

2017 - 2018

**25th
Annual Report
&
Accounts**

Lyons Corporate Market Limited

***Chatterjee International Centre
33A, Jawaharlal Nehru Road, 6th Floor
Kolkata - 700 071***

LYONS CORPORATE MARKET LIMITED



Board of Directors & Key Managerial Personnel :

Shri Ram Karan Gupta, Director, DIN :00247432
Shri Sushil Kumar Poddar, Director,DIN : 00119348
Shri Krishna Awatar Agarwal,Director, DIN : 02460626
Shri Suvabrata De, Managing Director, DIN : 07911004
Smt Madhumita Tapader, Director, DIN : 07126692
Shri Sanjiv Kumar Agarwal, CFO

Registered Office :

Chatterjee International Centre
33-A, Jawaharlal Nehru Road,
6th Floor, Kolkata - 700 071
e-mail : lyonscorp@gmail.com
website : www.lyonscorporate.com
CIN : L74140WB1994PLC061497

Bankers :

Indusind Bank
IDBI Bank

Auditors :

Mandawewala & Co.
Chartered Accountants
Kolkata

Registrar & Transfer Agent :

Niche Technologies (P) Limited
D-511 Bagree Market,
71 B.R.B. Basu Road
Kolkata - 700 001
Phone : 2234-3576
email : nichetechpl@nichetechpl.com

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**Directors' Report****TO THE MEMBERS**

Your Directors have pleasure in presenting 25th Annual Report of the Company along with the Audited Financial Statements for the year ended 31st March, 2018.

FINANCIAL RESULTS**(Rs. in Lacs)**

Particulars	2017 - 2018	2016 - 2017
Profit/(Loss) before Depreciation & Taxes	(24.05)	3.99
Less : Depreciation	0.42	0.42
Profit / (Loss) before Tax	(24.47)	3.57
Provision for Taxation	0.00	0.89
Income Tax for Earlier Years	0.01	(0.28)
Deferred tax (Charge) / Credit	(0.26)	0.09
Profit / (Loss) after Tax	(24.22)	2.87
Transfer to Reserve Fund	0.00	0.57
Add : Balance brought forward from Previous Year	(63.32)	(65.62)
Balance Carried to Balance Sheet	(87.54)	(63.32)

REVIEW OF BUSINESS OPERATIONS :

The Company is a Non-Banking Financial Company and is engaged in NBFC activities. The Loss before tax for the year is Rs. 24.47 Lakhs as compared with the last year figure of Profit before tax of Rs. 3.57 Lakhs.

DIVIDEND :

With view of brought forward losses, your Directors have not recommended any Dividend.

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 2018-19. 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 2018-19.

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 authorized, 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.

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.



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.

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.

CORPORATE SOCIAL RESPONSIBILITY :

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

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.

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.

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.

DIRECTORS AND KEY MANAGERIAL PERSONNEL :

The Board of Directors at their Board Meeting held on 18th August, 2017, on the recommendation of Nomination & Remuneration Committee appointed Mr. Suvabrata De (DIN: 07911004) as an Additional Director of the Company w.e.f that day. At the same Board Meeting he was appointed as the Managing Director of the Company w.e.f 1st September, 2017 which was approved by the members of the Company at their Annual General Meeting held on 21st September, 2017.

During the year under review, Mr. Sanjiv Kumar Agarwal was appointed as the Chief Financial Officer of the Company w.e.f. 1st August, 2017.

There has been no other change in the composition of the Board of Directors during the year under review.

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

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

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.

**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. Two meetings of the committee were held during the year.

Sl. No.	Name of the Committee Members	Nature of Directorship	Membership
1.	Mr. Sushil Kumar Poddar	Non-Executive Independent Director	Chairman
2.	Mr. Ram Karan Gupta	Non-Executive Independent Director	Member
3.	Ms. Madhumita Tapader	Non-Executive Director	Member

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. 5 (Five) meetings of the committee were duly held during the year and attended by the members.

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

BOARD MEETINGS :

During the year under review, 10 (Ten) Board Meetings were held on 13th April, 2017, 30th May, 2017, 1st August, 2017, 10th August, 2017, 18th August, 2017, 1st September, 2017, 13th November, 2017, 24th January, 2018, 13th February, 2018 and 30th March, 2018. The attendance of each Director is as under:

Sl. No.	Name of the Directors	No. of Meetings Attended
1.	Mr. Sushil Kumar Poddar	10
2.	Mr. Ram Karan Gupta	10
3.	Mr. Krishna Awatar Agarwal	08
4.	Ms. Madhumita Tapader	10
5.	Mr. Suvabrata De	05

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 required details are provided in Annexure “B” annexed to this Report.

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

The required details are provided in Annexure “C” annexed to this Report.



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:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures; if any
- (b) 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 and loss of the Company for that period;
- (c) 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;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) 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
- (f) 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.

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.

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.

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.

**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.

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 by the Audit Committee to access 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.

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.

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.

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 26th Annual General Meeting which was approved in the Annual General Meeting held on September 27, 2014.

The Auditor's Report for the FY 2017-18 does not contain any qualification, reservation or adverse mark.

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.

SECRETARIAL AUDIT :

The Company has appointed Ms. Dipika Jain, (ACS 50343, CP No 18466), a Practicing Company Secretary to conduct secretarial audit pursuant to section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Her report in form MR-3 is attached to this report as Annexure 'D'

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.

**SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANY :**

Aditya Translink Pvt. Ltd. (CIN - U17232WB1995PTC067056) continues to be an Associate Company. Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing salient features of financial statements of Associate Company in Form AOC-1 is annexed to this report and marked as Annexure "E".

As required under the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Audited Consolidated Financial Statements of your Company are also attached and form part of the Company's Annual Report.

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.

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.

LISTING ARRANGEMENTS :

The shares of the Company continue to be listed on Bombay Stock Exchange and Calcutta Stock Exchange.

The Annual Listing Fees has been paid upto the date.

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.

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 18 of the Master Direction-Non-Banking Financial Company-Non-Systemically Important Non-Deposit taking Company (Reserve Bank), Directions, 2016 in schedule annexed to the Balance Sheet.

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.

For and on behalf of the Board
Suvabrata De
Managing Director
(DIN : 07911004)

Ram Karan Gupta
Director
(DIN : 00247432)

Kolkata, the 30th day of May, 2018.