

## LYONS CORPORATE MARKET LIMITED

CIN NO-L74140WB1994PLC061497

### **DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in presenting 23<sup>rd</sup> Annual Report of the Company along with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2016.

#### **1. FINANCIAL RESULTS**

Particulars	For the Year Ended 31-03-2016 Rs. In Lakhs	For the Year Ended 31-03-2015 Rs. In Lakhs
Profit/(Loss) before Depreciation & Tax	7.43	21.48
Less: Depreciation	0.42	0.98
Profit/(Loss) before Tax	7.01	20.49
Provision for Taxation	1.60	1.75
Income Tax for Earlier Years	0.04	0.39
Deferred tax (Charge)/Credit	0.22	0.08
Profit/(Loss) after Tax	5.15	18.28
Transfer to Reserve Fund	1.03	3.66
Add: Balance brought forward from Previous Year	(69.74)	(84.36)
Balance Carried to Balance Sheet	(65.62)	(69.74)

#### **2. REVIEW OF BUSINESS OPERATIONS**

The Company is a Non-Banking Financial Company and is engaged in NBFC activities. The Profit before tax for the year is Rs. 7.01 Lakhs as compared with the last year figure of Profit before tax of Rs. 20.49 Lakhs.

#### **3. DIVIDEND**

With view of brought forward losses, your Director has not recommended any Dividend.

#### **4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

##### **a. Industrial Structure and developments**

The Company operates in the Non-Banking Financial Company (NBFC) segment of Industry and is registered with the Reserve Bank of India. Its activities are limited within India and are mainly engaged in the business of providing Loans and making Investment in Shares and Securities. The performance and business strategy are dependent on the Economic environment and policies of the Government of India and Reserve Bank of India (RBI).

**b. Opportunities**

Government has announced a number of policy measures to achieve the projected GDP growth in 2016-17. This includes, approval for large infrastructure projects, addressing challenges of mining and power sectors, increasing foreign investment limits in Insurance and Pension, Asset Reconstruction Companies, E-commerce, Stock Exchanges, Food Processing, Ports, etc. Growth in agricultural sector output and expectations of good monsoon will drive demand from rural areas.

In view of the aforesaid initiatives of the Government, NBFCs can also look for growth in lending activities. The scope of investment will increase in coming years.

**c. Threats**

Growth of the Company's asset book, quality of assets and ability to raise funds depend significantly on the economy. Unfavourable events in the Indian economy can affect consumer sentiment and in turn impact consumer decision to purchase financial products. Competition from a broad range of financial service providers, unstable political environment and changes in Government policies / regulatory framework could impact the Company's operations.

**d. Segment-wise performance**

Based on the synergies, risks and return associated with the business operations and in terms of Accounting Standard 17, the Company is engaged in a single reportable segment of Non-Banking Financial Company during the year and hence treated as single reportable segment as per AS 17.

**e. Industry Outlook**

The Company continues to concentrate on finance and investment activities. Each financial intermediary will have to find its niche in order to add value to consumers. The Company is cautiously optimistic in its outlook for the year 2016-17.

**f. Risks and concerns**

The performance of the company is closely linked with the overall performance of the Indian Economy, Financial and Capital Markets. The future success of the company depends on its ability to anticipate volatility in Capital and Financial Markets and minimise related risks through prudent investing decisions. Hence the Management regularly monitors the changing Economic and Market conditions in order to take timely and prudent business decisions. Any slowdown in the Indian economy or volatility in the Financial and/or Capital markets could adversely affect the performance of the company.

**g. Internal control system and their adequacy**

The Company has a proper and adequate system of internal controls to ensure that all activities are monitored and controlled against any unauthorized use or disposition of assets and that the transactions are authorised, recorded and reported correctly.

The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines.

The Audit Committee periodically reviews Policies and adequacy of internal controls.

**h. Human Resource Development/Industrial Relation**

The Company considers its human resource as the most valuable ingredient of the functioning of the Company and utmost endeavor is made to maintain good relation with the employees at all levels.

## **5. SHARES**

- a. **Buyback of Securities:**  
The Company has not bought back any of its securities during the year under review.
- b. **Sweat Equity:**  
The Company has not issued any Sweat Equity Shares during the year under review.
- c. **Bonus Shares:**  
No Bonus Shares were issued during the year under review.
- d. **Employees Stock Option Plan:**  
The Company has not provided any Stock Option Scheme to the employees.
- e. **Shares with Differential Rights:**  
No Equity Shares with differential rights were issued during the year under review.

## **6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

During the year under review, the Company was not required to transfer any amount to Investor Education and Protection Fund under Section 125(2) of the Companies Act, 2013.

## **7. CORPORATE GOVERNANCE**

As the paid-up Equity Share Capital of the Company is less than Rs.10 Crores and its Networth is less than Rs.25 crores, provisions relating to Corporate Governance are not applicable to your Company. However, adequate steps have been taken for better Corporate Governance.

## **8. CORPORATE SOCIAL RESPONSIBILITY**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

## **9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The Company has not entered into any contract or arrangement with related parties referred in the section 188(1) of the Companies Act, 2013 during the year under review.

## **10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The Company, being a Non-Banking Financial Company, is not required to give these particulars.

## **11. EXTRACT OF THE ANNUAL RETURN**

The extract of the Annual Return in Form No. MGT – 9 is furnished in Annexure 'A' and is attached to this Report.

## **12. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year under review, there was no change in the composition of the Board of Directors.

The Company has received requisite declaration from all the independent directors under section 149(7) of the Companies Act, 2013 confirming that they meet the criteria of independence as provided in sub-section (6).

Smt. Madhumita Tapader (DIN No-07126692) retires at the ensuing Annual General Meeting and being eligible offers herself for reappointment.

### **13. BOARD EVALUATION**

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee and Nomination and Remuneration Committee.

The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The exercise was carried out through a structured evaluation process covering various aspects of the board functioning such as composition of the board & committees, experience & competencies, performance of specific duties & obligations, attendance of the meetings, governance issues etc. Separate exercise was carried out to evaluate the performance of individual directors who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

### **14. NOMINATION AND REMUNERATION POLICY**

The Nomination and Remuneration policy has been constituted mainly for the purposes of recommending the Company's policy on remuneration package for the Managing/Executive Directors, reviewing the structure, design and implementation of remuneration policy in respect of Key Management Personnel. No meeting was required to be held during the year.

Name of the Committee Members	Nature of Directorship	Membership
Mr. Sushil Kumar Poddar	Non- Executive Independent Director	Chairman
Mr. Ram Karan Gupta	Non- Executive Independent Director	Member
Smt. Madhumita Tapader	Non-Executive Director	Member

### **15. AUDIT COMMITTEE**

The Audit Committee comprises of Mr. Ram Karan Gupta (Non – Executive Independent Director), as Chairman and Mr. Sushil Kumar Poddar (Non – Executive Independent Director) and Mr. Krishna Awatar Agarwal (Non – Executive Director) as members. All the meetings of the committee were duly held and attended by the members.

The recommendations of the Audit Committee have been accepted by the Board.

**16. BOARD MEETINGS**

During the year under review, 7(seven) Board Meetings were held on 27<sup>th</sup> April 2015, 29<sup>th</sup> May 2015, 15<sup>th</sup> July 2015, 21<sup>st</sup> September 2015, 13<sup>th</sup> October 2015, 25<sup>th</sup> January 2016 and 30<sup>th</sup> January 2016. The attendance of each Director is as under:

Name of the Directors	No. of meetings attended
Mr. Sushil Kumar Poddar	07
Mr. Ram Karan Gupta	07
Mr. Krishna Awatar Agarwal	07
Smt. Madhumita Tapader	07

**17. DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The Company has not paid any remuneration to the Directors/ Key Managerial Persons. Therefore these particulars are not applicable during the year.

**18. DISCLOSURE UNDER RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

There is no employee drawing remuneration in excess of the limits prescribed under Rule 5(2) of The Companies (Appointment) Rules, 2014.

**19. DIRECTORS RESPONSIBILITY STATEMENT**

In terms of section 134(5) of the Companies Act, 2013, with respect to Directors Responsibility Statement, it is hereby confirmed that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts on a going concern basis;
- the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **20. CODE OF CONDUCT**

The Company has a Code of Conduct which is applicable to directors and management personnel of the Company. The Company believes in conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations.

The Code lays down the standard procedure of business conduct which is expected to be followed by the directors and management personnel in their business dealings and in particular on matters relating integrity in the work place, in business practices and complying with applicable laws etc.

All the directors and management personnel have submitted declaration confirming compliance with the code.

## **21. RISK MANAGEMENT POLICY**

Pursuant to section 134(3) (n) of the Companies Act, 2013, the Board of directors of the Company has adopted a Risk management Policy of the Company. The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

The Company has introduced several improvements to Integrated Enterprise Risk Management, Internal Controls Management and Assurance Frameworks and processes to drive a common integrated view of risks, optimal risk mitigation responses and efficient management of internal control and assurance activities. This integration is enabled by all three being fully aligned across group wide Risk Management, Internal Control and Internal Audit methodologies and processes.

## **22. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

## **23. PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

All the Board of Directors and designated employees have confirmed compliance with the Code.

## **24. INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

During the year the company appointed M/s. Sancheti Baid & Co, Chartered Accountants, Kolkata as an Internal Auditor. The firm is authorized to by the Audit Committee to assess the adequacy and compliance of internal control process, statutory requirements etc. The Audit Committee met regularly to review reports submitted by the Internal Auditor. The Audit Committee upon discussion with Internal Auditor set up applicable control measures for the Company.

**25. SIGNIFICANT AND MATERIAL ORDERS BY REGULATORS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**26. MATERIAL CHANGES**

There are no material changes and commitments affecting the financial position of the Company have occurred between the date of financial year of the Company and date of the report. There is no change in the nature of business of the Company.

**27. STATUTORY AUDITORS**

M/s. Mandawewala & Company, Chartered Accountants, (Firm Registration No. 322130E), are the present Statutory Auditors of your Company and shall hold office till the end of 26<sup>th</sup> Annual General Meeting which was approved in the Annual General Meeting held on September 27, 2014.

The appointment for the FY 2016-17 is from the conclusion of this 23<sup>rd</sup> Annual General Meeting till the conclusion of the 26<sup>th</sup> Annual General Meeting. In view of this, your ratification for appointment is being sought in the ensuing Annual General Meeting.

The Auditors' Report for the FY 2015-16 does not contain any qualification, reservation or adverse remark.

**28. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS**

The Company being in the financial sector, requirements regarding the disclosure of particulars of conservation of energy and technology absorption prescribed by the rules are not applicable. The Company has no foreign exchange inflow or outflow during the year under review.

**29. SECRETARIAL AUDIT**

The Company has appointed Sri Ritesh Kumar Agrawal (ACS 19119), a Practising Company Secretary to conduct secretarial audit pursuant to section 204 of the Companies Act, 2013. Their report in form MR-3 is attached to this report as Annexure 'B'

As regards his observation made in the secretarial Audit we are to state that the necessary steps are being taken to comply with the requirements.

**30. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANY**

Aditya Translink Pvt. Ltd. (CIN - U17232WB1995PTC067056) continues to be an Associate Company. The required details are given in Form AOC- 1 annexed to the Report and marked as Annexure 'C'.

### **31. DEPOSITS**

During the year under review, the Company did not accept any deposits within the meaning of section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

### **32. SOCIAL OBLIGATION**

Your Company has taken up and is constantly in touch with the various socio-economic projects for uplifting standards of living of the people in and around its estate where it operates.

### **33. LISTING ARRANGEMENTS**

The Equity Shares of the Company are continued to be listed on the Calcutta Stock Exchange, Bombay Stock Exchange and Ahmedabad stock Exchange. The Annual Listing Fees have been paid upto the date.

### **34. GENERAL**

Your Director further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **35. RBI REGULATIONS-COMPLIANCE**

Your Company continues to carry on its business of Non-Banking Financial Company and follows prudent financial management norms as applicable. Your Company appends a Statement containing particulars as required in terms of Paragraph 13 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 in schedule annexed to the Balance Sheet.

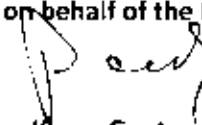
### **36. ACKNOWLEDGEMENTS**

Your Directors would like to record their appreciation of the hard work and commitment of the Company's employees and are grateful for the co-operation and support extended to the Company by the Bankers, Statutory Authorities, Financial Institutions(s) and all other establishments connected with the business of the Company.

#### **Registered Office :**

Chatterjee International Centre  
33A, Jawaharlal Nehru Road  
6th Floor, Flat No. 5  
Kolkata 700 071  
Dated: 29.05.2016

For and on behalf of the Board



Ram Karan Gupta  
Chairman



**Form No. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31<sup>st</sup> March, 2016

**Annexure-"A"**

[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 :-	L74140WB1994PLC061497
ii) Registration Date	18th January, 1994
iii) Name of the Company	Lyons Corporate Market Limited
iv) Category / Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
v) Address of the Registered office and contact details	33A, Jawaharlal Nehru Road, Kolkata-700071, Phone - 4012 3123
vi) Whether listed company Yes / No	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Niche Technologies (P) Ltd D-511 Bagree Market, 71, BRB Basu Road, Kolkata-700 001 Phone-2234-3576

**II. 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	NBFC	-	53.15%
1	Rentling	-	46.85%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% Of Shares Held	Applicable Section
1	Aditya Translink Pvt.Ltd	U17232WB1995PTC067056	Associate	45.30%	2(6)

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

**i) Category - wise shareholding**

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	
<b>A. Promoters</b>									
(1) Indian									
a) Individual / HUF	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (S)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	23,14,350	0	23,14,350	49.47%	23,14,350	0	23,14,350	49.47%	0.00%
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other ...	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (1) :-</b>	<b>23,14,350</b>	<b>0</b>	<b>23,14,350</b>	<b>49.47%</b>	<b>23,14,350</b>	<b>0</b>	<b>23,14,350</b>	<b>49.47%</b>	<b>0.00%</b>
<b>(2) Foreign</b>									
a) NRIS - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other ....	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2) :-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>23,14,350</b>	<b>0</b>	<b>23,14,350</b>	<b>49.47%</b>	<b>23,14,350</b>	<b>0</b>	<b>23,14,350</b>	<b>49.47%</b>	<b>0.00%</b>

<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt (S)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B) (1) :-	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	7,68,200	5,27,050	12,95,250	27.69%	7,68,200	5,27,050	12,95,250	27.69%	0.00%
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	78,300	9,40,700	10,19,000	21.78%	78,300	9,40,700	10,19,000	21.78%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	49,400	49,400	1.06%	0	49,400	49,400	1.06%	0.00%
c) Others (specify)									
Sub-total (B) (2) :-	8,46,500	15,17,150	23,63,650	50.53%	8,46,500	15,17,150	23,63,650	50.53%	0.00%
Total Public Shareholding (B) = (B) (1) + (B) (2)	8,46,500	15,17,150	23,63,650	50.53%	8,46,500	15,17,150	23,63,650	50.53%	0.00%
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A + B + C)	31,60,850	15,17,150	46,78,000	100.00%	31,60,850	15,17,150	46,78,000	100.00%	0.00%

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	DIPL COMPUTERS PVT LIMITED	23,14,350	49.47%	0	23,14,350	49.47%	0	0.00%
	<b>Total</b>	<b>23,14,350</b>	<b>49.47%</b>		<b>23,14,350</b>	<b>49.47%</b>		

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year				
	Datewise Increase / decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	There is no change in promoter's shareholding			
	At the End of the year				