. 40.50 Lac (previous year Rs. 60.25 Lac)**

<b>Particulars</b>	<b>2013-2014 (Rs. in Lac)</b>	<b>2012-2013 (Rs. in Lac)</b>
Within one Year	18.00	19.75
Later than one year and not later than five year	22.50	40.50
Later than five year	-	-
<b>Total</b>	<b>40.50</b>	<b>60.25</b>

**B.35 Earnings per share (in terms of Accounting Standard AS-20 issued by the Institute of Chartered Accountants of India).**

<b>Particulars</b>	<b>2012-2013 (Rs. in Lac)</b>	<b>2011-2012 (Rs. in Lac)</b>
Profit/(Loss) after taxation as per Profit & Loss Account Including Exceptional Items	(322.88)	(822.89)
Profit/(Loss) after taxation as per Profit & Loss Account Excluding Exceptional Items	(322.88)	(822.89)
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)	(1.28)	(3.27)
Basic & Diluted Earnings Per Share Excluding Exceptional Items in Rs. (Face value – Rs.10/- per share)	(1.28)	(3.27)

B.36 The deferred Tax Assets/ (Liability) comprise of the following:

Particulars	2012-2013 (Rs. in Lac)	2011-2012 (Rs. in Lac)
<b>Deferred Tax Assets</b>		
Carried forward Depreciation/ LTCL	291.57	192.00
Carried forward Business Losses	280.80	294.84
Disallowance under the Income Tax Act, 1961	36.23	47.91
<b>Total</b>	<b>608.60</b>	<b>534.75</b>
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	651.76	621.35
<b>Total</b>	<b>651.76</b>	<b>621.35</b>
<b>Deferred Tax Assets/ (Liability) Net</b>	<b>(43.16)</b>	<b>(86.60)</b>

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

B.38 Additional information as far as applicable pursuant to Part II of Schedule VI to the Companies Act, 1956:

a) Particulars of Stocks & Sales:

Items of manufacture	Stock		Sale	
	As on 31.03.2013	As on 31.03.2012	As on 31.03.2013	As on 31.03.2012
	Rs. in Lac	Rs. in Lac	Rs. in Lac	Rs. in Lac
1) Caustic Soda	19.08	19.08	-	1797.40
2) Liquid Chlorine	-	-	-	300.49
3) Hydrochloric Acid	-	-	-	2.20
4) Stable Bleaching Powder	0.01	0.01	-	116.24
5) Hydrogen Gas	-	-	-	23.39
6) TCE	0.19	0.19	-	284.91



7) Calcium Hypo-chloride (Bleach Liquor), Spent Sulphuric Acid etc.	-	-	-	387.68
	<b>19.28</b>	<b>19.28</b>	-	<b>2912.31</b>

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

Particulars	2012-2013		2011-2012	
	Amount (Rs. in Lac)	%	Amount (Rs. in Lac)	%
Salt	-	-	210.94	36.96
Hydrated Lime	-	-	110.48	19.36
Barium Carbonate	-	-	65.62	11.50
Sulphuric Acid	-	-	9.48	1.66
Sodium Sulphite	-	-	27.09	4.75
Calcium Carbide	-	-	127.29	22.31
Others	-	-	19.76	3.46
<b>Total</b>	-	-	<b>570.66</b>	<b>100.00</b>

C) 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)	NIL (570.66)	NIL 100	NIL 570.66
Stores & Spares	NIL (11.55)	NIL (7.18)	1.60 (149.39)	100 (92.82)	1.60 (160.94)
Packing Materials	NIL (NIL)	NIL (NIL)	NIL (19.31)	NIL (100)	NIL (19.31)

Note: Figures in brackets are for previous year.

d) C.I.F. value of imports:

<b>Particulars</b>	<b>2012-2013 (Rs. in Lac )</b>	<b>2011-2012 (Rs. in Lac )</b>
Stores & Spares	-	10.46
Raw Materials	-	-
<b>Total</b>	<b>-</b>	<b>10.46</b>

e) Expenditure in Foreign Currency

<b>Particulars</b>	<b>2012-2013 (Rs. in Lac )</b>	<b>2011-2012 (Rs. in Lac )</b>
Traveling, Hotel etc.	2.01	-

B.39 The previous year figures have been reclassified to confirm to this year's classification where ever necessary.

**FOR GUPTA VIGG & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 001393N**

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

**ALOK DHIR  
DIRECTOR**

**RAKESH AHUJA  
DIRECTOR**

**AJAY VIRMANI  
MANAGING DIRECTOR**

**PLACE: NEW DELHI  
DATE: 30.09.2013**

**RAHAS BIHARI PANDA  
COMPANY SECRETARY**

**LORDS CHLORO ALKALI LTD.**

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

**FORM OF PROXY**

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 **34<sup>th</sup> Annual General Meeting** of the Company to be held on **Thursday 31st October, 2013 at Regd. Office at SP-460, Matsya Industrial Area, Alwar (Rajasthan)** and at any adjournment thereof .

Affix  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

**Note :** The proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting

-----  
**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 34<sup>th</sup> Annual General Meeting held at SP-460, Matsya Industrial Area, (Rajasthan) on **Thursday 31st October, 2013.**

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

Signature of Member/Proxy \_\_\_\_\_

Name & Regd. Folio of Shareholder \_\_\_\_\_

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