

Date: 04.09.2023

To,
The General Manager
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Scrip Code: 500284

To,
Listing Department,
National Stock Exchange of India
Limited
Exchange plaza,
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400051
Scrip Code: LORDSCHLO

BSE Scrip Code: 500284

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

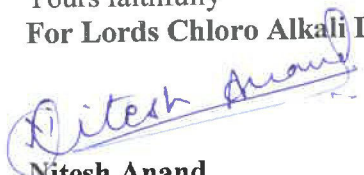
Dear Sir,

Pursuant to Regulation 30 and 34(1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed herewith the copy of Annual Report along with the Notice for Convening the 44th Annual General Meeting of the Members of the Company scheduled to be held on Thursday, 28th September, 2023 at 11.00 A.M. at Registered Office at SP-460, Matsya Industrial Area, Alwar (Rajasthan)- 301030.

The Copy of the Annual Report is also available on the website of the Company i.e. www.lordschloro.com

Kindly take the above in your record.

Yours faithfully
For Lords Chloro Alkali Limited



Nitesh Anand
Company Secretary & Compliance Officer

Encl: A/a



44th Annual Report
2022-23

LORDS CHLORO ALKALI LIMITED

CONTENTS

| | |
|--|------------|
| Managing Director's Message | 2 |
| Notice | 4 |
| Board's Report | 41 |
| Corporate Governance Report | 65 |
| Independent Auditor's Report | 91 |
| Balance Sheet | 105 |
| Profit & Loss Account | 106 |
| Cash Flow Statement | 107 |
| Significant Accounting Policies & Practices | 109 |
| Notes to Financial Statements | 119 |

BOARD OF DIRECTORS

**SHRI AJAY VIRMANI
MS SRISHTI DHIR
SHRI MADHAV DHIR
SHRI SANDEEP SINGH
MS SHUBHA SINGH
SHRI AMIA KUMAR SINGH
MS SAKSHI VASHISTH
SHRI DEEPAK MATHUR**

CFO

Compliance Officer

Statutory Auditors

Secretarial Auditor

Cost Auditors

Registrar & Share Transfer Agent

Registered Office & Plant

Corporate office

**MANAGING DIRECTOR
NON EXECUTIVE DIRECTOR
EXECUTIVE DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR
INDEPENDENT DIRECTOR
DIRECTOR (TECHNICAL)**

RAJIV KUMAR

SHRI NITESH ANAND

**M/s. Nimani Garg Agarwal & Co.
1517, Devika Tower, 6, Nehru Place,
New Delhi- 110 019.**

**M/s. SSPK & Co.,
Company Secretaries
713, 7th Floor,
S.G. Shopping Mall, D C Chowk,
Sector-9, Rohini, New Delhi-110085**

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

**M/s. Alankit Assignments Limited
“Alankit Heights” (RTA Division),
4E/2, Jhandewalan Extn.
New Delhi – 110055
Ph No: +91-11-4254 1956 &
+ 91- 89 29 955315
Fax No.:+ 91-11-4254 1201**

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

**A-281, 1st Floor, Defence Colony,
New Delhi-110024.
Ph. No.: 011-40239034/35
E-mail: secretarial@lordschloro.com
Website: www.lordschloro.com**

About the Company

Lords Chloro Alkali Ltd. (LCAL) was incorporated in 1979 and got listed on BSE Limited in the year 1982. The Company is engaged in production of wide ranges of chemicals i.e. Caustic Soda, Chlorine, Hydrogen, HCL, Stable Bleaching Powder and Tri Chloro Ethylene, mainly catering to the markets in North India. LCAL is having an advanced technology plant situated at SP-460, Matsya Industrial Area, Alwar Rajasthan with the production capacity of 210 TPD. The Company is planning to enhance Caustic Soda capacity to 300 TPD in next year and also add chlorine derivatives in the current year.

The company is strategically located in North India. The demand for Caustic Soda and Chlorine, two major products of the Company, is more than the production in the region resulting in ready market for the Company offering opportunities for expansion. The shortfall in the region is met through material coming from western parts of India which has a higher logistics cost.

The major consuming sectors for LCAL are paper, soap, dyes, chemicals and plastic industries based in UP, Haryana, Rajasthan, Punjab & Delhi.

The Mission of the Company is to provide customer with high quality products and services through sustained good business practices, latest technology and ethical ways of manufacturing.



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

Managing Director’s message

Dear Members,

It is my privilege to share my thoughts with you as your Company’s Managing Director.

In recent years, chemical products such as caustic soda, soda ash, fertilisers and petroleum products have performed well. The increase in international prices and stable demand has contributed to this positive trend.

However, the chemical industries continues to face numerous challenges such as environmental concerns, regulatory compliance, infrastructure limitations, foreign competition geopolitical tensions etc. The sudden emergence of the Russia-Ukraine conflict has created uncertainty and volatility on a global scale. However, Government’s interventions and balanced approach have mitigated its impact on our economy.

Furthermore, when considering the global market share, India’s specialty chemicals comprise approximately 4 per cent, while China accounts for 26 per cent. India has the opportunity and potential to emerge as a viable alternative hub for specialty chemical manufacturing. The ‘China plus one’ strategy is expected to attract chemical manufactures to setup and expand their production capabilities in India, consequently fostering growth in the domestic specialty chemical market.

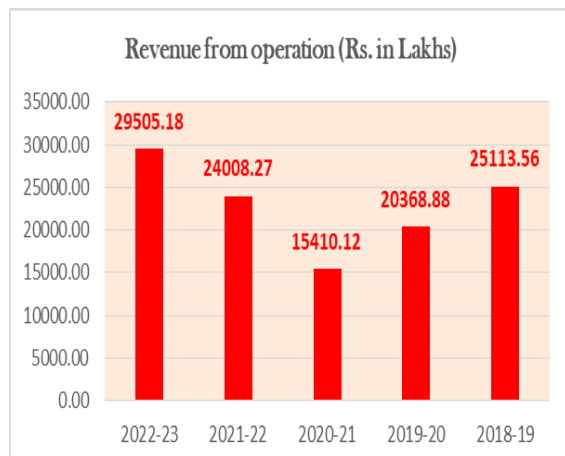
The contribution of chemical sector to the Indian economy cannot be ignored. About 7% in the country’s Gross Domestic Product (GDP) is contributed by chemical sector with is diversified range of products such as caustic soda, soda ash, fertilisers and petroleum products etc.

Indian chemicals sector holds significant opportunity, with government’s support the demand for chemicals is also expected to increase by 9% per annum by 2025 and is expected to contribute US\$ 300 billion to India’s GDP by 2025.

Performance of the Company

During the year total revenue from operations was Rs.29,505.18 Lakhs which registered a 55.80% increase as compared to total revenue from operations of Rs. 24,008.27 Lakhs in the previous year.

I am pleased to announce that your company has achieved a net Profit of Rs. 5,328.29 Lakhs for the current year against a Net profit of Rs.3,228.39 lakhs in the previous year. This achievement marks the highest turnover and net profit since its inception.



The increase in revenue can be attributed to the rising price and demand of caustic soda in India.

The dedicated efforts of our management and employees have also played a key role in this success.

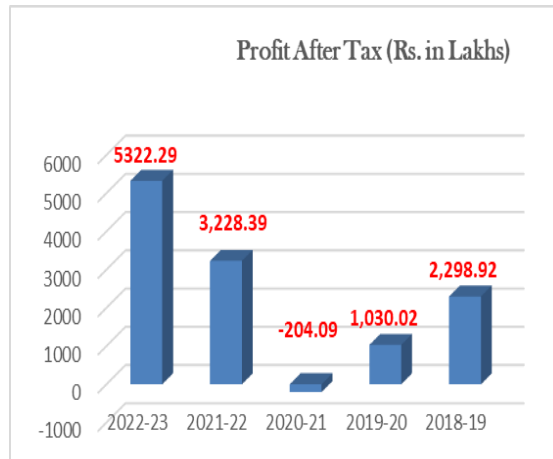
Furthermore, the management of your company periodically reviews the financial performance of the Company against the approved plans across various parameters and takes necessary action, wherever necessary.

Further, the company has also planning to increase its Caustic Soda capacity to 300 TPD. Your Company is also diversifying its product portfolio by introducing Chlorinated Paraffin Wax (CPW) and it is expected that its production may commenced in 2nd half of this financial year.

Furthermore, the company is also striving towards setting up a captive 12.5 MW solar power plant in Rajasthan, which will reduce our production cost expenses.

The Company is closely monitoring the market condition and will endeavour to make the best of them..

We also remain committed to ensure the highest standards of corporate governance in true spirit. On behalf of the Board, I would like to thank all our customers, suppliers, bankers and the government for their support to the Company. I convey my sincere appreciation to Team of Lords Chloro Alkali Limited for their performance and thank all the shareholders for their trust reposed in us.



With Warm Regards
Ajay Virmani
Managing Director

NOTICE

NOTICE is hereby given that the 44th Annual General Meeting of the Members of **Lords Chloro Alkali Limited** will be held on Thursday, 28th September, 2023 at 11.00 A.M. at Registered Office at SP-460, Matsya Industrial Area, Alwar (Rajasthan) - 301030 to transact the following businesses:

ORDINARY BUSINESSES:

1. To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2023 and the reports of the Board of Directors and Auditors thereon.
2. To appoint Ms. Srishti Dhir (DIN: 06496679), who retires by rotation at this meeting and being eligible has offered herself for reappointment.

SPECIAL BUSINESSES:

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

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

“RESOLVED THAT subject to the provisions of Section 197 and 198 of the Companies Act, 2013 (“the Act”) and rules made thereunder read with Schedule-V of the Act (including any statutory modifications or re-enactment thereof for the time being in force) and other applicable provisions of the Act, subject to approval of any other authorities, if required, and as per the recommendation of Nomination & Remuneration Committee and Board of Directors of the Company, consent of members of the Company be and is hereby accorded to pay remuneration to Shri Ajay Virmani (DIN 00758726) Managing Director of the Company at Minimum fixed salary of Rs. 1,33,00,000/- (Rupees One Crore Thirty Three Lakhs Only) per annum w.e.f. 1st January, 2024 plus other benefits such as Special allowance, Performance Bonus, Additional Performance Incentive and Special Incentive etc. upto 31st March, 2025, subject to the following terms & conditions as detailed below:

| Sl.No. | Allowances/ Incentives | % on Earning before Depreciation and Taxes (EBDT) | Amount of Allowances/ Incentives |
|--------|---------------------------|---|---|
| A. | Special allowance | 4% of EBDT | If EBDT, is above Rs. 15 crores and upto Rs. 25 crores in a particular financial year and |
| B. | Performance bonus | 5% of EBDT | If EBDT is above Rs. 25 crores and upto Rs. 50 crores in a particular financial year, |

| | | | |
|----|---|------------|--|
| | | | in addition to special allowance as referred to in point no. (A) above and |
| C. | Additional Performance Incentive | 6% of EBDT | If EBDT is above Rs. 50 crores and upto Rs. 100 crores in a particular financial year, in addition to the special allowance and performance bonus as referred to in point no. (A) and (B) above and |
| D. | Special Incentive | 7% of EBDT | If EBDT is above Rs. 100 crores in a particular financial year, in addition to the special allowance, performance bonus and additional performance incentive referred to in point no. (A), (B) and (C) above |

RESOLVED FURTHER THAT in accordance with the provisions of Section 197 of the Companies Act, 2013, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) as per the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, consent of members of the Company be and is hereby accorded to pay total managerial remuneration to managerial person in excess of 5% of the net profits of the Company and if there is more than one such Director remuneration in excess 10% of the net profits to all such directors taken together.

RESOLVED FURTHER THAT in the event of Company having no profit or inadequacy of profit in any financial year, during the tenure of Shri Ajay Virmani (DIN 00758726) as Managing Director of the Company, the aforesaid remuneration and allowances may be paid as the minimum remuneration payable to him subject to the provisions and necessary approvals in accordance with the limits prescribed in Schedule V of the Act.

RESOLVED FURTHER THAT Board of Director (s) 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(s) or as may be otherwise considered by the Board to be in the best interest of the Company.”

4. To consider and approve the re-appointment and payment of remuneration to Shri Madhav Dhir (DIN: 07227587), Whole Time Director of the Company.

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

“RESOLVED THAT subject to the provisions of Section 196 of the Companies Act, 2013 and rules made thereunder read with Schedule-V of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and other applicable provisions of the Act, subject to approval of any other authorities, if required, as per the recommendation of Nomination & Remuneration Committee and Board of Directors of the Company, consent of the members of the Company be and is hereby accorded for re-appointment of Shri Madhav Dhir (DIN: 07227587) as Whole Time Director of the Company for a further period of 5 years w.e.f. 1st June, 2024.

“RESOLVED FURTHER THAT subject to the provisions of Section 197 of the Companies Act, 2013 and rules made thereunder read with Schedule-V of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) and other applicable provision of the Act, subject to the approval of the any other authorities, if required, as per the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to pay remuneration to Shri Madhav Dhir (DIN: 07227587) as Whole Time Director of the Company of Rs.1,32,00,000/- (Rupees One Crore Thirty Two Lakhs Only) per annum w.e.f. 1st June 2024, plus other benefits such as Special allowance, Performance Bonus, Additional Performance Incentive and Special Incentive etc. upto 31st March, 2025, subject to the following terms & conditions as detailed below:

| Sl.No. | Allowances/ Incentives | % on EBDT | Amount of Allowances/ Incentives |
|--------|---|------------|--|
| A) | Special Allowance | 4% of EBDT | If EBDT is above Rs. 15 crores and upto Rs. 25 crores in a particular financial year. |
| B) | Performance Bonus | 5% of EBDT | If EBDT is above Rs. 25 crores and upto Rs. 50 crores in a particular financial year in addition to special allowance as referred to in point no. (A) above. |
| C) | Additional Performance Incentive | 6% of EBDT | If EBDT is above Rs. 50 crores and upto Rs. 100 crores in a particular financial year, in addition to the special allowance and performance bonus as referred to in point no. (A) and (B) above and |
| D) | Special Incentive | 7% of EBDT | If EBDT is above Rs. 100 crores in a particular financial year, in addition to the special allowance, performance bonus and additional performance incentive referred to in point no. (A), (B) and (C) above |

RESOLVED FURTHER THAT subject to the provisions of Section 197 of the Companies Act, 2013 and rules made thereunder read with Schedule-V of the Companies Act, 2013 (including any statutory

modifications or re-enactment thereof, for the time being in force) and subject to the approval of the members by Special Resolution, subject to approval of any other authorities, if required, and as recommended by Nomination and Remuneration Committee, consent of the Board of Directors of the Company be and is hereby accorded to pay total managerial remuneration to any one Managing Director; or Whole-time Director in excess of 5% of the net profits of the Company and if there is more than one such Director remuneration in excess 10% of the net profits to all such directors taken together.

RESOLVED FURTHER THAT in the event of Company having no profit or inadequacy of profit in any financial year, during the tenure of Shri Madhav Dhir (DIN: 07227587), Whole-Time Director of the Company, the aforesaid remuneration and allowances may be paid as the minimum remuneration payable to him subject to the provisions and necessary approvals in accordance with the limits prescribed in Schedule V of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as in its absolute discretion it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or as may be otherwise considered by the Board to be in the best interest of the Company.”

5. To consider and approve the re-appointment and payment of remuneration to Shri Deepak Mathur (DIN: 07092786), as Director (Technical) of the Company:

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

“**RESOLVED THAT** subject to the provisions of Section 196, 197 and 198 of the Companies Act, 2013 and rules made thereunder read with Schedule-V of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and other applicable provisions of the Act, subject to approval of any other authorities, if required, and as per the recommendation of Nomination & Remuneration Committee and Board of Directors of the Company, consent of the members of the Company be and is hereby accorded for re-appointment of Shri Deepak Mathur as Director (Technical) and occupier of the factory for a further period of 3 years w.e.f. 19th February, 2024 with a payment of remuneration upto Rs. 70 lacs per annum (Rs. 5.83 lacs per month) (CTC).

RESOLVED FURTHER THAT in accordance with the provisions of Section 197 of the Companies Act, 2013, read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) as per the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company, consent of Members of the Company be and is hereby accorded to pay total managerial remuneration to managerial person in excess of 5% of the net profits of the Company and if there is more than one such Director remuneration in excess 10% of the net profits to all such directors taken together.

RESOLVED FURTHER THAT in the event of Company having no profit or inadequacy of profit in any financial year, during the tenure of Shri Deepak Mathur (DIN: 07092786) as

Director (Technical) of the Company, the aforesaid remuneration may be paid as the minimum remuneration payable to him subject to the provisions and necessary approvals in accordance with the limits prescribed in Schedule V of the Act.

RESOLVED FURTHER THAT 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 maybe otherwise considered by the Board to be in the best interest of the Company.”

6. Approval for Related Party Transactions proposed to be entered by the Company.

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the ‘Act) (subject to any modification and re-enactment thereof) and as per the recommendation of Audit Committee and Board of Directors of the Company, consent of members of the Company be and is hereby accorded to enter into below mentioned contract or arrangements on arm’s length basis with related party i.e. Cirrus Chemicals Private Limited:

| Sl. No. | Particular/Nature of Transaction & duration | Name of Director/ KMP who is Related and Nature of their Relationship | Name of Related Party | Amount |
|---------|--|---|----------------------------------|---|
| 1 | Sale & Purchase of Hydrogen gas Chlorine gas & allied products | Shri Madhav Dhir Ms Srishti Dhir (Common Directors) | Cirrus Chemicals Private Limited | Amount shall not exceed 10% of the turnover of the company or Rs. 25 crore, whichever is lower. |

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.”

7. Borrow money upto Rs.250 Crore, pursuant to section 179 and 180 (1) (c) of the Companies Act, 2013.

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

“RESOLVED THAT pursuant to the provisions of Section 179 and 180 (1) (c) of Companies Act, 2013 any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and provisions of Articles of Association of the Company, subject to approval of any other authorities, if required, and as per the recommendation of the Audit Committee and Board of Directors of the Company, consent of members of the Company be and is hereby accorded to borrow sum or sums of monies together with the monies already borrowed by the Company, if any, (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) from Financial Institutions/Banks/NBFC/Body Corporate/Individuals/other funding agencies (lenders), may exceed, at any time, the aggregate of the paid-up share capital of the Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid up share capital of the Company and its free reserves shall not at any time exceed Rs. 250 crores (Rupees Two Hundred Fifty crores Only).

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. Creation/Modification of Mortgage and/or Charge over the moveable and immoveable properties of the Company.

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

“RESOLVED THAT pursuant to Section 77,78 180(1) (a) of Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), as per the recommendation of Audit Committee and Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to mortgage and/or create a charge on the immoveable and moveable properties of the Company wheresoever situate, present and future, in favour of Financial Institutions/Banks/ NBFC/Body Corporate/Individuals/ other funding agencies (lenders) or the trustees for the lenders of the Company to secure the financial assistances granted/to be granted by the lenders upto an amount in the aggregate not exceeding Rs.250 crores (Rupees Two Hundred Fifty crores Only), together with all interest thereon, commitment charge, costs, charges, expenses and all other moneys payable by the Company to the lenders in terms of the respective facility agreements entered into by the Company in respect of the aforesaid assistances.

RESOLVED FURTHER THAT 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.”

9. To give loans or invest funds of the Company in excess of the limits specified under Section 186 of the Companies Act, 2013.

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

“**RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended from time to time and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof for the time being in force), and as per the recommendation of the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to (a) give any loan to any person(s) or other body corporate(s); (b) give any guarantee or provide security in connection with a loan to any person(s) or other body corporate(s); and (c) acquire by way of subscription, purchase or otherwise, securities of any other body corporate from time to time in one or more tranches as the Board of Directors as in their absolute discretion deem beneficial and in the interest of the Company, for an amount not exceeding Rs.100 crore (Rupees One Hundred Crores Only) outstanding at any time, notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

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.”

10. To consider and approve the increase in the limit of managerial remuneration payable Managing Directors and Whole Time Director, Directors etc.

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

RESOLVED FURTHER THAT subject to the provisions of Section 197 of the Companies Act, 2013 and rules made thereunder read with Schedule-V of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and other applicable provisions of the Act, subject to approval of any other authorities, if required, and as per the recommendation of Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to pay total managerial remuneration as detailed below:

- a) Overall managerial remuneration in excess of 11% of net profit of the Company for all its Directors including Managing Directors, Whole Time Director; and /or
- b) Managerial Remuneration in excess of 5% of net profit of the Company in case one or more Managing Directors, Whole Time Director or

- c) Managerial Remuneration in excess of 10 % of net profit of the Company in case more than one Managing Directors, Whole Time Director.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as in its absolute discretion it may consider necessary, expedient or desirable and to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution or as may be otherwise considered by the Board to be in the best interest of the Company.”

11. To ratify the remuneration of the Cost Auditors for the Financial Year 2023-24.

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

“**RESOLVED THAT** pursuant to the provisions under Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the members of the Company be and is hereby accorded for ratification of remuneration, as approved by the Board of Directors and set out in the statement annexed to the notice, to be paid to the Cost Auditors M/s. Goyal, Goyal & Associates appointed by the Board of Directors at their meeting held on 9th August, 2023 to conduct the audit of the cost records of the company for the Financial Year 2023-24.”

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

**Place: New Delhi
Date: 9th August, 2023**

**Ajay Virmani
Managing Director
DIN: 00758726**

NOTES:

1. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, in respect of the special businesses to be transacted at the meeting under Item No. 3 to 11 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxy Form should be lodged with the Company at the registered office not later than 48 hours before the commencement of the above meeting i.e. by 11:00 A.M. of 28th September, 2023.

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

3. Corporate Members intending to send their authorised representative to attend the meeting are requested to send a certified copy of the Board Resolution, pursuant to section 113 of the Companies Act, 2013, authorising their representative to attend & vote on their behalf at the AGM.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. In case of joint holders attending the meeting, only such joint holder whose name is higher in the order of names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, 25th September, 2023 to Thursday, 28th September, 2023 (both days inclusive).
7. The information about the Director, proposed to be appointed / reappointed as required under Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed to this Notice.
8. During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the company. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days except Saturdays & Sundays of the Company between 11:00 a.m. and 1:00 p.m. upto the date of the Annual General Meeting and at the venue of the Meeting for the duration of the Meeting.

9. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 ('Act') and the Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, will be available for inspection by the members at the Meeting.
10. The Members are requested to notify promptly any change in their address to the Company's Registrar and Transfer Agent, M/s. Alankit Assignments Ltd. (RTA).
11. Pursuant to section 72 of the Companies Act, 2013, members holding shares in physical forms may file nomination in the prescribed Form SH-13 with the Company's RTA. In respect of shares held in electronic / demat form, nomination form may be filed with the respective Depository Participants (DP).
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Transfer Agent (RTA), M/s. Alankit Assignments Ltd.
13. Pursuant to the Regulation 40 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and SEBI vide its circular, no physical shares are allowed to be transferred (except in case of transmission or transposition of Shares) unless the securities are held in the dematerialized form w.e.f. 1st April, 2019. Accordingly, Shareholders holding shares in physical form are requested to dematerialize their shareholding in the Company to avoid hassle in transfer of shares.
14. In terms of the Ministry of Corporate Affairs (MCA) vide its General Circular Nos. 14/2020 dated 08.04.2020, 17/2020 dated 13.04.2020, 22/2020 dated 15.06.2020, 33/2020 dated 28.09.2020 and 39/2020 dated 31.12.2020 and 10/2021 dated 23.06.2021, 20/2021 dated December 08, 2021 and 02/2022&03/2022 dated May 5, 2022 and Circular Nos. 10/2022 dated December 28, 2022 (collectively referred to as "MCA Circulars") read with SEBI circular SEBI/HO/CFD/PoD-2/P/CIR/P/2023/4 dated January 5, 2023, Notice of the AGM along with Attendance Slip and Proxy Form is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members whose email is not registered may note that the Notice of AGM will also be available on the Company's website www.lordschloro.com websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com respectively.

15. Voting through electronic means

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

The remote e-voting period begins on 25.09.2023 at 09.00 A.M. and ends on 27.09.2023 at 05.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e.21.09.2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in

the paid-up equity share capital of the Company as on the cut-off date, being 21.09.2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with NSDL. | <ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP |

| | |
|--|--|
| | <p>and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>3. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  App Store </div> <div style="text-align: center;">  Google Play </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> |
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/ zEasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| <p>Individual Shareholders (holding securities in demat mode) login through their depository</p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you</p> |

| | |
|--------------|--|
| participants | will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period |
|--------------|--|

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43 |

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

| | |
|---|-------------------------|
| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|-------------------------|

| | |
|---|--|
| <p>a) For Members who hold shares in demat account with NSDL.</p> | <p>8 Character DP ID followed by 8 Digit Client ID</p> <p>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.</p> |
| <p>b) For Members who hold shares in demat account with CDSL.</p> | <p>16 Digit Beneficiary ID</p> <p>For example if your Beneficiary ID is 12***** then your user ID is 12*****</p> |
| <p>c) For Members holding shares in Physical Form.</p> | <p>EVEN Number followed by Folio Number registered with the company</p> <p>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***</p> |

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

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

- a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can

- send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 8. Now, you will have to click on “Login” button.
 9. After you click on the “Login” button, Home page of e-Voting will open.

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

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to awanishcorporate@gmail.com with a copy marked to evoting@nsdl.co.in. **Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.**
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be

disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in, or at Trade World A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai-400013.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial@lordschloro.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial@lordschloro.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Other instructions

I. The e-voting period commences on Monday, 25th September, 2023 (9.00 A.M. IST) and ends on Wednesday, 27th September, 2023 (5.00 P.M. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Thursday, 21st September, 2023 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.

- II. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date Thursday, 21st September, 2023 only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through electronic voting system or poll paper.
- III. Any person, who acquires shares of the Company and become member of the Company after email of the notice and holding shares as of the cut-off date i.e. Thursday, 21st September, 2023, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or the Company/Registrar and Share Transfer Agent. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- IV. Shri Awanish K. Dwivedi (C.P. No 9080), proprietor of M/s Awanish Dwivedi & Associates, Company Secretaries, New Delhi has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- V. The Scrutinizer shall after the conclusion of voting at the general meeting, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make, not later than 48 Hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- VI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.lordschloro.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
16. A route map to the venue of the Annual General Meeting is annexed

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

Item No.3

Pursuant to section 196, 197 read with Schedule V of the Companies Act, 2013 and as per the recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on 28th June, 2021 had approved and recommended the appointment of Shri Ajay Virmani as Managing Directors of the Company for the period of 5 years w.e.f. 12th July, 2021 and same have also been approved by the Shareholder in the Extra-ordinary General Meeting of the Company held on 25.05.2022. Further, Shareholder in the said Extra-ordinary General Meeting of the Company had also approved the payment of remuneration to Shri Ajay Virmani as Managing Directors of the Company upto 31st December 2023 subject to other the terms & conditions as approved at the said General Meeting.

Now, tenure of payment of remuneration to Shri Ajay Virmani, Managing Director of the Company is going to expire on 31st December 2023.

It is pertained to mention that due to hard efforts and contributions of Shri Ajay Virmani, Managing Director of the company, the Company had achieved remarkable increase in turnover & profitability and the Company is able to achieve the highest turnover of Rs. 295.05 crore and highest profit of Rs. 53.22 crore in the previous financial year 2022-23, since inception.

Further to highlight that, Shri Ajay Virmani (DIN:00758726) aged 62 years a qualified Chartered Accountant. He is involved in the day to day management of the Company and takes keen interest in all the on-going projects right from conception and planning till its execution and has been guiding the activities of the Company all through. Shri Ajay Virmani is not on the Board of any other listed Company and any committee(s) of other Company. He is completely devoting his time to this Company only. He has no shareholding in this Company. He has attended all Board meetings during the year 2022-23. He has not any relationship with other Directors, Manager and other Key Managerial Personnel of the company.

Accordingly, members of Nomination and Remuneration Committee and Board of Directors of the Company after considering above facts & achievements of Shri Ajay Virmani, Managing Director of the Company and also the remuneration payable in the Alkali Industries, subject to the approval of members of the Company in the general meeting by special resolution, it is proposed to pay to Shri Ajay Virmani, Managing Directors of the Company at Minimum fixed salary of Rs. 1,33,00,000/- (Rupees One Crore Thirty Three Lakhs Only) per annum plus other benefits such as Special allowance, Performance Bonus, Additional Performance Incentive and Special Incentive etc. as referred in the resolution No. 3 w.e.f. 1st January, 2024 upto 31st March 2025, as may be approved by the Shareholder of the Company.

Further, pursuant to section 197 of the Companies Act, 2013 (the Act), total managerial remuneration payable by the Company to its Directors including Managing Director and Whole-time Director(s) shall not exceed 11% of the net profits of the Company in any Financial Year. Further, the remuneration payable to any one Managing Director or Whole-time Director shall not exceed 5% of the net profits of the Company and if there is more than one such Director remuneration shall not exceed 10% of the net profits to all such directors taken together except with the approval of the Company in general meeting by passing a special resolution as per the provisions of Schedule V of the Act.

Therefore, in the event of Company having no profit or inadequacy of profit in any financial year, Company may pay the above said remuneration and allowances to Shri Ajay Virmani, Managing Director of the Company, subject to the approval of members in the general meeting as per the provisions of Schedule V of the Act. Such approval shall be applicable upto remaining period of his tenure for payment of remuneration.

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

I. General information:

(1) Nature of Industry: Company is engaged in manufacturing of Caustic Soda, Liquid Chlorine, Stable Bleaching Powder, Hydrochloric Acid, Trichloroethylene and Hydrogen Gas.

(2) Date of Commencement of Commercial Production: The Company commenced production of Caustic Soda in April 1983 with a capacity of 125 tonnes per day.

(3) Financial Performance:

(Rs. In Lakhs)

| Year | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 |
|-------------------|-----------|-----------|-----------|-----------|-----------|
| Sales | 29,505.18 | 24,008.27 | 15,410.12 | 20,368.88 | 25,113.56 |
| Net Profit/(Loss) | 5,322.29 | 3,228.38 | (204.09) | 1,030.02 | 2,298.92 |

II. Information about the appointee:

1. Background Details:

Mr. Ajay Virmani, Chartered Accountant, was appointed as CEO in 2008 and then Managing Director of the Company w.e.f. 12th July, 2012. He is a high caliber professional and is ideally suited for this position. He is fully equipped to facilitate the operation of the Company due to his vital business experience of over 33 years including 15 years in the Company.

2. Past Remuneration:

Rs.1,33,00,000/- (Rupees One Crore Thirty Three Lakhs Only) per annum besides perquisites and allowances.

3. Job profile and his suitability:

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

4. Remuneration proposed

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

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

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

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

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

(III) Other Information:

1. Steps taken or proposed to be taken for improvement

The Company has is in the process of increasing its production capacity to 300 TPD and manufacturing of additional new products i.e. Chlorinated Paraffin wax (CPW).

2. Expected increase in productivity and profits in measurable terms

Company has a plan to increase the Caustic soda capacity to 300 TPD in near future. Further your Company is also working on few new products for captive consumption of Chlorine for which environment clearance has already been taken. Company actively planning to produce electricity upto of 12.5 MW through Solar power plant for captive consumption in the next year.

IV. Disclosures

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

proposed remuneration to the appointee is reasonable.

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

Hence, your Directors recommend you to pass the proposed resolution as mentioned in Item No. 3 of the notice, as a Special Resolution.

Item No.4

Shri Madhav Dhir as Whole Time Director of the Company, has been associated with the Company as a Director since 9th November, 2015 and appointed as Whole Time Director w.e.f. 1st June, 2016. He was further, re-appointed as Whole Time Director w.e.f. 1st June, 2019 for 5 years and his tenure as Whole Time Director is going to expire on 31st May, 2024.

Shri Madhav Dhir has a Master's Degree in Economics and Strategy for Business from the prestigious Imperial College London and has completed his B.Sc (Hons) Management from University of Warwick (UK). He has also completed LLB from India. He is having expertise in strategy and management and advises the management of the Company on all strategic matters relating to existing and future business of the Company. Further, to highlight that, in this capacity as Whole-Time Director of the Company, he works closely with Managing Director and is part of the decision making of Lords Chloro Alkali Limited, under the overall guidance of the Managing Director. After his hard efforts and contributions, the company had achieved remarkable increase in turnover & profitability and the Company is able to achieve the highest turnover of Rs.295.05 crore and highest profit of Rs. 53.22 crore in the previous financial year 2022-23, since inception.

Accordingly, members of Nomination and Remuneration Committee after considering above facts & achievements of Shri Madhav Dhir, Whole-Time Director of the Company and also the remuneration payable in the Alkali Industries, subject to the approval of members of the Company in the general meeting by special resolution, it is proposed to re-appoint Shri Madhav Dhir (DIN:07227587) as Whole Time Director of the Company for a further period of five years w.e.f. 1st June, 2024, on a remuneration of Rs.1,32,00,000/- (Rupees One Crore Thirty Two Lakhs Only) per annum w.e.f. 1st June, 2024, by way of salary plus other benefits such as Special allowance, Performance Bonus, Additional Performance Incentive and Special Incentive etc. w.e.f. 1st June, 2024 upto 31st March, 2025 as referred in the resolution No.4 of the Notice as may be approved by the shareholders of the Company.

Pursuant to section 197 of the Companies Act, 2013 (the Act), total managerial remuneration payable by the Company to its Directors including Managing Director and Whole-time Director(s) shall not exceed 11% of the net profits of the Company in any Financial Year.

Further, the remuneration payable to any one Managing Director or Whole-time Director shall not exceed 5% of the net profits of the Company and if there is more than one such Director remuneration shall not exceed 10% of the net profits to all such directors taken together except with the approval of the Company in general meeting bypassing a special resolution as per the provisions of Schedule V of the Act.

Therefore, in the event of Company having no profit or inadequacy of profit in any financial year, Company may pay the above said remuneration and allowances to Shri Madhav Dhir subject to the approval of members in the general meeting as per the provisions of Schedule V of the Act. Such approval shall be applicable for three years for payment of remuneration.

The details of remuneration drawn and Board meetings attended by him during the financial year are provided at appropriate place in the Board Report. Shri Madhav Dhir on of the promoter of the Company holds 75,43,442 (29.99 %) equity shares in the Company and is the brother of Ms. Srishti Dhir, who was appointed as an Non-Executive Director on the Board of the Company, w.e.f. 23rd August, 2021. He has attended all the Board meetings held during the year 2022-23.

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

| S.No. | Name of the Companies/LLP | Position held | Name of the Committees of the Board | Chairman/ Member |
|-------|---|---------------|-------------------------------------|------------------|
| 1. | Turquoise Metals And Electricals Private Limited | Director | -- | -- |
| 2. | Cirrus Chemicals Private Limited | Director | -- | -- |
| 3. | Aquamarine Synthetics And Chemicals Private Limited | Director | -- | -- |
| 4. | Triton Projects India Private Limited | Director | -- | -- |
| 5. | Destinationindia Projects Private Limited | Director | -- | -- |
| 6. | Cygnat Projects Private Limited | Director | -- | -- |
| 7. | Entry India Projects Private Limited | Director | -- | -- |
| 8. | Sri Parthasarathy Infrastructure Private | Director | -- | -- |

| | | | | |
|-----|--|----------|----|----|
| | Limited | | | |
| 9. | Scrapto Automotive Testing Private Limited | Director | -- | -- |
| 10. | Dhir Hotels And Resorts Private Limited | Director | -- | -- |
| 11. | Dhir E-Commerce Private Limited | Director | -- | -- |
| 12. | Swadesi Launchpad Private Limited | Director | -- | -- |
| 13. | Hub And Oak Accelerator Private Limited | Director | -- | -- |
| 14. | Monet Exports Private Limited | Director | -- | -- |
| 15. | Ammadoes Trading And Consultants Private Limited | Director | -- | -- |
| 16. | Dhir Investment Advisors Private Limited | Director | -- | -- |
| 17. | Japa Arts Private Limited | Director | -- | -- |
| 18. | Acon Global Investment Ltd. | Director | -- | -- |
| 19. | Asoksundri Infrastructure Private Limited | Director | -- | -- |

In this regard, the details under Section-II of Part-II of Schedule – V of the Companies Act, 2013, required for the resolutions mentioned in item No. 4 of the Notice, the following information is furnished below for resolution No. 4

I. General information:

(1) Nature of Industry: Company is engaged in manufacturing of Caustic Soda, Liquid Chlorine, Stable Bleaching Powder, Hydrochloric Acid and Hydrogen Gas.

(2) Date of Commencement of Commercial Production: The Company commenced production of Caustic Soda in April 1983 with a capacity of 125 tonnes per day.

(3) Financial Performance:

(Rs. In Lakhs)

| Year | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 |
|--------------------------|----------------|----------------|----------------|----------------|----------------|
| Sales | 29505.18 | 24008.27 | 15410.12 | 20368.88 | 25,113.56 |
| Net Profit/(Loss) | 5322.29 | 3228.38 | (204.09) | 1030.02 | 2,298.92 |

4) There is no foreign collaboration in the Company.

ii. information about the appointee:

1. Background Details:

Shri Madhav Dhir, aged 31 years, has a Master's Degree in Economics and Strategy for Business from the prestigious Imperial College London and has completed his B.Sc (Hons) Management from University of Warwick (UK). He has also completed LLB from India. He is having expertise in strategy and management and advises the management of the Company on all strategic matters relating to existing and future business of the Company.

2. Past Remuneration:

Rs. 1,32,00,000/- (Rupees One Crore Thirty two Lakhs only) per annum besides perquisites and allowances.

3. Recognition or Award:

He is widely recognized as a dynamic professional and is also responsible for the growth and progress of the Company.

4. Job profile and his suitability:

He is having expertise in strategy and management and advises the management of the Company on all strategic matters relating to existing and future business of the Company. He has been associated with the Company as a Director since 9th November, 2015 and appointed as Whole Time Director w.e.f. 1st June, 2016 and in this capacity, he works closely with Managing Director and is part of the decision making of Lords Chloro Alkali Limited. He is actively involved in the secretarial, finance, production and marketing department of the Company. He has contributed substantially in increasing the production capacity of the Company. Under his dynamic leadership and guidance Company will move forward in the right direction.

5. Remuneration proposed

The details of remuneration proposed to be paid to Shri Madhav Dhir as Whole Time Director of the Company are furnished in the solution proposed for member's approval under Item No. 4 to this Notice.

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

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

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

Shri Madhav Dhir as Whole Time Director has no pecuniary relationship with the Company or Key Managerial Personnel of the Company or their relatives (except to the extent of the holding of share and remuneration received/receivable from the Company as Whole Time Director).

(iii) Other information:

1. Steps taken or proposed to be taken for improvement

The Company has is in the process of increasing its production capacity to 300 TPD and manufacturing of additional new products i.e. Chlorinated Paraffin wax (CPW).

2. Expected increase in productivity and profits in measurable terms

Company has a plan to increase the Caustic soda capacity to 300 TPD in near future. Further your Company is also working on few new products for captive consumption of Chlorine for which environment clearance has already been taken. Company actively planning to produce electricity upto of 12.5 MW through Solar power plant for captive consumption in the next year.

IV. Disclosures

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

Except Ms. Srishti Dhir, who is the sister of Shri Madhav Dhir, none of the other Directors and Key Managerial Personnel of the Company or their relatives (except Ms. Snigdha Dhir, wife of Shri Madav Dhir, working as consultants of the Company) in anyway, concerned or interested, financially or otherwise, in there solution set out at Item No.4 of the Notice. Above may also be treated as an abstract of the terms and conditions governing the remuneration of the Whole Time Director pursuant to Section 197 and 203 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.

Hence, your Directors recommend you to pass the proposed resolution as mentioned in Item No. 4 of the notice, as a Special Resolution.

Item No.5

Pursuant to section 196, 197 read with Schedule V of the Companies Act, 2013 and as per the recommendation of Nomination and Remuneration Committee and Board of Directors of the Company and as approved by the shareholder of the Company Shri Deepak Mathur was appointed as Director (Technical) and occupier of the factory w.e.f. 19.02.2018 for a period of

three years. He was further re-appointed by the shareholders of the Company as Director (Technical) and occupier of the factory for a term of three years w.e.f. 19.02.2021 and his term is going to expire on 18.02.2024.

It is pertinent to highlight that, Shri Deepak Mathur, Chemical Engineer, having 42 years' experience in manufacturing, project, & engineering operations. He is a high calibre professional is ideally suited for this position since as a Chemical Engineer and having vast experience in chemical Company, he is fully equipped to facilitate the operation of the Company due to his vital experience in the industry. Further, he also works closely with Managing Director of the Company.

Accordingly, members of Nomination and Remuneration Committee after considering above facts & works profile of Shri Deepak Mathur, Director (Technical) and occupier of the factory of the Company and also the remuneration payable in the Alkali Industries, subject to the approval of members of the Company in the general meeting by special resolution it is proposed to re-appoint Shri Deepak Mathur (DIN: 070927867) as Director (Technical) and occupier of the Company for a further period of 3 years w.e.f. 18.02.2024, on a remuneration upto Rs.70 lakh/- inclusive of all perquisites and allowances.

Pursuant to section 197 of the Companies Act, 2013 (the Act), total managerial remuneration payable by the Company to its Directors including Managing Director and Whole-time Director(s) shall not exceed 11% of the net profits of the Company in any Financial Year. Further, the remuneration payable to any one Managing Director or Whole-time Director shall not exceed 5% of the net profits of the Company and if there is more than one such Director remuneration shall not exceed 10% of the net profits to all such directors taken together except with the approval of the Company in general meeting bypassing a special resolution as per the provisions of Schedule V of the Act.

Therefore, in the event of Company having no profit or inadequacy of profit in any financial year, Company may pay the above said remuneration subject to the approval of members in the general meeting as per the provisions of Schedule V of the Act. Such approval shall be applicable for three years

Shri Deepak Mathur is not on the Board of any other Company and any committee(s) of other Company. He is completely devoting his time to this Company only. He has no shareholding in this Company. He has attended 2 (two) Board meetings during the year 2022-23. He has no relationship with other Directors, Manager and other Key Managerial Personnel of the Company.

I. General information:

(1) Nature of Industry: Company is engaged in manufacturing of Caustic Soda, Liquid Chlorine, Stable Bleaching Powder, Hydrochloric Acid and Hydrogen Gas.

(2) Date of Commencement of Commercial Production: The Company commenced production of Caustic Soda in April 1983 with a capacity of 125 tonnes per day.

(3) Financial Performance:

(Rs. In Lakhs)

| Year | 2022-23 | 2021-22 | 2020-21 | 2019-20 | 2018-19 |
|-------------------|----------|----------|----------|----------|-----------|
| Sales | 29505.18 | 24008.27 | 15410.12 | 20368.88 | 25,113.56 |
| Net Profit/(Loss) | 5322.29 | 3228.38 | (204.09) | 1030.02 | 2,298.92 |

(4) There is no foreign collaboration in the Company.

ii. information about the appointee:

1. Background Details:

Shri Deepak Mathur is a Chemical Engineer and having 42 years' experience in chemical industry. He was working as a Director (Technical) in the Company w.e.f. 19th February, 2015 for a period of three years. Further, he was re-appointed for a term of three years w.e.f. 19th February, 2021.

2. Past Remuneration:

Upto Rs. 60 lacs per annum (Rs. 5.00 lakhs per month) (CTC) inclusive of all perquisites and allowances.

3. Job profile and his suitability:

Shri Deepak Mathur, Chemical Engineer, having 42 years' experience in manufacturing, project, & engineering operations. He is a high caliber professional is ideally suited for this position since as a Chemical Engineer and having vast experience in chemical Company, he is fully equipped to facilitate the operation of the Company due to his vital experience in the industry.

4. Remuneration proposed

The details of remuneration proposed to be paid to Shri Deepak Mathur as Director (Technical) of the Company are furnished in there solution proposed for member's approval under Item No. 5 of this Notice.

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

The prevalent level remuneration in Chemicals Industries is higher. Taking into account the academic background, qualification and experience of Shri Deepak Mathur as Director (Technical) 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 Deepak Mathur as Director (Technical) has no pecuniary relationship with the Company or Key Managerial Personnel of the Company or their relatives (except to the extent of the remuneration received/receivable from the Company as Director (Technical)).

(iii) Other information:

1. Steps taken or proposed to be taken for improvement

The Company has is in the process of increasing its production capacity to 300 TPD and manufacturing of additional new products i.e. Chlorinated Paraffin wax (CPW).

2. Expected increase in productivity and profits in measurable terms

Company has a plan to increase the Caustic soda capacity to 300 TPD in near future. Further your Company is also working on few new products for captive consumption of Chlorine for which environment clearance has already been taken. Company actively planning to produce electricity upto of 12.5 MW through Solar power plant for captive consumption in the next year.

IV. Disclosures

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

None of the other Directors and Key Managerial Personnel of the Company or their relatives in anyway, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice. Above may also be treated as an abstract of the terms and conditions governing the remuneration of the Director (Technical) pursuant to Section 197 and 203 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013.

Hence, your Directors recommend you to pass the proposed resolution as mentioned in Item No. 5 of the notice, as a Special Resolution.

Item no. 6

As per provisions of Section 188(1) of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company shall not enter into contract or arrangement with a 'Related party' in excess of the limits prescribed under the said Act & Rules, except with the prior consent of the Shareholders. The term 'Related Party' *inter-alia* includes Cirrus Chemical Private Limited (CCPL) being common Directors.

LCAL and CCPL are having business relations since long as CCPL purchases Hydrogen gas from LCAL in the ordinary course of business.

LCAL may be required to enter into contracts/arrangements/transactions with CCPL, from time to time, in excess of the limits prescribed under the Companies Act, 2013 and Rules made thereunder.

Therefore, it is proposed to seek prior approval of the shareholders for any contract(s) or arrangement(s) or transaction(s) to be entered by LCAL with CCPL for contract & arrangement for sale and purchase of hydrogen gas, chlorine gas etc. with CCPL (a “Related party”) as per section 188 of the Companies Act, 2013, on arm’s length basis wherein directors of the company are interested as per details given below:

| Sl. No. | Particular/Nature of Transaction & duration | Name of Director/ KMP who is Related and Nature of their Relationship | Name of Related Party | Amount |
|----------------|--|--|----------------------------------|--|
| 1 | Sale & Purchase of Hydrogen gas Chlorine gas & allied products | Shri Madhav Dhir Ms Srishti Dhir (Common Directors) | Cirrus Chemicals Private Limited | Upto 10% or more of the turnover of the company or Rs. 25 crore, whichever is lower. |

The provisions of Section 188(1) of the Companies Act, 2013 are not applicable in case of any transaction(s) entered into by the Company in ordinary course of business other than transactions which are not on an arm’s length basis. Accordingly, the approval proposed to be sought is only for those transactions entered with CCPL, which are not on arm’s length basis.

Further, in terms of Section 188(1) of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all material related party transactions shall require prior approval of shareholders through Ordinary Resolution and the Related Party shall abstain from voting on such resolution, whether the entity is a related party to the particular transaction or not

The Board of Directors of the Company, in its Meeting held on 23rd May, 2023, has approved the above proposal and recommends the passing of the proposed Resolution as contained in the Notice, by the Members of the Company.

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

Hence, your Directors recommended you to pass the proposed resolution as mentioned in Item No. 6 of the notice, as an ordinary Resolution

Item No. 7-8

The members of the Company had earlier accorded their consent to the Board of Directors to borrow a sum of money up to Rs.125 Crores under Section 180(1)(c) of the Companies Act, 2013. The consent of the members of the Company is further sought, to enable the Board of Directors to borrow monies from Financial Institutions / Banks / NBFC / Body Corporate / Individuals / other funding agencies(lenders), by an amount not exceeding Rs.250 Crores (Rupees Two Hundred and Fifty Crores only) in excess of the paid up share capital and free reserves. The revision in borrowing powers is sought for expansion of business operations and to meet the working capital requirements arise in future.

The proposed borrowings of the Company may, if necessary, be secured by way of charge/mortgage /hypothecation on the Company's assets in favour of Financial Institutions / Banks/ NBFC / Body Corporate / Individuals / other funding agencies (lenders) or the trustees as mentioned in the Resolution under Item No. 7 & 8 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 7 & 8 of the Notice.

Hence, your Directors recommended you to pass the proposed resolution as mentioned in Item No.7 & 8 of the notice, as a Special Resolutions.

Item No. 9

In order to make optimum use of funds available with the Company and also to achieve long term strategic and business objectives, the Board of Directors of the Company proposes to make use of the same by making investment in other bodies corporate or granting loans, giving guarantee or providing security to other persons or other body corporate as and when required.

Members may note that pursuant to Section 186 of the Companies Act, 2013 ("Act"), the Company can give loan or give any guarantee or provide security in connection with a loan to any other body corporate or person and acquire securities of any other body corporate, in excess of 60% of its paid up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more, with approval of Members by special resolution passed at the general meeting.

In view of the aforesaid, it is proposed to take approval under Section 186 of the Companies Act, 2013, by way of special resolution, up to a limit of Rs.100 Crores, as proposed in the Notice.

The above proposal is in the interest of the Company and the Board recommends the Resolution as set out at Item No.9 for approval by the members of the Company.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the resolution at Item no. 9 of the accompanying notice.

Hence, your Directors recommended you to pass the proposed resolution as mentioned in Item No. 9 of the notice, as a Special Resolution.

Item No. 10

In terms of Section 197, and 198 of the Companies Act, 2013 read with rules made thereunder, the total managerial remuneration payable by a public company, to its Directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent. of the net profits of that company for that financial year computed in the manner laid down in section 198.

Provided further that, except with the approval of the company in general meeting, by a special resolution.

i) the remuneration payable to any one managing director or whole-time director or manager shall not exceed five per cent. of the net profits of the company and if there is more than one such director remuneration shall not exceed ten per cent. of the net profits to all such Directors and manager taken together;

(ii) the remuneration payable to Directors who are neither managing Directors nor whole-time Directors shall not exceed,—

(A) one per cent. of the net profits of the company, if there is a managing or whole-time director or manager;

(B) three per cent. of the net profits in any other case.

It is pertinent to mention that, after considering the hard efforts and contributions of our Company's Managing Director, Whole Time Directors and also considering the remuneration payable in the Alkali Industries, it is possible that the remuneration payable to Managing Director, Whole Time Directors may increase from the remuneration limit prescribed under section 197 of the Companies Act, 2013 after obtaining the approval of the members by Special Resolution.

Accordingly, after considering above facts, subject to the approval of the member in general meeting, members of Nomination and Remuneration Committee and Board of Directors of the Company in its meeting held on 9th August, 2023 have considered and approved the payment of remuneration in excess of in excess of 11% of the net profits of the Company and also to pay the remuneration as per detail given below:

- a) Overall managerial remuneration in excess of 11% of net profit of the Company for all its Directors including Managing Directors, Whole Time Director; and /or
- b) Managerial Remuneration in excess of 5% of net profit of the Company in case one or more Managing Directors, Whole Time Director or

- c) Managerial Remuneration in excess of 10 % of net profit of the Company in case more than one Managing Directors, Whole Time Director.

In view of the aforesaid, it is proposed to take approval under Section 197 of the Companies Act, 2013, by way of special resolution, as proposed in the Notice.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned with or interested, financially or otherwise in the resolution at Item no. 10 of the accompanying notice.

Hence, your Directors recommended you to pass the proposed resolution as mentioned in Item No. 10 of the notice, as a Special Resolution.

Item no. 11

The Board of Directors, on the recommendation of the Audit Committee, had approved the appointment & remuneration of the Cost Auditor M/s. Goyal, Goyal & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2023-24 at a remuneration of Rs. 75,000 /- (Rupees Seventy Five Thousand only).

Pursuant to the provisions of section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for passing an ordinary Resolution as set out at Item No.11 of the notice for ratification of remuneration payable to the cost auditors for the financial year 2023-24.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution set out at Item No. 11 of the notice.

Hence, your Directors recommended you to pass the proposed resolution as mentioned in Item No. 11 of the notice, as an ordinary Resolution.

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

Place: New Delhi

Date: 9th August, 2023

**Ajay Virmani
Managing Director
DIN: 00758726**

Annexure to the Notice

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

| | |
|---|---|
| Name of Director | Ms. Srishti Dhir |
| Director Identification No. | 06496679 |
| Date of Birth | 21/12/1988 |
| Brief Resume | Ms. Srishti Dhir, aged 34 years, has a Masters Degree from London Business School and a Law and Business Degree from Warwick University and has also completed LL.M Degree from India. Presently she is CFO of growX Ventures Management an early stage investor in the technology sector. She has been involved with financial services including acquisition and restructuring of businesses and was president of Alchemist ARC. She is an entrepreneur and had established 'Hub & oak' a well-established a digitally led real estate company and a co-working space provider. |
| Date of Appointment | 23/08/2021 |
| Expertise in Specific Functional Area | Finance, Marketing and Management |
| Disclosure of relationships between directors inter-se | She is sister of Shri Madhav Dhir, Whole Time Director of the Company. |
| Names of listed entities in which she holds the directorship as on 31.03.2023 | Lords Chloro Alkali Limited |
| Names of listed entities in which she holds Membership of Committees of the board as on 31.03.2023 | Lords Chloro Alkali Limited |
| No. of equity shares held as on 31.03.2023 | 40,85,694 Shares |
| No. of Meetings of the Board attended | Details for the Board meetings attended |

| | |
|---|--|
| during the year | by him during the financial year are provided at appropriate place in the Board Report. |
| Other Directorships | <ol style="list-style-type: none"> 1. Hub And Oak Accelerator Private Limited 2. Dhir Hotels And Resorts Private Limited 3. Cirrus Chemicals Private Limited 4. Cygnet Projects Private Limited 5. Japa Arts Private Limited 6. Ammadoes Trading And Consultants Private Limited 7. Turquoise Metals And Electricals Private Limited 8. Destinationindia Projects Private Limited 9. Triton Projects India Private Limited 10. Sri Parthasarathy Infrastructure Private Limited 11. Dhir E-Commerce Private Limited 12. Dhir Investment Advisors Private Limited 13. Swadesi Launchpad Private Limited 14. Acorn Global Investments Limited 15. Agate India Investments Limited 16. Aquamarine Synthetics And Chemicals Private Limited 17. Scrapto Automotive Testing Private Limited 18. Monet Exports Private Limited |
| Membership/ Chairmanship of Committees of other Boards | NA |

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

| | |
|--|---|
| Name of Director | Shri Madhav Dhir |
| Director Identification No. | 07227587 |
| Date of Birth | 18/02/1992 |
| Brief Resume | Mr. Madhav Dhir, aged 31 years, has masters degree in Economics and Strategy for Business and B.Sc.(Hons). He is actively involved in the secretarial, finance, production and marketing department of the Lords Chloro Alkali Limited. After completion of open offer, Shri Madhav Dhir, took the meaningful charge of the business activities of the Lords Chloro Alkali Limited, under the overall guidance of the Managing Director. After his hard efforts and contributions, the company had achieved remarkable increase in turnover and profitability. Under his dynamic leadership and guidance the Company is moving forward in right direction |
| Date of Appointment | 09/11/2015 |
| Expertise in Specific Functional Area | Strategy and Management, Secretarial, Finance, Production and Marketing Department |
| Disclosure of relationships between directors inter-se | He is brother of Ms. Srishti Dhir, Non-Executive Director of the Company. |
| Names of listed entities in which he holds the directorship as on 31.03.2023 | Lords Chloro Alkali Limited |
| Names of listed entities in which he holds Membership of Committees of the board as on 31.03.2023 | NA |
| No. of equity shares held as on 31.03.2023 | 75,43,442 Shares |
| No. of Meetings of the Board attended | Details for the Board meetings attended by him during the financial year are |

| | |
|--|---|
| during the year | provided at appropriate place in the Board Report |
| Other Directorships | <ol style="list-style-type: none"> 1. Turquoise Metals And Electricals Private Limited 2. Cirrus Chemicals Private Limited 3. Aquamarine Synthetics And Chemicals Private Limited 4. Triton Projects India Private Limited 5. Destinationindia Projects Private Limited 6. Cygnet Projects Private Limited 7. Entry India Projects Private Limited 8. Sri Parthasarathy Infrastructure Private Limited 9. Scrapto Automotive Testing Private Limited 10. Dhir Hotels And Resorts Private Limited 11. Dhir E-Commerce Private Limited 12. Swadesi Launchpad Private Limited 13. Hub And Oak Accelerator Private Limited 14. Monet Exports Private Limited 15. Ammadoes Trading And Consultants Private Limited 16. Dhir Investment Advisors Private Limited 17. Japa Arts Private Limited 18. Acon Global Investment Ltd. 19. Asoksundri Infrastructure Private Limited |
| Membership/Chairmanship of Committees of other Boards | NA |

| | |
|--|---|
| Name of Director | Shri Deepak Mathur |
| Director Identification No. | 07092786 |
| Date of Birth | 01/08/1960 |
| Brief Resume | Shri Deepak Mathur, aged 62 years, is an engineer and working as Director (Technical) of the Company w.e.f 19 th February, 2015. He has vast experience working in manufacturing units including chemicals like caustic soda.. |
| Date of Appointment | 19/02/2015 |
| Expertise in Specific Functional Area | Chemicals production |
| Disclosure of relationships between directors inter-se | He is not related to any of the Directors on the Board of the Company |
| Names of listed entities in which he holds the directorship as on 31.03.2023 | Lords Chloro Alkali Limited |
| Names of listed entities in which he holds Membership of Committees of the board as on 31.03.2023 | NA |
| No. of equity shares held as on 31.03.2023 | NIL |
| No. of Meetings of the Board attended during the year | Details for the Board meetings attended by him during the financial year are provided at appropriate place in the Board Report |
| Other Directorships | NIL |
| Membership/Chairmanship of Committees of other Boards | NA |

BOARD'S REPORT

**TO
THE MEMBERS,**

Your Directors are pleased to present the 44th Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended on 31st March, 2023.

1. FINANCIAL PERFORMANCE

(Rs. in Lakhs)

| Particulars | For the year ended on 31 st March, 2023 | For the year ended on 31 st March, 2022 |
|---|---|---|
| Sales (Net of Indirect Taxes) | 29,505.18 | 24,008.27 |
| Other Income | 144.24 | 252.44 |
| Operating Profit / (Loss) before Interest and Depreciation | 8,519.71 | 5,855.19 |
| Interest/ Finance Cost | 807.79 | 477.15 |
| Depreciation | 240.92 | 726.35 |
| Profit/(loss) before tax | 7,471.00 | 4,651.69 |
| Tax expense | 2,148.70 | 1,423.31 |
| Net Profit / (Loss) | 5,322.29 | 3,228.38 |
| Other Comprehensive Income (Net of Tax) | (13.24) | 4.90 |
| Total Comprehensive Income | 5,309.05 | 3,233.28 |

2. PERFORMANCE AND STATE OF COMPANY AFFAIRS

During the Financial year 2022-23, your Company has been able to produce 61900 MT of Caustic against 60083 MT in the previous year. Further, the company has also achieved the highest turnover and highest profit in the current year since inception.

The Company has also planned to increase its Caustic Soda capacity to 300 TPD. Further, Company is also planning to introduce Chlorinated Paraffin Wax (CPW) by the 2nd half of this financial year with the capacity of 50 TPD. At initial stage the company has planned to produce 20TPD of CPW.

The Company has also planning to produce electricity upto of 12.5 MW through Solar power plant for captive consumption.

3. Marketing

Financial year 2022-23 saw a good growth of the industry, supported by strong demand and stable international prices. Chemicals and chemical products such as caustic soda, soda ash,

fertilisers and petroleum products have also performed well. Overall production of caustic soda in the global market was increased by about 7.89% compared to the previous year. The Ukraine-Russia conflict triggered a massive shock to the world economy. However, the Government's interventions and balanced approach minimized the impact on our economy. The higher estimates of GDP growth of over 7% in 2022-23 and the strong indicators of the Indian economy are pointers to a sustained growth momentum.

4. FUTURE OUTLOOK

The global caustic soda market reached a volume of 78.54 Million Tons in 2021. Looking forward, IMARC Group expects, the market is expected to reach 88.46 Million Tons by 2027, exhibiting at a CAGR of 1.9% during 2022-2027.

The chemical sector in India has the opportunity for significant growth. The Indian chemical industry produces 80,000 different chemical products, including basic types of chemicals, knowledge type chemicals, and specialty type chemicals. India's specialty chemicals companies are expanding their capacities to cater to rising demand from domestic and overseas market. Further, Indian Chemical Industries contributes around 7% to the nation's Gross Domestic Product (GDP).

However, during the first quarter of the financial year 2023-24, chemicals market may witness a significant reduction in rates. Weak demand from Aluminium manufacturers and slowdown in the global economy is may also contribute to price drops in Caustic Soda product.

Further, the second half of this financial year have potential for improvement. Our company is very much confident that we can adapt our self in present situation and took the best advantage of it.

5. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions under Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of Company, Ms. Srithi Dhir, Non-Executive Director, is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and she has offered herself for re-appointment.

Tenure of Shri Madhav Dhir as Whole-Time Director of the Company is going to expire from 1st June, 2024, accordingly, Board of Directors of the Company has recommended the proposal of his appointment as Whole-Time Director of the Company, for approval of the members of the Company.

Tenure of Shri Deepak Mathur as Director (Technical) and occupier of the factory of the Company is going to expire from 18.02.2024, accordingly, Board of Directors of the Company has recommended the proposal of his appointment as Director (Technical) and occupier of the factory, for approval of the members of the Company.

The Company has received the declaration from all Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

6. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company in their meeting held on 9th February, 2023 had carried out the annual evaluation of their own performance, the Individual Directors (Including the Independent and Non-Independent Directors) as well as of their committees. The evaluation was carried out based on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and all stakeholders etc.

The Independent Directors of the Company in their separate meeting held on 7th February, 2023 reviewed the performance of the Non-Independent Directors and the Board as a whole. They also reviewed the performance of the Chairperson of the Company.

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

The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link www.lordschloro.com.

The following policies of the Company are attached herewith marked as **Annexure A and B**.

- a) Policy for selection of Directors and determining Directors independence; and
- b) Remuneration Policy for Directors, Key Managerial Personnel and other employees.

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

The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

8. MATERIAL CHANGES AND COMMITMENTS, IF ANY:

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

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

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

10. COST RECORDS

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

11. COST AUDITORS

The provisions of section 148 of the Companies Act, 2013, read with Rules 4 & 5 of the Companies (Cost Audit and Record) Rules, 2014, for maintenance of Cost Records, Cost Audit are applicable to the Company for the financial year 2023-24.

The Board of Directors of your Company at its meeting held on 9th August, 2023, has on the recommendation of Audit Committee, had approved the appointment of M/s Goyal, Goyal & Associates, Cost Accountants as Cost Auditor of your Company to conduct the audit of cost records for the Financial Year 2023-24.

The remuneration proposed to be paid to the Cost Auditor subject to your ratification at the 44th AGM will be Rs. 75,000/- (Rupees Seventy Five Thousand only) for the Financial Year 2023-24.

12. STATUTORY AUDITORS

At the 42nd AGM of your Company, the members had approved the appointment of M/s Nemani Garg Agarwal & Co, Chartered Accountants (FRN-010192N) as Statutory Auditors of the Company, to hold office till the conclusion of 47thAGM subject to ratification by the Members at every Annual General Meeting.

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

13. SECRETARIAL AUDITOR

Pursuant to the provisions of section 204 of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company had appointed M/s SSPK & Co., Practicing Company Secretary, as Secretarial Auditors to conduct Secretarial Audit of the Company for the financial year 2022-23. The Secretarial Audit Report for the financial year ended 31st March, 2023 is annexed herewith as **Annexure C** to this Report.

14. SECRETARIAL AUDITORS' OBSERVATIONS

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

15. SAFETY, ENVIRONMENT PROTECTION & POLLUTION CONTROL

Your Company is focusing on continual improvement by adopting sustainable production practices by taking initiatives to reduce greenhouse gas emissions, energy consumption and water conservation.

Complete phase out of LSHS (Low Sulphur Heavy Stock) fuel is done and clean fuels such as hydrogen and LPG (Liquefied Petroleum Gas) are used for environment protection.

Two stage RO (Reverse Osmosis) system is installed for ETP (Effluent Treatment Plant) outlet for optimizing water conservation by reuse of treated effluent back in process. Digital meters and online monitoring systems on pezometers have contributed in analyzing and optimizing water management.

To enhance safety Nitrogen Injection Fire Protection System (NIFPS) is installed to prevent transformer tank fire during internal faults resulting from arc and also to prevent transformer/reactor from external hazards.

Waste generation in form of brine sludge is reduced by having stringent permissible limits of impurities in super washed salt procured. This also results in reduced brine purification chemical consumption.

Online PTZ camera and monitoring analyzers are installed for continuous monitoring of stacks and effluent.

17. DIVIDEND AND TRANSFER TO RESERVE

During the Financial Year 2022-23, the Company has not declared any dividend and Rs.5,309.05 Lakhs has been transferred to General Reserve.

18. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGOING.

In compliance with provisions of clause (m) of sub-section (3) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 the statements giving the required information relating to energy conservation, technology absorption, foreign exchange earnings and outgoings is annexed herewith as **Annexure D**.

19. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

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

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

20. PARTICULARS OF EMPLOYEES & RELATED DISCLOSURES

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

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

| Name of the Directors | Ratio to median remuneration | Remuneration in (Rs.) |
|--------------------------|------------------------------|-----------------------|
| Shri Ajay Virmani | 148.41 | 4,90,12,103 |
| Ms. Srishti Dhir | - | - |
| Shri Madhav Dhir | 134.06 | 4,90,12,103 |
| Shri Pawan Kumar Nayyar | - | - |
| Shri Rajbir Singh Makhni | - | - |
| Ms. Poonam Bisht | - | - |
| Shri Deepak Mathur | 12.09 | 44,20,523 |
| Shri Sandeep Singh | - | - |

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

| Name | % Increase |
|--|------------|
| Shri Ajay Virmani | 66.09% |
| Shri Madhav Dhir | 1258.82% |
| Shri Deepak Mathur | 20.68% |
| Shri Rajiv Kumar (Chief Financial Officer) | 21.83% |
| Shri Nitesh Anand (Company Secretary) | 7.50% |

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

The percentage increase in the median remuneration of employees in the financial year was 22.50%.

(d) the number of permanent employees on the rolls of company;

The number of permanent employees on the rolls of the company at the end of financial year were 200.

(e) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average percentile increase in the salaries of employees other than the managerial personnel is 10.44%. Average percentile increase in the salaries of managerial personnel is 159.22%.

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

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

Pursuant to the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, no employee except Managing Director and Whole Time Director, who is employed throughout the financial year, was in receipt of remuneration of Rs. 5.42 crores (Five crore and forty two lakh) and Rs. 4.90 crores (Four crore and Ninety lakh) or more per annum and no employee who is employed for a part of the financial year, was in receipt of remuneration Rs. 8.5 lakhs (eight lakhs fifty thousand) or more per month. Any member interested in obtaining the information of top-10 employee of the Company may write to the Company Secretary at the registered office or the corporate office of the Company.

21. ANNUAL RETURN

The Annual Return of the Company can be accessed on the website of the Company at following link <https://www.lordschloro.com/pdfs/annual-return-2022-23>. Pdf.

22. THE DETAIL OF APPLICATION MADE /PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review the Company has not made any application during the year and no proceeding is pending under Insolvency & Bankruptcy Code, 2016 (IBC) as at March 31, 2023.

23. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE-TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the year under review the Company there has been no one-time settlement. Since there is no, One-Time Settlement, therefore there is no difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions

24. PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

25. CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 read with Schedule V of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance and a Certificate from the Practicing Company Secretary confirming the compliance with conditions of corporate governance are appended herewith as **Annexure F**.

Further as per the above mentioned regulation and Schedule, the Report on Management Discussion & Analysis is also annexed herewith **Annexure G** to this Report.

A certificate from Managing Director and Chief Financial Officer of the Company in terms of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, *inter-alia* confirming the correctness of financial statements and cash flow statements, adequacy of internal control measures and reporting of matters was placed before the Audit Committee and Board.

26. RISK MANAGEMENT

The Company has constituted a Risk Management Committee which ensures that the Company has an appropriate and effective Enterprise Risk Management system with appropriate policies and processes which carries out risk assessment and ensures that risk mitigation plans are in place by validating the same at regular intervals.

Brief details about the Risk Management are provided in the Corporate Governance Report.

27. CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provision of Section 135 of the Companies Act, 2013 read with rules made thereunder, Company has constituted Corporate Social Responsibility Committee,

which framed a Board approved CSR Policy for the Company, same is available on Company's website www.lordschloro.com.

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

28. MEETINGS OF THE BOARD

Seven (7) meetings of the Board of Directors were held during the year. For further details, please refer section of Report on Corporate Governance of this Annual Report.

29. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company established a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's Code of Conduct or ethics policy.

This mechanism provides adequate safeguards against victimization of director(s)/employee(s) and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

The details of establishment of such mechanism disclosed at the website of the company www.lordschloro.com.

31.DETAILS ON INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

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

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

The Management periodically reviews the financial performance of your Company against the approved plans across various parameters and takes necessary action, wherever necessary.

32. GENERAL

Your Directors state that during the year under review, there was no case reported pursuant to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

33. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a) in the preparation of the annual accounts for the year ended on March 31, 2023, the applicable Indian Accounting Standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the financial year ended on 31st March, 2023 and of the profit incurred by the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating.

32. 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 thank to the Members, Customers, Dealers, Suppliers, Bankers, Financial Institutions, Government Authorities and all other business associates for continued support given by them to the Company and their confidence in its management.

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

Place : New Delhi
Date:09.08.2023

Ajay Virmani
Managing Director
DIN: 00758726

Madhav Dhir
Whole Time Director
DIN: 07227587

POLICY FOR THE SELECTION AND APPOINTMENT OF DIRECTORS TO THE BOARD

Policy

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

Procedure

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

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

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

Criteria

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

Criteria for Independent Director

1. For the purpose of this clause, the expression 'independent director' shall mean a non-executive director, other than a nominee director of the company:
 - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
 - b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the listed entity;
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
 - c. apart from receiving director's remuneration, has or had no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their

promoters, or directors, during the two immediately preceding financial years or during the current financial year;

- d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount

as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- e. who, neither himself nor any of his relatives —
- (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two percent or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company;
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the company;
- f. who is less than 21 years of age.
- g. who is not a non-independent director of another company on the board of which any non-independent director of the Company is an independent director.

Other directorships / committee memberships

The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance.

The Nomination and Remuneration Committee shall take into account the nature of and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies. A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

Annexure -B

Nomination and Remuneration Policy

This Nomination and Remuneration Policy applies to the Board of Directors (the “Board”), Key Managerial Personnel (the “KMP”) and the Senior Management Personnel of Lords Chloro Alkali Limited (the “Company”).

“Key Managerial Personnel” (KMP) means -

key managerial personnel”, in relation to a company, means—

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Company Secretary;
- (iii) the Whole-Time Director;
- (iv) the Chief Financial Officer;
- (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (vi) such other officer as may be prescribed.

The term “Senior Management” means all personnel of the Company who are members of its core management team excluding members of the Board of Directors, comprising all members of management one level below the executive directors, including the functional heads.

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

1. Purpose

The primary objective of the Policy is to provide a framework and set standards for the nomination and remuneration of Directors, Key Managerial Personnel and other employee comprising the senior management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

2. Accountabilities

- 2.1 The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel.
- 2.2 The Board had delegated responsibility for assessing and selecting the candidates for the enrolment of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for:

- 3.1 Identifying individuals suitably qualified to be appointed as the Director and KMPs or as in the Senior Management of the Company;
- 3.2 Recommending to the Board on the selection of individuals nominated for directorship;
- 3.3 Making recommendations to the Board on the remuneration payable to the Directors/KMPs/Senior Officials so appointed/reappointed;
- 3.4 Assessing the independence of Independent Directors;
- 3.5 Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provisions of the Companies Act 2013 and Rules there under.
- 3.6 To make recommendations to the Board concerning any matters relating to the continuation in office of any Director, Senior Management at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- 3.7 Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

The Nomination and Remuneration Committee comprises of the following:

- a) The Committee shall consist of a minimum 3 or more non-executive directors, majority of them being independent.
- b) The quorum shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
- c) Membership of the Committee and Nomination and Remuneration policy shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the Members' queries.

COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

4. Appointment of Directors/KMPs/Senior Officials

4.1 Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMP/a level below KMP are the basis for the Nomination and Remuneration Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee has regard to:

- Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
- The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
- The skills and experience that the appointee brings to the role of KMP/Senior Official and how an appointee will enhance the skill sets and experience of the Board as a whole;
- The nature of existing positions held by the appointee including directorships or other relationships and
- The impact they may have on the appointee's ability to exercise independent judgment;

4.2 Personal specifications to be broadly considered:

- Holding relevant education qualification in relevant disciplines;
- Experience of management in a diverse organization;

- Excellent interpersonal, communication and representational skills;
- Demonstrable leadership skills;
- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- Having continuous professional development to refresh knowledge and skills.

5. Letters of Appointment

Each Director/KMP/Senior Officials is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

6. Remuneration of Directors, Key Managerial Personnel and Senior Management

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other senior officials. The Directors, Key Management Personnel and other senior official's salary shall be based & determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

The Nominations & Remuneration Committee determines individual remuneration packages for Directors, KMPs and Senior Officials of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines.

i) Remuneration:

a) Base Compensation (fixed salaries)

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

b) Variable salary:

The nomination and remuneration committee may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

6.1 The Independent Directors shall not be entitled to any stock option and may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or

for any other purpose as may be decided by the Board and profit related commission as may be approved by the members. The sitting fee to the Independent Directors shall not be less than the sitting fee payable to other directors.

- 6.2 The remuneration payable to the Directors shall be as per the Company's policy and shall be valued as per the Income Tax Rules.
- 6.3 The remuneration payable to the Key Managerial Personnel and the Senior Management shall be as may be decided by the Board having regard to their experience, leadership abilities, initiative taking abilities and knowledge base.

7. Evaluation/ Assessment of Directors/ KMPs/Senior Officials of the Company –

The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis on such criteria as may be deemed fit and appropriate.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the such parameters as may be deemed fit and appropriate. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

Annexure -C

Secretarial Audit Report

(For the financial year ended on March 31, 2023)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To,
The Members,
Lords Chloro Alkali Limited
CIN: L24117RJ1979PLC002099**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Lords Chloro Alkali Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **the Company** for the period ended on March 31, 2023 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder, as applicable;
- II. The Secretarial Standards issued by the Institute of Company Secretaries of India;
- III. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- IV. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- V. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- VI. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - g. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - h. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and
 - i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;.

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

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

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

The Company is required to transfer an amount of Rs. 11.64 lakhs to Investor Education and Protection Fund under the provisions of Section 125 of the Companies Act, 2013 and other applicable provisions. However, as per explanation received from management, this amount, due for transfer, pertains to period prior to period

under review and delay is due to pending reconciliation of old records. Further, the Company is in the process of reconciliation of records and deposit the amount with appropriate authorities.

We further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has not undertaken such events/actions such as public, rights or preferential issue of shares, debentures or sweat equity; redemption or buy back of securities; major decisions by members pursuant to section 180 of the Companies Act, 2013; merger, amalgamation or reconstruction; foreign technical collaboration or other events/actions that has major bearing on the Company affairs in pursuance of above referred laws, rules, regulations, guidelines, standards etc.

Place : Delhi
Date : 15.06.2023

For SSPK & Co.
Company Secretaries

Sanjeev Pandey
Partner
Mem No.: F10272
COP No : 17237

UDIN No.: F010272E000491863

Annexure A to Secretarial Audit Report

**To,
The Members,
Lords Chloro Alkali Limited,
CIN: L24117RJ1979PLC002099**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial record and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place : Delhi
Date :15.06.2023**

**For SSPK & Co.
Company Secretaries**

**Sanjeev Pandey
Partner
Mem No.: F10272
COP No : 17237**

Annexure-D

Form – A

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

A. CONSERVATION OF ENERGY

- Company has a fixed tenure for membrane replacement. This is done as per planned schedule to keep the power consumption in check. During the last financial year replacement of 179 nos. of membranes was done, resulting in reduction of power consumption averagely by about 220 KWH.
- For better efficiency, product quality and to reduce steam consumption in Caustic Concentrator Unit, tubes in evaporator were replaced. The reduction in steam consumption directly impacts the fuel consumption at boiler.
- Proactively we have replaced the old transformer with capacity 16/20 MVA with new transformer of capacity 20/25 MVA. This is to improve operational efficiency and keep the plant in good health.
- Regular Safety, Energy & Fire safety audits are conducted. These are for sustaining the present prevailing practices and attain continual improvement by compliance to the areas of improvement identified during such audits.

B. TECHNOLOGY ABSORPTION & INNOVATION

Company has been focussing on continual up gradation of systems for energy conservation. In the last FY, company has completely phased out the LSHS (Low Sulphur Heavy Stock) fuel system in boilers and switched over to clean fuels such as Hydrogen and LPG (Liquefied Petroleum Gas). This has also completely eliminated the auxiliary oil circulation system, conserving energy and resources utilised during oil unloading, transferring, feeding etc.

Establishing closed loop systems for water conservation by use of Caustic Concentrator Unit steam condensate in boiler and product condensate in plant process.

C. ASSISTANCE TO ANCILLARY INDUSTRIES

Being the pioneers in the region as a chlor-alkali industry company has more than 4 decades of experience in manufacturing, storage, handling and transport management of chlorine. Company provides continuous assistance to all CPW (Chlorinated Paraffin Wax) manufacturers and other Chlorine consuming units in the vicinity by providing necessary technical support along with aids/ tools to handle emergency situations.

FORM– B

FOREIGN EXCHANGE EARNING AND OUTGOING

The total foreign exchange earned and used:

| | | (Rs. in Lakhs) | |
|------|--------|---|---|
| | | For the year ended on 31 st March, 2022 | For the year ended on 31 st March, 2023 |
| (i) | Earned | 0.00 | 0.00 |
| (ii) | Used | 338.20 | 920.36 |

Annexure-E

FORM NO. AOC -2

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

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

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

| | Name (s) of the related party & nature of relationship | Nature of contracts/arrangements/transaction | Duration of the contracts/arrangements/transaction | Salient terms of the contracts or arrangements or transaction including the value, if any | Justification for entering into such contracts or arrangements or transactions | Date of approval by the Board | Amount paid as advances, if any | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 |
|-----|--|--|--|---|--|-------------------------------|---------------------------------|---|
| NIL | | | | | | | | |

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

| S. No | Name (s) of the related party & nature of relationship | Nature of contracts/arrangements/transaction | Duration of the contracts/arrangements/transaction | Salient terms of the contracts or arrangements or transaction including the value, if any | Date of approval by the Board | Amount paid as advances, if any |
|-------|---|--|--|---|-------------------------------|---------------------------------|
| | (a) | (b) | (c) | (d) | (e) | (f) |
| 1 | Cirrus Chemicals Private Limited Ms. Srishti Dhir (Non-Executive Director) and Mr. Madhav Dhir (Whole-time Director) are common Directors. | Sale & Purchase of Hydrogen gas, caustic soda lye, caustic soda flakes and allied products | To be executed (for 10 Years) | Hydrogen Gas Rs. 442.00 Lakhs | 17.08.2017 | Nil |
| | | | | | | |

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

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

Place :New Delhi
Date : 09.08.2023

(Ajay Virmani)
Managing Director
DIN: 00758726

CORPORATE GOVERNANCE REPORT

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

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

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

Your Company confirms compliance with the Corporate Governance requirements stipulated in the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, the details of which for the Financial Year ended 31st March 2023 are as set out hereunder.

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

2. Board of Directors

A. Composition of Board

- i) At present the Board has an optimum combination of executive, non-executive and Independent directors, comprising of experts from various fields/professions, consisting of 8 (Eight) Directors. Out of these 3 (Three) are Executive Directors, 1 (One) Non-Executive Directors and 4 (Four) are Non-Executive Independent Directors.
- ii) The composition of the Board of Directors is in conformity with the provisions under Regulation 17 of Listing Regulations and the Companies Act, 2013 ("the Act").
- iii) The Directors are eminent persons with professional expertise and experience. The Independent Directors of the Company meet all the criteria mandated by Regulation 25 of the Listing Regulations and Section 149 of the Companies Act, 2013.
- (iv) All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013 (Act). In the opinion of the Board, all the Independent Directors fulfil the conditions specified in the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. The maximum tenure of Independent Directors is in accordance with the Act.

B. Board Meetings

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

C. Membership, Attendance and Other Directorship

The composition of the Board and attendance of each director at Board Meetings held during the financial year ended on 31st March, 2023 and last Annual General Meeting and number of other Directorships and Chairmanship / Membership of Committees of the Board are as under:

| Sl. No. | Name of Directors | Attendance | | Category | Directorship in Other Public Co.* | Committee** | | List of Directorship held in Other Listed Companies and Category of Directorship |
|---------|--|---------------|----------|-----------------------------------|-----------------------------------|-------------|--------|--|
| | | Board Meeting | Last AGM | | | Chairman | Member | |
| 1. | Shri Ajay Virmani (Managing Director) | 7 | N | Executive Director | - | - | 2 | - |
| 2. | Ms. Srishti Dhir | 7 | N | Promoter & Non-Executive Director | - | 1 | - | - |
| 3. | Shri Madhav Dhir (Whole Time Director) | 7 | Y | Promoter & Executive Director | - | - | - | - |
| 4. | Shri Sandeep Singh | 7 | N | Independent Director | - | - | 1 | - |
| 5. | Ms. Sakshi Vashisth | 4 | N | Independent Director | - | - | 1 | - |
| 6. | Ms. Shubha Singh | 4 | N | Independent Director | - | 1 | 1 | AMD Industries Ltd- Non-Executive - Non Independent Director |
| 7. | Shri Amia Kumar Singh | 3 | N | Independent Director | - | 1 | - | - |
| 8. | Shri Deepak Mathur (Whole-time Director) | 3 | Y | Executive Director | - | - | - | - |

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

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

D. During the financial year 2022-23, seven (7) Board Meetings were held on the following dates:

| | | | | |
|--------------------------------------|----------------------------------|---------------------------------------|-------------------------------------|---------------------------------------|
| 11th April, 2022 | 20th May, 2022 | 10th August, 2022 | 31st August, 2022 | 11th November, 2022 |
| 7th February, 2023 | | 20th February, 2023 | | |

E. Disclosure of relationships between directors inter-se:

Shri Madhav Dhir (Promoter & Executive Director) is brother of Ms. Srishti Dhir (Promoter & Non-Executive Director). None other directors are related to any other director on the Board.

F. Number of Shares held by Non-Executive Director

As on 31st March, 2023, Ms. Srishti Dhir, Non-Executive, Non Independent Director, holds 40,85,694 (16.24%) Equity share of the Company.

G. Familiarization programs of independent Directors

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

Independent Directors' Meeting:

During the year under review, the Independent Directors met on 7th February, 2023 without the attendance of Non-Independent Directors and members of the management, *inter alia*, to discuss on the following:

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

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

| Sl. No. | Directors | Areas of Core Skills/Expertise/Competence | | | | | |
|---------|--|---|-------------------------|-------------|------------|---------------------|-----------------------|
| | | Leadership | Chemicals Manufacturing | Engineering | Financials | Sales and Marketing | Compliance Management |
| 1. | Shri Ajay Virmani (Managing Director) | ✓ | ✓ | | ✓ | ✓ | ✓ |
| 2. | Ms. Srishti Dhir | ✓ | | | ✓ | | ✓ |
| 3. | Shri Madhav Dhir (Whole Time Director) | ✓ | ✓ | | ✓ | ✓ | ✓ |
| 4. | Shri Sandeep Singh | ✓ | | | | | ✓ |
| 5. | Ms. Sakshi Vashisth | ✓ | | | | | ✓ |
| 6. | Ms. Shubha Singh | ✓ | | | | | ✓ |
| 7. | Shri Amia Kumar Singh | ✓ | | | ✓ | | ✓ |
| 8. | Shri Deepak Mathur (Whole-time Director) | ✓ | ✓ | ✓ | | | ✓ |

I. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013 (Act). In the opinion of the Board, all the Independent Directors fulfil the conditions specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. The maximum tenure of Independent Directors is in accordance with the Act.

J. During the year, there is no resignation of Independent Directors.

BOARD COMMITTEES

To enable better and more focused attention on the affairs of the company, the Board delegates particular matters to Committees of the Board set up for the purpose. These committees prepare the ground work for decision making and report at the next Board Meeting.

3. Audit Committee:

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. Members of the Audit Committee possess financial / accounting expertise / exposure.

a) The terms of reference of Audit Committee

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

1. the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
2. review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. examination of the financial statement and the auditors' report thereon;
4. approval or any subsequent modification of transactions of the company with related parties;
5. scrutiny of inter-corporate loans and investments;
6. valuation of undertakings or assets of the company, wherever it is necessary;
7. evaluation of internal financial controls and risk management systems;
8. monitoring the end use of funds raised through public offers and related matters.
9. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
10. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
11. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;

12. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
13. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
14. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process
15. valuation of undertakings or assets of the Company, wherever necessary.
16. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
17. discussion with internal auditors of any significant findings and follow up there on;
18. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
19. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
20. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. to review the functioning of the whistle blower mechanism;
22. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
23. To perform such other functions as may be prescribed by the Companies act, 2013 or the SEBI Listing Regulations, as amended or under any other law or as may be prescribed or specified by the Board from time to time.

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

b) & c) Composition & Meetings:

As on 31st March 2023, the composition of the Audit Committee are as follows:-

| Sl. No. | Name | Category | Designation |
|---------|-----------------------|----------------------|-------------|
| 1. | Shri Sandeep Singh | Independent Director | Chairman |
| 2. | Shri Ajay Virmani | Executive Director | Member |
| 3. | Shri Amia Kumar Singh | Independent Director | Member |

The Audit Committee met five (5) times during the financial year 2022-23 on the following dates:

| | | | | |
|------------------------------|----------------------------|-------------------------------|---------------------------------|--------------------------------|
| 11 th April, 2022 | 20 th May, 2022 | 10 th August, 2022 | 11 th November, 2022 | 7 th February, 2023 |
|------------------------------|----------------------------|-------------------------------|---------------------------------|--------------------------------|

As on 31st March 2023, Attendance of the members at the meetings held was as follows:

| Sl.No. | Name | Nos. of Meeting held | Nos. of Meeting Attended |
|--------|--------------------------|----------------------|--------------------------|
| 1. | Shri Ajay Virmani | 5 | 5 |
| 2. | Shri Rajbir Singh Makhni | 3 | 3 |
| 3. | Sandeep Singh | 5 | 5 |
| 4. | Shri Amia Kumar Singh * | 2 | 2 |

*Due to expiry of tenure of Shri Rajbir Singh Makhni as Independent Director in the Annual General Meeting held on 30th September, 2022, Shri Rajbir Singh Makhni, ceased to be member of the Audit Committee.

Further, Shri Amia Kumar Singh was inducted as member of the Audit Committee w.e.f. 31st August, 2022.

4. Nomination and Remuneration Committee (NRC)

NRC identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment, remuneration & removal and shall carry out evaluation of every directors performance.

a) The terms of reference of NRC shall, inter-alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board for their appointment and removal.

b) & c) Composition & Meetings:

Committee consists of three Directors and two of them are Independent Directors and one is Non-Executive Directors.

As on 31st March 2023, the composition of the Nomination and Remuneration Committee are as follows:

| Sl. No. | Name | Category | Designation |
|---------|---------------|------------------------|-------------|
| 1. | Sandeep Singh | Independent Director | Chairman |
| 2. | Srishti Dhir | Non-Executive Director | Member |
| 3. | Shubha Singh | Independent Director | Member |

The Committee met three (3) times during the financial year 2022-23 on the following dates:

| | | |
|-------------------------------|-------------------------------|---------------------------------|
| 10 th August, 2022 | 31 st August, 2022 | 11 th November, 2022 |
|-------------------------------|-------------------------------|---------------------------------|

As on 31st March 2023, Attendance of the members at the meetings was as follows:

| Sl.No. | Name of Members | Nos. of Meeting Held | Nos. of Meeting attended |
|--------|---------------------|----------------------|--------------------------|
| 1. | Sandeep Singh | 3 | 3 |
| 2. | Srishti Dhir | 3 | 3 |
| 3. | Shubha Singh | 2 | 2 |
| 4. | Rajbir Singh Makhni | 2 | 2 |

*Due to expiry of tenure of Shri Rajbir Singh Makhni as Independent Director, in the Annual General Meeting held on 30th September, 2022, Shri Rajbir Singh Makhni, ceased to be member of the Nomination and Remuneration Committee.

Further, Ms. Shubha Singh was inducted as member of the Nomination and Remuneration Committee w.e.f. 10th August, 2022

d) Performance evaluation criteria for Independent Directors

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement

5. Stakeholders Relationship Committee (SRC)

The Committee looks into the Redressal of Members grievances like transfer of shares, non-receipt of annual report, dividend/ warrant etc.

Terms of Reference of the Committee, *inter alia*, includes the following

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

Composition & Meetings:

As on 31st March, 2023, the composition of the Stakeholders and Relationship Committee are as follows:

| Sl. No. | Name | Category | Designation |
|---------|--------------|------------------------|-------------|
| 1. | Srishti Dhir | Non-Executive Director | Chairperson |
| 2. | Ajay Virmani | Executive Director | Member |

| | | | |
|-----------|-----------------|----------------------|--------|
| 3. | Shubha Singh | Independent Director | Member |
| 4. | Sakshi Vashisth | Independent Director | Member |

The Committee met Four (4) times during the financial year 2022-23 on the following dates:

| | | | |
|----------------------------------|-------------------------------------|---------------------------------------|--------------------------------------|
| 20th May, 2022 | 10th August, 2022 | 11th November, 2022 | 7th February, 2023 |
|----------------------------------|-------------------------------------|---------------------------------------|--------------------------------------|

As on 31st March 2023, Attendance of the members at the meetings was as follows:

| Sl. No. | Name of Member | Nos. of Meeting held | No. of Meeting Attended |
|----------------|-----------------------|-----------------------------|--------------------------------|
| 1. | Srishti Dhir | 4 | 4 |
| 2. | Ajay Virmani | 4 | 4 |
| 3. | Shubha Singh | 2 | 2 |
| 4. | Sakshi Vashisth | 2 | 2 |
| 5. | Rajbir Singh Makhni | 2 | 2 |

*Due to expiry of tenure of Shri Rajbir Singh Makhni as Independent Director, in the Annual General Meeting held on 30th September, 2022, Shri Rajbir Singh Makhni, ceased to be member of the Stakeholders and Relationship Committee.

Further, Ms. Shubha Singh and Ms. Sakshi Vashisth were inducted as member of the Stakeholders and Relationship Committee w.e.f. 10th August, 2022.

Compliance Officer

Shri Nitesh Anand is Company Secretary and Compliance Officer of the Company for complying with requirements of Securities Laws and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

(5A). Risk Management Committee

Risk and Concerns

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

Risk Management

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

Risk management is a structured, consistent and continuous process, applied across the organization for the identification and assessment of risks, control assessment and exposure monitoring. The Company has in place Risk Management Committee to identify, assess and mitigate business risk. Risk identification, Assessment and minimization procedure of the

Company are reviewed periodically to ensure that these reflect the current potential risks to its business.

The Company has identified

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

During the Financial Year 2022-23 a meeting of Risk Management Committee was held on 7th February, 2023.

As on 31st March 2023, the composition of the Risk Management Committee is as follows:

| Sl. No. | Name | Category | Designation |
|----------------|--------------------|-------------------------|--------------------|
| 1. | Shri Ajay Virmani | Executive Director | Chairperson |
| 2. | Ms.Srishti Dhir | Non- Executive Director | Member |
| 3. | Shri Madhav Dhir | Executive Director | Member |
| 4. | Shri Deepak Mathur | Executive Director | Member |

5B. Corporate Social Responsibility Committee (CSR Committee)-

Company has constituted Corporate Social Responsibility Committee, under the provisions of Section 135 of Companies Act, 2013, to formulate & recommend CSR policy for the Company to the Board. The CSR Committee is responsible to recommend the budget/expenditure as may

be needed for the financial year and monitor the execution of CSR Policy of the Company and if required, to recommend modification in CSR Policy to Board.

During the Financial Year 2022-23 one meeting of Corporate Social Responsibility Committee was held on 7th February, 2023.

As on 31st March, 2023, the composition of CSR Committee is as follows:

| Sl. No. | Name | Category | Designation |
|----------------|---------------------|----------------------|--------------------|
| 1. | Shri Ajay Virmani | Executive Director, | Chairperson |
| 2. | Shri Madhav Dhir | Executive Director, | Member |
| 3. | Ms. Sakshi Vashisth | Independent Director | Member |

*Due to expiry of tenure of Ms. Poonam Bisht as Independent Director, in the Annual General Meeting held on 30th September, 2022, Ms. Poonam Bisht, ceased to be member of the CSR Committee.

Further, Ms. Sakshi Vashisth was inducted as member of the CSR Committee w.e.f. on 10th August, 2022.

6. Remuneration of Directors:

The Company's philosophy for remuneration of Directors, KMP and all other employees is based on the commitment of fostering a culture of leadership with trust. The Company has adopted a Policy for remuneration of Directors, KMP and other employees, which is aligned to

this philosophy. During the year under review, details of Remuneration paid to Executive Directors are given below:

(Amount in Rs.)

| S. No. | Directors | Name of Directors | | |
|--------|---------------|--|---------------------------------------|---|
| | | Shri Ajay Virmani (Managing Director) | Shri Madhav Dhir (Executive Director) | Shri Deepak Mathur (Executive Director) |
| 1. | Basic salary | 64,80,000.00 | 45,50,000.00 | 17,94,784.00 |
| 2. | Allowance (S) | 66,68,000.00 | 33,50,000.00 | 26,18,736.00 |
| 3. | Bonus | 7,000.00 | 7,000.00 | 7,000.00 |
| 4. | Incentive(s) | 4,11,05,803.00 | 4,11,05,803.00 | 0.00 |
| 5. | Total | 5,42,60,807.00 | 4,90,12,803.00 | 44,20,520.00 |

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

During the year under review, the details of sitting fees/ commission paid to any Independent/ Non-Executive Directors is given below:

| Sl. No. | Name of Directors | Total Amount of Sitting fee paid (Rs.) |
|---------|--|--|
| 1. | Srishti Dhir-Non-Executive Director | 50,000 |
| 2. | Shubha Singh -Independent Director | 45,000 |
| 3. | Sandeep Singh- Independent Director | 45,000 |
| 4. | Amia Kumar Singh- Independent Director | 40,000 |
| 5. | Sakshi Vashisth- Independent Director | 45,000 |

Investor Grievance Redressal

The number of complaints received and resolved to the satisfaction of investors during the year under review are as under:

| Sl. No. | Status of Complaints | Status |
|---------|---|--------|
| 1. | Complaints pending as on 01.04.2022 | 0 |
| 2. | Complaints received during the year 2022-23 | 5 |
| 3. | Complaints resolved during the year 2022-23 | 5 |
| 4. | Complaints pending as on 31.03.2023 | 0 |

7. Annual General Body Meeting

The details as to the timings, date and venue of the last three Annual General Meetings (AGM) of the Company were held as under:-

| Financial Year | Annual General Meeting | | Time | Venue |
|----------------|------------------------|----------------------------------|------------|---|
| | No. | Date | | |
| 2021-22 | 43 rd | 30 th September, 2022 | 11.00 A.M. | SP-460, Matsya Industrial Area, Alwar, (Raj)-301030 |
| 2020-21 | 42 nd | 28 th September, 2021 | 11.00 A.M. | SP-460, Matsya Industrial Area, Alwar, (Raj)-301030 |

| | | | | |
|---------|------------------|---------------------------------|------------|--|
| 2019-20 | 41 st | 30 th December, 2020 | 11.00 A.M. | SP-460, Matsya Industrial Area, Alwar, (Raj)- 301030 |
|---------|------------------|---------------------------------|------------|--|

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

43rd Annual General Meeting (30th September, 2022)

-No special resolution was passed.

42nd Annual General Meeting (28th September, 2021)

- To consider and approve the payment of remuneration to Shri Madhav Dhir (DIN: 07227587), Whole Time Director of the Company.
- To re-appoint and payment of remuneration to Shri Deepak Mathur (DIN: 07092786), as Director (Technical) of the Company

41st Annual General Meeting (30th December, 2020)

- To increase in remuneration to Shri Ajay Virmani (DIN: 00758726), Managing Director of the Company

Special Resolution passed through Postal Ballot:

During the Financial year 2022-23, under review no Special Resolution has been passed through Postal Ballot.

There is no immediate proposal for passing any Special Resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

During the financial year 2022-23 two Extra-ordinary General Meeting of the members of the Company were held on 25th May, 2022 and 20th March, 2023 respectively, at the registered office of the Company at SP-460, Matsya Industrial Area, Alwar (Rajasthan) – 301030.

8. Means of Communications

The Unaudited Quarterly / Half Yearly/Yearly Financial Results of the Company are published in English newspaper i.e. Financial Express and local language newspapers i.e. Jansatta as required under the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and intimation of the same also sent to Stock Exchanges from time to time. The aforesaid results are also available on the Website of the Company www.lordschloro.com. Management discussion and analysis form as a part of annual report and is given in a separate chapter thereto.

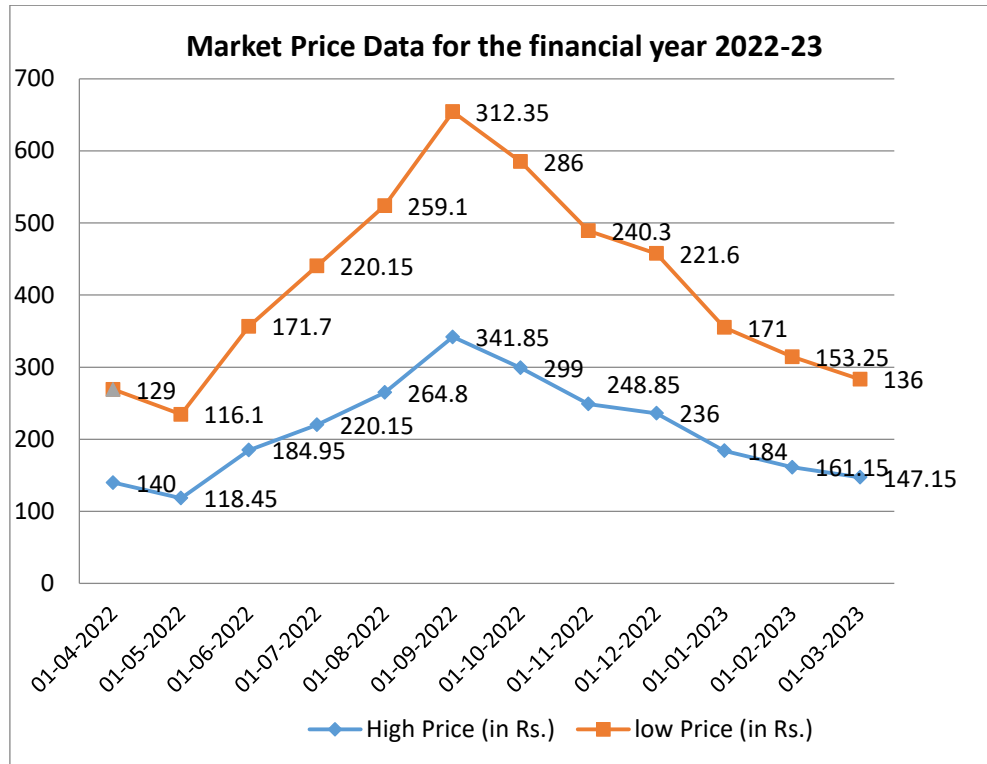
9. General Shareholder information

- i) Day, Date & Time of AGM** Thursday, 28th September, 2023 at 11.00 A.M.
- Venue of AGM** : Regd. Off. - SP-460, Matsya Industrial Area, Alwar (Raj.)- 301030
- ii) Financial Year** : 1st April, 2022 to 31st March, 2023
- iii) Book Closure Period** : Monday, 25th September, 2023 to Thursday, 28th September, 2023 (Both days Inclusive)
- iv) E-voting period** Monday, 25th September, 2023 (9.00 A.M. IST)

- to Wednesday, 27th September, 2023 (5.00 P.M)
: BSE Limited
- v) Listing of Shares**
- vi) Stock Code** : 500284 (BSE Ltd.)
Scrip id : LORDSCHLO
ISIN NO. : INE846D01012
- vii) Registrar & Share Transfer Agent** : M/s. Alankit Assignments Limited,
“Alankit Heights” 205-208, Anarkali Complex,
Jhandewalan Extension,
New Delhi - 110 055.
Phone No. 011-42541234, 23541234
Fax No. 011-41543474.
Email: rta@alankit.com, maheshcp@alankit.com
- viii) Plant location** : SP-460, Matsya Industrial Area, Alwar (Raj.)-
301030
- ix) Addresses for Correspondence** : 1) Registered Office: SP-460, Matsya
Industrial Area, Alwar, (Raj.)- 301030
2) Corporate Office: A-281, 1st Floor, Defence
Colony, New Delhi - 110024.
: Shri Nitesh Anand
: secretarial@lordschloro.com
- x) Compliance Officer**
Email id :
- xi) Market Price Data**

| Months | High Price (in Rs.) | low Price (in Rs.) |
|--------|------------------------|-----------------------|
| Apr-22 | 140 | 129 |
| May-22 | 118.45 | 116.10 |
| Jun-22 | 184.95 | 171.70 |
| Jul-22 | 220.15 | 220.15 |
| Aug-22 | 264.80 | 259.10 |
| Sep-22 | 341.85 | 312.35 |
| Oct-22 | 299 | 286 |
| Nov-22 | 248.85 | 240.30 |
| Dec-22 | 236 | 221.60 |
| Jan-23 | 184 | 171 |
| Feb-23 | 161.15 | 153.25 |
| Mar-23 | 147.15 | 136 |

Source: BSE Website



xii) Share Transfer System & Dematerialization of Shares

The Company has appointed M/s. Alankit Assignments Ltd. as Registrar and Share Transfer Agent (RTA) for share transfer work and to resolve other grievance of the members. The process for transfer/ transmission, on weekly basis and complete in all respects, are processed within 15 days.

The Company's shares are traded in the Stock Exchanges compulsorily in demat modes. Therefore, for dematerialisation, Members are requested to kindly note that physical documents, viz. Demat Request Forms (DRF) and Share Certificates etc. should be sent by their Depository Participants (DP's) directly to the Registrar and Transfer Agents (RTA). NSDL and CDSL, (Depositories) Mumbai have allotted ISIN: INE846D01012 for dematerialization of equity shares of the Company.

xiii) Listing

The Equity Shares of the Company is listed with BSE Ltd. The Company has paid listing fees to the BSE Ltd. upto the year 2022-23. The Company is regularly complying with all the compliances pertaining to SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

Annual Custodial fees for the year 2022-23 has been paid by the Company to NSDL & CDSL.

xiv) MD and CFO Certification

As required under Regulation 17(8) of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, necessary certificate, obtained from Managing Director and CFO of the Company for the financial year ended on 31st March, 2023 was placed before the Board of Directors of the Company.

xiv) Dematerialization of Shares as on 31st March, 2023

| Particulars | Shares on 31 st March, 2023 | % |
|-----------------|--|------------|
| Physical Shares | 1658018 | 6.59 |
| NSDL | 22129229 | 87.98 |
| CDSL | 1366614 | 5.43 |
| Total | 25153861 | 100 |

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

| Particulars | LCAL Share Price v/s BSE | |
|------------------------------------|--------------------------|------------|
| | Share Price | BSE Sensex |
| As on 1 st April, 2022 | 92.05 | 59276.69 |
| As on 31 st March, 2023 | 145.00 | 58991.52 |
| Changes (%) | 57.03% | -0.48% |

xvi) Distribution of Shareholding as on 31st March, 2023

| Category | No. of Shareholders | % of Shares |
|------------------|---------------------|---------------|
| 1-5000 | 46594 | 99.91 |
| 5001-10000 | 14 | 0.03 |
| 10001-20000 | 7 | 0.02 |
| 20001-30000 | 1 | 0.00 |
| 30001-40000 | 1 | 0.00 |
| 40001-50000 | 0 | 0.00 |
| 50001-100000 | 3 | 0.01 |
| 100001 and above | 15 | 0.03 |
| Total | 46635 | 100.00 |

10. Disclosures

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

All transactions entered into with related parties as defined under the Companies Act, 2013 and the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Details of related party transactions are furnished under schedule to the 'Notes to Accounts' of the Financial Statement as at 31st March, 2023.

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

b) Disclosure regarding non-compliance, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years has been given below:

-Due to exposure of Covid 19, infection to one of the employee of the Company and consequent sanitisation of entire office, the Board Meeting of the Company for approval of Un-audited financial results for quarter ending 30th June, 2020 scheduled on 15th September, 2020 (being last date post extension by SEBI) was adjourned by 2 days and held on 17th September, 2020.

Accordingly, an amount of Rs.10000/- plus GST was imposed as fine by the BSE Ltd.

The Company has noted the same and duly paid the fine as imposed by the BSE Ltd within time.

c) The company has established a Whistle Blower Policy and Vigil Mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy and the board affirm that no personnel has been denied access to the audit committee.

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

d) The Company has complied with all the mandatory requirements of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015. As regard the non-mandatory requirements, Company tries to implement them to the extent possible.

e) Company does not have any subsidiary Company.

f) The policy on dealing with related party transactions is available at the website of the company at <https://www.lordschloro.com/pdfs/policy-on-related-party-transactions.pdf>.

g) The disclosure of commodity price risks and commodity hedging activities is not applicable on the Company.

h) The Company has not raised any funds through qualified institutions placement and also there are no unutilized amount w.r.t. the funds raised by the Company through preferential allotment as specified under Regulation 32 (7A) of SEBI Listing Regulations during the year.

i) The Company has obtained a certificate from M/s SSPK & Co., Company Secretaries, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such other Statutory Authority.

j) During the year under review, all recommendation of the Committees of the Board which were mandatorily required has been accepted by the Board.

k) During the year under review, total fees for all services paid by the Company to the statutory auditor is Rs. 4,50,000/-plus GST.

l) In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, no complaint pertaining to sexual harassment at workplace has been reported to the Committee during the financial year ended 31st March, 2023.

m) Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount is properly disclosed in the Notes to accounts of the financial statements.

11. The Company had complied with all the requirement of corporate governance report of sub-paras (2) to (10) above, to the extent applicable.

12. The Company had disclosed to the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.

13. The Company had complied with all the requirement of Corporate Governance as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 to the extent applicable

D. Code of Conduct

Your Company has adopted a Code of Conduct for all the Board Members and Senior Management Personnel of your Company in accordance with the requirement under Regulation 17 of the Listing Regulations. The Code of Conduct has been posted on the website of your Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year 2022-23. A declaration to this effect received under clause D of Schedule V of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 was obtained from Shri Ajay Virmani, Managing Director of the Company.

E. Compliance Certificate

Certificate from the Practicing Company Secretary, Shri Sanjeev Pandey Partner, of M/s SSPK & Co., confirming compliance with conditions of Corporate Governance as stipulated under Clause E of Schedule V of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, is attached to this Report.

F. The Company does not have demat suspense account/ unclaimed suspense account.

G. There is no agreements under clause 5A of paragraph A of Part A of Schedule III of SEBI (LODR) Regulations, 2015, binding on the Company

CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE

**To,
The Members,
Lords Chloro Alkali Limited**

We have examined the compliance of conditions of Corporate Governance by M/s. Lords Chloro Alkali Limited (the “Company”), for the year ended March 31, 2023 as stipulated in Chapter IV and Schedule V of the Securities & Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“Listing Regulation”), as applicable.

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

Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said Clause of the above mentioned Listing Regulations.

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

For SSPK & Co.
Company Secretaries
(peer reviewed firm - Cert No. 2882/2023)

Date: 09.08.2023
Place: Delhi

Sanjeev Pandey
Partner
Mem. No.: F10272
COP No.: 17237

UDIN: F010272E000902658

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March, 2023.

Place: New Delhi
Date: 9th August 2023

Sd/-
Ajay Virmani

Management Discussion and Analysis

1. Industry structure and developments

The chemical industry is a major industry in the Indian economy and contributes around 7% to the nation's Gross Domestic Product (GDP). India is the world's sixth-largest producer of chemicals and among the top three producers in Asia. The Indian chemical industry produces 80,000 different chemical products, including basic types of chemicals, knowledge type chemicals, and specialty type chemicals. The industry is very diversified and can be classified into six categories: bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilizers.

India's specialty chemicals companies are expanding their capacities to cater to rising demand from domestic and overseas market. With global companies seeking to de-risk their supply chains, which are dependent on China, the chemical sector in India has the opportunity for significant growth.

Achieving the industry's ambitious growth targets will require a combination of policy intervention, company-level initiatives, industry-academic partnerships, wise investments, and greater international access. The chemical industry's role as the key enabler of economic growth is well-established worldwide, and in India, it occupies a pivotal position in meeting basic needs and improving the quality of life. India's chemicals industry has been a global outperformer in demand growth and shareholder wealth creation for a decade. However, numerous challenges still exist, such as inadequate infrastructure facilities, high costs of basic raw materials like natural gas and crude oil, high cost of capital, and the need for technological advancement

2. Opportunities

India's chemical industry has been performing well and is expected to continue its growth trajectory in the next decade. Below are some of the growth prospects of India's chemical industry in the next decade

- Growing demand: The chemical industry's key driver is the growth in infrastructure and social sectors like health, education, and transportation. Rising domestic demand in chemical end-use sectors like agriculture, consumer and retail, infrastructure, auto and electronics, and healthcare could benefit chemical companies in India in the long term.
- Diversification: India's chemical industry is extremely diversified and can be classified into six categories: bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilizers. This diversification contributes to the overall growth and development of the industry.
- Competitive advantage: India is witnessing rapid economic growth, is home to a rising middle class, and requires lower capital and operating expenses. India is more or equally competitive on most counts compared to other global chemicals clusters.

- Expansion of specialty chemicals: India's specialty chemicals industry expects to see robust growth in the next few years, and the country could become a global hub for specialty chemicals. Indian specialty chemicals companies are expanding their capacities to cater to rising demand from domestic and overseas.

Overall, the Indian chemical industry is expected to continue its growth trajectory in the next decade, driven by rising domestic demand, government initiatives, and increasing global opportunities.

3. Segment-wise or product-wise performance

The Company is operating in only one segment i.e. Chloro Alkali. The company was able to achieve a production of 61900 tons of Caustic during the year. The turnover of the company was Rs.295.05 Crores for the year against Rs.240.08 Crores for the previous year. The profitability has taken a significant jump to Rs.53.23 crores from Rs.32.28 Crores.

4. Outlook

As we reflect on our journey and accomplishments, the future holds even greater promise for Lords Chloro Alkali Ltd. Our strategic location within the National Capital Region, a hub of economic activity, continues to be our cornerstone for success. This advantageous positioning empowers us to efficiently serve the expansive markets of North and Western India, solidifying our presence in key states including Uttar Pradesh, Haryana, Punjab, Rajasthan, and Delhi.

Undoubtedly, our diversified client base spanning industries such as paper, soap, dyes, chemicals, plastics, and textiles underscores our adaptability and ability to cater to a wide spectrum of needs. As we set our sights on the horizon, a significant stride awaits us with the impending introduction of Chlorinated Paraffin Wax (CPW) production. This pivotal move seamlessly aligns with both market demands and our established proficiency in chemical manufacturing.

The journey into CPW production symbolizes not just a new product line, but a strategic foray into unexplored revenue frontiers. Leveraging our existing expertise, we anticipate that this diversification will not only enhance our product portfolio but also substantially bolster our revenue streams. As market dynamics evolve, we are committed to remaining agile, perpetually adapting to changing landscapes. Innovation, a cornerstone of our ethos, will continue to drive us as we pioneer new solutions that transcend industry expectations

5. Risks and concerns

It is important for chemical companies to have a robust risk management strategy that considers both the response to individual risks and the potential reputational damage. Based on these the company has identified few of the risk and also highlighted the mitigation of the same.

1. Regulatory and Compliance Risks:

The chemical industry is subject to stringent regulations and environmental standards. Non-compliance can result in penalties, reputational damage, and operational disruptions.

Mitigation involves maintaining a robust understanding of evolving regulations, investing in sustainable practices, and ensuring effective communication with regulatory authorities.

2. Supply Chain Disruptions:

Global supply chains can be vulnerable to disruptions due to factors like geopolitical tensions, natural disasters, and transportation issues. Establishing alternative sourcing options, building strategic inventory reserves, and fostering strong supplier relationships can help mitigate the impact of supply chain disruptions.

3. Environmental and Safety Hazards:

Chemical manufacturing involves inherent environmental and safety risks. Accidents or leaks can lead to environmental damage, health hazards, and potential legal liabilities. To mitigate these risks, the company maintain rigorous safety protocols, invest in employee training, and implement advanced monitoring systems to detect and prevent incidents

6. Internal control systems and their adequacy

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

7. Human Resources

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

8. Discussion on financial performance with respect to operational performance

The total revenue from operations was Rs.29,505.18 Lakhs during the year which was 22.89% increased as compared to total revenue from operations of Rs.24,008.27 Lakhs previous year. The revenue has increased due to increase in price and demand of caustic soda in India.

1. Key Financial Ratio Analysis

| Particulars | FY 2022-23 | FY 2021-22 |
|-----------------------------|-------------------|-------------------|
| Current Ratio | 3.43 | 2.73 |
| Debt-to-Equity Ratio | 0.09 | 0.30 |
| Debt Service Coverage Ratio | 2.46 | 0.73 |
| Return on Equity Ratio | 0.31 | 0.28 |
| Inventory Turnover Ratio | 15.07 | 8.71 |
| Receivables turnover | 22.22 | 13.47 |

| | | |
|------------------------------|--------|--------|
| Trade Payable Turnover Ratio | 156.30 | 166.55 |
| Net Capital Turnover Ratio | 5.55 | 8.77 |
| Net Profit Margin Ratio (%) | 18.04% | 13.45% |
| Return on Capital Employed | 0.36 | 0.29 |
| Return on Investment (%) | 35.23% | 27.03% |

Detailed explanation of Ratios:

Current Ratio

Current Ratio has improved as compared to previous year due to increase in Turnover and improved in margin.

Debt-to-Equity Ratio

Debt Equity ratio has improved due to increase in net worth and decrease in debt as compared to previous year.

Debt Service Coverage Ratio

DSCR has significantly improved due to higher profit in current year.

Return on Equity Ratio

Return on Equity has significantly improved due to higher profit in current year.

Inventory Turnover Ratio

Inventory Turnover has improved due to increased in selling price and better inventory management.

Receivables turnover

Receivables Turnover has improved due to increased in selling price and better management of debtors.

Trade Payable Turnover Ratio

Trade Payable Turnover Ratio has Increase due to Increase in credit period of suppliers.

Net Capital Turnover Ratio

Net Capital Turnover Ratio has decreased due to surplus fund available on account of significant increase in profitability in current year.

Net Profit Margin Ratio (%)

Net Profit Margin Ratio has improved due to significant increase in turnover and profitability in current year.

Return on Capital Employed

Return on Capital Employed Ratio has increased due to significant increase in turnover and profitability in current year.

Return on Investment Ratio

Return on Investment Ratio has increased due to significant increase in turnover and profitability in current year.

Cautionary Statement

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

REPORT ON CSR ACTIVITIES FOR THE FY 2022-23
Annexure-H

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2021, as amended]

1. Brief outline on CSR Policy of the Company

The Company is committed to operate and grow its business in a socially responsible way with a vision to be an environmental friendly corporate citizen. Therefore, it is the core corporate responsibility of the Company to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

As per the CSR policy of the Company, company can undertake any of the program or activity as defined in Schedule VII of the Companies Act, 2013, and which will include any modification or amendment thereof.

2. Composition of CSR Committee as on 31st March, 2023

| Sl. No | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee Held during the year | Number of meetings of CSR Committee attended during the year |
|--------|---------------------|--------------------------------------|--|--|
| 1. | Shri Ajay Virmani | Chairman- Executive Director | | |
| 2. | Shri Madhav Dhir | Member- Executive Director | | |
| 3. | Ms. Sakshi Vashisth | Member-Independent Director | | |

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: lordschlro.com/pdfs/lcal-csr-policy.pdf.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in Rs) | Amount required to be setoff for the financial year, if any (in Rs) |
|---------|----------------|---|---|
| 1. | NA | NA | NA |

6. Average net profit of the company as per section 135(5): Rs. 1,797.25 Lakhs.

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 35.94 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 35.94 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (Rs. in Lakhs) | Amount Unspent (Rs. in Lakhs) | | | | |
|--|--|-------------------|--|---------|-------------------|
| | Total Amount transferred to Unspent CSR Account as per Section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer. |
| 37.50 | - | - | - | - | - |

Note: *Unspent CSR amount pertaining to previous years spent during FY 2022-23.

(b) Details of CSR amount spent against ongoing projects for the financial year:

| 1. | 2. | 3. | 4. | 5. | | 6. | 7. | 8. | 9. | 10. | 11. | | |
|---------|----------------------|--|---------------------|-------------------------|-------|----------|------------------|--|--|---|--|--|-------------------------|
| Sl. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No) | Location of the project | State | District | Project Duration | Amount allocated for the project (in Rs.). | Amount spent in the current financial Year (in Rs.). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | | | | | | | | | Name | CSR Registration number |
| 1. | NA | | | | | | | | | | (IN Rs) | | |
| | TOTAL | | | | | | | | | | | | |

c) Details of CSR amount spent against other than ongoing projects for the financial year:

| 1. | 2. | 3. | 4. | 5. | | 6. | 7. | 8. | | |
|---------|---|--|----------------------|--------------------------|--|--|---|---|-------|-------------------------|
| Sl. No. | Name of The Project | Item from the list of activities in schedule VII to the Act. | Local Area (Yes/No). | Location of the project. | | Amounts spent for The project (Rs.in Lakhs). | Mode of Implementation - Direct (Yes/No). | Mode of implementation - Through implementing agency. | | |
| | | | | | | | | | Name. | CSR registration number |
| 1. | BADLORE™ 178-A,G.F,GHEE MANDI,PAHAR GANJ S.O DELHI-110055 For CSR project for Old Age home | Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups. | Yes | New Delhi | | 32 | No | BADLORE - CSR00016631 | | |
| 2. | KARUNA CARE FOUNDATION, | Protection of flora and | Yes | New Delhi | | 3 | Direct | KARUNA CARE | | |

| | | | | | | | |
|----|---|---|----|------------------|-----|--------|--------------------------|
| | A605, SARITA VIHAR, NEW DELHI-110076 | fauna, animal welfare. | | | | | FOUNDATION - CSR00011062 |
| 3. | MATSYA WASTE WATER TREATMENT FORUM,25,ROAD NO-2,M.I.A,ALWAR-301030 Towards the photo remediation system for treatment of waste water | Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga. | No | Alwar, Rajasthan | 1 | Direct | NA |
| 4. | KARYALAY JILA UDHYOG AVAM VANIJAY KENDRA- RAJASTHAN | Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water | No | Alwar, Rajasthan | 1.5 | Direct | NA |

(d) Amount spent in Administrative overheads

(e) Amount spent on Impact Assessment, if applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 37.5 Lakhs

(g) Excess amount for set off, if any

| SL. No. | Particular | Amount (in Rs.) |
|-------------|---|--------------------|
| I. | Two percent of average net profit of the company as per section 135(5) | 35.94 Lakhs |
| II. | Total amount spent for the Financial Year | 37.5 Lakhs |
| III. | Excess amount spent for the financial year [(ii)-(i)] | 1.56 Lakhs |
| IV. | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | -NIL |
| V. | Amount available for set off in succeeding financial years [(iii)-(iv)] | 1.56 Lakhs |

9. (a) Details of Unspent CSR amount for the preceding three financial years: NIL

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6)(Rs. in Lakhs.) | Amount spent in the reporting Financial Year Rs. in Lakhs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining Tobe spent in succeeding financial years. (Rs. Name in Lakhs.) |
|---------|--------------------------|--|--|--|-----------------|------------------|---|
| | | | | Name of Fund | Amount (in Rs). | Date of transfer | |
| 1. | 2021-22 | - | | | | | |
| 2. | 2020-21 | - | | | | | |
| 3. | 2019-20 | - | | | | | |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):-NIL

| 1. | 2. | 3. | 4. | 5. | 6. | 7. | 8. | 9. |
|----------|------------|---------------------|---|------------------|---|--|--|--|
| Sl. No . | Project ID | Name of The Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in Rs.) | Amount spent on the project in the reporting Financial Year (in Rs). | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project - Completed/Ongoing. |
| 1 | - | - | - | - | - | - | - | - |
| 2 | - | - | - | - | - | - | - | - |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s): NA

(b) Amount of CSR spent for creation or acquisition of capital asset: NA

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): NA

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NA

(Ajay Virmani)
Managing Director
&
Chairman, CSR Committee
DIN: 00758726

(Rajiv Kumar)
CFO

Independent Auditors' Report

To
The Members of
Lords Chloro Alkali Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lords Chloro Alkali Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our

opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

| Key Audit Matter | Auditor's Response |
|---|---|
| Borrowings | |
| <p>As at March 31, 2023, the Company had a borrowing liability of Rs. 1,596.52 Lakhs representing 14.42 % of total liabilities. Borrowings as a percentage of the total assets size of the Company is 6.72% as at March 31, 2023.</p> <p>The borrowings are under agreements with terms and conditions detailed in Note No. 17 of the financial statements.</p> <p>Given the size of the borrowings balance and the importance of the capital structure for continued growth, the accounting for the Company's borrowings is considered a key audit matter.</p> | <p>Our audit procedures in respect of this area included:</p> <ul style="list-style-type: none"> • We read the agreements between the Company and its financiers to understand the terms associated with the facilities. • We obtained confirmations from the Company's banks/financial institutions to confirm all significant borrowings, including amounts, tenure and conditions. • Where debt is regarded as non-current, we tested whether the Company has the unconditional right to defer payment such that there were no repayments required within 12 months from the balance date. • We further considered whether the disclosures related to the borrowings in the financial statements are appropriate in all material respects. |

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B” to this report.
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 43 A to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been delay in transferring the amounts, which was required to be transferred to the investor education and protection fund by the company- Refer Note No. 44 to the financial statements.
 - iv. (a)The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

 - (b)The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

© Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused

us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The company has not declared or proposed dividend during the year.

For Nemani Garg Agarwal & Co.

Chartered Accountants

Firm's Registration Number: **010192N**

(Jeetmal Khandelwal)

Partner

Membership Number: 074267

UDIN: 23074267BGWKN9305

Place : New Delhi

Date: May 23, 2023

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate and any discrepancies of 10% or more in the aggregate for each class of inventory have been properly dealt with in the books of account.
 - (b) The Company has sanction of working capital limits in excess of Rs.5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets, and quarterly returns or statements filed by the company with banks are in agreement with the books of accounts of the Company.
- iii. The Company has not made investments in, companies, firms, Limited Liability Partnerships, and has not granted unsecured loans to other parties, during the year, hence reporting under clause 3(iii) (a) to (f) of the order are not applicable to the company.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies

Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. We have broadly reviewed the books of accounts maintained by the company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under subsection (1) of section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of the records.
- vii. In respect of statutory dues:

- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

| Nature of the statute | Nature of dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount (Rs in lakh) |
|------------------------------|--|---------------------------------------|---|----------------------------|
| Companies Act | Investor Education and Protection Fund | Details of dues not available | N.A. | 11.64 |

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
 - (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest from any lender.
 - (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 - (c) The Company has applied the term loan for the purpose for which the loans were obtained.
 - (d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised any loans on the pledge of securities held in its subsidiary, joint ventures or associates companies.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and up to the date of this report), while determining the nature, timing and extent of our audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash loss during the financial year covered by our audit and during the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Hence reporting under clause 3(xviii) of the order is not applicable.

- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) No amount unspent under sub section (5) of section 135 of Companies Act pursuant to any ongoing project for CSR amount was outstanding for transfer to special Account in compliance with the provision of sub section (6) of section 135 of Companies Act at the end of the Financial Year.

For Nemani Garg Agarwal & Co.

Chartered Accountants

Firm's Registration Number: **.010192N**

(Jeetmal Khandelwal)

Partner

Membership Number: 074267

UDIN: 23074267BGWKNG9305

Place : New Delhi

Date: May 23, 2023

Annexure 'B' To the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Lords Chloro Alkali Limited)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

Opinion

We have audited the internal financial controls with reference to financial statements of Lords Chloro Alkali Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls over Financial Reporting (the

"Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls,

material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Nemani Garg Agarwal & Co.

Chartered Accountants

Firm's Registration Number:-**010192N**

(Jeetmal Khandelwal)

Partner

Membership Number: 074267

UDIN:23074267BGWKN9305

Place : New Delhi

Date: May 23, 2023

Balance Sheet as at 31 March, 2023
(All amounts in INR Lakhs, unless otherwise stated)

| Particulars | Notes No. | As at March 31, 2023 | As at March 31, 2022 |
|---|-----------|-------------------------|-------------------------|
| ASSETS | | | |
| (1) Non-current assets | | | |
| a) Property, plant and equipment | 2 | 11,683.53 | 11,830.35 |
| b) Capital work-in-progress | 3 | 1,085.43 | 37.00 |
| c) Right-of-use assets | 4 | 686.84 | 743.63 |
| d) Intangible assets under development | 5 | - | - |
| e) Intangible assets | 5 | - | - |
| f) Financial assets | | | |
| i) Investments | 6 | 27.10 | 30.88 |
| ii) Loans | 7A | 2.76 | 0.20 |
| f) Other non-current assets | 8 | 1,331.14 | 606.44 |
| Total non-current assets | | 14,816.80 | 13,248.50 |
| (2) Current assets | | | |
| a) Inventories | 9 | 1,255.54 | 1,519.05 |
| b) Financial assets | | | |
| i) Trade receivables | 10 | 1,222.13 | 1,433.95 |
| ii) Cash and cash equivalents | 11 | 15.43 | 2,110.64 |
| iii) Bank balances other than cash & cash equivalents | 12 | 6,096.00 | 1,000.00 |
| iv) Loans | 7B | 6.08 | 42.06 |
| c) Current tax assets (net) | 13 | - | - |
| d) Other current assets | 14 | 354.48 | 660.33 |
| Total current assets | | 8,949.66 | 6,766.03 |
| TOTAL ASSETS | | 23,766.46 | 20,014.53 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| a) Equity share capital | 15 | 2,515.39 | 2,515.39 |
| b) Other equity | 16 | 14,413.79 | 9,104.74 |
| Total Equity | | 16,929.17 | 11,620.13 |
| Liabilities | | | |
| (1) Non-current liabilities | | | |
| a) Financial liabilities | | | |
| i) Borrowings | 17 | 646.44 | 3,025.92 |
| ii) Lease liabilities | 18A | 605.70 | 651.19 |
| b) Provisions | 19A | 169.12 | 167.61 |
| c) Deferred tax liabilities (net) | 20 | 1,883.64 | 1,114.85 |
| d) Other non-current liabilities | 21 | 926.64 | 957.44 |
| Total non-current liabilities | | 4,231.54 | 5,917.01 |
| (2) Current liabilities | | | |
| a) Financial liabilities | | | |
| i) Borrowings | 17 | 950.08 | 451.76 |
| ii) Trade payables | 22 | | |
| -total outstanding dues to micro and small enterprises | | - | - |
| -total outstanding dues to creditors other than micro and small enterprises | | 108.33 | 89.43 |
| iii) Lease liabilities | 18B | 45.49 | 23.71 |
| iv) Other financial liabilities | 23 | 91.42 | 252.71 |
| b) Other current liabilities | 24 | 1,163.38 | 1,447.57 |
| c) Provisions | 19B | 246.54 | 178.03 |
| d) Current tax Liabilities (net) | 25 | 0.50 | 34.19 |
| Total current liabilities | | 2,605.74 | 2,477.39 |
| Total liabilities | | 6,837.29 | 8,394.40 |
| TOTAL EQUITY AND LIABILITIES | | 23,766.46 | 20,014.53 |

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

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

For M/s Nemani Garg Agarwal & Co
Chartered Accountants
Firm Registration No. 010192N

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

CA. Jectmal Khandelwal
Partner
Membership No. 074267
UDIN :23074267BGWKN9305

Madhav Dhir
Executive Director
DIN 07227587

Ajay Virmani
Managing Director
DIN 00758726

Place: New Delhi
Date: 23-05-2023

Nitesh Anand
Company Secretary
M.No.A28698

Rajiv Kumar
Chief Financial Officer
M.No.508277

Statement of profit and loss for the Year ended 31st March, 2023

(All amounts in INR Lakhs, unless otherwise stated)

| Particulars | Notes No. | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|--|-----------|--------------------------------------|--------------------------------------|
| I Revenue | | | |
| Revenue from operations | 26 | 29,505.18 | 24,008.27 |
| Other income | 27 | 144.24 | 252.44 |
| Total revenue | | 29,649.42 | 24,260.71 |
| II Expenses | | | |
| Cost of materials consumed | 28 | 4,400.35 | 3,445.95 |
| Purchases of stock-in-trade | 29 | - | 5.51 |
| Changes in inventories of finished goods and work-in-progress | 30 | 277.89 | 591.98 |
| Employee benefit expenses | 31 | 2,097.17 | 1,307.43 |
| Finance costs | 32 | 240.92 | 477.15 |
| Depreciation and amortization expense | 33 | 807.79 | 726.35 |
| Power and fuel charges | | 12,531.67 | 11,449.39 |
| Other expenses | 34 | 1,822.63 | 1,605.26 |
| Total expenses | | 22,178.42 | 19,609.02 |
| Profit/(Loss) before exceptional items and tax | | 7,471.00 | 4,651.69 |
| Exceptional items | | - | - |
| III Profit/(Loss) before tax | | 7,471.00 | 4,651.69 |
| IV Tax expense | 35 | | |
| Current tax | | 1,353.70 | 814.10 |
| Deferred tax charge/(credit) | | 773.90 | 609.21 |
| Earlier year tax adjustment (net) | | 21.11 | - |
| Total tax expense | | 2,148.70 | 1,423.31 |
| V Profit/(Loss) for the year | | 5,322.29 | 3,228.39 |
| Profit/(loss) after tax from discontinued operations | | | |
| Profit/(loss) for the period | | 5,322.29 | 3,228.39 |
| VI Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| -Remeasurement of post employment benefit obligations | | (18.34) | 6.79 |
| -Income tax relating to items that will not be reclassified to profit & loss | | 5.10 | (1.89) |
| Total Other Comprehensive (loss)/Income | | (13.24) | 4.90 |
| VII Total comprehensive income for the year | | 5,309.05 | 3,233.29 |
| VIII Earnings per equity share (Rs 10 per share): | 36 | | |
| (1) Basic | | 21.16 | 12.83 |
| (2) Diluted | | 21.16 | 12.83 |

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

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

For M/s Nemani Garg Agarwal & Co

Chartered Accountants

Firm Registration No. 010192N

For and on behalf of Board of Directors of

Lords Chloro Alkali Limited

CA. Jeetmal Khandelwal

Partner

Membership No. 074267

UDIN :23074267BGWKNG9305

Madhav Dhir
Executive Director
DIN 07227587

Ajay Virmani
Managing Director
DIN 00758726

Place: New Delhi

Date: 23-05-2023

Nitesh Anand
Company Secretary
M.No.A2106

Rajiv Kumar
Chief Financial Officer
M.No.508277

Cash flow statement for the Year ended 31 March, 2023
(All amounts in INR Lakhs, unless otherwise stated)

| Particulars | Year Ended March 31, 2023 | Year Ended March 31, 2022 |
|--|------------------------------|------------------------------|
| A. Cash Flow from Operating activities | | |
| Profit/ (Loss) before tax | 7,471.00 | 4,651.69 |
| Adjustments for: - | | |
| Depreciation and amortisation | 807.79 | 726.35 |
| Finance cost | 240.92 | 477.15 |
| Dividend income & Interest on Income Tax | (0.14) | (9.27) |
| Rent expenses on security deposit agst lease & Interest Income | (0.27) | (0.35) |
| Net (Gain)/Loss arising on financial assets measured at FVTPL | 3.78 | (11.70) |
| Balance written off/(back) | 27.70 | 51.60 |
| Insurance Claim | - | (52.22) |
| Interest income classified as investing cash flows | (141.68) | (12.68) |
| (Gain)/ Loss on disposal of property, plant and equipment (net) | 9.11 | (154.44) |
| Operating profit before working capital changes | 8,418.21 | 5,666.13 |
| Movement in working capital | | |
| Movement in trade receivables | 211.82 | 697.54 |
| Movement in inventories | 263.51 | 649.11 |
| Movement in trade payables | 18.90 | (59.56) |
| Movement in loans current & non current (asset) | 33.42 | 7.95 |
| Movement in other current and non current asset | (446.54) | 23.59 |
| Movement in provisions | 51.68 | 37.96 |
| Movement in other current and non current liabilities | (315.34) | 499.57 |
| Cash generated from operations | 8,235.66 | 7,522.28 |
| Income taxes paid (net of refund) | (1,361.97) | (780.79) |
| Net cash flow /(used in) from operating activities (A) | 6,873.69 | 6,741.49 |
| B. Cash flow from investing activities | | |
| Payment for procurement of property, plant & equipment including Capital advances & capital work-in-progress | (1,722.90) | (965.57) |
| Proceeds on disposal of property, plant and equipment | 66.43 | 252.71 |
| Payment for margin money and bank deposits | | |
| Dividend Income | 0.14 | 9.27 |
| Interest received | 141.68 | 12.68 |
| Change In Investment | 3.78 | 11.70 |
| Insurance Claim received | - | 52.22 |
| Net cash flow /(used in) investing activities (B) | (1,510.88) | (626.99) |
| C. Cash flow from financing activities* | | |
| Proceeds from long term borrowings | 131.02 | 3,082.10 |
| Repayment of long term borrowings | (2,402.26) | (4,215.07) |
| Proceeds from short term borrowings | 390.08 | |
| Repayment of short term borrowings | - | (1,449.52) |
| Repayment of principal & Interest portion of lease liabilities | (78.64) | (78.64) |
| Finance cost paid | (240.92) | (362.48) |
| Movement in Other Financial liabilities | (161.29) | - |
| Net cash flow /(used in) financing activities (C) | (2,362.02) | (3,023.61) |
| Net Increase/(Decrease) in cash and cash equivalents (A+B+C) | 3,000.79 | 3,090.89 |
| Cash and cash equivalents as at the beginning of the year | 3,110.64 | 19.75 |
| Cash and cash equivalents as at the end of the year | 6,111.43 | 3,110.64 |

*Refer note 17 A for reconciliation of liabilities arising from financing activities

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

Note:

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

(ii) Cash flows from operating activities include Rs.37.50 lakhs (31 March 2022 Rs. 29 lakhs) being expenses towards Corporate Social Responsibility initiatives.

For M/s Nemani Garg Agarwal & Co
Chartered Accountants
Firm Registration No. 010192N

CA. Jeetmal Khandelwal
Partner
Membership No. 074267
UDIN :23074267BGWKNG9305

Place: New Delhi
Date: 23-05-2023

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

Madhav Dhir
Executive Director
DIN 07227587

Ajay Virmani
Managing Director
DIN 00758726

Nitesh Anand
Company Secretary
A28698

Rajiv Kumar
Chief Financial Officer
M.No.508277

Statement of changes in equity for the year ended 31 March 2023

(All amounts in INR Lakhs, unless otherwise stated)

A Equity share capital*

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Balance as at beginning of the year | 2,515.39 | 2,515.39 |
| Changes in Equity Share Capital due to prior period errors | - | - |
| Restated balance at the beginning of the current reporting period | 2,515.39 | 2,515.39 |
| Changes in equity share capital during the current year | - | - |
| Balance as at the end of the year | 2,515.39 | 2,515.39 |

B Other equity**

| Particulars | Reserves and surplus | | | | Total |
|---|----------------------|-----------------------------|-------------------|----------------|------------------|
| | Capital reserve | Security premium reserve | Retained earnings | OCI | |
| Balance as at 1 April 2021 | 1.21 | 2,082.06 | 3,793.10 | (4.90) | 5,871.46 |
| Addition during the year | | | | | |
| Profit for the year | - | - | 3,228.38 | | 3,228.38 |
| Items of OCI (net of tax) | | | | | |
| -Remeasurement benefit of defined benefit plans | - | - | - | 4.90 | 4.90 |
| Balance as at 31 March 2022 | 1.21 | 2,082.06 | 7,021.48 | - | 9,104.74 |
| Addition during the year | | | | | |
| Profit/ (loss) for the year | - | - | 5,322.29 | | 5,322.29 |
| Items of OCI (net of tax) | | | | | |
| -Remeasurement benefit of defined benefit plans | - | - | - | (13.24) | (13.24) |
| Balance as at 31 March, 2023 | 1.21 | 2,082.06 | 12,343.76 | (13.24) | 14,413.79 |

* Refer note no. 15 for details

** Refer note no. 16 for details

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

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

For M/s Nemani Garg Agarwal & Co

Chartered Accountants

Firm Registration No. 010192N

For and on behalf of Board of Directors of

Lords Chloro Alkali Limited

CA. Jeetmal Khandelwal

Partner

Membership No. 074267

UDIN :23074267BGWKNG9305

Madhav Dhir
Executive Director
DIN 07227587

Ajay Virmani
Managing Director
DIN 00758726

Place: New Delhi

Date: 23-05-2023

Nitesh Anand
Company Secretary
M.No.A28698

Rajiv Kumar
Chief Financial Officer
M. No. 508277

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2023

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

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

The financial statements of the Company have been prepared to comply in all material respects with accounting principles generally accepted in India, including Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Companies Act, 2013 (the “Act”) and other relevant provisions of the Act.

2. Basis of preparation and significant accounting policies

Basis of preparation

The financial statements have been prepared on accrual and going concern basis under historical cost convention except for certain financial instruments and plan assets, which are measured at fair values.

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

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and as per terms of agreements wherever applicable. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

a. Revenue recognition and presentation:

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

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

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

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

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

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2023

Sale of goods

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

Interest income

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

Dividend

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

b. Inventories

Finished goods, works-in-process, raw material, stores& spares and packing material are valued at lower of cost and net realisable value. Cost of inventory has been arrived at by using the weighted average cost formula. Cost of inventory comprises. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase. Stock of scrap is valued at estimated realizable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

c. Income taxes

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

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

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

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2023

tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

d. Cash and cash equivalents

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

e. Foreign currency transactions

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

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

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

f. Financial instruments

Initial recognition and measurement

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

Non-derivative financial assets

Subsequent measurement

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

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2023

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.
- ii. **Fair value through profit or loss** – Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.
- iii. **Fair value through OCI-** A financial assets measured at FVOCI if both of the following conditions are met:
- The Company’s business model objectives for managing the financial assets is achieved both by collecting contractual cash flows and selling the financial assets, and
 - The contractual terms of the financial assets given raise in specified dates to cash flows that are solely payments.

g. Fair value of financial instruments

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

h. Property, plant and equipment (‘PPE’)

Recognition and initial measurement

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

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2023

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

Subsequent measurement (depreciation and useful life)

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

De-recognition of PPE

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

i. Capital work-in progress

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

j. Impairment of non-financial assets

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive,

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2023

discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

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

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

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

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

De-recognition of financial assets

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

Non-derivative financial liabilities

Subsequent measurement

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

De-recognition of financial liabilities

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

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2023

Offsetting of financial instruments

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

k. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

a) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

b) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual, value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2023

c) Short-term lease and lease of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those lease that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term lease and lease of low-value assets are recognized as expense on a straight-line basis over the lease term.

l. Borrowing costs

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

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

m. Provisions, contingent liabilities and contingent assets

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

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

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

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

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

Contingent liability is disclosed for:

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

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2023

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

n. Employee benefits

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

Defined benefit plans

Gratuity

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

Other long-term benefits

Accumulated leave expected to be carried forward beyond twelve months, is treated as long term employee benefit. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short term employee benefit.

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

Defined contribution plans

Provident Fund

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

Short-term employee benefits

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

o. Earnings per share

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

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

Summary of significant accounting policies and other explanatory information for the year ended
31st March 2023

p. Segment reporting

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

3. Significant accounting judgments, estimates and assumptions

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

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

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

Significant judgments:

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

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

(ii) Recognition of deferred tax assets

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

Sources of estimation uncertainty:

(i) Provisions

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

(ii) Fair valuation of financial instruments

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

Notes to the Financial Statements for the period ended 31 March, 2023
(All amounts in INR Lakhs, unless otherwise stated)
2 Property, plant & equipments

| Particulars | Leasehold land | Buildings | Plant & equipments | Furniture & fixtures | Vehicles | Office equipments | Total |
|--|----------------|-----------------|--------------------|----------------------|---------------|-------------------|------------------|
| Gross carrying amount | | | | | | | |
| At 1 April 2021 | 101.04 | 982.06 | 21,057.23 | 130.81 | 129.68 | 72.84 | 22,473.66 |
| Additions | - | 46.64 | 689.26 | 26.28 | 190.29 | 17.55 | 970.01 |
| Disposals | (101.04) | (7.19) | (843.90) | - | - | - | (952.14) |
| Balance as at 31 March 2022 | (0.00) | 1,021.50 | 20,902.58 | 157.09 | 319.98 | 90.39 | 22,491.54 |
| Additions | - | - | 478.15 | 4.10 | 189.30 | 2.92 | 674.48 |
| Disposals | - | (176.87) | (980.47) | - | - | - | (1,157.34) |
| Balance as at 31 March 2023 | (0.00) | 844.63 | 20,400.27 | 161.19 | 509.28 | 93.31 | 22,008.68 |
| Accumulated depreciation | | | | | | | |
| At 1 April 2021 | 39.10 | 879.64 | 9,691.01 | 116.98 | 43.54 | 29.32 | 10,799.57 |
| Charge for the year | - | 19.35 | 596.77 | 2.87 | 20.72 | 13.84 | 653.55 |
| Disposals | (39.10) | (1.39) | (751.44) | - | - | - | (791.93) |
| Balance as at 31 March 2022 | (0.00) | 897.61 | 9,536.34 | 119.84 | 64.26 | 43.15 | 10,661.19 |
| Charge for the year | - | 12.04 | 668.78 | 4.34 | 51.76 | 14.07 | 750.99 |
| Disposals | - | (167.82) | (919.21) | - | - | - | (1,087.03) |
| Balance as at 31 March 2023 | (0.00) | 741.83 | 9,285.91 | 124.19 | 116.02 | 57.23 | 10,325.16 |
| Net carrying amount as at 31 March 2022 | 0.00 | 123.89 | 11,366.24 | 37.25 | 255.71 | 47.23 | 11,830.35 |
| Net carrying amount as at 31 March 2023 | 0.00 | 102.81 | 11,114.36 | 37.01 | 393.25 | 36.08 | 11,683.53 |

Refer note no. 17 for information on property, plant & equipment hypothecated/mortgage as security by the company.

Refer note no. 43B for disclosure of contractual commitment for aquisition of property, plant & equipment

Refer note no. 42 for information on property, plant and equipment pledged as security by the company

Lease hold land transferred to right to use for the application of Ind AS

2(i) (i) Title deeds of Immovable Properties not held in name of the Company as at 31 March 2023/(31 March 2022)

| Item category | Description of Item of Property | Gross Carrying Value | Title Deeds Held in the name of Company | Whether title deed holder is a promoter, director or relative# of promoter* /director or employee of promoter/ director | Property held since which year | Lacs Reason for not being held in the name of the company |
|---------------|---------------------------------|----------------------|---|---|--------------------------------|--|
| Balance sheet | | | | | | |

* Company has only leasehold land and building and no freehold immovable property is held by the company during the year. Hence the requirement of title deed of freehold immovable property in the name of company is not applicable.

3 Capital work in progress

| Particulars | Plant & machinery | Total |
|--|-------------------|-----------------|
| Balance as at 1 April 2021 | 43.51 | 43.51 |
| Additions | 641.69 | 641.69 |
| Transfer to property plant & equipment | (648.20) | (648.20) |
| Balance as at 31 March 2022 | 37.00 | 37.00 |
| Balance as at 1 April 2022 | 37.00 | 37.00 |
| Additions | 1,646.93 | 1,646.93 |
| Transfer to property plant & equipment | (598.50) | (598.50) |
| Balance as at 31 March 2023 | 1,085.43 | 1,085.43 |

3(i) Capital-Work-in Progress (CWIP) - Ageing Schedule as at 31 March 2023 /(31 March 2022)

| Capital-Work-in Progress (CWIP) | Amount in CWIP for a period of | | | Total |
|---------------------------------|--------------------------------|-----------|-----------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | |
| Projects in progress | 1048.43 / (37) | 37 | 0 | 1085.43/ (37) |

Notes to the Financial Statements for the period ended 31st March, 2023
(All amounts in INR Lakhs, unless otherwise stated)

4 Right-of-use assets

| Particulars | Building | Leasehold Land | Total |
|--|---------------|-------------------|---------------|
| Gross carrying amount | | | |
| At 1 April 2021 | 407.32 | 101.04 | 508.36 |
| Additions | 45.97 | 289.92 | 335.89 |
| Adjustments/disposals | - | - | - |
| Balance as at 31 March 2022 | 453.29 | 390.96 | 844.25 |
| At 1 April 2022 | 453.29 | 390.96 | 844.25 |
| Additions | - | - | - |
| Adjustments/disposals | - | - | - |
| Balance as at 31 March 2023 | 453.29 | 390.96 | 844.25 |
| Accumulated depreciation | | | |
| At 1 April 2021 | 5.83 | 39.10 | 44.94 |
| Charge for the year | 49.61 | 6.07 | 55.68 |
| Adjustments for disposals | - | - | - |
| Balance as at 31 March 2022 | 55.44 | 45.17 | 100.61 |
| At 1 April 2022 | 55.44 | 45.17 | 100.61 |
| Charge for the year | 50.60 | 6.20 | 56.80 |
| Adjustments for disposals | - | - | - |
| Balance as at 31 March 2023 | 106.04 | 51.37 | 157.41 |
| Net carrying amount as at 31 March 2022 | 397.85 | 345.79 | 743.63 |
| Net carrying amount as at 31 March 2023 | 347.25 | 339.59 | 686.84 |

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

5 Intangible assets under development

| Particulars | Computer Software | Total |
|--|----------------------|--------------|
| Gross carrying amount | | |
| At 1 April 2021 | 15.05 | 15.05 |
| Additions | 2.07 | 2.07 |
| Disposals | - | - |
| Balance as at 31 March 2022 | 17.12 | 17.12 |
| Additions | - | - |
| Disposals | - | - |
| Balance as at 31 March 2023 | - | - |
| Accumulated amortisation | | |
| At 1 April 2021 | - | - |
| Charge for the year | 0.68 | 0.68 |
| Impairment charge | 16.44 | 16.44 |
| Balance as at 31 March 2022 | 17.12 | 17.12 |
| Charge for the year | - | - |
| Impairment charge | - | - |
| Balance as at 31 March 2023 | - | - |
| Net carrying amount as at 31 March 2022 | - | - |
| Net carrying amount as at 31 March 2023 | - | - |

5(i) Intangible assets under development - Ageing Schedule as at 31 March 2023 /(31 March 2022)

| Intangible assets under development | Amount in CWIP for a period of | | | | Total |
|-------------------------------------|--------------------------------|-----------|-----------|----------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Software | - | - | - | - | - |

Notes to the Financial Statements for the period ended 31st March, 2023
(All amounts in INR Lakhs, unless otherwise stated)

| Particulars | As at March 31, 2023 | As at March 31, 2022 | | | | | | |
|--|-------------------------|-------------------------|--|------------------|-------------|-------------|-------------------|-----------------|
| 6 Investments | | | | | | | | |
| Investment in equity instruments (fully paid-up) | | | | | | | | |
| Quoted equity shares (Measured at fair value through profit and loss) | | | | | | | | |
| 1000 (previous year 31 March 2022: 1000) Fully paid up Equity Shares of INR 2 each in DCM Shriram Consolidated Ltd | 7.48 | 11.31 | | | | | | |
| 500 (previous year 31 March 2022: 500) Fully paid up Equity Shares of INR 2 each in Grasim Industries Ltd | 8.16 | 8.32 | | | | | | |
| 700 (previous year 31 March 2022: 700) Fully paid up Equity Shares of INR 10 each in Aditya Birla Capital Limited | 1.08 | 0.75 | | | | | | |
| 165 (previous year 31 March 2022: 165) Fully paid up Equity Shares of INR 10 each in Gujarat Alkalies & Chemicals Ltd | 0.97 | 1.48 | | | | | | |
| 300 (previous year 31 March 2022: 300) Fully paid up Equity Shares of INR 5 each in Kanoria Chemicals & Industries Ltd | 0.32 | 0.41 | | | | | | |
| 100 (previous year 31 March 2022: 100) Fully paid up Equity Shares of INR 10 each in Punjab Alkalies & Chemicals Ltd | 0.08 | 0.09 | | | | | | |
| 500 (previous year 31 March 2022: 500) Fully paid up Equity Shares of INR 2 each in DCW Ltd | 0.22 | 0.20 | | | | | | |
| 57 (previous year 31 March 2022: 57) Fully paid up Equity Shares of INR 10 each in Ultra Tech Cement Ltd | 4.34 | 3.76 | | | | | | |
| 300 (previous year 31 March 2022: 300) Fully paid up Equity Shares of INR 2 each in Ballarpur Industries Ltd. | 0.00 | 0.00 | | | | | | |
| 100 (previous year 31 March 2022: 100) Fully paid up Equity Shares of INR 10 each in SPIC Ltd | 0.05 | 0.07 | | | | | | |
| Investment in Mutual Fund | | | | | | | | |
| Quoted, (Measured at fair value through profit and loss) | | | | | | | | |
| Principal focused multi cap fund- regular plan growth 4190.606 (31 March 2022: 4190.606) units | 4.40 | 4.49 | | | | | | |
| Investment - Others | | | | | | | | |
| Silver Coins | - | - | | | | | | |
| Total | 27.10 | 30.88 | | | | | | |
| Aggregate value of quoted investments | 4.13 | 4.13 | | | | | | |
| Market value of quoted investments | 27.10 | 30.88 | | | | | | |
| Aggregate value of unquoted investments | - | - | | | | | | |
| 7A Loans non-current (Unsecured, considered good unless otherwise stated) | | | | | | | | |
| Advance to Employees | 2.76 | 0.20 | | | | | | |
| | 2.76 | 0.20 | | | | | | |
| 7B Loans current (Unsecured, considered good unless otherwise stated) | | | | | | | | |
| Advance to employees | 6.08 | 2.06 | | | | | | |
| Others | - | 40.00 | | | | | | |
| | 6.08 | 42.06 | | | | | | |
| 8 Other non current assets | | | | | | | | |
| Advance for capital goods* | 829.26 | 61.56 | | | | | | |
| Other advances | 298.25 | 298.25 | | | | | | |
| Prepaid expenses | 189.13 | 161.63 | | | | | | |
| Security deposit | 14.50 | 85.00 | | | | | | |
| | 1,311.14 | 606.44 | | | | | | |
| *Refer note no. 43B for disclosure of contractual commitment for aquisition of property, plant & equipment | | | | | | | | |
| 9 Inventories (Valued at lower of cost and net realisable value) | | | | | | | | |
| Raw material | 414.85 | 225.34 | | | | | | |
| Work-in-progress | 59.02 | 263.02 | | | | | | |
| Finished goods | 101.32 | 175.21 | | | | | | |
| Fuel oil stock of power plant | 6.44 | 33.99 | | | | | | |
| Packing materials | 3.51 | 4.22 | | | | | | |
| Stores and spares | 670.40 | 817.28 | | | | | | |
| | 1,255.54 | 1,519.05 | | | | | | |
| 10 Trade receivables | | | | | | | | |
| Unsecured, Considered good | 1,222.13 | 1,433.95 | | | | | | |
| | 1,222.13 | 1,433.95 | | | | | | |
| * For related party balances refer note no. 37 | | | | | | | | |
| Trade Receivables ageing schedule as at 31 March 2023 | | | | | | | | |
| Particulars | Unbilled | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
| | | | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | - | - | 1,216.91 | 0.89 | 1.12 | 0.01 | 3.20 | 1,222.13 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables–considered good | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | - |
| Total | - | - | 1,216.91 | 0.89 | 1.12 | 0.01 | 3.20 | 1,222.13 |
| Trade Receivables ageing schedule as at 31 March 2022 | | | | | | | | |
| Particulars | Unbilled | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
| | | | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade receivables – considered good | - | - | 1,242.90 | 181.83 | 6.02 | - | 3.20 | 1,433.95 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables–considered good | - | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables – credit impaired | - | - | - | - | - | - | - | - |
| Total | - | - | 1,242.90 | 181.83 | 6.02 | - | 3.20 | 1,433.95 |
| 11 Cash & Cash Equivalents | | | | | | | | |
| Balance with bank | | | | | | | | |
| with scheduled banks in current accounts | | | | | | | 4.01 | 2,104.54 |
| Cash on hand | | | | | | | 11.42 | 6.10 |
| | | | | | | | 15.43 | 2,110.64 |
| 12 Bank balances other than cash & cash equivalents | | | | | | | | |
| Fixed Deposit | | | | | | | 6,096.00 | 1,000.00 |
| | | | | | | | 6,096.00 | 1,000.00 |

Notes to the Financial Statements for the period ended 31st March, 2023
(All amounts in INR Lakhs, unless otherwise stated)

| | | |
|-------------------------------------|---------------|---------------|
| 13 Current Tax Assets (net) | | |
| Advance income tax | | - |
| Less: Provision for taxation | | - |
| | | - |
| 14 Other current assets | | |
| Advance to suppliers | | |
| - Unsecured, Considered good | 121.69 | 372.48 |
| - Considered doubtful | - | - |
| | 121.69 | 372.48 |
| Less : Provision on advances | | |
| | 121.69 | 372.48 |
| Balance with government authorities | 82.47 | 139.62 |
| Prepaid expenses and other advances | 101.05 | 139.06 |
| Interest accrued on fixed deposit | 48.77 | 3.73 |
| Fixed deposit 3-12 months | 0.50 | 5.44 |
| | 354.48 | 660.33 |

* Fixed deposit 3-12 months include margin money of Rs 44,000 is equal to 5% margin on Bank Guarantee of Rs 8.79 Lakh (Previous Year 2021-22 Rs. 8.79 lakhs) issued to RRVUNL to secure the order of 87.95 Lakh of supply of our product Liquid Chlorine and Hydrochloric acid. Now Contract had completed but margin money still not released from bank (Current year 2022-23- Rs 0.50 (Including interest) Previous Year 2021-22- Rs 0.44) .

* Fixed deposit 3-12 months include margin money of Rs. 5,00,000 is equal to 5% margin on Foreign Letter of Credit of USD 1,24,339.66 to procure the order of Plant & Machinery from The Chemrous Company FC, LLC USA .Current year as on 31.03.2023 is NIL (Previous Year 2021-22 Rs. 5 Lakh)

| | | |
|--|-----------------|-----------------|
| 15 Share capital | | |
| Authorized share capital | | |
| 7,50,00,000 equity shares; 31 March 2023: 7,50,00,000 equity shares; of Rs.10/- each | 7,500.00 | 7,500.00 |
| | 7,500.00 | 7,500.00 |
| Issued share capital | | |
| 2,51,58,885 equity shares; 31 March 2023: 2,51,58,885 equity shares; of Rs.10/- each | 2,515.89 | 2,515.89 |
| | 2,515.89 | 2,515.89 |
| Subscribed capital and fully paid up | | |
| 2,51,53,861 equity shares; 31 March 2023: 2,51,53,861 equity shares; of Rs.10/- each | 2,515.39 | 2,515.39 |
| | 2,515.39 | 2,515.39 |

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

| Name of shareholder | As at March 31, 2023 | | As at March 31, 2022 | |
|---|----------------------|---------------|----------------------|---------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Madhav Dhir | 7,543,422 | 29.99% | 7,543,422 | 29.99% |
| Shishiti Dhir | 4,085,694 | 16.24% | 4,085,694 | 16.24% |
| Dhir Hotels and resorts Private Limited | 4,964,391 | 19.74% | 4,964,391 | 19.74% |
| Total | 16,593,507 | 65.97% | 16,593,507 | 65.97% |

(ii) Details of shareholding of Promoters

| Name of shareholder | % age change | As at March 31, 2023 | | As at March 31, 2022 | |
|---|--------------|----------------------|---------------|----------------------|---------------|
| | | No. of Shares | % of Holding | No. of Shares | % of Holding |
| Srishti Dhir | 0% | 4,085,694 | 16.24% | 4,085,694 | 16.24% |
| Mancesha Dhir | 0% | 1,020,000 | 4.06% | 1,020,000 | 4.06% |
| Madhav Dhir | 0% | 7,543,442 | 29.99% | 7,543,442 | 29.99% |
| Shiva Consultants Private Limited | 0% | 1,182,029 | 4.70% | 1,182,029 | 4.70% |
| Dhir Hotels And Resorts Private Limited | 0% | 4,964,391 | 19.74% | 4,964,391 | 19.74% |
| Total | | 18,795,556 | 74.72% | 18,795,556 | 74.72% |

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

| Description | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|-----------------|----------------------|-----------------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Shares outstanding at the beginning of the year | 25,153,861 | 2,515.39 | 25,153,861 | 2,515.39 |
| Add: shares issued during the year | - | - | - | - |
| Shares outstanding at the end of the year | 25,153,861 | 2,515.39 | 25,153,861 | 2,515.39 |

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

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

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

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

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

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

No bonus shares have been issued in preceding 5 years.

The Company has not undertaken any buy back of shares.

| | | | | | |
|---|----------------|------------------------|---------------------------------|--------------------------|------------------|
| 16 Other equity | | | | | |
| Particulars | OCI | Capital reserve | Security premium reserve | Retained earnings | Total |
| Balance as at 1 April 2021 | (4.91) | 1.21 | 2,082.06 | 3,793.10 | 5,871.46 |
| Addition during the year | | | | | |
| Profit for the year | - | - | - | 3,228.38 | 3,228.38 |
| Items of OCI (net of tax) | | | | | |
| -Remeasurement benefit of defined benefit plans | 4.90 | - | - | - | 4.90 |
| Balance as at 31 March 2022 | 0.00 | 1.21 | 2,082.06 | 7,021.47 | 9,104.74 |
| Addition during the year | | | | | |
| Profit for the year | - | - | - | 5,322.29 | 5,322.29 |
| Items of OCI (net of tax) | | | | | |
| -Remeasurement benefit of defined benefit plans | (13.24) | - | - | - | (13.24) |
| Balance as at 31 March 2023 | (13.24) | 1.21 | 2,082.06 | 12,343.75 | 14,413.79 |

Note:-

i) Capital Reserve

The company recognise profit & loss on forfeiture of the company's own equity instruments to capital reserve

ii) Security Premium Reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013

iii) Retained Earning

(All amounts in INR Lakhs, unless otherwise stated)

| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
|--|-------------------------|---------------------------------|-------------------------|-------------------------|
| | Non-Current | Current | Non-Current | Current |
| 18 Lease liabilities | 18A | 18B | 18A | 18B |
| Lease liabilities | 605.70 | 45.49 | 651.19 | 23.71 |
| | 605.70 | 45.49 | 651.19 | 23.71 |
| 19 Provisions | 19A | 19B | 19A | 19B |
| Employees post retirement/long term benefits | | | | |
| Provision for Gratuity | 98.33 | 132.19 | 110.22 | 82.97 |
| Provision for compensated absences | 70.79 | 89.99 | 57.39 | 71.79 |
| Bonus | - | 24.36 | - | 23.26 |
| | 169.12 | 246.54 | 167.61 | 178.03 |
| *For movement in each class of provision during the financial year refer note no. 38 | | | | |
| Particulars | As at March 31, 2023 | | As at March 31, 2022 | |
| 20 Deferred tax liabilities (net) | | | | |
| Deferred tax asset arising on account of : | | | | |
| Provision for post retirement benefits and other employees benefits | | | 121.04 | 100.65 |
| Mat credit entitlement | | | 0.00 | 726.97 |
| Business loss | | | - | - |
| Total deferred tax asset (a) | | | 121.04 | 827.62 |
| Deferred tax liabilities arising on account of:- | | | | |
| Property, plant & equipment | | | 2,002.04 | 1,939.38 |
| Fair valuation of investments | | | 2.64 | 3.08 |
| Right-of-use assets & lease liabilities | | | - | - |
| Total deferred tax liabilities (b) | | | 2,004.68 | 1,942.46 |
| Net deferred tax liabilities (b-a) | | | 1,883.64 | 1,114.85 |
| Particulars | As at March 31, 2022 | Recognised in Profit or Loss | Recognised in OCI | As at March 31, 2023 |
| Deferred tax asset arising on account of : | | | | |
| Provision for post retirement benefits and other employees benefits | (100.65) | (15.29) | (5.10) | (121.04) |
| Mat credit entitlement | (726.97) | 726.97 | - | (0.00) |
| Deferred tax liabilities arising on account of : | | | | |
| Property, plant & equipment | 1,939.38 | 62.66 | - | 2,002.04 |
| Fair valuation of investments | 3.08 | (0.44) | - | 2.64 |
| Total | 1,114.84 | 773.90 | (5.10) | 1,883.64 |
| Particulars | As at March 31, 2021 | Recognised in Profit or Loss | Recognised in OCI | As at March 31, 2022 |
| Deferred tax asset arising on account of : | | | | |
| Provision for post retirement benefits and other employees benefits | (77.75) | (22.90) | 1.89 | (100.65) |
| Provision for old stores | (2.94) | 2.94 | - | - |
| Fair value gain/ (loss) | (0.01) | 0.01 | - | - |
| Mat credit entitlement | (908.66) | 181.69 | - | (726.97) |
| Business loss | (232.76) | 232.76 | - | - |
| Total deferred tax asset (a) | (1,222.12) | 394.50 | | (827.62) |
| Deferred tax liabilities arising on account of : | | | | |
| Property, plant & equipment | 1,721.46 | 217.92 | - | 1,939.38 |
| Fair valuation of investments | 4.01 | (0.93) | - | 3.08 |
| Right-of-use assets & lease liabilities | 0.41 | (0.41) | - | - |
| Total deferred tax liabilities (b) | 1,725.88 | 216.58 | - | 1,942.46 |
| Net deferred tax liabilities (b-a) | 503.76 | 611.09 | - | 1,114.85 |
| 21 Other non-current liabilities | | | | |
| Investor Education and Protection Fund (U/s 125 of the Companies Act, 2013)* | | | 11.64 | 11.64 |
| Security and Other Deposits | | | 915.00 | 915.00 |
| Payable to statutory authorities | | | - | 30.79 |
| | | | 926.64 | 957.44 |



Notes to the Financial Statements for the period ended 31st March, 2023
(All amounts in INR Lakhs, unless otherwise stated)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| 22 Trade Payables | | |
| - total outstanding dues to micro and small enterprises* | - | - |
| - total outstanding dues to creditors other than micro and small enterprises | 108.33 | 89.43 |
| | 108.33 | 89.43 |

* The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable other than disclosed above to Micro and Small Enterprises as at March 31, 2023 and March 31 2022.

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

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| i) Principal amount due to suppliers under MSMED Act | Nil | Nil |
| ii) Interest accrued and due to suppliers under MSMED Act on the above amount | Nil | Nil |
| iii) Payment made to suppliers (other than interest) beyond appointed day during the year | Nil | Nil |
| iv) Interest paid to suppliers under MSMED Act | Nil | Nil |
| v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23. | Nil | Nil |
| vi) Interest due and payable to suppliers under MSMED Act towards payments already made | Nil | Nil |
| vii) Interest accrued and remaining unpaid at the end of the accounting year | Nil | Nil |

Trade Payables ageing schedule as at 31 March 2023

| Particulars | Unbilled Dues | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|------------------|---------|--|-------------|--------------|-------------------|---------------|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | - | - | 92.37 | 4.97 | 10.71 | 0.28 | 108.33 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - | - |
| Total | - | - | 92.37 | 4.97 | 10.71 | 0.28 | 108.33 |

Trade Payables ageing schedule as at 31 March 2022

| Particulars | Unbilled Dues | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|------------------|---------|--|--------------|-------------|-------------------|--------------|
| | | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | - | - | 73.67 | 13.91 | 1.85 | - | 89.43 |
| (iii) Disputed dues – MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues – Others | - | - | - | - | - | - | - |
| Total | - | - | 73.67 | 13.91 | 1.85 | - | 89.43 |

23 Other financial liabilities - current

| | | |
|--|--------------|---------------|
| Current maturities of long-term borrowings | - | - |
| Interest accrued but not due | 49.47 | 250.96 |
| Creditors for capital goods | 41.95 | 1.74 |
| | 91.42 | 252.71 |

24 Other current liabilities

| | | |
|-------------------------|-----------------|-----------------|
| Advance from Customers | 301.93 | 243.77 |
| Other payables | 475.91 | 576.97 |
| Statutory dues payables | 385.54 | 626.83 |
| | 1,163.38 | 1,447.57 |

25 Current tax Liabilities (net)

| | | |
|---------------------------------|-------------|--------------|
| PROVISION FOR CURRENT TAX (Net) | 1,353.70 | 814.10 |
| Less:- Prepaid taxes | (1,353.20) | (779.91) |
| | 0.50 | 34.19 |

Notes to the Financial Statements for the period ended 31st March, 2023
(All amounts in INR Lakhs, unless otherwise stated)

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| 17 Borrowings : non-current* | | |
| Secured | | |
| Term loans | | |
| -From banks | 585.11 | 1,251.59 |
| Unsecured | | |
| From others | | |
| -Loans from related parties | - | 988.00 |
| -Loans from others | 0.33 | 0.33 |
| -Inter-corporate deposits | 61.00 | 786.00 |
| *for terms & conditions refer table below | | |
| | 646.44 | 3,025.92 |

| Particulars | Rate of Interest (p-a) | Maturity | Terms of Repayment | Nature of Security | As at March 31, 2023 | As at March 31, 2022 |
|--|----------------------------|----------------------------------|--|---|-------------------------|-------------------------|
| Secured borrowings | | | | | | |
| Term Loan - HDFC Bank Limited (See note below)* | 8.40% (8.90%) | March/2024 | HDFC Bank Limited, Malcha Marg Branch has sanctioned takeover of our existing Term Loan credit facilities with Punjab National bank, Mohan Nagar Branch of 1900 lakhs in the year 2019. The loan repayable quarterly instalments of Rs. 75 lakhs each. | Primary security: (i) First charge on all existing and future current assets and movable fixed asset of borrower (ii) First charge on all/entire movable fixed asset both present and future in the name of borrower Secondary Collateral: First charge on all immovable fixed assets both present and future including equitable mortgage of land & building in the name of borrower for the instance i.e manufacturing unit located at Plot No. SP-460, RIICO Industrial area, MIA, Alwar | 360.94 | 659.23 |
| Term Loan - HDFC Bank Limited (See note below)* | 8.65% (7.65%) | March/2027 | HDFC Bank Limited, Malcha Marg Branch has sanctioned term Loan of Rs 1,000 but availed only Rs 539.10 lacs for new production facilities in 2021 and is repayable in 20 Quarterly instalments. | Primary security: (i) First charge on all existing and future current assets and movable fixed asset of borrower (ii) First charge on all/entire movable fixed asset both present and future in the name of borrower Secondary Collateral: First charge on all immovable fixed assets both present and future including equitable mortgage of land & building in the name of borrower for the instance i.e manufacturing unit located at Plot No. SP-460, RIICO Industrial area, MIA, Alwar | 431.28 | 542.60 |
| Car Loan - Union Bank of India | 7.40% (7.40%) | Jan' 2029 | Union Bank of India, Gazabhad Branch has sanctioned vehicle Loan of Rs 100 lacs for vehicle in 2021 and is repayable in 84 Monthly instalments starts from January 2022 | Security : by way of hypothecation of Vehicle in favour of Union Bank of India and personal guarantee of our executive director Madhav Dhar. | 86.97 | 97.18 |
| Car Loan - Kotak Mahindra Prime Limited | 7.69% (7.69%) | Sep' 2026 | | Security : by way of hypothecation of Vehicle in favour of Kotak Mahindra Prime Limited | 42.87 | 53.18 |
| Working capital term loan - HDFC Bank Limited (65210790001) | 9.25% | Mar/2025 | HDFC Bank Limited, Malcha Marg Branch has sanctioned of Emergency Credit Line Guaranteed Scheme (ECLGS) Loan of Rs. 390 lakhs in the year 2020. Loan is repayable in 36 Monthly instalments after 1 year moratorium period. | Security : Extention of second ranking charge over existing primary and collateral securities including mortgage created in favor of the Bank. Deposit of Rs. 1 Cr. In form of FDR with the concerned branch for continue facility by way of GECL loan. | 260.00 | 390.00 |
| Total Secured Borrowings | | | | | 1,182.06 | 1,742.20 |
| Unsecured Borrowings | | | | | | |
| Loan from related parties | 9.25% & 9% (9.25% & 9%) | | All the loan have been taken from the directors and allied concerns are repayable on the terms as mutually decided between the parties. For detail related parties disclosure refer note no.37 of notes to accounts. | Unsecured borrowings | - | 1,142.63 |
| Inter corporate deposit | 9.25% (9.25%) | January/2023 & September/2023 | Above inter corporate deposit comprises term loan obtained from Cirrus Infrastructure Pvt Ltd., The same is repayable on the terms as mutually decided between the parties. | Unsecured borrowings | 73.51 | 843.48 |
| Loan & advance from others | Interest Free | NA | (i) Outstanding loan of Rs. 0.33 lakhs (Previous Year Rs. 0.33 lakhs) obtained from body corporates and the terms and conditions of these loans are not known to the company. | Unsecured borrowings | 0.33 | 0.33 |
| Total unsecured borrowings | | | | | 73.84 | 1,986.44 |
| Total borrowings | | | | | 1,255.90 | 3,728.64 |
| Less : Current maturities of long term borrowings | | | | | 539.99 | 451.76 |
| Less : Interest accrued but not due | | | | | 49.47 | 280.96 |
| Total non current borrowings | | | | | 646.44 | 3,025.92 |

Notes to the Financial Statements for the period ended 31st March, 2023
(All amounts in INR Lakhs, unless otherwise stated)

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| 17 Borrowings: current | | |
| Secured | | |
| Working capital loans repayable on demand from banks | 390.09 | - |
| *for terms & conditions refer table below | | |
| Current maturity of long term debt | 559.99 | 451.76 |
| | 950.08 | 451.76 |

| Particulars | Rate of Interest (p.a) | Maturity | Terms of Repayment | Detail of Security/Guarantee | As at | As at |
|---|------------------------|------------|---|---|----------------|----------------|
| | | | | | March 31, 2023 | March 31, 2022 |
| Cash credit from HDFC Bank Limited | 8.90% (8.90%) | NA | HDFC Bank Limited, Malcha Marg Branch has sanctioned takeover of our existing cash credit loan facility Rs. 2000.00 Lakhs from Punjab National Bank Mohan Nagar Branch (Ghaziabad) in the year 2019 to meet the working capital requirement of the company. | Primary security: (i) First charge on all existing and future current assets and movable fixed asset of borrower (ii) First charge on all/entire movable fixed asset both present and future in the name of borrower (iii) First charge on all immovable fixed assets both present and future including equitable mortgage of land & building in the name of borrower for the instance i.e manufacturing unit located at Plot No. SP-460, RIICO Industrial area, MIA, Alwar. | 390.08 | - |
| Term Loan - HDFC Bank Limited (See note below)* | 8.40% (8.90%) | March/2024 | HDFC Bank Limited, Malcha Marg Branch has sanctioned of takeover of our existing Term Loan credit facilities with Punjab National bank, Mohan Nagar Branch of 1900 lakhs in the year 2019. The loan repayable quarterly instalments of Rs. 75 lakhs each. | Primary security: (i) First charge on all existing and future current assets and movable fixed asset of borrower (ii) First charge on all/entire movable fixed asset both present and future in the name of borrower Secondary Collateral: First charge on all immovable fixed assets both present and future including equitable mortgage of land & building in the name of borrower for the instance i.e manufacturing unit located at Plot No. SP-460, RIICO Industrial area, MIA, Alwar | 300.00 | 300.00 |
| Term Loan - HDFC Bank Limited (See note below)* | 8.65% (7.65%) | April/2028 | HDFC Bank Limited, Malcha Marg Branch has sanctioned term Loan of Rs 1,000 but availed only Rs 539.10 lacs for new production facilities in 2021 and is repayable in 20 Quarterly instalments. | Primary security: (i) First charge on all existing and future current assets and movable fixed asset of borrower (ii) First charge on all/entire movable fixed asset both present and future in the name of borrower Secondary Collateral: First charge on all immovable fixed assets both present and future including equitable mortgage of land & building in the name of borrower for the instance i.e manufacturing unit located at Plot No. SP-460, RIICO Industrial area, MIA, Alwar | 107.82 | - |
| Car Loan - Union Bank of India | 7.40% (7.40%) | Jan' 2029 | Union Bank of India, Gaziabad Branch has sanctioned vehicle Loan of Rs 100 lacs for vehicle in 2021 and is repayable in 84 Monthly instalments starts from January 2022 | Security : by way of hypothecation of Vehicle in favour of Union Bank of India and personal guarantee of our executive director Madhav Dhar. | 11.75 | 11.54 |
| Car Loan - Kotak Mahindra Prime Limited | 7.69% (7.69%) | Sep' 2026 | Kotak Mahindra Prime limited, Noida Branch has sanctioned vehicle Loan of Rs 58 lacs for vehicle in 2021 and is repayable in 60 Monthly instalments starts from October 2021 | Security : by way of hypothecation of Vehicle in favour of Kotak Mahindra Prime Limited | 10.42 | 10.22 |
| Working capital term loan - HDFC Bank Limited (65210790001) | 9.25% | Mar'2025 | HDFC Bank Limited, Malcha Marg Branch has sanctioned of Emergency Credit Line Guaranteed Scheme (ECLGS) Loan of Rs. 390 lakhs in the year 2020. Loan is repayable in 36 Monthly instalments after 1 year moratorium period. | Security : Extension of second ranking charge over existing primary and collateral securities including mortgage created in favor of the Bank Deposit of Rs. 1 Cr. In form of FDR with the concerned branch for continue facility by way of GECL loan. | 130.00 | 130.00 |
| Total current borrowings | | | | | 950.08 | 451.76 |

17 A Reconciliation of liabilities arising from financing activities

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

| Particulars | Long-term borrowings | Current Maturity of Long term Borrowing | Short-term borrowings | Total |
|----------------------|----------------------|---|-----------------------|-----------------|
| 1 April 2022 | 3,571.63 | 1,038.84 | 1,449.52 | 6,059.99 |
| Cash flows: | | | | |
| - Repayment | 3,627.99 | 587.08 | 1,449.52 | 5,664.59 |
| - Proceeds | 3,082.28 | - | - | 3,082.28 |
| 31 March 2022 | 3,025.92 | 451.76 | - | 3,477.68 |
| Cash flows: | | | | |
| - Repayment | 2,379.48 | - | - | 2,379.48 |
| - Proceeds | - | 108.23 | 390.08 | 498.32 |
| 31 March 2023 | 646.44 | 559.99 | 390.08 | 1,596.52 |

Notes to the Financial Statements for the period ended 31st March, 2023
(All amounts in INR Lakhs, unless otherwise stated)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| 26 Revenue from operations | | |
| Sale of products | 29,505.18 | 24,008.27 |
| | 29,505.18 | 24,008.27 |
| 27 Other income | | |
| Interest income on bank deposits | 140.90 | 8.98 |
| Interest income from loans & advances | 0.78 | 3.70 |
| Fair value gain on investment measured at FVTPL | - | 11.70 |
| Gain on disposal of property, plant & equipments | - | 154.44 |
| Provision/ miscellaneous balance written back | - | 10.93 |
| Dividend Income | 0.14 | 0.17 |
| Miscellaneous income | 2.42 | 62.52 |
| | 144.24 | 252.44 |
| 28 Cost of materials consumed | | |
| Opening stock of raw material | 225.34 | 384.72 |
| Add: Purchase during the year | 4,589.87 | 3,286.57 |
| | 4,815.20 | 3,671.29 |
| Less: Closing stock of raw material | 414.85 | 225.34 |
| | 4,400.35 | 3,445.95 |
| 29 Purchase of stock-in-trade | | |
| Purchase of stock-in-trade | - | 5.51 |
| | - | 5.51 |
| 30 Changes in inventories of finished goods and work-in progress | | |
| Finished goods | | |
| -Opening stock | 175.21 | 621.25 |
| -Closing stock | 101.32 | 175.21 |
| | 73.89 | 446.03 |
| Work-in-progress | | |
| -Opening stock | 263.02 | 408.97 |
| -Closing stock | 59.02 | 263.02 |
| | 204.00 | 145.95 |
| (Increase)/decrease in inventories of finished goods and work-in progress | 277.89 | 591.98 |
| 31 Employee benefits expense | | |
| Salaries, wages, allowances & other benefits | 1,959.57 | 1,181.76 |
| Gratuity fund contributions (Refer note no. 38) | 30.82 | 27.37 |
| Contribution to provident & other funds (Refer note (a) below) | 48.61 | 45.67 |
| Staff welfare expenses | 58.17 | 52.62 |
| | 2,097.17 | 1,307.43 |
| Note (a) - Defined contribution plan | | |
| Amount recognized in the statement of profit & loss account | | |
| (i) Provident fund | 43.85 | 41.06 |
| (ii) Employee state insurance | 4.75 | 4.61 |
| | 48.61 | 45.67 |
| *Salaries, wages, allowance include Directors remuneration of Rs 1076.94 Lacs (P.Y 400.69 Lacs) | | |
| 32 Finance costs | | |
| Interest on | | |
| -Loan from banks | 143.06 | 177.27 |
| -Lease liabilities | 54.93 | 59.18 |
| Other borrowing cost | 42.93 | 240.70 |
| | 240.92 | 477.15 |
| 33 Depreciation and amortisation expenses | | |
| Depreciation and amortisation expenses | 750.99 | 653.55 |
| Depreciation on right-of-use assets | 56.80 | 55.68 |
| Amorisation of intangible assets | - | 17.12 |
| | 807.79 | 726.35 |

Notes to the Financial Statements for the period ended 31st March, 2023
(All amounts in INR Lakhs, unless otherwise stated)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| 34 Other expenses | | |
| Consumption of stores and spares | 465.49 | 392.76 |
| Business promotion expenses | 90.60 | 28.09 |
| Computer expenses | 2.00 | 1.21 |
| Repairs and maintenance | | |
| -Plant & machinery | 332.61 | 289.90 |
| -Building | 33.49 | 10.34 |
| -Others | 3.01 | 2.55 |
| Rent expenses | 95.77 | 108.82 |
| Rates and taxes | 34.39 | 156.26 |
| Auditor's remuneration | | |
| -Audit fee | 4.50 | 4.00 |
| -Tax audit fee* | 1.60 | 1.60 |
| -Audit expenses | 0.09 | 0.40 |
| Bank charges | 1.54 | 1.17 |
| Insurance charges | 90.57 | 63.55 |
| Travelling and conveyance | 116.22 | 109.79 |
| Publicity and advertisement expenses | 1.86 | 6.71 |
| Communication expenses | 7.44 | 6.36 |
| Freight & forwarding expenses (Net) | 178.98 | 104.01 |
| General charges | 31.85 | 32.74 |
| Legal and professional expenses | 108.49 | 57.25 |
| Manufacturing expenses | 75.95 | 58.25 |
| Office expenses | 6.96 | 7.46 |
| Printing & stationery | 9.44 | 6.93 |
| Security charges | 46.57 | 42.70 |
| Subscription charges | 2.73 | 3.74 |
| Water & electricity expenses | 6.08 | 6.68 |
| Commission expenses | - | 1.11 |
| Loss on foreign exchange fluctuation | - | 9.30 |
| Loss on Fixed Assets Written Off | 5.44 | |
| Corporate social responsibility expenses# | 37.50 | 29.00 |
| Loss on Fair Valuation of Investment | 3.78 | |
| Misc. balance written off | 27.70 | 62.58 |
| | 1,822.63 | 1,605.26 |

*Paid to other than statutory auditors

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

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

- Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): Rs. 35.94 lakhs and actually spent Rs. 37.50 laes)
- Amount spent during the previous year ended on March 31, 2022, Rs. 29.00 lakhs

Details of CSR amount spent and location

| Implementing Agency | Amount Spent | Purpose/Location |
|---|--------------|--|
| Badlo Re | 32.00 | Old Age Home (Delhi) |
| Karuna Care Foundation | 3.00 | Promoting Health Care (Haryana) |
| Karyalay Jila Udhog Avam Vanijay Kendra-Rajasthan | 1.50 | preventive health care and sanitation (Alwar) |
| Matsya Waste Water Treatment Forum | 1.00 | Conservation of natural resources and maintaining quality of soil, air and water (Alwar) |
| | 37.50 | |

| Purpose for which expenditure incurred | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| -Construction/acquisitions of any asset | - | - |
| -On purpose other than above mentioned | 37.50 | 29.00 |
| Amount yet to be spent | - | - |
| Total | 37.50 | 29.00 |

Note :

During the year the Company was required to spent an amount of Rs. 35.94 lakhs . The actual amount spent of Rs. 37.50 lakhs represents CSR expenditure for the current year. During the financial year 2021-22 expenditure incurred Rs. 29.00 Lacs

Notes to the Financial Statements for the period ended 31st March, 2023
(All amounts in INR Lakhs, unless otherwise stated)

| CSR Details | | |
|--|--------------------------------------|--------------------------------------|
| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| A) Amount required to be spent during the year | 35.94 | 28.46 |
| B) Unspent amount of previous year | - | - |
| C) Total (A+B) | 35.94 | 28.46 |
| D) Expenditure during the year on- | | |
| (i) Construction/ acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 37.50 | 29.00 |
| E) Total | 37.50 | 29.00 |
| F) Set off available for succeeding years (E-C) | 1.56 | - |
| G) Shortfall amount deposited in Fund specified in Schedule VII, within a period of six months of the expiry of the financial year (C-E) | - | - |

CSR Calculation

| Financial Year | Net Profit (PBT) |
|----------------|------------------|
| 2021-22 | 4,497.08 |
| 2020-21 | (535.07) |
| 2019-20 | 1,429.73 |
| Average Profit | 1,797.25 |
| 2% requirement | 35.94 |

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| 35 Tax expenses | | |
| Income tax expense recognised in statement of profit and loss | | |
| Current tax | 1,353.70 | 814.10 |
| Deferred tax charge | 773.90 | 609.21 |
| Earlier years tax adjustments (net) | 21.11 | - |
| | 2,148.70 | 1,423.31 |

The reconciliation of tax expense based on the domestic effective tax rate of at 29.12% (31 March 2022: 29.12%) and the reported tax expense in statement of profit or loss is as follows:

| | | |
|---|---------------|-----------------|
| Profit Before Tax | 7,471.00 | 4,651.69 |
| Income tax using the Company's domestic tax rate | - | 1,354.57 |
| Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense | | |
| Non-deductible expenses | - | 257.04 |
| Non-taxable income & Deductions | - | (362.08) |
| Rebate under Income Tax | - | (4.22) |
| Deferred tax assets not recognised as realisation is not probable | - | - |
| MAT Credit Entitlement | (799.68) | (211.64) |
| Previous years loss adjustment | - | (219.57) |
| Others | 21.11 | - |
| Deffered Tax | 773.90 | 609.21 |
| Tax expenses as per statement of profit and loss account | (4.68) | 1,423.31 |

| | | |
|--|----------|----------|
| 36 Earnings per share | | |
| Net profit for the year | 5,322.29 | 3,228.38 |
| Total number of equity shares outstanding at the beginning of the year | 25153861 | 25153861 |
| Total number of equity shares outstanding at the end of the year | 25153861 | 25153861 |
| Weighted average number of equity shares | 25153861 | 25153861 |
| Nominal value of equity share | 10.00 | 10.00 |
| (1) Basic (Rs.) | 21.16 | 12.83 |
| (2) Diluted (Rs.) | 21.16 | 12.83 |

Notes to the Financial Statements for the year ended March 31, 2023

(All amounts in INR Lakhs, unless otherwise stated)

37 Related party disclosures

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

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

Name of key managerial personnel (KMP)

Mr. Ajay Virmani
Ms. Srishthi Dhir
Mr. Madhav Dhir
Mr. Sandeep Singh
Mr. Amia Kumar Singh (w.e.f 31.08.2022)
Mr. Shubha Singh (w.e.f 10.08.2022)
Mr. Sakshi Vashisth (w.e.f 10.08.2022)
Mr. Deepak Mathur
Mr. Rajiv Kumar
Mr. Nitesh Anand

Designation

Managing Director
Non Executive Director
Executive Director
Independent Director
Independent Director
Independent Director
Independent Director
Executive Director
Chief Financial Officer
Company Secretary

Relative of key managerial personnel (KMP)

Mrs Snigdha dhir (Wife of Shri Madhav Dhir)

Professional Consultant

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

Cirrus Chemicals Pvt. Ltd.
Cynet Projects Private Limited
Shiva Consultant Limited

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

| Particulars | Year | Key managerial personnel (KMP) | Entities in which KMP/Relatives of KMP can exercise significant influence |
|----------------------|---------------|--------------------------------|---|
| Remuneration | 31 March 2023 | 1,111.94 | - |
| | 31 March 2022 | 430.38 | - |
| Director Sitting Fee | 31 March 2023 | 2.25 | - |
| | 31 March 2022 | - | - |
| Sales of goods | 31 March 2023 | - | 442.00 |
| | 31 March 2022 | - | 799.51 |
| Purchase of goods | 31 March 2023 | - | - |
| | 31 March 2022 | - | - |
| Loan taken | 31 March 2023 | - | - |
| | 31 March 2022 | - | 1,735.00 |
| Loan repaid | 31 March 2023 | - | 988.00 |
| | 31 March 2022 | 972.34 | 2,779.80 |
| Interest expense | 31 March 2023 | - | 18.27 |
| | 31 March 2022 | - | 187.33 |
| Professional Fee | 31 March 2023 | - | 9.64 |
| | 31 March 2022 | - | - |

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

| | | | |
|--------------------------|---------------|--------|--------|
| Loan taken | 31 March 2023 | - | - |
| | 31 March 2022 | - | 988.00 |
| Trade receivable | 31 March 2023 | - | (4.41) |
| | 31 March 2022 | - | 26.41 |
| Remuneration Payable | 31 March 2023 | 168.92 | - |
| | 31 March 2022 | 129.02 | - |
| Interest Payable | 31 March 2023 | - | - |
| | 31 March 2022 | - | 154.63 |
| Other Receivable | 31 March 2023 | - | - |
| | 31 March 2022 | - | 1.26 |
| Professional Fee Payable | 31 March 2023 | - | 1.13 |
| | 31 March 2022 | - | - |

The following transactions were carried out with KMP:-

| Particulars | 31 March 2023 | 31 March 2022 |
|------------------------------|---------------|---------------|
| Short term employee benefits | 1,109.74 | 428.38 |
| Defined contribution plan | 2.20 | 2.00 |

Terms & Condition of transactions with related party:

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

Notes to the Financial Statements for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)
38 Employee benefits
A Compensated absences - earned leave

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

i) Amounts recognised in the balance sheet:

| Particulars | 31 March 2023 | 31 March 2022 |
|---|----------------------|----------------------|
| Present value of the obligation | 160.78 | 129.18 |
| Fair value of plan assets | - | - |
| Net obligation recognised in balance sheet as provision | 160.78 | 129.18 |
| Current liability (amount due within one year) | 89.99 | 71.79 |
| Non-current liability (amount due over one year) | 70.79 | 57.39 |

ii) Expenses recognised in statement of profit and loss:

| Particulars | 31 March 2023 | 31 March 2022 |
|--|----------------------|----------------------|
| Current service cost | 16.60 | 13.29 |
| Interest cost | 9.30 | 7.81 |
| Cost recognised during the year | 25.90 | 21.10 |

iii) Actuarial (gain)/loss on obligation:

| Particulars | 31 March 2023 | 31 March 2022 |
|--|----------------------|----------------------|
| Actuarial (gain)/loss net on account of: | | |
| -Changes in demographic assumptions | - | - |
| -Changes in financial assumptions | (1.43) | (2.24) |
| -Changes in experience adjustment | 9.17 | (1.53) |
| | 7.73 | (3.77) |

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

| Particulars | 31 March 2023 | 31 March 2022 |
|---|----------------------|----------------------|
| Present value of defined benefit obligation at the beginning of the year | 129.18 | 114.89 |
| Current service cost | 16.60 | 13.29 |
| Interest cost | 9.30 | 7.81 |
| Actuarial (gain)/loss net | 7.73 | (3.77) |
| Benefits paid | (2.04) | (3.03) |
| Present value of defined benefit obligation at the end of the year | 160.77 | 129.19 |

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

| Particulars | 31 March 2023 | 31 March 2022 |
|------------------------|----------------------------|----------------------|
| Discount rate | 7.35% | 7.20% |
| Salary escalation rate | 5.00% | 5.00% |
| Retirement Age (years) | 58.00 | 58.00 |
| Ages | Withdrawal rate (%) | |
| Up to 30 Years | 3.00% | 3.00% |
| From 31 to 44 years | 2.00% | 2.00% |
| Above 44 years | 1.00% | 1.00% |
| Leave | | |
| Leave availment rate | 20.00% | 20.00% |

Mortality rates inclusive of provision for disability -100% of LAM 2012-14. Ultimate rates has been assumed which also includes the allowance for disability benefits.
(b) Maturity profile of defined benefit obligation

| Particulars | 31 March 2023 | 31 March 2022 |
|--------------------|----------------------|----------------------|
| 0 to 1 year | 88.15 | 70.33 |
| 1 to 2 year | 7.26 | 12.53 |
| 2 to 3 year | 3.58 | 6.36 |
| 3 to 4 year | 0.98 | 2.69 |
| 4 to 5 year | 3.97 | 0.83 |
| 5 to 6 year | 2.45 | 3.65 |
| 6 year onwards | 89.00 | 50.83 |

vi) Sensitivity analysis for compensated absences liability

| Particulars | 31 March 2023 | 31 March 2022 |
|--|----------------------|----------------------|
| a) Impact of the change in discount rate | | |
| Present value of obligation at the end of the year | 160.77 | 129.19 |
| Impact due to increase of 0.50 % | (7.99) | (6.56) |
| Impact due to decrease of 0.50 % | 0.38 | 0.66 |
| b) Impact of the change in salary increase | | |
| Present value of obligation at the end of the year | 160.77 | 129.19 |
| Impact due to increase of 0.50 % | (8.21) | (6.74) |
| Impact due to decrease of 0.50 % | 3.94 | 0.67 |

Sensitivities due to mortality and withdrawals are insignificant and hence ignored.

Notes to the Financial Statements for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)

B Gratuity
Risk

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

i) Amounts recognised in the balance sheet:

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| Present value of the obligation | 230.51 | 193.19 |
| Fair value of plan assets | - | - |
| Net obligation recognised in balance sheet as provision | 230.51 | 193.19 |
| Current liability (amount due within one year) | 132.19 | 82.97 |
| Non-current liability (amount due over one year) | 98.32 | 110.22 |

ii) Loss recognised in other comprehensive income:

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Actuarial loss on asset | - | - |
| Actuarial loss on PBO | 10.60 | (3.02) |
| Loss recognised in other comprehensive income | 10.60 | (3.02) |

iii) Actuarial (gain)/loss on obligation:

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Actuarial (gain)/loss net on account of: | | |
| -Changes in demographic assumptions | - | - |
| -Changes in financial assumptions | (1.35) | (3.03) |
| -Changes in experience adjustment | 11.95 | 0.01 |
| | 10.60 | (3.02) |

iv) Expenses recognised in statement of profit and loss

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| Current service cost | 17.19 | 15.01 |
| Interest cost | 13.91 | 12.36 |
| Cost recognised during the year | 31.10 | 27.37 |

Lords Chloro Alkali Limited
Notes to the Financial Statements for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)

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

| Particulars | 31 March 2023 | 31 March 2022 |
|---|---------------|---------------|
| Present value of defined benefit obligation at the beginning of the year | 193.19 | 181.83 |
| Current service cost | 17.19 | 15.01 |
| Past service cost | - | - |
| Interest cost | 13.91 | 12.36 |
| Actuarial loss (net) | 10.60 | (3.02) |
| Benefits paid | (4.39) | (12.99) |
| Present value of defined benefit obligation at the end of the year | 230.51 | 193.19 |

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

| Particulars | 31 March 2023 | 31 March 2022 |
|----------------------------------|---------------|---------------|
| Discount rate | 7.35% | 7.20% |
| Salary escalation rate | 5.00% | 5.00% |
| Retirement age (years) | 58.00 | 58.00 |
| Withdrawal rate | | |
| Up to 30 years | 3.00% | 3.00% |
| From 31 to 44 years | 2.00% | 2.00% |
| Above 44 years | 1.00% | 1.00% |
| Weighted average duration of PBO | | |

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

(b) Maturity profile of defined benefit obligation:

| Particulars | 31 March 2023 | 31 March 2022 |
|----------------|---------------|---------------|
| 0 to 1 year | 132.09 | 83.80 |
| 1 to 2 year | 21.64 | 31.81 |
| 2 to 3 year | 14.15 | 19.98 |
| 3 to 4 year | 1.48 | 12.19 |
| 4 to 5 year | 6.94 | 1.24 |
| 5 to 6 year | 3.48 | 5.97 |
| 6 year onwards | 86.12 | 64.90 |

vii) Sensitivity analysis for gratuity liability:

| Particulars | 31 March 2023 | 31 March 2022 |
|--|---------------|---------------|
| a) Impact of the change in discount rate | | |
| Present value of obligation at the end of the year | 230.51 | 193.19 |
| Impact due to increase of 0.50 % | (5.57) | (4.59) |
| Impact due to decrease of 0.50 % | 5.05 | 4.19 |
| b) Impact of the change in salary increase | | |
| Present value of obligation at the end of the year | 230.51 | 193.19 |
| Impact due to increase of 0.50 % | 5.19 | 4.31 |
| Impact due to decrease of 0.50 % | (5.72) | (4.72) |

Sensitivities due to mortality and withdraws are insignificant and hence ignored.

Notes to the financial statements for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)
Lease related disclosures

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

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

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

A Lease payments not included in measurement of lease liability

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

| Particulars | March 31, 2023 | March, 31 2022 |
|----------------------------|----------------|----------------|
| Short-term leases | 91.46 | 106.44 |
| Leases of low value assets | 0.52 | 2.38 |
| Variable lease payments | | - |

B Total cash outflow for leases for the year ended 31 March 2023 was Rs 174.41 lakh(i.e.95.77 is short term and Rs 78.64 is long term) [Previous year 2021-22 Rs. 187.46 lakh(i.e.108.82 is short term and Rs 78.64 is long term)]

C Maturity of lease liabilities

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

| 31 March 2023 | Minimum lease payments due | | | | | | Total |
|---------------------------------|----------------------------|--------------|--------------|--------------|--------------|-------------------|---------------|
| | Within 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | More than 5 years | |
| Office Building at Delhi | | | | | | | |
| Lease payments | 59.82 | 66.17 | 66.17 | 67.60 | 74.77 | 137.09 | 471.62 |
| Interest expense | 29.46 | 26.25 | 22.59 | 18.58 | 13.73 | 10.21 | 120.82 |
| Net present values | 30.36 | 39.92 | 43.58 | 49.02 | 61.04 | 126.87 | 350.80 |
| Factory Land at Alwar | | | | | | | |
| Lease payments | 20.08 | 20.08 | 20.08 | 20.08 | 20.08 | 1,534.98 | 1,635.38 |
| Interest expense | 26.00 | 26.51 | 27.06 | 27.67 | 28.33 | 1,199.43 | 1,335.00 |
| Net present values | -5.92 | -6.43 | -6.98 | -7.59 | -8.25 | 335.55 | 300.38 |

D Variable lease payments are expensed in the period they are incurred. Expected future cash outflow as at 31 March 2023 is of Rs. Nil. (Previous year as on 31 March 2022 is NIL)

E Information about extension and termination options

| Right of use assets | Number of leases | Range of remaining term | Average remaining lease term | Number of leases with extension option | Number of leases with purchase option | Number of leases with termination option |
|---------------------|------------------|-------------------------|------------------------------|--|---------------------------------------|--|
| Office building | 1 | 6.83 years | 6.83 years | 0 | 0 | 1 |
| Factory Land | 1 | 56 years | 56 years | 0 | 0 | 1 |

Notes to the Financial Statements for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)

40A Financial instruments

(i) Fair values hierarchy

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

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

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

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

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

| | March 31, 2023 | March 31, 2022 | Level | Valuation techniques and key inputs |
|----------------------------------|----------------|----------------|---------|--|
| Investment in equity instruments | 22.71 | 26.40 | Level 1 | Fair value of equity instruments have been determined using the quoted market price. |
| Investment in mutual funds | 4.40 | 4.49 | Level 1 | Net asset value (NAV) obtained from an active market. |
| Total | 27.10 | 30.89 | | |

(iii) Fair value of instruments measured at amortised cost

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

| Particulars | Level | March 31, 2023 | | March 31, 2022 | |
|------------------------------------|---------|-----------------|-----------------|-----------------|-----------------|
| | | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets | | | | | |
| Investments | Level 3 | - | - | - | - |
| Loans | Level 3 | 8.84 | 8.84 | 42.26 | 42.26 |
| Trade receivable | Level 3 | 1,222.13 | 1,222.13 | 1,433.95 | 1,433.95 |
| Cash and cash equivalents | Level 3 | 6,111.43 | 6,111.43 | 3,110.64 | 3,110.64 |
| Total financial assets | | 7,342.40 | 7,342.40 | 4,586.85 | 4,586.85 |
| Financial liabilities | | | | | |
| Borrowings | Level 3 | 1,596.51 | 1,596.51 | 3,477.68 | 3,477.68 |
| Trade payables | Level 3 | 108.33 | 108.33 | 89.43 | 89.43 |
| Other financial liabilities | Level 3 | 49.47 | 49.47 | 250.96 | 250.96 |
| Total financial liabilities | | 1,754.32 | 1,754.32 | 3,818.07 | 3,818.07 |

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

iv) Financial instruments by category

| Particulars | March 31, 2023 | | | March 31, 2022 | | |
|------------------------------|----------------|----------|-----------------|----------------|----------|-----------------|
| | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost |
| Financial assets | | | | | | |
| Investments | 27.10 | - | - | 30.88 | - | - |
| Loan - security deposits | - | - | - | - | - | - |
| Loan - employees | - | - | 8.84 | - | - | 2.26 |
| Loan - Other | - | - | - | - | - | 40.00 |
| Other financial assets | - | - | - | - | - | - |
| Trade receivables | - | - | 1,222.13 | - | - | 1,433.95 |
| Cash and cash equivalents | - | - | 6,111.43 | - | - | 3,110.64 |
| Total | 27.10 | - | 7,342.40 | 30.88 | - | 4,586.85 |
| Financial liabilities | | | | | | |
| Borrowings | - | - | 1,596.51 | - | - | 3,477.68 |
| Trade payable | - | - | 108.33 | - | - | 89.43 |
| Other financial liabilities | - | - | 49.47 | - | - | 250.96 |
| Total | - | - | 1,754.32 | - | - | 3,818.07 |

40B Financial risk management

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

A) Credit risk

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

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

Credit risk management

Credit risk rating

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

- A: Low
- B: Medium
- C: High

Assets under credit risk –

| Credit rating | Particulars | March 31, 2023 | March 31, 2022 |
|---------------|---------------------------|----------------|----------------|
| Low | Loans | 8.84 | 42.26 |
| | Investments | - | - |
| | Cash and cash equivalents | 6,111.43 | 3,110.64 |
| | Trade receivables | 1,222.13 | 1,433.95 |

Cash & cash equivalents and bank deposits

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

Trade receivables

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

Other financial assets measured at amortised cost

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

Notes to the Financial Statements for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)

B) Liquidity risk

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

Maturities of financial liabilities

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

| 31 March 2023 | Less than 1 year | 1-5 year | More than 5 years | Total |
|-----------------------------|------------------|---------------|-------------------|-----------------|
| Borrowings | 950.08 | 646.44 | - | 1,396.51 |
| Trade payable | 108.33 | - | - | 108.33 |
| Other financial liabilities | 49.47 | - | - | 49.47 |
| Total | 1,107.88 | 646.44 | - | 1,754.32 |

| 31 March 2022 | Less than 1 year | 1-5 year | More than 5 years | Total |
|-----------------------------|------------------|-----------------|-------------------|-----------------|
| Borrowings | 451.76 | 2,918.10 | 107.82 | 3,477.68 |
| Trade payable | 89.43 | - | - | 89.43 |
| Other financial liabilities | 250.96 | - | - | 250.96 |
| Total | 792.16 | 2,918.10 | 107.82 | 3,818.08 |

C) Market risk

a) Interest rate risk

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

b) Price risk

Exposure

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

Sensitivity

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

| Particulars | March 31, 2023 | March 31, 2022 |
|--------------------------|----------------|----------------|
| Price sensitivity | | |
| Price increase by 5% | 1.36 | 1.54 |
| Price decrease by 5% | 1.36 | (1.54) |

41 Segment information

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

42 Details of assets pledged/ hypothecated as security:

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

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Current | | |
| Inventories | 1,255.54 | 1,519.05 |
| Trade receivables | 1,222.13 | 1,433.95 |
| Cash and cash equivalents and other bank balances | 6,111.43 | 3,110.64 |
| Other current assets | 354.48 | 660.33 |
| Non Current | | |
| Property, plant and equipment | 11,683.53 | 11,830.35 |

Lords Chloro Alkali Limited

Notes to the Financial Statements for the year ended March 31, 2023
(All amounts in INR Lakhs, unless otherwise stated)

43 Contingent liabilities and commitments

(to the extent not provided for)

A Contingent liabilities

| Particulars | Period to which the amount relates | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--|------------------------------------|----------------------------------|----------------------------------|
| In respect of Entry tax disputes pending with judicial authorities | 2003-11 | - | - |
| Total | | - | - |

Notes:

1. Pending resolution of the respective proceeding, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/ decisions pending with various forums/ authorities.

2. The Company has reviewed all its pending litigations and proceeding and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

B Commitments (net of advance):

Estimated amount of contracts remaining to be executed on capital account Rs. 772.63 Lakh, (Previous year: 31 March 2022: Rs. 53 Lakh).

44 Unclaimed amount in respect of debentures and excess share application money refundable Rs. 11.64 lakhs, (Previous year: 31 March 2022: 11.64 lakhs) is required to be transferred to the "Investor education and protection fund" in terms of section 125 of the companies act, 2013. the company is taking steps to reconcile the above accounts and deposit the amount with the appropriate authorities.

45 Authorisation of financial statements

These financial statements for the year ended 31 March 2023 were approved by the Board of Directors on 23rd May 2023.

46 The figures have been rounded off to the nearest Rs. lakhs upto two decimals.

Notes to the Financial Statements for the year ended March 31, 2023

(All amounts in INR Lakhs, unless otherwise stated)

47 Additional Regulatory Information:

- i) Company has no freehold immovable property during the year.
- ii) The Company has not revalued its Property, Plant and Equipments during the year.
- iii) The company has not made any loan or advances in the nature of loans to promoters, directors, KMPs, and the related parties .
- iv) The company do not own or hold any Benami Property under the Benami Transactions (Prohibition) Act,1988(45of 1988) and the rules made there under.
- v) The statements of current assets filed by the company with banks are in agreement with the books of accounts.
- vi) The company is not declared a Willful Defaulter by any bank or financial institutions.
- vii) The company do not have any transactions with companies stuck off under section 248 of the companies Act,2013 or section 560 of companies Act,1956.
- viii) All Registration of charges or satisfaction are registered with Registrar of Companies (ROC).
- ix) No Scheme(s) of Arrangements has been approved by the competent authority in terms of section 230 to 237 of the companies Act,2013 .
- x) The company has utilised long term borrowed fund for long term purpose only and short term fund for short term purpose only.
- xi) During the year no income was surrendered or disclosed as income in the Tax Assessments
- xii) The company has not dealt in Crypto Currency during the year.
- xiii) The company is not having downstream companies or layers of companies prescribed under clause (87) of section 2 of the Act read with companies (Restriction on number of layers) Rules,2017.
- xiv) The Company has not advanced or loaned or invested funds to any other person or entities with an understanding that the intermediary will invest or provide any guarantee, security or the like to or on behalf of ultimate beneficiaries .
- xv) The Company has not received any fund from any person (s) or entity(s), including foreign entities (Funding party) with the understanding that the company shall directly or indirectly invest or provide any guarantee, security or the like to or on behalf of funding party.

48 Key Financial Ratio Analysis

| Sl. No. | Particulars | Formula | FY 2022-23 | FY 2021-22 | % Variance | Detailed Explanation of Ratios : |
|---------|------------------------------|--|------------|------------|------------|---|
| 1 | Current Ratio | Current Assets / Current Liability | 3.43 | 2.73 | 26% | Current Ratio has improved as compared to previous year due to increase in Turnover and improved in margin . |
| 2 | Debt-to-Equity Ratio | Debts / Equity Shareholder Fund | 0.09 | 0.30 | -68% | Debt Equity ratio has improved due to increase in net worth and decrease in debt as compared to previous year. |
| 3 | Debt Service Coverage Ratio | EBDITA / Interest+Principal | 2.46 | 0.73 | 238% | DSCR has significantly improved due to higher profit in current year |
| 4 | Return on Equity Ratio | PAT /Shareholder's Equity | 0.31 | 0.28 | 13% | Return on Equity has significantly improved due to higher profit in current year |
| 5 | Inventory Turnover Ratio | Cost of Goods Sold / Avg Inventory | 15.07 | 8.71 | 73% | Inventory Turnover has improved due to increased in selling price and better inventory management. |
| 6 | Receivables turnover | Sales / Trade Receivable | 22.22 | 13.47 | 65% | Receivables Turnover has improved due to increased in selling price and better management of debtors. |
| 7 | Trade Payable Turnover Ratio | Purchase / Trade Payable | 156.30 | 166.55 | -6% | Trade Payable Turnover Ratio has Increase due to Increase in credit period of suppliers . |
| 8 | Net Capital Turnover Ratio | Sales/Average Working Capital | 5.55 | 8.77 | -37% | Net Capital Turnover Ratio has decreased due to surplus fund available on account of significant increase in profitability in current year. |
| 9 | Net Profit Margin Ratio (%) | Net Income / Net Sales | 18.04% | 13.45% | 34% | Net Profit Margin Ratio has improved due to significant increase in turnover and profitability in current year. |
| 10 | Return on Capital Employed | EBIT/ Total Assets - Current Liabilities | 0.36 | 0.29 | 25% | Return on Capital Employed Ratio has increased due to significant increase in turnover and profitability in current year. |
| 11 | Return on Investment (%) | EBIT/Average Operating Assets | 35.23% | 27.03% | 30% | Return on Investment Ratio has increased due to significant increase in turnover and profitability in current year. |

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

For M/s Nemani Garg Agarwal & Co
Chartered Accountants
Firm Registration No. 010192N

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

CA. Jeetmal Khandelwal
Partner
Membership No. 074267
UDIN :23074267BGWKN9305

Madhav Dhir
Executive Director
DIN 07227587

Ajay Virmani
Managing Director
DIN 00758726

Place: New Delhi
Date: 5/23/2023

Nitesh Anand
Company Secretary
M.No.A28698

Rajiv Kumar
Chief Financial Officer
M. No. 508277

LORDS CHLORO ALKALI LIMITED
CIN No. : L24117RJ1979PLC002099
Registered Office: SP-460, MIA, Alwar Rajasthan-301 030
Corporate Office : A-281, 1st Floor, Defence Colony, New Delhi -110024
Email Id.: secretarial@lordschloro.com **Ph. No. :** 011- 40239034/35/36/37/38
Website: www.lordschloro.com

ATTENDANCE SLIP

| |
|--|
| Name(s) of Member (s) : (In block letters (including joint holders, if any)) Registered Address of the sole / : First named member Registered Folio No. / DPID No. & Client ID No. No. of Shares held |
|--|

I/ we hereby record my/our presence at the Annual General Meeting of the company being held on Thursday, 28th September, 2023 at 11.00 A.M. at registered office of the Company at SP- 460, Matsya Industrial Area, Alwar (Rajasthan) 301030.

Signature of the Member/ Proxy present.....

Notes:

1. Member/ Proxy holder wishing to attend the meeting must bring the attendance slip to the meeting and handover at the entrance duly signed.
2. Please cut here and bring the above attendance slip to the meeting.

| |
|-----------------------------|
| E-VOTING INFORMATION |
|-----------------------------|

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

Please see note no. 15 to the Notice dated 9th August, 2023 convening the AGM for the procedure with respect to e-voting.

Note: The remote e-voting period commences on 25th September, 2023 at 9:00 A.M. and ends on 27th August, 2023 at 5:00 P.M (at 5.00 P.M. IST)

LORDS CHLORO ALKALI LIMITED

Registered Office: SP-460, MIA, Alwar Rajasthan-301 030
Corporate Office : A-281, 1st Floor, Defence Colony, New Delhi -110 024
CIN No. : L24117RJ1979PLC002099; **Ph. No. :** 011 40239034/35
Email Id.: secretarial@lordschloro.com; **Website:** www.lordschloro.com

FORM NO. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):

Registered address:

E-mail Id:

DP ID and Client Id / Folio No.

I/We, being the member (s) ofshares of the above named company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:..... or failing him

2. Name:

Address:

E-mail Id:

Signature:....., or failing him

3. Name:

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 44th Annual General Meeting of the Company, to be held on Thursday, 28th September, 2023 at 11:00 A.M. at the Registered office of the Company at SP-460, MIA, Alwar Rajasthan 301001 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Ordinary Business | Optional* | |
|----------------|--|-----------|---------|
| | | For | Against |
| 1. | To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended on 31 st March, 2023 and the reports of the Board of Directors and Auditors thereon. | | |
| 2. | To appoint Ms. Srishti Dhir (DIN: 06496679), who retires by rotation at this meeting and being eligible has offered herself for reappointment. | | |
| | Special Business | | |
| 3. | To consider and approve the payment of remuneration to Shri Ajay Virmani (DIN 00758726), Managing Director of the Company. | | |
| 4. | To consider and approve the re-appointment and payment of remuneration to Shri Madhav Dhir (DIN: 07227587), Whole Time Director of the Company. | | |
| 5. | To consider and approve the re-appointment and payment of remuneration to Shri Deepak Mathur (DIN: 07092786), as Director (Technical) of the Company. | | |
| 6. | Approval for Related Party Transactions proposed to be entered by the Company. | | |
| 7. | Borrow money upto Rs.250 Crore, pursuant to section 179 and 180 (1) (c) of the Companies Act, 2013. | | |
| 8. | Creation/Modification of Mortgage and/or Charge over the moveable and immoveable properties of the Company | | |
| 9. | To give loans or invest funds of the Company in excess of the limits specified under Section 186 of the Companies Act, 2013. | | |
| 10. | To consider and approve the increase in the limit of managerial remuneration payable Managing Directors and Whole Time Director, Directors etc. | | |
| 11. | To ratify the remuneration of the Cost Auditors for the Financial Year 2023-24. | | |

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

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

Signature of Member

Signature of first Proxy holder

| |
|---|
| Affix the revenue stamp of Rs. 1/- |
|---|

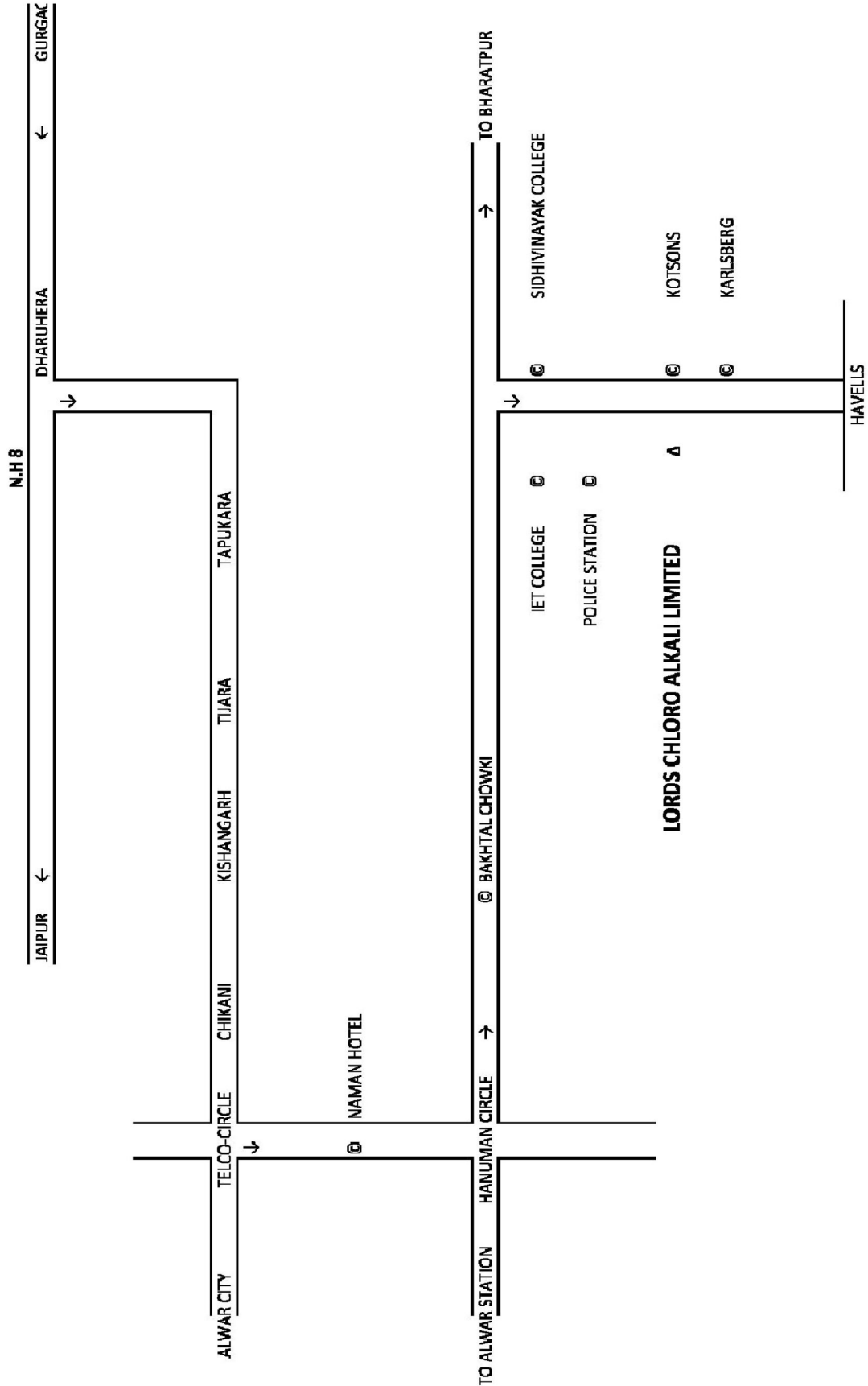
Signature of second Proxy holder

Signature of third Proxy holder

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting i.e. by 11:00 A.M. 28th September, 2023.
2. For the Resolutions, Explanatory Statements and notes, please refer to the notice of the 44th Annual General Meeting of the Company.
3. Please complete all details including detail of member(s) in above box before submission.

Route Map of AGM venue





If undelivered, please return to :
LORDS CHLORO ALKALI LIMITED
A-281, 1st Floor, Defence Colony, New Delhi-110024