

48th ANNUAL REPORT 2022-23

PRIMO
CHEMICALS LTD.
(Formerly Known as Punjab Alkalies & Chemicals Ltd.)

Building a sustainable business for the future



Investor Information

AGM Date:

29th September, 2023

AGM Time:

12:30 PM

AGM Mode:

**Video Conferencing (VC) or
other Audio Visual Means**

Our Vision & Mission

VISION

- To evolve as a best company among all chloro alkali industries in India and to address the needs of our stakeholders.
- To be identified as most inspiring, innovative, dynamic and incredible company in India.

MISSION

- To produce best quality product in order to meet the demands of our customers.
- To strive for continuous improvement in our quality, energy performance, be Eco-friendly and ensuring growth and profitability through innovation.



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General Information



BOARD OF DIRECTORS

Shri Sukhbir Singh Dahiya, Chairman
Shri Naveen Chopra, Managing Director
Shri Jatin Dahiya, Executive Director
Shri Jagbir Singh Ahlawat, Director
Shri Ashok Goyal, Independent Director
Shri Tilak Raj Bajalia, Independent Director
Shri Kuldip Singh Suhag, Independent Director
Ms. Teesta Sandhu, Independent Woman Director

COMPANY SECRETARY & COMPLIANCE OFFICER

CS Sugandha Kukreja

CHIEF FINANCIAL OFFICER

Shri Arun Kumar Kaushal

BANKERS

AU Small Finance Bank Limited
HDFC Bank Limited
Kotak Mahindra Bank Limited
Punjab National Bank

AUDITORS

M/s. S. Tandon & Associates
Chartered Accountants,
Competent House, C-157, Phase-VII,
Industrial Area, Mohali-160 055
Firm Registration No. 006388N

INTERNAL AUDITORS

M/s. H.N. Pradhan & Co.
Chartered Accountants,
I-1, First Floor, Kirti Nagar,
New Delhi-110 015
Firm Registration No. 02208N

COST AUDITORS

M/s. Kabra & Associates
Cost Accountants,
552/1B, Arjun Street, Main Vishwas Road,
Vishwas Nagar, Delhi-110 032
Firm Registration No. 00075

REGISTERED OFFICE

S.C.O. 125-127, Sector 17-B,
Chandigarh-160 017
CIN L24119CH1975PLC003607

CORPORATE OFFICE

Bay No. 46-50, Sector-31A,
Chandigarh-160 030

WORKS

Nangal-Una Road,
Naya Nangal-140 126
Distt. Ropar, Punjab

REGISTRARS & SHARE TRANSFER AGENTS

M/s. Beetal Financial & Computer Services
Private Limited,
Beetal House, 3rd Floor, 99, Madangir,
Behind Local Shopping Centre,
New Delhi- 110 062

Corporate Profile



Primo Chemicals Limited (formerly known as Punjab Alkalies & Chemicals Ltd.) is a prominent producer of Caustic Soda in the North India region. Our primary product is Caustic Soda Lye, with a daily production capacity of 500 tons. Additionally, we also produce valuable by-products such as Hydrochloric Acid, Liquid Chlorine, Sodium Hypochlorite, and Hydrogen gas.

At Primo, we operate state-of-the-art manufacturing units that employ the latest HOECHSTUHDE membrane cell technology. This technology ensures energy efficiency and eco-friendliness in our production processes. Currently, our combined plant capacity allows us to manufacture 165,000 tons per annum of Caustic Soda.

Our manufacturing units are strategically located in Naya Nangal, District Ropar, Punjab, India. This advantageous location enables us to efficiently serve not only the growing market in northern India but also extend our reach to other regions across the country. We benefit from uninterrupted power supply due to our proximity to the Bhakra Nangal Dam, and our facilities have excellent road and rail connectivity.

With over four decades of experience in the chemicals manufacturing industry, Primo has established a strong reputation for delivering high-quality products and maintaining excellence in our operations. We are committed to upholding our legacy of expertise as we continue to contribute to the chemical sector.

Products:

- Caustic Soda Lye
- Hydrochloric Acid
- Liquid Chlorine
- Sodium Hypochlorite
- Hydrogen Gas
- Stable Bleaching Powder

Upcoming Products & Development:

- Caustic Soda Flakes
- Aluminium Chloride
- 35 MW Power Plant
- Capacity Expansion from 500 TPD to 580 TPD
- Acquisition of balance 51% stake of Flowtech Chemicals Pvt. Ltd.



Board of Directors

Diversified Experience



Experienced team of management
committed to strengthen business offerings and driving future growth



Mr. Sukhbir Singh Dahiya
(Non-Executive Chairman)

An industrialist though leader with experience of over 32 years including 17 years in chemical industry. He holds Diploma in Civil Engineering from Haryana State Board of Technical Education

Mr. Naveen Chopra
(Managing Director)

Extensive experience in chemical industry spanning over 31 years. Holds a Degree in Bachelor of Engineering (Chemical) and has done MBA from Punjab University



Mr. Jagbir Singh Ahlawat
(Non-Executive Director)

He has diverse experience of over 32 years, including 18 years in Chemical Industry. Holds a Diploma in Civil Engineering from Haryana State Board of Technical Education and AMIE (Civil) from The Institution of Engineers (India)

Mr. Jatin Dahiya
(Executive Director)

Experience of 6 years in the chemical industry. Holds a Degree in Bachelor of Engineering from Delhi University and Masters in Management from Duke University (US)



Independent Directors

on the board contributing towards business growth and corporate governance



Mr. Ashok Goyal

A practicing advocate with masters in economics having 28 years of experience in Educational Administration. Had been member of the Board of Finance, Senate and Syndicate of Punjab University, Chandigarh

Mr. Tilak Raj Bajalia

A banking veteran with over 40 years of experience. Appointed as Deputy Managing Director of SIDBI and associated with multiple companies and regulators in different capacities. An Economics Graduate with Professional Degree from ICWAI and CAIIB



Ms. Teesta Sandhu

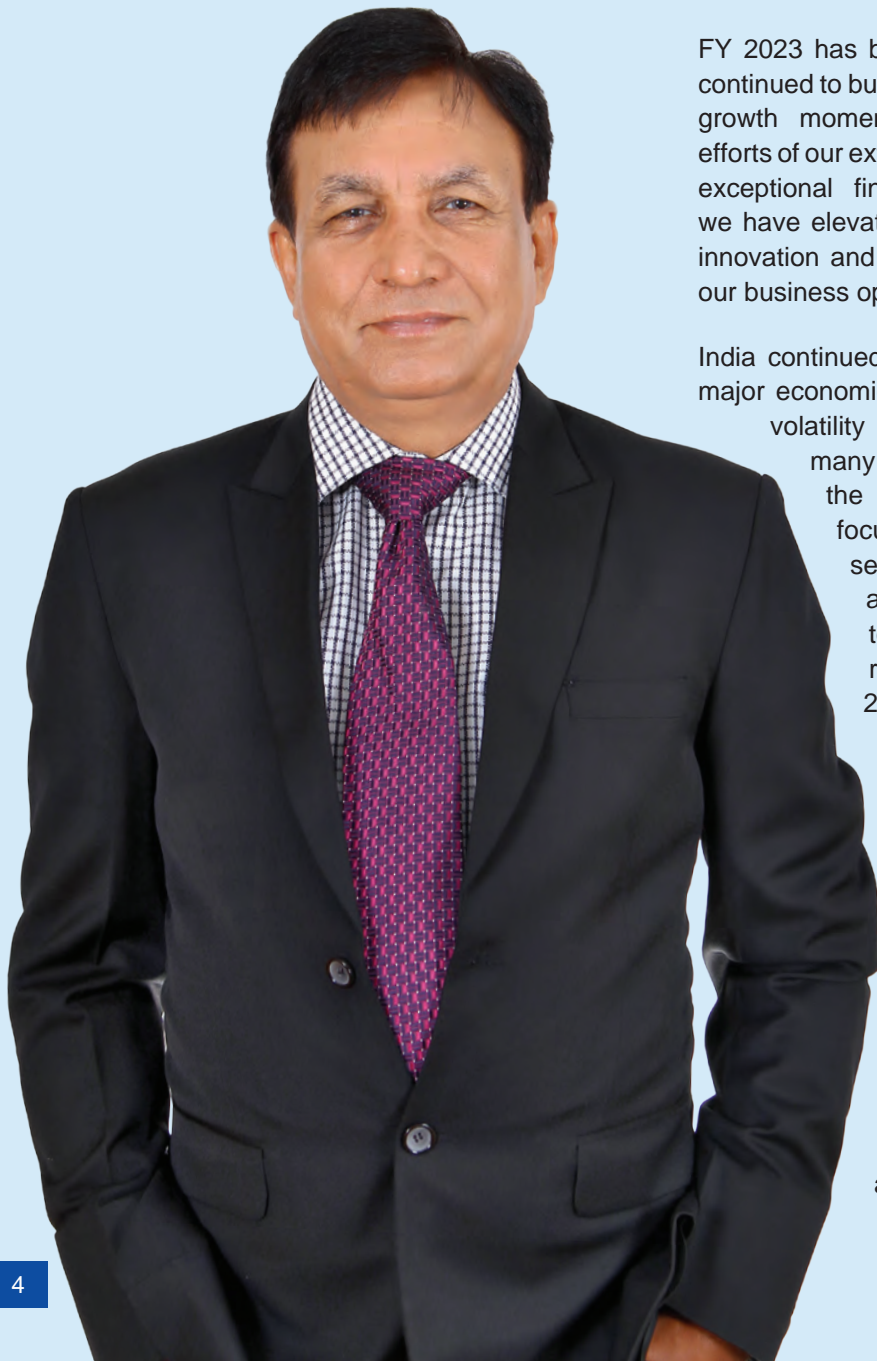
18 years of experience which includes working with the Hotel Industry, Airlines, Forest Essentials and Ethos Pvt. Ltd. Has done MBA with specialization in HR and Marketing

Mr. Kuldip Singh Suhag

He has done Bachelor of Engineering (Civil Engineering) and has an experience of about 43 years in Civil Engineering, associated with CPWD, Haryana PWD. Currently working as a consultant in National Highway Authority of India



Chairman's Message



Dear Valued Shareholders,

Warm greetings to all of you as we are presenting the 48th Annual Report of the Company for the Financial Year 2023. I am pleased to address you and provide an overview of our company's performance in the previous year.

FY 2023 has been yet another year wherein we continued to build our solid fundamentals and drive growth momentum. Through the collaborative efforts of our extraordinary team, we have achieved exceptional financial performance. Importantly, we have elevated our commitment by integrating innovation and sustainability into every aspect of our business operations.

India continued to be one of the fastest-growing major economies of the world, despite economic volatility and high inflationary pressure in many advanced countries of the world, the Government of India's sustained focus on boosting the manufacturing, services and infrastructure sectors and RBI's prudent monetary policy to curb inflation has resulted in robust economic growth in FY 2022-23.

During the last few months of the year, we embarked on an exciting new journey in the evolution of our company, embracing a captivating rebranding to "Primo Chemicals Limited". This new name encapsulates our unwavering dedication to growth and our relentless pursuit of delivering specialised products and services to our cherished customers. With this, we are poised to soar to new heights

and emerge as a beacon of excellence within our industry. Our new identity perfectly aligns with our visionary outlook and serves as a testament to our steadfast commitment to meet the ever-evolving needs of our esteemed customers and the dynamic demands of the market.

During FY 2023, Primo achieved strong sales and profitability. Our Revenue from Operations reached Rs. 7,074 million, representing a resilient year-on-year growth of 56%. We achieved an EBITDA of Rs. 2,185 million, with a margin of 31%, and a net profit of Rs. 1,374 million, with a margin of 19%. Additionally, our Net Cash Flow from Operations stood at Rs. 1,496 million. These results reflect our dedication to consistent growth through strategic initiatives, expansion plans, process optimization, and cost efficiencies.

As an organization, we are optimistic about the future prospects of our company. We are at a positive inflection point, and the implementation of new projects will enable us to achieve consistent profitable growth and create value for all stakeholders.

Together, we will continue to focus on growing our business, improving our working capital cycle and efficiencies, resulting in higher return on capital employed. Our strategic initiatives and strong

fundamentals will propel us toward sustained growth, enabling us to deliver greater value to our customers. We will strive for excellence and ensure that Primo consistently exceeds expectations and delivers outstanding returns in the ever-evolving business landscape.

I would like to express my gratitude to all our stakeholders - members of the board, business associates, employees, suppliers, government authorities, lenders, and shareholders for their tireless efforts in all our endeavors. We look forward to your continued support and cooperation to help the Company to scale newer heights.

As we embark on this captivating new chapter, we invite you to join us on this exhilarating journey. Together, let us redefine the standards of success, break barriers, and create a future where possibilities are limitless while following strong Environment, Social and Governance practices for building a sustainable business for the future. With Primo Chemicals Limited, excellence is not just a goal; it is our unswerving commitment to you, our valued customers, and our stakeholders.

Warm Regards,

Sukhbir Singh Dahiya
Chairman

MD's Message

Dear Shareholders,

I take great pride in sharing that Primo Chemicals Limited stands tall as a prominent leader in the Indian chemical sector, demonstrating exceptional year-on-year growth. Our journey of progress and aspiration continues, and at this moment, I would like to express my heartfelt appreciation for the unwavering efforts and dedication of every member of the Primo family.

At Primo, our commitment lies in achieving sustained growth, maintaining confidence in our product offerings and cost-effective business model. We are excited to introduce new products in the current financial year to further enhance our product portfolio. With our team's diverse experience and expertise, we are well-positioned to deliver exceptional industry performance in the years to come.

We are pleased to announce that the Ministry of Environment and Forests (MOEF) has granted us Environmental Clearance (EC) for our Aluminium Chloride project and Paracetamol API manufacturing project, during the year. The Aluminium Chloride project and Caustic Flaker Unit are expected to be commissioned by FY 2023-24, which will boost



chlorine consumption, in line with our forward integration strategy. This step will enable us to increase our in-house production of Caustic Soda.

Furthermore, we have launched our SBP (Stable Bleaching Powder), manufactured at our state-of-the-art plant in Naya Nangal, Punjab, with a capacity of 33,000 MTPA. Our ongoing expansion plans, including the 35 MW Coal & Biomass based Thermal Power Plant and Caustic Flaker unit, are progressing as scheduled. We anticipate that these projects will have a positive impact on the company's revenue and profitability starting in FY 2023-24.

By reducing energy costs and increasing chlorine consumption, which is a key raw material, these projects will contribute to an increase in our production of Caustic Soda. We remain committed to utilizing eco-friendly, cost-effective technology while implementing safe manufacturing practices

at our plants, ensuring sustainable business growth moving forward.

As we move forward, I have complete confidence in our strong market position, driven by our unwavering commitment to R&D, capacity expansion, brand building, and exploring new products. This foundation positions us perfectly to capitalize on the abundant growth prospects in the market.

I extend my heartfelt gratitude to all our stakeholders for their continuous support, and we are steadfast in our commitment to deliver value to each one of them. Our primary focus remains on achieving market leadership in the chemical sector in India, and we are fully dedicated to achieving this goal while acting responsibly and aligning with our strategic priorities.

Naveen Chopra
Managing Director



Corporate Social Responsibility

Primo Chemicals has actively engaged in Corporate Social Responsibility (CSR) endeavors for a considerable time. The company continuously contributes funds and resources to support various social causes, charities, and community development projects. Emphasizing its commitment to environmental sustainability, Primo Chemicals advocates for eco-friendly practices and supports conservation efforts.

Primo Chemicals consistently invests in tree plantations and the overall development of the surrounding regions thereby demonstrating its commitment to the environment.



In addition to these efforts, Primo Chemicals regularly conducts complimentary medical camps for the underprivileged. The Company had organized seven (07) number of Free Medical Check-up Camps during the Financial Year 2022-23 at Villages: Ajouli (Una), Mojowal (Nangal), Chhotewal (Nangal), Primo Works (Naya Nangal), Bela Dhianai (Nangal) & Gohlani (Nangal) in which comprehensive range of medical services was provided including General Medicine and Orthopedics consultations from Max Hospital, IVY Hospital, Bahara Hospital, District Mohali and 630 patients were examined by teams of Doctors & para-medical staff of General Medicines (Physician Consultants). Vital tests were also conducted and prescribed medicines were promptly dispensed to the patients on the spot free of cost, directly benefiting the local community and contributing to their overall well-being.



Primo Chemicals Limited took a proactive role in enhancing the well-being of the local communities surrounding its factory. In this direction, the company has taken the initiative to establish a clinic that caters to the general public and families from Below Poverty Line (BPL) backgrounds.



Strategic Advantages

Nationwide Clientele

Manufacturing unit located strategically providing easy and cost-effective access to markets.

Inhouse Chlorine Consumption

Chlorine is a bottleneck for most of caustic industries to increase production but PRIMO is using most of the chlorine inhouse due to long experience of promoter in chlorine consumption.

Capacity Expansion

Added additional capacity of 200 TPD during FY22 and in process of further operational efficiency improvement and capacity expansion in a phased manner.



Cost Efficiency

Increasing the production level to decrease fixed cost, rationalization of manpower expenses and setting up Captive 35 MW Power Plant.

Strategic Location

- Closer proximity to Bhakra Nangal Dam, provides uninterrupted power supply – a crucial production input
- Direct water pipeline in plant from Sutlej river due to which water-based units can be further added.
- Railway line coming directly into the Plant reduces the cost of supplying salt and provides logistics infrastructure for the future.

Manufacturing Units and Products

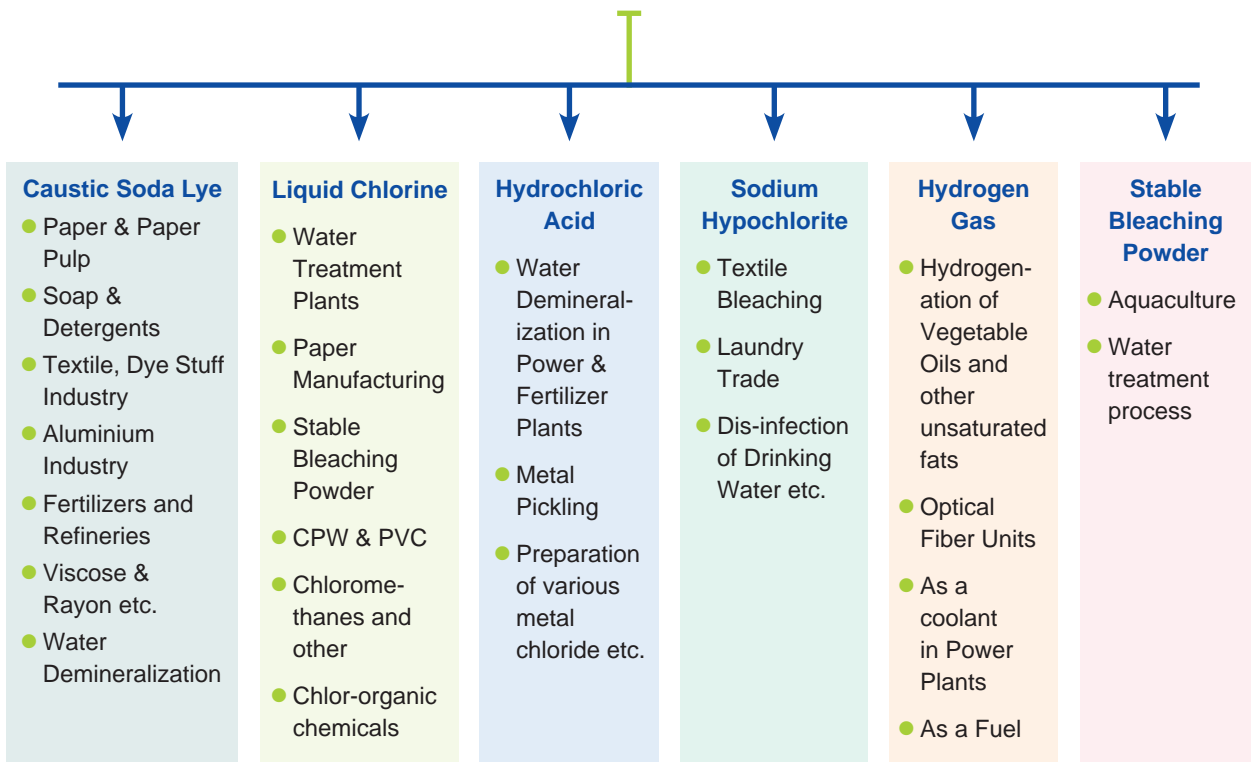
Primo chemicals is well positioned to add incremental capacity to meet growing demand.

Two manufacturing units at Ropar, Punjab (India)



Combined Manufacturing Capacity (100% Capacity)

165,000 TPA



Strengths of our Business

Manufacturing unit located strategically providing easy and cost-effective access to the market



- One of the few Caustic soda manufacturer having substantial downstream utilization of Chlorine
- Ensuring higher operational efficiency and better capacity utilization and providing competitive advantage



- Existing MOEF Clearance for 800 TPD Caustic plant and 75MW Power Plant
- Prior clearance provides ability to quickly expand production levels, when required



- Strategic location and reducing power cost with installation of Captive Power Plant
- Closer proximity to Bhakra Nangal Dam, provides uninterrupted power supply - a crucial production input
- Setting up a Captive Coal & Biomass based Power Plant of 35 MW capacity, for better cost efficiency
- Direct water pipeline in plant from Sutlej river due to which water-based units can be further added



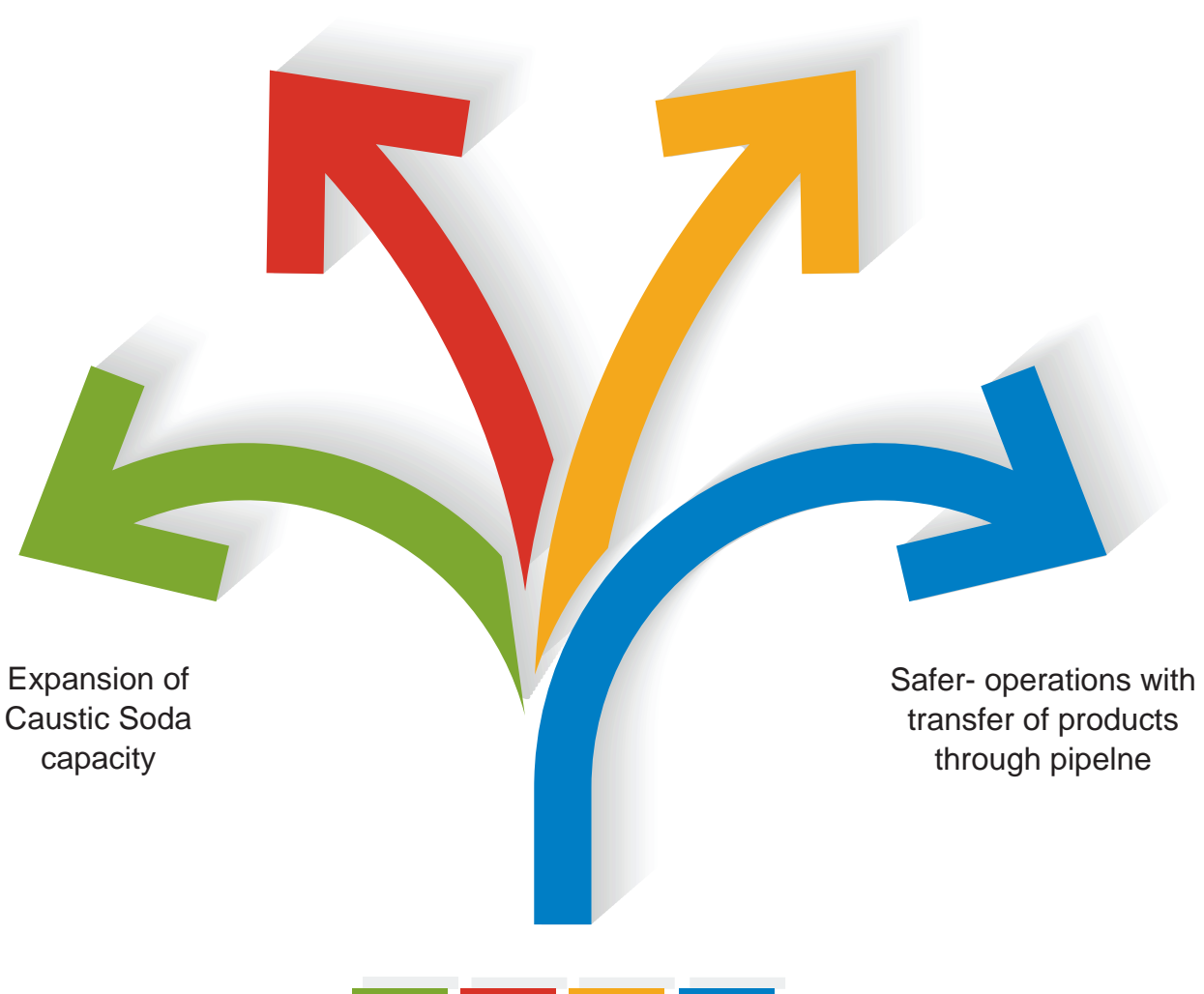
- Presence of inplant railway line
- Cost effective transportation mode with potential to expand and manage many other raw materials and final products



Near Term Strategic Priorities

Diversify product
portfolio by launching
new products

Optimize
manufacturing and
transportation cost



Expansion of
Caustic Soda
capacity

Safer- operations with
transfer of products
through pipeline

**Optimizing Resources and
Enhancing Profitability**

Important Milestones



Commenced operations with installed capacity of 37,059 TPA of Caustic Soda and 16,500 TPA of Liquid Chlorine

1984

Changeover from Graphite Anodes to Dimensionally Stable Metal Anodes and installed Anode Control and Protection Device

Installed capacity of Caustic Soda Lye and Liquid Chlorine increased to 41,152 TPA and 29,700 TPA, respectively

1988

1991

100 TPD grassroots plant based on the HOECHST - UHDE Membrane Cell Technology was commissioned (now Unit-I) Installed capacity of Caustic Soda Lye increased to 83,820 TPA and Chlorine to 52,800 TPA, respectively

1992

Installed capacity of Caustic Soda Lye increased to 50,820 TPA

1995

1998

Conversion of existing 170 TPD Mercury Cell Plant to 200 TPD Membrane Cell Plant (now Unit-II)

Conversion of Existing 200 TPD Membrane Cell Plant (Unit-II) from generation 3 to new 6th generation Membrane Cell Plant

2019

2020

Appointment of new management

Manufacturing capacity expanded from 300 TPD to 500 TPD, change of name to 'Primo Chemicals Limited' w.e.f. 19.12.2022 and recorded nine-fold increase in net profits

2022

2023

Commissioned SBP plant, which has a manufacturing capacity of 33,000 MTPA

Environment, Social and Governance

It has always been the top priority of the Company to carry out its operations in an **environment** friendly manner.



Primo recognizes that effective environment management is fundamental to our business. We shall strive to integrate sound business practices across Primo's management and governance systems to minimize environmental impacts and attain a leadership position in environmental stewardship.

There are only fugitive emissions of chlorine from different sections, which are collected by providing

hoods attached to a common duct which eventually leads to chlorine neutralizer. We have installed three HVS at different locations inside the industrial premises to monitor the ambient air quality, which are being operated on regular basis to monitor PM, Chlorine and HCl-Vapours in ambient air.

The company has installed OCEMS at the pipeline through which treated wastewater is reused back into the processes. The waste HCl generated during regenerating of ION Exchange Column going to the ETP, which is neutralized with caustic soda solution for pH adjustment. Now the above waste acid is treated in another Resin Column to regenerate water for recycling the process. This has been adopted in both units. The brine drained during sample collection at various points was earlier passing to the ETP increasing the chloride and TDS content. The same has now been recirculated and reused in the system.

The Company strives to make enhance energy efficiency of all its manufacturing facilities. The Energy Audit is conducted on a regular basis. The company has achieved zero liquid discharge as per requirement of Punjab Pollution Control Board. The Company tries to adopt energy efficiency measures in its operations wherever possible, plant trees and take other initiatives to protect and save the environment.



Continue to enhance value creation in the **society** and in the community to promote sustained growth for the society and community.

In alignment with the vision of the Company, Primo, through its CSR initiatives, shall continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives. We have worked on Environmental sustainability, Promoted Sports & Education, Healthcare, vocational skills, livelihood and Animal Welfare for our CSR initiatives.

We are committed to development of Human Resources through continuous training programs, skill upgradation and empowerment. The Company cares for its human resources and as a result more than 300 employees have completed 15 years & above service in the Company.

The Management of Primo Chemicals Ltd. is firmly committed to:

- Achievement of corporate goal and objective of optimum productivity i.e. Quality production, by adopting "Safety First" and also ensures safety and health of Employees/Contractors and Transporters.
- Ensuring realistic effort for safe operation/maintenance with the help of modern tools/safety devices and safe practices/work permit system, to prevent personal injuries, fires, emissions, explosions
- Growth and diversification by Continuous Improvement in products, processes and new value-added products
- Enhancing customer satisfaction through On Time Delivery of Quality Products and Reliable Service

Philosophy on the code of Corporate **Governance** is to ensure fair and transparent business practices.

The Company's core philosophy on the code of Corporate Governance is to ensure fair and transparent business practices with accountability for performance. The compliance of applicable statute is of utmost importance to the Company. The transparent and timely disclosure of financial and management information always remains priority for the Company.

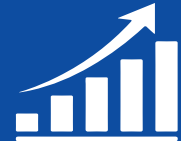
The composition of the Board as on 31st March 2023

- 2 Executive Director
- 4 Non-Executive - Independent Director
- 2 Non-Executive - Non-Independent Director

Stakeholders Relationship & Share Transfer Committee of the Board of Directors for looking into the redressing of shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

The Board has carried out an Annual Performance Evaluation of its own performance, its Committees and all the Directors individually. The performance of the Independent Directors was evaluated by the entire Board except the person being evaluated. The evaluation of Non-Independent Directors, Chairman and the Board as a whole was done at a separate meeting by the Independent Directors.

Performance Highlights



Rs. 7,074 Mn ↑ 56%
Y-o-Y

Operating Revenue

51%

Gross Profit Margin

Rs. 2,185 Mn ↑ 115%
Y-o-Y

Operating EBITDA

30%

EBITDA Margin

Rs. 1,374 Mn ↑ 132%
Y-o-Y

Net Profit

19%

Net Profit Margin

0.28x

Net Debt/Equity

Rs. 1,137 Mn

Operating Revenue

44%

ROCE

39%

ROE

Director's Report



Your Directors are pleased to present their 48th Annual Report on the business and operations of the Company together with Standalone and Consolidated Audited Financial Statements (Ind AS based) for the Financial Year ended 31st March, 2023 and the report of the Auditors thereon.

Financial Highlights

The financial results of the Company for the year ended 31st March, 2023 are summarised below:-

(Rs. In Crores)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operation and Other Income	733.54	469.22	733.54	469.22
Finance Costs	8.07	8.82	8.07	8.82
Depreciation	23.95	17.46	23.95	17.46
Total Expenditure excluding Finance Costs and Depreciation, etc.	515.02	367.41	515.02	367.41
Profit before tax	186.50	75.53	186.50	75.53
Tax Expenses	52.52	18.81	52.52	18.81
Profit after tax	133.98	56.72	133.98	56.72
Share of Profit of Associates	-	-	3.41	2.49
Net Profit for the period after Associates	133.98	56.72	137.40	59.21
Earnings per Share (EPS) of Rs. 2/- Basic and Diluted (in Rs.)	5.53	2.50	5.67	2.61

Performance Review & State of Company's Affairs

The Chlor-Alkali Sector performed well supported by higher realizations despite high captive energy costs. During the year under review, the Company's performance was exceptionally good, particularly in the first three quarters of the year, driven by strong volume and realizations. The highlights of the Company's performance for the year ended 31st March, 2023 are as under:

The Company has recorded an EBITDA of Rs. 218.52 crores during the Financial Year ended 31st March, 2023 as compared to Rs. 101.82 crores in the previous financial year resulting in an increase of 115%.

The Company has produced 1,34,977 MT of Caustic Soda Lye (CSL) at a capacity utilization of 91% (on enhanced capacity of 1,48,000) during the financial year ended 31st March, 2023. The Net Sales Turnover from operations has increased by 48.80% to Rs. 650.16 crores during the financial year ended 31st March, 2023 as against Net Sales Turnover from operations of Rs. 436.93 crores during the previous financial year. The Company has earned Net Profit before Tax of Rs. 186.50 crores for the financial year ended 31st March, 2023 as against Net profit before tax of Rs. 75.54 crores during the previous financial year.

The landed cost of raw material PMT of Caustic Soda Lye has increased from Rs. 5,305/- during the financial year ended 31st March, 2022 to Rs. 6,350/- during the financial year ended 31st March,

2023 mainly because of an increase in landed cost of Salt, Barium Carbonate, Soda Ash and Sulphuric Acid. Despite this significant increase in cost of raw materials, the Company has delivered significant growth in its operations and financial performance.

The combined average sales realization (net of GST) has increased to Rs. 50,045/- per ECU in the Financial Year under review from Rs. 39,661/- per ECU in the preceding Financial Year denoting an increase of 26%.

The performance of the Company aligns with its commitment to consistent growth through expansion plans, optimisation of resources and cost-effectiveness.

Associate Company

As on 31st March, 2023, the Company has only one Associate Company namely Flow Tech Chemicals Private Limited (FTCPL), a Promoter Group Company. The total Revenue of FTCPL was Rs. 246.56 crores with Profit before tax of Rs. 9.43 crores as compared to the Revenue of Rs. 166.18 crores with Net Profit of Rs. 11.33 crores in the previous year. There are no Subsidiary or Joint Venture Companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, the Statement containing salient features of the financial statements of the Associate Company in Form AOC-1 is given in Annexure – I, forming part of this Report.

Change in Capital Structure

During the period under review, the Company did not undertake any issuance or allotment of shares. As a result, there has been no change in the paid-up share capital of the company.

Performance at the Consolidated Level

During the Financial Year ended 31st March, 2023, the Company has increased its stake from 27.90% to 49% in the Associate Company which is primarily engaged in the manufacturing of Chlorinated Paraffin (CP) a widely used Plasticizer and Hydrochloric Acid. FTCPL is one of the major customers of Chlorine,

therefore Primo Chemicals Limited is substantially dependent on its Associate company for the disposal of Chlorine and sustainable operations.

At Consolidated Level, Profit after Tax of the Company was Rs. 137.40 crores during the Financial Year 2022-23 as against Rs. 59.21 crores in the previous year.

In view of the fund requirements for the expansion plan and various ongoing Projects of the Company, the Directors regret their inability to recommend any dividend for the financial year 2022-23. The Company believes that investment of the available funds in the expansion and upcoming Projects would be able to boost the investment made by the stakeholders.

Dividend Distribution Policy

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has formulated and adopted the Dividend Distribution Policy, which is available on the website of the Company at [https://www.primochemicals.in/ page/investors](https://www.primochemicals.in/page/investors).

Finance

Your Company has availed financial facilities from the Banks for meeting its fund's requirement for Working Capital/Operational Capital and/or for expansion and new Projects. The details of which form part of Notes of the Financial Statements.

Deposits

During the year under review, the Company has not accepted any deposit from the public within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

Material Changes and Commitments affecting the Financial Position of the Company

There had been no material changes and commitments during the period from the end of the Financial Year under review till the date of this Report which may be affecting the financial position of the Company.

Current Operations & Outlook

Being one of major producers of Caustic Soda in Northern India, Primo Chemicals proudly boasts a substantial capacity of 500 TPD, which can be further expanded as keeping in view the demand-supply scenario. Notably, the Company has successfully commissioned its Stable Bleaching Powder (SBP) plant with an annual capacity of 33,000 MT.

Primo's ongoing expansion plans, including the 35 MW Coal and Biomass based Power Plant, Aluminium Chloride Project and Caustic Flaker unit, are developing as planned and it is anticipated that these projects will have a positive impact on the company's revenue and profitability in FY 2023-24.

To strengthen the Company's downstream portfolio, amplify product profitability, decrease energy expenses, and bolster Chlorine consumption for heightened Caustic Soda production. The Company has already acquired 49% stake in Flow Tech Chemicals Private Limited its Promoter Group Company till 30th June, 2022. The Company plans to acquire up-to 100% equity stake in FTCPL by 31st December, 2024. Post this acquisition, FTCPL will become wholly-owned Subsidiary of the Company.

Credit Rating

The details of Credit Rating are disclosed in the Corporate Governance Report, which forms part of this Annual Report.

Particulars of Loans, Guarantees or Investments

Pursuant to Section 186 of the Act read with the Companies (Meetings of the Board and its Powers) Rules, 2014, disclosures relating to loans, guarantees and investments as on 31st March 2023 are given in the Notes to the Financial Statements.

Environment and Energy Conservation

The Company accords high priority to carry out its operations in an environment-friendly fashion and has been taking appropriate steps for pollution control,

safety measures and good house-keeping across all its Plants. The Company has in place the Online Monitoring System at Works connected with Central Pollution Control Board server showing Real Time data of all parameters specified by them. A Safety Audit of the Plant was conducted during the financial year 2022-23 by the National Safety Council and its recommendations are being implemented.

The improvement in energy efficiency is vital for the sustainable growth of the Company. The Company continues to place a great emphasis on energy efficiency. Energy Audit is conducted on a regular basis through various agencies, active in the field. Various activities & modifications in the plant process are being implemented which are directed towards achieving the Targeted Specific energy Consumption i.e., Energy Consumption Per Metric Tonne of Caustic Production, as set by Bureau of Energy Efficiency.

The information relating to the Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required to be disclosed pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, is given in Annexure-II forming a part of this report.

Listing

The Equity Shares of the Company are listed on the BSE Limited. The Annual listing fee for the year 2023-24 has been paid to BSE Limited.

Corporate Social Responsibility

During the year under review, the Company had to spend Rs. 67.60 lacs based on the average net profit of the last three years on CSR Activities. Accordingly, the amount was spent on various CSR Activities as per the Policy. The detailed report as per Section 135 of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014 has been attached as Annexure III.

The particulars of the Corporate Social Responsibility Committee constituted by the Company pursuant to the provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder are included in the Corporate Governance Report annexed and forming part of this Report.

Human Resources

The relationship with the workmen and staff remained cordial and harmonious during the year and management received full cooperation from employees. The process of development and upgradation of human resources continued.

The Particulars of Employees and Managerial Remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1), (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are given in Annexure - IV forming a part of this Report.

As per the requirement of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report excluding the aforesaid information is being sent to the members of the Company which will be available for inspection at the Registered Office of the Company during working hours. Members interested in obtaining the said information will be furnished the same upon receipt of the request.

Policy on Prevention of Sexual Harassment at the Workplace

The Company has zero tolerance for Sexual Harassment at Workplace and has in place a "Policy on Sexual Harassment at Workplace" pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. The Policy aims to provide protection to employees at the Workplace and prevent and redress complaints of sexual harassment. The Policy has been framed with the objective of providing a safe working environment, where employees feel secure.

Internal Complaints Committee has been setup to redress complaints regarding sexual harassment. During the year under review, the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Management Discussion and Analysis & Corporate Governance Report, Business Responsibility & Sustainability Report

i) Management Discussion and Analysis

As per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report for the financial year 2022-23 is annexed as Annexure – V forming part of this report.

ii) Corporate Governance Report

The Company has complied with the Corporate Governance Code as stipulated under the Listing Regulations. The Corporate Governance Report for the financial year 2022-23 and Auditors' Certificate regarding compliance of conditions of Corporate Governance are also annexed as Annexure – VI forming part of this report.

iii) Business Responsibility & Sustainability Report

The Business Responsibility and Sustainability Report (BRSR) for the year ended 31st March, 2023 as stipulated under Regulation 34(2) (f) of SEBI Listing Regulations is annexed as Annexure VII which forms part of this Annual Report.

Compliance with Secretarial Standards

During the year under review, your Company is in compliance with the applicable Secretarial Standards specified by the Institute of Company Secretaries of India relating to the meetings of the Board and General Meetings.

Directors & Key Managerial Personnel

As on 31st March, 2023, the total Board strength comprises of 8 Directors out of which 2 Directors are Executive Directors, 2 are Non-Executive Non-

Independent Directors and 4 are Non-Executive Independent Directors.

Declaration of Independent Directors

As on 31st March, 2023, the Company has four Independent Directors on its Board including a woman Independent Director. All the Independent Directors have met the requirements specified under Section 149 (6) of the Act, 2013 regarding holding the position of 'Independent Director' and the necessary Declaration from each Independent Director under Section 149(7) of the Act has been received.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. In terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company are registered on the Independent Director Databank maintained by the Indian Institute of Corporate Affairs (IICA).

Meeting of Board of Directors

Six meetings of the Board were held during the year under review. For details, please refer to the Corporate Governance Report, which is a part of this Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an Annual Performance Evaluation of its own performance, its Committees and all the Directors individually.

The performance of the Independent Directors was evaluated by the entire Board except the person being evaluated.

The evaluation of Non-Independent Directors, Chairman and the Board as a whole was done at a separate meeting by the Independent Directors.

Retirement by Rotation

In accordance with the provisions of the Articles of Association of the Company, read with Section 152 of the Companies Act, 2013, Shri Naveen Chopra, Managing Director of the company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Re-appointment of Managing Director & Executive Director

Approval of the Members is being sought in the ensuing Annual General Meeting (AGM) for the re-appointment of (i) Shri Naveen Chopra, Managing Director of the Company for the period of five consecutive years effective from 29th October, 2023 in the ensuing Annual General Meeting whose tenure is going to end on 28th October, 2023 and (ii) Shri Jatin Dahiya, Executive Director of the Company for the period of five consecutive years effective from 1st April, 2024 in the ensuing Annual General Meeting whose tenure is going to end on 31st March, 2024 as recommended by Nomination & Remuneration Committee and Board of Directors.

Necessary Resolutions for the appointment/re-appointment of aforesaid Directors, wherever applicable, have been incorporated in the Notice convening the ensuing AGM. As required under the listing regulations and Secretarial Standards on General Meetings issued by ICSI, the relevant details of Directors retiring by rotation and/or seeking appointment/re-appointment at the ensuing AGM are furnished as 'Annexure A' to the Notice of AGM.

Committees of the Board

Pursuant to the requirements under the Companies Act, 2013 and the Listing Regulations, the Board has constituted the following committees:

- a) Audit Committee
- b) Stakeholders Relationship cum Share Transfer Committee
- c) Nomination & Remuneration Committee
- d) Corporate Social Responsibility (CSR) Committee
- e) Risk Management Committee

The details of the Committees viz. Composition, number of meetings held and attendance of the Committee Members in the meetings are given in the Corporate Governance Report forming part of this Annual Report.

Key Managerial Personnel ('KMP')

There has been no change in Key Managerial Personnel of the Company during the year.

As on 31st March, 2023, the Company has the following Key Managerial Personnel as per Section 2(51) of the Companies Act, 2013:

1. Shri Naveen Chopra, Managing Director
2. Shri Jatin Dahiya, Executive Director
3. Shri Arun Kumar Kaushal, Chief Financial Officer
4. CS Sugandha Kukreja, Company Secretary and Compliance Officer.

Internal Financial Control with Respect to Financial Statements

The Company has in place adequate Internal Financial Controls with respect to financial statements. No material weakness in the design or operation of such controls was observed during the financial year 2022-23.

Directors' Responsibility Statement

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

- i) In the preparation of the annual accounts for the financial year ended 31st March, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The Directors 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 the period under review;

- iii) The Directors have 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;
- iv) The Directors have prepared the annual accounts for the financial year ended 31st March, 2023 on a 'going concern' basis;
- v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Related Party Transactions

Consequent upon acquisition of the PACL by new management in October 2020, the Companies with which PACL was already dealing with and had already entered into Agreements have become related parties. The transactions entered into by the Company with Related Parties were in the ordinary course of business and were at arm's length price. All the contracts /arrangements /transactions with Related Parties during the year were in the ordinary course of business and/or the same were at arm's length, the Company has also entered into material related party transactions during the year under review. Information on material transactions with related party pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are also annexed in Form AOC-2 and the same forms part of this report.

During the year, all related party transactions were placed before the Audit Committee and Board of Directors for approval.

Prior Omnibus approval of the Audit Committee has been obtained for related party transactions, which are repetitive in nature. The transactions entered into pursuant to Omnibus approval so granted are reviewed on a quarterly basis by the Audit Committee.

In terms of Regulation 23 of the SEBI Listing Regulations, the Company submits details of related party transactions on consolidated basis half-yearly as per the specified format to BSE Limited.

In line with the requirements of the Companies Act, 2013 and the SEBI Regulations, the Company has formulated a Policy on Related Party Transactions which can be accessed on the Company's website at <https://www.primochemicals.in/page/investors>.

Detailed Disclosure on Related Party transactions has been provided under the Notes on Financial Statements.

Vigil Mechanism and Whistle-Blower Policy

The Board of Directors of the Company has in place the Policy on Vigil Mechanism and Whistle Blower. The same has also been placed on the Company's Website at <https://www.primochemicals.in/page/investors>.

Auditors & Reports Thereon

Statutory Auditors

M/s. S. Tandon & Associates, Chartered Accountants (Regn. No. 006388N), Statutory Auditors of the company, have been appointed by the shareholders in the Annual General Meeting held on 15th September, 2022 for a period of five years i.e. from the conclusion of 47th Annual General Meeting until the conclusion of the Annual General Meeting to be held in the year 2027, at such remuneration as may be fixed by the Board of Directors.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Cost Auditors

The Board of Directors of the Company at its Meeting held on 26th May, 2023 has appointed M/s. Kabra & Associates, Cost Accountant in practice, as Cost Auditors for the Financial Year 2023-24 as per the

provisions of the Companies Act, 2013 to conduct the audit of Cost Records maintained by the Company at a remuneration of Rs. 70,000/- plus applicable GST besides the reimbursement of out of Pocket Expenses. As per the provisions of the Companies Act, 2013, your Directors propose the Resolution in the Notice in respect of remuneration payable to the Cost Auditors for the Financial Year 2023-24 for your ratification and approval. The Company maintains necessary cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

Secretarial Auditor

M/s. A. Arora & Co., Practising Company Secretaries, were appointed as Secretarial Auditors of the Company for the Financial Year 2022-23. Their Secretarial Audit Report of the Company for the financial year ended 31st March, 2023 is annexed as Annexure-VIII to this Report. The Report does not contain any qualification. M/s. A. Arora & Co., Practising Company Secretaries have been re-appointed as Secretarial Auditors of the Company for the financial year 2023-24.

Annual Secretarial Compliance Report

The Company has obtained an Annual Secretarial Compliance Report for the financial year ended March 31, 2023 from M/s. A. Arora & Co., Practising Company Secretaries in compliance with the Regulation 24A of the SEBI Listing Regulations and the SEBI circular CIR/CFD/CMD1/27/2019 dated February 8, 2019. The said Report for the financial year ended March 31, 2023 has been submitted to the BSE Limited within the prescribed statutory timelines.

Annual Return

Pursuant to Section 92(1) of the Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is placed on the Company's Website and can be accessed at web link: <https://www.primochemicals.in.com/page/investors>.

Other Disclosures

- There is no change in the nature of business of the Company.

- ii) There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.
- iii) There was no instances of one time settlement with Banks or Financial Institutions during the year.
- iv) During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.
- v) During the year, no unclaimed dividend was required to be transferred in the Investor Education & Protection Fund of IEPF Authority.
- vi) There are no significant and material orders passed by the Regulators or Courts or tribunals impacting the going concern status and the Company's operations in future.

Acknowledgements

The Board of Directors place on record its deep sense of appreciation for the committed services rendered by the employees of the Company at all levels.

The Board of Directors would also like to express its deep sense of gratitude or the cooperation and support received from Governments Authorities, Company's Bankers, financial institutions, stakeholders, business associates, customers, vendors and members and look forward to their continued support in future.

For and on behalf of the Board

Sd/-

(Sukhbir Singh Dahiya)

Chairman

Place: Chandigarh

Date: 14th August, 2023

DIN: 00169921

Annexure - I to the Directors' Report

Form No. AOC-1

*(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries or
associate companies or Joint ventures.*

Part B Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013
related to Associate Companies and Joint Ventures

Name of Associates or Joint Ventures	Flow Tech Chemicals Pvt. Ltd.
1. Latest audited Balance Sheet Date	31 st March, 2023
2. Date on which the Associate or Joint Venture was associated or acquired	December, 2021
3. Shares of Associate or Joint Ventures held by the company on the year end	
a. No. of Shares	3,73,700
b. Amount of Investment in Associates or Joint Venture	5299.81 lacs
c. Extent of Holding (in percentage)	49%
4. Description of how there is significant influence	Holding of >20% Equity Shares
5. Reason why the associate/Joint venture is not consolidated.	NA
6. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 1327.16 Lacs
7. Profit or Loss for the year	
i. Considered in Consolidation	Rs. 341.51 lacs
ii. Not Considered in Consolidation	Nil

- Names of associates or joint ventures which are yet to commence operations: None
- Names of associates or joint ventures which have been liquidated or sold during the year: None

As the Company has no Subsidiary Company, 'Part A' is not applicable

For and on behalf of the Board

Sd/-
(ARUN KUMAR KAUSHAL)
 Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
 Company Secretary
 FCS-11578

Sd/-
(JATIN DAHIYA)
 Executive Director
 DIN: 08106876

Sd/-
(NAVEEN CHOPRA)
 Managing Director
 DIN: 08465391

As per our separate report of even date

For S. Tandon & Associates
 Chartered Accountants
 Firm Registration No. 006388N
 ICAI UDIN : 23518893BGXMLX7720

Sd/-
(Nipun Rastogi)
 Partner
 Membership No. 518893

Place: Chandigarh
 Date: 26th May, 2023

Annexure to the Directors' Report

Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered during the year ended March 31, 2023, which were not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

- a) Name(s) of the related party and nature of relationship: Flow Tech Chemicals Private Limited; Associate Company
- b) Nature of contracts/arrangements/transactions: Supply and Purchase of Liquid Chlorine, Paraffin, Caustic Soda Lye, House Rent, Neutralization charges, Lease rent, HCL, HSD, Chlorine disposal charges etc.
- c) Duration of the contracts/arrangements/transactions: FY 2022-23
- d) Salient terms of the contracts or arrangements or transactions including the value if any: Total value of transactions during the FY 2022-23 was Rs. 82.34 Crores
- e) Date(s) of approval by the Board, if any: 5th May, 2022
- f) Amount paid as advances, if any: NIL

For and on behalf of the Board

Sd/-

(Sukhbir Singh Dahiya)

Chairman

DIN: 00169921

Place: Chandigarh

Date: 14th August, 2023

Annexure – II to the Directors' Report

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March, 2023

A. Conservation of Energy

(1) Steps taken by company towards energy conservation:

- i) To reduce the energy consumption Per Tonne of Caustic Production, we have planned to replace the membranes of all the Electrolyzers in Phased manner and up to March 2023 remembering of two Electrolyzers, out of six, has been completed.
- ii) Liquid Chlorine pump with complete system was installed to reduce Power consumption in Tonner Filling & reduce Hypo Generation. For further improvement in product quality, reduce losses and reduction in energy consumption, Variable Frequency Drive (VFD) was installed.
- iii) Installation of Energy meters in different sections which have higher consumption for effective monitoring & immediate corrective action.
- iv) Installation of new Centrifugal chilled water compressor with energy efficient motor, soft starter, and fine PLC control for reducing the energy consumption and obtain maximum output.
- v) Replacement of existing low-capacity Chlorine compressor B, with higher rating Chlorine compressor & Energy efficient motor i.e., IE4 and soft starter for reducing the energy consumption and more productivity.
- vi) The LED lighting fixtures are installed in newly added plants.
- vii) New 11th harmonic filters added on Bus A in electrical system after enhancement of contract demand and present plant load condition & capacity and Power factor: @ 0.999, is maintained.
- viii) Now motors that are being added in existing/new plant are energy efficient i.e., IE4 class instead of standard/IE2/IE3 motors.

(2) Steps taken by the company for utilizing alternate sources of energy.

1. The Company is at the advanced stage of Commissioning of 35MW Coal based power plant as an alternate source of power.
2. Modification in boiler tubes & H2 piping is done resulting into increase in boiler capacity on Hydrogen, thereby reducing the Hydrogen venting & minimize the use of Husk / FO while meeting the total plant steam requirement by running two boilers on pure Hydrogen gas only.

B. Energy Consumption

		2022-23	2021-22
A.	Power and Fuel Consumption		
1.	Electricity		
(a)	Purchased		
(i)	From Punjab State Power Corporation Limited		
	Units (lacs KWH)	3390.42	2800.01
	Total Amount (Rs.in lacs)	19817.98	16599.59
	Rate /Unit (Rs.) (incl. surcharge)	5.87	5.93
(ii)	From Other Sources through Indian Energy Exchange		
	Units (lacs KWH)	-	-
	Total Amount (Rs.in lacs)	-	-
	Rate /Unit (Rs.)	-	-
(iii)	Total Units (lacs KWH)	3390.42	2800.01
	Total Amount (Rs. in lacs)	19817.98	16599.53
	Rate /Unit (Rs.) (incl. surcharge)	5.87	5.93
(b)	Own Generation	Nil	Nil
2.	Coal		
	Quantity (in kg.)	2620	973
	Total Amount (Rs. In Lacs)	0.85	0.24
3.	Furnace Oil/LDO/HSD		
	Quantity (K. litres)	192.771	223.323
	Total Amount (Rs.in lacs)	132.63	125.90
	Average Rate (Rs. Per K.litre)	68800	56375.38
4.	Husk (Rice)		
	Quantity (In MT)	1880.69	4296.780
	Total Amount (Rs. In Lacs)	164.87	281.06
	Average Rate (Rs. PMT)	8766.57	6541.08
B.	Consumption per Unit of Caustic Soda Produced		
1.	Electricity (KWH)		
	Caustic Soda Lye	2503	2414
	Additional Consumption for conversion to Caustic Soda Flakes	Nil	Nil
2.	Furnace Oil/LDO/HSD(ltrs.)		
	For Caustic Soda Lye	1.43	1.93
	Additional Consumption for conversion to Caustic Soda Flakes	Nil	Nil

Keeping in view the costing pattern adopted by the Company, per unit energy consumption for by-products cannot be separated from Caustic Soda Lye figures.

C. Technology Absorption

i) Major efforts made towards Technology adoption & Benefits

For the production of Caustic Soda in electrolysis process, the Company uses electrolyser elements (anodes and cathodes) made by ThyssenKrupp, Germany. In an effort to modernize the electrolysis operation, the Company has replaced most of the old Generation-3 Electrolyser elements with latest new generation (Generation-6) elements, thereby decreasing power consumption and increasing production. To further reduce the power consumption & increase the capacity in Unit -2, One Gen-6 Electrolyser is being added & is expected to be commissioned in November, 2023.

ii) Information regarding Imported Technology

Details of Technology Imported	Technology Imported from	Year of Import	Status
1. Technology Conversion & Expansion by Replacement of Old Gen-3, Electrolysers with Latest Energy Efficient Gen – 6 Elements & complete Electrolysers through Licensors, tkIS Germany, at our existing Caustic soda manufacturing Plant.	German technology through their Indian subsidiary– M/s Thyssenkrupp Industrial Solutions Pvt. Ltd.	2019-2022	Commissioned in a phased manner from Nov, 2019 to April, 2022.
2. Further 80 Elements of Gen- 6 were added in existing 6 no Gen- 6 Electrolysers @13 elements each.	--do--	2022-2023	Completed
3. Remembraning of 3 Electrolysers in phase manner.	--do--	2022-2023	Completed
4. We are in the process of adding 7 th Electrolyser of Gen-6, Elements procured.	--do--	2023	Planned for November 2023

D. Research and Development

The Research & Development effort of the Company directed towards energy conservation and pollution control is continued & waste water/effluent generation has been reduced by approx. 30% through recycling & reuse of the waste water generated.

Expenses incurred on R & D are booked under respective general accounting heads and no amounts can therefore be quantified separately under the head of R & D expenses.

E. Foreign Exchange Earnings and Outgo – 4798.73 Lacs

For and on behalf of the Board

Sd/-

(Sukhbir Singh Dahiya)

Chairman

DIN:00169921

Place: Chandigarh

Date : 14th August, 2023

Annexure – III to the Directors' Report

Annual Report on Corporate Social Responsibility (CSR)

For the Financial Year 2022-23

1. Brief outline of CSR Policy:

Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors on the recommendation of the CSR Committee laid down a CSR Policy. The Policy lays down the manner in which CSR Activities covered under Schedule VII of the Companies Act, 2013 will be taken up and implemented by the Company. A copy of the Policy is available on Company's website.

2. Composition of CSR Committee & Meetings:

S. No.	Name	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Kuldip Singh Suhag	Chairman/ Non-Executive & Independent Director	2	2
2.	Shri Ashok Goyal	Member / Non- Executive & Independent Director	2	2
3.	Shri Tilak Raj Bajalia	Member / Non- Executive & Independent Director	2	2
4.	Shri Jagbir Singh Ahlawat	Member/ Non- Executive & Non- Independent Director	2	2

3. Web-link for CSR committee & CSR Policy	https://www.primochemicals.in/page/csr
4. Details of Impact assessment of CSR projects	N.A.
5. Details of the amount available for set off.	NIL
6. Average of profit of the Company for last three financial years	Rs. 3380.13 lacs
7. a) Two percent of the average of profit as per Section 135 (5)	Rs. 67.60 lacs
b) Surplus arising out of the CSR projects or programs or activities of the previous financial years.	NIL
c) Amount required to be set off for the financial year	NIL
d) Total CSR obligation for the financial year (7a+7b - 7c)	Rs. 67.60 lacs

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

Total Amount Spent during the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 67.60 lacs	NIL				

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

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

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area Yes/ No	Location of the project		Amount spent in the current financial Year (in Rs. Lacs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				State/ UT	District			Name	CSR Registration Number
1.	Hygiene improvement by promoting sanitation	Ensuring environmental sustainability, ecological balance	Yes	Punjab	Rupnagar	1.14	Yes	-	-
2.	Promotion of Health care including Preventive Health care	Promotion of Health care including Preventive Health care	Yes	Punjab	Rupnagar	5.63	Yes	-	-
3.	Development of Neighbourhood by planting trees/ Ensuring Environmental sustainability, ecological balance		No	New Delhi	West Delhi	43.63	No	Kartavya Janhit Foundation	CSR00006674
			Yes	Punjab	Rupnagar	17.20	Yes	-	-
Total						67.60			
d) Amount spent in Administrative Overheads						NIL			
e) Amount spent on Impact Assessment, if applicable						N.A.			
f) Total amount spent for the Financial Year (8b+8c+8d+8e) (in lacs)						67.60			
g) Excess amount for set off, if any						N.A.			

9. a) Details of unspent CSR amount for the preceding three financial year(s): N.A.
- b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): N.A.
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year
- a) Date of creation or acquisition of the capital asset(s) N.A.
- b) Amount of CSR spent for creation or acquisition of capital asset N.A.
- c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. N.A.
- d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). N.A.
11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5). N.A.

Place: Chandigarh
Date: 14th August, 2023

Sd/-
(Naveen Chopra)
Managing Director
DIN: 08465391

Sd/-
(Kuldip Singh Suhag)
Chairman
DIN: 08925842

Annexure – V to the Directors' Report

Management Discussion & Analysis Report

For the Financial Year 2022-23

Economy Overview

Global Economy

The global economy witnessed a muted FY23 with the economy growth at 3.4% and FY24 is estimated to see a slower growth estimated at ~ 2.8%. Soaring global energy and food prices, the resurgence of Covid caseloads in few countries, the fallout of recessionary trends in various markets & end-user industries have led to slower-than-expected economic growth resulting in stringent monetary policies by many central banks.

The near-term outlook for global economies remains unclear. However, the note of optimism stems from the opening up of China's economy and the cooling down of energy prices. It is expected the slowdown in global economic growth will bottom out in 2023 but will start picking up in 2024. Advanced economies, compared to emerging markets, are expected to experience a more significant growth slowdown, from 2.7% in 2022 to 1.3% in 2023. According to the IMF, global GDP growth will recover to 3.1% in 2024, driven by domestic factors such as robust private consumption and investments. The US Federal Reserve's shift towards a less aggressive monetary policy will likely set the tone for the coming year. However, the geopolitical conflict in eastern Europe and its impact on global tensions remain a significant risk. [Source: IMF Report 2022-23].

Indian Economy

Surpassing global slowdown, the Indian economy grew by 7.2% during the fiscal year 2022-23, outpacing the Government's projection of 7.0% GDP growth. This growth was driven by strong domestic macroeconomic fundamentals, increased exports, reduced oil prices, higher capital investments, and a decrease in import-intensive consumption demand.

The Indian economy has demonstrated extraordinary resilience despite facing several challenges such as rising inflation and supply shocks caused by geopolitical crises and continues to recover. Strong growth is anticipated because of strong investment activity bolstered by the Government's capex push coupled with an upswing in manufacturing activity, robust consumption trends, etc. India has managed to uphold its status as the world's fastest-growing economy. With an ambitious target of becoming a \$5 trillion economy by 2025 and more than doubling annual exports to \$2 trillion by 2030, aided by the rise in services and electronics exports, India has announced several initiatives to achieve these goals and sustain its growth momentum. The Government's proactive measures and policies are expected to contribute to a healthy GDP growth rate in FY24, forecasted at 6.3%. [Source: National Statistical Office (NSO); IMF]

Outlook

India, being one of the world's largest economies, has played an important role in global economic growth, adding about \$1.3 trillion to global demand over the last decade. The Indian economy has emerged stronger and fared better than many major global economies, because of its growth-oriented policy reforms and effective regulatory measures. Many policy initiatives such as the Production Linked Incentive (PLI), de-leveraging of private sector, increased spending on infrastructure, and various other Government policies have propelled the Indian economy to its new heights.

Union Budget FY 2023-24 provisions

The Union Budget FY24 aimed at enhancing the nation's positioning and accordingly set an increased capital expenditure outlay of Rs. 10 Lac crore, a 33% increase over FY23. The government's focus on capital expenditure, strong manufacturing capacity utilization, double-digit credit growth, and moderation in commodity prices are likely to further enhance manufacturing and investment push. Government's introduction of measures to support economic growth including the National Infrastructure Pipeline (NIP) and the Production-Linked Incentive (PLI) schemes etc. will provide a fillip to key industries like manufacturing, infrastructure and healthcare.

Industry Overview

Indian Chemical Industry

The Indian chemical industry has emerged as a formidable global player, claiming 6th position worldwide and 3rd spot in Asia. The industry recorded a volume of US\$ 232 billion in 2022, and is expected to reach US\$ 304 billion by 2025, registering a CAGR of 9.3%. Currently, India's chemical exports have reached the 14th position, while imports stand strong at the 8th rank. The cumulative FDI equity inflow in the chemical industry (excluding fertilizers) was US\$ 20.96 billion from April 2000 to December 2022. This constituted 3.35% of the total FDI inflow across sectors.

The recent Union Budget for 2023 sets the stage for growth, stability, and inclusive development, with an array of policies aimed at igniting robust demand for a diverse range of chemicals. The budget allocation for the Department of Chemicals and Petrochemicals stood at Rs. 173.45 crore (US\$ 20.93 million).

The Government is also considering launching a production-linked incentive (PLI) scheme in the chemical sector to boost domestic manufacturing and exports. The industry continues to explore opportunities to obfuscate itself from supply chain disruptions in China and trade conflicts among the US, Europe, and China. Additionally, anti-pollution measures in China have created specific segments of opportunities for the industry.

To bolster growth, the government has implemented the Petroleum, Chemicals, and Petrochemicals Investment Regions (PCPIR) policy. This ambitious plan aims to attract an impressive investment of Rs. 20 lakh crore (US \$276.46 billion) by 2035, establishing dedicated integrated manufacturing hubs. Providing special incentives through PCPIRs and Special Economic Zones (SEZs) to encourage downstream units will further boost production and overall industry growth.

Industry, today, is at the cusp of becoming a dominant global industry. No doubt, its future looks very promising. With a stable and favourable policy regime from the government and with the industry's aggressive focus on EHS and R&D, India will grow to become a safe, sustainable, and vibrant global chemical manufacturing hub. [Source; IBEF, AMAI]

Global and Indian Caustic Soda Industry

FY23 witnessed robust growth in the industry, bolstered by strong demand and stable international prices up till October 2022. However, from November 2022, the prices declined due to the easing of global supply chain conditions, destocking of overstocking done in Europe earlier in anticipation of high energy prices and recession in European Union economies. Among the prominent segments within the inorganic chemicals sector, Chlor-Alkali played a pivotal role as a fundamental building block for the overall chemicals industry. Its applications span a wide range of sectors

including textiles, alumina, organics, inorganics, pesticides, soap & detergents, dyes, paper & pulp, water treatment, chemical & petrochemical processing, and power & steel.

Indian Caustic Soda, with an annual capacity of approximately 5.04 million metric tonnes, accounts for approximately 5-6% of the global capacity. It is projected to grow in tandem with the country's GDP. Initial estimates indicate that the industry produced around 4.13 million metric tonnes of Caustic Soda, reflecting an 8% increase compared to the previous year. In terms of international trade, Caustic Soda continued its trend of surpassing imports with exports reaching 458,000 metric tonnes, while imports stood at 139,000 metric tonnes. Notably, exports witnessed an increase while imports remained lower.

The geopolitical conflict in eastern Europe had an impact on the global economy; however, the government's interventions and balanced approach mitigated its effects on our economy. The higher GDP growth of over 7.0% for FY23 and the strong indicators of the Indian economy are indicative of sustained growth momentum.

For the Alkali industry, FY24 is expected to begin with signs of declining international prices and high imports on our west coast. However, the expectation of overall strong economic growth could provide some respite to our industry. [Source: IBEF; AMAI]

Business Overview

Primo Chemicals Limited, formerly known as Punjab Alkalies & Chemicals Ltd (PACL), is a prominent company in the chemical industry. The company specializes in the production of caustic soda and related chemicals. Primo Chemicals Limited's strong market presence, commitment to sustainability, focus on quality, and expansion plans position the company for continued growth in the chemical industry. With its expertise and dedication to meeting customer needs, Primo Chemicals Limited aims to deliver superior value and contribute to the industry's development in the years to come.

Performance Review

Primo Chemicals Limited delivered a robust performance in FY23, achieving significant growth in revenues and profitability surpassing all previous records. Despite the considerable increase in Salt prices, the Company experienced positive trends in key performance indicators.

In FY23, the company recorded a Revenue from Operations of Rs. 7,074 million, marking a substantial increase of 56% from Rs. 4,541 million in FY22. The EBITDA showed remarkable growth, more than doubling to Rs. 2,185 million compared to Rs. 1,018 million in FY22. Similarly, the Net Profit also moved to Rs. 1,374 million from Rs. 592 million in FY22 resulting an increase of 132%. These financial achievements reflect the company's effective cost management and revenue growth strategies.

The Cash Flow from Operations stood at Rs. 1,496 million, indicating the company's ability to generate positive cash flows from its core business operations.

Furthermore, the ECU realization increased by 26.2% on a year-on-year basis. The Caustic Soda Lye rate per metric ton (PMT) also showed growth, with a 32.3% increase on a year-on-year basis.

Overall, Primo Chemicals Limited's consolidated performance in FY23 demonstrates its strong financial achievements and its ability to achieve substantial growth, enhance profitability, and optimize its operations. The company's focus on cost management, efficient production utilization, and favorable market conditions contributed to its strong financial performance.

Growth Strategy and Outlook for Primo Chemicals Limited

Primo Chemicals Limited has outlined a robust growth strategy to capitalize on market opportunities and drive sustainable expansion in the chemical industry in line with the Company's aims to enhance

its competitive edge, diversify its customers portfolio, expand its market reach and capture a larger customer base.

Primo has been strategically pursuing its forward integration plan of implementation of Aluminum Chloride project and acquisition of 100% stake in Flow Tech Chemicals Pvt. Ltd. Primo has successfully commissioned the commercial production of Stable Bleaching Powder to further enhance the company's product diversification and strengthens its position in the market. Primo Chemicals Limited continues to explore opportunities for forward integration to secure its supply chain, improve operational efficiencies, strengthen its downstream portfolio, and to add more value-added products in its product portfolio.

Primo's ongoing expansion plans, including the 35 MW Coal and Biomass based Thermal Power Plant and Caustic Flaker unit, are developing as planned and it is anticipated that these projects will have a positive impact on the company's revenue and profitability in FY 2023-24.

Primo remains committed to operational excellence by continually improving its manufacturing processes, optimizing resource utilization, and implementing cost-effective measures. Primo Chemicals Limited aims to enhance productivity, reduce costs, and improve overall operational efficiencies to drive profitability and competitiveness.

Overall, Primo Chemicals Limited has a positive growth outlook, driven by its strategic initiatives, market expansion, product portfolio enhancement, and operational excellence. By capitalizing on these factors, the company aims to achieve sustainable growth, increase market share, and deliver long-term value to its stakeholders.

Marketing

Primo has implemented various marketing initiatives to strengthen its brand presence in the market, expand its customer base, and drive growth in the chemical industry. The company has invested in developing a cohesive brand identity, including a visually appealing logo, tagline, and brand messaging. Primo has aimed to enhance brand awareness and create a positive perception among customers and stakeholders. Primo recognizes the importance of nurturing strong relationships with its existing customers. By understanding customer needs and providing tailored solutions, the company aims to enhance customer satisfaction, loyalty, and long-term partnerships.

Advantages & Opportunities

Primo has locational advantages of availability of uninterrupted Power supply – a major input, perennial source of water, skilled labour and close proximity to road/rail and the presence of several end-user Units in industries like paper, fertilizers, soaps and detergents, etc. in its Natural Marketing Zone as its Caustic Soda Plants are located in its Plant Complex at Naya Nangal, District Ropar, Punjab in close vicinity of a State Highway and around 12 Kms from the Bhakra Left Bank Power Generating Station and about 2.5 Kms. from Sutlej River.

The Company is supplying Chlorine Gas through pipeline to one of its Promoter Group Chlorinated Paraffin Wax (CPW) Plant situated within its Complex and Hydrogen Gas through pipeline to one Hydrogen Compressing & Bottling Unit situated near PCL Complex. Primo is also utilising Hydrogen as a fuel, which result in a considerable improvement of utilisation of its by-product Hydrogen Gas. This results in regular supply of Chlorine & Hydrogen besides saving on transportation cost.

Chlor-Alkali business is seeing opportunities in capacity expansion to meet the medium-term demand growth as well as in downstream products that will help Chlorine evacuation and other value-added downstream products.

With a growing focus on sustainability and environmental regulations, there is a rising demand for sustainable and eco-friendly chemicals. Primo Chemicals Limited can seize this opportunity by investing in research and development to develop and offer sustainable chemical solutions that align with market trends and customer preferences.

Primo Chemicals Limited can explore opportunities to expand its presence in international markets. By targeting emerging markets or regions with high demand for chemicals, the company can tap into new customer segments and diversify its revenue streams.

By diversifying its product portfolio and focusing on value-added products, the Company's endeavor is to capture higher margins and differentiate itself from competitors. Identifying customer needs and developing specialized chemical solutions, can lead to increased market share and profitability.

Threats, Risks & Concerns

The expansion of installed capacities by other domestic players in the caustic industry poses a competitive threat. Increased supply of Caustic and Chlorine in the market can lead to pricing pressures and intensified competition for market share besides intense competition from Global players.

The chemical industry is subject to stringent regulatory standards and environmental regulations. Non-compliance with these regulations can lead to fines, penalties, and reputational damage. Additionally, increasing environmental concerns and the need for sustainable practices require chemical companies to make substantial investment in pollution control measures and adopt cleaner technologies, which can add to operational costs. Being a producer of chemicals with hazardous properties, safety is a major concern. Primo must adhere to stringent safety protocols and invest in measures to mitigate any potential risks to workers, the environment, and surrounding communities.

In addition to the above, Primo is exposed to the risk of increasing input costs such power tariffs, raw materials, transportation, and other essential resources. Escalating prices of these inputs can squeeze profit margins and affect the overall cost-effectiveness of the company's operations.

The Indian chemical industry faces intense competition from global players. Global companies often have established market presence, advanced technologies, and economies of scale, which can make it challenging for Indian companies to compete on price and quality. Protectionist measures, trade barriers, and fluctuations in foreign exchange rates can also impact the competitiveness of Indian chemical manufacturers in the global market.

Geopolitical tensions, trade disputes, and changes in government policies can introduce uncertainties and impact the global supply chains of the chemical industry. Trade barriers, tariffs, and protectionist measures can limit market access and create challenges for Indian chemical companies operating in international markets.

Risk Management

Risks refer to potential threats or negative occurrences that can lead to damage, loss, liability, or other adverse consequences. Risk management involves the identification, assessment, and prioritization of risks, followed by the application of resources to mitigate/minimize, monitor, and control the probability and impact of such events. The Company has in place an adequate Risk Assessment and Minimization System. Major risks for the Company are a) Cost of Power: Being a power-intensive industry, minimizing power cost is crucial to maintaining profitability, b) Production of Hazardous Chemicals, which presents inherent risks: The Company must adhere to strict safety protocols and industry regulations to mitigate the potential risks associated with these operations, c) Locational Disadvantage: Being far from its major raw material i.e. Industrial Salt which involves transportation costs and supply chain complexities, posing challenges to the Company's operations and cost efficiency, d) Import of Caustic at Cheaper Rates: poses a competitive threat to the Company. Cheaper imports may affect the Company's pricing, market share, and overall profitability, e) Increasing regulatory enactments have brought in the need for

additional compliances. With various statutes and regulations, non-compliance may not only lead to monetary penalties but also have an impact on the reputation of the organization and the goodwill it enjoys. The risk is mitigated through regular monitoring and review of changes in the regulatory framework to ensure compliance with all the applicable statutes and regulations. Other Risk includes Operation Risk including Cyber risk, Financial Risk, Sustainability Risk, Recession Risk, Digitalisation Risk, Talent Retention Risk, etc.

To address these risks, the Company focuses on proactive risk management strategies, such as optimizing power consumption, maintaining rigorous safety measures, exploring alternative sourcing options for raw materials and enhancing operational efficiencies. By continuously monitoring and mitigating these risks, the Company aims to safeguard its business and maximize opportunities for growth.

Internal Control Systems

The Company has in-place appropriate internal control systems in line with its size and business operations and these are strengthened through internal audits being conducted by independent auditors. The findings of the internal audit are reviewed by both the management team and the Audit Committee of the Board of Directors. In addition to the internal audits, the adequacy and effectiveness of the internal control systems are also assessed by the Company's statutory auditors. This comprehensive approach ensures that the internal control systems are adequate, reliable, and aligned with industry best practices, thus enabling the Company to effectively manage risks, safeguard assets, and maintain the integrity of its financial reporting processes.

Place: Chandigarh
Date: 14th August, 2023

Human Resources

Primo Chemicals Limited attaches great value to its human resources and places great emphasis on upgrading and enhancing their skills and capabilities. The Company considers training and development as one of the key area for its personnel at all levels. Throughout the financial year under review, the Company maintained cordial industrial relations. As of March 31, 2023, Primo Chemicals Limited had a total of 385 permanent employees, including 40 employees on deputation, contributing to the organization's success.

Cautionary Statement

The statements made in this Management Discussion and Analysis Report regarding the Company's objectives, projections, estimates, expectations, or predictions may be considered as "forward-looking statements" in accordance with applicable laws or regulations. These statements are based on certain assumptions and expectations regarding future events. However, actual results may differ materially from those expressed or implied in these statements. Various factors could affect the Company's operations, including economic conditions that impact global and domestic demand and supply, fluctuations in prices of finished goods, availability and costs of power and raw materials, restrictions and charges related to power wheeling, changes in government regulations and tax regimes, economic developments in India, and other factors such as litigation and industrial relations. The Company does not assume any obligation to publicly amend, modify, or revise any forward-looking statements based on subsequent developments, information, or events.

For and on behalf of the Board

Sd/-
(Sukhbir Singh Dahiya)
Chairman
DIN: 00169921

Annexure – VI to the Directors' Report

Corporate Governance Report

For the Financial Year 2022-23

Brief Statement on the Company's philosophy on Code of Governance

The Company's core philosophy on the code of Corporate Governance is to ensure fair and transparent business practices with accountability for performance. The compliance of applicable statute is of utmost importance to the Company. The transparent and timely disclosure of financial and management information always remains a priority for the Company.

The Company is in compliance with the provisions of Corporate Governance specified in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Board of Directors

The Board of Directors comprises of 8 Directors, of which Chairperson is a Non-Executive Director. The Company has a Managing Director and an Executive Director and 6 Non-Executive Directors of whom four are Independent Directors.

Skills /expertise competencies of the Board of Directors:

Name of Director	Core Skills/ Expertise/ Competencies
Shri Sukhbir Singh Dahiya	Management and Leadership, Chemical Industry/ Products Expertise, Business Understanding
Shri Naveen Chopra	Management and Leadership, Strategic Planning and Growth, Risk Management, Execution and Marketing, Chemical Industry/ Products Expertise
Shri Jatin Dahiya	Management and Leadership, Risk Management, Production Management, Cost Reduction Chemical Industry/ Products Expertise, Business Understanding
Shri Jagbir Singh Ahlawat	Management and Leadership, Strategy and Growth, Chemical Industry/ Products Expertise
Shri Tilak Raj Bajalia	Strategy and Growth, Risk Management, Governance, Financial Expertise
Shri Ashok Goyal	Financial Expertise, General Administration, Governance, Human Resources, Education, Academics, Legal
Shri Kuldip Singh Suhag	Strategy and Growth, Risk Management, Governance
Ms. Teesta Sandhu	Risk Management, Governance, Human Resources

The composition of the Board as on 31st March 2023 is given below:

Category of Directorship	
Non-Executive-Independent Director	4
Non-Executive-Non-Independent Director	2
Executive Director	2
Total Strength	8

The names and categories of the Directors on the Board, their attendance at the Board Meetings during the financial year and at the last Annual General Meeting, Inter-se relationship between the Directors, as also the number of Directorships held by them in other Companies and memberships of the Committees of the Board of the Companies in which they are Directors are given below:-

Name	Date of Appointment	Date of Cessation	Category	Inter-se Relationship amongst Directors	Attendance at Board Meetings during 2022-23 (01.04.2022 to 31.03.2023)	Attendance at last AGM on 15.09.2022	No. of Directorships in other Companies*		Memberships of the Committees of the Board of all the Companies**		No. of Directorships in other Listed Companies/ Category
							Chairperson	Director	Chairperson	Member	
Shri Sukhbir Singh Dahiya, Chairman	20.10.2020	-	Promoter NE& NI	Father of Shri Jatin Dahiya	6	Yes	-	1	1	-	-
Shri Naveen Chopra - As Whole Time Director - As Managing Director	28.05.2019 29.10.2020	-	E & NI	-	6	Yes	-	-	-	2	-
Shri Jatin Dahiya - As Director - As Executive Director	20.10.2020 01.04.2021	-	Promoter E& NI	Son of Shri Sukhbir Singh Dahiya	6	Yes	-	1	-	-	-
Shri Jagbir Singh Ahlawat	20.10.2020	-	Promoter NE& NI	-	5	Yes	-	1	-	-	-
Shri Tilak Raj Bajalia	26.10.2020	-	NE&I	-	6	Yes	-	1	1	1	-
Shri Ashok Goyal	26.10.2020	-	NE&I	-	6	Yes	-	-	-	2	-
Shri Kuldip Singh Suhag	26.10.2020	-	NE&I	-	6	Yes	-	-	-	1	-
Ms. Teesta Sandhu	02.12.2021	-	NE&I	-	6	Yes	-	-	-	-	-

* The Directorships held by the Directors as mentioned above do not include Directorships of Private Limited Companies.

**Includes only Audit Committee and Stakeholders Relationship Committee.

NE&NI - Non-Executive Non- Independent Director

NE&I - Non-Executive Independent Director

E&NI - Executive Non-Independent Director

Six Board Meetings were held during the financial year 2022-23 as against the minimum requirement of four meetings in a year. The dates on which the Board Meetings were held are given below:

5th May, 2022, 1st August, 2022, 10th October, 2022, 28th October, 2022, 27th December, 2022 and 10th February, 2023.

Two separate meetings of the Independent Directors were held on 1st August, 2022 and 14th August, 2023. The Independent Directors reviewed the performance of Non-Independent Directors, Board as a whole and Chairperson of the Company. The Independent Directors had also reviewed the quality, content and timeliness of flow of information between the Management and the Board.

Nomination & Remuneration Committee has devised the criteria for evaluation of the performance of the Directors (including Independent Directors). Pursuant to the provisions of the Act and Listing Regulations, the Board carried out the Annual Performance Evaluation of its Directors including Independent Directors, Board as well as the working of its Committees.

The Non-Executive Directors had no pecuniary relationship or transactions with the Company in their personal capacity during the financial year 2022-23 other than receiving Sitting Fees and/or reimbursement of expenses, if any, incurred for attending the meetings of the Company.

The Board of Directors of the Company in its meeting held on 13th February, 2018 had approved a Code of Conduct for Directors and Senior Management Personnel of the Company with effect from 13th February, 2018. The same has also been placed on the Company's Website of the Company <https://www.primochemicals.in/page/investors>. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Directors and Senior Management Personnel during the financial year 2022-23 and the Chief Executive Officer's Declaration to this effect is annexed herewith.

The details of Familiarization programme for the Independent Directors are available on the website of the Company <https://www.primochemicals.in/page/investors>.

Based on the declaration received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfill the conditions specified in SEBI Listing Regulations and they are independent of the Management.

The Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

During the year, the Board of Directors accepted all recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committee and approved by the Board of Directors. Hence, the Company is in compliance with the condition of clause 10 (j) of Schedule V of the SEBI Listing Regulations.

Audit Committee

The Company has constituted an Audit Committee of the Board of Directors in the year 1986.

The terms of reference and role of the Audit Committee as revised and stipulated by the Board of Directors from time to time are in conformity with and in line with the statutory and regulatory requirements as prescribed under Section 177 of the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

The names and categories of the Chairman and Members of the Audit Committee and their attendance at the Audit Committee meetings during the financial year under review are given below:-

Name	Designation	Date of Appointment as Member	Date of Cessation as Member	Category	Attendance during 2022-23 (01.04.2022 to 31.03.2023)
Shri Tilak Raj Bajalia	Chairman	26.10.2020	-	NE&I	5
Shri Ashok Goyal	Member	26.10.2020	-	NE&I	6
Shri Kuldip Singh Suhag	Member	26.10.2020	-	NE&I	6
Shri Naveen Chopra	Member	26.10.2020	-	E&NI	6

NE&I - Non-Executive Independent Director

E&NI - Executive Non - Independent Director

In addition to the Members of the Audit Committee, the Chief Financial Officer, Internal Auditors and the Statutory Auditors attended the meetings of the Committee as invitees. The Company Secretary of the Company acts as Secretary of the Committee. Members held discussions with Statutory Auditors during the meetings of the Committee. The Audit Committee reviewed the quarterly, half yearly and year to date un-audited and annual audited financial of the Company before submission to the Board of Directors for its consideration and approval. The Committee also reviewed the internal audit reports.

Six meetings of the Audit Committee were held during the financial year 2022-23

The dates on which the meetings of the Audit Committee were held are given below:

1st April, 2022, 5th May, 2022, 1st August, 2022, 28th October, 2022, 27th December, 2022 and 10th February, 2023.

Nomination and Remuneration Committee

The Company has constituted Nomination and Remuneration Committee of the Board of Directors of the Company in line with the provisions of Regulation 19 of the Listing Regulations read with Section 178 of the Companies Act, 2013.

The name and categories of the Chairman and Members of the Nomination and Remuneration Committee and their attendance at the meetings during the financial year under review are given below:

Name	Designation	Category	Attendance during 2022-23 (01.04.2022 to 31.03.2023)
Shri Ashok Goyal	Chairman	NE&I	2
Shri Tilak Raj Bajalia	Member	NE&I	2
Shri Kuldip Singh Suhag	Member	NE&I	2
Shri Sukhbir Singh Dahiya	Member	NE&NI	2

Two meetings of the said Committee were held on 4th May, 2022 and 1st August, 2022 during the financial year 2022-23.

The remuneration of the Managing Director(s) and Executive Director (s) is also approved by the Board of Directors subject to the requisite approvals under the provisions of the Companies Act, 2013.

The Non-Executive Directors are entitled to Sitting Fee decided by the Board of Directors in accordance with the provisions of the Articles of Association of the Company. The Sitting Fee has been revised with effect from 1st August, 2022 to Rs.75,000/- per meeting of the Board of Directors and meeting of the Audit Committee of the Board of Directors attended. There is no Change in the Existing Sitting Fee of Rs.50,000/- per meeting of the other Committees of the Board of Directors.

Details of the remuneration paid to the Directors in the financial year 2022-23 are as under:-

(Rs.in lacs)

Name of Directors	Category	Salary	Sitting Fees*
Shri Naveen Chopra	E&NI	564.91	
Shri Jatin Dahiya	E&NI	272.87	
Shri Sukhbir Singh Dahiya	NE&NI		16.25
Shri Jagbir Singh Ahlawat	NE&NI		4.50
Shri Tilak Raj Bajalia	NE&I		10.25
Shri Kuldip Singh Suhag	NE&I		10.75
Shri Ashok Goyal	NE&I		21.75
Ms. Teesta Sandhu	NE&I		5.75

* The sitting fees shown above are gross payment. Out of which, TDS @ 10% was deducted.

The details of the number of Equity Shares held by Directors of the Company as on 31st March, 2023 are as follows:-

Name of Directors	No. of Equity Shares
Shri Sukhbir Singh Dahiya	25278015
Shri Naveen Chopra	42500000
Shri Jagbir Singh Ahlawat	15500100
Shri Jatin Dahiya	5482535
Shri Kuldip Singh Suhag	70580
Ms. Teesta Sandhu	34870

Stakeholders Relationship cum Share Transfer Committee

The Company is having Stakeholders Relationship cum Share Transfer Committee of the Board of Directors of the Company constituted with the terms of reference as provided in Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 20 and Part D of the Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as (including any statutory or other modification(s) or re-enactment thereof, for the time being in force) and to approve the transfer and transmission of shares, sub-division and consolidation of Share certificates, issue of duplicate share certificates and dematerialisation and re-materialisation of shares, etc.

The names and categories of the Chairman and Members of the said Stakeholders Relationship cum Share Transfer Committee and their attendance at the said Committee meetings during the financial year under review are given below:-

Name	Designation	Category	Attendance during 2022-23 (01.04.2022 to 31.03.2023)
Shri Sukhbir Singh Dahiya	Chairman	NE&NI	22
Shri Naveen Chopra	Member	E&NI	22
Shri Ashok Goyal	Member	NE&I	22

CS Sugandha Kukreja, Company Secretary is the Compliance Officer.

During the financial year under review, a total of eleven 11 complaints/ queries were received and replied to the satisfaction of shareholders. Outstanding complaints/ queries as on 31st March, 2023 were Nil. Complaints/ correspondence are usually dealt with within 10-12 days of receipt.

Corporate Social Responsibility Committee

The Company has constituted Corporate Social Responsibility Committee in line with the provisions of Section 135 of the Companies Act, 2013 to (a) Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act, (b) Recommend the amount of expenditure to be incurred in the activities mentioned in the CSR policy and (c) Monitor the CSR Policy.

During the financial year 2022-23, Two meetings of the Corporate Social Responsibility Committee were held on 4th May, 2022 and 10th February, 2023.

The name and categories of the Chairman and Members of the Corporate Social Responsibility Committee and their attendance at the meeting during the financial year 2022-23 under review are given below:

Name	Designation	Category	Attendance during 2022-23
Shri Kuldip Singh Suhag	Chairman	NE&I	2
Shri Ashok Goyal	Member	NE&I	2
Shri Tilak Raj Bajalia	Member	NE&I	2
Shri Jagbir Singh Ahlawat	Member	NE&NI	2

Risk Management Committee

Since the Company has fallen under top 1,000 listed Companies based on the Market Capitalization, as on dated 31st March, 2022, the Board of Directors in its meeting held on 5th May, 2022 constituted Risk Management Committee in line with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to perform such other Role and Responsibilities as per Part D of Schedule-III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The name and categories of the Chairman and Members of the Risk Management Committee are given below:

Name	Designation	Category	Attendance during 2022-23 (01.04.2022 to 31.03.2023)
Shri Naveen Chopra	Chairman	E&NI	2
Shri Jatin Dahiya	Member	E&NI	2
Ms Teesta Sandhu	Member	NE&I	2

Two meetings of the said Committee were held on 1st August, 2022 and 24th January, 2023 during the financial year 2022-23.

General Body Meetings

a) The particulars of the last three Annual General Meetings (AGMs) of the Company are:

S. No.	AGM Particulars	Venue (Registered Office)	Date	Details of Special Resolutions passed
1.	45 th AGM in respect of the financial year 2019-2020	Punjab Alkalies & Chemicals Limited SCO 125-127 Sector 17-B Chandigarh. (Through Video Conferencing)	29 th September, 2020 at 12.00 hours	There was no matter that required passing of Special Resolution.
2.	46 th AGM in respect of the financial year 2020-2021	Punjab Alkalies & Chemicals Limited SCO 125-127 Sector 17-B Chandigarh. (Through Video Conferencing)	30 th September, 2021 at 16:00 hours	Appointment of Shri Jatin Dahiya as Executive Director of the Company for the period of three years w.e.f. 1 st April, 2021.
3.	47 th AGM in respect of the financial year 2021-22	Punjab Alkalies & Chemicals Limited SCO 125-127 Sector 17-B Chandigarh. (Through Video Conferencing)	15 th September, 2022 at 12.30 hours	According of approval for Revision in terms of remuneration payable to Shri Naveen Chopra, (DIN: 08465391) Managing Director with effect from 1 st April, 2022. According of approval for Revision in terms of remuneration payable to Shri Jatin Dahiya, (DIN: 08106876) Executive Director with effect from 1 st April, 2022

b) Extraordinary General Meetings :

No Extraordinary General Meetings of Members were convened during the financial year.

- c) (i) All the Resolutions including the Special Resolutions were passed through e-voting and venue voting conducted at Annual General Meeting in compliance with the provisions of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014.
- (ii) Details of resolutions passed through Postal Ballot:

During the financial year, the following Special Resolutions were passed by the Company through a Postal Ballot:

S. No.	Date of Announcement of Result	Details of Special Resolutions passed	% of Votes in Favour	% of Votes Against
1.	10 th December, 2022	I. Approval of change of name of the Company and subsequent Alteration in Name Clause of Memorandum of Association and Articles of Association of the Company.	100%	-
		II. To ratify and confirm the appointment of Ms. Teesta Sandhu (DIN: 09415955) as Non-Executive Independent Director of the Company, by way of passing a Special Resolution in compliance with the provisions of Regulation 25(2A) of the Listing Regulations.	100%	-

Shri Ajay K. Arora, Practising Company Secretary, (Membership No:2191; CP No. 993) was appointed as the Scrutinizer for conducting Postal Ballot process through remote e-voting, in a fair and transparent manner.

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 10/2021 dated 23rd June, 2021, 20/2021 dated 8th December, 2021 and 3/2022 dated 5th May, 2022 issued by the Ministry of Corporate Affairs.

No Special Resolution is proposed to be conducted through Postal Ballot Process at the ensuing Annual General Meeting. However, remote e-voting facility and evoting facility during the AGM shall be provided to the members in respect of all the resolutions to be passed at the ensuing AGM.

Disclosures

- a) During the year under review, no material transactions with any related party as defined under the Act and the Listing Regulations have been entered into, which have a potential conflict with the interest of the Company at large. All contracts/ arrangements/ transactions entered into by your Company with its related parties were on an arm's-length basis and in the ordinary course of business. Attention of the members is drawn to Note 43 of the Financial Statements, forming part of this Annual Report, which sets out the related party disclosures. The Policy on Related Party Transactions is available on the website of the Company at <https://www.primochemicals.in/page/investors>.
- b) There has been no non-compliance by the Company or penalties or strictures imposed on the Company by any of the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.
- c) The Company has in place the policy on Vigil Mechanism and Whistle Blower. The same has also been placed on the Company's Website at <https://www.primochemicals.in/page/investors>. During the year under review, no person has been denied access to the Chairman of the Audit Committee.
- d) Certificate from Company Secretary in practice has been obtained stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/ MCA or any other statutory authority.
- e) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are given in Note No. 35 to the Financial Statements.
- f) Details of Senior Management including the Changes therein since the close of the previous financial year are as follows:

S. No.	Name	Designation	Nature of Change, if any
1.	Shri Munish Aggarwal	Sr. Vice President (Tech.)	Appointment dated 15.03.2023
2.	Shri Sanjeev Saunkhla	Chief IT Officer	Appointment dated 01.12.2022
3.	Shri MPS Walia	GM (Works)	
4.	Shri Ranjit Singh Marwah	CHRO	Appointment dated 22.08.2022
5.	Shri K.K. Goyal	AVP (Projects)	

S. No.	Name	Designation	Nature of Change, if any
6.	Shri Arun Kumar Kaushal	Chief Financial Officer	
7.	CS Sugandha Kukreja	Company Secretary & Compliance Officer	
8.	Shri Devender Singh Saini	DGM (Sales)	
9.	Shri Talwinder Singh	AGM (Finance & HR)	
10.	Shri Rakesh Kaura	AGM (Mtrls. & Co-ordination)	

g) In terms of Regulation 30A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there are no such agreements that are required to be disclosed in the Annual Report.

h) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No. of Complaints filed during the financial year - Nil

No. of Complaints disposed of during the financial year - Nil

No. of Complaints pending during the financial year - Nil

i) Details of Loans and advances in the nature of loans to firms/companies in which directors are interested, forms part of notes to the financial statements.

j) The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all the amendments from time to time.

k) Discretionary Requirements:

The status of discretionary requirements adopted by the Company is as under:

i) The Company has separate positions for Chairperson and Managing Director. Shri Sukhbir Singh Dahiya is the Chairman of the Company and Shri Naveen Chopra is the Managing Director of the Company.

ii) The Internal Auditors of the Company give their quarterly report to the Audit Committee and the same is taken for review at the time of meetings of the Audit Committee.

iii) There are no audit qualifications on the Financial Statements of the Company for the financial year ended 31st March 2023.

iv) Shri Naveen Chopra, Managing Director and Shri Arun Kumar Kaushal, Chief Financial Officer, have issued the Certificate in accordance with Regulation 17(8) of the Listing Regulations with regard to Quarterly and Annual Financial Statements for the Financial Year ended 31st March, 2023.

Means of Communication

The quarterly Financial Results and Annual Financial Results of the Company are being published in the newspapers i.e. Financial Express/ Times of India and Amar Ujala and filed electronically on Listing Centre of BSE Limited in accordance with the requirements of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and are also available on the website of the Company www.primochemicals.in All periodical compliances /filing are also filed electronically on Listing Centre of BSE Limited.

The Management Discussion and Analysis Report for the financial year 2022-23 is a part of the Annual Report for the said financial year.

General Shareholders Information

a)	Annual General Meeting	29 th September, 2023
b)	Financial Calendar	1 st April, 2022 to 31 st March, 2023
c)	Date of Book Closure	23 rd September, 2023 to 29 th September, 2023
d)	Dividend Payment Date	N.A.
e)	Listing on Stock Exchanges	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
f)	Stock Code	BSE Limited : 506852 ISIN No. for Demat Mode : INE607A01022 Shares
g)	Registrars and Share Transfer Agents	M/s. Beetal Financial & Computer Services Private Limited Unit: Primo Chemicals Limited Beetal House, 3 rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi-110062 Ph. : (011) - 29961281-83 Fax: (011) - 29961284 E-mail ID: beetalrta@gmail.com Website: www.beetalfinancial.com
h)	Share Transfer System	The Company is having a Stakeholders Relationship cum Share Transfer Committee of the Board of Directors to approve the transfer/ transmission of shares, etc. The share transfers/ transmission received in physical form are processed through R & T Agent, within thirty days from the date of receipt, subject to the documents being valid and complete in all respects.
i)	Dematerialisation of Shares and liquidity	The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for facilitating holding of Company's Shares in Dematerialised Mode. As on 31 st March, 2023, 233821315 (Constituting 96.48%) were in dematerialized form.
j)	Unclaimed Shares	During the financial year 2022-23, no shares of the Company were required to be transferred to the Demat suspense account.
k)	Outstanding GDRs/ ADRs/ Warrants or Convertible instruments, conversion date and likely impact on equity.	Nil
l)	Plant Location	Nangal-Una Road, Naya Nangal, Distt. Ropar (Punjab)-140 126
m)	Address for Correspondence	Primo Chemicals Limited Bay No. 46-50, Sector 31-A, Chandigarh-160030 Ph. : (0172) – 2801628, Website : www.primochemicals.in CIN : L24119CH1975PLC003607

n)	E-mail ID for Investors' Complaints/Queries	secretarial@primochemicals.in																																													
o)	Credit Rating	CARE Ratings Limited have re-affirmed credit ratings to the Company's Long Term and Short Term credit facilities as under:																																													
		<table border="1"> <thead> <tr> <th>Facilities</th> <th>Rating1 dated 8th June, 2022</th> <th>Rating2 dated 4th July, 2022</th> <th>Rating3* Dated 27th December, 2022</th> <th>Rating Action</th> </tr> </thead> <tbody> <tr> <td>Long Term Bank Facilities</td> <td>CARE BBB-(CWD) (Triple B Minus) (Under Credit watch with Developing Implications)</td> <td>CARE BBB-(CWD) (Triple B Minus) (Under Credit watch with Developing Implications)</td> <td>CARE BBB-(RWD) (Triple B Minus) (Under Credit watch with Developing Implications)</td> <td>Continuous to be on Credit watch with Developing Implications</td> </tr> <tr> <td>Long Term/ Short Term bank Facilities</td> <td>CARE BBB- /CARE A3 (CWD) (Triple B Minus/ A Three) (Under Credit watch with Developing Implications)</td> <td>CARE BBB- / CARE A3 (CWD) (Triple B Minus/ A Three) (Under Credit watch with Developing Implications)</td> <td>CARE BBB- / CARE A3 (RWD) (Triple B Minus/ A Three) (Under Credit watch with Developing Implications)</td> <td>Continuous to be on Credit watch with Developing Implications</td> </tr> </tbody> </table>	Facilities	Rating1 dated 8 th June, 2022	Rating2 dated 4 th July, 2022	Rating3* Dated 27 th December, 2022	Rating Action	Long Term Bank Facilities	CARE BBB-(CWD) (Triple B Minus) (Under Credit watch with Developing Implications)	CARE BBB-(CWD) (Triple B Minus) (Under Credit watch with Developing Implications)	CARE BBB-(RWD) (Triple B Minus) (Under Credit watch with Developing Implications)	Continuous to be on Credit watch with Developing Implications	Long Term/ Short Term bank Facilities	CARE BBB- /CARE A3 (CWD) (Triple B Minus/ A Three) (Under Credit watch with Developing Implications)	CARE BBB- / CARE A3 (CWD) (Triple B Minus/ A Three) (Under Credit watch with Developing Implications)	CARE BBB- / CARE A3 (RWD) (Triple B Minus/ A Three) (Under Credit watch with Developing Implications)	Continuous to be on Credit watch with Developing Implications	<p>*SEBI has standardised the descriptors to be used when an issuer/ security is placed on 'Rating Watch' vide its circular no. SEBI/HO/DDHS/DDHS-RACPOD2/P/CIR/2022/ 146 dated October 31, 2022. The new rating symbols/ descriptors as prescribed by SEBI shall henceforth be used for the new ratings/ reviews by CARE Ratings Limited. Pursuant to the above regulation, CARE Ratings Limited has revised its standard descriptors i.e. Credit watch with Developing Implications (CWD) to new descriptors i.e. Rating Watch with Developing Implications (RWD).</p>																													
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p)	Market Price Data	High/Low during each month of 2022-2023 (1 st April, 2022 to 31 st March, 2023) on the BSE Limited:																																													
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q)	Performance in comparison to broad-based indices																																														
			Stock Exchange	Indices																																											
	Company's Share price		BSE	Sensex																																											
	As on 01.04.2022		85.30 (at face value of Rs. 2/- each)	59333.99																																											
	As on 31.03.2023		80.93 (at face value of Rs. 2/- each)	58979.76																																											
Change (%)		(5.40%)	(0.60%)																																												

r)	Distribution of Shareholding as on 31 st March, 2023:				
	Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
	Up to 5000	31363	93.84	14312095	5.9057
	5001 - 10000	1079	3.22	4236890	1.7483
	10001 - 20000	441	1.31	3402710	1.4041
	20001 - 30000	160	0.47	2061723	0.8507
	30001 - 40000	66	0.19	1199883	0.4951
	40001 - 50000	54	0.16	1235502	0.5098
	50001 - 100000	107	0.32	3874005	1.5986
	100001 & above	151	0.45	212020412	87.4877
	Total	33421	100.00	242343220	100.00
s)	Categories of Shareholding as on 31 st March, 2023:				
	Category	No. of Shareholders	No. of Shares Held	% of Shareholding	
	Promoters	10	75982830	31.35	
	Indian Public	31314	89745265	37.03	
	Mutual Funds & UTI	11	4615212	1.90	
	Banks /Financial Institution	12	47000	0.02	
	NRIs/OCBs/FIIs	620	2237264	0.93	
	Corporate Bodies	997	66356948	27.38	
	Others	457	3358701	1.39	
	Total	33421	242343220	100.00	

For and on behalf of the Board

Sd/-

(Sukhbir Singh Dahiya)

Chairman

DIN: 00169921

Place: Chandigarh

Date: 14th August, 2023

Chief Executive Officer's Declaration regarding the Code of Conduct for Directors and Senior Management Personnel

The Board of Directors of the Company had approved the Code of Conduct for Directors and Senior Management Personnel of the Company.

All Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2023.

Place : Chandigarh
Date : 14th August, 2023

Sd/-
(NAVEEN CHOPRA)
Managing Director
DIN : 08465391

ICAI UDIN: 23518893BGXMNG9020

Auditors' Certificate on Compliance with the Corporate Governance as per requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of Primo Chemicals Ltd (Formerly Known as Punjab Alkalies & Chemicals Limited)

We have examined the compliance of conditions of Corporate Governance by Primo Chemicals Ltd (Formerly Known as Punjab Alkalies & Chemicals Limited), for the financial year ended on 31st March, 2023, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

For S Tandon & Associates

Chartered Accountants

ICAI Firm Registration Number 006388N

Sd/-

Nipun Rastogi

Partner

Membership No. 518893

Place of Signature: Chandigarh

Date: 14th August, 2023

Annexure – VII to the Directors' Report

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity			
1.	Corporate Identity Number (CIN) of the Listed Entity	L24119CH1975PLC003607	
2.	Name of the Listed Entity	Primo Chemicals Limited	
3.	Year of incorporation	1975	
4.	Registered office address	SCO 125-127, Sector 17-B, Chandigarh	
5.	Corporate address	Bay No 46-50, Sector 31-A, Chandigarh	
6.	E-mail	secretarial@primochemicals.in	
7.	Telephone	0172-2801628	
8.	Website	www.primochemicals.in	
9.	Financial year for which reporting is being done	2022-23	
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited	
11.	Paid-up Capital	Rs. 48.46 crores	
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	CS Sugandha Kukreja secretarial@primochemicals.in 0172-2801628	
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis	
II. Products/services			
14.	Details of business activities (accounting for 90% of the turnover):		
	S. No.	Description of Main Activity	Description of Business Activity
	1.	Manufacturing of Chemicals	Manufacturing and Selling of Chemicals
			% of Turnover of the entity
			100%
15.	Products/Services sold by the entity (accounting for 90% of the entity's Turnover):		
	S. No.	Product/Service	NIC Code
	1.	Chemicals	2411
			% of total Turnover contributed
			100%
III. Operations			
16.	Number of locations where plants and/or operations/offices of the entity are situated:		
	Location	Number of plants	Number of offices
	National	1	2
	International	-	-
			Total
			3
			-

17.	Markets served by the entity:						
a.	Number of locations						
	Locations			Number			
	National (No. of States)			1			
	International (No. of Countries)			-			
b.	What is the contribution of exports as a percentage of the total turnover of the entity? NIL						
c.	A brief on types of customers The Company access to customers in North India such as Soap, Paper, Textile, Refineries and fertilizers manufacturing industries in Performance Chemicals including Specialty and other Chemicals and Industrial Chemicals.						
IV. Employees							
18.	Details as at the end of Financial Year:						
a.	Employees and workers (including differently abled):						
	S. No.	Particulars	Total (A)	Male		Female	
				No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES						
	1.	Permanent (D)	143	130	90.91%	13	9.09%
	2.	Other than Permanent (E)	14	13	92.86%	1	7.14%
	3.	Total employees (D + E)	157	143	91.08%	14	8.92%
	WORKERS						
	4.	Permanent (F)	242	228	94.21%	14	5.79%
	5.	Other than Permanent (G)	248	245	98.79%	3	1.21%
	6.	Total workers (F + G)	490	473	96.53%	17	3.47%
b.	Differently abled Employees and workers:						
	S. No.	Particulars	Total (A)	Male		Female	
				No. (B)	% (B / A)	No. (C)	% (C / A)
	DIFFERENTLY ABLED EMPLOYEES						
	1.	Permanent (D)		NIL			
	2.	Other than Permanent (E)					
	3.	Total differently abled employees (D + E)					
	DIFFERENTLY ABLED WORKERS						
	4.	Permanent (F)		NIL			
	5.	Other than Permanent (G)					
	6.	Total differently abled workers (F + G)					
19.	Participation/ Inclusion/ Representation of women						
			Total (A)	No. and percentage of Females			
				No. (B)	% (B / A)		
		Board of Directors (Other than MD & ED)	6	1	16.67%		
		Key Management Personnel	4	1	25%		

20.	Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)									
		FY 2022-23			FY 2021-2022			FY 2020-2021		
		(Turnover rate in Current FY)			(Turnover rate in Previous FY)			(Turnover rate in the year prior to the previous FY)		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
	Permanent Employees	4.92%	26.09%	6.74%	8.00%	0.00%	7.35%	0.83%	7.69%	1.50%
	Permanent Workers	3.17%	0.00%	2.99%	2.88%	0.00%	2.72%	3.14%	0.00%	2.98%
V. Holding, Subsidiary and Associate Companies (including joint ventures)										
21.	(a) Names of holding / subsidiary / associate companies / joint ventures									
	S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)			Indicate whether holding/ Subsidiary/ Associate/ Joint Venture		% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)		
	1	Flow Tech Chemicals Pvt. Ltd.			Associate		49%	No		
VI. CSR Details										
22.	(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes (ii) Turnover (in Rs. Crores): 707.38 (iii) Net worth (in Rs. Crores): 362.48									
VII. Transparency and Disclosures Compliances										
23.	Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:									
	Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)		FY 2022-23 Current Financial year			FY 2021-2022 Previous Financial year			
		(If Yes, then provide web-link for grievance redress policy)		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	
	Communities	Yes, a mechanism is in place to interact with community leaders to understand and address their concerns, if any		1. (Complaint received through NGT OA/187 dated. 20.04.2022)	NIL	Complaint disposed off by NGT	NIL	NIL	-	

Investors (other than shareholders)	Yes, the contact no., address and email id of different locations have been specified on the following link. https://www.primochemicals.in/page/investors	NIL	NIL	-	NIL	NIL	-
Shareholders	Yes, Shareholder can register their grievances at https://scores.gov.in/scores/Welcome.html and also web links of BSE (http://tiny.cc/m1l2vz) The contact no., address and email id have been specified on the following link. https://www.primochemicals.in/page/investors	11	NIL	-	1	NIL	-
Employees and workers	Yes, the Company has in place Whistle Blower mechanism and Prevention of Sexual Harassment Policy specifying the grievance redressal mechanism. https://www.primochemicals.in/page/contact-us .	NIL	NIL	-	NIL	NIL	-
Customers	The contact no., address and email id of different locations have been specified on the following link. https://www.primochemicals.in/page/contact-us .	26	NIL	Complaints pertain to lower quality material received at costumer's end as compared to material dispatched	23	NIL	Complaints pertain to lower quality material received at costumer's end as compared to material dispatched
		5	NIL	Cl2 Tonner Leakage	3	NIL	-

	Value Chain Partners	The contact no., address and email id of different locations have been specified on the following link. https://www.primochemicals.in/page/contact-us .	NIL	NIL	-	NIL	NIL	-
	Other (please specify)	-	-	-	-	-	-	-
24.	<p>Overview of the entity's material responsible business conduct issues</p> <p>Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:</p>							
	S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)		
	1.	Water Management	Risk	Water is a critical input in chemical production. Companies with water-intensive operations face a greater risk of operational disruption due to water scarcity, which can also increase water procurement prices and capital expenditures. Similarly, chemical manufacturing generates process wastewater that must be treated before disposal. Noncompliance with water quality regulations may result in regulatory compliance and mitigation costs.	As a responsible chemical manufacturing organization, we put a premium on the ability to moderate water consumption. We have upgraded our wastewater management by replacing normal wastewater treatment with new age technology. This replacement moderated water and power consumption, helping moderate environment impact and conserve natural resources. The company also invested various water conservation schemes, this water is further used in the cooling tower and for other processes.	Negative		

2.	Handling of Hazardous Chemicals	Risk	<p>Chemical company is responsible for managing all risks related to the storage and handling of hazardous chemicals. The improper handling of chemicals and spills can cause harm to the environment or humans and also imposes a heavy fine and reputational risk on the company.</p>	<p>Company ensures that hazardous materials are handled in a manner that mitigates risks to the environment, employees, and the community. In order to maintain the health & safety at workplace company conducts lot of internal and external health and safety audits. Also, the environmental and social parameters relevant are information is provided with the product. In case of hazardous waste, company ensure the waste is managed as per waste management rules and regulations.</p>	Negative
3.	Waste Management	Risk	<p>Typically, waste is generated as part of a company's operations, captive power plant, maintenance of machinery and office administrative work. Improper waste handling may contribute to air pollution, climate change, and various direct and indirect impacts on the ecosystem. It may also cause health and safety risks to personnel exposed to the waste. Non-compliance with waste management regulations may lead to the imposing of heavy fines.</p>	<p>The company replaced and switched to various new technology to reduce the waste generation. This replacement helped to reduce the consumption of a natural resource, reduced waste generation and waste disposal in open land. Additionally the company is taking care of it's Plastic Waste generated by it's products and packaging responsibly.</p>	Negative

4.	Product Safety & Quality	Risk	Product safety and quality is a critical issue for companies in the Chemicals industry. Chemicals' potential to have negative effects on human health or the environment throughout the usage phase can affect consumer demand for the product and regulatory risk, which can then damage sales and lead to higher operational costs, regulatory compliance costs, and mitigation.	To ensure the safety of the product environmental and social parameters relevant to the product such as Safe and responsible usage, Recycling or safe disposal are attached on product packaging. Also we have quality labs at the plant which help us to maintain the product quality. We invested in a combination of standard operating protocols and certifications (ISO 9001 and ISO 14001), strengthening the company's alignment with Quality Management System, Good manufacturing Practices and Standard Operating Procedures.	Negative
5.	Health & Safety	Risk	In chemical industry, Health & Safety can directly impact people and community and disrupt the operations	Health & Safety Management Plan, Process Safety & Risk Management, Emergency Mitigation System etc	Negative
6.	Business Ethics	Risk	This may impact the brand and trust of stakeholders	Monitoring Mechanism to ensure Ethical Conduct	Negative
7.	Regulatory Issues and Compliance	Risk	Non-compliance may impact the brand image and customer trust and engagement	Adherence to compliance monitoring system	Negative
8.	Energy Efficiency	Opportunity	This may minimise the greenhouse gas (GHG) emissions, improve resource efficiency, cost saving, cleaner environment etc.	Energy saving assessments, key initiatives to optimise energy efficiency.	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy cover each principle and its core elements of the NGRBCs. (Yes/No)				Yes					
	b. Has the policy been approved by the Board? (Yes/No)				Yes					
	c. Web Link of the Policy, if available				www.primochemicals.in					
2.	Whether the entity has translated the policy into procedures. (Yes / No)				Yes					
3.	Do the enlisted policy extend to your value chain partners? (Yes/No)				Yes					
4.	Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.				ISO 9001:2015 (QMS) ISO 14001:2015 (EMS) FSSC :22000: 2018 (FSMS) ISO 50001:2018 (EnMS) BIS: 252 2013, (For Caustic Soda Lye) BIS:1065 Part 2 – 2019 (For SBP)					
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.				In alignment with vision of the Company, Primo, through its CSR initiatives, shall continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate Citizen with environmental concern; Safety and Environment. The company is also taking proper control measures for health and safety of employees and workers and nearby residents and communities, climate change, pollution management and emission control.					
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.				N.A.					
Governance, leadership and oversight										
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements The Company is committed to run its operations in an environment-friendly manner. The Company's endeavor is to take all possible measures towards ensuring safety, pollution control and good housekeeping across all its Plants. Online Monitoring System has been installed at Works as per requirement of Central Pollution Control Board. It is always top most priority of the Company to follow strong Environmental, Social and Governance (ESG) principles int its business for building a sustainable business for the future. The Company is also having separate policies for Corporate Social Responsibility, Code of Conduct, Whislte Blower Policy and POSH.									

8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Shri Naveen Chopra Managing Director																	
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Company does not have any specific committee to oversee the implementation of the Policy. The Managing Director oversees the implementation.																	
10.	Details of Review of NGRBCs by the Company:																		
Subject for Review		Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action		Yes									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances		Yes									Quarterly								
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9	The BR policy is evaluated internally								
12.	If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:																		
Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9	N.A.								
a) The entity does not consider the Principles material to its business (Yes/ No)																			
b) The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)																			
c) The entity does not have the financial or/ human and technical resources available for the task (Yes/No)																			
d) It is planned to be done in the next financial year (Yes/No)																			
e) Any other reason (please specify)																			

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

- Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and it impacts	% of persons in respective categories covered by the awareness programs
Board of Directors (Incl. MD and ED)	3	The Company conducts familiarization programs for its Board of Directors at regular intervals which covers topics such as Project Status. The Directors of the Company had also visited Plant located at Naya Nangal.	100%
Key Management Personnel	2	Prevention of Sexual Harassment (POSH), Women Empowerment	100%
Employees other than BOD and KMP	32	Prevention of Sexual Harassment (POSH), IND AS (Indian Accounting Standards), Fire Safety & Emergency Handling, GST, Wellness, ERP Trainings, Women Empowerment, Working on HRIMS, Labour Law, Inventory Control & Material Management, Energy management system), Energy Efficient lighting Equipment & Motor.	41.25%
Workers	21	Fire Safety and Emergency Handling, Importance of wearing Helmets, Personal Protective Equipment (PPE), Safe Handling and transportation of Chemicals, Prevention of Sexual Harassment (POSH), Energy Efficient lighting Equipment & Motor, Health & Wellness, Electrolysis & cell Efficiency and Road Safety	49.17%

- Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	-	N.A.	0	-	
Settlement	-	N.A.	0	-	
Compounding fee	-	N.A.	0	-	
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	-	N.A.	-	-	
Punishment	-	N.A.	-	-	

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
N.A.	N.A.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes

The Company's Code of Conduct highlights its zero-tolerance policy towards corruption, bribery, or giving or receipt of bribes. The Company strives to attain its purpose through compliance legal and ethical requirements, applicable laws, rules and regulations.

Please find the link of the policy at <https://www.primochemicals.in/page/investors>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Case Details	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-2022	
	Number	Remarks	Number	Remarks
Number of Complaints received in relation to issues of Conflict of Interest of the Directors	NIL	N.A.	NIL	N.A.
Number of Complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	N.A.	NIL	N.A.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
4	Safe Handling of Chlorine	2.66%
4	Use of PPE's	11.42%
8	Height Safety	22.85%

2. Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes

All the Directors of the Company discloses his/her concern or interest in the Company or Companies or bodies corporate, firms, or other association of individuals and any change therein, annually or upon any change, which includes the shareholding.

Further, a declaration is also taken annually from the Directors under the Code of Conduct confirming that they will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and the role therein. In the Meetings of the Board, the Directors abstain from participating in the items in which they are concerned or interested.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year	Details of improvement in the environmental and social impact
R&D	-	-	-
Capex	-	-	-

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentages of inputs were sourced sustainably?

JÍ %

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
- Plastics (including packaging): As per the Plastic Waste Management rules, the company has laid down a procedure for collecting & segregating plastic waste generated during the process. Further recycling & disposal of plastic is carried out as per the CPCB guidelines.
 - E-waste: The company has standard procedures for handling, storage & disposal of generated E-waste as per E- waste (Management) Rules. Further recycling and disposal of E – generated is carried out as per CPCB guidelines.
 - Hazardous waste: The company has standard operating procedures for handling, storage and disposal of waste generated in the process classified as Hazardous Waste is disposed of as per CPCB and PPCB guidelines related to HWM 2016 rules. We have an agreement in place with the TSDF site for the safe and sustainable disposal of such Hazardous waste.
 - Other waste: None.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, as all products are intermediates in nature & are sold in Trucks, Tankers & Tonners and directly consumed by the customers.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

We have products that exist in the form of Liquid & gaseous state. Therefore, the Production & dispatch is a continuous synchronized process and the same are dispatched immediately after production. Since the product is hazardous in nature so in order to Reduce the Hazard, the storage duration is kept just minimal. Hence Not Applicable.

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
N.A.					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

NIL

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	N.A.	N.A.	3.275 MT (sold as scrap)	N.A.	N.A.	5.078 MT (sold as scrap)
E-waste	NIL	NIL	NIL	NIL	NIL	NIL
Hazardous waste	NIL	NIL	MEE sludge = 179.260 MT	NIL	NIL	MEE sludge = 89.970 MT
Other waste	NIL	NIL	NIL	NIL	NIL	0.066MT

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accidental Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. B	%B/A	No. C	%C/A	No. D	% D/A	No. E	% E/A	No. F	% F/A
PERMANENT EMPLOYEES											
Male	130	0*	0%	130	100%	-	0%	-	0%	-	0%
Female	13	0*	0%	13	100%	13	100%	-	0%	-	0%
Total	143	0*	0%	143	100%	13	9.09%	-	0%	-	0%
OTHER THAN PERMANENT EMPLOYEES											
Male	13	0*	0%	13	100%	-	0%	-	0%	-	0%
Female	1	0*	0%	1	100%	1	100%	-	0%	-	0%
Total	14	0*	0%	14	100%	1	7.14%	-	0%	-	0%

* All Permanent Employees are covered under the Company's Medical Policy

b. Details of measures for the wellbeing of the workers

Category	Total (A)	% of workers covered by									
		Health Insurance		Accidental Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. B	%B/A	No. C	%C/A	No. D	% D/A	No. E	% E/A	No. F	% F/A
PERMANENT WORKERS											
Male	228	0**	0%	228	100%	-	0%	-	0%	-	0%
Female	14	0**	0%	14	100%	14	100%	-	0%	-	0%
Total	242	0**	0%	242	100%	14.00	5.79%	-	0%	-	0%
Other Than Permanent WORKERS											
Male	245	0**	0%	22	100%	-	0%	-	0%	-	0%
Female	3	0**	0%	1	100%	-	0%	-	0%	-	0%
Total	248	0**	0%	23	100%	-	0.00%	-	0%	-	0%

** All Permanent Workers are covered under the Company's Medical Policy.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	96.5%	100%	Y	93.4%	95.91%	Y
Gratuity	100%	100%	N.A.	100%	100%	N.A.
ESI	100%	100%	100%	100%	100%	Y
Others	NIL	NIL	NIL	NIL	NIL	NIL

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, necessary arrangements are made for making premises and office accessible for differently abled employees and workers as per the requirement.

4. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	-	-	-	-
Total	-	-	-	-

5. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. No
6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	The Company has provision for redressal of grievances of employees and workers. Also, the Company has adopted a Whistleblower Policy which provides mechanism to the employees and directors to report the unethical behavior actual or suspected fraud or violation of Codes of Conduct
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
- Male	130	-	0%	114	-	0%
- Female	13	-	0%	10	-	0%
Total Permanent Employees	143	-	0%	124	-	0%
- Male	228	99	43.4%	214	99	46.3%
- Female	14	09	64.3%	13	09	69.2%
Total Permanent Workers	242	108	44.6%	227	108	47.6%

8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year					FY 2021-2022 Previous Financial Year				
	Total (A)	On Health & Safety Measures		On Skill Upgradation		Total (A)	On Health & Safety Measures		On Skill Upgradation	
EMPLOYEES										
- Male	130	49	37.69%	49	37.69%	114	58	50.88%	65	57.02%
- Female	13	8	61.54%	12	92.31%	10	10	100.00%	10	100.00%
Total	143	57	39.86%	61	42.66%	124	68	54.84%	75	60.48%
WORKERS										
- Male	228	102	44.7%	111	48.68%	214	81	37.85%	75	35.05%
- Female	14	13	92.9%	12	85.71%	13	8	61.54%	9	69.23%
Total	242	115	47.52%	123	50.83%	227	89	39.21%	84	37.00%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	130	121	93%	114	28	24.6%
Female	13	13	100%	10	4	40.0%
Total	143	134	93.7%	124	32	25.8%
Workers						
Male	228	199	87.3%	214	82	38.3%
Female	14	11	78.6%	13	11	84.6%
Total	242	210	86.8%	227	93	41.0%

10. Health and safety management system:

- a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Primo Chemical's is in process of implementation of Occupational health and safety management system (OSHA) ISO 45001:2018, Principal approval has been accorded by the Management. Consultant / party for Documentation & implementation of the OSHA Standard is being finalized.

- b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

- i) HAZOP study by the agencies who have relevant expertise and experience such as tkIS, TSM.
- ii) Safety Audits by the agencies expert in the field i.e., National Safety Council (NSC), Technology supplier / Consultants: Thyssen Krupp tkIS, Mumbai, M/S TSM and Safety consultants, expert in Safety of Caustic -Chlorine Industries in India.
- iii) Regular plant rounds by the safety team along with some Senior team members for identification of any such hazards,
- iv) Safety committee (consisting of management, Staff & Workers) meeting is held on quarterly basis. Issues raised by them related to possible Hazards in the plant are addressed & scheme finalized to mitigate the Hazards are implemented.
- v) Apart from this any hazard or Risk identified by an employee is taken up to the Safety department who further ensures that the same is addressed satisfactorily through the concerned maintenance department.

- c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, regular Safety Committee meetings wherein Equal participation of Workers is ensured, are held and workers' Safety related issues are taken care by the management wherever technically feasible.

- d) Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

- i) Trainings are imparted to the workers/ transporters/officers and staff at each level to inculcate the safety culture among them.
- ii) Wearing Safety Helmets is made mandatory in the plant.
- iii) PPE'S have been provided to all the employees after identification of their need & their usage is also ensured by their respective HOS / HODs and Safety department.
- iv) SOP'S prepared specifically for a particular operation, are being followed.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	NIL	-	-	NIL
Health & Safety	-	-	NIL	-	-	NIL

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	>90%
Working Conditions	>90%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

There is no as such incidence that took place in past but still to keep the safety of the Personnel & Plant, various steps have been taken such as Procurement of Firefighting tender, Additional firefighting team to mitigate any risk, Replacement of lights with Flame Proof, exhaust fan non- flammable type, water Curtain around the Cl2 Storage & Cl2 Filling Areas. Near Miss incidences are captured, analyzed and Corrective action taken thereof.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) Employees: Yes

(B) Workers: Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Primo Chemicals Limited ensures that all the statutory dues are deducted and deposited well in time by the Value Chain Partners. For this purpose, periodic internal and statutory audits are conducted by the Company.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Employees	-	-	-	-
Workers	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100 %
Working Conditions	100 %

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No significant risks / concerns were identified from the assessments of the health and safety practices and working conditions of value chain partners. However, proper training has been imparted to the workers/transporters about the basic properties of all the products (MSDS), they are regularly taught about the safe handling & transportation of hazardous products such as Caustic, Chlorine, HCl & are provided with the Play cards and they are also provided emergency Contact numbers of Important Persons in case Emergency. Further Toll-free No is also provided to contact, in case of any emergency related to Chlorine (CERN) that may arise during transportation, thereby Nearest Caustic Chlorine Plant persons can be contacted, and requisite Help can be provided.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company has identified its internal and external group of stakeholders and below listed stakeholder groups have an immediate impact on the operations and working of the Company. This includes Employees, Shareholders, Customers, Communities, Suppliers, Partners and Vendors. The company values the input and feedback provided by stakeholders and seeks to maintain strong relationships with them. Through ongoing engagement and communication, the company aims to ensure that the needs and expectations of all stakeholders are met.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employee and Workers	No	Direct & other communication mechanisms, meeting email, notice board.	Ongoing	Company follows an open-door policy, training & development, performance management, etc.
Investors and Shareholders	No	E-mail, newspaper, advertisement, website, Annual General Meetings, disclosures to stock exchanges and investor meetings / calls / conferences	Need based and Quarterly calls	Information about business and statutory approvals
Government and Regulators	No	E-mail, letters, representations, meetings, etc.	Need based	Compliances, approvals, permissions, etc.
Customers and Dealers	No	Meetings	Frequent and need based	Informing them about products of the company, feedback, etc.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Banks and Financial Institutions	No	E-mail, letters, representations, meetings, etc.	Frequent and need based	Financial requirements and transactions
Community/ Society	No	Directly or through CSR implementation	Frequent and need based	Education, empowerment, health, infrastructure, conservation, etc.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The sub-committees of the Board ensures interaction between the stakeholders and the Board to ensure their views/feedback on various matters.

- Stakeholders Relationship Cum Share Transfer Committee ensure to address the grievances of the stakeholders.
- Risk Management Committee (RMC) is entrusted with the functions of determining efficacy of risk management framework of the Company, evaluation of risks and mitigating measures. The Risk Management Policy of the Company sets out key risk areas including financial risks, legislative and regulatory risks, environmental risks and operational risks.
- The Corporate Social Responsibility (CSR) Committee ensures feedback from the concerned stakeholders on the CSR initiatives/activities undertaken by the Company.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company engage with its internal and external stakeholders whenever required. The Company takes feedback in respect of its CSR initiatives / activities from the concerned stakeholders.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Under its CSR initiatives, the Company has been carrying out CSR activities to Ensuring environmental sustainability, ecological balance, Promotion of Health care including Preventive Health care and for Development Neighbourhood by planting trees. Details of the Company's CSR initiatives are available at Annexure-III - Annual Report of Corporate Social Responsibility (CSR) activities.

PRINCIPLE 5: Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Total (A)	No. employees workers Covered (B)	% (B / A)	Total (C)	No. employees workers Covered (D)	% (D / C)
EMPLOYEES						
Permanent	N.A.					
Other than permanent						
Total Employees						
WORKERS						
Permanent	N.A.					
Other than permanent						
Total Workers						

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year					FY 2021-2022 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	%(B/A)	No. (C)	%(C/A)		No. (E)	%(E/A)	No. (F)	%(F/D)
EMPLOYEES										
<i>Permanent</i>										
Male	130	-	0%	130	100%	114	-	0%	114	100%
Female	13	-	0%	13	100%	10	-	0%	10	100%
<i>Other than Permanent</i>										
Male	13	-	0%	13	100%	4	-	0%	4	100%
Female	1	-	0%	1	100%	1	-	0%	1	100%
WORKERS										
<i>Permanent</i>										
Male	228	-	0%	228	100%	214	-	0%	214	100%
Female	14	-	0%	14	100%	13	-	0%	13	100%
<i>Other than Permanent</i>										
Male	245	185	75.5%	60	24.5%	255	221	86.7%	34	13.3%
Female	3	2	66.7%	1	33.3%	2	2	100%	-	0%

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD) other than MD & ED	5	10,75,000	1	5,75,000
Key Managerial Personnel	3	2,72,87,222	1	20,99,218
Employees other than BOD and KMP	127	69,71,172	12	6,35,200
Workers	228	71,29,961	14	3,81,214

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

No

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has a common mechanism to redress grievances under human rights as for other grievances. Grievances are received through email, letter, or telephonically etc., it is registered by the HR and Admin department at respective locations and its sanity check is done. For complaints which are in the purview of the Code of Conduct committee, merits further investigation. Investigation is either internal or external, based on its severity. The investigator conducts investigation by gathering the data, validating, analyzing and gives his observations and recommendations.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	-	NIL	NIL	-
Discrimination at workplace	NIL	NIL	-	NIL	NIL	-
Child Labour	NIL	NIL	-	NIL	NIL	-
Forced Labour/ Involuntary Labour	NIL	NIL	-	NIL	NIL	-
Wages	NIL	NIL	-	NIL	NIL	-
Other human rights related issues	NIL	NIL	-	NIL	NIL	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

As part of Whistleblower Policy and POSH Policy, the Company strictly maintains the protection of identity of the complainant. All such matters are dealt in strict confidence. As a part of our policy on Code of Conduct, the Company does not tolerate any form of retaliation or revenge against anyone reporting legitimate concerns.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	NIL

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

There were no audit concerns in the above areas from assessments in FY 2022-23.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

The Company has policies like Whistle Blower and Sexual Harassment Policy to deal with issues for protecting the rights of all the employees. The Company is motivated to safeguard the human rights of all employees with full zeal.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

NIL

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Not Applicable

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Others – please specify	NIL

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above

There were no audit concerns in the above area from the assessments in FY 2022-23.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 Current Financial Year (Joules in lacs)	FY 2021-2022 Previous Financial Year (Joules in lacs)
Total electricity consumption (A)	12100343477	9996750574
Total fuel consumption (B)		
Coal:	597727	221980
Furnace Oil:	83959046	97264793
Energy consumption through other sources (C)		
Rice Husk:	229352402	523997477
Total energy consumed	12414252652	10618234824
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	42.31	56.30
Energy intensity (optional)–the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The PAT cycle -II period from 01.04.2016 to 31.03.2019 and target SEC is 0.2582 but against target we have achieved SEC is 0.2840 in FY 2018-19.

In PAT cycle -II we have not achieved the target SEC and 2488 Energy Certificates are required to avoid the penalty. The 1245 no's Energy certificates were gained in PAT cycle -I and the rest 1243 no's Energy certificates are procured through trading.

Now we are in PAT cycle -VII and its period from 01.04.2022 to 31.03.2025. The target SEC is 0.2762 which should be achieved in FY 2024-25 and SEC of current FY i.e., 2022-23 is 0.253.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	504480 KL	507072 KL
(ii) Groundwater	NIL	NIL
(iii) Third party water	NIL	NIL
(iv) Seawater / desalinated water	NIL	NIL
(v) Others	NIL	NIL
Total volume of water withdrawal (in kilolitres)	504480 KL	507072 KL
Total volume of water consumption (in kilolitres)	504480 KL	507072 KL
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water	NIL	NIL
- No treatment		
- With treatment - please specify level of treatment		
(ii) Into Groundwater	NIL	NIL
- No treatment		
- With treatment - please specify level of treatment		
(iii) Into Seawater	NIL	NIL
- No treatment		
- With treatment - please specify level of treatment		
(iv) Sent to third-parties	NIL	NIL
- No treatment		
- With treatment - please specify level of treatment		
(v) Others	IN-PROCESS	IN-PROCESS
- No treatment	NIL	NIL
- With treatment - please specify level of treatment	Chemical, Mechanical, RO then MEE	Chemical, Mechanical, RO then MEE
Total water recycled (in kilolitres)	28775 KL	26400 KL

Note: Indicate if any independent assessment/ evaluation/assurance have been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, our industry follows Zero Liquid Discharge Philosophy. Effluent generated from industry is segregated into High TDS & Low TDS effluent. The high TDS effluent is treated in MEE & Low TDS effluent is treated in RO Plant. The permeate separated after treatment is taken back into Process system through Cooling Tower make up & the Hazardous waste MEE sludge after drying is sent to PPCB approved TSDF facility @ Nimbua, for the safe treatment & disposal.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
NOx	mg/Nm ³	N.A.	N.A.
SOx	mg/Nm ³	N.A.	N.A.
Particulate matter (PM)	mg/Nm ³	54	62
Persistent organic pollutants (POP)	mg/Nm ³	N.A.	N.A.
Volatile organic compounds (VOC)	mg/Nm ³	N.A.	N.A.
Hazardous air pollutants (HAP)	mg/Nm ³	Within prescribed limits as per MOEF /CPCB guidelines.	Within prescribed limits as per MOEF /CPCB guidelines.
Others - please specify	N.A.	N.A.	N.A.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, M/s Mantec Consultants Pvt. Ltd. Noida.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	NIL	NIL
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	NIL	NIL
Total Scope 1 and Scope 2 emissions per rupee of turnover	-	NIL	NIL
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	NIL	NIL

Note: Indicate if any independent assessment/ evaluation/assurance have been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes i.e Use of Hydrogen Gas as fuel in Boilers instead of fossil fuel like Coal & Furnace Oil.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste (A)	5275.4 T V	5077 T V
E-waste (B)	NIL	NIL
Bio-medical waste (C)	NIL	NIL
Construction and demolition waste (D)	NIL	NIL
Battery waste (E)	NIL	NIL
Radioactive waste (F)	NIL	NIL
Other Hazardous waste. Please specify, if any. (G)	Category 5.1 nil Category 17.2 2686.160 MT Category 35.3 108.870 MT	Category 5.1 nil Category 17.2 2200.094 MT Category 35.3 84.236 MT
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Non-hazardous Brine Sludge = 2467.923 MT	Non-hazardous Brine Sludge = 2313.557 MT
Total (A+B + C + D + E + F + G + H)	5266.249	4603.038
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled (Category 17.2 sold to authorized recycler)	2672.630 MT	2175.740 MT
(ii) Re-used	NIL	NIL
(iii) Other recovery operations	NIL	NIL
Total	2672.630 MT	2175.740 MT
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	NIL	NIL
(ii) Landfilling	NIL	NIL
(iii) Other disposal operations (Category 35.3 sent to TSDF)	179.260 MT	89.970 MT
Total	179.260 MT	89.970 MT

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, by M/s Mantec Consultants Pvt. Ltd. Noida.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Our industry follows Zero Liquid Discharge Philosophy. Effluent generated from industry is segregated into High TDS & Low TDS effluent. The high TDS effluent is treated in MEE & Low TDS effluent is treated

in RO Plant. The permeate separated after treatment is taken back into Process system through Cooling Tower make up & the Hazardous waste MEE sludge after drying is sent to PPCB approved TSDF facility @ Nimbua, for the safe disposal.

The company has put in place several initiatives a) to reduce manufacturing rejects as part of the resource optimization and waste minimization process, and b) to reduce generation of hazardous waste and toxic chemicals by source reduction through plant modifications, waste recovery, recycle or waste treatment through destruction.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
1	Nangal-Una-Road, Naya Nangal	Chemical	Yes

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
EC Amendment for AICI3	IA/PB/IND3/291892/2022	20 th September 2022	Yes, by M/s Kadam Environmental Consultants, Baroda, Gujrat	Yes	https://www.primochemicals.in/
EC for Paracetamol Project	IA/PB/IND3/247968/2021	18 th February 2022	Yes, by M/s Kadam Environmental Consultants, Baroda, Gujrat	Yes	https://www.primochemicals.in/

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes , Our Industry is comply with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder

S. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
N.A.				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 Current Financial Year (Joules in lacs)	FY 2021-2022 Previous Financial Year (Joules in lacs)
From renewable sources		
Total electricity consumption (A)	NIL	NIL
Total fuel consumption (B)	NIL	NIL
Energy consumption through other sources (C)	NIL	NIL
Total energy consumed from renewable sources (A+B+C)	NIL	NIL
From non-renewable sources		
Total electricity consumption (D)	12100343477	9996750574
Total fuel consumption (E)		
Coal:	597727	221980
Furnace Oil:	83959046	97264793
Energy consumption through other sources (F) Rice Husk:	229352402	523997477
Total energy consumed from non-renewable sources	12414252652	10618234824

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, by NITCON, Forbes Marshall, IIT, Ropar

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	NIL	NIL
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater	NIL	NIL
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	NIL	NIL
- No treatment		
- With treatment – please specify level of treatment		

Parameter	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
(iv) Sent to third-parties	NIL	NIL
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	It is a ZLD Plant & waste water generated is treated through RO/ MEE & treated water is used back in process system.	It is a ZLD Plant & waste water generated is treated through RO/MEE & treated water is used back in process system.
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	Nil, because our Industry follows ZLD Policy.	Nil, because our Industry follows ZLD Policy.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not Applicable

For each facility / plant located in areas of water stress, provide the following information:

- i) Name of the area: Not Applicable
- ii) Nature of operations: Not Applicable
- iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	₹	₹
(ii) Groundwater	NIL	NIL
(iii) Third party water	NIL	NIL
(iv) Seawater / desalinated water	NIL	NIL
(v) Others	NIL	NIL
Total volume of water withdrawal (in kilolitres)	B=@	B=@
Total volume of water consumption (in kilolitres)	B=@	B=@
Water intensity per rupee of turnover (Water consumed / turnover)	B=@	B=@
Water intensity (optional) – the relevant metric may be selected by the entity		

Parameter	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water	NIL	NIL
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater	NIL	NIL
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater	NIL	NIL
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	NIL	NIL
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	₹	₹
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	₹	₹
Total water recycled (in kilolitres)	NIL	NIL

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	NIL	NIL
Total Scope 3 emissions per rupee of turnover	-	NIL	NIL
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	NIL	NIL

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes , by M/s Mantec Consultants Pvt. Ltd. Noida.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

There is a total of 03 no of ecological sensitive areas located in 10km of radius around our industry premises i.e., Protected Forest, Wildlife Sanctuary, Wet Land.

Significant aspects that may cause environmental impacts are as follows:

- a) Fugitive emissions of Chlorine, Emissions of HCl & unabsorbed Cl₂, Emissions of PM, SO₂, NO_x, Deposition of PM & SO₂ on nearby area, Emissions due to venting of gases, Risk during venting of pressurised gas / liquid.
- b) Possibility of soil contamination due to improper disposal and/or transportation of solid and hazardous waste, Possibility of groundwater and soil contamination due to improper disposal/ storage of wastewater.
- c) Draining material mixed with groundwater and soil can cause damage to flora, fauna found in soil and Soil contamination and destruction of surrounding vegetation and associated biodiversity due to deposition of excess chlorine.

Prevention & Remediation Activities:

- a) Surface water quality will not be affected due to the industry as industry follows Zero Liquid Discharge policy (ZLD). Constant R & D is being done to Segregate the Effluent based on Quality i.e. High TDS & Low TDS & reduce the Quantity of Effluent generated. Accordingly Proper SOPs are in place for treatment of Waste Water. ZLD is achieved by recycling and reuse of treated wastewater from RO & MEE plant . Final hazardous solid waste generated is sent to PPCB approved Recycler and Permeate is pumped back to Process System.
- b) The concentration of the pollutants in the environment is maintained within the allowable limits as recommended by MOEF&CC, NAAQI and CPCB guidelines. Through PPCB & CPCB recommended APCD's, water scrubbers and Electrostatic precipitator, vegetation, and human settlements in the vicinity of industry is not likely to be affected. Provision of Caustic scrubbers for neutralisation of waste Cl₂ gas in the plant has been made. Standardized SOPs for critical operations are also followed. Industry has already taken adequate Safety measures to handle such like emergency situations by: Inbuilt Control mechanism in the Process operation system, Gas Detectors / Sensors at Critical / Hazardous locations in the plant to Monitor & initiate Safety Control mechanism to control / stop it's spread beyond the source of leakage and to Mitigate the Consequences of leakage, should it spread beyond the plant boundary. All such possible events & Worst case scenario leading to large scale spread of Cl₂ gas, have been postulated & effect thereof in terms of Dispersion in the Air vis - a vis Dose & Distance to which it may effect, has been studied through Dispersion Modelling using ALOHA software. Sensors are also being installed at the plant boundary facing towards adjoining villagers to monitor & ensure that no Fugitive Cl₂ escapes outside the plant.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Integrated Waste Management	Convert Hazardous waste in usable material like Spent Sulphuric Acid.	Conservation of natural resources Raw materials Reduction in usage of natural resources.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the industry has its 'On Site Emergency Plan' that covers all the possible Postulated Events / Scenario, such as leakage of gas from pipeline / valve, rupture of bullet and leakage of Chemicals along with their Risk Assessment, mitigation measures and their consequences analysis using WHAZAN model. It also includes Emergency & First Aid Procedures with defined responsibilities of key personnel that must be followed during the emergency.

For ensuring the continuity in our business, we already have prepared a document that outlines all the probable risks (social, financial, environmental, strategic risks) which have the potential to disrupt our business along with a comprehensive review of the mitigation measures that can immediately be implemented to smoothen the disturbances and ensure uninterrupted Continuity of our business.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not any Significant adverse impact.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Not Applicable.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

Three.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers associations (State/National)
a)	Alkali Manufacture Association of India (AMAI)	National
b)	National Safety Council (NSC)	National
c)	Punjab Industrial Safety Council	State

- Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not Applicable

Leadership Indicators

- Details of public policy positions advocated by the entity:

S. No.	Public Policy Advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web policy Link, if available
1.	Advocating Chlorine Emergency Response Network. (CERN)	Provided toll free no to provide necessary help in case of emergency related to leakage of Cl ₂ in that area.	Yes	Sent to AMAI on monthly basis.	https://amaaindia.org/
2.	Setting up of Oxygen plant in Govt. Hospitals & provide necessary guidance for O&M.	With the help of District Administration	-	As & when required by the Hospital Administration.	www.primochemicals.in/

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable.

- Describe the mechanisms to receive and redress grievances of the community.

A mechanism is in place to interact with community leaders to understand and address their concerns, if any

- Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2022-23 Current Financial Year	FY 2021-2022 Previous Financial Year
Directly sourced from MSMEs / small producers	22%	17%
Sourced directly from within the district and neighbouring districts	2%	8%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
N.A.	-

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

For this reporting period, the company did not undertake any CSR projects in designated aspirational districts.

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

(b) From which marginalized /vulnerable groups do you procure?

Not Applicable.

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned / Acquired Yes / No	Benefit shared (Yes / No)	Basis of calculating benefit share
1.	NIL	-	-	-

5. Details of corrective actions taken or underway based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of CSR Projects & Beneficiaries: Your company's CSR initiatives focus primarily on beneficiaries belonging to vulnerable and marginalized section, hence almost entire CSR spending and coverage numbers qualify to be included under beneficiaries from vulnerable and marginalized section of the society.

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has a well-established setup for logging complaints for the existing customers through emails, letters and phone. Complaints are escalated and resolved within the time bound period depending on the nature of the complaint.

2. Turnover of products/services as a percentage of turnover from all products/services that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 2022-23 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data Privacy	NIL	NIL	-	NIL	NIL	-
Advertising	NIL	NIL	-	NIL	NIL	-
Cyber-security	NIL	NIL	-	NIL	NIL	-
Delivery of Essential Services	NIL	NIL	-	NIL	NIL	-
Restrictive Trade Practices	NIL	NIL	-	NIL	NIL	-
Unfair Trade Practices	NIL	NIL	-	NIL	NIL	-
Other	26	NIL	Complaints pertain to lower quality material received at customer's end as compared to material dispatched	23	NIL	Complaints pertain to lower quality material received at customer's end as compared to material dispatched

4. Details of instances of product recalls on account of safety issues:

NIL

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company at regular interval carries out assessment of data piracy / cyber security tools.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

During the reporting period, there were no complaints or issues related to advertising and delivery of essential services, as well as cyber security and data privacy of customers. Additionally, no products were recalled in the current reporting year, and no fines or penalties were imposed, nor any regulatory actions taken regarding the safety of products or services.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information related to products and services of the entity can be accessed on the website of the company i.e. www.primochemicals.in

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company adheres to relevant regulatory requirements by disclosing information to its stakeholders on the safe and responsible usage of products.

3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.

The Company informs through emails and phone calls.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The Company provides all relevant information regarding the products. We do not conduct survey, but our sales force remains in regular touch with the customers and collects relevant feedback from them relating to their concerns, their expectations or complaints. Customer feedback or complaints received from all sources is adequately addressed in a time-bound manner.

5. Provide the following information relating to data breaches:

- a) Number of instances of data breaches along-with impact

NIL

- b) Percentage of data breaches involving personally identifiable information of customers

Not Applicable.

Annexure – VIII to the Directors' Report

Form No. MR-3
Secretarial Audit Report

For the Financial Year ended March 31, 2023

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

To,

The Members,
Primo Chemicals Limited
(formerly Punjab Alkalies & Chemicals Limited),
S.C.O. 125-127, Sector 17-B,
Chandigarh- 160017

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PRIMO CHEMICALS LIMITED (FORMERLY PUNJAB ALKALIES & CHEMICALS LIMITED) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the PRIMO CHEMICALS LIMITED'S (FORMERLY PUNJAB ALKALIES & CHEMICALS LIMITED) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PRIMO CHEMICALS LIMITED (FORMERLY PUNJAB ALKALIES & CHEMICALS LIMITED) ("the Company") for the financial year ended on March 31, 2023 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (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 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021 to the extent applicable in respect of the Sweat Equity Shares issued earlier.
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not Applicable to the company during the financial year under review.
 - e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not Applicable as there was no instance of Buy-Back during the financial year.
 - f) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021: Not applicable during the financial year under review.
 - g) 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 as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.
- vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, Industrial Dispute Act, 1947, Employee State Insurance Act, 1948, The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Gratuity Act, 1972, The Industrial Employment (Standing Order) Act, 1946, Equal Remuneration Act, 1976 etc.
- vii) Environment Protection Act, 1986 and other environmental laws.
- viii) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.
- ix) The Air (Prevention and Control of Pollution) Act, 1981
- x) The Water (Prevention and Control of Pollution) Act, 1974
- xi) The Boilers Act, 1923, The Explosives Act, 1884 and The Explosives Rules, 2008, Gas Cylinder Rules, 2004.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Government of India.
- b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('LODR Regulations') being listed on the BSE Limited;

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

Based on our examination and the information received and records maintained, I further report that:

1. 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.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well 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.
3. All decisions are carried out through majority and there had been no dissenting views, and therefore not recorded.
4. The company has proper board processes.

Based on the compliance mechanism established by the company, I am of an opinion 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 and guidelines.

I further report that during the audit period, with the approval of the members vide special resolution dated 10.12.2022, through postal ballot and with the approval of the office of Registrar of Companies, Punjab and Chandigarh, the name of the company was changed from "Punjab Alkalies & Chemicals Limited" to "Primo Chemicals Limited" with effect from 19.12.2022.

I further report that, during the audit period under review there were no instances of

- i) Public / Rights / Preferential issue of shares / debentures / sweat equity
- ii) Merger / amalgamation / reconstruction etc.
- iii) Major decisions under Section 180 of the Companies Act, 2013.
- iv) Redemption / Buy-back of Securities
- v) Foreign technical collaborations.

For A. Arora & Co.
Company Secretaries

Sd/-

AJAY K. ARORA

(Proprietor)

FCS No. 2191

C P No.: 993

Peer review Cert No. 2120/2022

Place: Chandigarh

Date: 03.07.2023

UDIN: F002191E000537990

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

“ANNEXURE-A”

To,

The Members,
Primo Chemicals Limited
(formerly Punjab Alkalies & Chemicals Limited),
S.C.O. 125-127, Sector 17-B,
Chandigarh- 160017

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records, based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial 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 the management. Our examination was limited to the extent of verification of procedures 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.

**For A. Arora & Co.
Company Secretaries**

**Sd/-
AJAY K. ARORA**
(Proprietor)
FCS No. 2191
C P No.: 993

Peer review Cert No. 2120/2022

Place: Chandigarh

Date: 03.07.2023

UDIN: F002191E000537990

Independent Auditor's Report

To the Shareholders of Primo Chemicals Ltd (Formerly Known
as Punjab Alkalies & Chemicals Limited)

Report on the Standalone Ind AS Financial Statements



Opinion

We have audited the accompanying Standalone Ind AS financial statements of Primo Chemicals Ltd (Formerly Known as Punjab Alkalies & Chemicals Limited) (“the Company”), which comprise the Standalone Balance Sheet as at March 31, 2023, the Standalone Statement of Profit and Loss (including the Standalone statement of Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Standalone Ind As financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Standalone Financial Statements

1. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards)

Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

2. An audit also includes evaluating the appropriateness of 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 Standalone Ind AS financial statements.
3. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

4. As required by the Companies (Auditor's report) Order, 2020 ("the Order") 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" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss statement including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors of the company is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- i) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigation on its financial position in its Standalone Ind AS financial statements.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There has been no amount which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2023.
- iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

For S Tandon & Associates

Chartered Accountants

ICAI Firm Registration Number 006388N

ICAI UDIN: 23518893BGXMLV6076

Sd/-

(Nipun Rastogi)

Partner

Membership No. 518893

Place of Signature: Chandigarh

Date: May 26, 2023

Annexure - A to the Auditor's Report

(Annexure referred to in paragraph under "Report on other legal and regulatory requirements" of the Independent audit report)

- i) a) The company has maintained proper records showing full particulars, including the quantitative details and situation of tangible and intangible assets.
- b) The Company has a regular programme of physical verification of its property plant and equipment's by which assets are verified in a phased manner over a period of three years. In accordance with this programme, certain property plant and equipment's were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (except properties which are taken on lease by the company with duly executed lease agreements in favour of the lessee) disclosed in the Standalone financial statements are held in the name of the company.
- d) According to the information and explanations given to us the company has not revalued its Properties, Plant and Equipment's or intangible assets or both during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) a) The items of inventories has been physically verified by the management during the year. As per our opinion the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- b) The company has been sanctioned working capital limits of Rs 65 crores (fund based and non-fund based) and the quarterly returns and statements filed with the banks are in agreement with the books of accounts of company.
- iii) The company has made investments but not provided any guarantee or security or not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest.
- iv) In our opinion and according to the information and explanations given to us, the company has not given any loans as per section 185 in respect of loans provided to directors. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the company's act 2013 with respect to the investment made.
- v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi) We have broadly reviewed the books of account as required to be maintained by the Company under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and the records have been made and maintained.

- vii) a) According to the information and explanation to us and on the basis of our examination of the records of the company, amount deducted/ accrued in the books of account in respect of undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Custom Duty, Excise duty and Cess and other material statutory dues have been regularly deposited with the appropriate authorities. As explained to us there were no arrears of the statutory dues for the period more than six months from the date, they became payable at the end of the financial year.
- b) Following Disputed Statutory Dues are not deposited on account of disputes pending at various forums:

Name of the Statue	Nature of Dues	Amt. in Lakhs	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty & Penalty	60.17	2004-2008	CESTAT
Central Excise Act, 1944	Excise Duty & Penalty	5.49	April'08 to June'08	CESTAT
Finance Act, 1994	Service Tax Penalty	4.66	April'11 to Dec'11	CESTAT
Finance Act, 1994	Service Tax Penalty	116.09	Feb'07 to March'11	CESTAT
Central Excise Act, 1944	Excise Duty & Penalty	3.11	Jan'12 to Nov'12	CESTAT
Central Excise Act, 1944	Excise Duty & Penalty	5.32	July'11 to Dec'11	CESTAT
Finance Act, 1994	Service Tax Penalty	25.79	Jan'12 to Nov'12	CESTAT
Finance Act, 1994	Service Tax Penalty	35.85	July'13 to Dec'13, Dec'12 to June'13	CESTAT
Pb. Value Added Tax, 2005	Entry Tax	7.42	2009-10	VAT Tribunal, Chandigarh
Pb. Value Added Tax, 2005	Entry Tax	54.59	2011-12	Dy. Excise & Taxation Commissioner (Appeal), Mohali/Rupnagar
Pb. Value Added Tax, 2005	Entry Tax	57.91	2012-13	VAT Tribunal, Chandigarh
Pb. Value Added Tax, 2005	Entry Tax ETO Ropar	4.2	AY 2013-14	Appeal Filed on 23.11.2020
House Tax	House Tax	79.84		Revision is Pending

- viii) According to the information and explanations given to us, the company has not surrendered or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961.
- ix) a) According to the information and explanations given to us, the company has not defaulted in repayment of dues to any lender;
- b) The company has not declared willful defaulter by any bank or financial institution or other lender.
- c) According to the information and explanations given to us, the company has applied the term loans received during the year for the purposes for which the loans were obtained.
- d) According to information and explanations given to us funds raised on short term basis have not been utilized for long term purposes.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) According to the information and explanations given to us and procedures performed by us, we report

that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

- x) a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) According to the information and explanations give to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xi) a) According to the information and explanations given to us, no fraud by the company or on the company has been noticed or reported during the course of our audit;
- b) According to the information and explanations give to us there is no requirement to report under sub-section (12) of section 143 of companies act and also no requirement to file ADT-4 by the auditors as prescribed under rule 13 companies (Audit and auditors) rules 2014 with the central government.
- c) There are no whistle-blower complaints that have been received by the company.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us, the company has an adequate internal audit system commensurate with the size and nature of its business and we as statutory auditors have considered the internal audit reports issued by the Internal Auditors for the period under audit in determining the nature, timing and extent of our audit procedure.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) a) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- b) In our opinion and according to the information and explanations given to us, the Company is not a Non-Banking Financial company or Housing Finance company. Accordingly, paragraph 3(xvi(b)) of the Order is not applicable.
- c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company. Accordingly, paragraph 3(xvi(c)) of the Order is not applicable.
- xvii) As per the information and explanations given to us, the company has not incurred any cash losses in the financial year and in the immediately preceding financial year;
- xviii) There is no resignation of the statutory auditors during the year, accordingly, paragraph 3(xviii) of the Order is not applicable. The previous auditor had been retired and new statutory auditors have been appointed.

- (xix) On the basis of financial ratios, aging and expected date of realization of financial assets and payments of financial liabilities and other information accompanying the financial statements, in our opinion and according to the information and explanations given to us, there is no material uncertainty that exists as on the date of the audit report of the company that the company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) a) There are no remaining unspent amounts towards corporate social responsibility on other than ongoing projects requiring transfer to a fund specified in schedule VII to the companies act in compliances with second proviso to sub section (5) of section 135 of the said Act pursuant. Hence reporting under this clause is not applicable.
- b) In respect of ongoing projects there are no remaining unspent amounts towards corporate social responsibility as on balance sheet date, so company is not required to transfer the unspent amount to a special account within a period of 30 days from the end of said financial year in compliance with provision of section 135 (6) of the act.
- (xxi) There have been no qualifications or adverse remarks by the respective auditors reports of the companies included in the consolidated financial statements.

For S Tandon & Associates

Chartered Accountants

ICAI Firm Registration Number 006388N

ICAI UDIN: 23518893BGXMLV6076

Sd/-

(Nipun Rastogi)

Partner

Membership No. 518893

Place of Signature: Chandigarh

Date: May 26, 2023

Annexure - B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of Primo Chemicals Ltd. (Formerly Known As Punjab Alkalies & Chemicals Limited) as of 31st March 2023 in conjunction with our audit 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 controls 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, with reference to standalone financial statements. 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 operating 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 misstatement of the Standalone 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 Standalone 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 Standalone 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 Standalone 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 March 31, 2023, 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 S Tandon & Associates

Chartered Accountants

ICAI Firm Registration Number 006388N

ICAI UDIN: 23518893BGXMLV6076

Sd/-

(Nipun Rastogi)

Partner

Membership No. 518893

Place of Signature: Chandigarh

Date: May 26, 2023

STANDALONE BALANCE SHEET as at 31st March, 2023

(Rs. in Lakhs)

Particulars	Note No.		As at March 31, 2023	As at March 31, 2022
ASSETS				
Non Current Assets				
a) Property, Plant & Equipment	3	27793.60		15482.94
b) Capital Work in Progress	4	21315.93		17652.16
c) Other Intangible Assets	3a	11.45		6.40
d) Intangible assets under development	4a	-		3.62
e) Financial Assets				
(i) Investments	5	5299.81		3006.58
(ii) Trade Receivables	6	-		-
(iii) Loans	7	-		-
(iv) Other Financial Assets	8	37.93		112.70
f) Deferred Tax Assets (Net)	9	-		-
g) Other Non Current Assets	10	4046.24		1416.23
Sub Total: Non Current Assets			58504.96	37680.63
Current Assets				
a) Inventories	11	1801.41		1706.92
b) Financial Assets				
(i) Trade Receivables	12	5163.75		3254.51
(ii) Cash and Cash equivalents	13	2148.71		2401.39
(iii) Other Bank Balances other than (ii) above	13	956.24		115.75
(iv) Loans	14	-		-
(v) Other Financial Assets	15	724.24		178.21
c) Other Current Assets	16	3253.37		2245.93
Sub Total: Current Assets			14047.72	9902.71
Sub Total: Assets			72552.68	47583.34
EQUITY AND LIABILITIES				
Equity				
a) Equity Share Capital	17	4846.86		4846.86
b) Other Equity	18	35810.03		22534.41
Sub Total: Equity			40656.89	27381.27
Liabilities				
Non-Current Liabilities				
a) Financial Liabilities				
(i) Borrowings	19	12313.01		5267.25
(ii) Lease Liability	20	44.86		43.81
(iii) Trade Payables	21	-		-
b) Provisions	22	470.34		633.38
c) Deferred Tax Liability (Net)	9	2190.87		1150.85
Sub Total: Non-Current Liabilities			15019.08	7095.29
Current Liabilities				
a) Financial Liabilities				
(i) Borrowings	23	2121.69		813.14
(ii) Other financial liabilities	24	95.97		34.85
(iii) Trade Payables:	25			
(A) Total outstanding dues of Micro & Small Enterprises		1011.11		241.90
(B) Total outstanding dues of creditors other than Micro & Small Enterprises		5919.51		4159.38
b) Other Current Liabilities	26	6463.61		7400.11
c) Provisions	27a	55.12		57.00
d) Current Tax Liability (Net)	27b	1209.70		400.40
Sub Total: Current Liabilities			16876.71	13106.78
TOTAL: EQUITY AND LIABILITIES			72552.68	47583.34
Significant Accounting Policies	2			
Notes forming an integral part of the Financial Statements	1 to 51			

For and on Behalf of the Board

Sd/-
(ARUN KUMAR KAUSHAL)
 Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
 Company Secretary
 FCS-11578

Sd/-
(JATIN DAHIYA)
 Executive Director
 DIN: 08106876

Sd/-
(NAVEEN CHOPRA)
 Managing Director
 DIN: 08465391

As per our separate report of even date

For S. Tandon & Associates
 Chartered Accountants
 Firm Registration No. 006388N
 ICAI UDIN : 23518893BGXMLV6076

Sd/-
(Nipun Rastogi)
 Partner
 Membership No. 518893

Place: Chandigarh
 Date: May 26, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2023

(Rs. in Lakhs)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from Operations	29	70737.70	45406.79
Other Income	29a	2616.25	1515.40
Total Income		73353.95	46922.19
EXPENDITURE			
Cost of Material Consumed	30	8571.73	6153.54
Purchase of Stock in Trade		4995.75	2271.86
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	31	551.63	(1003.76)
Manufacturing Expenses	32	21766.99	17470.30
Employees benefits expenses	33	3182.95	7536.26
Finance Costs	34	807.10	881.96
Depreciation and Amortisation Expense	3 & 10	2394.68	1746.30
Other Expenses	35	12433.32	4312.23
Total Expenditure		54704.15	39368.69
Profit/(Loss) before exceptional item		18649.80	7553.50
Exceptional items		-	-
Profit/(Loss) after exceptional item		18649.80	7553.50
Tax Expenses			
Current Tax		4071.88	1393.52
Prior period Tax		26.68	-
Deferred Tax		1153.04	487.85
Profit/(Loss) for the year after Tax		13398.20	5672.13
Profit/(Loss) transferred to Other Equity		13398.20	5672.13
Other Comprehensive Income		(235.42)	421.69
Tax relating to items that will not be re-classified to P & L A/c		(113.02)	122.80
Net Other Comprehensive Income		(122.40)	298.89
Total Comprehensive Income for the year		13275.80	5971.02
Earnings/(Loss) per Equity Share of Rs. 2/- each			
Basic (in Rs.)		5.53	2.50
Diluted (in Rs.)		5.53	2.50
Significant Accounting Policies	2		
Notes forming an integral part of the Financial Statements	1 to 51		

For and on Behalf of the Board

Sd/-
(ARUN KUMAR KAUSHAL)
Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
Company Secretary
FCS-11578

Sd/-
(JATIN DAHIYA)
Executive Director
DIN: 08106876

Sd/-
(NAVEEN CHOPRA)
Managing Director
DIN: 08465391

As per our separate report of even date

For S. Tandon & Associates
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN : 23518893BGXMLV6076

Sd/-
(Nipun Rastogi)
Partner
Membership No. 518893

Place: Chandigarh
Date: May 26, 2023

STANDALONE STATEMENT OF CASH FLOW

for the year ended 31st March, 2023

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax	18649.80	7553.50
Adjustments for:		
Depreciation and Amortisation Expenses	2251.84	1617.91
Miscellaneous Expenses Written Off	142.84	128.39
Sweat Equity and security premium thereon *	-	4007.25
Provision for Gratuity	(235.42)	421.69
Amount Transferred from WIP to Stores	0.81	51.45
(Gain)/loss on sale of Fixed Assets	(7.30)	(11.46)
Interest Income	(70.44)	(23.03)
Finance Cost	288.38	22.37
Operating Profit Before Working Capital Changes	21020.51	13768.07
Adjustments for:		
(Increase)/Decrease in Trade receivables	(1909.24)	(1630.85)
(Increase)/Decrease in Other Current Assets	(975.73)	(1326.02)
(Increase)/ Decrease in Inventories	(94.49)	(1082.73)
(Increase)/Decrease in financial assets others	(1193.71)	120.88
(Decrease)/Increase in Trade Payables	2529.34	1637.55
(Decrease)/Increase in Short Term Borrowings	5.25	-
(Decrease)/Increase in Other Current Liabilities	(1100.11)	(3108.60)
(Decrease)/Increase in Short Term Provisions	(1.88)	23.87
Net Working Capital Changes	(2740.57)	(5365.90)
Cash Generated From Operations	18279.94	8402.17
Direct Taxes (Paid)/Refund	(3320.96)	(1379.03)
Cash Flow Before Extraordinary Items	14958.98	7023.14
Extraordinary Items	-	-
Net Cash From Operating Activities	14958.98	7023.14
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(644.47)	(378.35)
Expenditure on work in progress	(17584.83)	(15311.04)
Sale/Adjustment of Fixed Assets	7.90	16.84
Investment made	(2293.23)	(3006.58)
Bank deposits (placed)/ matured	(765.72)	(191.56)
Interest Received	70.44	23.03
Long Term Advances Given	(1447.90)	(40.73)
Purchase of Membranes and Recoating of Pans	(677.27)	(228.40)
Net Cash Used in Investing Activities	(23335.08)	(19116.79)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	8934.44	6097.74
Repayment to Financial Institution and Bank	(585.38)	(84.64)
Interest Paid	(225.64)	(20.31)
Proceeds from issue of share capital **	-	1290.00
Proceeds from security premium account **	-	6450.00
Payment towards Short Term Borrowings (Working Capital)	-	-
Net Cash Flow from Financing Activities	8123.42	13732.79
Net Increase/(Decrease) in Cash And Cash Equivalents	(252.68)	1639.14
Cash And Cash Equivalents at the beginning of year	2401.39	762.25
Cash And Cash Equivalents at the end of year	2148.71	2401.39

* In 2021-22 Allotment of 45,00,000 Sweat Equity Shares to Managing Director @ Rs. 10/- each amounting to Rs. 450 lakhs and Security Premium @ Rs. 79.05/- amounting to Rs. 3557.25 lakhs has been added back under cash flow from operating activities being a non-cash item.

** In 2021-22 Significant non-cash movements includes allotment of 75,00,000 Equity Shares of Rs. 10/- each amounting Rs. 750 lakhs and Security Premium @ Rs. 50/- amounting to Rs. 3750 lakhs to M/s Durva Infratech LLP on Preferential basis for consideration other than cash for setting up of 35MW captive Power Plant

For and on Behalf of the Board

Sd/-
(ARUN KUMAR KAUSHAL)
Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
Company Secretary
FCS-11578

Sd/-
(JATIN DAHIYA)
Executive Director
DIN: 08106876

Sd/-
(NAVEEN CHOPRA)
Managing Director
DIN: 08465391

As per our separate report of even date

For S. Tandon & Associates
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN : 23518893BGXMLV6076

Sd/-
(Nipun Rastogi)
Partner
Membership No. 518893

Place: Chandigarh
Date: May 26, 2023

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. Equity Share Capital

Current reporting period

(Rs. in Lakhs)

Balance as at 1.4.2022	4846.86	Changes in equity share capital during the year	-	Balance as at 31.03.2023	4846.86
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Previous reporting period

(Rs. in Lakhs)

Balance as at 1.4.2021	3106.86	Changes in equity share capital during the year	1740.00	Balance as at 31.03.2022	4846.86
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B. Other Equity

Current reporting period

(Rs. in Lakhs)

	Reserves and Surplus					Other Comprehensive Income (OCI)		Total
	Capital Reserve	Debenture Redemption Reserve	Securities premium Reserve	Debt Instruments (Differential discounted value of Debentures)	Retained Earnings	Debt instrument through OCI (Debentures)	Remeasurement of Defined Benefit Plan	
Balance as at 1.4.2022	3579.01	-	16025.58	-	2783.63	-	146.19	22534.41
Total Comprehensive Income for the year	-	-	-	-	13398.20	-	(122.40)	13275.80
Depreciation	(46.98)	-	-	-	46.98	-	-	-
Other Reserves	-	-	-	-	-	-	-	-
Adj. in respect of Assets sold/ discarded(Net)	(0.18)	-	-	-	-	-	-	(0.18)
Debenture Redemption Reserve	-	-	-	-	-	-	-	-
Share Forfeited Reserve	-	-	-	-	-	-	-	-
Securities Premium Reserve	-	-	-	-	-	-	-	-
Balance as at 31.03.2023	3531.85	-	16025.58	-	16228.81	-	23.79	35810.03

Previous reporting period

(Rs. in Lakhs)

	Reserves and Surplus					Other Comprehensive Income (OCI)		Total
	Capital Reserve	Debenture Redemption Reserve	Securities premium Reserve	Debt Instruments (Differential discounted value of Debentures)	Retained Earnings	Debt instrument through OCI (Debentures)	Remeasurement of Defined Benefit Plan	
Balance as at 1.4.2021	3626.30	-	6018.33	-	(2935.49)	-	(152.70)	6556.44
Total Comprehensive Income for the year	-	-	-	-	5672.13	-	298.89	5971.02
Depreciation	(46.99)	-	-	-	46.99	-	-	-
Other Reserves	-	-	-	-	-	-	-	-
Adj. in respect of Assets sold/ discarded(Net)	(0.30)	-	-	-	-	-	-	(0.30)
Debenture Redemption Reserve	-	-	-	-	-	-	-	-
Share Forfeited Reserve	-	-	-	-	-	-	-	-
Securities Premium Reserve	-	-	10007.25	-	-	-	-	10007.25
Balance as at 31.03.2022	3579.01	-	16025.58	-	2783.63	-	146.19	22534.41
The Company has allotted (a) 7500000 Equity Shares of Rs. 10/- each at a price of Rs. 60/- each to Durva Infratech LLP on preferential basis for consideration other than cash for setting up of 35 MW Captive Power Plant, (b) 54,00,000 Equity Shares of Rs. 10/- each at a price of Rs. 60/- each on preferential basis for cash consideration as approved by Board of Directors in their meeting held on 21 st May, 2021 and (c) 45,00,000 Sweat Equity Shares of Rs. 10/- each at a price of Rs. 89.05/- each to Shri Naveen Chopra, Managing Director of the company as approved by Board of Directors on 23 rd July, 2021.								

For and on Behalf of the Board

Sd/-
(ARUN KUMAR KAUSHAL)
 Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
 Company Secretary
 FCS-11578

Sd/-
(JATIN DAHIYA)
 Executive Director
 DIN: 08106876

Sd/-
(NAVEEN CHOPRA)
 Managing Director
 DIN: 08465391

As per our separate report of even date

For S. Tandon & Associates
 Chartered Accountants
 Firm Registration No. 006388N
 ICAI UDIN : 23518893BGXMLV6076

Sd/-
(Nipun Rastogi)
 Partner
 Membership No. 518893

Place: Chandigarh
 Date: May 26, 2023

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Primo Chemicals Limited (Formerly known as Punjab Alkalies & Chemicals Limited) ('the Company') is a limited company incorporated in India. The addresses of its registered office and principal activities of the Company are disclosed in the introduction to the Annual Report. The Ordinary (Equity) shares of the Company are listed on the BSE Limited ("BSE") in India.

NOTE NO. 1: BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Basis of preparation and compliance with Ind AS

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company has consistently applied accounting policies to all years. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial period commencing from April 1, 2021. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

NOTE NO. 2: SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

The financial statements are prepared under the historical cost convention except for certain financial assets and liabilities that are measured at fair value and on the basis of going concern. The financial statements have been prepared on a going concern basis on the strength of profitability, liquidity and continued support of the promoters, financial institutions and banks. All expenses and incomes to the extent considered payable and receivable respectively, unless stated otherwise, have been accounted for on mercantile basis.

b) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, intangible assets, fair value of financial assets/liabilities and impairment of investments.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i) Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

ii) Leases

The Company considers all the extension-options under the commercial contract for determining the lease-term which forms the basis for the measurement of right of-use asset and the corresponding lease-liability.

iii) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

c) Property, Plant & Equipment

Tangible Assets are stated at fair values. Machinery Spares have been capitalised as and when issued. Direct costs are capitalised until the property, plant and equipment are ready for use, as intended by the management. These costs also include financing cost which has been capitalized on qualifying assets as per Ind-AS 23. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are taken out from books of accounts and resultant profit (including capital profit) or loss, if any, is reflected in Statement of Profit & Loss.

The Company has identified spares having value (landed cost) of Rs. 10000/- & above and having life of more than one year in line with the Ind-AS 16. These spares are transferred to capital work in progress account and are capitalized as and when issued. The full value of these spares is being depreciated over their useful life using the straight-line method.

d) Intangible Assets

Intangible Assets acquired are measured on initial recognition at cost. These assets are being amortized over a period of five years. Costs associated with maintaining software programme are recognized as an expense as incurred.

e) Depreciation

The Company has charged depreciation on fixed assets on straight-line basis (SLM) as per their useful life based on past operational experience as certified by the technical staff of the plant. Fixed Assets individually costing upto Rs. 5,000/- are depreciated 100% in the year of purchase. The intangible assets are being amortised over a period of 5 years.

f) Valuation of Inventories

The items of inventories are valued at lower of cost or estimated net realisable value. Cost of raw material, building material and stores & spares is determined (net of input tax credit) at monthly weighted average cost basis. Material in transit is taken at cost price. Stock in process is valued at cost of raw material added. Cost of finished goods includes material cost and appropriate portion of production and administrative overheads and excludes interest and marketing expenses. The value of finished goods stock is exclusive of GST. Scrap, if any, at the year end does not form part of closing inventory.

g) Investment in associates enterprises

The Company accounts for its investments in subsidiaries, associates and joint ventures at cost less accumulated impairment, if any.

h) Financial instruments

Trade receivables are initially recognised when they originate. All other financial assets and financial Liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

Current financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

i) Revenue Recognition

Revenue from Sale of goods is measured at the fair value of consideration received or receivable taking into account the amount of price discount, volume rebate, outgoing taxes (GST) on sales. Any amounts receivable from the customer are recognized as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch of goods.

j) Government Grants

The Company is not availing any government grant.

k) Foreign Exchange Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of the contract. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit & Loss.

l) Employee Benefits**i) Defined Contribution Plan**

The Company's Contribution paid/payable during the year towards Provident Fund Scheme are recognised as expense in the Statement of Profit & Loss.

ii) Defined Benefit Plan

The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary, using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds. Actuarial gains and losses are recognised immediately in the Statement of Profit & Loss as income or expense and other comprehensive income

as per Ind-AS 19. Present value of Defined Benefit Obligation is calculated by projecting salaries, exits due to death, resignation and other decrements, if any, and benefit payments made during each month till the time of retirement of each active member using assumed rates of salary escalation, mortality & employee turnover rates. The expected benefit payments are then discounted back from the expected future date of payment to the date of valuation using the assumed discount rate.

iii) Gratuity liability has been covered by master policies of Life Insurance Corporation of India under irrevocable trust.

m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in Statement of Profit & Loss in the period in which they are incurred.

n) Earnings Per Share

The Basic Earnings/ (Loss) per Share is computed on the basis of weighted average number of Equity Shares outstanding during the financial year. The Diluted Earnings/(Loss) per Share is computed on the basis of weighted average number of Equity Shares outstanding during the year and the Potential Equity Shares.

o) Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax has been recognised in accordance with IND-AS 12 on the basis of tax consequences of difference between the carrying amounts of assets and liabilities and their tax base.

Deferred tax assets are recognised to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

p) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

q) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

The Company as a lessee

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

r) Statement of Cashflows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cashflows are segregated into and presented as cashflows from operating, investing and financing activities.

s) Accounting policies not specifically referred above are consistent with generally accepted accounting practices.

NOTE NO. 3: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise of owned and leased assets.

(Rs. in Lakhs)

Particulars		As at March 31, 2023										As at March 31, 2022		
(a) Property, plant and equipment owned		27243.11										14924.81		
(b) Right of use assets		550.49										558.13		
Total		27793.60										15482.94		
a) Property, plant and equipment owned														
Particulars	Site Development	Land - Freehold	Buildings	Buildings Factory	Tubewell	Plant and Equipment	Office Equipment	Furniture and Fixtures	Computer	Vehicles	Electric Installation	Railway Sidings	Lab Instruments	Total
Cost														
Balance as at 1 st April, 2021	28.15	2548.28	966.58	2566.81	46.34	33406.79	143.44	87.08	158.10	411.60	21.58	128.14	55.18	40568.07
Additions during the year	-	-	8.04	-	-	712.57	17.04	11.32	22.66	612.55	2.71	53.14	-	1440.03
Disposals during the year	-	-	-	-	-	35.47	30.42	8.99	33.02	0.12	-	-	1.90	109.92
Balance as at 31st March, 2022	28.15	2548.28	974.62	2566.81	46.34	34083.89	130.06	89.41	147.74	1024.03	24.29	181.28	53.28	41898.18
Balance as at 1 st April, 2022	28.15	2548.28	974.62	2566.81	46.34	34083.89	130.06	89.41	147.74	1024.03	24.29	181.28	53.28	41898.18
Additions during the year	-	98.43	-	979.45	-	13169.40	50.92	53.31	50.18	134.66	23.02	-	1.96	14561.34
Disposals during the year	-	-	-	-	-	15.79	-	-	-	-	-	-	-	15.79
Balance as at 31st March 2023	28.15	2646.71	974.62	3546.26	46.34	47237.51	180.98	142.72	197.92	1158.69	47.31	181.28	55.24	56443.73
Accumulated depreciation & impairment														
Balance as at 1 st April, 2021	-	-	381.72	1873.46	41.57	22656.66	97.57	69.00	145.50	117.64	19.10	37.88	30.78	25470.88
Depreciation expense for the year	-	-	16.57	87.39	1.22	1358.62	12.06	3.60	8.94	104.89	0.30	10.13	3.02	1606.74
Disposals during the year	-	-	-	-	-	33.61	28.93	8.55	31.37	(0.01)	-	-	1.80	104.25
Balance as at 31st March, 2022	-	-	398.29	1960.85	42.79	23981.67	80.70	64.05	123.07	222.54	19.40	48.01	32.00	26973.37
Balance as at 1 st April, 2022	-	-	398.29	1960.85	42.79	23981.67	80.70	64.05	123.07	222.54	19.40	48.01	32.00	26973.37
Depreciation expense for the year	-	-	16.45	94.92	1.23	1921.80	15.69	5.43	18.87	153.21	1.50	10.05	3.10	2242.25
Disposals during the year	-	-	-	-	-	15.00	-	-	-	-	-	-	-	15.00
Balance as at 31st March, 2023	-	-	414.74	2055.77	44.02	25888.47	96.39	69.48	141.94	375.75	20.90	58.06	35.10	29200.62
Net carrying amount														
Net carrying amount as at 31 st March, 2022	28.15	2548.28	576.33	605.96	3.55	10102.22	49.36	25.36	24.67	801.49	4.89	133.27	21.28	14924.81
Net carrying amount as at 31 st March, 2023	28.15	2646.71	559.88	1490.49	2.32	21349.04	84.59	73.24	55.98	782.94	26.41	123.22	20.14	27243.11

NOTE NO. 3: PROPERTY, PLANT AND EQUIPMENT (CONTD.)

b) Right of use assets

(Rs. in Lakhs)

Particulars	As at March 31, 2023
	Land - Leasehold
Cost	
Balance as at 1st April, 2021	518.68
Additions during the year	47.10
Disposals during the year	-
Balance as at 31st March, 2022	565.78
Balance as at 1st April, 2022	565.78
Additions during the year	-
Disposals during the year	-
Balance as at 31st March, 2023	565.78
Accumulated Amortisation	
Balance as at 1 st April, 2021	-
Depreciation expense for the year	7.65
Disposals during the year	-
Balance as at 31st March, 2022	7.65
Balance as at 1 st April, 2022	7.65
Depreciation expense for the year	7.64
Disposals during the year	-
Balance as at 31st March, 2023	15.29
Net carrying amount	
Net carrying amount as at 31st March, 2022	558.13
Net carrying amount as at 31st March, 2023	550.49

- 3.1 Depreciation for the year 2022-23 includes Rs. 46.98 Lakhs (Previous year Rs. 46.99 Lakhs) as depreciation arising on revaluation of Fixed Assets.
- 3.2 Fixed Assets are stated at values determined by the valuer less depreciation. Capital Spares are transferred to capital work in progress and are capitalised as and when issued. Direct costs are capitalised till the assets are ready to be put to use. These costs also includes financing cost (including exchange rate fluctuations) relating to specific borrowing attributable to Fixed Assets. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are taken out from books of accounts and resultant profit (including capital profit) or loss, if any, is reflected in Statement of Profit & Loss.
- 3.3 The Company has charged depreciation on fixed assets on straight-line basis (SLM) as per their useful life based on past operational experience as certified by the technical staff of the plant. Fixed Assets individually costing upto Rs. 5,000/- are depreciated 100% in the year of purchase. The intangible assets are being amortised over a period of 5 years.
- 3.4 The Company had revalued its Fixed Assets (other than the 100 TPD Membrane Cell Plant Power Line) as on 31st March, 2004 on the basis of existing use value by an independent professional valuer. The revaluation of assets had been approved by the Board of Directors in its meeting held on 27th October, 2005 and the revalued figures were incorporated in the accounts in the financial year 2005-06. Accordingly a sum of Rs. 6243.16 Lakhs being the surplus of the value of assets over the written down value, had been credited to the Revaluation Reserve.

- 3.5 The Company had revalued its 100 TPD Membrane Cell Plant Power Line as on 31st March, 2006 on the basis of existing use value by an independent professional valuer. The revaluation of the asset had been approved by the Board of Directors in its meeting held on 29th October, 2007 and the revalued figure was incorporated in the accounts in the financial year 2007-08. Accordingly, a sum of Rs. 27.78 Lakhs being the surplus of the value of the asset over the written down value, had been credited to the Revaluation Reserve.
- 3.6 The Company had revalued its Fixed Assets as on 31st March, 2009 on the basis of existing use value by an independent professional valuer. The revaluation of assets had been approved by the Board of Directors in its meeting held on 29th January, 2010 and the revalued figures were incorporated in the accounts in the financial year 2009-10. Accordingly a sum of Rs. 4819.99 Lakhs being the surplus of the value of assets over the written down value, had been credited to the Revaluation Reserve.
- 3.7 Addition in leasehold land of Rs. 47.10 Lakhs represent the present value of right to use of assets of future lease rent calculated in accordance with Ind AS 116 and is being amortised on straight line basis over the remaining term of the lease.
- 3.8 The company has not revalued its Property, Plant & Equipment during the current financial year.

NOTE NO. 3a: OTHER INTANGIBLE ASSETS

(Rs. in Lakhs)

Particulars	As at March 31, 2023
	Computer Software
Cost	
Balance as at 1st April, 2021	30.41
Additions during the year	0.52
Deductions during the year	-
Balance as at 31st March, 2022	30.93
Balance as at 1st April, 2022	30.93
Additions during the year	7.00
Deductions during the year	-
Balance as at 31st March, 2023	37.93
Accumulated Amortisation	
Balance as at 1st April, 2021	21.01
Amortisation expense for the year	3.52
Deductions during the year	-
Balance as at 31st March, 2022	24.53
Balance as at 1st April, 2022	24.53
Amortisation expense for the year	1.95
Deductions during the year	-
Balance as at 31st March, 2023	26.48
Net carrying amount as at 31st March, 2022	6.40
Net carrying amount as at 31st March, 2023	11.45

NOTE NO. 4: CAPITAL WORK IN PROGRESS

(Rs. in Lakhs)

Particulars	Cost as at 01.04.2022	Additions / Adjustments	Transfer to Fixed Assets	Adjustments	Cost as at 31.03.2023
Buildings	483.99	2275.66	648.10		2111.55
Plant & Machinery	16836.77	15172.57	12804.15	0.81	19204.38
RCC Road	331.40		331.40		-
Vehicles		133.22	133.22		-
Total	17652.16	17581.45	13916.87	0.81	21315.93
Previous Year	3455.89	15309.92	1062.20	51.45	17652.16

The capital work in progress of RCC road amounting to Rs. 331.40 Lacs is shown separately as on 31.03.2023. This amount was shown in Plant and Machinery as on 31.03.2022.

Capital-work-in progress ageing schedule:

(Rs. in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Expansion Project II	581.01	-	-	-	581.01
SBP Project	723.08	-	-	-	723.08
Flaker Project	2365.01	971.06	-	-	3336.07
Power Project	3742.37	7826.66	7.06	25.23	11601.32
Corporate Building	165.86	105.59	331.18	46.61	649.24
Existing Plant & Machinery	652.86	37.79	8.04	16.56	715.25
Aluminium Chloride	3623.46	5.55	-	-	3629.01
Others	73.52	6.03	-	1.40	80.95
Total A	11927.17	8952.68	346.28	89.80	21315.93
Projects temporarily suspended	-	-	-	-	-
NA					
Total B	-	-	-	-	-
Grand Total A+B	11927.17	8952.68	346.28	89.80	21315.93

Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan:

(Rs. in Lakhs)

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total	-	-	-	-	-

NOTE NO. 4a: INTANGIBLE ASSETS UNDER DEVELOPMENT

(Rs. in Lakhs)

Particulars	Cost as at 01.04.2022	Additions / Adjustments	Transfer to Fixed Assets	Adjustments	Cost as at 31.03.2023
ERP Software	3.62	3.38	7.00	-	-
Total	3.62	3.38	7.00	-	-
Previous Year	2.50	1.12	-	-	3.62

Intangible assets under development ageing schedule:

(Rs. in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
ERP	-	-	-	-	-
Total	-	-	-	-	-

NOTE NO. 5: NON CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	Face Value Per unit (Rs)	As at March 31, 2023		As at March 31, 2022	
		Number	(Rs. in Lakhs)	Number	(Rs. in Lakhs)
In Associate Company					
Flow Tech Chemicals Pvt. Ltd. (373700 Unlisted equity Shares of Flow Tech Chemicals Pvt. Ltd. @ Rs. 1418.20 per share)	10	373700	5299.81	212000	3006.58
		373700	5299.81	212000	3006.58

5.1: The Company has acquired 49% stake in Flow Tech Chemicals Pvt. Ltd. (FTCPL) and has accounted for it at cost in line with Ind AS 28 equity method.

As per Share Purchase Agreement dated 14 July 2021 with M/s Flow Tech Chemicals Pvt. Ltd., the Company was to acquire 100% stake in M/s Flow Tech Chemicals Pvt. Ltd. by December 31, 2022. The acquisition of balance 51% of stake of FTCPL could not be completed by 31.12.2022 due to pending codal formalities. The Company intends to acquire balance 51% stake by 31.12.2024. The Company has acquired 49% stake as on 31.03.2023 after payment of cash consideration of Rs. 5299.81 lakhs.

NOTE NO. 6: NON CURRENT FINANCIAL ASSETS -TRADE RECEIVABLES

(Rs. in Lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
Considered Good except where provided for:			
a) Total Receivable considered good- Secured	-		-
b) Total Receivable considered good- Unsecured	-		-
c) Trade Receivable which have significant increase in credit risk	109.35		-
d) Trade Receivable- Credit impaired	-		572.84
Less: Allowance for expected credit loss (Debtors over 180 days including legal cases)		109.35	572.84
		-	-

6.1

(Rs. in Lakhs)

Particulars	Outstanding for following periods*					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	109.35	109.35
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-
Total	-	-	-	-	109.35	109.35
Less: Allowance for expected credit loss (Debtors over 180 days including legal cases)	-	-	-	-	109.35	109.35
Net Receivables	-	-	-	-	-	-

*The ageing is from invoice date

NOTE NO. 7: NON CURRENT FINANCIAL ASSETS - LOANS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to related parties	-	-
Other Loans		
Loans Receivables-considered good- Secured	-	-
Loans Receivables-considered good- Unsecured	-	-
Loans Receivables which have significant increase in Credit Risk	-	-
Loan Receivables- credit impaired	-	-
	-	-

NOTE NO. 8: NON CURRENT FINANCIAL ASSETS - OTHERS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	-	-
Bank Deposits having maturity of more than one year	37.93	112.70
	37.93	112.70

NOTE NO. 9: DEFERRED TAX LIABILITIES/ASSETS (NET)

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets	275.80	323.84
Deferred Tax Liabilities	2466.67	1474.69
Deferred Tax (Liabilities)/Assets (Net)	(2190.87)	(1150.85)

NOTE NO. 10: OTHER NON CURRENT ASSETS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Capital advances	1109.75	462.07
(ii) Advances other than capital advances:		
Security deposits	2083.27	635.37
Advances to related parties	-	-
Other advances (Specify)	-	-
(iii) Deferred Expenditure:		
As per last balance sheet	318.79	218.78
Addition during the year	677.27	228.40
	996.06	447.18
Less: Amortized during the year	142.84	128.39
Closing Balance	853.22	318.79
	4046.24	1416.23

10.1 The cost of membranes is being amortized over a period of three years. The cost of recoating of pans of electrolyzers is being amortized over a period of eight years.

NOTE NO. 11: INVENTORIES

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Inventory		
Raw Materials	776.31	267.97
Stock in process	31.31	35.38
Finished goods	597.80	591.04
Stock in trade	10.11	564.43
Stores, Spares and consumables	385.88	248.10
	1801.41	1706.92

NOTE NO. 12: CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Considered Goods except where provided for:		
a) Total Receivable considered good- Secured	889.76	2062.68
b) Total Receivable considered good- Unsecured	4273.99	1191.83
c) Trade Receivable which have significant increase in credit risk	-	-
d) Trade Receivable- Credit impaired	-	-
	5163.75	3254.51

12.1

(Rs. in Lakhs)

Particulars	Outstanding for following periods*					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good	5163.75	-	-	-	-	5163.75
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

* The ageing is from Invoice date

NOTE NO. 13: CURRENT FINANCIAL ASSETS – CASH AND CASH EQUIVALENTS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Cash and cash equivalents		
Balance with banks		
Current Account	108.99	18.48
Cash Credit Account*	634.50	2380.45
Fixed Deposits with original maturity less than 1 year	1396.88	-
	2140.37	2398.93
Cash in hand	8.34	2.46
Total Cash and cash equivalents	2148.71	2401.39
b) Bank Balances other than Cash and Cash Equivalent		
Bank Deposits with original maturity less than one year including margin money for letters of credit and bank guarantees.	956.24	115.75

* Secured by (i) First Pari - Passu charge by way of hypothecation on present and future current assets of the Company and second charge by way of hypothecation over the Power Plant in case of AU Small Finance Bank Ltd. and in case of HDFC Bank Ltd first charge on the Plant & Machinery of Flaker Plant and SBP Plant and (ii) first charge on Pari-passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab), and Sector 31-A, Chandigarh, and (iii) personal guarantees of Chairman and Managing Director.

NOTE NO. 14: CURRENT FINANCIAL ASSETS - LOAN

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to related parties	-	-
Other Loans		
Loans Receivables-considered good- Secured	-	-
Loans Receivables-considered good- Unsecured	-	-
Loans Receivables which have significant increase in Credit Risk	-	-
Loan Receivables- credit impaired	-	-
	-	-

NOTE NO. 15: OTHER CURRENT FINANCIAL ASSETS

(Rs. in Lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
(i) Advances other than capital advances			
- Security Deposits	-		-
- Advance to Related Party	-		-
- Other Advances	-		-
Suppliers/Service Providers	1301.11		753.26
Less: Provision for doubtful debts (Others)	582.10		576.87
		719.01	176.39
(ii) Advance to Director or other officer		-	-
(iii) Other advances			
Employees		5.23	1.82
		724.24	178.21

15.1 The final adjustment of (a) expenses on common facilities with Punjab National Fertilizers & Chemicals Limited (under liquidation) for Railway Siding, Hostel Building, Power Link Line, Land, Tube well, Staff Housing Colony and Storm Water Drain etc., and (b) other expenses, aggregating to Rs. 568.09 Lakhs incurred on behalf of Punjab National Fertilizers & Chemicals Limited shall be made as per the settlement by the Official Liquidator of Punjab National Fertilizers & Chemicals Limited. However, an amount of Rs. 5.23 Lakhs (previous year Rs. 16.01 Lakhs) has been provided as doubtful debt during the current year.

NOTE NO. 16: OTHER CURRENT ASSETS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	109.73	50.96
Income Tax recoverable	-	21.88
Insurance Claim recoverable	7.18	7.18
Other recoverable	53.23	70.26
Income tax claimable	73.25	59.45
GST recoverable	2994.43	1674.13
GST Input Claimable	7.48	354.00
Advance against water charges	8.07	8.07
	3253.37	2245.93

NOTE NO. 17: EQUITY SHARE CAPITAL

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
350,000,000 Equity Shares of Rs. 2/- each (Previous year 350,000,000 Equity Shares of Rs. 2/- each)	7000.00	7000.00
Issued		
242,715,730 Equity Shares of Rs. 2/- each (Previous year 242,715,730 Equity Shares of Rs. 2/- each)	4854.31	4854.31
Subscribed		
242,703,980 Equity Shares of Rs. 2/- each fully called up (Previous year 242,703,980 Equity Shares of Rs. 2/- each)	4854.08	4854.08
Paid Up		
242,343,220 Equity Shares of Rs. 2/- each fully called up (Previous year 242,343,220 Equity Shares of Rs. 2/- each)	4846.86	4846.86
	4846.86	4846.86

17.1 Reconciliation of number of Equity Shares and amount outstanding

Particulars	As at March 31, 2023		As at March 31, 2022		
	No. of Shares	(Rs. in Lakhs)	Pre sub division	Post sub division	(Rs. in Lakhs)
			No. of Shares	No. of Shares	
Paid up capital:					
Opening Balance	242343220	4846.86	31068644	155343220	3106.86
Add: Equity Shares issued on Preferential basis	-	-	5400000	27000000	540.00
Add: Equity Shares issued on Preferential basis other than cash for supply of plant & Machinery	-	-	7500000	37500000	750.00
Add: Sweat Equity shares issued to Managing Director	-	-	4500000	22500000	450.00
Closing Balance	242343220	4846.86		242343220	4846.86

17.2 Allotment of 75,00,000 Equity Shares of Rs. 10/- each at a price of Rs. 60/- each to M/s Durva Infratech LLP on Preferential basis for consideration other than cash of setting up of 35MW captive Power Plant and Allotment of 54,00,000 Equity Shares of Rs. 10/- each at a price of Rs. 60/- each on Preferential basis for cash consideration as approved by the Board of Directors in their meeting held on 21st May, 2021.

17.3 Allotment of 45,00,000 Sweat Equity Shares of Rs. 10/- each at a price of Rs. 89.05/- each to Shri Naveen Chopra, Managing Director of the company as approved by Board of Directors on 23rd July, 2021.

17.4 The Company has made Sub-division of each Equity Share of Rs. 10/- each into 5 (five) Equity Shares of Rs. 2/- each as per approval of Board in their meeting held on 2nd December, 2021, approval of shareholders in EOGM held on 28th December, 2021 with record date for the same was 28th January, 2022.

17.5 Shareholding of Promoter

Shares held by promoters at the end of the year

S. No.	Promoter Name	As at March 31, 2023		As at March 31, 2022		
		No. of Shares	% of total shares	No. of Shares	% of total shares	% Change during the year
1	Sh. Sukhbir Singh Dahiya	25278015	10.43	25278015	10.43	-
2	Sh. Jagbir Singh Ahlawat	15500100	6.40	15500100	6.40	-
3	Smt. Parerna Ahlawat	9875315	4.07	9875315	4.07	-
4	Sh. Jatin Dahiya	5482535	2.26	5482535	2.26	-
5	Sh. Mayank Ahlawat	1960160	0.81	1960160	0.81	-
6	Smt. Dayawati Dahiya	3560170	1.47	3560170	1.47	-
7	Smt. Garima Singh	1100000	0.45	1100000	0.45	-
8	Flow Tech Industrial Projects Pvt. Ltd.	8860160	3.66	8860160	3.66	-
9	Flow Tech Chemicals Pvt. Ltd.	-	-	-	-	-
10	Himalaya Alkalies & Chemicals Limited	2604390	1.07	2604390	1.07	-
11	Tara Mercantile Pvt. Ltd.	1761985	0.73	1761985	0.73	-
12	Advance Chemicals (Shares held in name of Shri Mayank Ahlawat - first holder and partner)	-	-	-	-	-
Total		75982830	31.35	75982830	31.35	-

17.6 Details of shareholders holding more than 5% shares				
Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares held	% age	No. of shares held	% age
Sh. Jagbir Singh Ahlawat	15500100	6.40	15500100	6.40
Sh. Sukhbir Singh Dahiya	25278015	10.43	25278015	10.43
Sh. Naveen Chopra	42500000	17.54	42500000	17.54
M/s Durva Infratech LLP	37500000	15.47	37500000	15.47
M/s Plutus Wealth Management LLP	21250000	8.77	21250000	8.77

NOTE NO. 18: OTHER EQUITY

(Rs. in Lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
Capital Reserve			
Land Subsidy		5.49	5.49
Shares Forfeited Reserve Account		10.65	10.65
Revaluation Reserve			
As per last balance sheet	3562.87		3610.16
Less: Adjusted in respect of Assets sold/ discarded	0.18		0.30
Less: Depreciation & Amortization	46.98		46.99
Securities Premium		3515.71	3562.87
As per last Balance Sheet	16025.58		6018.33
Add: Addition during the year	-		10007.25
		16025.58	16025.58
Other Comprehensive Income			
As per last Balance Sheet	146.19		(152.70)
Add: Addition during the year	(122.40)		298.89
		23.79	146.19
STATEMENT OF PROFIT AND LOSS			
As per last Balance Sheet	2783.63		(2935.49)
Add: Depreciation on revalued assets	46.98		46.99
Add: Transferred from statement of Profit and Loss	13398.20		5672.13
		16228.81	2783.63
		35810.03	22534.41

NOTE NO. 19: NON CURRENT LIABILITIES - BORROWINGS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Term Loans & Vehicle Loans		
1. Kotak Mahindra Bank Ltd. (Material Handling Equipment)	88.63	120.24
(Secured by way of hypothecation of material handling equipment)		
2. Kotak Mahindra Bank Ltd. (Vehicles)	61.01	122.47
(Secured by way of hypothecation of vehicles)		
3. AU Small Finance Bank Limited (Power Plant)	3474.64	3113.35
(Secured by way of first exclusive charge on Plant & Machinery of Power Plant & first charge on Pari-passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh and first charge on Pari-passu basis on existing other Plant & Machinery and other present and future Current Assets of the company).		
4. AU Small Finance Bank Limited (Expansion Project)	2477.24	2553.03
(Secured by way of first exclusive charge on Plant & Machinery of Caustic Soda Plant Capacity Expansion & first charge on Pari-passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh and first charge on Pari-passu basis on existing other Plant & Machinery and other present and future Current Assets of the company).		
5. HDFC Bank Ltd TL (SBP)	2657.69	-
(Secured by way of first exclusive charge on Plant & Machinery of SBP Plant and first charge on Pari Passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh and first charge on Pari-passu basis on existing other Plant & Machinery (excluding Plant & Machinery of Power Plant and Caustic Soda Plant Capacity expansion) and other present and future Current Assets of the company already hypothecated with AU small finance bank)		
6. HDFC Bank Ltd TL (Capex)	2879.84	-
(Secured by way of first exclusive charge on Plant & Machinery of SBP Plant and Flaker Plant, first charge on Pari Passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh, and first charge on Pari-passu basis on existing other Plant & Machinery (excluding Plant & Machinery of Power Plant and Caustic Soda Plant Capacity expansion) and other present and future Current Assets of the company already hypothecated with AU small finance bank)		
7. HDFC Bank Ltd TL (Flaker)	2640.47	-
(Secured by way of first exclusive charge on Plant & Machinery of Flaker Plant and first charge on Pari Passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab), and Sector 31-A, Chandigarh and first charge on Pari-passu basis on existing other Plant & Machinery (excluding Plant & Machinery of Power Plant and Caustic Soda Plant Capacity expansion charged to AU small finance bank & SBP Plant charged to HDFC bank) and other present and future Current Assets of the company already hypothecated with AU small finance bank)		
8. Punjab National Bank (Car Loan)	145.69	167.06
(Secured by way of hypothecation of vehicles)		
	14425.21	6076.15
Less: Short term maturity of Term loan/vehicle loan within 1 year transferred to Short term borrowing.	2112.20	808.90
	12313.01	5267.25
NOTE:- Loans mentioned from point no.1 to 8 are further secured by way of personal guarantee of Chairman and Managing Director of the company.		

NOTE NO. 20: NON CURRENT LIABILITIES - LEASE LIABILITY

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability	49.10	48.05
Less: Short term maturity of Lease liability within 1 year transferred to Short term borrowing.	4.24	4.24
	44.86	43.81

NOTE NO. 21: NON CURRENT LIABILITIES - TRADE PAYABLES

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payables	-	-
	-	-

NOTE NO. 22: NON CURRENT - PROVISIONS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits*		
Gratuity	43.94	119.88
Leave Encashment	426.40	513.50
	470.34	633.38

* The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary, using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds. Actuarial gains and losses are recognised immediately in the Statement of Profit & Loss as income or expense and other comprehensive income as per Ind-AS 19. Present value of Defined Benefit Obligation is calculated by projecting salaries, exits due to death, resignation and other decrements, if any, and benefit payments made during each month till the time of retirement of each active member using assumed rates of salary escalation, mortality & employee turnover rates. The expected benefit payments are then discounted back from the expected future date of payment to the date of valuation using the assumed discount rate.

NOTE NO. 23: CURRENT LIABILITIES - BORROWINGS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Vehicle Loan		
Short term maturity of Term loan within 1 year – Refer Note No.19	2112.20	808.90
Short term maturity of Lease liability within 1 year – Refer Note No.20	4.24	4.24
Cash Credit (AU Small Finance Bank Limited-Secured)	-	-
Cash Credit (HDFC Bank Limited-Secured)	-	-
HDFC Corporate and Purchase cards (Unsecured)	5.25	-
Other Loans and Advances (Unsecured)	-	-
	2121.69	813.14

23.1 Cash Credit Limits from HDFC Bank Ltd. & AU Small Finance Bank Ltd are secured by (i) First Pari - Passu charge by way of hypothecation on present and future current assets of the Company and second charge by way of hypothecation over the Power Plant in case of AU Small Finance Bank Ltd. and in case of HDFC Bank Ltd first charge on the Plant & Machinery of Flaker Plant and SBP Plant and (ii) first charge on Pari-passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab), and Sector 31-A, Chandigarh, and (iii) personal guarantees of Chairman and Managing Director.

NOTE NO. 24: OTHER FINANCIAL LIABILITIES

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due	95.97	34.85
	95.97	34.85

NOTE NO. 25: CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Creditors		
Total outstanding dues of Micro & Small Enterprises	1011.11	241.9
Total outstanding dues of creditors other than Micro & Small Enterprises	5919.51	4159.38
	6930.62	4401.28
25.1 Amount due to MSME has been determined to the extent such parties have been identified on the basis of information provided by the parties.		

25.2: Trade Payables ageing schedule

(Rs. in Lakhs)

Particulars	Outstanding for following periods*				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME **	989.59	-	-	-	989.59
(ii) Others	5774.85	99.51	11.63	14.47	5900.46
(iii) Disputed dues – MSME **	11.93	3.09	5.63	0.86	21.51
(iv) Disputed dues - Others	-	-	-	19.06	19.06
*The ageing is from invoice date					
** Payment is not payable because of applicable liquidated damages, security, retention on account of performance as per terms of contract and non payment of statutory liabilities by respective parties.					
MICROMEG ENTERPRISES PVT LTD has made a application to Micro and Small enterprises Facilitation Council. The amount claimed by party is not payable because of delay in supply, commissioning and other related issues.					

NOTE NO. 26: OTHER CURRENT LIABILITIES

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Other Liabilities		
Statutory Liabilities	220.06	103.77
Expenses payable	2736.55	2179.69
Other Liabilities	3297.35	4549.05
Advances from Customers	209.65	567.6
	6463.61	7400.11
26.1 Expense payable includes Rs. 2680.13 Lakhs (previous year Rs. 1088.43 Lakhs payable to PSPCL towards interest on ACD) payable to PSPCL towards interest on ACD and Power bill.		

NOTE NO. 27: CURRENT-PROVISIONS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Provision for Employee Benefits		
Leave Encashment	42.30	47.61
Bonus	12.82	9.39
	55.12	57.00
b) Net Current Tax Liability		
Provision for taxation	4071.88	1393.52
Less: Advance Tax Paid	2862.18	993.12
	1209.70	400.40

27.1 The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary, using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds. Actuarial gains and losses are recognised immediately in the Statement of Profit & Loss as income or expense and other comprehensive income as per Ind-AS 19. Present value of Defined Benefit Obligation is calculated by projecting salaries, exits due to death, resignation and other decrements, if any, and benefit payments made during each month till the time of retirement of each active member using assumed rates of salary escalation, mortality & employee turnover rates. The expected benefit payments are then discounted back from the expected future date of payment to the date of valuation using the assumed discount rate.

NOTE NO. 28: CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Letters of Credit Outstanding	2443.19	582.28
	(USD 1314309, EURO 1486500)	(USD 773491.30)
b) Bank Guarantees given by Company	203.61	168.49
c) Estimated amounts of contracts remaining to be executed on capital account and not provided for	5537.03	2257.75
d) Additional Liability on account of Income Tax Assessments for the Past Assessment Years against which company has filed appeals	234.64	174.60
e) Liability towards legal case PACL vs Tarsem Singh Rana (Gurmeet Oil Carrier)	5.26	-
(Company's appeal in Delhi High Court is pending - Judgement and Decree stayed)		

28.1 Continuity Bond amounting to Rs. 364.30 Crores was executed in favour of custom authorities against which custom duty has since been paid. Request to Custom Authorities for cancellation of the Bond has also been sent.

NOTE NO. 29: REVENUE FROM OPERATIONS

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from sale of goods	65015.55	43693.06
Revenue from trading sales	5722.15	1713.73
	70737.70	45406.79

Note No. 29a: Other Income

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Other Income:		
Interest received	70.44	23.03
Scrap Sales	535.51	220.79
GST Incentive	1320.30	975.57
Misc. Income	201.07	66.95
Excess Provision written back	481.63	217.60
Profit on sale of fixed assets	7.30	11.46
	2616.25	1515.40

NOTE NO. 30: COST OF MATERIALS CONSUMED

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salt	7026.34	5224.32
Soda Ash	260.79	136.32
Barium Carbonate	610.66	388.42
Sulphuric Acid	229.70	179.53
Hydrated Lime	7.81	-
Others	436.43	224.95
Total	8571.73	6153.54

30.1 Consumption of above is as per actual material consumed.

NOTE NO. 31: CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK-IN-PROCESS

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Closing Stocks		
Finished Goods	597.80	591.04
Stock in Process	31.31	35.38
Stock-in-trade	10.11	564.43
	639.22	1190.85
Less: Opening Stocks		
Finished Goods	591.04	161.66
Stock in Process	35.38	25.43
Stock-in-trade	564.43	-
	1,190.85	187.09
Increase/(Decrease) in Stock	(551.63)	1003.76

NOTE NO. 32: MANUFACTURING EXPENSES

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Power, Fuel & Utilities	20210.37	17081.34
Stores & Spares consumed	1555.01	388.96
Packing Material	1.61	-
Total	21766.99	17470.30

NOTE NO. 33: EMPLOYEE BENEFITS EXPENSES

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages & Bonus	1975.84	1395.31
Director's Remuneration	837.78	5798.25
Contribution to Provident, Superannuation & Gratuity funds	239.17	233.41
Staff Welfare, Recruitment & Training Expenses	130.15	109.29
Total	3182.95	7536.26

Note:- The Director's Remuneration earlier shown under the head of Other Expenses has now been regrouped under Employee benefit expenses.

NOTE NO. 34: FINANCE COST

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest and Charges:		
Term Loans	288.38	21.42
Cash Credit	69.51	35.77
Interest on Advance Consumption Deposit PSPCL	68.90	222.00
Security Deposits/Others	380.31	602.77
Total	807.10	881.96

NOTE NO. 35: OTHER EXPENSES

(Rs. in Lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
Labour Charges		319.78	186.11
Railway Siding Operations		12.11	5.86
Repair & Maintenance			
Plant & Machinery	688.88		203.04
Building	301.60		70.83
Others	49.94		29.20
		1040.42	303.07
Board Meeting Expenses		135.68	46.43
Travelling & Conveyance			
Directors	65.25		42.71
Others	270.72		106.25
		335.97	148.96
Statutory Auditors Remuneration			
Audit Fees	2.18		1.50
Tax Audit Fees	0.35		0.25
Other Services	-		1.00
Out of Pocket Expenses	0.30		-
		2.83	2.75
Legal & Professional Charges		319.57	145.09
Insurance		89.95	74.89
Printing & Stationery		41.24	14.63
Postage & Telephone		20.63	14.05
Electricity & Water Charges		9.27	9.38
Rent, Rates & Taxes		86.07	109.17
Pollution Control Expenses		86.30	50.36
CER Expenses		-	108.00
CSR Expenses		67.60	57.95
Miscellaneous Expenses		172.22	201.47
Loss on sale of Assets		-	-
Loss on insurance claim		0.14	-
Doubtful Debts Others		5.23	16.01
Advertisement		4.75	1.36
Freight, Cartage & Handling		3313.37	1035.18
Business Promotion		36.06	38.98
Discounts & Commission		658.12	514.99
Chlorine disposal charges		5331.50	1182.31
Bad debts		344.49	45.23
Provision for doubtful debts		-	-
Total		12433.30	4312.23

NOTE NO. 36: Debit & Credit balances of parties are subject to their confirmation.

NOTE NO. 37: Legal action had been initiated against customers from whom a total sum of Rs. 109.35 Lakhs (Previous year Rs. 464.51 Lakhs) is due as the balance of the principal value of goods supplied.

NOTE NO. 38: DEFERRED TAX: The Company has recognized deferred tax in accordance with IND-AS 12. The major elements of Deferred Tax Assets and Liabilities are given below:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	
	Deferred Tax Assets	Deferred Tax Liabilities
Timing difference on:		
Fixed Assets	-	2334.11
Provision for Gratuity	12.80	-
Provision for Leave Encashment	136.48	-
Provision for Bonus	3.73	-
Tax relating to items that will not be re-classified to P & L A/c (OCI)	122.79	132.56
	275.80	2466.67
Net Deferred Tax Liabilities	-	(2190.87)

NOTE NO. 39: INCOME TAX

Income tax expense in the statement of profit and loss consists of:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current income tax	4071.88	1393.52
Prior period Tax	26.68	
Deferred tax	1153.04	487.85
Income tax expense recognised in the statement of profit and loss	5251.60	1881.37
Deferred tax arising on income and expense recognised in other comprehensive income		
Remeasurement of defined benefit plan	(113.02)	122.80
The reconciliation between the provision of income tax and amounts as computed as per computation of income tax is as follows:		
Profit before tax	18649.80	7553.50
Enacted income tax rate in India	29.120%	29.120%
Computed expected tax expense	5430.82	2199.58
Effect of:		
Temporary difference of depreciation expense	(852.25)	46.80
Effect of Non-deductible expenses/income	(216.18)	395.10
B/F Depreciation as per income tax return	-	(561.20)
MAT Credit	(290.51)	(686.76)
Others	1153.04	487.85
Prior Period Tax	26.68	-
Income tax expense recognised in the statement of profit and loss	5251.60	1881.37

NOTE NO. 40: EARNING PER SHARE (EPS)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year for basic EPS (Rs. in Lakhs)	13398.20	5672.13
Weighted average number of Ordinary (Equity) Shares of Rs. 2/- each	242343220	226541850
Basic Earning per share of Rs. 2/- each (Rs.)	5.53	2.50
Diluted Earning per share of Rs. 2/- each (Rs.)	5.53	2.50

NOTE NO. 41: EMPLOYEE DEFINED BENEFITS:

Gratuity

The Company is having payment of gratuity plan through gratuity trust. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Asset Volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' investment in debt instruments.

Inflation risk

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement benefit obligation is sensitive to inflation and accordingly, an increase in inflation rate would increase the plan's liability.

Life expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Defined Benefit Plans-as per Actuarial Valuation as on March 31, 2023

(Rs. in Lakhs)

Particulars	Leave Encashment		Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Expense Recognised in the Profit & Loss Statement for the year	5.68	(222.38)	39.12	85.51
Present Value of Defined Benefit Obligation as at 31 st March, 2023	469.70	561.11	966.98	863.06

(Rs. in Lakhs)

Particulars	Funded Plan Gratuity		Unfunded Plans Leave Encashment	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Amounts recognised in profit or loss				
Current service cost	33.08	61.17	25.13	39.39
Expected Return on Plan Assets	(54.25)	(57.01)	-	-
Net interest expense	60.29	89.91	37.38	55.73
Total	39.12	94.07	62.51	95.12
Amount of recovery for employees on deputation	(7.65)	(8.56)	10.49	(8.24)
Net Actuarial Losses/(Gains)	-	-	(56.83)	(309.26)
Total amount included in employee benefits expense	31.47	85.51	16.17	(222.38)
Amounts recognised in other comprehensive income Beginning of period	(268.98)	152.70	-	-
Remeasurement (gains)/ losses:				
a) Actuarial (gains)/ losses arising from changes in				
– demographic assumptions	-	-	-	-
– financial assumptions	73.11	(306.38)	-	-
– experience adjustments	151.92	(125.46)	-	-
b) Return on plan assets, excluding amount included in net interest expense/ (income)	10.38	10.15	-	-
Total remeasurement recognised in OCI	235.41	(421.69)	-	-
Total amount recognised in other comprehensive income end of period	(33.56)	(268.99)	-	-
Changes in the defined benefit obligation				
Opening defined benefit obligation	863.06	1336.38	561.11	851.79
Current service cost	33.08	61.17	25.13	39.39
Past service cost	-	-	-	-
Interest expense	60.29	89.92	37.38	55.72
Remeasurements (gains)/ losses	225.04	(431.84)	(56.82)	(309.26)
Benefits paid	(214.49)	(192.57)	(98.10)	(76.53)
Closing defined benefit obligation	966.98	863.06	468.70	561.11
Changes in fair value of plan assets				
Opening fair value of plan assets	743.19	832.25	-	-
Interest income	54.25	57.01	-	-
Return on plan assets excluding interest income				
Contributions by employer	350.47	56.64	-	-
Benefits paid	(214.49)	(192.57)	-	-
Actuarial Gain/(Losses)	(10.38)	(10.15)	-	-
Closing fair value of plan assets	923.04	743.18	-	-
Net defined benefit obligation				
Defined benefit obligation	966.98	863.06	468.70	561.11
Fair value of plan assets	923.04	743.18	-	-
Surplus/(Deficit)	43.94	(119.88)	468.70	(561.11)
Current portion of the above	-	-	42.30	(47.61)
Non current portion of the above	43.94	(119.88)	426.40	(513.50)
Liability recognised in B/S	43.94	(119.88)	468.70	(561.11)
Funding of Plan Assets as a percentage of total Plan	Unfunded	Unfunded	86.11% with LIC	86.11% with LIC
Actuarial Assumptions				
- Discount Rate	7.20%	7.30%	7.20%	7.30%
- Expected rate of return on Plan Assets	7.20%	-	7.20%	7.30%
- In-service Mortality	Indian Assured Lives (2012-14)	Indian Assured Lives (2012-14)	Indian Assured Lives (2012-14)	Indian Assured Lives (2012-14)
- Attrition Rate	1% to 2%	1% to 2%	1% to 2%	1% to 2%
- Salary Rise	3.00%	1.00%	3.00%	1.00%
- Remaining Working life	14 Years	14 Years	14 Years	14 Years

NOTE NO. 42: CORPORATE SOCIAL RESPONSIBILITY: In accordance with section 135 (5) of the Companies Act, 2013, a Company, meeting the Corporate Social Responsibility (CSR) applicability criteria, needs to spend in every financial year, at least 2% of its average net profits made during the three immediately preceding financial years in pursuance of its CSR Policy. Since the Company has earned net profit before tax of Rs. 18,649.80 Lakhs, it meets the CSR applicability criteria and accordingly needs to spend minimum 2% of its average net profits for the immediately preceding three years on CSR activities in pursuance of its CSR policy. The Company has spent CSR amount of Rs. 67.60 Lakhs in pursuance of its CSR Policy during the year 2022-23.

Corporate Social Responsibility:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent by the company during the year	67.60	57.94
Amount of expenditure incurred	67.60	57.95
Short fall at the end of the year	-	-
Total of previous year's shortfall	-	-
Reason for shortfall	-	-
Nature of CSR Activities		
For Plantation and Neighbourhood Development	60.83	12.40
Making Available Safe Drinking Water Near Local Area	-	11.44
Promoting Education / Vocational Skills	-	4.52
Ensuring Animal Welfare	-	4.00
Contribution For Sports	-	-
Promotion of Healthcare including Preventive Health care	5.63	25.59
Hygiene Improvement	1.14	-
Total	67.60	57.95

NOTE NO. 43: RELATED PARTY DISCLOSURES

a) Names of related Parties and description of relationships, having transactions during the year

1. Significant Interest Entities: NA

2. Associates: Flowtech Chemicals Pvt. Ltd.

3. Key Managerial Personnel

Shri Naveen Chopra, Managing Director

Shri Jatin Dahiya, Executive Director

Shri Arun Kumar Kaushal, Chief Financial Officer

Smt. Sugandha Kukreja, Company Secretary

4. Related Parties where Common Director

M/s Prayag Chemicals Pvt. Ltd.

M/s V S Polymers Pvt. Ltd.

M/s Shahenshah Chemicals

b) Volume of transaction with related parties

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Remuneration (Key Managerial Personnel)		
Shri Naveen Chopra, Managing Director	564.91	5773.01*
Shri Jatin Dahiya, Executive Director	272.87	25.24
Shri Arun Kumar Kaushal, Chief Financial Officer	21.36	14.08
Smt. Sugandha Kukreja, Company Secretary	20.99	13.93
*The remuneration includes issue of sweat equity shares of Rs. 4007.25 Lakhs (including security premium) and tax liability of Rs. 1712.86 Lakhs thereon borne by the company.		

(Rs. in Lakhs)

Party Name	Year ended March 31, 2023	Year ended March 31, 2022
M/s Flow Tech Chemicals Pvt. Ltd	8234.12	2508.83
M/s Prayag Chemicals Pvt. Ltd.	955.55	1706.48
M/s V S Polymers P Ltd.	1064.50	1459.57
M/s Shahenshah Chemicals	-	46.43

NOTE NO. 44: A total of 3102 chlorine tonners (including rented tonners) were in circulation with various customers as returnable empties as on 31.3.2023.

NOTE NO. 45: Additional Regulatory Information to be provided as per amendments in Schedule III of Companies Act, 2013 are as follows:

- The Company has not held any Benami property.
- The Company has not been declared wilful defaulter by any bank or financial institution.
- All the title deeds of Immovable Properties are held in the name of the company except leased properties.
- There are no pending registration of charges or satisfaction of charges with the Registrar of Companies (ROC).
- The company has not granted any loans or advances in the nature of loans to promoters, Directors, key managerial personnel and the related parties.
- Compliance with number of layers of companies: This is not applicable

g) Utilisation of borrowed funds & Share Premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the company (ultimate beneficiaries). The company has not received any fund from any party(s) (funding party) with the understanding whether, directly or indirectly lend or invest in other persons or entities identify by on or behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

h) Disclosure for Struck off Companies

The following table depicts the details of balances outstanding in respect of transactions undertaken with a company struck-off under section 248 of the Companies Act, 2013:

(Rs. in Lakhs)

Name of struck off Company	Nature of transactions with struck-off Company	Balance as at March 31, 2023	Balance as at March 31, 2022	Relationship with the struck-off Company
	Sale of Goods	-	-	-
	Purchase of Goods and receiving of services	-	-	-
	Receiving of Services	-	-	-
Other Entities (I)	Subscription to Equity Shares	0.08	0.07	Equity Shareholder

Details of other struck off entities holding equity shares in the Company is as below:

Name of struck off Company	No. of Shares held as on March, 2023	Paid-up as at March, 2023 (In Rs.)	No. of Shares held as on March, 2022	Paid-up as at March, 2022 (In Rs.)
Precto Mech-Tech Private Limited	1500	3000	1500	3000
Vaishak Shares Limited	60	120	60	120
Niranjan Singh Kartar Singh Forges Pvt Ltd	1250	2500	1250	2500
(Niranjan Singh Kartar Singh Forgings Pvt. Ltd. as per MCA records)				
Translink Investments Private Ltd	500	1000	500	1000
Vinco Holdings & Finance Pvt Ltd	500	1000	-	-
Total	3810	7620	3310	6620

NOTE NO. 46: FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

Financial Guarantees

The Company is exposed to credit risk in relation to guarantees given to bank. The company's maximum exposure in this regard is Rs. 2.04 crores, which is the maximum amount company would have to pay if the guarantee is called upon. Further the company has given bond of Rs. 364.30 crores to Custom Authorities against which the liability of custom duty has since been paid. The continuity bond after cancellation is awaited from Custom Authorities.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customer and

investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding account receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates also has influence on credit risk assessment. The company has taken dealer securities which are considered in determination of expected carried losses, where applicable. The company makes an allowance for doubtful trade receivable using the simplified approach for expected credit loss and by continuously monitoring the recoverability of receivable balances.

The Company primarily has exposure from following types of customers:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Dealers	2207.98	2616.97
Government Customer	276.88	155.48
Direct Customers	2678.89	482.06
Total	5163.75	3254.51

The receivables of Rs. 889.76 Lakhs (Previous year Rs. 2062.68 Lakhs) are secured by security deposits.

Investments

The company limits its exposure to credit risk by generally investing in liquid securities and only with counter parties that have a good credit rating. The company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they become due. The company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also the company is utilising cash credit limits (Fund Based and Non Fund Based) of Rs. 65 crore sanctioned by banks from time to time as and when required.

Foreign Currency risk.

The company is exposed to foreign currency risk to the extent of exchange rate fluctuation at the time of payment of purchase price applicable in Foreign Letter of Credit (FLC). The currencies in which these transactions are primarily denominated are US Dollar and EURO.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company do not have exposure to the risk of changes in market interest rates relating to company's debt obligations as it is on fixed interest rates.

NOTE NO. 47: CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings. The Company reviews the capital structure of the company on a regular basis and uses debt equity ratio to monitor the same.

The following table summarises the capital structure of the Company:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Equity attributable to the shareholders of the company	40656.89	27381.27
As percentage of total capital	74%	82%
Total Loans and borrowings	14430.46	6080.39
Total Lease Liability	49.10	48.05
Total Loans and borrowings and Lease Liabilities	14479.56	6128.44
As a percentage of total capital	26%	18%
Total capital (loans, borrowings, lease liabilities and equity)	55136.45	33509.71

NOTE NO. 48: The Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment (the Ministry) has released draft rules for the Code on November 13, 2020. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

NOTE NO. 49: RATIOS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Ratio	0.95	0.81
(Current assets over current liabilities)		
(Current liabilities: Total current liabilities-Current maturities of non-current borrowings and lease liability)		
Debt Equity Ratio	0.36	0.22
(Debt over total shareholder equity)		
(Debt: Non current borrowing+Current Maturity of borrowing+Non-current lease liability and current maturity of lease liability)		
Debt Service Coverage Ratio	11.36	24.01
(PAT+Interest on debenture & term loan+depreciation & amortisation-Profit on sale of fixed assets over Interest on term loan & debenture+repayment of debt during the year)		
Return on Equity	39.38%	30.62%
(PAT over total average equity)		
(Equity: Equity share capital+Other equity)		
Inventory Turnover Ratio (In days)	9	9
(Average Inventory over Sale of products in days)		
Trade Receivable Turnover Ratio (In days)	22	20
(Average trade receivable over Revenue from operations in days)		
Trade Payable Turnover Ratio (In days)	58	53
(Average account payable over Total purchases in days)		
Net Capital Turnover Ratio	*	*
(Revenue from operation over average working capital)		
Net Profit Ratio %	18.94%	12.49%
(PAT over revenue from operations)		
EBITDA %	30.89%	22.42%
(EBITDA over revenue)		
EBIT %	26.52%	17.98%
(EBIT over revenue)		
Return on Capital Employed %	42.86%	38.03%
(EBIT over capital employed)		
Capital employed: Equity share capital+other equity-Intangible assets-Misc exp not written off+Non current borrowings+Current maturity of borrowings+Non-current lease liability and current maturity of lease liability+Deferred tax liabilities)		
Return on Investment %	4.77%	3.94%
(Interest on FDs over Weight average of Fixed deposits)		

Note:

EBIT - Earnings before interest and taxes including other income

EBITDA - Earnings before interest, taxes, depreciation and amortisation.

PAT - Profit after taxes.

* Net working capital is -ve

Explanation for variances exceeding 25%

Current ratio is improved on account of increase in debtors outstanding (increased turnover) and decrease in other liabilities.

Change in Debt equity ratio is on account of raising of new term loans.

Debt service coverage ratio has come down on account of increase in debt and corresponding increase in interest expenses on account of raising of fresh loans

Return on Equity, Net profit ratio, EBIT, EBITDA % and Return on capital employed is improved on account of increase in profits during the year ended March 31, 2023

Trade Payable Turnover Ratio has gone up on account of increase in trade payables and increase in sales.

Return on investment ratio increase on account of increase in Interest rates.

NOTE NO. 50: The Company operates in a single business segment viz. chemicals.

NOTE NO. 51:

- a) The Corresponding figures of the previous year have been re-grouped/reclassified, wherever necessary.
- b) The figures have been rounded off to the nearest Rs. Lakhs.

For and on Behalf of the Board

Sd/-
(ARUN KUMAR KAUSHAL)
 Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
 Company Secretary
 FCS-11578

Sd/-
(JATIN DAHIYA)
 Executive Director
 DIN: 08106876

Sd/-
(NAVEEN CHOPRA)
 Managing Director
 DIN: 08465391

As per our separate report of even date

For S. Tandon & Associates
 Chartered Accountants
 Firm Registration No. 006388N
 ICAI UDIN : 23518893BGXMLV6076

Sd/-
(Nipun Rastogi)
 Partner
 Membership No. 518893

Place: Chandigarh
 Date: May 26, 2023

Independent Auditor's Report

To the Shareholders of Primo Chemicals Ltd (Formerly Known
as Punjab Alkalies & Chemicals Limited)

Report on the Consolidated Ind AS Financial Statements



Opinion

We have audited the accompanying Consolidated Ind AS financial statements of Primo Chemicals Ltd (Formerly Known as Punjab Alkalies & Chemicals Limited) ("the Company"), and its associates "M/s Flow Tech Chemicals Pvt. Ltd" (the Company and its associates together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind As financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the group as at March 31, 2023, the Consolidated profit and Consolidated total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Consolidated Financial Statements

1. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, financial performance including other comprehensive income, cash flows and changes in equity of the group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies

(Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the companies included in Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

2. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Group Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
3. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Consolidated Balance Sheet, Consolidated Profit and Loss statement including the Consolidated Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of written representations received from the Directors as on 31st March, 2023 taken on record by the Board of Directors of company and its associates, none of directors are disqualified as on 31st March, 2023 from being appointed as a Director in terms of Section 164(2) of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” to this report;
- g) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Consolidated Financial Statements have disclosed the impact of pending litigation on its financial position in its Consolidated Ind AS financial statements.
 - ii) The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no amount which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2023.
- h) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023
- iv) (a) The Management has represented that, to the best of it’s knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

For S Tandon & Associates

Chartered Accountants

ICAI Firm Registration Number 006388N

ICAI UDIN: 23518893BGXMLX7720

Sd/-

(Nipun Rastogi)

Partner

Membership No. 518893

Place of Signature: Chandigarh

Date: May 26, 2023

Annexure - A to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of **Primo Chemicals Ltd (Formerly Known as Punjab Alkalies & Chemicals Limited)** as of 31st March 2023 in conjunction with our audit 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 controls 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, with reference to consolidated financial statements. 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 operating 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 misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 March 31, 2023, 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 S Tandon & Associates

Chartered Accountants

ICAI Firm Registration Number 006388N

ICAI UDIN: 23518893BGXMLX7720

Sd/-

(Nipun Rastogi)

Partner

Membership No. 518893

Place of Signature: Chandigarh

Date: May 26, 2023

CONSOLIDATED BALANCE SHEET as at 31st March, 2023

(Rs. in Lakhs)

Particulars	Note No.		As at March 31, 2023	As at March 31, 2022
ASSETS				
Non Current Assets				
a) Property, Plant & Equipment	3	27793.60		15482.94
b) Capital Work in Progress	4	21315.93		17652.16
c) Other Intangible Assets	3a	11.45		6.40
d) Intangible assets under development	4a	-		3.62
e) Financial Assets				
(i) Investments	5	5890.30		3255.56
(ii) Trade Receivables	6	-		-
(iii) Loans	7	-		-
(iv) Other Financial Assets	8	37.93		112.70
f) Deferred Tax Assets (Net)	9	-		-
g) Other Non Current Assets	10	4046.24		1416.23
Sub Total: Non Current Assets			59095.45	37929.61
Current Assets				
a) Inventories	11	1801.41		1706.92
b) Financial Assets				
(i) Trade Receivables	12	5163.75		3254.51
(ii) Cash and Cash equivalents	13	2148.71		2401.39
(iii) Other Bank Balances other than (ii) above	13	956.24		115.75
(iv) Loans	14	-		-
(v) Other Financial Assets	15	724.24		178.21
c) Other Current Assets	16	3253.37		2245.93
Sub Total: Current Assets			14047.72	9902.71
Sub Total: Assets			73143.17	47832.32
EQUITY AND LIABILITIES				
Equity				
a) Equity Share Capital	17	4846.86		4846.86
b) Other Equity	18	36400.52		22783.39
Sub Total: Equity			41247.38	27630.25
Liabilities				
Non-Current Liabilities				
a) Financial Liabilities				
(i) Borrowings	19	12313.01		5267.25
(ii) Lease Liability	20	44.86		43.81
(iii) Trade Payables	21	-		-
b) Provisions	22	470.34		633.38
c) Deferred Tax Liability (Net)	9	2190.87		1150.85
Sub Total: Non-Current Liabilities			15019.08	7095.29
Current Liabilities				
a) Financial Liabilities				
(i) Borrowings	23	2121.69		813.14
(ii) Other financial liabilities	24	95.97		34.85
(iii) Trade Payables:	25			
(A) Total outstanding dues of Micro & Small Enterprises		1011.11		241.90
(B) Total outstanding dues of creditors other than Micro & Small Enterprises		5919.51		4159.38
b) Other Current Liabilities	26	6463.61		7400.11
c) Provisions	27a	55.12		57.00
d) Current Tax Liability (Net)	27b	1209.70		400.40
Sub Total: Current Liabilities			16876.71	13106.78
TOTAL: EQUITY AND LIABILITIES			73143.17	47832.32
Significant Accounting Policies	2			
Notes forming an integral part of the Financial Statements	1 to 51			

For and on Behalf of the Board

Sd/-
(ARUN KUMAR KAUSHAL)
 Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
 Company Secretary
 FCS-11578

Sd/-
(JATIN DAHIYA)
 Executive Director
 DIN: 08106876

Sd/-
(NAVEEN CHOPRA)
 Managing Director
 DIN: 08465391

As per our separate report of even date

For S. Tandon & Associates
 Chartered Accountants
 Firm Registration No. 006388N
 ICAI UDIN : 23518893BGXMLX7720

Sd/-
(Nipun Rastogi)
 Partner
 Membership No. 518893

Place: Chandigarh
 Date: May 26, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31st March, 2023

(Rs. in Lakhs)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from Operations	29	70737.70	45406.79
Other Income	29a	2616.25	1515.40
Total Income		73353.95	46922.19
EXPENDITURE			
Cost of Material Consumed	30	8571.73	6153.54
Purchase of Stock in Trade		4995.75	2271.86
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	31	551.63	(1003.76)
Manufacturing Expenses	32	21766.99	17470.30
Employees benefits expenses	33	3182.95	7536.26
Finance Costs	34	807.10	881.96
Depreciation and Amortisation Expense	3 & 10	2394.68	1746.30
Other Expenses	35	12433.32	4312.23
Total Expenditure		54704.15	39368.69
Profit/(Loss) before exceptional item		18649.80	7553.50
Exceptional items		-	-
Profit/(Loss) after exceptional item		18649.80	7553.50
Tax Expenses			
Current Tax		4071.88	1393.52
Prior period Tax		26.68	-
Deferred Tax		1153.04	487.85
Profit/(Loss) for the year after Tax		13398.20	5672.13
Share of Profit / (Loss) of Associate		341.51	248.98
Profit/(Loss) for the period after Associate		13739.71	5921.11
Other Comprehensive Income		(235.42)	421.69
Tax relating to items that will not be re-classified to P & L A/c		(113.02)	122.80
Net Other Comprehensive Income		(122.40)	298.89
Total Comprehensive Income for the year		13617.31	6220.00
Earnings/(Loss) per Equity Share of Rs. 2/- each			
Basic (in Rs.)		5.67	2.61
Diluted (in Rs.)		5.67	2.61
Significant Accounting Policies	2		
Notes forming an integral part of the Financial Statements	1 to 51		

For and on Behalf of the Board

Sd/-
(ARUN KUMAR KAUSHAL)
Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
Company Secretary
FCS-11578

Sd/-
(JATIN DAHIYA)
Executive Director
DIN: 08106876

Sd/-
(NAVEEN CHOPRA)
Managing Director
DIN: 08465391

As per our separate report of even date

For S. Tandon & Associates
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN : 23518893BGXMLX7720

Sd/-
(Nipun Rastogi)
Partner
Membership No. 518893

Place: Chandigarh
Date: May 26, 2023

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended 31st March, 2023

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax	18649.80	7553.50
Adjustments for:		
Depreciation and Amortisation Expenses	2251.84	1617.91
Miscellaneous Expenses Written Off	142.84	128.39
Sweat Equity and security premium thereon *	-	4007.25
Provision for Gratuity	(235.42)	421.69
Amount Transferred from WIP to Stores	0.81	51.45
(Gain)/loss on sale of Fixed Assets	(7.30)	(11.46)
Interest Income	(70.44)	(23.03)
Finance Cost	288.38	22.37
Operating Profit Before Working Capital Changes	21020.51	13768.07
Adjustments for:		
(Increase)/Decrease in Trade receivables	(1909.24)	(1630.85)
(Increase)/Decrease in Other Current Assets	(975.73)	(1326.02)
(Increase)/ Decrease in Inventories	(94.49)	(1082.73)
(Increase)/Decrease in financial assets others	(1193.71)	120.88
(Decrease)/Increase in Trade Payables	2529.34	1637.55
(Decrease)/Increase in Short Term Borrowings	5.25	-
(Decrease)/Increase in Other Current Liabilities	(1100.11)	(3108.60)
(Decrease)/Increase in Short Term Provisions	(1.88)	23.87
Net Working Capital Changes	(2740.57)	(5365.90)
Cash Generated From Operations	18279.94	8402.17
Direct Taxes (Paid)/Refund	(3320.96)	(1379.03)
Cash Flow Before Extraordinary Items	14958.98	7023.14
Extraordinary Items	-	-
Net Cash From Operating Activities	14958.98	7023.14
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(644.47)	(378.35)
Expenditure on work in progress	(17584.83)	(15311.04)
Sale/Adjustment of Fixed Assets	7.90	16.84
Investment made	(2293.23)	(3006.58)
Bank deposits (placed)/ matured	(765.72)	(191.56)
Interest Received	70.44	23.03
Long Term Advances Given	(1447.90)	(40.73)
Purchase of Membranes and Recoating of Pans	(677.27)	(228.40)
Net Cash Used in Investing Activities	(23335.08)	(19116.79)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	8934.44	6097.74
Repayment to Financial Institution and Bank	(585.38)	(84.64)
Interest Paid	(225.64)	(20.31)
Proceeds from issue of share capital **	-	1290.00
Proceeds from security premium account **	-	6450.00
Payment towards Short Term Borrowings (Working Capital)	-	-
Net Cash Flow from Financing Activities	8123.42	13732.79
Net Increase/(Decrease) in Cash And Cash Equivalents	(252.68)	1639.14
Cash And Cash Equivalents at the beginning of year	2401.39	762.25
Cash And Cash Equivalents at the end of year	2148.71	2401.39
* In 2021-22 Allotment of 45,00,000 Sweat Equity Shares to Managing Director @ Rs. 10/- each amounting to Rs. 450 lakhs and Security Premium @ Rs. 79.05/- amounting to Rs. 3557.25 lakhs has been added back under cash flow from operating activities being a non-cash item.		
** In 2021-22 Significant non-cash movements includes allotment of 75,00,000 Equity Shares of Rs. 10/- each amounting Rs. 750 lakhs and Security Premium @ Rs. 50/- amounting to Rs. 3750 lakhs to M/s Durva Infratech LLP on Preferential basis for consideration other than cash for setting up of 35MW captive Power Plant.		

For and on Behalf of the Board

Sd/-
(ARUN KUMAR KAUSHAL)
Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
Company Secretary
FCS-11578

Sd/-
(JATIN DAHIYA)
Executive Director
DIN: 08106876

Sd/-
(NAVEEN CHOPRA)
Managing Director
DIN: 08465391

As per our separate report of even date

For S. Tandon & Associates
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN : 23518893BGXMLX7720

Sd/-
(Nipun Rastogi)
Partner
Membership No. 518893

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. Equity Share Capital

Current reporting period

(Rs. in Lakhs)

Balance as at 1.4.2022	4846.86	Changes in equity share capital during the year	0.00	Balance as at 31.03.2023	4846.86
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Previous reporting period

(Rs. in Lakhs)

Balance as at 1.4.2021	3106.86	Changes in equity share capital during the year	1740.00	Balance as at 31.03.2022	4846.86
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B. Other Equity

Current reporting period

(Rs. in Lakhs)

	Reserves and Surplus					Other Comprehensive Income (OCI)		Total
	Capital Reserve	Debenture Redemption Reserve	Securities premium Reserve	Debt Instruments (Differential discounted value of Debentures)	Retained Earnings	Debt instrument through OCI (Debentures)	Remeasurement of Defined Benefit Plan	
Balance as at 1.4.2022	3579.01	-	16025.58	-	3032.61	-	146.19	22783.39
Total Comprehensive Income for the year	-	-	-	-	13739.71	-	(122.40)	13617.31
Depreciation	(46.98)	-	-	-	46.98	-	-	-
Other Reserves	-	-	-	-	-	-	-	-
Adj. in respect of Assets sold/ discarded(Net)	(0.18)	-	-	-	-	-	-	(0.18)
Debenture Redemption Reserve	-	-	-	-	-	-	-	-
Share Forfeited Reserve	-	-	-	-	-	-	-	-
Securities Premium Reserve	-	-	-	-	-	-	-	-
Balance as at 31.03.2023	3531.85	-	16025.58	-	16819.3021	-	23.79	36400.52

Previous reporting period

(Rs. in Lakhs)

	Reserves and Surplus					Other Comprehensive Income (OCI)		Total
	Capital Reserve	Debenture Redemption Reserve	Securities premium Reserve	Debt Instruments (Differential discounted value of Debentures)	Retained Earnings	Debt instrument through OCI (Debentures)	Remeasurement of Defined Benefit Plan	
Balance as at 1.4.2021	3626.30	-	6018.33	-	(2935.49)	-	(152.70)	6556.44
Total Comprehensive Income for the year	-	-	-	-	5921.11	-	298.89	6220
Depreciation	(46.99)	-	-	-	46.99	-	-	-
Other Reserves	-	-	-	-	-	-	-	-
Adj. in respect of Assets sold/ discarded(Net)	(0.30)	-	-	-	-	-	-	(0.30)
Debenture Redemption Reserve	-	-	-	-	-	-	-	-
Share Forfeited Reserve	-	-	-	-	-	-	-	-
Securities Premium Reserve	-	-	10007.25	-	-	-	-	10007.25
Balance as at 31.03.2022	3579.01	-	16025.58	-	3032.61	-	146.19	22783.39

The Company has allotted (a) 7500000 Equity Shares of Rs. 10/- each at a price of Rs. 60/- each to Durva Infratech LLP on preferential basis for consideration other than cash for setting up of 35 MW Captive Power Plant, (b) 54,00,000 Equity Shares of Rs. 10/- each at a price of Rs. 60/- each on preferential basis for cash consideration as approved by Board of Directors in their meeting held on 21st May, 2021 and (c) 45,00,000 Sweat Equity Shares of Rs. 10/- each at a price of Rs. 89.05/- each to Shri Naveen Chopra, Managing Director of the company as approved by Board of Directors on 23rd July, 2021.

For and on Behalf of the Board

Sd/-
(ARUN KUMAR KAUSHAL)
 Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
 Company Secretary
 FCS-11578

Sd/-
(JATIN DAHIYA)
 Executive Director
 DIN: 08106876

Sd/-
(NAVEEN CHOPRA)
 Managing Director
 DIN: 08465391

As per our separate report of even date

For S. Tandon & Associates
 Chartered Accountants
 Firm Registration No. 006388N
 ICAI UDIN : 23518893BGXMLX7720

Sd/-
(Nipun Rastogi)
 Partner
 Membership No. 518893

Place: Chandigarh
 Date: May 26, 2023

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Primo Chemicals Limited (Formerly known as Punjab Alkalies & Chemicals Limited) ('the Company') is a limited company incorporated in India. The addresses of its registered office and principal activities of the Company are disclosed in the introduction to the Annual Report. The Ordinary (Equity) shares of the Company are listed on the BSE Limited ("BSE") in India.

NOTE NO. 1: BASIS OF PREPARATION OF FINANCIAL STATEMENTS**a) Basis of preparation and compliance with Ind AS**

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company has consistently applied accounting policies to all years. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial period commencing from April 1, 2021. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

NOTE NO. 2: SIGNIFICANT ACCOUNTING POLICIES**a) Accounting Convention**

The financial statements are prepared under the historical cost convention except for certain financial assets and liabilities that are measured at fair value and on the basis of going concern. The financial statements have been prepared on a going concern basis on the strength of profitability, liquidity and continued support of the promoters, financial institutions and banks. All expenses and incomes to the extent considered payable and receivable respectively, unless stated otherwise, have been accounted for on mercantile basis.

b) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, intangible assets, fair value of financial assets/liabilities and impairment of investments.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

i) Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

ii) Leases

The Company considers all the extension-options under the commercial contract for determining the lease-term which forms the basis for the measurement of right of-use asset and the corresponding lease-liability.

iii) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

c) Property, Plant & Equipment

Tangible Assets are stated at fair values. Machinery Spares have been capitalised as and when issued. Direct costs are capitalised until the property, plant and equipment are ready for use, as intended by the management. These costs also include financing cost which has been capitalized on qualifying assets as per Ind-AS 23. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are taken out from books of accounts and resultant profit (including capital profit) or loss, if any, is reflected in Statement of Profit & Loss.

The Company has identified spares having value (landed cost) of Rs. 10000/- & above and having life of more than one year in line with the Ind-AS 16. These spares are transferred to capital work in progress account and are capitalized as and when issued. The full value of these spares is being depreciated over their useful life using the straight-line method.

d) Intangible Assets

Intangible Assets acquired are measured on initial recognition at cost. These assets are being amortized over a period of five years. Costs associated with maintaining software programme are recognized as an expense as incurred.

e) Depreciation

The Company has charged depreciation on fixed assets on straight-line basis (SLM) as per their useful life based on past operational experience as certified by the technical staff of the plant. Fixed Assets individually costing upto Rs. 5,000/- are depreciated 100% in the year of purchase. The intangible assets are being amortised over a period of 5 years.

f) Valuation of Inventories

The items of inventories are valued at lower of cost or estimated net realisable value. Cost of raw material, building material and stores & spares is determined (net of input tax credit) at monthly weighted average cost basis. Material in transit is taken at cost price. Stock in process is valued at cost of raw material added. Cost of finished goods includes material cost and appropriate portion of production and administrative overheads and excludes interest and marketing expenses. The value of finished goods stock is exclusive of GST. Scrap, if any, at the year end does not form part of closing inventory.

g) Investment in associates enterprises

The Company accounts for its investments in subsidiaries, associates and joint ventures at cost less accumulated impairment, if any.

h) Financial instruments

Trade receivables are initially recognised when they originate. All other financial assets and financial Liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

Current financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

i) Revenue Recognition

Revenue from Sale of goods is measured at the fair value of consideration received or receivable taking into account the amount of price discount, volume rebate, outgoing taxes (GST) on sales. Any amounts receivable from the customer are recognized as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch of goods.

j) Government Grants

The Company is not availing any government grant.

k) Foreign Exchange Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of the contract. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit & Loss.

l) Employee Benefits**i) Defined Contribution Plan**

The Company's Contribution paid/payable during the year towards Provident Fund Scheme are recognised as expense in the Statement of Profit & Loss.

ii) Defined Benefit Plan

The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary, using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds. Actuarial gains and losses are recognised immediately in the Statement of Profit & Loss as income or expense and other comprehensive income

as per Ind-AS 19. Present value of Defined Benefit Obligation is calculated by projecting salaries, exits due to death, resignation and other decrements, if any, and benefit payments made during each month till the time of retirement of each active member using assumed rates of salary escalation, mortality & employee turnover rates. The expected benefit payments are then discounted back from the expected future date of payment to the date of valuation using the assumed discount rate.

- iii) Gratuity liability has been covered by master policies of Life Insurance Corporation of India under irrevocable trust.

m) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in Statement of Profit & Loss in the period in which they are incurred.

n) Earnings Per Share

The Basic Earnings/ (Loss) per Share is computed on the basis of weighted average number of Equity Shares outstanding during the financial year. The Diluted Earnings/(Loss) per Share is computed on the basis of weighted average number of Equity Shares outstanding during the year and the Potential Equity Shares.

o) Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax has been recognised in accordance with IND-AS 12 on the basis of tax consequences of difference between the carrying amounts of assets and liabilities and their tax base.

Deferred tax assets are recognised to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

p) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

q) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

The Company as a lessee

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

r) Statement of Cashflows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cashflows are segregated into and presented as cashflows from operating, investing and financing activities.

s) Accounting policies not specifically referred above are consistent with generally accepted accounting practices.

NOTE NO. 3: PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise of owned and leased assets.

(Rs. in Lakhs)

Particulars	As at March 31, 2023											As at March 31, 2022			
	Property, plant and equipment owned	Land - Freehold	Site Development	Buildings	Buildings Factory	Tubewell	Plant and Equipment	Office Equipment	Furniture and Fixtures	Computer	Vehicles	Electric Installation	Railway Sidings	Lab Instruments	Total
Cost															
Balance as at 1 st April, 2021		2548.28	28.15	966.58	2566.81	46.34	33406.79	143.44	87.08	158.10	411.60	21.58	128.14	55.18	40568.07
Additions during the year		-	-	8.04	-	-	712.57	17.04	11.32	22.66	612.55	2.71	53.14	-	1440.03
Disposals during the year		-	-	-	-	-	35.47	30.42	8.99	33.02	0.12	-	-	1.90	109.92
Balance as at 31st March, 2022		2548.28	28.15	974.62	2566.81	46.34	34083.89	130.06	89.41	147.74	1024.03	24.29	181.28	53.28	41898.18
Balance as at 1 st April, 2022		2548.28	28.15	974.62	2566.81	46.34	34083.89	130.06	89.41	147.74	1024.03	24.29	181.28	53.28	41898.18
Additions during the year		98.43	-	-	979.45	-	13169.41	50.92	53.31	50.18	134.66	23.02	-	1.96	14561.34
Disposals during the year		-	-	-	-	-	15.79	-	-	-	-	-	-	-	15.79
Balance as at 31st March 2023		2646.71	28.15	974.62	3546.26	46.34	47237.51	180.98	142.72	197.92	1158.69	47.31	181.28	55.24	56443.73
Accumulated depreciation & impairment															
Balance as at 1 st April, 2021		-	-	381.72	1873.46	41.57	22656.66	97.57	69.00	145.50	117.64	19.10	37.88	30.78	25470.88
Depreciation expense for the year		-	-	16.57	87.39	1.22	1358.62	12.06	3.60	8.94	104.89	0.30	10.13	3.02	1606.74
Disposals during the year		-	-	-	-	-	33.61	28.93	8.55	31.37	(0.01)	-	-	1.80	104.25
Balance as at 31st March, 2022		-	-	398.29	1960.85	42.79	23981.67	80.70	64.05	123.07	222.54	19.40	48.01	32.00	26973.37
Balance as at 1 st April, 2022		-	-	398.29	1960.85	42.79	23981.67	80.70	64.05	123.07	222.54	19.40	48.01	32.00	26973.37
Depreciation expense for the year		-	-	16.45	94.92	1.23	1921.80	15.69	5.43	18.87	153.21	1.50	10.05	3.10	2242.25
Disposals during the year		-	-	-	-	-	15.00	-	-	-	-	-	-	-	15.00
Balance as at 31st March, 2023		-	-	414.74	2055.77	44.02	25888.47	96.39	69.48	141.94	375.75	20.90	58.06	35.10	29200.62
Net carrying amount															
Net carrying amount as at 31 st March, 2022		2548.28	28.15	576.33	605.96	3.55	10102.22	49.36	25.36	24.67	801.49	4.89	133.27	21.28	14924.81
Net carrying amount as at 31 st March, 2023		2646.71	28.15	559.88	1490.49	2.32	21349.04	84.59	73.24	55.98	782.94	26.41	123.22	20.14	27243.11

NOTE NO. 3: PROPERTY, PLANT AND EQUIPMENT (CONTD.)

b) Right of use assets

(Rs. in Lakhs)

Particulars	As at March 31, 2023
	Land - Leasehold
Cost	
Balance as at 1st April, 2021	518.68
Additions during the year	47.10
Disposals during the year	-
Balance as at 31st March, 2022	565.78
Balance as at 1st April, 2022	565.78
Additions during the year	-
Disposals during the year	-
Balance as at 31st March, 2023	565.78
Accumulated Amortisation	
Balance as at 1 st April, 2021	-
Depreciation expense for the year	7.65
Disposals during the year	-
Balance as at 31st March, 2022	7.65
Balance as at 1 st April, 2022	7.65
Depreciation expense for the year	7.64
Disposals during the year	-
Balance as at 31st March, 2023	15.29
Net carrying amount	
Net carrying amount as at 31st March, 2022	558.13
Net carrying amount as at 31st March, 2023	550.49

- 3.1 Depreciation for the year 2022-23 includes Rs. 46.98 Lakhs (Previous year Rs. 46.99 Lakhs) as depreciation arising on revaluation of Fixed Assets.
- 3.2 Fixed Assets are stated at values determined by the valuer less depreciation. Capital Spares are transferred to capital work in progress and are capitalised as and when issued. Direct costs are capitalised till the assets are ready to be put to use. These costs also includes financing cost (including exchange rate fluctuations) relating to specific borrowing attributable to Fixed Assets. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are taken out from books of accounts and resultant profit (including capital profit) or loss, if any, is reflected in Statement of Profit & Loss.
- 3.3 The Company has charged depreciation on fixed assets on straight-line basis (SLM) as per their useful life based on past operational experience as certified by the technical staff of the plant. Fixed Assets individually costing upto Rs. 5,000/- are depreciated 100% in the year of purchase. The intangible assets are being amortised over a period of 5 years.
- 3.4 The Company had revalued its Fixed Assets (other than the 100 TPD Membrane Cell Plant Power Line) as on 31st March, 2004 on the basis of existing use value by an independent professional valuer. The revaluation of assets had been approved by the Board of Directors in its meeting held on 27th October, 2005 and the revalued figures were incorporated in the accounts in the financial year 2005-06. Accordingly a sum of Rs. 6243.16 Lakhs being the surplus of the value of assets over the written down value, had been credited to the Revaluation Reserve.

- 3.5 The Company had revalued its 100 TPD Membrane Cell Plant Power Line as on 31st March, 2006 on the basis of existing use value by an independent professional valuer. The revaluation of the asset had been approved by the Board of Directors in its meeting held on 29th October, 2007 and the revalued figure was incorporated in the accounts in the financial year 2007-08. Accordingly, a sum of Rs. 27.78 Lakhs being the surplus of the value of the asset over the written down value, had been credited to the Revaluation Reserve.
- 3.6 The Company had revalued its Fixed Assets as on 31st March, 2009 on the basis of existing use value by an independent professional valuer. The revaluation of assets had been approved by the Board of Directors in its meeting held on 29th January, 2010 and the revalued figures were incorporated in the accounts in the financial year 2009-10. Accordingly a sum of Rs. 4819.99 Lakhs being the surplus of the value of assets over the written down value, had been credited to the Revaluation Reserve.
- 3.7 Addition in leasehold land of Rs. 47.10 Lakhs represent the present value of right to use of assets of future lease rent calculated in accordance with Ind AS 116 and is being amortised on straight line basis over the remaining term of the lease.
- 3.8 The company has not revalued its Property, Plant & Equipment during the current financial year.

NOTE NO. 3a: OTHER INTANGIBLE ASSETS

(Rs. in Lakhs)

Particulars	As at March 31, 2023
	Computer Software
Cost	
Balance as at 1 st April, 2021	30.41
Additions during the year	0.52
Deductions during the year	-
Balance as at 31st March, 2022	30.93
Balance as at 1 st April, 2022	30.93
Additions during the year	7.00
Deductions during the year	-
Balance as at 1st April, 2021	37.93
Accumulated Amortisation	
Balance as at 1 st April, 2021	21.01
Amortisation expense for the year	3.52
Deductions during the year	-
Balance as at 31st March, 2022	24.53
Balance as at 1st April, 2022	24.53
Amortisation expense for the year	1.95
Deductions during the year	-
Balance as at 31st March, 2023	26.48
Net carrying amount as at 31st March, 2022	6.40
Net carrying amount as at 31st March, 2023	11.45

NOTE NO. 4: CAPITAL WORK IN PROGRESS

(Rs. in Lakhs)

Particulars	Cost as at 01.04.2022	Additions / Adjustments	Transfer to Fixed Assets	Adjustments	Cost as at 31.03.2023
Buildings	483.99	2275.66	648.10		2111.55
Plant & Machinery	16836.77	15172.57	12804.15	0.81	19204.38
RCC Road	331.40		331.40		-
Vehicles		133.22	133.22		-
Total	17652.16	17581.45	13916.87	0.81	21315.93
Previous Year	3455.89	15309.92	1062.20	51.45	17652.16

The capital work in progress of RCC road amounting to Rs. 331.40 Lacs is shown separately as on 31.03.2023. This amount was shown in Plant and Machinery as on 31.03.2022.

Capital-work-in progress ageing schedule:

(Rs. in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Expansion Project II	581.01	-	-	-	581.01
SBP Project	723.08	-	-	-	723.08
Flaker Project	2365.01	971.06	-	-	3336.07
Power Project	3742.37	7826.66	7.06	25.23	11601.32
Corporate Building	165.86	105.59	331.18	46.61	649.24
Existing Plant & Machinery	652.86	37.79	8.04	16.56	715.25
Aluminium Chloride	3623.46	5.55	-	-	3629.01
Others	73.52	6.03	-	1.40	80.95
Total A	11927.17	8952.68	346.28	89.80	21315.93
Projects temporarily suspended	-	-	-	-	-
NA					
Total B	-	-	-	-	-
Grand Total A+B	11927.17	8952.68	346.28	89.80	21315.93

Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan:

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total	-	-	-	-	-

NOTE NO. 4a: INTANGIBLE ASSETS UNDER DEVELOPMENT

(Rs. in Lakhs)

Particulars	Cost as at 01.04.2022	Additions / Adjustments	Transfer to Fixed Assets	Adjustments	Cost as at 31.03.2023
ERP Software	3.62	3.38	7.00	-	-
Total	3.62	3.38	7.00	-	-
Previous Year	2.50	1.12	-	-	3.62

Intangible assets under development ageing schedule:

(Rs. in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
ERP	-	-	-	-	-
Total	-	-	-	-	-

NOTE NO. 5: NON CURRENT FINANCIAL ASSETS - INVESTMENTS

Particulars	Face Value Per unit (Rs)	As at March 31, 2023		As at March 31, 2022		
		Number	(Rs. in Lakhs)	Number	(Rs. in Lakhs)	
In Associate Company						
Flow Tech Chemicals Pvt. Ltd. (373700 Unlisted equity Shares of Flow Tech Chemicals Pvt. Ltd. @ Rs. 1418.20 per share)	10	373700	5548.79	212000	3006.58	
Add : Share of Profit in Flow Tech Chemicals Pvt. Ltd.			341.51		248.98	
		373700	5890.30	212000	3255.56	

5.1: The Company has acquired 49% stake in Flow Tech Chemicals Pvt. Ltd. (FTCPL) and has accounted for it at cost in line with Ind AS 28 equity method.

As per Share Purchase Agreement dated 14 July 2021 with M/s Flow Tech Chemicals Pvt. Ltd., the Company was to acquire 100% stake in M/s Flow Tech Chemicals Pvt. Ltd. by December 31, 2022. The acquisition of balance 51% of stake of FTCPL could not be completed by 31.12.2022 due to pending codal formalities. The Company intends to acquire balance 51% stake by 31.12.2024. The Company has acquired 49% stake as on 31.03.2023 after payment of cash consideration of Rs. 5299.81 lakhs.

NOTE NO. 6: NON CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. in Lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
		Number	Number
Considered Good except where provided for:			
a) Total Receivable considered good- Secured	-		-
b) Total Receivable considered good- Unsecured	-		-
c) Trade Receivable which have significant increase in credit risk	109.35		
d) Trade Receivable- Credit impaired	-		572.84
Less: Allowance for expected credit loss (Debtors over 180 days including legal cases)		109.35	572.84
		-	-

6.1

(Rs. in Lakhs)

Particulars	Outstanding for following periods*					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	109.35	109.35
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-
Total	-	-	-	-	109.35	109.35
Less: Allowance for expected credit loss (Debtors over 180 days including legal cases)	-	-	-	-	109.35	109.35
Net Receivables	-	-	-	-	-	-

*The ageing is from invoice date

NOTE NO. 7: NON CURRENT FINANCIAL ASSETS - LOANS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to related parties	-	-
Other Loans		
Loans Receivables-considered good- Secured	-	-
Loans Receivables-considered good- Unsecured	-	-
Loans Receivables which have significant increase in Credit Risk	-	-
Loan Receivables- credit impaired	-	-
	-	-

NOTE NO. 8: NON CURRENT FINANCIAL ASSETS - OTHERS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	-	-
Bank Deposits having maturity of more than one year	37.93	112.70
	37.93	112.70

NOTE NO. 9: DEFERRED TAX LIABILITIES/ASSETS (NET)

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets	275.80	323.84
Deferred Tax Liabilities	2466.67	1474.69
Deferred Tax (Liabilities)/Assets (Net)	(2190.87)	(1150.85)

NOTE NO. 10: OTHER NON CURRENT ASSETS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Capital advances	1109.75	462.07
(ii) Advances other than capital advances:		
Security deposits	2083.27	635.37
Advances to related parties	-	-
Other advances (Specify)	-	-
(iii) Deferred Expenditure:		
As per last balance sheet	318.79	218.78
Addition during the year	677.27	228.40
	996.06	447.18
Less: Amortized during the year	142.84	128.39
Closing Balance	853.22	318.79
	4046.24	1416.23

10.1 The cost of membranes is being amortized over a period of three years. The cost of recoating of pans of electrolyzers is being amortized over a period of eight years.

NOTE NO. 11: INVENTORIES

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Inventory		
Raw Materials	776.31	267.97
Stock in process	31.31	35.38
Finished goods	597.80	591.04
Stock in trade	10.11	564.43
Stores, Spares and consumables	385.88	248.10
	1801.41	1706.92

NOTE NO. 12: CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Considered Goods except where provided for:		
a) Total Receivable considered good- Secured	889.76	2062.68
b) Total Receivable considered good- Unsecured	4273.99	1191.83
c) Trade Receivable which have significant increase in credit risk	-	-
d) Trade Receivable- Credit impaired	-	-
	5163.75	3254.51

12.1

(Rs. in Lakhs)

Particulars	Outstanding for following periods*					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good	5163.75	-	-	-	-	5163.75
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

* The ageing is from Invoice date

NOTE NO. 13: CURRENT FINANCIAL ASSETS – CASH AND CASH EQUIVALENTS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Cash and cash equivalents		
Balance with banks		
Current Account	108.99	18.48
Cash Credit Account*	634.50	2380.45
Fixed Deposits with original maturity less than 1 year	1396.88	-
	2140.37	2398.93
Cash in hand	8.34	2.46
Total Cash and cash equivalents	2148.71	2401.39
b) Bank Balances other than Cash and Cash Equivalent		
Bank Deposits with original maturity less than one year including margin money for letters of credit and bank guarantees.	956.24	115.75

* Secured by (i) First Pari - Passu charge by way of hypothecation on present and future current assets of the Company and second charge by way of hypothecation over the Power Plant in case of AU Small Finance Bank Ltd. and in case of HDFC Bank Ltd first charge on the Plant & Machinery of Flaker Plant and SBP Plant and (ii) first charge on Pari-passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab), and Sector 31-A, Chandigarh, and (iii) personal guarantees of Chairman and Managing Director.

NOTE NO. 14: CURRENT FINANCIAL ASSETS - LOAN

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to related parties	-	-
Other Loans		
Loans Receivables-considered good- Secured	-	-
Loans Receivables-considered good- Unsecured	-	-
Loans Receivables which have significant increase in Credit Risk	-	-
Loan Receivables- credit impaired	-	-
	-	-

NOTE NO. 15: OTHER CURRENT FINANCIAL ASSETS

(Rs. in Lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
(i) Advances other than capital advances			
- Security Deposits	-		-
- Advance to Related Party	-		-
- Other Advances	-		-
Suppliers/Service Providers	1301.11		753.26
Less: Provision for doubtful debts (Others)	582.10		576.87
		719.01	176.39
(ii) Advance to Director or other officer		-	-
(iii) Other advances			
Employees		5.23	1.82
		724.24	178.21

15.1 The final adjustment of (a) expenses on common facilities with Punjab National Fertilizers & Chemicals Limited (under liquidation) for Railway Siding, Hostel Building, Power Link Line, Land, Tube well, Staff Housing Colony and Storm Water Drain etc., and (b) other expenses, aggregating to Rs. 568.09 Lakhs incurred on behalf of Punjab National Fertilizers & Chemicals Limited shall be made as per the settlement by the Official Liquidator of Punjab National Fertilizers & Chemicals Limited. However, an amount of Rs. 5.23 Lakhs (previous year Rs. 16.01 Lakhs) has been provided as doubtful debt during the current year.

NOTE NO. 16: OTHER CURRENT ASSETS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	109.73	50.96
Income Tax recoverable	-	21.88
Insurance Claim recoverable	7.18	7.18
Other recoverable	53.23	70.26
Income tax claimable	73.25	59.45
GST recoverable	2994.43	1674.13
GST Input Claimable	7.48	354.00
Advance against water charges	8.07	8.07
	3253.37	2245.93

NOTE NO. 17: EQUITY SHARE CAPITAL

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
350,000,000 Equity Shares of Rs. 2/- each (Previous year 350,000,000 Equity Shares of Rs. 2/- each)	7000.00	7000.00
Issued		
242,715,730 Equity Shares of Rs. 2/- each (Previous year 242,715,730 Equity Shares of Rs. 2/- each)	4854.31	4854.31
Subscribed		
242,703,980 Equity Shares of Rs. 2/- each fully called up (Previous year 242,703,980 Equity Shares of Rs. 2/- each)	4854.08	4854.08
Paid Up		
242,343,220 Equity Shares of Rs. 2/- each fully called up (Previous year 242,343,220 Equity Shares of Rs. 2/- each)	4846.86	4846.86
	4846.86	4846.86

17.1 Reconciliation of number of Equity Shares and amount outstanding					
Particulars	As at March 31, 2023		As at March 31, 2022		
	No of Shares	(Rs. in Lakhs)	Pre sub division	Post sub division	(Rs. in Lakhs)
			No of Shares	No of Shares	
Paid up capital:					
Opening Balance	242343220	4846.86	31068644	155343220	3106.86
Add: Equity Shares issued on Preferential basis	-	-	5400000	27000000	540.00
Add: Equity Shares issued on Preferential basis other than cash for supply of plant & Machinery	-	-	7500000	37500000	750.00
Add: Sweat Equity shares issued to Managing Director	-	-	4500000	22500000	450.00
Closing Balance	242343220	4846.86		242343220	4846.86
<p>17.2 Allotment of 75,00,000 Equity Shares of Rs. 10/- each at a price of Rs. 60/- each to M/s Durva Infratech LLP on Preferential basis for consideration other than cash of setting up of 35MW captive Power Plant and Allotment of 54,00,000 Equity Shares of Rs. 10/- each at a price of Rs. 60/- each on Preferential basis for cash consideration as approved by the Board of Directors in their meeting held on 21st May, 2021.</p>					
<p>17.3 Allotment of 45,00,000 Sweat Equity Shares of Rs. 10/- each at a price of Rs. 89.05/- each to Shri Naveen Chopra, Managing Director of the company as approved by Board of Directors on 23rd July, 2021.</p>					
<p>17.4 The Company has made Sub-division of each Equity Share of Rs. 10/- each into 5 (five) Equity Shares of Rs. 2/- each as per approval of Board in their meeting held on 2nd December, 2021, approval of shareholders in EOGM held on 28th December, 2021 with record date for the same was 28th January, 2022.</p>					

17.5 Shareholding of Promoter						
Shares held by promoters at the end of the year						
S. No.	Promoter Name	As at March 31, 2023		As at March 31, 2022		
		No. of Shares	% of total shares	No. of Shares	% of total shares	% Change during the year
1	Sh. Sukhbir Singh Dahiya	25278015	10.43	25278015	10.43	-
2	Sh. Jagbir Singh Ahlawat	15500100	6.40	15500100	6.40	-
3	Smt. Parema Ahlawat	9875315	4.07	9875315	4.07	-
4	Sh. Jatin Dahiya	5482535	2.26	5482535	2.26	-
5	Sh. Mayank Ahlawat	1960160	0.81	1960160	0.81	-
6	Smt. Dayawati Dahiya	3560170	1.47	3560170	1.47	-
7	Smt. Garima Singh	1100000	0.45	1100000	0.45	-
8	Flow Tech Industrial Projects Pvt. Ltd.	8860160	3.66	8860160	3.66	-
9	Flow Tech Chemicals Pvt. Ltd.	-	-	-	-	-
10	Himalaya Alkalies & Chemicals Limited	2604390	1.07	2604390	1.07	-
11	Tara Mercantile Pvt. Ltd.	1761985	0.73	1761985	0.73	-
12	Advance Chemicals (Shares held in name of Shri Mayank Ahlawat - first holder and partner)	-	-	-	-	-
Total		75982830	31.35	75982830	31.35	-

17.6 Details of shareholders holding more than 5% shares				
Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of shares held	% age	No. of shares held	% age
Sh. Jagbir Singh Ahlawat	15500100	6.40	15500100	6.40
Sh. Sukhbir Singh Dahiya	25278015	10.43	25278015	10.43
Sh. Naveen Chopra	42500000	17.54	42500000	17.54
M/s Durva Infratech LLP	37500000	15.47	37500000	15.47
M/s Plutus Wealth Management LLP	21250000	8.77	21250000	8.77

NOTE NO. 18: OTHER EQUITY

(Rs. in Lakhs)

Particulars		As at March 31, 2023	As at March 31, 2022
Capital Reserve			
Land Subsidy		5.49	5.49
Shares Forfeited Reserve Account		10.65	10.65
Revaluation Reserve			
As per last balance sheet	3562.87		3610.16
Less: Adjusted in respect of Assets sold/ discarded	0.18		0.30
Less: Depreciation & Amortization	46.98		46.99
		3515.71	3562.87
Securities Premium			
As per last Balance Sheet	16025.58		6018.33
Add: Addition during the year	-		10007.25
		16025.58	16025.58
Other Comprehensive Income			
As per last Balance Sheet	146.19		(152.70)
Add: Addition during the year	(122.40)		298.89
		23.79	146.19
Statement of Profit and Loss			
As per last Balance Sheet	3032.61		(2935.49)
Add: Depreciation on revalued assets	46.98		46.99
Add: Transferred from statement of Profit and Loss	13739.71		5921.11
		16819.30	3032.61
		36400.52	22783.39

NOTE NO. 19: NON CURRENT LIABILITIES - BORROWINGS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Term Loans & Vehicle Loans		
1. Kotak Mahindra Bank Ltd. (Material Handling Equipment)	88.63	120.24
(Secured by way of hypothecation of material handling equipment)		
2. Kotak Mahindra Bank Ltd. (Vehicles)	61.01	122.47
(Secured by way of hypothecation of vehicles)		
3. AU Small Finance Bank Limited (Power Plant)	3474.64	3113.35
(Secured by way of first exclusive charge on Plant & Machinery of Power Plant & first charge on Pari-passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh and first charge on Pari-passu basis on existing other Plant & Machinery and other present and future Current Assets of the company).		
4. AU Small Finance Bank Limited (Expansion Project)	2477.24	2553.03
(Secured by way of first exclusive charge on Plant & Machinery of Caustic Soda Plant Capacity Expansion & first charge on Pari-passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh and first charge on Pari-passu basis on existing other Plant & Machinery and other present and future Current Assets of the company).		
5. HDFC Bank Ltd TL (SBP)	2657.69	-
(Secured by way of first exclusive charge on Plant & Machinery of SBP Plant and first charge on Pari Passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh and first charge on Pari-passu basis on existing other Plant & Machinery (excluding Plant & Machinery of Power Plant and Caustic Soda Plant Capacity expansion) and other present and future Current Assets of the company already hypothecated with AU small finance bank)		
6. HDFC Bank Ltd TL (Capex)	2879.84	-
(Secured by way of first exclusive charge on Plant & Machinery of SBP Plant and Flaker Plant, first charge on Pari Passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh and first charge on Pari-passu basis on existing other Plant & Machinery (excluding Plant & Machinery of Power Plant and Caustic Soda Plant Capacity expansion) and other present and future Current Assets of the company already hypothecated with AU small finance bank)		
7. HDFC Bank Ltd TL (Flaker)	2640.47	-
(Secured by way of first exclusive charge on Plant & Machinery of Flaker Plant and first charge on Pari Passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh and first charge on Pari-passu basis on existing other Plant & Machinery (excluding Plant & Machinery of Power Plant and Caustic Soda Plant Capacity expansion charged to AU small finance bank & SBP Plant charged to HDFC bank) and other present and future Current Assets of the company already hypothecated with AU small finance bank)		
8. Punjab National Bank (Car Loan)	145.69	167.06
(Secured by way of hypothecation of vehicles)		
	14425.21	6076.15
Less: Short term maturity of Term loan/vehicle loan within 1 year transferred to Short term borrowing.	2112.20	808.90
	12313.01	5267.25
NOTE:- Loans mentioned from point no.1 to 8 are further secured by way of personal guarantee of Chairman and Managing Director of the company.		

NOTE NO. 20: NON CURRENT LIABILITIES - LEASE LIABILITY

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Lease Liability	49.10	48.05
Less: Short term maturity of Lease liability within 1 year transferred to Short term borrowing.	4.24	4.24
	44.86	43.81

NOTE NO. 21: NON CURRENT LIABILITIES - TRADE PAYABLES

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Payables	-	-
	-	-

NOTE NO. 22: NON CURRENT - PROVISIONS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits*		
Gratuity	43.94	119.88
Leave Encashment	426.40	513.50
	470.34	633.38

* The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary, using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds. Actuarial gains and losses are recognised immediately in the Statement of Profit & Loss as income or expense and other comprehensive income as per Ind-AS 19. Present value of Defined Benefit Obligation is calculated by projecting salaries, exits due to death, resignation and other decrements, if any, and benefit payments made during each month till the time of retirement of each active member using assumed rates of salary escalation, mortality & employee turnover rates. The expected benefit payments are then discounted back from the expected future date of payment to the date of valuation using the assumed discount rate.

NOTE NO. 23: CURRENT LIABILITIES - BORROWINGS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Vehicle Loan		
Short term maturity of Term loan within 1 year –Refer Note No.19	2112.20	808.90
Short term maturity of Lease liability within 1 year –Refer Note No.20	4.24	4.24
Cash Credit (AU Small Finance Bank Limited-Secured)	-	-
Cash Credit (HDFC Bank Limited-Secured)	-	-
HDFC Corporate and Purchase cards	5.25	-
Other Loans and Advances (Unsecured)	-	-
	2121.69	813.14

23.1 Cash Credit Limits from HDFC Bank Ltd. & AU Small Finance Bank Ltd are secured by (i) First Pari - Passu charge by way of hypothecation on present and future current assets of the Company and second charge by way of hypothecation over the Power Plant in case of AU Small Finance Bank Ltd. and in case of HDFC Bank Ltd first charge on the Plant & Machinery of Flaker Plant and SBP Plant and (ii) first charge on Pari-passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab), and Sector 31-A, Chandigarh, and (iii) personal guarantees of Chairman and Managing Director.

NOTE NO. 24: OTHER FINANCIAL LIABILITIES

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due	95.97	34.85
	95.97	34.85

NOTE NO. 25: CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Creditors		
Total outstanding dues of Micro & Small Enterprises	1011.11	241.9
Total outstanding dues of creditors other than Micro & Small Enterprises	5919.51	4159.38
	6930.62	4401.28

25.1 Amount due to MSME has been determined to the extent such parties have been identified on the basis of information provided by the parties.

25.2: Trade Payables ageing schedule					
(Rs. in Lakhs)					
Particulars	Outstanding for following periods*				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME **	989.59	-	-	-	989.59
(ii) Others	5774.85	99.51	11.63	14.47	5900.46
(iii) Disputed dues – MSME **	11.93	3.09	5.63	0.86	21.51
(iv) Disputed dues - Others	-	-	-	19.06	19.06
*The ageing is from invoice date					
** Payment is not payable because of applicable liquidated damages, security, retention on account of performance as per terms of contract and non payment of statutory liabilities by respective parties.					
MICROMEG ENTERPRISES PVT LTD has made a application to Micro and Small enterprises Facilitation Council. The amount claimed by party is not payable because of delay in supply, commissioning and other related issues.					

NOTE NO. 26: OTHER CURRENT LIABILITIES

(Rs. in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
Other Liabilities		
Statutory Liabilities	220.06	103.77
Expenses payable	2736.55	2179.69
Other Liabilities	3297.35	4549.05
Advances from Customers	209.65	567.6
	6463.61	7400.11
26.1 Expense payable includes Rs. 2680.13 Lakhs (previous year Rs. 1088.43 Lakhs payable to PSPCL towards interest on ACD) payable to PSPCL towards interest on ACD and Power bill.		

NOTE NO. 27: CURRENT-PROVISIONS

(Rs. in Lakhs)		
Particulars	As at March 31, 2023	As at March 31, 2022
a) Provision for Employee Benefits		
Leave Encashment	42.30	47.61
Bonus	12.82	9.39
	55.12	57.00
b) Net Current Tax Liability		
Provision for taxation	4071.88	1393.52
Less: Advance Tax Paid	2862.18	993.12
	1209.70	400.40
27.1 The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary, using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds. Actuarial gains and losses are recognised immediately in the Statement of Profit & Loss as income or expense and other comprehensive income as per Ind-AS 19. Present value of Defined Benefit Obligation is calculated by projecting salaries, exits due to death, resignation and other decrements, if any, and benefit payments made during each month till the time of retirement of each active member using assumed rates of salary escalation, mortality & employee turnover rates. The expected benefit payments are then discounted back from the expected future date of payment to the date of valuation using the assumed discount rate.		

NOTE NO. 28: CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Letters of Credit Outstanding	2443.19	582.28
	(USD 1314309, EURO 1486500)	(USD 773491.30)
b) Bank Guarantees given by Company	203.61	168.49
c) Estimated amounts of contracts remaining to be executed on capital account and not provided for	5537.03	2257.75
d) Additional Liability on account of Income Tax Assessments for the Past Assessment Years against which company has filed appeals	234.64	174.60
e) Liability towards legal case PACL vs Tarsem Singh Rana (Gurmeet Oil Carrier)	5.26	-
(Company's appeal in Delhi High Court is pending - Judgement and Decree stayed)		
28.1 Continuity Bond amounting to Rs. 364.30 Crores was executed in favour of custom authorities against which custom duty has since been paid. Request to Custom Authorities for cancellation of the Bond has also been sent.		

NOTE NO. 29: REVENUE FROM OPERATIONS

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from sale of goods	65015.55	43693.06
Revenue from trading sales	5722.15	1713.73
	70737.70	45406.79

Note No. 29a: Other Income

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Other Income:		
Interest received	70.44	23.03
Scrap Sales	535.51	220.79
GST Incentive	1320.30	975.57
Misc. Income	201.07	66.95
Excess Provision written back	481.63	217.60
Profit on sale of fixed assets	7.30	11.46
	2616.25	1515.40

NOTE NO. 30: COST OF MATERIALS CONSUMED

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salt	7026.34	5224.32
Soda Ash	260.79	136.32
Barium Carbonate	610.66	388.42
Sulphuric Acid	229.70	179.53
Hydrated Lime	7.81	-
Others	436.43	224.95
Total	8571.73	6153.54

30.1 Consumption of above is as per actual material consumed.

NOTE NO. 31: CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK-IN-PROCESS

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Closing Stocks		
Finished Goods	597.80	591.04
Stock in Process	31.31	35.38
Stock-in-trade	10.11	564.43
	639.22	1190.85
Less: Opening Stocks		
Finished Goods	591.04	161.66
Stock in Process	35.38	25.43
Stock-in-trade	564.43	-
	1190.85	187.09
Increase/(Decrease) in Stock	(551.63)	1003.76

NOTE NO. 32: MANUFACTURING EXPENSES

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Power, Fuel & Utilities	20210.37	17081.34
Stores & Spares consumed	1555.01	388.96
Packing Material	1.61	-
Total	21766.99	17470.30

NOTE NO. 33: EMPLOYEE BENEFITS EXPENSES

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages & Bonus	1975.84	1395.31
Director's Remuneration	837.78	5798.25
Contribution to Provident, Superannuation & Gratuity funds	239.17	233.41
Staff Welfare, Recruitment & Training Expenses	130.15	109.29
Total	3182.95	7536.26

Note:- The Director's Remuneration earlier shown under the head of Other Expenses has now been regrouped under Employee benefit expenses.

NOTE NO. 34: FINANCE COST

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest and Charges:		
Term Loans	288.38	21.42
Cash Credit	69.51	35.77
Interest on Advance Consumption Deposit PSPCL	68.90	222.00
Security Deposits/Others	380.31	602.77
Total	807.10	881.96

NOTE NO. 35: OTHER EXPENSES

(Rs. in Lakhs)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
Labour Charges		319.78	186.11
Railway Siding Operations		12.11	5.86
Repair & Maintenance			
Plant & Machinery	688.88		203.04
Building	301.60		70.83
Others	49.94		29.20
		1040.42	303.07
Board Meeting Expenses		135.68	46.43
Travelling & Conveyance			
Directors	65.25		42.71
Others	270.72		106.25
		335.97	148.96
Statutory Auditors Remuneration			
Audit Fees	2.18		1.50
Tax Audit Fees	0.35		0.25
Other Services	-		1.00
Out of Pocket Expenses	0.30		-
		2.83	2.75
Legal & Professional Charges		319.57	145.09
Insurance		89.95	74.89
Printing & Stationery		41.24	14.63
Postage & Telephone		20.63	14.05
Electricity & Water Charges		9.27	9.38
Rent, Rates & Taxes		86.07	109.17
Pollution Control Expenses		86.30	50.36
CER Expenses		-	108.00
CSR Expenses		67.60	57.95
Miscellaneous Expenses		172.22	201.47
Loss on sale of Assets		-	-
Loss on insurance claim		0.14	-
Doubtful Debts Others		5.23	16.01
Advertisement		4.75	1.36
Freight, Cartage & Handling		3313.37	1035.18
Business Promotion		36.06	38.98
Discounts & Commission		658.12	514.99
Chlorine disposal charges		5331.50	1182.31
Bad debts		344.49	45.23
Provision for doubtful debts		-	-
Total		12433.30	4312.23

NOTE NO. 36: Debit & Credit balances of parties are subject to their confirmation.

NOTE NO. 37: Legal action had been initiated against customers from whom a total sum of Rs. 109.35 Lakhs (Previous year Rs. 464.51 Lakhs) is due as the balance of the principal value of goods supplied.

NOTE NO. 38: DEFERRED TAX: The Company has recognized deferred tax in accordance with IND-AS 12. The major elements of Deferred Tax Assets and Liabilities are given below:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	
	Deferred Tax Assets	Deferred Tax Liabilities
Timing difference on:		
Fixed Assets	-	2334.11
Provision for Gratuity	12.80	-
Provision for Leave Encashment	136.48	-
Provision for Bonus	3.73	-
Tax relating to items that will not be re-classified to P & L A/c (OCI)	122.79	132.56
	275.80	2466.67
Net Deferred Tax Liabilities	-	(2190.87)

NOTE NO. 39: INCOME TAX

Income tax expense in the statement of profit and loss consists of:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current income tax	4071.88	1393.52
Prior period Tax	26.68	
Deferred tax	1153.04	487.85
Income tax expense recognised in the statement of profit and loss	5251.60	1881.37
Deferred tax arising on income and expense recognised in other comprehensive income		
Remeasurement of defined benefit plan	(113.02)	122.80
The reconciliation between the provision of income tax and amounts as computed as per computation of income tax is as follows:		
Profit before tax	18649.80	7553.50
Enacted income tax rate in India	29.120%	29.120%
Computed expected tax expense	5430.82	2199.58
Effect of:		
Temporary difference of depreciation expense	(852.25)	46.80
Effect of Non-deductible expenses/income	(216.18)	395.10
B/F Depreciation as per income tax return	-	(561.20)
MAT Credit	(290.51)	(686.76)
Others	1153.04	487.85
Prior Period Tax	26.68	-
Income tax expense recognised in the statement of profit and loss	5251.60	1881.37

NOTE NO. 40: EARNING PER SHARE (EPS)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit for the year for basic EPS (Rs. in Lakhs)	13739.71	5921.11
Weighted average number of Ordinary (Equity) Shares of Rs. 2/- each	242343220	226541850
Basic Earning per share of Rs. 2/- each (Rs.)	5.67	2.61
Diluted Earning per share of Rs. 2/- each (Rs.)	5.67	2.61

NOTE NO. 41: EMPLOYEE DEFINED BENEFITS:

Gratuity

The Company is having payment of gratuity plan through gratuity trust. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Asset Volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' investment in debt instruments.

Inflation risk

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement benefit obligation is sensitive to inflation and accordingly, an increase in inflation rate would increase the plan's liability.

Life expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Defined Benefit Plans-as per Actuarial Valuation as on March 31, 2023

(Rs. in Lakhs)

Particulars	Leave Encashment		Gratuity	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Expense Recognised in the Profit & Loss Statement for the year	5.68	(222.38)	39.12	85.51
Present Value of Defined Benefit Obligation as at 31 st March, 2023	469.70	561.11	966.98	863.06

(Rs. in Lakhs)

Particulars	Funded Plan Gratuity		Unfunded Plans Leave Encashment	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Amounts recognised in profit or loss				
Current service cost	33.08	61.17	25.13	39.39
Expected Return on Plan Assets	(54.25)	(57.01)	-	-
Net interest expense	60.29	89.91	37.38	55.73
Total	39.12	94.07	62.51	95.12
Amount of recovery for employees on deputation	(7.65)	(8.56)	10.49	(8.24)
Net Actuarial Losses/(Gains)	-	-	(56.83)	(309.26)
Total amount included in employee benefits expense	31.47	85.51	16.17	(222.38)
Amounts recognised in other comprehensive income Beginning of period	(268.98)	152.70	-	-
Remeasurement (gains)/ losses:				
a) Actuarial (gains)/ losses arising from changes in				
– demographic assumptions	-	-	-	-
– financial assumptions	73.11	(306.38)	-	-
– experience adjustments	151.92	(125.46)	-	-
b) Return on plan assets, excluding amount included in net interest expense/ (income)	10.38	10.15	-	-
Total remeasurement recognised in OCI	235.41	(421.69)	-	-
Total amount recognised in other comprehensive income end of period	(33.56)	(268.99)	-	-
Changes in the defined benefit obligation				
Opening defined benefit obligation	863.06	1336.38	561.11	851.79
Current service cost	33.08	61.17	25.13	39.39
Past service cost	-	-	-	-
Interest expense	60.29	89.92	37.38	55.72
Remeasurements (gains)/ losses	225.04	(431.84)	(56.82)	(309.26)
Benefits paid	(214.49)	(192.57)	(98.10)	(76.53)
Closing defined benefit obligation	966.98	863.06	468.70	561.11
Changes in fair value of plan assets				
Opening fair value of plan assets	743.19	832.25	-	-
Interest income	54.25	57.01	-	-
Return on plan assets excluding interest income				
Contributions by employer	350.47	56.64	-	-
Benefits paid	(214.49)	(192.57)	-	-
Actuarial Gain/(Losses)	(10.38)	(10.15)	-	-
Closing fair value of plan assets	923.04	743.18	-	-
Net defined benefit obligation				
Defined benefit obligation	966.98	863.06	468.70	561.11
Fair value of plan assets	923.04	743.18	-	-
Surplus/(Deficit)	43.94	(119.88)	468.70	(561.11)
Current portion of the above	-	-	42.30	(47.61)
Non current portion of the above	43.94	(119.88)	426.40	(513.50)
Liability recognised in B/S	43.94	(119.88)	468.70	(561.11)
Funding of Plan Assets as a percentage of total Plan	Unfunded	Unfunded	86.11% with LIC	86.11% with LIC
Actuarial Assumptions				
- Discount Rate	7.20%	7.30%	7.20%	7.30%
- Expected rate of return on Plan Assets	7.20%	-	7.20%	7.30%
- In-service Mortality	Indian Assured Lives (2012-14)	Indian Assured Lives (2012-14)	Indian Assured Lives (2012-14)	Indian Assured Lives (2012-14)
- Attrition Rate	1% to 2%	1% to 2%	1% to 2%	1% to 2%
- Salary Rise	3.00%	1.00%	3.00%	1.00%
- Remaining Working life	14 Years	14 Years	14 Years	14 Years

NOTE NO. 42: CORPORATE SOCIAL RESPONSIBILITY: In accordance with section 135 (5) of the Companies Act, 2013, a Company, meeting the Corporate Social Responsibility (CSR) applicability criteria, needs to spend in every financial year, at least 2% of its average net profits made during the three immediately preceding financial years in pursuance of its CSR Policy. Since the Company has earned net profit before tax of Rs. 18,649.80 Lakhs, it meets the CSR applicability criteria and accordingly needs to spend minimum 2% of its average net profits for the immediately preceding three years on CSR activities in pursuance of its CSR policy. The Company has spent CSR amount of Rs. 67.60 Lakhs in pursuance of its CSR Policy during the year 2022-23.

Corporate Social Responsibility:		
(Rs. in Lakhs)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Amount required to be spent by the company during the year	67.60	57.94
Amount of expenditure incurred	67.60	57.95
Short fall at the end of the year	-	-
Total of previous year's shortfall	-	-
Reason for shortfall	-	-
Nature of CSR Activities		
For Plantation and Neighbourhood Development	60.83	12.40
Making Available Safe Drinking Water Near Local Area	-	11.44
Promoting Education / Vocational Skills	-	4.52
Ensuring Animal Welfare	-	4.00
Contribution For Sports	-	-
Promotion of Healthcare including Preventive Health care	5.63	25.59
Hygiene Improvement	1.14	-
Total	67.60	57.95

NOTE NO. 43: RELATED PARTY DISCLOSURES

a) Names of related Parties and description of relationships, having transactions during the year

1. Significant Interest Entities: NA

2. Associate: Flow Tech Chemicals Pvt. Ltd.

3. Key Managerial Personnel

Shri Naveen Chopra, Managing Director

Shri Jatin Dahiya, Executive Director

Shri Arun Kumar Kaushal, Chief Financial Officer

Smt. Sugandha Kukreja, Company Secretary

4. Related Parties where Common Director

M/s Prayag Chemicals Pvt. Ltd.

M/s V S Polymers Pvt. Ltd.

M/s Shahenshah Chemicals

b) Volume of transaction with related parties

(Rs. in Lakhs)

	Year ended March 31, 2023	Year ended March 31, 2022
Remuneration (Key Managerial Personnel)		
Shri Naveen Chopra, Managing Director	564.91	5773.01*
Shri Jatin Dahiya, Executive Director	272.87	25.24
Shri Arun Kumar Kaushal, Chief Financial Officer	21.36	14.08
Smt. Sugandha Kukreja, Company Secretary	20.99	13.93
*The remuneration includes issue of sweat equity shares of Rs. 4007.25 Lakhs (including security premium) and tax liability of Rs. 1712.86 Lakhs thereon borne by the company.		

(Rs. in Lakhs)

Party Name	Year ended March 31, 2023	Year ended March 31, 2022
M/s Flow Tech Chemicals Pvt. Ltd	8234.12	2508.83
M/s Prayag Chemicals Pvt. Ltd.	955.55	1706.48
M/s V S Polymers P Ltd.	1064.50	1459.57
M/s Shahenshah Chemicals	-	46.43

NOTE NO. 44: A total of 3102 chlorine tonners (including rented tonners) were in circulation with various customers as returnable empties as on 31.3.2023.

NOTE NO. 45: Additional Regulatory Information to be provided as per amendments in Schedule III of Companies Act, 2013 are as follows:

- The Company has not held any Benami property.
- The Company has not been declared wilful defaulter by any bank or financial institution.
- All the title deeds of Immovable Properties are held in the name of the company except leased properties.
- There are no pending registration of charges or satisfaction of charges with the Registrar of Companies (ROC).
- The company has not granted any loans or advances in the nature of loans to promoters, Directors, key managerial personnel and the related parties
- Compliance with number of layers of companies: This is not applicable.

g) Utilisation of borrowed funds & Share Premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the company (ultimate beneficiaries). The company has not received any fund from any party(s) (funding party) with the understanding whether, directly or indirectly lend or invest in other persons or entities identify by on or behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

h) Disclosure for Struck off Companies

The following table depicts the details of balances outstanding in respect of transactions undertaken with a company struck-off under section 248 of the Companies Act, 2013:

(Rs. in Lakhs)

Name of struck off Company	Nature of transactions with struck-off Company	Balance as at March 31, 2023	Balance as at March 31, 2022	Relationship with the struck-off Company
	Sale of Goods	-	-	-
	Purchase of Goods and receiving of services	-	-	-
	Receiving of Services	-	-	-
Other Entities (I)	Subscription to Equity Shares	0.08	0.07	Equity Shareholder

Details of other struck off entities holding equity shares in the Company is as below:

Name of struck off Company	No. of Shares held as on March, 2023	Paid-up as at March, 2023 (In Rs.)	No. of Shares held as on March, 2022	Paid-up as at March, 2022 (In Rs.)
Precto Mech-Tech Private Limited	1500	3000	1500	3000
Vaishak Shares Limited	60	120	60	120
Niranjan Singh Kartar Singh Forges Pvt Ltd	1250	2500	1250	2500
(Niranjan Singh Kartar Singh Forgings Pvt. Ltd. as per MCA records)				
Translink Investments Private Ltd	500	1000	500	1000
Vinco Holdings & Finance Pvt Ltd	500	1000	-	-
Total	3810	7620	3310	6620

NOTE NO. 46: FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

Financial Guarantees

The Company is exposed to credit risk in relation to guarantees given to bank. The company's maximum exposure in this regard is Rs. 2.04 crores, which is the maximum amount company would have to pay if the guarantee is called upon. Further the company has given bond of Rs. 364.30 crores to Custom Authorities against which the liability of custom duty has since been paid. The continuity bond after cancellation is awaited from Custom Authorities.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customer and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit

exposure to clients, including outstanding account receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates also has influence on credit risk assessment. The company has taken dealer securities which are considered in determination of expected carried losses, where applicable. The company makes an allowance for doubtful trade receivable using the simplified approach for expected credit loss and by continuously monitoring the recoverability of receivable balances.

The Company primarily has exposure from following types of customers:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Dealers	2207.98	2616.97
Government Customer	276.88	155.48
Direct Customers	2678.89	482.06
Total	5163.75	3254.51

The receivables of Rs. 889.76 Lakhs (Previous year Rs. 2062.68 Lakhs) are secured by security deposits.

Investments

The company limits its exposure to credit risk by generally investing in liquid securities and only with counter parties that have a good credit rating. The company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they become due. The company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also the company is utilising cash credit limits (Fund Based and Non Fund Based) of Rs. 65 crore sanctioned by banks from time to time as and when required.

Foreign Currency risk.

The company is exposed to foreign currency risk to the extent of exchange rate fluctuation at the time of payment of purchase price applicable in Foreign Letter of Credit (FLC). The currencies in which these transactions are primarily denominated are US Dollar and EURO.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company do not have exposure to the risk of changes in market interest rates relating to company's debt obligations as it is on fixed interest rates.

NOTE NO. 47: Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings. The Company reviews the capital structure of the company on a regular basis and uses debt equity ratio to monitor the same.

The following table summarises the capital structure of the Company:

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Equity attributable to the shareholders of the company	40656.89	27381.27
As percentage of total capital	74%	82%
Total Loans and borrowings	14430.46	6080.39
Total Lease Liability	49.10	48.05
Total Loans and borrowings and Lease Liabilities	14479.56	6128.44
As a percentage of total capital	26%	18%
Total capital (loans, borrowings, lease liabilities and equity)	55136.45	33509.71

NOTE NO. 48: The Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment (the Ministry) has released draft rules for the Code on November 13, 2020. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

NOTE NO. 49: RATIOS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current Ratio	0.95	0.81
(Current assets over current liabilities)		
(Current liabilities: Total current liabilities-Current maturities of non-current borrowings and lease liability)		
Debt Equity Ratio	0.35	0.22
(Debt over total shareholder equity)		
(Debt: Non current borrowing+Current Maturity of borrowing+Non-current lease liability and current maturity of lease liability)		
Debt Service Coverage Ratio	11.36	24.82
(PAT+Interest on debenture & term loan+depreciation & amortisation- Profit on sale of fixed assets over Interest on term loan & debenture+repayment of debt during the year)		
Return on Equity	38.90%	31.75%
(PAT over total average equity)		
(Equity: Equity share capital+Other equity)		
Inventory Turnover Ratio (In days)	9	9
(Average Inventory over Sale of products in days)		
Trade Receivable Turnover Ratio (In days)	22	20
(Average trade receivable over Revenue from operations in days)		
Trade Payable Turnover Ratio (In days)	58	53
(Average account payable over Total purchases in days)		
Net Capital Turnover Ratio	*	*
(Revenue from operation over average working capital)		
Net Profit Ratio %	18.94%	13.04%
(PAT over revenue from operations)		
EBITDA %	30.89%	22.97%
(EBITDA over revenue)		
EBIT %	26.52%	18.51%
(EBIT over revenue)		
Return on Capital Employed %	42.47%	38.03%
(EBIT over capital employed)		
Capital employed: Equity share capital+other equity-Intangible assets- Misc exp not written off+Non current borrowings+Current maturity of borrowings+Non-current lease liability and current maturity of lease liability+Deferred tax liabilities)		
Return on Investment %	4.77%	3.94%
(Interest on FDs over Weight average of Fixed deposits)		

Note:

EBIT - Earnings before interest and taxes including other income

EBITDA - Earnings before interest, taxes, depreciation and amortisation.

PAT - Profit after taxes.

* Net working capital is -ve

Explanation for variances exceeding 25%

Current ratio is improved on account of increase in debtors outstanding (increased turnover) and decrease in other liabilities.

Change in Debt equity ratio is on account of raising of new term loans.

Debt service coverage ratio has come down on account of increase in debt and corresponding increase in interest expenses on account of raising of fresh loans.

Return on Equity, Net profit ratio, EBIT, EBITDA % and Return on capital employed is improved on account of increase in profits during the year ended March 31, 2023.

Trade Payable Turnover Ratio has gone up on account of increase in trade payables and increase in sales.

Return on investment ratio increase on account of increase in Interest rates.

NOTE NO. 50: The Company operates in a single business segment viz. chemicals.

NOTE NO. 51:

- a) The Corresponding figures of the previous year have been re-grouped/reclassified, wherever necessary.
- b) The figures have been rounded off to the nearest Rs. Lakhs.

For and on Behalf of the Board

Sd/-
(ARUN KUMAR KAUSHAL)
Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
Company Secretary
FCS-11578

Sd/-
(JATIN DAHIYA)
Executive Director
DIN: 08106876

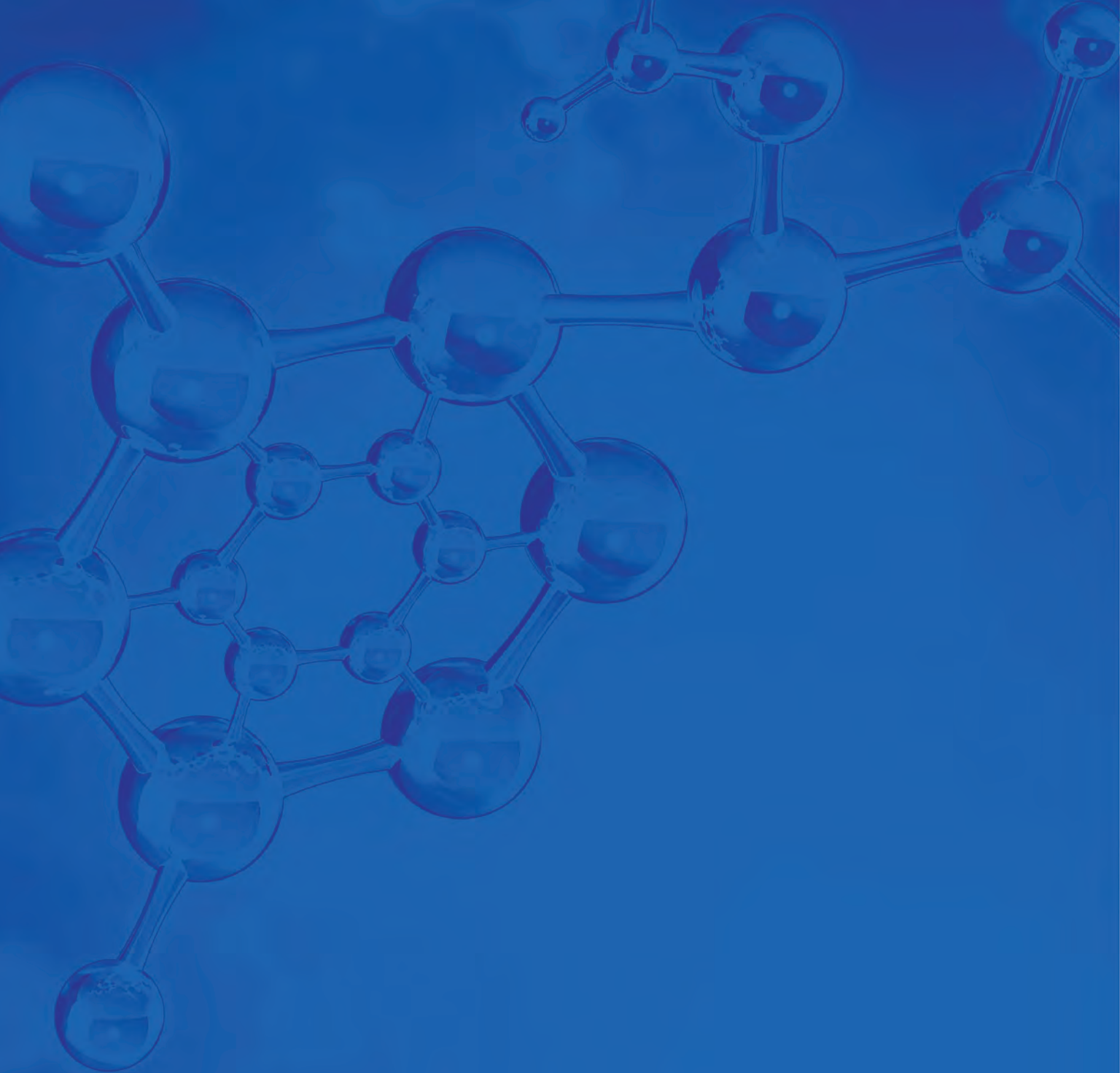
Sd/-
(NAVEEN CHOPRA)
Managing Director
DIN: 08465391

As per our separate report of even date

For S. Tandon & Associates
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN : 23518893BGXMLX7720

Sd/-
(Nipun Rastogi)
Partner
Membership No. 518893

Place: Chandigarh
Date: May 26, 2023



PRIMO

CHEMICALS LTD.

(Formerly Known as Punjab Alkalies & Chemicals Ltd.)

Registered Office: S.C.O. 125-127, Sector 17-B, CHANDIGARH - 160 017. (INDIA)

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