

25TH
ANNUAL REPORT 2016 & 2017



NOTICE is hereby given that an **Annual General Meeting** of the Shareholders of the Company will be held on **Tuesday, the 26th Day of September, 2017**, at its Registered Office at 1/A, Mahendra Ray Lane, Kolkata -700 046 at 11:30 A.M. to transact the following business:

To consider and if thought fit, to pass with or without modification the following resolution:

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at March 31, 2017 and statement of Profit and Loss Account for the year ended on that date together with the notes and schedules annexed thereto and the Directors and Auditors Reports thereto be and are hereby adopted.
2. To appoint a Director in place of Mr. Navin Kumar Jain, who retires by rotation and being eligible, offers himself for re- appointment.
3. To consider and if thought fit, to pass, the following resolution as ordinary resolution:

RESOLVED THAT pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the approval of Members at the Annual General Meeting, the appointment of M/s. P. D. Rungta & Co., Chartered Accountants as statutory auditors of the company, be and is hereby ratified to hold office as such from conclusion of this annual general meeting until the conclusion of next Annual General Meeting of the company, on such remuneration as may be decided by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the company (including its committee thereof) be and is hereby authorised to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.

For LORDS CHEMICALS LTD.

Navin Kumar Jain
Director
DIN: 00499139

Place: Kolkata
Date: 25-08-2017

NOTES:

1. A member who is entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. (Proxy form enclosed).
2. The Explanatory Statement in respect of the Special business pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
3. The copy of Memorandum of Association of the Company shall be available for inspection between 11.00 A.M. to 1.00 P.M. on all working days except Sundays.

Explanatory Statement
Pursuant to Section 102 (1) of the Companies Act, 2013

The Company was incorporated on 29/05/1992 in West Bengal under the provisions of the Companies Act, 1956 bearing CIN No. L24112WB1992PLC055558 under the name and style of Lords Chemicals Limited as a Public Limited Company and is Limited by shares. The Shares of the Company is listed in the Following Stock Exchanges:

1. Calcutta Stock Exchange
2. Jaipur Stock Exchange
3. Bombay Stock Exchange

THE ANNUAL GENERAL MEETING OF COMPANY WILL BE CONDUCTED TO CONSIDER THE FOLLOWING ORDINARY BUSINESS:

1. "The Balance Sheet as at 31.03.2017 and Profit & Loss Accounts as on that date together with the notes and schedules annexed thereto and the Directors and Auditors Reports thereto be and are hereby adopted".
2. "Pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and The Companies (Audit and Auditors) Rules, 2014, (the rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the approval of Members at the Annual General Meeting, the appointment of M/s. P. D. Rungta & Co., Chartered Accountants as statutory auditors of the company, be and is hereby ratified to hold office as such from conclusion of this annual general meeting until the conclusion of next Annual General Meeting of the company, on such remuneration as may be decided by the Board of Directors of the Company.

3. Qualification and Disqualification of the Board of Director's of the company will be examined.
4. Appoint a Director in place of Mr. Navin Kumar Jain, who retires by rotation and being eligible, offers himself for re- appointment.

None of the Directors of the company is concerned or interested in the resolution except as shareholders in general.

For Lords Chemicals Ltd.

Navin Kumar Jain

Place: Kolkata
Date: 25-08-2017

Director
DIN: 00499139

BOARDS REPORT

To
The Members,

Your Directors have the pleasure in presenting herewith their 25th Annual Report on the business and operation of the Company together with the Audited Statements of Accounts of the Company for the year ended 31stMarch, 2017.

FINANCIAL RESULTS:

The performance of the company for the FY ended March 31, 2017 is summarized as below:

(Amount in `)

FINANCIAL RESULTS	FOR THE YEAR ENDED 31.03.2017	FOR THE YEAR ENDED 31.03.2016
Profit/ (loss) before tax for the year	(6,659,962.20)	(3,16,19,408.58)
Less: Provision for Income Tax	-	-
Less: Provision of Tax for earlier years (including FBT)	-	-
Less: Provision for Deferred Tax	3,158,072.89	47,10,532.85
Profit/ (loss) after tax for the year	(9,818,035.09)	(3,63,29,941.43)
Add: Previous Year's Carry Over Balance	1,038,743,834.65	10,75,073,776.08
Profit/ (loss) carried forward to the next year	1,028,925,799.56	1,038,743,834.65

REVIEW OF OPERATION:

The Company's gross income for the financial year ended 31stMarch, 2017 was Rs. 15,183/- and the Company incurred net loss during the period under review which has been Rs. 9,818,035.09/- Your Directors are continuously looking for avenues for future growth of the Company.

DIVIDEND

Due to losses in the previous year, your directors do not recommend any dividend for financial year ended 31stMarch, 2017.

TRANSFER TO RESERVES

For the financial year ended 31stMarch, 2017, the Company had not transfer any sum to reserves.

DEPOSIT

Your Company has not accepted any deposits from the public for the year under review within the meaning the Companies Act, 2013.

CORPORATE GOVERNANCE

Your Company has been constantly reassessing and benchmarking itself with well-established Corporate Governance practices besides strictly complying with the requirements of Clause 49 of the Listing Agreement. Your Directors re- affirms their commitment to the Corporate Governance Report as prescribed by Securities & Exchange Board of India (SEBI). A Certificate from the Practicing Company Secretary, conforming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is enclosed to this Report.

DIRECTORS AND KMP'S

The following changes have taken place in the Board of Directors for the year under review:

- In terms of the provision of the Companies Act, 2013, Mr. Navin Kumar Jain of the Company, retire by rotation and being eligible to offer himself for re-appointment at the ensuing Annual General Meeting. Your Board recommends his appointment.
- Mr. Sanjay Kumar Jain has been resigned as Director of the Company w.e.f 31-12-2016 with the approval of the Board.
- Mr. Anand Lakhotia has been appointed as the new Company Secretary of the Company w.e.f 15-07-2016 pursuant to Section 203 and 2(51) of the Companies Act, 2013.

A brief resume of the Directors retiring by rotation at the ensuing Annual General Meeting, nature of their expertise in specific functional areas and names of companies in which they hold directorship / membership / chairmanship of the Committees of the Board, as stipulated under Clause 49 of the Listing Agreement is given in the Corporate Governance.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 your Directors confirm:

- i) That in the preparation of the Annual Accounts, the applicable accounting standards had been followed;
- ii) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That they have prepared the Annual Accounts on a 'Going Concern' basis.
- v) That they have laid down internal financial controls in the Company that are adequate and were operating effectively.
- vi) That they have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

JOINT VENTURE AND SUBSIDIARY COMPANY

During the year under review, the company does not have any joint venture or subsidiary company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussions and Analysis Report forms an integral part of the Directors Report as stipulated under Clause 49 of the Listing Agreement and forms part of this Annual Report. The report provides strategic direction and more detailed analysis on the performance of business and its outlook.

AUDITORS

i) Statutory Auditors

M/s. P. D. Rungta & Co., Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting to be held for the year 2018-2019

The Company has received a letter from M/s. P. D. Rungta & Co. to the effect that their appointment, if made, would be within the prescribed limits under section 139 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of the Companies Act, 2013.

The Directors of the Company proposed ratification M/s. P. D. Rungta & Co. at the forthcoming Annual General Meeting.

ii) Secretarial Auditor

According to the provisions of Section 204 of the Companies Act, 2013 read with Section 179(3)(k) read with Rule 8(4) of the Companies (Meeting of Board and its Powers) Rules, 2014, the **Secretarial Audit Report** submitted by "Ms. Charu Gupta" the Company Secretary in Practice in form **MR-3** is enclosed as a part of this report in **Annexure A**.

HUMAN RESOURCES

The Company's industrial relations continued to be harmonious during the period under review. The Human Resource function constantly endeavors on high performance. Your company is continuing its emphasis on training and alignment.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company's policy on prevention of sexual harassment of women provides for the protection of women employees at the workplace and for prevention and redressal of such complaints. There were no complaints pending for the redressal at the beginning of the year and no complaints received during the financial year.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in **Form MGT-9**, as required under Section 92 of the Companies Act, 2013 is enclosed as a part of the Report in **Annexure B**.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required under provisions of conservation of energy and technology absorption as specified under section 134(3)(m) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014 are as follows:

Statutory information as required under the Companies Act, 2013.

A. Conservation of Energy

The energy conservation measures undertaken by the Company ensure savings in energy costs improving operational efficiency. There are no specific additional investments or proposed investments for reduction of consumption of energy since the primary investments decisions are always taken in such a way that energy is spent to the minimum level. The efficiency of energy utilization is closely monitored to attain a high level of effective conservation. Some of the measures adopted by the Company are mentioned below:

- (a) The boilers are run by Husk and it has saved substantial cost.
- (b) The plant has optimized the process energy balance and facilitated overall energy conservations in plant operation.
- (c) This is an ongoing exercise, the benefit of which is available in the long run.
- (d) Total energy consumption are as under:

	<u>2016-2017</u>	<u>2015-2016</u>
Power & Fuel Consumption:		
(i) Electricity Purchased		
Units (in thousands) (KWH)	--	--
Total Amount (₹)	--	--
Rate / Unit (₹)	--	--
(ii) Fuel Purchased		
Quantity (In Ltrs.)	--	--
Total Amount (₹)	--	--
Rate / Unit (₹)	--	--

B. Technology Absorption

- (i) The plant is being run by continuous Rotary Kiln capacity.

(ii) No technology has been imported by your Company during the last 5 years.

C. Foreign Exchange Earnings & Outgo

		(Amount in `)
(a) Foreign Exchange Earnings	:	
(i) F.O.B value of Exports		Nil
(b) Foreign Exchange Outgo	:	
(i) C.I.F value of Import		
Raw materials		Nil
(ii) Travelling Expenses		Nil

RELATED PARTY TRANSACTIONS

All related party transactions entered into during FY 2016-17 were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Act and the Listing Regulations. Further, there were no transactions with related parties which qualify as material transactions under the Listing Regulations. (Details of Related Party Transaction given in Note No.26 of the Financial Statement)

AUDIT COMMITTEE

The Audit Committee of the Board has been constituted in terms of Listing Regulations and Section 177 of the Companies Act, 2013. The constitution and other details of the Audit Committee are given in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of corporate social responsibility as specified under section 135 of the Companies Act, 2013 has no significance for the Company.

BOARD EVALUATION

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Board has carried out the annual evaluation of its own performance, and of each of the Directors individually, including the independent directors, as well as the working of its committees.

INTERNAL FINANCIAL CONTROL FOR FINANCIAL STATEMENTS

Internal financial control systems of the Company are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable accounting standards and relevant statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of corporate policies. The Company has a well-defined delegation of authority limits for approving revenue as well as expenditures. Processes for formulating and reviewing annual and long-term business plans have been laid down.

REMUNERATION POLICY

The Company has in place a Remuneration Policy for the Directors, KMP and other employees pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations.

PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report. Further, the Report and the Accounts are being sent to the members excluding the aforesaid statement. In terms of Section 136 of the Act, the said statement is open for inspection at the Registered Office of your Company. Any members interested in obtaining such particulars may write to the General Counsel & Company Secretary at the Registered Office of the Company.

VIGIL MECHANISM/WHISTLEBLOWER POLICY

The Company has adopted a Whistleblower Policy, to provide a formal mechanism to the Directors, employees and its stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee.

LOANS, GURANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

SIGNIFICANT AND MATERIAL ORDERS BY THE REGULATORS OR COURTS TRIBUNAL IMPACTING THE COMPANY'S GOING CONCERN STATUS & OPERATIONS IN FUTURE

During the period under review, no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business constituents.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by the Company's executives, staff and workers of the company during the year,

Date: 25.08.2017

For and behalf of the Board of Directors

Place : Kolkata

Ajay Kumar Jain Navin Kumar Jain
Managing Director Director

ANNEXURE TO DIRECTOR'S REPORT**ANNEXURE INDEX**

Annexure	Content
I	Annual Return Extracts in Form MGT 9
II	Secretarial Audit Report in Form MR - 3

**FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: L24112WB1992PLC055558
- ii) Registration Date: 29/05/1992
- iii) Name of the Company: Lords Chemicals Limited
- iv) Category / Sub-Category of the Company: Company Limited by Shares
- v) Address of the Registered office and contact details: 1/A, Mahendra Ray Lane,
Kolkata -700 046
Telephone:-033 40733155
E-mailID- lords@lordsgroup.in
Website:www.lordschemicals.com
- vi) Whether listed compa Ph. No.: (033)2235-7270/2235-7271
E-mail ID: nichetechpl@nichetechpl.com
CIN: U74140WB1994PTC062636

PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - Not Applicable

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.Promoters									
(1) Indian									
a) Individual/HUF	5321788	-	5321788	42.472	5621788	-	5621788	44.867	2.395
b) Central Govt or State Govt(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	44625	-	44625	0.356	71625	-	71625	0.572	0.216
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1):-	5366413	-	5366413	42.829	5693413	-	5693413	45.438	2.609
2.Foreign									
a)NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)Other-Individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corp.	-	-	-	-	-	-	-	-	-
d)Banks/FI	-	-	-	-	-	-	-	-	-
e)Any Other....	-	-	-	-	-	-	-	-	-
Sub - total(B)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	5366413	-	5366413	42.829	5693413	-	5693413	45.438	2.609
B.Public Shareholding									
1.Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b)Banks/FI	-	-	-	-	-	-	-	-	-
c)Central Govt or State Govt(s)	-	-	-	-	-	-	-	-	-
d)Venture Capital Funds	-	-	-	-	-	-	-	-	-
e)Insurance Companies	-	-	-	-	-	-	-	-	-
f) FIIs	-	-	-	-	-	-	-	-	-
g) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2.Non Institutions									
a) Bodies Corp.									
i)Indian	2744152	18500	2762652	22.048	2502966	18500	2521466	20.123	(1.925)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i)Individual shareholders holding nominal share capital up to Rs.2 Lakh	2235172	173847	2409019	19.226	2256552	173047	2429599	19.390	0.164
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh	1661338	6100	1667438	13.308	1686734	6100	1692734	13.510	0.202

c) Others (Specify)									
i) NRI/OCB	72587	-	72587	0.579	72597	-	72597	0.580	(0.001)
ii) Trust	-	-	-	-	-	-	-	-	-
iii) Clearing Members	251891	-	251891	2.010	120091	-	120091	0.958	(1.052)
Sub-total (B) (2) :-	6965140	198447	7163587	57.171	6638940	197647	6836587	54.562	(2.609)
Total Public shareholding(B)= (B)(1)+(B)(2):-	6965140	198447	7263587	57.171	6638940	197647	6836587	54.562	(2.609)
C) Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	12530000	-	12530000	100	12530000	-	12530000	100	-

(iii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		
		No. Of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares
1.	AJAY KUMAR JAIN			
	a)At the Beginning of the year	360000	2.873	
	b)Change during the year	10000	0.083	
	c)At the End of the year	360000	2.873	
2.	MANJU JAIN			
	a)At the Beginning of the year	36235	0.289	
	b)Change during the year	0	0	
	c)At the End of the year	36235	0.289	
3.	NAVIN KUMAR JAIN			
	a)At the Beginning of the year	2441313	19.484	
	b)Change during the year	300000	2.394	
	c)At the End of the year	2741313	21.878	
4.	SANJAY KUMAR JAIN			
	a)At the Beginning of the year	2420000	19.314	

	b)Change during the year	0	0	
	c)At the End of the year	2420000	19.314	
5.	VIMAL KUMAR JAIN			
	a)At the Beginning of the year	64240	.51	
	b)Change during the year	0	0	
	c)At the End of the year	64240	0.513	
6.	NORTH EASTERN AAYAT NIRYAT (P)LTD			
	a)At the Beginning of the year	525	0.004	
	b)Change during the year	27000	0.216	
	c)At the End of the year	27525	0.220	
7.	AKJ MINERALS LIMITED			
	a)At the Beginning of the year	44100	0.352	
	b)Change during the year	0	0	
	c)At the End of the year	44100	0.352	

iv) Change in Promoters' Shareholding (please specify, if there is no change): **3.359 Percent.**

v) Shareholding Pattern of top ten Shareholders:

Sl.No.	Name of the Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	MITESH AJIT THAKKAR	511561	4.083	511561	4.083
2	NEELAM JAIN	222000	1.772	222000	1.772
3	AHINSA MERCHANDISE PRIVATE LIMITED	165000	1.317	165000	1.317
4	ALMIGHTY FINANCE & INVESTMENT PRIVATE LIMITED	179594	1.433	179594	1.433
5	ASHU TRADECOM PVT. LTD .	165000	1.317	165000	1.317
6	JEM FISCAL PVT. LTD.	200000	1.596	200000	1.596
7	RELIGARE FINVEST LTD	171475	1.369	171475	1.369
8	VERTEX SUPPLIERS PVT LTD	477599	3.812	477599	3.812
9	SOUTHERN LEASE FINANCE LTD	175746	1.403	175746	1.403
10	JAVIYA PADIYAR TRADING LLP	109390	0.87	109390	0.87

(v) Shareholding of Directors and Key Managerial Personnel:

SL.No.	Name of the Shareholder*	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	NAVIN KUMAR JAIN	2441313	19.484	2741313	21.878
2	AJAY KUMAR JAIN	360000	2.873	360000	2.873

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	59,828,464.60	27,999,750	-	87,828,214.60
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	59,828,464.60	27,999,750	-	87,828,214.60

Change in Indebtedness during the financial year				
• Addition	-	-		
• Reduction	20855705	2237500		23093205
Net Change	(20855705)	(2237500)		(23093205)
Indebtedness at the end of the financial year				
i) Principal Amount	3,89,72,759.60	2,57,62,250		6,47,35,009.60
ii) Interest due but not paid			-	
iii) Interest accrued but not due			-	
Total (i+ii+iii)	3,89,72,759.60	2,57,62,250		6,47,35,009.60

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Whole Time Director	Amount
		PARTHA MAJUMDER	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	3,60,000.00	3,60,000.00
2.	Stock Option	-	
3.	Sweat Equity	-	
4.	Commission - as % of profit - others, specify...	- -	
5.	Others, please specify	-	
	Total (A)	3,60,000.00	3,60,000.00
	Ceiling as per the Act		

B. Remuneration to other directors: Nil

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO	Company Secretary	CFO
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-		-
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission:-	-	-	-
	(A)as % of profit	-	-	-
	(B)others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	-	-	-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: None

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31STMARCH,2017.

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

To

The Members,

LORDS CHEMICALS LIMITED

I have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **LORDS CHEMICALS 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 our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31stMarch, 2017 generally 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:

I have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31stMarch, 2017 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
- (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, 1992 and 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, 2009 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **(Not applicable to the Company during the audit period)**;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **(Not applicable to the Company during the audit period)**;
 - (f) 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 - **(Not applicable to the Company during the audit period)**;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **(Not applicable to the Company during the audit period)**; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **(Not applicable to the Company during the audit period)**.
- (vi) Other laws applicable specifically to the Company namely:
1. Food Safety and Standards Act, 2006, rules and regulations thereunder;
 2. Legal Metrology Act, 2009 and rules and regulations thereunder;
 3. The Fertiliser Control Order, 1985;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with Calcutta Stock Exchange Limited, Bombay Stock Exchange Limited and Jaipur Stock Exchange. read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made effective 1st December 2015.

During the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

I 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. **But Company failed to Comply with the Provision of Appointment of Women Director under Companies Act, 2013.**
- Adequate notice was 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.
- Decisions at the Board Meetings were taken unanimously.

I further report that 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, guidelines, etc.

I further report that during the audit period there were no instances of:

- i) Public/ Right/ Preferential issue of shares/ debentures/ sweat equity.
- ii) Redemption/ buy back of securities.
- iii) Merger/ amalgamation/ reconstruction, etc.
- iv) Foreign technical collaborations.
- v) Entering into any events, having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. Whereas in terms of the provisions of Section 149(1) of the Companies Act, 2013 read with rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company was required to appoint at least one Women Director on the Board of the Company latest by 31st March, 2017, the Company could not comply with the same.
2. Whereas in terms of the Regulation-33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding submission of financial results for the quarter ended 30th June, 2016, 30th September, 2016, 31st December, 2016 and the year ended 31st March, 2017 is not fulfilled.
3. The Company not complied with the provisions of Section 108 of the Companies Act, 2013 with respect to providing e-voting facility to the shareholders of the Company.
4. The Company is not paying listing fees to Calcutta Stock Exchange Limited, Bombay Stock Exchange Limited and Jaipur Stock Exchange Limited.

In respect of other laws specifically applicable to the Company, I have relied in information/records produced by the Company during the course of my audit and the reporting is limited to that extent.

Signature:

Name of Company Secretary in Practice:

Ms. CHARU GUPTA

FCS No.: 7325

C P No.: 8005

Place: Kolkata

Date: 25-08-2017

This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report

'Annexure -I'

To,

The Members,

Lords Chemicals Limited

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 process 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 process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records 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.

Signature:

Name of Company Secretary in Practice:

Ms. CHARU GUPTA

FCS No.: 7325

C P No.: 8005

Place: Kolkata

Date: 25-08-2017

MANAGEMENT DISCUSSION AND ANALYSIS:

1. INDUSTRY TRENDS & DEVELOPMENT

The chemical industry is critical for the economic development of any country, providing products and enabling technical solutions in virtually all sectors of the economy. The Indian chemical industry can deliver on an accelerated growth phase, provided a clearly defined vision along with a strategic roadmap is developed to enable it. If this is not done, we may see the growing market increasingly being served through manufacturing done outside India. The various segments of the chemical industry (such as organic chemicals, specialty chemicals, chlor-alkali, pesticides, colorants and alcohol based chemicals) have their own unique set of challenges. The industry can grow only if these individual segments overcome their challenges and move swiftly along the growth path. The industry and government will have to work in tandem to achieve the ambitious targets set for the chemical industry.

Your Company is engaged in the production of chrome based industrial chemical as Sodium Dichromate, Chromic Acid, Sodium Sulphate, Chrome Oxide Green and Chrome Concentrate. The main consumer industries of these products are Iron & Steel Industry, Paints & Pigment Industry, Chromic Acid Plant, COG Plant, Paper Industry, Acid extraction, Electroplating. With the effect of merger, your company also added Low Ash Metallurgical (LAM) Coke to its product basket. LAM coke is mainly used in Blast Furnace for production of Pig Iron and in Cupola Furnace for production of cast iron.

Your Company during this financial Year Company has incurred loss and management of your company is trying to recover the loss.

2. OPPORTUNITIES & THREATS

The link between risk and reward has become more important for your company as it grapples with the challenges of growing and delivering profits amidst stiff competition from global players. The world economic environment, client expectations and competitive landscape continue to evolve. This brings new challenges and risk such as expansion of overseas-based competitors in India, increasing awareness among the customers and competitive pricing in the market.

3. BUSINESS REVIEW/ SEGMENT-WISE PERFORMANCE

The financial statements for the year ended have been prepared on a going concern basis. In spite of competitive nature, your company has robust performance during the year under review. It does not have segments.

4. RISKS & CONCERN

The major risk for the products of your company's products continues to be the lack of demand as a result of slowdown in Iron & Steel as well as other industries. Although, the production in Iron & Steel industry is once again on the growth path but any negativity in the global economic recovery will once again put pressure in the demand for Company's products. Fluctuating interest rate and reduction in import duty will be an area of concern in future.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate Internal Control Systems commensurate with the size and nature of its business. Internal Control Systems are supplemented by internal audits carried out regularly by outside independent qualified Auditors. The Audit Committee interacts with the Statutory Auditors. The Management also regularly reviews the operational efficiencies, utilization of fiscal resources and compliance with laws so as to ensure optimum utilization of resources, achieve better efficiencies and comply with the laws of land.

6. FUTURE OUTLOOK

The outlook for the industrial chemical industry is very positive; the demand of the Company's products has also witnessed positive growth. Given the increasing demand and the positive impact there - off on prices, your Company is expected to continue to rise in its growth path and management is trying its hard and soul to recover the loss incurred during this financial year.

7. HUMAN RESOURCE MANAGEMENT

The Company has a strong and dedicated workforce. The relations between the management and the workforce continue to be cordial during the year. The employees are imparted training on site and are encouraged to participate in the decision making process. The Management acknowledges the contributions made by each employee at all levels and records its appreciation for the co-operations extended, but for which the present growth would not have been possible.

8. CAUTIONARY STATEMENT

Statements made in this report describing the Company's objectives, projections, estimates and expectations may be "forward-looking statements". Actual results could differ from those expressed or implied in this Report. Important factors that may have impact on Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets, changes in the Government regulations / policies, tax laws and other statutes and other incidental factors. The Company assumes no responsibility to publicly modify or revise any forward-looking statements on the basis of any future events or new information.

REPORT ON CORPORATE GOVERNANCE

Corporate governance is about commitment towards sustaining values and ethical business conduct. It is a set of processes, customs, policies and laws by which corporations are directed and controlled in the larger interests of all stakeholders. Good corporate governance is not merely about transparency and accountability. Underlying the concept is integrity which means doing the right things to discharge the entrusted responsibilities in an efficient, effective and judicious manner. It is the constant endeavor of the company to substantially follow the key principles of established governance of protecting shareholder wealth, enhancing it through proper utilization of resources, maintaining the wealth created and safeguarding the interests of all stakeholders. Maintenance of the internal controls for effective management is of paramount significance to the Board for safeguarding the interest of all its stakeholders.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, customers, vendors, investors and the society at large. Through its corporate governance measures, the company aims to maintain transparency in its financial reporting and keep all its stakeholders informed about its policies, performance and developments. Your company's Board has empowered key management officials to implement policies and guidelines related to the key elements of corporate governance - transparency, disclosure, supervision and internal controls, risk management, internal and external communications, high standards of safety, accounting fidelity, product and service quality. It also has in place comprehensive business review processes

Over the years, we have strengthened governance practices. These practices define the way business is conducted and value is generated. Stakeholders' interests are taken into account, before making any business decision.

We believe Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving.

BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties.

➤ COMPOSITION OF THE BOARD

The Board comprises such number of Non-Executive, Executive and Independent Directors as required under applicable legislation. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

As on 31stMarch, 2017, the Company has four directors. The constitution of the Board and category of the Directors are given below:

CATEGORY	NAME OF DIRECTORS
Promoter	Mr. Ajay Kumar Jain, Managing Director Mr. Navin Kumar Jain, Non - Executive Director
Executive Director	Mr. ParthaMajumder - Whole Time Director
Independent Director	Mr. Amar Sinha Ray, Non - Executive Director

Notes:

- Mr. Ajay Kumar Jain and Mr. Navin Kumar Jain are brothers. None of the other directors are related to any other director on the Board.
- The Director Mr. Navin Kumar Jain retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment. The brief resume and information relating to these Directors as required under Clause 49 of Listing Agreement with Stock Exchanges are furnished herein below:
- Brief Resume of Director Retiring by Rotation:
Mr. Navin Kumar Jain a Commerce Graduate and is associated with the Company. He has a rich experience in the areas of project development, operations, quality management, Commercial and General Management.
- The names and categories of the directors on the Board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships / memberships held by them on March 31, 2017 are given herein below.

Name of the Director	Category	No. of Directorships held in other companies		Number of committee positions held in other companies	Whether attended last AGM held on 28.09.2016	Number of board meetings during the year 2016-17	
		Public	Private			Held	Attended
Mr. Ajay Kumar Jain	Managing Director, Executive	3	4	-	Yes	7	7
Mr. Navin Kumar Jain	Non - Executive, Promoter	2	7	-	Yes	7	7
Mr. Partha Majumder	Whole Time Director, Executive	0	0	-	Yes	7	7
Mr. Amar Sinha Ray	Non - Executive, Independent	0	5	-	Yes	7	7

➤ **NON EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURE:**

Today's complex business environment demands constant guidance from the non-executive directors to ensure adherence to corporate governance policies and practices. Recognizing their contribution, the company remunerates them by payment of sitting fees for attending meeting of Board / Committee per the provisions of Articles of Association of the Company. No commission is being paid to the non - executive directors. Details of sitting fees paid to non - executive directors are given separately in the Annual Report.

➤ **BOARD MEETINGS**

The Board meets at least once a quarter to review the quarterly results and other items on the agenda and also on the occasion of the Annual General Meeting (AGM) of the Company. Additional meetings are held to address specific issues relating to the business. All the Board meetings are held at the registered office of the company at Kolkata. The Board periodically reviews compliance reports of all laws applicable to the Company. The necessary quorum was present for all the meetings. During the financial year ended 31st March 2017 Seven (7) meetings were held, as follows:

Sl. No.	Date of Board Meeting	Board Strength	No. of Directors present
1	12.05.2016	5	5
2	19.07.2016	5	5
3	31.08.2016	5	5
4	25.10.2016	5	5
5	30.11.2016	5	5
6	31.01.2017	4	4
7	15.03.2017	4	4

CODE OF CONDUCT

The Board of Directors of the Company plays an important role in ensuring good corporate governance and have laid down the code of conduct applicable to all members of Board of Directors and senior executives of the Company. A declaration by Managing Director affirming the compliance of the code of conduct by Board Members is annexed separately in this Annual Report.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board supervises the execution of the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review. Currently there are three committees –

- The Audit Committee.
- The Remuneration Committee, and
- The Shareholders/ Investor Grievance Committee.

Meetings of each Board Committee are convened by the respective Committee Chairman. Matters requiring the Board's attention / approval, as emanating from the Board Committee meetings, are placed before the Board by the respective Committee Chairman. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

❖ AUDIT COMMITTEE

In terms of Clause 49 of the listing agreement as well as per the Companies Act, 2013, the Board has constituted the Audit Committee of the Board of Directors. During the financial year 2016 - 17, the Audit Committee consisted of:

- Mr. Amar Sinha Ray,
- Mr. Navin Kumar Jain and

The Company Secretary of the Company acts as a secretary to the Audit Committee.

The Audit Committee is chaired by Mr. Amar Sinha Ray, who has wide experience on economic and financial issues. The Audit Committee, inter - alia, reviews:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation to the Board, the appointment, re - appointment and if required the placement or removal of the statutory auditor and fixation of the audit fee.
- Approval of payment to statutory auditors for any other service rendered by the statutory auditors.
- Management Discussion and Analysis of financial conditions and results of operations.
- Reviewing with the management, the quarterly financial statements and Annual financial Results.
- Annual Budget and various Reports.
- Significant related party transactions.
- Internal Audit Reports / Cost Audit Reports ,if any.
- Reviewing the Company's financial and risk management policies.

➤ MEETINGS AND ATTENDANCE

Mr. Amar Sinha Ray, Chairman of the Audit Committee was present at the Annual General Meeting held on 28.09.2016.

The audit committee met four times meetings during the financial year ended 31st March, 2017. The details as given below:

Name of Members	Category	Number of meetings during the financial year 2016 - 17	
		Held	Attended
Mr. Amar Sinha Roy (Chairman)	Non - Executive Independent Director	4	4
Mr.ParthaMajumder	Whole Time Director	4	2
Mr.Navin Kumar Jain	Non - Executive Director	4	4

The meetings of Audit Committee are also attended by the Managing Director and Statutory Auditors as special invitees.

❖ REMUNERATION COMMITTEE

The Board of Directors have constituted and designated the Remuneration Committee. The broad terms of reference of the Remuneration Committee are as follows:

- a. Review the performance of the Managing Director and the Whole-time Directors, after considering the Company's performance.
- b. Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Managing Director and Whole-time Directors.
- c. To approve the annual remuneration plan of the company.
- d. Such other matters as the Board may from time to time request the remuneration committee to examine and recommend/ approve.

The Remuneration Committee also functions as the Compensation Committee as per SEBI guidelines on the Employees' Stock Option Scheme. The Company, however, has not yet introduced the Employees' Stock Option Scheme.

➤ COMPOSITION

The Remuneration Committee comprises of:

- Mr. Amar Sinha Ray,
- Mr. Navin Kumar Jain and

Mr. Amar Sinha Ray, Chairman of the Remuneration Committee was present at the Annual General Meeting held on 28.09.2016.

During the year, Mr. Navin Kumar Jain and Mr. Partha Majumder are appointed as the member of the committee.

During the year ended 31stMarch, 2017, the Remuneration Committee met once.

➤ REMUNERATION TO DIRECTORS

The Company has a system where all the directors and senior management of the company are required to disclose all pecuniary relationship or transactions with the company. The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high-performance workforce. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) to its Managing Director and the Executive Directors. No significant material transactions have been made with non - executive directors' vis-à-vis the Company. The Company has a policy of not advancing any loan to its Directors. The appointment of Managing Director/ Whole Time Director is subject to termination by three months' notice in writing by either side.

Annual increments are decided by the remuneration committee within the salary scale approved by the Board as well as the members of the Company.

During the year 2016 - 17, the Company paid sitting fees of Rs. 500 per meeting to its non-executive directors for attending meetings of the board and meetings of committees of the board. The Company is not paying any commission to the non - executive directors. The remuneration payable is approved by the Board as well as the shareholders of the Company.

The details of remuneration for the year ended 31stMarch, 2017 are as follows:

Sl.No	Name of the Director	Salary & Allowances etc	Commission	Sitting Fees
1	Mr. Ajay Kumar Jain	6,00,000	0	-
2	Mr.ParthaMajumder	3,60,000	0	-
3	Mr.Navin Kumar Jain	-	0	6500
4	Mr. Amar Sinha Ray	-	0	6500

❖ SHAREHOLDER'S /INVESTOR GRIEVANCE COMMITTEE

The Committee is entrusted with the responsibility of addressing the shareholders' and investors' complaints with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc. and ensuring an expeditious share transfer process. The Committee also evaluates performance and service standards of the Registrar and Share Transfer Agent of the Company and

also provides continuous guidance to improve the service levels for the investors. In addition, the Committee looks into other issues including status of dematerialization / re-materialization of shares as well as systems and procedure followed to track investor complaints and suggest measures for improvement from time to time. The Company's shares are compulsorily traded and delivered in the dematerialized form in all Stock Exchanges. To expedite the transfer in the physical segment, necessary authority has been delegated to officers, who are authorized to transfer up to 2,500 shares under one transfer deed. Details of share transfers/transmission approved by the officers are placed before the Committee from time to time.

➤ COMPOSITION

The Board of Directors of the Company has constituted the Shareholders/ Investors Grievance Committee which is chaired by a Non-Executive Director/ Independent Director to specifically look into the redressal of shareholders queries and complaints.

During the financial year 2016- 17, the shareholder / investor grievance committee consisted of

- Mr. Amar Sinha Ray,
- Mr. Navin Kumar Jain, and

Mr. Anand Lakhotia, the Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges.

During the year, Mr. Navin Kumar Jain and Mr. Partha Majumder are appointed as the member of the committee.

During the year ended 31stMarch, 2017, the committee met once.

Details of investor complaints received and redressed during the year 2016 - 17 are as follows:

Received during the year	Resolved during the year
0	0

SUBSIDIARY COMPANIES

During the year under review, the company does not have any subsidiary company. Therefore the provision of listing agreement is not applicable to the Company.

DISCLOSURE:**➤ BASIS OF RELATED PARTY TRANSACTIONS:**

None of the transactions with any of the related parties were in conflict with the interest of the Company.

The Company places all the relevant details before the Audit Committee from time to time. Particulars of related party transactions are listed out in Notes on Accounts forming part of the Annual Report.

The Company's related party transactions are entered into based on consideration of the various business exigencies such as synergy in operation, optimization of Company's resources, legal requirements, liquidity and capital resources.

All related party transactions are negotiated at arm's length basis and are only intended to further the interest of the Company.

➤ RISK MANAGEMENT

The Company has laid down a robust Risk Management Policy defining risk profiles involving strategic, technological, operational, financial, organizational, legal and regulatory risks within a well-defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks. The Board is regularly updated on the key risks and the steps and processes initiated for reducing and, if feasible, eliminating various risks. Business risk evaluation and management is an ongoing process within the Company. The periodical updates on the Risk Management practices and mitigation plan of the Company are presented to the Audit Committee and Board of Directors. The Audit Committee and Board periodically review such updates and findings and suggest areas where internal controls and risk management practices can be improved. The Company has laid down procedures to inform Board members about risk assessment and minimization procedures with regard to safety of its operations. These procedures are periodically reviewed to ensure that executive management is controlling risks through properly defined framework. The system of risk assessment and follow-up procedure is in place and considering its increased operations the Company continues to reassess its risk management plan.

The Company has developed comprehensive risk management policy and it is reviewed by the Audit Committee, which in turn, informs the Board about the risk assessment and minimization procedures.

➤ **DISCLOSURE OF ACCOUNTING TREATMENT:**

The Company has followed all relevant Accounting Standards while preparing the financial statements.

➤ **MANAGEMENT:**

The Management Discussion and Analysis Report, published as a separate section of this report is prepared in accordance with the requirements laid out in Clause 49 of the Listing Agreement and forms part of the Annual Report.

➤ **SHAREHOLDERS:**

The Company is regularly providing details of new Directors and Directors seeking re-appointment in the Notice of Annual General Meeting attached with the Annual Report.

➤ **PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES, PREFERENTIAL ISSUES ETC.:**

During the year under review, the company not made any Public Issues, Right Issues, Preferential Issues Etc.

CEO/CFO CERTIFICATION:

The CEO Certification of the financial statements and the cash flow statement for the year ended 31stMarch, 2017 are enclosed separately with this report.

REPORT ON CORPORATE GOVERNANCE:

A separate section on Corporate Governance forms part of the Annual Report. **Certificate from a Practicing Company Secretary**, confirming compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges in India forms part of this report.

GENERAL BODY MEETINGS:

The last 3 Annual General Meetings (AGM) was held in Kolkata at the registered office of the Company. The details with regard to date and time are mentioned below:

Year	Category	Date	Time
2013-14	A.G.M	30.09.2014	10-00 A.M.
2014-15	A.G.M	29.09.2015	11-30 A.M.
2015-16	A.G.M	28.09.2016	11-30 A.M.

- a. No Special Resolutions are proposed to be passed through postal ballot at the ensuing Annual General Meeting.
- b. No Special Resolution has been passed in last 3(three) AGMs.

GENERAL SHAREHOLDERS INFORMATION:

Venue, date and time of the 25 th Annual General Meeting	<ul style="list-style-type: none"> • <u>Venue</u> - 1/A, Mahendra Ray Lane, Kolkata -700 046. • <u>Date</u> - Tuesday, 26th September, 2017 • <u>Time</u>- 11:30 a.m.
Financial year	<ul style="list-style-type: none"> • 01.04.2016 – 31.03.2017
Book Closure date	<ul style="list-style-type: none"> • 22.09.2017 to 26.09.2017 (Both days inclusive)
Dividend Payment Date	<ul style="list-style-type: none"> • Nil
Listing on Stock Exchange	<ul style="list-style-type: none"> • <u>Calcutta Stock Exchange Ltd.</u> 7, Lyons Range, Kolkata-700 001 • <u>Bombay Stock Exchange Ltd.</u> PhirozeJeejeebhoy Towers, Dalal Street, Mumbai-400023 • <u>Jaipur Stock Exchange Ltd.</u> Indira place, J. L.N. Marg, Malviya Nagar, Jaipur
Listing Fees:	<ul style="list-style-type: none"> • Not Paid
Depositories:	<ul style="list-style-type: none"> • <u>National Securities Depository Ltd.</u> Trade World, 4th Floor, Kamala Mills Compound SenapatiBapatMarg, Lower Parel, Mumbai 400 003. • <u>Central Depository Services (India) Ltd.</u> PhirozeJeejeebhoy Towers, 17th Floor, DalalStreet, Mumbai 400 023.
Stock Code	<ul style="list-style-type: none"> • Calcutta Stock Exchange – 022018 • Bombay Stock Exchange – 30274 • Jaipur Stock Exchange – 543

ISIN NO:	<ul style="list-style-type: none"> • INE 554C01014
Registrar And Share Transfer Agent	<ul style="list-style-type: none"> • Niche Technologies Pvt. Ltd. D-511, Bagree Market, 5th Floor, 71, Biplabi Rash BehariBasu Road Kolkata-700 001.
Plant Locations:	<ul style="list-style-type: none"> • Plot No. 47(A) & 46 Uluberia Industrial Growth Centre, Uluberia, Dist - Howrah, West Bengal. • 27P, Uluberia Industrial growth Centre Uluberia, Birshibpur, Howrah.
Dematerialization Of Shares:	Around 98.42% of Share Capital is held in dematerialized form and trading in Lords shares is permitted only in the dematerialized form from 01-10-2002 as per notification issued by The Securities and Exchange Board of India.
Outstanding Gdr/Warrants/ Convertible Bonds:	Not issued

➤ **ADDRESS FOR CORRESPONDENCE:**

Shareholders correspondence should be addressed to -

Registrar & Transfer Agent:	Niche Technologies Private Limited D-511, Bagree Market, 5th Floor, 71, Biplabi Rash BehariBasu Road, Kolkata-700 001.
The Company Secretary	Lords Chemicals Ltd. 1/A, Mahendra Ray Lane, Kolkata -700 046.

➤ **SHARE TRANSFER SYSTEM:**

The request for transfer of shares in physical mode should be lodged at the office of Company's Registrar and Share Transfer Agent - M/s Niche Technologies Pvt. Ltd. or at the Registered Office of the Company. Transfer are registered and returned in the normal course

within a period of 15 days of receipt, if the documents are found technically in order and complete in all respects.

The Company conducts a weekly review of the functions of the Registrar and Share Transfer Agent for upgrading the level of service to the Share Transfer Agent. Weekly review is also conducted on the response to the shareholder pertaining to their communication and grievance.

➤ **MARKET PRICE DATA AND PERFORMANCE IN COMPARISON TO INDEX:**

Month	Bombay Stock Exchange			Calcutta Stock Exchange			Jaipur Stock Exchange		
	High	Low	Close	High	Low	Close	High	Low	Close
Apr-16	Trading suspended during the year			There is no trading in Company's share			There is no trading in Company's share		
May - 16									
Jun - 16									
Jul - 16									
Aug - 16									
Sep - 16									
Oct - 16									
Nov - 16									
Dec - 16									
Jan - 17									
Feb - 17									
Mar - 17									

➤ **DISTRIBUTION OF SHAREHOLDING AS ON 31STMARCH, 2017 PURSUANT TO CLAUSE 35 OF THE LISTING AGREEMENT IS AS UNDER:**

Size of Holding	No of Share Holders	% of Share Holders	No of Share Holding	% of Share Holding
1-500	1846	69.0093	3,11,320	2.4846
501-1,000	269	10.0561	2,28,480	1.8235
1,001-5,000	379	14.1682	9,10,799	7.2689
5,001-10,000	82	3.0654	6,36,946	5.0834
10,001-50,000	72	2.6916	14,53,964	11.6039
50,001-1,00,000	12	0.4486	8,64,794	6.9018
1,00,001 and above	15	0.5607	81,23,697	64.8340
Total	2675	100.00	1,25,30,000	100.00

➤ **DISTRIBUTION OF SHAREHOLDING ON THE BASIS OF CATEGORIES OF SHAREHOLDERS AS ON 31STMARCH, 2017 IS AS UNDER:**

No. of equity shares held	No. of shares holders	No. of shares in physical form	No. of shares in demat form	Total No. of shareholding	% of Shareholding
Promoters	7	-	5,693,413	5,693,413	45.44
Mutual Funds & UTI	-	-	-	-	-
Bank & Financial Institution	-	-	-	-	-
FII	-	-	-	-	-
Corporates	74	18500	2502966	2,521,466	20.12
Individuals	2555	179147	3943286	4122433	32.9
NRI/CBs	14	-	72587	72,597	0.58
Clearing Mem/ Clearing Cor	25	-	120,091	120,091	0.96
Total	2675	197647	12332353	12530000	100.00

NON - MANDATORY REQUIREMENT

- i) The Company shall take a decision on the maximum tenure of Independent Directors on the Board of Company at an appropriate time.
- ii) The Company is always striving towards ensuring the unqualified financial statements.
- iii) The Company has not yet adopted any system of training for its Board members or performance valuation of its Non-Executive Directors.
- iv) There is no Whistle Blower Policy at present.

**DECLARATION BY MANAGING DIRECTOR ON COMPLIANCE WITH THE CODE OF
CONDUCT**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the senior management personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2017.

Place: Kolkata
Date: 25-08-2017

(Ajay Kumar Jain)
Managing Director & CEO

CEO CERTIFICATION

The Managing Director is the CEO and heading the Finance function, has certified to the Board that:

1. These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31stMarch, 2017 which, are fraudulent, illegal or violative of the Company's Code of Conduct.
4. I accept responsibility for establishing and maintaining internal controls for financial reporting. I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee those deficiencies in the design or operation of such internal controls of which, I am aware and the steps have been taken or proposed to be taken to rectify these deficiencies.
5. I have indicated to the Auditors and the Audit Committee:
 - a) there have been no significant changes in internal control over financial reporting during this period.
 - b) there have been no significant changes in accounting policies during this period.
 - c) there have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Place: Kolkata
Date: 25.08.2017

(Ajay Kumar Jain)
Managing Director & CEO

PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE UNDER SCHEDULE V(E) OF REGULATION 34(3) AND 53(f) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

To the Members of LORDS CHEMICALS LIMITED

I have examined the compliance of the conditions of Corporate Governance by Lords Chemicals Limited ('the Company') for the year ended on 31st March 2017, as stipulated in Schedule V(E) of Regulation 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of 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 my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

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

Signature:

**Name of Company Secretary in Practice:
Ms. CHARU GUPTA
FCS No.: 7325
C P No.: 8005**

**Place: Kolkata
Date: 25-08-2017**

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF

LORDS CHEMICALS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **LORDS CHEMICALS LIMITED** which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the preparation of the Act for safeguarding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

- I) Attention is drawn to Note No. 11: Valuation of Inventory. In the absence of necessary records relating to production, we are unable to comment on the value of inventory amounting to Rs. 7,99,70,056.50**
- II) The final dividend declared for FY 2011-12 of Rs. 62, 65,000/- has not yet been transferred to Special Dividend Account as per the requirement of Section 205A of the Companies Act, 1956. Further the Company has not yet transferred the interest to Special Dividend account as per the requirement of section 205A (4) of the Companies Act, 1956.**
- III) Attention is drawn to Note No. 21 relating to payment of Gratuity, Bonus & Leave Encashment which has not been accounted for in accordance with AS-15 issued by the Institute of Chartered Accountants of India. Since the basis for provisioning of the aforesaid expenses and liability could not be made available to us, we are unable to assess the appropriateness of the same.**

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *subject to paragraph I to III of Basis for Qualified Opinion*, the said financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) In the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2017 and
- (ii) In the case of the Statement of Profit and Loss, of the Loss, for the year ended on that date.
- (iii) In the case of the Cash Flow statement, of the cash flows for the year ended on that date.

Emphasis of Matter

- (i) *With reference to Note No. 6 & 12* – For and Trade Payables of Rs.16,66,23,023.20/- & Trade Receivables of Rs.45,27,71,985.96/-respective balance confirmation from the parties has not been made available to us.
- (ii) *Attention is drawn to Note No. 14 & 6* - For Short Term Loans & Advances to Others of Rs. 2,72,04,675.90 /-and Advances from Customers of Rs. 5,15,000.00/-, respective balance confirmation from the parties has not been made available to us.
- (iii) The Hon'ble Calcutta High Court had vide its order dated 18th May, 2012 approved the merger of Lords Chemicals Limited (Transferee Company) with Jagati Cokes Private Limited (Transferor Company) with effect from 1st April, 2010. As per the information & explanation given to us, by virtue of the liquidation order still pending by the Honorable High Court, all the assets and liabilities and income and expenditure of the Transferor Company exists and continues to be in operation in the name of Jagati Cokes Private Limited.

- (v) There is a *material uncertainty* as regard to the *going concern* of the company, due to the following reasons-
- (i) There is no Production during the Year. As informed by the management, there is temporary Shutdown.
 - (ii) Arrear of dividend (FY 2011-12). Dividend for further years has not been declared by the company.
 - (iii) Non compliance in payment of statutory dues as reported in Annexure to Auditor's Report (Clause vii).

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), as issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**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) Except the matter laid down, 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) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
 - (h) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B", and,

With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial Position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. The Company is not required to transfer any amount to the Investor Education and Protection Fund by the Company
- iv. The company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based upon the Audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of accounts maintained by the Company and produced to us by the Management.

For and on behalf of
P.D. RUNGTA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 001150C

(CA Harsh Satish Udeshi)
Partner
Membership No. - 301889
Date :
Place : Kolkata

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date on the accounts for the year ended 31st March, 2017 of LORDS CHEMICALS LIMITED.

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) All the assets have been physically verified by the management during the year based on a phased programme of verification at reasonable intervals. According to the information given to us, no material discrepancies were noticed on such verification.
- c) The title deeds of immovable properties are held in the name of the company.
- ii. As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.

In our opinion and according to the information and explanations given to us, having regard to the nature of the inventory the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

- iii. As informed to us, the Company has granted loan and advances, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. The year end balance of loan given to such parties is Rs. 79,51,66,343.00/-
 - a) The terms & conditions of the grant loan are prejudicial to the company's interest.
 - b) In our opinion and according to the information and explanations given to us, the company has granted *interest free* loans to the parties covered in the register maintained under section 189 of the Companies Act, 2013. The schedule of repayment of principal has *not* been stipulated and the repayments or receipts are *not* regular.
 - c) There are overdue amounts in the respect of the loans granted the parties listed in the register maintained under section 189 of the Act. It seems that management had not taken adequate step for recovery of the same.
- iv. The Company has made no loans, investments, guarantees, and security under section and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. The Company is not required to maintain cost records under section 148 of the Companies Act, 2013.

- vii. a) The company has generally been regular in depositing with appropriate authorities undisputed statutory dues including excise duty, sales tax *except* provident fund, employees' state insurance, professional tax, income tax, service tax, cess. Payment to PF & ESI Fund for the HO employees has not been deducted on a regular basis. The arrears of outstanding statutory dues as at 31.03.2017 for a period of more than 6 months from the date they become payable have been enlisted below:

Name of the Board	Nature of Dues	Amount Involved(Rs.)
Directorate of Commercial Taxes, WB	Professional Tax	2500/-
Central Board of Direct Taxes	Corporate Dividend Tax	20,32,680/-
Directorate of Commercial Taxes, WB	Entry Tax	2,10,372/-
Employee Provident Fund Organization	Employee Provident Fund	30,330.00/-

- b) As at 31st March, 2017, according to the records of the Company and the information and explanations given to us, the disputed dues on account of income tax, wealth tax, sales tax, service tax, customs duty, excise duty and cess outstanding is given below:

Name of the Statute	Nature of dues	Amount involved Rs.	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Central Excise	9,03,120/-	2006-07	Central Excise & service Appellate Tribunal.
W.B. Sales Tax Act, 1994	Sales Tax	9,85,224/-	2003-04 to 2004-05	Appellate & Revisional Board
The VAT Act, 2003	Value Added Tax	2,17,459/-	2006-07	Appellate & Revisional Board
The Central Sales Tax Act, 1956	Central Sales Tax	8,48,973/-	2003-04	Appellate & Revisional Board
The Central Sales Tax Act, 1956	Central Sales Tax	2,09,149/-	2006-07	Appellate & Revisional Board
The Central Sales Tax Act, 1956	Central Sales Tax	10,39,162/-	2010-11	Appellate & Revisional Board
The Income Tax Act, 1961	Income Tax	10,47,240/-	2008-09	Rectification
The Income Tax Act, 1961	Income Tax	1,05,64,330/-	2011-12	CIT Appeal, Kolkata
The Income Tax Act, 1961	Income Tax	90,87,650/-	2012-13	CIT Appeal, Kolkata

- viii. On the basis of our examination and according to the information and explanations given to us, referring to Note no. 5 to the financial statements, the Company has defaulted in repayment of interest on institution, banks. It has not issued any debentures.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and Term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and the records examined by us, managerial remuneration has been paid or provided in accordance with the requisite approvals u/s 197 read with Schedule V to the Companies Act.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of
P.D. RUNGTA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 001150C

(CA. Harsh Satish Udeshi)
Partner
Membership No. - 301889

Date :
Place : Kolkata

“ANNEXURE B” to the Independent Auditor’s Report of even date on the Financial Statements of LORDS CHEMICALS LIMITED**Report on the Internal Financial Statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“Act”)**

We have audited the Internal Financial Controls over financial reporting of **LORDS CHEMICALS LIMITED** as of March 31, 2017 in conjunction with our audit of the Financial Statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining Internal Financial Control based on the internal control over financial reporting 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 over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operative effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor’s Judgment, including the assessment of the risks of material misstatements 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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For and on behalf of
P.D. RUNGTA & CO.
CHARTERED ACCOUNTANTS
Registration No- 001150C

CA Harsh Satish Udeshi
Partner
Membership No: 301889

Place- Kolkata

Dated-

LORDS CHEMICALS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2017

(Amount in Rs.)

Particulars		Note No.	As At 31st March 2017	As At 31st March 2016
I.	EQUITY AND LIABILITIES			
	1) Shareholders' funds			
	(a) Share capital	2	12,53,00,000.00	12,53,00,000.00
	(b) Reserves and surplus	3	1,11,81,75,799.58	1,12,79,93,834.65
	2) Non-current liabilities			
	(a) Deferred tax liabilities (Net)	4	34,38,478.92	2,80,406.03
	3) Current liabilities			
	(a) Short Term Borrowings	5	6,47,35,009.60	8,78,28,214.60
	(b) Trade Payables	6	16,66,23,023.20	16,76,23,023.20
	(c) Other current liabilities	7	15,22,77,019.22	17,29,89,833.10
	(d) Short-term provisions	8	71,90,489.00	71,90,489.00
	TOTAL		1,63,77,39,819.51	1,68,92,05,800.58
II.	ASSETS			
	1) Non-current assets			
	(a) Fixed assets			
	-Tangible assets	9	2,73,45,419.41	2,95,08,389.78
	(b) Non-current investments	10	3,22,00,000.00	3,22,00,000.00
	2) Current assets			
	(a) Inventories	11	11,74,88,751.50	11,80,33,751.50
	(b) Trade receivables	12	57,25,18,720.96	59,39,57,359.96
	(c) Cash and cash equivalents	13	43,40,795.11	1,31,91,083.43
	(d) Short-term loans and advances	14	82,26,45,828.10	84,11,00,744.48
	(e) Other current assets	15	6,12,00,304.43	6,12,14,471.43
	TOTAL		1,63,77,39,819.51	1,68,92,05,800.58

The accompanying notes are an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board

For P. D. Rungta & Co.

Chartered Accountants

Firm Registration No. 001150C

Ajay Kumar Jain
Managing Director

(CA Harsh satish Udeshi)

Partner

Membership No. 301889

Navin Kumar Jain
Director

Place : Kolkata

Date :

Company Secretary

LORDS CHEMICALS LIMITED
PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(Amount in Rs.)

Particulars		Note No.	2016-17	2015-16
I.	Revenue from operations	16	-	-
II.	Other income	17	15,183.00	2,79,15,057.75
III.	Total Revenue (I+II)		15,183.00	2,79,15,057.75
IV.	Expenses:			
	Cost of Materials Consumed	18	-	-
	Purchases of Stock-in-Trade	19	-	-
	Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	5,45,000.00	68,36,250.90
	Employee benefits expense	21	8,34,000.00	14,31,627.00
	Finance Costs	22	-	29,81,098.00
	Depreciation and amortization expense	9	21,62,970.36	29,76,196.95
	Other expenses	23	31,33,174.82	4,53,09,293.48
	Total Expenses		66,75,145.18	5,95,34,466.33
V	Profit before Exceptional Item & Tax (III-IV)		(66,59,962.18)	(3,16,19,408.58)
VI.	Exceptional Item		-	-
VII.	Profit before Tax (V-VI)		(66,59,962.18)	(3,16,19,408.58)
VIII	Tax expense:			
	(1) Deferred tax		31,58,072.89	47,10,532.85
IX	Profit (Loss) for the period (VII-VIII)		(98,18,035.07)	(3,63,29,941.43)
X	Earnings per equity share:	25		
	(1) Basic		(0.78)	(2.90)
	(2) Diluted		(0.78)	(2.90)

The accompanying notes are an integral part of the financial statements.

This is the Profit & Loss Statement referred to in our report of even date.

For and on behalf of the Board

For P. D. Rungta & Co.

Chartered Accountants

Firm Registration No. 001150C

Ajay Kumar Jain
Managing Director

(CA Harsh satish Udeshi)

Partner

Membership. No. 301889

Navin Kumar Jain
Director

Place : Kolkata

Date :

Company Secretary

LORDS CHEMICALS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

(Amount in Rs.)

Sl.No.	Particulars	Year ended 31st March, 2017	Year ended 31st March, 2016
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax as per Profit and Loss Account	(66,59,962.18)	(3,16,19,408.58)
	Adjustment for :		
	Depreciation and Amortisation	21,62,970.36	29,76,196.95
	Financial Expenses	-	29,81,098.00
	Interest Income	-	-
	Profit on sale of Fixed Assets	-	(2,79,15,057.75)
	Adjustment for Depreciation on sale of Fixed Assets	-	(97,736.00)
	Operating Profit Before Working Capital Changes	(44,96,991.82)	(5,36,74,907.38)
	Adjustment for :		
	(Increase)/Decrease in Inventories	5,45,000.00	2,29,27,282.90
	(Increase)/Decrease in Sundry Debtors	2,14,38,639.00	35,90,72,152.45
	(Increase)/Decrease in Loans and Advances	1,84,54,916.38	3,61,04,982.00
	(Increase)/Decrease in Current Liabilities	(4,48,06,018.88)	(39,69,23,648.38)
	(Increase)/Decrease in other Current Asset	14,167.00	(1,30,141.00)
	Cash Generated from Operation	(88,50,288.32)	(3,26,24,279.41)
	Taxes Paid (Including CDT & FBT)	-	-
	NET CASH GENERATED FROM OPERATING ACTIVITIES	(88,50,288.32)	(3,26,24,279.41)
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of Fixed Assets	-	(1,62,609.00)
	Sale of Fixed Assets	-	32600000.00
	Interest Income	-	-
	NET CASH USED IN INVESTING ACTIVITIES	-	3,24,37,391.00
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Financial Expenses Paid	-	(29,81,098.00)
	NET CASH PROVIDED BY/(USED) IN FINANCING ACTIVITIES	-	(29,81,098.00)
	NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(88,50,288.32)	(31,67,986.41)
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,31,91,083.43	1,63,59,069.84
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	43,40,795.11	1,31,91,083.43

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of the Board

For **P. D. Rungta & Co.**
Chartered Accountants
Firm Registration No. 001150C

Ajay Kumar Jain
Managing Director

(CA Harsh satish Udeshi)
Partner
Membership No. 301889

Navin Kumar Jain
Director

Place : Kolkata
Date :

Company Secretary

Note 2 : Share Capital

Particulars	As at 31st March 2017		As at 31st March 2016	
	Number	Value (Rs.)	Number	Value (Rs.)
Authorised Equity Shares of Rs.10/- each	1,30,00,000	13,00,00,000.00	1,30,00,000	13,00,00,000.00
Issued, Subscribed & Paid up Equity Shares of Rs.10/- each fully paid	1,25,30,000	12,53,00,000.00	1,25,30,000	12,53,00,000.00
Total	1,25,30,000	12,53,00,000.00	1,25,30,000	12,53,00,000.00

Note 2(a) A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31st March 2017		As at 31st March 2016	
	Number	Value (Rs.)	Number	Value (Rs.)
Shares outstanding at the beginning of the year	1,25,30,000	12,53,00,000.00	1,25,30,000	12,53,00,000.00
Add: Share Suspense Account	-	-	-	-
Shares outstanding at the end of the year	1,25,30,000	12,53,00,000.00	1,25,30,000	12,53,00,000.00

Note 2(b) The Company has only one class of ordinary shares ('Equity Shares') having a par value of Rs.10/- each. Each holder of ordinary shares ('Equity Shareholders') is entitled to one vote per share and are entitled to dividend and to participate in

Note 2(c) Shares in the Company held by each shareholder holding more than 5 percent shares:

Name of Shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Navin Kumar Jain	18,38,372	14.67%	18,38,272	14.67%
Sanjay Kumar Jain	24,20,000	19.31%	24,20,000	19.31%

Note 2(d) Ordinary Shares allotted as fully paid up Bonus Shares for the period of five years immediately preceding 31st March, 2015

Particulars	2016-17	2015-16	2014-15	2013-14
	(No. of Shares)	(No. of Shares)	(No. of Shares)	(No. of Shares)
Bonus Shares issued by Jagati Cokes Pvt Ltd. in Financial Year 2010-2011*	65,45,000	65,45,000	65,45,000	65,45,000

* Allotment of 65,45,000 new equity shares of Rs. 10 each as fully paid-up Bonus shares had been made on 29.01.2011.

Note 3 : Reserves and Surplus

Particulars	As at 31st March 2017	As at 31st March 2016
	Rs.	Rs.
(a) Securities Premium Account		
Opening Balance	8,92,50,000.00	8,92,50,000.00
(+) Securities premium credited on Share issue	-	-
(-) Premium Utilised for various reasons	-	-
Closing Balance	8,92,50,000.00	8,92,50,000.00
(b) Capital Subsidy Reserve		
Opening Balance	-	-
(+) Addition During The Year	-	-
(-) Utilised During The Year	-	-
Closing Balance	-	-
(c) Surplus in Statement of Profit and Loss		
Opening balance	1,03,87,43,834.65	1,07,50,73,776.08
(+) Net Profit for the current year	(98,18,035.07)	(3,63,29,941.43)
	1,02,89,25,799.58	1,03,87,43,834.65
Total	1,11,81,75,799.58	1,12,79,93,834.65

* The company has paid interest on Dividend declared for FY 10-11 in accordance with Section 205A(4) of The Companies Act, 1956 as decided in the AGM held on 21.07.12. No further interest has been paid by the company in FY 2015-16.

Note 4 The Deferred Tax Calculations in terms of AS-22 are given below:

(i) The Company has recognised deferred tax arising on account of timing differences, being the difference between taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s) in compli

(ii) The major components of Deferred Tax arising on account of timing difference as at 31st March, 2017 is as under:

Particulars	Detail (Rs.)	Timing Difference (Rs.)	Amount (Rs.)
WDV of Fixed Assets as on 31.03.2017			
As per Companies act, 2013	2,73,45,419.41		
As per Income Tax Act, 1961	-	2,73,45,419.41	
Less : Expenses disallowed u/s 43B		1,62,17,655.90	
Timing Difference as on 31.03.2017		(1,11,27,763.51)	
Deferred Tax Liability as on 31.03.17			(34,38,478.92)
Less: Deferred Tax Asset as on 31.03.2016			2,80,406.03
Balance to be transferred in Profit & Loss Statement			(31,58,072.89)

Note 5 Short Term Borrowings

Particulars	As at 31st March 2017	As at 31st March 2016
	Rs.	Rs.
(a) Loans repayable on demand *		
From bank :		
<u>Secured loans</u>		
Bank of India ¹	2,81,03,600.65	4,89,59,305.65
The South India Bank ²	72,27,066.95	72,27,066.95
Bank of India - FITL A/C	36,42,092.00	36,42,092.00
(b) Loans and advances from related parties		
- SKJ Steels & Iron Pvt Ltd	1,61,12,250.00	1,61,12,250.00
- Loans from Director	30,50,000.00	47,02,500.00
- Ganesh Metcoke Industries	-	5,00,000.00
(c) Other loans and advances		
<u>Unsecured loans</u>		
Loan from Corporate Bodies	56,00,000.00	55,45,000.00
From Others	10,00,000.00	11,40,000.00
Total	6,47,35,009.60	8,78,28,214.60

¹ Loan from Bank of India is still in name of Jagati Coke Pvt. Ltd. and is secured by way of:

- (a) Primary Security: Hypothecation of Stocks and Book Debts relating to Coke Unit.
(b) Collateral Security: Equitable mortgage of factory land and construction/shed thereon and Hypothecation of Plant & Machinery of Coke unit.

² Working Capital facility from The South Indian Bank Ltd. Is secured by way of:

- (a) Primary Security: Hypothecation of Stocks and Debtors (other than Coke unit).
(b) Collateral Security:
(i) Equitable mortgage of factory land & building of the Company (other than Coke unit).
(ii) Equitable mortgage of factory lease hold land of the Company.
(iii) Company's Director Mr. Ajay Kumar Jain and Mr. Navin Kumar Jain has given Personal Gaurantee for entire loan.

* CC account with South Indian Bank has been declared NPA as on 31.03.2013. The above mentioned security have been hypothecated against the Cash Credit facility availed by the Company from South Indian Bank. Due to non-compliance with terms and conditions relating to the Cash Credit, the bank declared the Cash Credit Account as NPA and filed a case with Kolkata Debts Recovery Tribunal No. 2 for recovery of dues. Auction proceedings has been initiated by the bank under the SARFAESI Act, 2002.

Note 6 Trade Payables

Particulars	As at 31st March 2017	As at 31st March 2016
	Rs.	Rs.
Trade payables other than MSME*	16,66,23,023.20	16,76,23,023.20
Total	16,66,23,023.20	16,76,23,023.20

* There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31.03.2016. This Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 7 Other Current Liabilities

Particulars	As at 31st March 2017	As at 31st March 2016
	Rs.	Rs.
(a) Unpaid Dividend *	2,00,926.10	2,00,926.10
Dividend Declared but not paid **	62,65,000.00	62,65,000.00
(b) Other payables:	-	-
Auditor's Remuneration Payable	1,52,310.00	3,34,664.00
Advance from Customers	12,72,66,175.22	14,51,38,757.10
Statutory Dues	1,62,25,155.90	1,72,30,654.90
Liabilities for Expenses	21,67,452.00	38,19,831.00
Total	15,22,77,019.22	17,29,89,833.10

* There are no amounts due and outstanding for payment to the Investor Education and Protection Fund Under Section 125 of the Companies Act, 2013 as at year end.

** The dividend declared for the F.Y 11-12, has not yet been transferred to a special dividend account as per section 205A(1) of the Companies Act, 1956. The company has not transferred the interest to special dividend account as per the requirement of section 205A(4) of companies Act, 1956.

Note 8 Short Term Provisions

Particulars	As at 31st March 2017	As at 31st March 2016
	Rs.	Rs.
Others		
Provision for Income Tax	71,90,489.00	71,90,489.00
Total	71,90,489.00	71,90,489.00

Note 10 Non - Current Investment

Particulars	As at 31st March 2017	As at 31st March 2016
	Rs.	Rs.
Investment in Equity Instrument of Associate Company, Unquoted, Fully paid-up 32,20,000 nos. Equity Shares [March 31, 2014 : 32,20,000] of Rs. 10/- each held in Mahabir Coke Industries Private Limited*	3,22,00,000.00	3,22,00,000.00
Total	3,22,00,000.00	3,22,00,000.00

* The Hon'ble Calcutta High Court had vide its order dated 18th May, 2012 approved the merger of Lords Chemicals Limited (Transferee Company) with Jagati Cokes Private Limited (Transferor Company) with effect from 1st April, 2010. As per the information & explanation given to us, by virtue of the liquidation order still pending by the Honorable High Court, all the assets and liabilities and income and expenditure of the Transferor Company exists and continues to be in operation in the name of Jagati Cokes Private Limited.

* The investment in aforesaid shares are held in the name of Jagati Cokes Pvt. Ltd.

Note 11 Inventories *

Particulars	As at 31st March 2017	As at 31st March 2016
	Rs.	Rs.
(a) Raw Materials	3,75,18,695.00	3,75,18,695.00
(b) Work In Progress	-	-
(c) Finished Goods	96,35,430.00	96,79,560.00
(d) Stock-in-trade	6,98,55,622.50	6,98,11,492.50
(e) Stores and Spares	4,79,004.00	10,24,004.00
Total	11,74,88,751.50	11,80,33,751.50

* CC account with South Indian Bank has been declared NPA as on 31.03.2013. Inventories have been hypothecated against the Cash Credit facility availed by the Company from South Indian Bank. Due to non-compliance with terms and conditions relating to the Cash Credit, the bank declared the Cash Credit Account as an NPA and filed a case with Kolkata Debts Recovery Tribunal No. 2 for recovery of dues. Auction proceedings has been initiated by the bank under the SARFAESI Act, 2002.

Note 12 Trade Receivables

Particulars	As at 31st March 2017	As at 31st March 2016
	Rs.	Rs.
Trade Receivables (Unsecured , considered good) Outstanding for a period exceeding six months from the date they become due for payment*	57,25,18,720.96	59,39,57,359.96
Total	57,25,18,720.96	59,39,57,359.96

* CC account with South Indian Bank has been declared NPA as on 27.06.2013. Debtors have been hypothecated against the Cash Credit facility availed by the Company from South Indian Bank. Due to non-compliance with terms and conditions relating to the Cash Credit, the bank declared the Cash Credit Account as NPA and filed a case with Kolkata Debts Recovery Tribunal No. 2 for recovery of dues. Auction proceedings has been initiated by the bank under the SARFAESI Act, 2002.

Note 13 Cash and Cash Equivalents

Particulars	As at 31st March 2017	As at 31st March 2016
	Rs.	Rs.
a) Balances with Banks		
(a) in Current Account* (Term Deposit with original maturity more than three months but less than Twelve months)	97,503.87	1,49,756.19
b) Earmarked balances with Bank		
-Unpaid Dividend Account	2,00,926.10	2,00,926.10
c) Cash In Hand	40,42,365.14	1,28,40,401.14
Total	43,40,795.11	1,31,91,083.43

Balances in current account with Bank of Baroda and Bank of India totalling to Rs.62,774.84/- (Prv. Yr. Rs.37,849.16/) are in the name of Jagati Cokes Pvt. Ltd.

Note 14 Short-term Loans & Advances

Particulars	As at 31st March 2017	As at 31st March 2016
	Rs.	Rs.
(a) Loans and Advances to Related Parties		
Unsecured, Considered good	79,51,66,343.00	80,85,02,287.38
b) Others		
Unsecured, Considered good		
-Loans and Advances to Others	2,72,04,675.90	3,23,52,815.90
Secured, Considered good		
-Security Deposit	2,74,809.20	2,45,641.20
Total	82,26,45,828.10	84,11,00,744.48

Note 15 Other Current Assets

Particulars	As at 31st March 2017	As at 31st March 2016
	Rs.	Rs.
Others		
Prepaid Expenses	6,603.00	20,770.00
Interest Subsidy Receivable	44,60,616.00	44,60,616.00
Transport Subsidy Receivable	2,96,56,108.00	2,96,56,108.00
Balance with Commercial Tax Department	2,27,42,053.59	2,27,42,053.59
Balance with Central Excise Department	2,77,487.00	2,77,487.00
Balance with Income Tax Department	40,57,436.84	40,57,436.84
Total	6,12,00,304.43	6,12,14,471.43

Note 16 Revenue From Operations

Particulars	2016-17	2015-16
	Rs.	Rs.
Gross Revenue from Sale of Products:		
Finished Goods: (A)		
Chemicals	-	-
Traded Goods: (B)		
Polymer Granules	-	-
(A)+(B)	-	-
Less: Excise Duty and VAT attributable to products sold	-	-
Total	-	-

Note 17 Other Income

Particulars	2016-17	2015-16
	Rs.	Rs.
Interest Income	15,183.00	-
Profit on sale of Fixed Assets		2,79,15,057.75
Total	15,183.00	2,79,15,057.75

Note 18 Cost of Materials Consumed

Particulars	2016-17	2015-16
	Rs.	Rs.
Raw Materials		
Opening Stock	3,75,18,695.00	5,36,09,727.00
Purchases	-	-
Total	3,75,18,695.00	5,36,09,727.00
Less:		
Wastage	-	1,60,91,032.00
Closing Stock	3,75,18,695.00	3,75,18,695.00
Total	-	-

Note 19 Purchases of Stock In Trade

Particulars	2016-17	2015-16
	Rs.	Rs.
Traded Goods	-	-
Total	-	-

Note 20 Changes in inventories of Finished Goods, Work in Progress and Stock-in-Trade

Particulars	2016-17	2015-16
	Rs.	Rs.
<u>Inventories at the end of the year</u>		
Finished Goods	96,79,560.00	96,79,560.00
Traded Goods	6,98,11,492.50	6,98,11,492.50
Work In Progress	-	-
Stores and Spares	4,79,004.00	10,24,004.00
(A)	7,99,70,056.50	8,05,15,056.50
<u>Inventories at the beginning of the year</u>		
Finished Goods	96,79,560.00	96,79,560.00
Traded Goods	6,98,11,492.50	6,98,11,492.50
Work In Progress	-	67,50,010.90
Stores and Spares	10,24,004.00	11,10,244.00
(B)	8,05,15,056.50	8,73,51,307.40
Total (A - B)	5,45,000.00	68,36,250.90

Note 21 Employee Benefit Expenses

Particulars	2016-17	2015-16
	Rs.	Rs.
Salaries and Wages	4,74,000.00	4,71,627.00
Bonus	-	-
Managerial Remuneration	3,60,000.00	9,60,000.00
Total	8,34,000.00	14,31,627.00

Note 22 Finance Cost

Particulars	2016-17	2015-16
	Rs.	Rs.
Bank Interest on Cash Credit Account	-	29,81,098.00
Total	-	29,81,098.00

Note 23 Other expenses

Particulars	2016-17	2015-16
	Rs.	Rs.
Testing & Laboratory Expenses	10,120.00	10,000.00
Power & Fuel	-	6,338.00
Repair & Maintenance (Others)	-	37,475.00
Water Expenses	-	4,787.00
Wastage	-	1,60,91,032.00
Auditor's Remuneration and expenses		
- As Audit Fees	34,500.00	40,000.00
- Internal Audit Fees	3,000.00	6,000.00
Bank Charges	1,10,745.16	20,172.59
Discount Allowed	-	2,71,80,000.00
Electricity Expenses	1,24,200.00	97,085.00
Filing Fees	17,000.00	1,300.00
General Expenses	263.00	3,615.60
Inspection & Valuation Charges	-	27,550.00
Insurance	51,920.00	59,437.00
Interest & late Fees	1,993.00	48,954.66
Legal & Professional Fees	42,219.00	2,38,200.00
License Renewal and Certification Fees	200.00	3,850.00
Listing Fees	3,60,420.00	3,59,302.00
Maintenance Expenses	-	3,66,480.00
Pollution Treatment Expenses	25,100.00	25,100.00
Postage & Telegram	80.00	-
Printing & Stationary	1,770.00	-
Prior Period Items	15,000.00	-
Rates & Taxes	-	-
-Professional Tax	5,000.00	10,000.00
-Trade License	-	1,850.00
Sales Promotion	-	27,278.00
Security Service Charges	-	1,57,237.00
Share Transfer & Registration Expenses	-	31,658.00
Subscription and Advertisement	36,103.00	94,580.00
Sundry Balance Written Off	4,65,887.00	1,57,495.05
Telephone Expense	1,24,497.66	1,11,472.58
Travelling & Conveyance	16,157.00	91,044.00
Wastage Management Expenses	16,87,000.00	-
Total	31,33,174.82	4,53,09,293.48

Note 24 Segment Reporting

As per AS-17 the Company has considered business segment as the primary segment for disclosure of the product

(Amount in Rs.)

Particulars	As at 31 March 2017	As at 31 March 2016
Segment Revenue		
Chemical	-	24,517.00
LAM Coke	-	-
Total	-	24,517.00
Segment Result		
Chemical	(46,50,819.34)	(5,39,81,130.37)
LAM Coke	(5,68,688.46)	(6,34,293.08)
Total	(52,19,507.81)	(5,46,15,423.45)
Unallocated corporate expenses net of unallocated income	(14,40,454.37)	2,59,77,112.89
Profit/ (Loss) before Interest etc. and Tax	(66,59,962.18)	(2,86,38,310.56)
Finance Cost	-	29,81,098.00
Profit/ (Loss) before Tax	(66,59,962.18)	(3,16,19,408.56)
Tax expense	31,58,072.89	47,10,532.85
Profit/ (Loss) for the year	(98,18,035.07)	(3,63,29,941.41)
Segment Assets		
Chemical	50,16,05,634.07	39,58,69,061.59
LAM Coke	27,31,58,331.61	40,30,12,345.48
Total	77,47,63,965.68	79,88,81,407.07
Unallocated Corporate Assets	86,29,75,853.83	89,03,24,393.53
Total	1,63,77,39,819.51	1,68,92,05,800.60
Segment Liabilities		
Chemical	33,17,15,410.37	35,44,02,111.25
LAM Coke	4,16,51,813.55	6,35,90,784.55
Total	37,33,67,223.92	41,79,92,895.80
Unallocated Corporate Liabilities	1,26,43,72,595.59	1,27,12,12,904.80
Total	1,63,77,39,819.51	1,68,92,05,800.60
Segment Capital Expenditure		
Chemical	-	-
LAM Coke	-	-
Total	-	-
Unallocated Capital Expenditure	-	-
Total	-	-
Segment Depreciation and amortisation		
Chemical	15,86,132.34	22,24,113.47
LAM Coke	3,93,588.46	4,61,566.08
Total	19,79,720.81	26,85,679.55
Unallocated Depreciation and amortisation	1,83,249.55	2,90,517.39
Total	21,62,970.36	29,76,196.94
Particulars	Chemical	LAM Coke
Principal items manufactured	Sodium Dichromate, Sodium Sulphate	LAM Coke

Note 25 Earning per share (in terms of AS 20) has been computed as under

Particulars	2016-17	2015-16
Profit after Tax (Rs.)	(98,18,038.07)	(3,63,29,941.43)
Weighted Average No.of shares Outstanding (Nos.)	1,25,30,000	1,25,30,000
Earnings per share on profit after tax (face value Rs.10/- per share) -	(0.78)	(2.90)

Note 26 The disclosure as required in terms of AS - 18 (Related Party Disclosure) are given below :

(i) List of Related Parties

(a) Associates

Mahabir Coke Industries (P) Ltd

Status

Private Limited Company

(b) Key Management Personnel

Mr Ajay Kumar Jain

Managing Director

Mr Navin Kumar Jain

Director

Mr Sanjay Kumar Jain

Director

Mr Amar Sinharay

Director

Mr Partha Majumder

Wholetime Director

(c) Relatives of KMP

Mr Vimal Kumar Jain

Brother-in-law of director

(d) Common Directors

AKJ Minerals Limited

Limited Company

SKJ Coke Industries Ltd.

Limited Company

Sethi Mintrade Pvt Ltd

Private Limited Company

(d) KMPs are Partners

Jupiter Coke Industries

Partnership Firm

Parasnath Coke Industries

Partnership Firm

Raj Coke Industries

Partnership Firm

Sethi Coke Industries

Partnership Firm

Shiva Coke Industries

Partnership Firm

Sheo Shakti Coke Industries

Partnership Firm

(e) Relatives of KMPs are Partners

Ganesh Metcoke Industries

Partnership Firm

Jai Coke Industries

Partnership Firm

Kamrup Coke Industries

Partnership Firm

Sri Balaji Coke Industries

Partnership Firm

(ii) Transactions with Related Parties

Particulars	2016-17	2015-16
	Rs.	Rs.
Key Managerial Personnel		
- Remuneration Paid	3,60,000.00	9,60,000.00
Others		
- Loans & advance Given	8,30,09,252.00	2,11,57,601.0
- Loan & Advances Received	6,28,12,797.50	33,29,735.8

(iii) Balance Outstanding at the Year end :

Particulars	As at 31 March 2017	As at 31 March 2016
	Rs.	Rs.
(a) To Related parties (Cr. Balances)		
Ajay Kumar Jain (Director Remuneration)	-	17,66,304.00
Navin Kumar Jain (Loans & Advances)	30,50,000.00	47,02,500.00
Sanjay Jain (Loans & Advances)	-	50,000.00
AKJ Minerals Limited (Advance from Customer)	12,39,74,610.55	14,38,41,433.05
SKJ Coke Industries Limited (Advance from Customer)	27,76,564.67	-
Ganesh Metcoke Industries (Advances)	-	5,00,000.00
SKJ Steels & Irons Pvt Ltd (Advances)	1,61,12,250.00	1,61,12,250.00
(b) From Related Parties (Dr. Balances)		
Jai Coke Industries (Advances)	9,81,68,278.00	9,81,68,278.00
Mahabir Coke Industries (P) Ltd. (Advances)	-	64,53,384.00
Parasnath Coke Industries (Advances)	4,36,04,832.00	4,36,04,832.00
Raj Coke Industries (Advances)	11,75,16,909.00	12,10,36,909.00
Sethi Coke Industries (Advances)	6,84,57,416.00	6,84,57,416.00
Sheo Shakti Coke Industries (Advances)	5,40,12,663.00	5,40,12,663.00
Shiva Coke Industries (Advances)	8,90,54,245.00	8,90,54,245.00
SKJ Coke Industries Ltd (Debtor)	-	28,04,722.33
Sri Balaji Coke Industries (Advances)	25,00,30,052.00	25,00,30,052.00
Ganesh Metcoke Industries (Advances)	7,36,02,462.00	7,36,02,462.00
Jupiter Coke Industries (Debtor)	1,58,11,284.00	99,91,284.00
Ajay Kumar Jain (Advances)	7,19,486.00	-
Kamrup Coke Industries (Debtor)	10,39,35,451.00	10,39,35,451.00

Note 27 Contingent liabilities and commitments (to the extent not provided for) as on 31.03.2017

- i) The Company has received demand notice from Sales Tax Authority of Rs. 22,95,247.00 for the Financial year 2003-2004, 2004-2005 & 2006-2007. The Company has filed the appeal before the Appellate Authorities.
- ii) The Company has received demand notice from Sales Tax Authority of Rs. 10,39,162.00 for the financial year 2010-2011. The Company has filed the appeal before the Appellate Authorities.
- iii) The Company has received demand notice from Central Excise Authority of Rs. 9,03,120.00 for the year 2006-2007. The Company has filed an appeal before the CESTAT.
- iv) The Company has received a demand notice of Rs. 10,47,240/- u/s 143(1) of the Income Tax Act, 1961 for the assessment year 2009-10 against which the Company has filed application u/s 154 of the Income Tax Act, 1961.
- v) The Company has received a demand notice of Rs. 1,05,64,330/- u/s 143(3) of the Income Tax Act, 1961 for the assessment year 2012-13 against which the Company has filed an appeal u/s 246A(1)(a) of the Income Tax Act, 1961 before CIT(Appeals).
- vi) The Company has received a demand notice of Rs. 90,87,650/- u/s 143(3) of the Income Tax Act, 1961 for the assessment year 2013-14 against which the Company has filed an appeal u/s 246A(1)(a) of the Income Tax Act, 1961 before CIT(Appeals).

Note 29

In the opinion of the Board of Directors of the Company, the Current Assets, Loans and Advances have value on realization, in the ordinary course of business, at least equal to the amount at which they have been stated in the Balance Sheet.

Note 30 The details of Specified Bank Notes(SBN) held and transaction during the period from 08.11.2016 to 30.12.2016 is as follows:

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	76,63,000	1,12,52,288.14	1,89,15,288.14
(+) Permitted receipts	2,81,500.00	-	2,81,500.00
(-) Permitted Payments	-	1,39,370.00	1,39,370.00
(-) Amount deposited in Banks	76,63,000	-	76,63,000.00
Closing Cash in hand as on 30.12.2016	2,81,500.00	1,12,52,288.14	1,13,94,418.14

Note 30

The financial statements for the year ended 31st March, 2017 has been prepared as per the requirements of Schedule III to the Companies Act, 2013 and in accordance with the Accounting Standards referred to in Section 133 of the Companies Act, 2013. Accordingly, the previous year figures has also been reclassified and regrouped to confirm to the current years classification and grouping.

For and on behalf of the Board

For P. D. Rungta & Co.
Chartered Accountants
Firm Registration No. 001150C

Ajay Kumar Jain
Managing Director

Date : 18.07.2017
Partner
Membership No. 301889

Navin Kumar jain
Director

Place : Kolkata
Date :

Company Secretary

Form No. MGT-

11Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules,2014]

CIN: L24112WB1992PLC055558

Name of the Company: Lords Chemicals Limited

Registered office: 1/A, Mahendra Ray Lane, Kolkata -700 046.

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name:

.....

Address:

E-mail Id:

Signature:....., or failing him

2. Name:

.....

Address:

E-mail Id:

Signature:....., or failing him

3. Name:

.....

Address:

E-mail Id:

Signature:.....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General meeting / Extraordinary General meeting of the Company, to be held on the Tuesday, the 26th Day of September, at its registered office at 1/1A, Mahendra ray Lane, Kolkata - 700 046 at 11:30 A.M. and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

1. Adoption of Balance Sheet, Statement of Profit and Loss, Auditors Report and Directors Report for the year ended 31st March, 2017.
2. To ratify the appointment of M/s. P. D. Rungta & Co., Chartered Accountants as Statutory Auditors of the Company.
3. To appoint a Director in place of Mr. Navin Kumar Jain, who retires by rotation and being eligible, offers himself for re- appointment.

Signed thisday of..... 2017

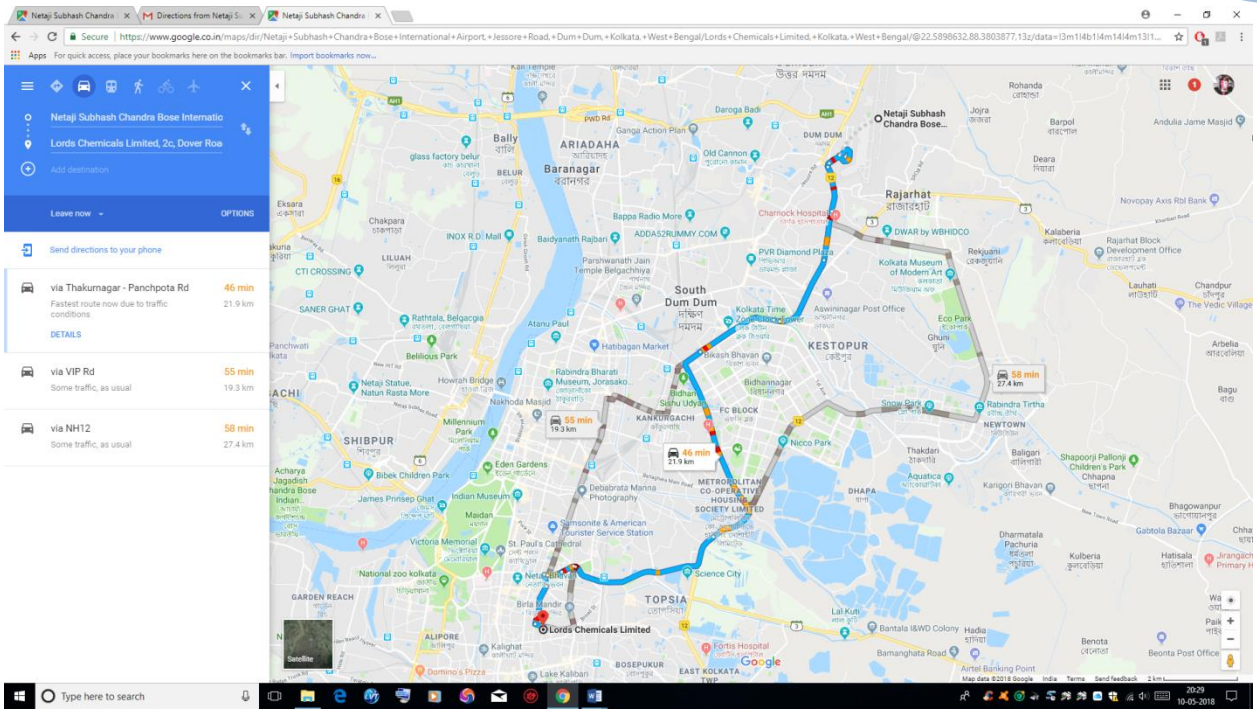
Affix Revenue stamp

Signature of shareholder

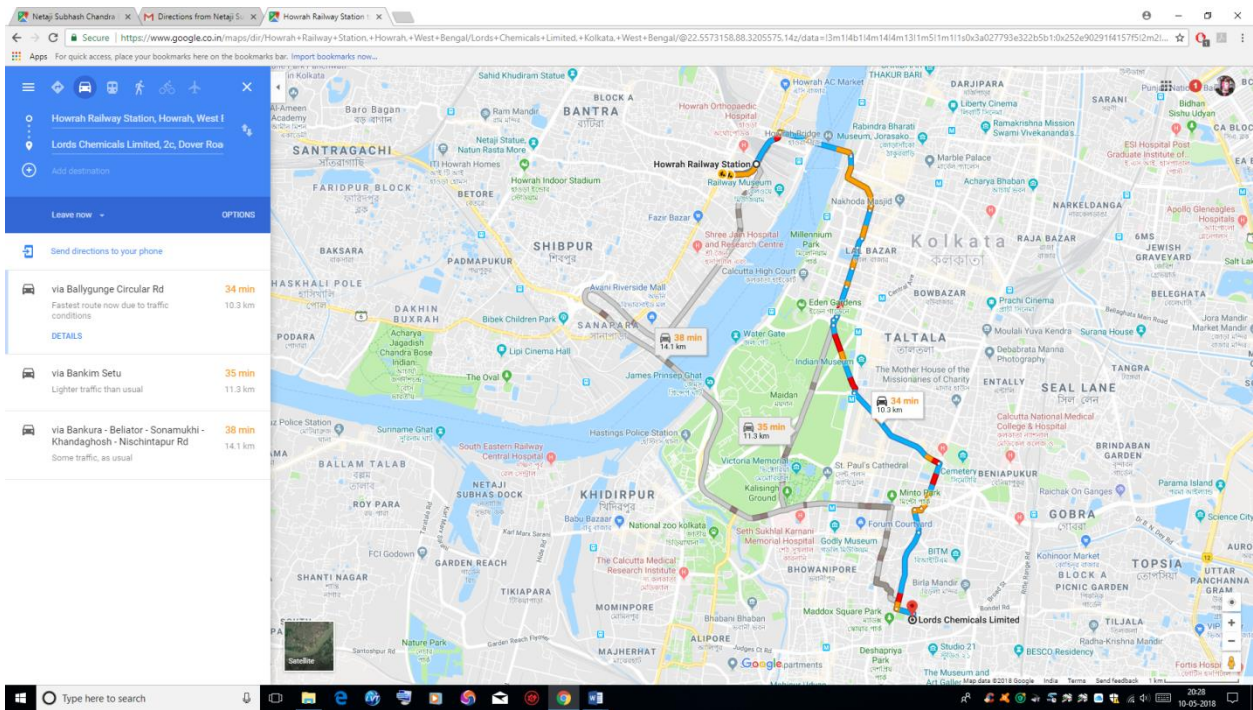


Signature of Proxy holder(s)

Note : 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.



Kolkata Airport to 1/A, Mahendra Ray Lane, Kolkata -700 046 (Annual General Meeting Office)



Howrah Railway Station to 1/A, Mahendra Ray Lane, Kolkata -700 046 (Annual General Meeting Office)

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