



45th

ANNUAL REPORT 2019 - 20

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Punjab Alkalies & Chemicals Limited

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Punjab Alkalies & Chemicals Limited

BOARD OF DIRECTORS	Shri Alok Shekhar, IAS, Chairman Shri Manjit Singh Brar, IAS, Managing Director Shri. Sibin Chakkyadath, IAS, Nominee Director Dr. A.K. Kundra, IAS (Retd.), Independent Director Shri G.S. Sandhu, IAS (Retd.), Independent Director Shri D.C. Mehandru, Independent Director Shri J.S. Mann, Independent Director Shri Naveen Chopra, Whole Time Director
COMPANY SECRETARY	CS Sugandha Kukreja
BANKERS	Punjab National Bank Punjab & Sind Bank
AUDITORS	M/s. Hari S. & Associates, Chartered Accountants, 3228, Sector 15-D Chandigarh - 160 015 Firm Registration No. 007709N
INTERNAL AUDITORS	M/s. Mukesh Raj & Co. Chartered Accountants, # 114, Sector 11-A, Chandigarh-160011 Firm Registration No. 016693N
REGISTERED OFFICE	S.C.O. 125-127, Sector 17-B, Chandigarh-160 017
CIN	L24119CH1975PLC003607
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
DEBENTURE TRUSTEE	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17 R. Kamani Marg, Ballard Estate Mumbai 400 001



DIRECTORS' REPORT

Your Directors have pleasure in presenting 45th Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March, 2020.

Chlor-Alkali business witnessed a sharp decline in product prices as domestic caustic prices aligned with the international prices. The imports which were restricted last year due to requirements of quality approvals by Indian authorities have grown substantially at a time when domestic capacity has also increased thereby adversely affecting your Company's turnover and Profits.

Financial Results

The financial results of the Company for the financial year ended 31st March, 2020 are summarised below :-

	(Rs. in crores)	
	2019-20	2018-19
Revenue from Operation and & Other Income	310.89	380.52
Finance Costs	5.17	8.11
Depreciation, etc.	13.17	16.29
Total Expenditure excluding	274.38	297.37
Finance Costs and Depreciation, etc.		
Profit/(Loss) before tax	18.17	58.75
Tax Expenses	9.37	2.89
Profit/(Loss) after tax	8.80	55.86
Earning per Share (EPS)	3.24	20.58
Basic and diluted (in Rs.)		

The Company's Net Sales Turnover has declined to Rs. 290.39 crores in the financial year 2019-20 from Rs.375.73 crores in the preceding financial year. The Capacity Utilisation at 91.6% during the year under review was lower against 97.8% in the preceding year 2018-19. During the year under review, the Company has earned Net Profit (before tax) of Rs.18.17 crores against Net Profit (before tax) of Rs.58.75 crores in the financial year 2018-19.

In view of the accumulated losses of the Company, the Directors regret their inability to recommend any dividend for the financial year 2019-20.

Finance and Corporate Debt Restructuring

Pursuant to the CDR Scheme approved by Corporate Debt Restructuring Empowered Group (CDR EG) and consent of Shareholders in the Annual General Meeting held on 29th September, 2016, the Company had issued and allotted a) 66,05,246 equity shares, b) 27,69,200 Fully Convertible Debentures (FCDs) and c) 4,06,000 Non Convertible Debentures (NCDs) to the CDR Lenders. These FCDs and NCDs are carrying coupon rate equivalent to base rate of IDBI Bank Limited i.e. 10% p.a. payable on six monthly basis. The Company has fully redeemed 4,06,000 NCDs issued to CDR Lenders on 1st July, 2020. The FCDs were due for conversion into Equity shares of the Company on 1st July, 2020 at a price which shall be determined in accordance with SEBI ICDR Regulations, 2009 (as amended). However, PACL had the first right of refusal for redemption before conversion of FCDs into Equity Shares. At the request of Company due to slowdown of economy and COVID-19 pandemic, the lead lender/ Debentureholder, IDBI Bank Limited has agreed to extend the redemption date of FCDs upto 01.01.2021 with additional terms and conditions. Consequent upon receipt of approvals from Debenture Trustee alongwith all Debentureholders/ CDR Lenders viz. Punjab and Sind Bank, Punjab National Bank and IFCI Limited and LIC of India, the Company has extended the tenure/ redemption date of FCDs by six months from 1st July, 2020 to 1st January, 2021.

During the financial year under review, the Company did not raise funds by way of fixed deposits.

Impact of COVID – 19

Pursuant to the outbreak of Covid-19, the Government of India declared countrywide lock down on March 24, 2020 which led to the temporary suspension of some operations of the Company which adversely impacted the business of the Company. The Company has adopted all the necessary measures to protect the health and well being of employees and ensure business continuity to the extent possible with minimal disruption.

Current Operations and Outlook

During the first four months of the current financial year, the Company has produced 19557 MT of Caustic Soda Lye as against production of 33279 MT during the corresponding period of the previous year. The Plant operated at a very low capacity because of shortage of demand due to COVID -19. Unit I has remained under closure during this period. The combined average realisation in this period was Rs.30,528. During this period, the Provisional Net Loss (before tax) has been Rs.6.40 crores on a Sales Turnover of Rs.56.00 crores (Gross) against a Net Profit (before tax) of Rs.15.80 crores on a Sales Turnover of Rs.119.80 crores in the corresponding period of the preceding financial year.

With the modernisation of Plant with Generation -6 Electrolysers, the power consumption has come down to 2350 units per MT from 2745 units per MT at a production level of 250 TPD. This will reduce the average cost of production of the Company and improve profitability. Under Industrial and Business Development Policy, 2017 of Government of Punjab, the Company has been granted exemption in electricity duty over a period of 10 years subject to a cap of Rs 120 Cr and reimbursement of 25% of net GST over a period of 7 years subject to a cap of Rs 120 Cr. These Fiscal Incentives will further improve profitability.

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The Company is in the process of expanding its production capacity in a phased manner. The company has since received Environment Clearance from Ministry of Environment, Forest and Climate change for expansion of production capacity to 800 Tons Per Day from existing capacity of 300 Tons Per Day and installation of 75 MW Coal based power plant. The Company is also planning to set up Hydrogen Peroxide and SBP Plants to consume Hydrogen and Chlorine in house for value additions.

Adoption of Indian Accounting Standard (IND AS)

As mandated by the Ministry of Corporate Affairs, the financial statements for the year under review have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules 2015 and the Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under Companies Act, 2013.

Meetings of the Board

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

Environment and Energy Conservation

The Company accords high priority to carry out its operations in an environment-friendly fashion and has been taking appropriate pollution control and safety measures. Online Monitoring System has been installed at Works as per requirement of Central Pollution Control Board. A Safety Audit of the Plant was got conducted during the financial year 2019-20 from the National Safety Council and its recommendations are being implemented.

The Company continues to place a great emphasis on energy conservation. The Company is getting the Energy audit conducted on regular basis. The information relating to 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-I forming a part of this report

Change in the nature of business

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

Listing

The Equity Shares of the Company are listed on the BSE Limited. The Annual listing fee for the year 2020-21 has been paid to the BSE Limited.

Human Resources

Your Company continues to develop and upgrade the skills of its human resources through training. Industrial relations have remained cordial and peaceful during the year.

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 - III forming a part of this Report.

As per 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 request.

Policy on Sexual Harassment

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.

Corporate Governance

As per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report for the financial year 2019-20 is annexed as Annexure - IV forming part of this report. The Corporate Governance Report for the financial year 2019-20 and Auditors' Certificate regarding compliance of conditions of Corporate Governance are also annexed.

Corporate Social Responsibility

During the year under review, the Company had to spend Rs.21.58 lacs based on the average net profit of the last three years on CSR Activities. Accordingly, the amount was remitted to CSR Fund of Punjab CSR Authority. 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 II.

The particulars of 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.

Directors & Key Managerial Personnel

The Punjab State Industrial Development Corporation Limited (PSIDC) nominated Shri Alok Shekhar, IAS as Director and Chairman of the Company vice Smt. Vini Mahajan, IAS w.e.f. 14th July, 2020. The Board of Directors of the Company has appointed Shri Alok Shekhar, IAS, as Additional Director in the capacity of Chairman of the Company w.e.f. 14th July, 2020. The PSIDC has nominated Shri Vineet Kumar, IAS as its Nominee on the Board of Directors of the Company in place of



Smt. Deepti Uppal, IAS. Accordingly, the Board has appointed Shri Vineet Kumar, IAS as Additional Director of the Company on 13th February, 2020. Later, PSIDC nominated Shri Sibin C., IAS as its Nominee on the Board of Directors of the Company in place of Shri Vineet Kumar, IAS. Accordingly, the Board has appointed Shri Sibin C., IAS as Additional Director of the Company on 24th June, 2020.

The Directors place on record their appreciation of the valuable contribution made by Smt. Vini Mahajan, IAS, Smt. Deepti Uppal, IAS and Shri Vineet Kumar, IAS.

Shri Alok Shekhar, IAS and Shri Sibin C., IAS, shall hold office as Directors till the date of the ensuing Annual General Meeting. Notices in writing have been received from a member under Section 160 of the Companies Act, 2013, signifying their intention to propose at the ensuing Annual General Meeting the appointment of Shri Alok Shekhar, IAS and Shri Sibin C., IAS as Directors of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation.

Shri Manjit Singh Brar, IAS, Managing Director of the Company, retires as Director by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The Board of Directors of the Company has appointed Shri Arun Kumar Kaushal in place of Shri Ajay Pal Singh as Chief Financial Officer of the Company with effect from 1st July, 2020 upon recommendation of Nomination and Remuneration Committee of the company.

Audit Committee

The Audit Committee of the Board comprises of Shri D.C. Mehandru, Shri J.S. Mann and Shri Manjit Singh Brar, IAS, Managing Director with Shri D.C. Mehandru as its Chairman.

Risk Management Committee

The Board of Directors of the Company has constituted a Risk Management Committee to monitor and review the Risk Management Plan of the Company.

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, 2020, 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, 2020 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..

Declaration of Independent Directors

All the Independent Directors have met requirements specified under Section 149 (6) of the Companies Act, 2013 regarding holding the position of 'Independent Director' and necessary Declaration from each Independent Director under Section 149(7) of the Act has been received.

All Independent Directors of the company have got themselves enrolled in the Databank of IDs maintained by the Indian Institute of Corporate Affairs, an entity under the Ministry of Corporate Affairs.

Related Party Transactions Policy

During the year under review, the Company has not entered into any arrangement or contract or transactions with related parties except the remuneration paid to the Key Managerial Personnel.

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 www.punjabkalies.com.

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.

Auditors

M/s.Hari S. & Associates, Chartered Accountants (Regn No.007709N), Statutory Auditors of the company, have been appointed by the shareholders in the Annual General Meeting held on 27th September, 2017 for a period of five years i.e.

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from the conclusion of 42nd Annual General Meeting until the conclusion of the 47th Annual General Meeting to be held in the year 2022, at such remuneration as may be fixed by the Board of Directors. Section 139 of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 required that the appointment of the statutory auditors will be subject to ratification by shareholders at every Annual General Meeting; but pursuant to the notification of the Central Government dated 7th May 2018, the ratification provision has been withdrawn. Consequently, the ratification of appointment of M/s. Hari S. & Associates as Statutory Auditors is not required.

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

Section 148 of the Companies Act, 2013 pertaining to audit of Cost Records is applicable to the Company. Accordingly, the Board has, subject to the approval of the Shareholders, appointed M/s. J.K. Kabra & Co., Cost Accountants as Cost Auditors of the Company for conducting an audit of the cost accounting records of the Company in respect of the financial year 2020-21.

Secretarial Audit

M/s. A. Arora & Co., Practising Company Secretaries, were appointed as Secretarial Auditors of the Company for the Financial Year 2019-20. Their Secretarial Audit Report of the Company for the financial year ended 31st March, 2020 is annexed as Annexure-V to this Report. The Report does not contain any qualification. M/s. A. Arora & Co., Practising Company Secretaries were reappointed as Secretarial Auditors of the Company for the Financial Year 2020-21.

Extract of Annual Return

Pursuant to the provisions of Sections 134 (3)(a) and 92 (3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 is annexed as Annexure-VI to this Report and is also placed on the website of the Company www.punjabalkalies.com.

Acknowledgements

The Directors wish to thank the Central and State Governments, Financial Institutions, Punjab State Industrial Development Corporation Limited, Punjab State Power Corporation Limited, Company's Bankers and Business Constituents for their continued cooperation and support to the Company.

The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution.

For and on behalf of the Board

Sd/-
(ALOK SHEKHAR)
Chairman

Place : Chandigarh
Date : August 14, 2020



ANNEXURE – I 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, 2020.

Energy Consumption and Conservation	<u>2019-20</u>	<u>2018-19</u>
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
(i) From Punjab State Power Corporation Limited		
Units (lacs KWH)	2322.07	2658.47
Total Amount (Rs.in lacs)	15134.64	16725.65
Rate / Unit (Rs.) (incl. surcharge)	6.52	6.29
(ii) From Other Sources through Indian Energy Exchange		
Units (lacs KWH)	-	-
Total Amount (Rs.in lacs)	-	-
Rate / Unit (Rs.)	-	-
(iii) Total		
Units (lacs KWH)	2322.07	2658.47
Total Amount (Rs.in lacs)	15134.64	16725.65
Rate / Unit (Rs.) (incl. surcharge)	6.52	6.29
(b) Own Generation	Nil	Nil
2. Coal		
Quantity (in kg.)	5936	3060
Total Amount (Rs. In Lacs)	1.45	0.84
3. Furnace Oil/LDO/HSD		
Quantity (K. litres)	335.939	1322.373
Total Amount (Rs.in lacs)	113.77	527.13
Average Rate (Rs. per K.litre)	33866.35	39862.43
4. Husk (Rice)		
Quantity (in MT)	5656.255	591.282
Total Amount (Rs. In Lacs)	270.60	31.12
Average Rate (Rs. PMT)	4784.07	5263.14
5. Wooden Logs		
Quantity (in MT)	8.7890	-
Total Amount (Rs. In Lacs)	0.43	-
Average Rate (Rs. PMT)	4890.43	-
B. Consumption per Unit of Caustic Soda Produced		
1. Electricity (KWH)		
- Caustic Soda Lye	2562	2745
- Additional Consumption for conversion to Caustic Soda Flakes	Nil	Nil
2. Furnace Oil/LDO/HSD (ltrs.)		
- For Caustic Soda Lye	3.71	13.66
- 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.

The Company has replaced Electrolyzers with latest Generation 6 technology of its Plant which has increased the plant efficiency and reduced the power consumption per unit of Caustic Soda Lye to 2350 units per MT from 2745 units per MT at a production level of 250 TPD.

Research and Development

The Research & Development effort of the Company continued to be directed towards energy conservation and pollution control.

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.

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Technology Absorption, Adaptation and Innovation

The know-how for the Company's 100 TPD Membrane Cell Caustic Soda Plant has been fully absorbed. The know-how for the Company's Mercury Cell to 200 TPD Membrane Cell Converted Caustic Soda Plant has also been fully absorbed. Total foreign exchange utilised during the accounting year is Rs. 5.04 lacs on account of imported Raw Materials, Stores & Spares, Plant and Membranes.

For and on behalf of the Board
Sd/-
(ALOK SHEKHAR)
Chairman

Place : Chandigarh
Date : August 14, 2020

ANNEXURE – II TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2019-20.

Sr. No.	Particulars	
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	The CSR Committee of the Company consists of: 1. Shri G.S. Sandhu, IAS (Retd.) - Chairman 2. Shri D.C. Mehandru - Member 3. Managing Director - Member 4. Shri Naveen Chopra- Member
3.	Average of profit of the Company for last three financial years	Rs.1079.21 lacs
4.	Prescribed CSR Expenditure (two percent of the amount mentioned in Item No.3	Rs.21.58 lacs
5.	Details of CSR spent during the year: Total amount spent for the financial year	Rs.21.58 lacs
	Amount unspent, if any Manner in which the amount spent during the financial year	Remitted to CSR Fund of Punjab CSR Authority.
6	In case the Company has failed to spend two percent, reason thereof.	Not Applicable
7.	A responsibility statement of CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company	It is hereby affirmed that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

Date: 14.08.2020
Place: Chandigarh

SD/-
Manjit Singh Brar, IAS
(Managing Director)
DIN:00942519

Sd/-
G.S. Sandhu, IAS (Retd.)
(Chairman of CSR Committee)
DIN:01790828



ANNEXURE - IV TO THE DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE FINANCIAL YEAR 2019-20

Caustic Soda Industry

The Chlor- Alkali Industry in India has 35 operating units with a combined installed capacity of 4.8 million Tons per annum of Caustic Soda.

Capacity utilization of Chlor- Alkali Industry in 2019-20 is expected to be lower at around 80% against 84% in the previous year.

Caustic Soda and Chlorine are produced as co-products in the ratio of 1:0.88. The growth of this Industry is highly correlated to the GDP in the Country. Caustic Soda is used in Alumina, Paper, Textiles, Detergents, Soaps, Fertilizers, Refineries and Pharmaceuticals Industries besides Chlorine is used in CPW, Chloromethane, PVC, Pulp & Paper Industries, Pesticides and Water Purification, etc. The demand of both the products is linked to the GDP growth because these products are considered as the building blocks of various other Industries. Caustic Soda prices are influenced by import parity alongwith domestic demand - supply situations and Chlorine prices are driven only by local demand supply factors and the import of Chlorine derivatives.

Performance

The Company's production of Caustic Soda Lye was 90645 M.T. at capacity utilisation of the plant at 91.6% during the financial year 2019-20, against production of 96835 M.T. at capacity utilisation of 97.8% during the financial year 2018-19. In the financial year 2019-20, the combined net average realisation was Rs. 33,829 per M.T. of Caustic Soda as compared to Rs. 38,633 per M.T. during the preceding financial year. The Sales Turnover during the financial year under review was Rs. 290.39 crores as against Rs. 375.73 crores in the preceding financial year. The Company has earned a Net Profit (before tax) of Rs. 18.17 crores in the financial year 2019-20 against Net profit (before tax) of Rs. 58.75 crores during 2018-19.

Marketing

The Domestic Market was under pressure due to surplus supply. Last year, the prices were high globally as well as imports into the country were restricted due to requirement of quality approval by Indian Authorities. This led to abnormally high prices in financial year 2018-19. The prices corrected in the financial year 2019-20 with imports being permitted, decline in global prices and capacity expansion in domestic market. As a result, revenues in financial year 2019-20 have declined.

Opportunities

The Company's Caustic Soda Plant is located in its Works 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 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 vicinity.

Threats

The Chlor-Alkali Industry is a power-intensive industry. The Company's power costs account for about 60% of its total cost of production. A hike in power tariff for the power supplied by the Punjab State Power Corporation Limited (PSPCL) and imposition of restriction on purchase of power under Open Access System constitute threats to the Company's operations. The other possible threats are increase in other input costs and expansion of installed capacities in Indian Caustic Soda Industry. On the international front, Chlorine is main product but in India Caustic Soda is the driving product, resulting in heavy competition due to import of Caustic Soda at lower rates. Besides, discontinuation of levy of anti-dumping duty on the import of Caustic Soda from some countries will pose a threat to Caustic Soda Industry in India. The Competitors have their own power plants with low power cost resulting in lower cost of production. They are expanding their capacities thereby increasing their market share.

COVID-19 has already had an adverse impact on the economy in the first few months of this fiscal and is expected to continue during the current year. The prices and the demand for all the Chlor-Alkali products would remain under pressure and it will take few more quarters for revival.

Outlook

The Company has invested Rs. 116 crores (approx.) from its internal accruals towards modernisation of its Plant with Generation - 6 Electrolysers. As a result, the power consumption has been reduced to 2350 units per MT from 2745 units per MT which will improve the profitability of the Company. The Company has also been sanctioned Fiscal Incentives under Industrial and Business Development Policy, 2017 of Government of Punjab. The Company will get exemption in electricity duty over a period of 10 years subject to a cap of Rs 120 Cr and reimbursement of 25% of net GST over a period of 7 years subject to a cap of Rs 120 Cr which will further help in its sustainability.

The Company is in the process of further expanding its production capacity in a phased manner. The company has received Environment Clearance from Ministry of Environment, Forest and Climate change for expansion of its production capacity to 800 Tons Per Day from existing capacity of 300 Tons Per Day and installation of 75 MW Coal

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based power plant. Apart from the above, to optimize the use of Hydrogen and Chlorine, the Company is planning to set up Hydrogen Peroxide and SBP Plants.

The Company is optimistic about better performance in the near future.

Risks and Concerns

The major areas of concern for the Company are hike in power tariff, safety as producing hazardous Chemicals and rise in other input costs. The Challenge is maintain quality, technical competence, distribution channels etc. in a highly competitive market. Dumping of Caustic Soda from neighbouring countries may also impact realisations of the Electrochemical Unit (ECU).

Risk Management

Risks are caused by external or internal vulnerabilities and that may be avoided through preemptive action. Risk management is the identification, assessment, and prioritisation of risks followed by coordinated and economical application of resources to minimise, monitor, and control the probability and/or impact of unfortunate events or to maximise the realisation of opportunities. The Company has in place Risk Assessment and Minimisation Procedures to identify, assess and mitigate business risks. These are reviewed periodically to reflect the current potential risks to its business. The Company has identified (1) the risks relating to Cost of Power – being Power Intensive Industry without any power plant and being dependent for the same on Punjab State Power Corporation Limited, (2) Production of Hazardous Chemicals – Caustic Soda and Chlorine, (3) Loss of production due to breakdown of Plant & Machinery- and (4) Locational Disadvantage – Plant at Naya Nangal being quite far off from source of major Raw Material i.e. industrial salt, as major internal risks. Besides (1) Ongoing Expansion in caustic soda capacity and (2) advancement in technology have been identified as major external risks. The Board of Directors of the Company has constituted a Risk Management Committee to monitor and review the Risk Management Plan of the Company.

Internal Control Systems

The Company has adequate internal control systems commensurate with its size and nature of its business. The internal controls are supplemented by internal audits by the Internal Auditors of the Company. The reports of the Internal Auditors are reviewed by the Management and the Audit Committee of the Board of Directors. The adequacy of the internal control systems is also examined by the Statutory Auditors of the Company.

Human Resources

The Company considers its human resources to be the key thrust area. The Company has always stood by its commitment of harnessing and developing its human resources. The training and development of human resources is an ongoing process. The industrial relations remained cordial during the financial year under review. The Company had 411 employees (including 14 employees on deputation to the Punjab Small Industries and Export Corporation Limited) as on 31st March, 2020.

Cautionary Statement

The statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting global and domestic demand-supply, finished goods prices, power and raw materials costs and availability, power wheeling charges and restrictions, changes in Government regulations, tax regimes, economic developments within India and other factors such as litigation and industrial relations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

Place : Chandigarh
Date : August 14, 2020

For and on behalf of the Board
Sd/-
(ALOK SHEKHAR)
Chairman



ANNEXURE - V TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
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 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 PUNJAB ALKALIES& CHEMICALS LIMITED'S 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, 2020 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 here in after:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PUNJAB ALKALIES& CHEMICALS LIMITED ("the Company") for the financial year ended on March 31, 2020 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 (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 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.
 - d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the amendments thereof: Not Applicable as none of the securities of the company were delisted during the audit period.
 - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014- Not Applicable as the company has not provided any share based benefits to the employees during the year.
 - f) The erstwhile Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Not applicable as the company has not issued any listed debt securities 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.

Punjab Alkalies & Chemicals Limited

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and 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.
- (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 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, there were no instances of

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iii) Redemption/ Buy-Back of securities.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

Place: Chandigarh

Date : 24-06-20120

UDIN:F002191B000374629

For A. ARORA & COMPANY

Sd/-

AJAY K. ARORA

(Proprietor)

FCS No. 2191

C P No.: 993

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.

To,
The Members,
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.

Place: Chandigarh
Date : 24-06-2020
UDIN : F002191B000374629

For A. ARORA & COMPANY
Sd/-
AJAY K. ARORA
(Proprietor)
C P No.: 993

Punjab Alkalies & Chemicals Limited

ANNEXURE- V TO THE DIRECTOR'S REPORT

Extract of Annual Return

as on the Financial Year ended on 31st March, 2020

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

Form No. MGT-9

I. REGISTRATION AND OTHER DETAILS:

i) CIN	:	L24119CH1975PLC003607
ii) Registration Date	:	1 st December, 1975
iii) Name of the Company	:	Punjab Alkalies & Chemicals Limited
iv) Category / Sub-Category of the Company	:	Public Company/ Limited by Shares
v) Address of the Registered office and contact details	:	S.C.O. 125-127, Sector 17-B, Chandigarh - 160017 Ph.: (0172)-4072500-501 Fax: (0172)-2704797
vi) Whether listed company	:	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s. Beetal Financial & Computer Services Private Limited, Beetal House, 3 rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi-110 062. Ph.: (011)-29961281-83 Fax: (011)-29961284

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

S. No.	Name and Description of main Products / Services	NIC Code of the Product/ Service	% to total turnover of the company
1	Caustic Soda Lye	The Company's operation falls under single segment viz. 'Chemicals'- NIC Code :20119	90.83%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
Not Applicable					

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity):

(i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year (April 01, 2019)				No. of Shares held at the end of the year (March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Government	0	0	0	0	0	0	0	0	0
c) State Government(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	90,90,000	0	90,90,000	33.49	90,90,000	0	90,90,000	33.49	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A) (1)	90,90,000	0	90,90,000	33.49	90,90,000	0	90,90,000	33.49	0



(2) Foreign									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-Total (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	90,90,000	0	90,90,000	33.49	90,90,000	0	90,90,000	33.49	0
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	0	11700	11700	0.04	0	11700	11700	0.04	0
b) Banks / FI	0	9400	9400	0.03	0	9400	9400	0.03	0
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Government (s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	3150	3150	0.01	0	3150	3150	0.01	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-Total (B) (1)	0	24250	24250	0.09	0	24250	24250	0.09	0
(2.) Non-Institutions									
a) Bodies Corporate									
i) Indian	2302955	152650	2455605	9.05	3493815	152350	3646165	13.43	4.38
ii) Overseas	0	20000	20000	0.07	0	20000	20000	0.07	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3594910	1485503	5080413	18.72	3328079	1456083	4784162	17.63	(1.09)
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	9948525	-	9948525	36.65	9129823	-	9129823	33.64	(3.01)
c) Others: (Specify) NRI - Individuals	226188	295815	522003	1.92	154131	292265	446396	1.64	(0.27)
Sub-Total (B) (2)	16072578	1953968	18026546	66.42	16105848	1920698	18026546	66.42	0
Total Public Shareholding (B)= (B)(1)+ (B)(2)	16072578	1978218	18050796	66.51	16105848	1944948	18050746	66.51	0
C. Shares held by Custodian for ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	25162578	1978218	27140796	100	25195848	1944948	27140796	100	0

(ii) Shareholding of Promoters:

S. No.	Shareholder 's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Punjab State Industrial Development Corporation Limited	90,90,000	33.49	0	90,90,000	33.49	0	0
	Total	90,90,000	33.49	0	90,90,000	33.49	0	0

Punjab Alkalies & Chemicals Limited

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

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There is no change in the Promoter's Shareholding			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer /bonus/sweat equity etc).				
	At the end of the year				

(iv) Shareholding of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	Name of Shareholder	Shareholding at the beginning of the year 1 st April, 2019		Shareholding at the end of the quarter ended 30 th June, 2019			Shareholding at the end of the quarter ended 30 th September, 2019			Shareholding at the end of the quarter ended 31 st December, 2019			Shareholding at the end of the year 31st March, 2020		
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company	Reason for Increase/ Decrease	No of Shares	% of total Shares of the Company	Reason for Increase/ Decrease	No of Shares	% of total Shares of the Company	Reason for Increase/ Decrease	No of Shares	% of total Shares of the Company	Reason for Increase/ Decrease
1	Flowtech Industrial Projects Pvt. Ltd.	248744	0.916	248744	0.916		245444	0.904	Sale	409845	1.510	Purchase	1650646	6.081	Purchase
2	Sukhbir Singh Dahiya	1035264	3.814	1035264	3.814		1035264	3.814		1035264	3.814		1035264	3.814	
3	Jagbir Singh Ahlawat	800020	2.947	800020	2.947		800020	2.947		800020	2.947		800020	2.947	
4	Prerna	609952	2.247	609952	2.247		609952	2.247		740063	2.726	Purchase	740063	2.726	
5	Aman Jain	719622	2.651	720622	2.655	Purchase	722893	2.663	Purchase	713694	2.629	Sale	713694	2.629	
6	Dayawati	586853	2.162	586853	2.162		586853	2.162		712034	2.623	Purchase	712034	2.623	
7	Ashok Kumar Aggarwal	481099	1.772	481099	1.772		481099	1.772		481099	1.772		481099	1.772	
8	Ram ChanderRathee	420484	1.549	421039	1.551	Purchase	421039	1.551		421039	1.551		421039	1.551	
9	Himalaya Alkalies & Chemicals Limited	420980	1.551	420980	1.551		420980	1.551		420980	1.551		420980	1.551	
10	MayankAhlawat	0	0	153865	0.566	Purchase	153865	0.566		345822	1.274	Purchase	392032	1.444	Purchase
11	Tara Mercantile Pvt. Ltd.	0	0	0	0		0	0		74660	0.275	Purchase	352397	1.298	Purchase
12	Sanjay Jain	470712	1.734	420712	1.550	Sale	420712	1.550		420712	1.550		320212	1.179	Sale

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director and Key Managerial Personnel	Shareholding at the beginning of the year (1 st April, 2019)	Date wise Increase / Decrease in Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the end of the year (31 st March, 2020)
1.	Dr. A. K. Kundra, IAS (Retd.), Director	600 Equity Shares	0	600 Equity Shares

Note : None of the other Directors and Key Management Personnel, was holding any Equity Shares of the Company during the Financial Year ended on 31st March, 2020.



V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment : (In Rupees)

	Secured Loans (& Working Capital Loans) Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	317520000.00			317520000.00
ii) Interest due but not paid	0.00			0.00
iii) Interest accrued but not due	7104771.00			7104771.00
Total (i+ii+iii)	324624771.00			324624771.00
Change in Indebtedness during the Financial Year				
• Addition	31838994.00	NIL		31838994.00
• Reduction	31760051.00			31760051.00
Net changes	78943.00			78943.00
Indebtedness at the end of the Financial Year				
i) Principal Amount	317520000.00			317520000.00
ii) Interest due but not paid	0.00			0.00
iii) Interest accrued but not due	7183714.00			7183714.00
Total (i+ii+iii)	324703714.00			324703714.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(In Rupees)

Sl. No.	Particulars of Remuneration	Name of Managing Director	Name of Whole - Time Director	Total Amount
		ShriManjit Singh Brar, IAS	Shri Naveen Chopra	
1.	1 Gross salary (a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	-	44,63,094	44,63,094
	(b) Value of perquisites u/s 17(2) Income tax-Act, 1961	-	32,400	32,400
	(c) Profits in lieu of salary under section 17(3) Incometax Act, 1961	-		-
2.	Stock Option	-		-
3.	Sweat Equity	-		-
4.	Commission - As % of profit - others, specify	-		-
5.	Others, please specify	-	-	-
	Total (A)		-	44,95,494
	Ceiling as per space the Act	10% of the net profits of the Company calculated as per section 198 of Companies Act, 2013.		

Punjab Alkalies & Chemicals Limited

B. Remuneration to Other Directors:

(In Rupees)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors • Fee for attending Board and Committee Meetings • Commission • Others, please specify	Dr. A.K. Kundra, IAS (Retd.) 1,44,000	Shri D.C. Mehandru 1,72,000	Shri J.S. Mann 68,000	Shri G.S. Sandhu IAS (Retd.) 64,000	
	Total (1)	1,44,000	1,72,000	68,000	64,000	4,48,000
2.	Other Non-Executive Directors • Fee for attending Board and Committee Meetings • Commission • Others, please specify	Smt. Vini Mahajan IAS 40,000	Smt. Neelima, IAS 10,000	Smt. Deepti Uppal IAS 0	Shri. Vineet Kumar, IAS 0	
	Total (2)	40,000#	10,000#	0	0	50,000
	Total (B) = (1+2)					4,98,000
	Total Managerial Remuneration					49,93,494
	Over all Ceiling as per the Act	11% of the net profits of the Company calculated as per section 198 of Companies Act, 2013.				

Paid to the Punjab State Industrial Development Corporation Limited.

C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/ Whole Time Director:

(In Rupees)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri Ajay Pal Singh, CFO	CS Sugandha Kukreja	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,13,680	11,12,101	22,25,781
	(b) Value of perquisites u/s 17(2) Income-tax Act.	1,49,483	-	1,49,483
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - As % of profit - others, specify	-	-	-
	Total (A)	12,63,163	11,12,101	23,75,264

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment			NIL		
Compounding					
B. Directors					
Penalty					
Punishment			NIL		
Compounding					
C. Other Officers in Default					
Penalty					
Punishment			NIL		
Compounding					

For and on behalf of the Board

Place : Chandigarh
Date : August 14, 2020

Sd/-
(Alok Shekhar)
Chairman



CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2019-20

1. 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 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.

2. 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 a Whole Time Director and 6 Non-Executive Directors of whom four are Independent Directors.

Name of Director	Core Skills/ Expertise/ Competencies
Shri Alok Shekhar, IAS,	Senior IAS Officer of 1994 batch. He has done B.Tech. (Civil Engineering.). Expertise in General Management and Administration.
Shri Manjit Singh Brar, IAS	IAS Officer of 2007 batch. He has done B.Com (Honours) and LL.M. Expertise in General Management and Administration.
Shri Sibin C., IAS	IAS Officer of 2005 batch. He has done M.Sc. M.B.A. Expertise in General Management and Administration.
Shri D.C. Mehandru	He has done B.A. (Honours) and M.A. in Economics, CAIIB. Expertise in Finance and General Management.
Dr. A. K. Kundra, IAS (Retd.)	Retired IAS Officer. He has done M.A. (Economics) and Ph.D. Expertise in General Management and Administration.
Shri J.S. Mann	He has done M. Sc. (Hons.) in Chemistry. Expertise in Project Management.
Shri G.S. Sandhu, IAS (Retd.)	Retired IAS Officer. He has done M. Sc. (Hons.) in Physics and Masters in Social Science. Expertise in General Management and Administration.
Shri Naveen Chopra	He has done B. E. (Chemical) and MBA from Panjab University, Chandigarh.

The composition of the Board as on 31st March, 2020 is given below:

Category of Directorship

Non-Executive-Independent Director	4
Non-Executive-Non-Independent Director	2
Executive Director (Managing 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, 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:-

Punjab Alkalies & Chemicals Limited

Name	Date of Appointment	Date of Cessation	Category	Attendance at Board Meetings during 2019-20 (1.4.2019 to 31.3.2020)	Attendance at last AGM on 14.9.2019	No. of Directorships in other Companies *		Memberships of the Board of all the Companies* *		No. of Directorships in other Listed Companies / Category
						Chairperson	Director	Chairperson	Member	
Smt. Vini Mahajan, IAS, Chairperson (PSIDC Nominee & Woman Director)	13.08.2018	14.07.2020	NE&NI	4	No	2	3	-	-	-
Shri Alok Shekhar, IAS Chairman (PSIDC Nominee)	14.07.2020	-	NE&NI	N.A.	N.A.	1	2	N.A.	N.A.	-
Shri Manjit Singh Brar IAS Managing Director (PSIDC Nominee)	15.02.2019	-	E&NI	4	Yes	-	5	-	1	-
Smt. Neelima, IAS (PSIDC Nominee & Woman Director)	As Director 14.08.2018 As Managing Director 27.03.2019	22.07.2019 18.04.2019	NE&NI	1	N.A.	-	-	-	-	-
Smt. Deepti Uppal, IAS (PSIDC Nominee & Woman Director)	09.08.2019	21.01.2020	NE&NI	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Vineet Kumar, IAS (PSIDC Nominee)	03.03.2020	23.06.2020	NE&NI	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Sabin C, IAS (PSIDC Nominee)	24.06.2020	-	NE&NI	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Shri D.C. Mehandru	26.06.2002	-	NE&I	4	Yes	-	-	1	1	-
Dr. A. K. Kundra, IAS (Retd.)	13.12.2004	-	NE&I	4	No	1	1	2	1	1 Vardhman Textiles Limited – Independent Director
Shri J.S. Mann	12.8.2010	-	NE&I	4	Yes	-	-	-	1	-
Shri G.S. Sandhu, IAS (Retd.)	09.08.2019	-	NE&I	2	Yes	-	-	-	1	-
Shri Naveen Chopra (Whole Time Director)	28.05.2019	-	E&NI	3	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 PSIDC - Punjab State Industrial Development Corporation Limited
 NE&NI - Non-Executive Non-Independent
 & FIN Financial Institution Nominee Director (Promoter – holding 33.49% of the Subscribed Capital)
 NE&I - Non-Executive Independent Director
 E&NI - Executive Non-Independent Director

There is no relationship between the Directors inter-se.

Four Board Meetings were held during the financial year 2019-20 as against the minimum requirement of four meetings in a year. The dates on which the Board Meetings were held are given below:

27th May, 2019, 9th August, 2019, 13th November, 2019, and 13th February, 2020.

A separate meeting of Independent Directors was held during the year on 13th February, 2020, to review the performance of Non-Independent Directors, Board as whole, Chairperson of the Company. The Independent Directors also reviewed the quality, contents and timeliness of flow of information between Management and Board. The Performance Evaluation of Independent Directors was carried out by the entire Board of the Directors, excluding the Director being Evaluated.

The Non-Executive Directors had no pecuniary relationship or transactions with the Company in their personal capacity during the financial year 2019-20 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 www.punjabalkalies.com. 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 2019-20 and the Chief Executive Officer's Declaration to this effect is annexed herewith.

The Details of Familiarization programme for Independent Directors are available on the website of the Company.

On the basis of 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.

3. Audit Committee

The Company had 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), Regulation, 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 2019-20 (1.4.2019 to 31.3.2020)
Shri D.C. Mehandru	Chairman	26.6.2002	-	NE&I	4
Shri J.S. Mann	Member	25.9.2010	-	NE&I	4
Shri Manjit Singh Brar, IAS	Member	15.02.2019	-	E&NI	4

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.

Four meetings of the Audit Committee were held during the financial year 2019-20.

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

27th May, 2019, 9th August, 2019, 13th November, 2019, and 13th February, 2020.

4. Remuneration to Directors

The Company is having a Nomination and Remuneration Committee of the Board of Directors of the Company to approve the remuneration of the Managing Director(s), Whole-time Director(s), Key Managerial Personnel and Senior Management of the Company.

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 2019-20 (1.4.2019 to 31.3.2020)
Dr. A.K. Kundra, IAS (Retd.)	Chairman	NE&I	2
Shri D.C. Mehandru	Member	NE&I	2
Shri J.S. Mann	Member	NE&I	2

Two meeting of the said Committee were held on 10.05.2019 and 13.11.2019 during the financial year 2019-20.

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

Details of the remuneration paid to the Managing Directors in the financial year 2019-20 are as under

- Shri Manjit Singh Brar, IAS Managing Director : Nil
(w.e.f.15.02.2019)

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 February, 2018 to (a) Rs.10,000/- per meeting of the Board of Directors attended and (b) Rs.4,000/- per meeting of the Committee of the Board of Directors attended.

Dr. A.K. Kundra, IAS (Retd.), Director has 600 Equity Shares of the Company as on 31st March, 2020. None of the other Directors, had any Equity Shares of the Company as on 31st March, 2020.

5. Share Transfer Committee

The Company is having a Share Transfer Committee of the Board of Directors to approve the transfer and transmission of shares, sub-division and consolidation of Share certificates, issue of duplicate share certificates and dematerialisation and rematerialisation of shares, etc., with the following Directors as its members.

- i. Managing Director (Chairman)
- ii. Dr. A.K. Kundra, IAS (Retd.)
- iii. Shri D.C. Mehandru
- iv. Shri G.S. Sandhu, IAS(Retd.)

During the financial year 2019-20, twenty two meetings of the Share Transfer Committee were held.

Punjab Alkalies & Chemicals Limited

During the financial year 2019-20, 42 requests for transfer of physical mode shares and 183 requests for dematerialisation were received. Out of the same Nil requests for transfer of physical mode shares and Nil requests for dematerialisation were pending for approval as on 31st March, 2020.

The Share Transfers are normally processed within 12 days of receipt if the documents are found in order. The requests for dematerialisation are also processed within 12 days of receipt of physical share certificates if the documents are found in order

6. Stakeholders Relationship Committee

The Company is having a Stakeholders Relationship 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., with the following Directors as its members:-

- i. Dr. A.K. Kundra, IAS (Retd.) (Chairman) Non-Executive Independent Director
- ii. Shri D.C. Mehandru (Chairman) – Non-Executive Independent Director
- iii. Shri G.S. Sandhu, IAS (Retd.) - Non-Executive Independent Director
- iv. Managing Director – Executive Non-Independent Director

CS Sugandha Kukreja, Company Secretary is the Compliance Officer.

During the financial year 2019-20, three meetings of the said Committee were held.

During the financial year under review, the total number of complaints/ queries received and replied to the satisfaction of shareholders was Nil. Outstanding complaints/ queries as on 31st March, 2020 were Nil. Complaints/ correspondence are usually dealt with within 10-12 days of receipt.

7. Risk Management Committee

The Company is having a Risk Management Committee to monitor and review the Risk Management Plan of the Company, with the following as its members:-

- i. Shri G.S. Sandhu, IAS(Retd) (Chairman) – Non-Executive Independent Director
- ii. Managing Director – Executive Non-Independent Director
- iii Shri J.S. Mann – Non- Executive Independent Director
- iv. Shri Naveen Chopra – Executive Non-Independent Director

8. 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 2019-20, one meeting of the Corporate Social Responsibility Committee was held on 12th February, 2020.

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

Name	Designation	Category	Attendance during 2019-20 (1.4.2019 to 31.3.2020)
Shri G.S. Sandhu, IAS(Retd)	Chairman	NE&I	1
Shri D.C. Mehandru	Member	NE&I	1
Shri Manjit Singh Brar, IAS	Member	E&NI	1
Shri Naveen Chopra	Member	E&NI	1

9. General Body Meetings

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

S. No.	AGM Particulars	Venue	Date	Time	Details of Special Resolutions passed
1.	42 nd AGM in respect of the financial year 2016-17	Tagore Theatre, Sector 18, Chandigarh	27 th September, 2017	10.00 hours	No Special Resolution passed.
2.	43 rd AGM in respect of the financial year 2017-18	Tagore Theatre, Sector 18, Chandigarh	26 th September, 2018	10.00 hours	<p>I. According of approval to the Continuation of the holding of office of Independent Director by Dr. A.K. Kundra, IAS (Retd.) (DIN: 00154024) who has attained the age of 75 years.</p> <p>II. According of approval to the Continuation of the holding of office of Independent Director by Shri D.C. Mehandru (DIN: 00308524) who has attained the age of 81 years.</p>

3.	44 th AGM in respect of the financial year 2018 -2019	National Institute of Technical Teacher's Training and Research Auditorium, NITTTR Complex, Sector 26 Chandigarh.	14 th September, 2019	10.00 hours	<p>i. According to the Appointment of Dr. A.K. Kundra, IAS (Retd.) (DIN: 00154024) who has attained the age of 76 years as an Independent Director, not liable to retire by rotation, for a second term of five consecutive years form the date of this AGM upto the conclusion of the 49th AGM be held in the year 2024.</p> <p>ii. According to the Appointment of Shri D.C. Mehandru (DIN: 00308524) who has attained the age of 82 years as an Independent Director, not liable to retire by rotation, for a second term of five consecutive years form the date of this AGM upto the conclusion of the 49th AGM be held in the year 2024.</p> <p>iii. According to the Appointment of Shri J.S. Mann (DIN: 00399381) as an Independent Director, not liable to retire by rotation, for a second term of five consecutive years form the date of this AGM upto the conclusion of the 49th AGM be held in the year 2024.</p>
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- b) i) No extra ordinary General Meeting (s) were held and No Postal Ballot Notices were issued to the public during the year ended 31st March, 2020.
- ii) All the Resolutions including the Special Resolution were passed through e-voting and physically ballot paper and polling process conducted at Annual General Meeting in compliance with the provisions of the Act, and Rule 20 of the Companies (Management and Administration) Rules, 2014.
- iii) During the year under review, no special resolution was passed through postal ballot.

10. Disclosures

- a) There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- 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 www.punjabkalties.com.
- 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. 31 to the Financial Statements.
- f) 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 |

11. 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.punjabkalties.com. All periodical compliances /filing are also filed electronically on Listing Centre of BSE Limited.

The Management Discussion and Analysis Report for the financial year 2019-20 is a part of the Annual Report for the said financial year.

Punjab Alkalies & Chemicals Limited

12. General Shareholders information

- a) Annual General Meeting : The 45th Annual General Meeting will be held on 29th September, 2020 at 12.00 hours through Video Conferencing (VC) or other Audio Visual Means (OAVM).
- b) Financial Calender : 1st April, 2019 to 31st March, 2020
- c) Date of Book Closure : 23rd September, 2020 to 29th September, 2020(both days inclusive)
- 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 : INE607A01014
Shares
- g) Registrars and Share Transfer Agents : M/s. Beetal Financial & Computer Services Private Limited
Unit: Punjab Alkalies & Chemicals Limited
Beetal House, 3rd 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 Share Transfer Committee of the Board of Directors to approve the transfer and transmission of shares, etc. The Share Transfers of Physical Mode Shares are normally processed within 12 days of receipt if the documents are found in order.
- i) Dematerialisation of Shares and liquidity : The trading in the Equity Shares of the Company on the Stock Exchanges is permitted only in Dematerialised Mode w.e.f. 24th July, 2000 due to SEBI's directive. 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 31st March, 2020, 92.84% of the total shares have been dematerialised.
- j) Unclaimed Shares : The Company has opened a Depository Account (Demat Account) in the name and style of 'Unclaimed Shares Suspense Account of Punjab Alkalies & Chemicals Limited' with Punjab National Bank (Depository Participant of National Securities Depository Limited (NSDL)), Sector 17-B, Chandigarh for the purpose of complying with the provisions of the Revised Clause 5A of the Listing Agreement with the Bombay Stock Exchange Limited.
- 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 : Punjab Alkalies & Chemicals Limited,
S.C.O. 125-127,
Sector 17-B,
Chandigarh-160 017.
Ph. : (0172) – 4072500-01
Fax : (0172) – 2704797.
Website : www.punjabalkalies.com
CIN: L24119CH1975PLC003607
- n) E-mail ID for Investors' Complaints/Queries : secretarial@punjabalkalies.com
- o) Market Price Data :

High/Low during each month of 2019-20 (1st April, 2019 to 31st March, 2020) on the BSE Limited:

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April, 2019	79.00	57.00	October, 2019	52.20	41.50
May, 2019	85.10	58.10	November, 2019	47.60	31.10
June, 2019	83.55	67.00	December, 2019	37.70	29.45
July, 2019	75.00	52.80	January, 2020	44.95	33.00
August, 2019	61.00	50.00	February, 2020	40.00	29.00
September, 2019	63.00	45.60	March, 2020	40.00	21.00



p) Distribution of Shareholding as on 31st March, 2020:

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	18756	91.26	2589561	9.54
501 - 1000	1044	5.08	841308	3.10
1001 - 2000	375	1.82	585664	2.16
2001 - 3000	112	0.54	290319	1.07
3001 - 4000	61	0.30	221144	0.81
4001 - 5000	47	0.23	218652	0.81
5001-10000	60	0.29	442985	1.63
10001 & above	97	0.48	21951163	80.88
Total	20552	100.00	27140796	100.00

q) Categories of Shareholding as on 31st March, 2020

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Promoters	1	9090000	33.49
Mutual Funds & UTI	10	11700	0.04
Banks /Financial Institution	12	9400	0.03
Insurance Companies	-	-	-
Central/State Govt	-	-	-
NRIs/OCBs/FIIs	505	469546	1.73
Corporate Bodies	946	3571748	13.16
Indian Public	18831	13471153	49.63
Others	247	517249	1.91
Total	20552	27140796	100.00

For and on behalf of the Board

Sd/-
(ALOK SHEKHAR)
Chairman

Place : Chandigarh
Date : August 14, 2020

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, 2020.

Place : Chandigarh

Date : August 14, 2020

Sd/-
(MANJIT SINGH BRAR)
Managing Director
Din: 00942519

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

To the Members of Punjab Alkalies & Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Punjab Alkalies & Chemicals Limited, for the financial year ended on 31st March, 2020, 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 HARI S. & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No. 007709N

Sd/-
(KAPIL VOHRA)

Partner
Membership No. 523735
UDIN : 20523735AAAAGN9900

Place: Chandigarh
Date : August 14, 2020

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
PUNJAB ALKALIES & CHEMICALS LIMITED

Report on the Ind AS Financial Statements:

Opinion

We have audited the accompanying Ind AS financial statements of Punjab Alkalies & Chemicals Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Changes in Equity and 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 Ind As financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 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 Ind AS financial statements.

Management's Responsibility for the 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 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 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, 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.

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

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 Company's Directors, as well as evaluating the overall presentation of the 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 Ind AS financial statements.

Report on Other Legal and Regulatory Requirements:

4. As required by the Companies (Auditor's report) Order, 2016 ("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:

5. 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;
 - (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 Ind AS financial statements comply with the Ind AS specified under section 133 of the Act.
 - (e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors of the company is disqualified as on March 31, 2020, 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) 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 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 2020.

Place of Signature : Chandigarh

Date : June 24, 2020

For HARI S. & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No. 007709N
ICAI UDIN20523735AAAADQ2932

Sd/-
(KAPIL VOHRA)
Partner
Membership No. 523735

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

Auditor's Report of even date to the Shareholders of PUNJAB ALKALIES & CHEMICALS LIMITED on the Accounts for the year ended 31st March, 2020.

- (i) a) The Company has maintained proper records showing full particulars, including the quantitative details and situation of Fixed Assets.
- b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets 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 are held in the name of the Company.
- (ii) As explained to us, inventories apart from goods in transit were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits from the public during the year within the meaning of Section 73 to 76 of the Act and the rules framed there-under.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, Goods & Services Tax, cess and other statutory dues have generally been regularly deposited with appropriate authorities though there has been a slight delay in a few cases.

b) Following dues are not deposited on account of disputes pending at various forums:

Name of the Statue	Nature of Dues	Amount 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	2.35	2009-10	VAT Tribunal, Chandigarh
Pb. Value Added Tax, 2005	Entry Tax	23.73	2012-13	VAT Tribunal, Chandigarh
Pb. Value Added Tax, 2005	Entry Tax	72.78	2011-12	DETC (Appeals), Mohali

- (viii) According to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institution, bank, Government or dues to debenture holders
- (ix) In our opinion and according to the information and explanations given to us, money was not raised by way of term loans. The Company has not raised moneys by way of public offer.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (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 financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given 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.

Punjab Alkalies & Chemicals Limited

- 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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place of Signature : Chandigarh
Date : June 24, 2020

For HARI S. & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No. 007709N
ICAI UDIN20523735AAAADQ2932
Sd/-
(KAPIL VOHRA)
Partner
Membership No. 523735



ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

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 Punjab Alkalies & Chemicals Limited ("the Company"). as of 31st March 2020, 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, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Punjab Alkalies & Chemicals Limited

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, 2020, 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

Place of Signature : Chandigarh

Date : June 24, 2020

For HARI S. & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No. 007709N
ICAI UDIN20523735AAAADQ2932
Sd/-
(KAPIL VOHRA)
Partner
Membership No. 523735



BALANCE SHEET

as at 31st March, 2020

(Rs. in Lacs)

Particulars	Note No.	As at 31.3.2020	As at 31.3.2019
ASSETS			
Non Current Assets			
a) Property, Plant & Equipment	3	16741.20	8904.25
b) Capital Work in Progress	4	1453.30	1648.73
c) Other Intangible Assets	3	11.45	12.01
d) Financial Assets			
(i) Trade Receivable	5	-	7.61
(ii) Others	6	590.53	267.80
e) Deferred Tax Assets (Net)	7	312.38	959.01
f) Other Non Current Assets	8	395.24	722.13
Sub Total: Non Current Assets		19504.10	12521.54
Current Assets			
a) Inventories	9	786.95	818.02
b) Financial Assets			
(i) Trade Receivable	10	566.52	586.12
(ii) Cash and Cash equivalent	11	875.31	4008.22
(iii) Other Bank Balances other than (ii) above	12	361.07	3019.79
(iv) Loans	13	12.94	20.97
(v) Others	14	42.68	1067.16
c) Other Current Assets	15	620.99	594.86
Sub Total: Current Assets		3266.46	10115.14
Total : Assets		22770.56	22636.68
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	16	2710.48	2710.48
b) Other Equity	17	4337.73	3832.67
Sub Total : Equity		7048.21	6543.15
LIABILITIES			
Non Current Liabilities			
a) Financial Liabilities			
(i) Borrowings	18	-	2789.23
b) Provisions	19	1482.42	1066.86
Sub Total: Non Current Liabilities		1482.42	3856.09
Current Liabilities			
a) Financial Liabilities			
(i) Borrowings	20	3161.55	243.07
(ii) Trade Payables due to :	21		
MSME		235.33	325.13
Others		2875.41	2676.87
b) Other Current Liabilities	22	7522.94	8665.98
c) Provisions	23	444.70	326.39
Sub Total: Current Liabilities		14239.93	12237.44
TOTAL : EQUITY AND LIABILITIES		22770.56	22636.68
Significant Accounting Policies	2		
Notes forming an integral part of the Financial Statements	1 to 42		

Sd/-
(AJAY PAL SINGH)
Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
Company Secretary

Sd/-
(NAVEEN CHOPRA)
Director

Sd/-
(MANJIT SINGH BRAR)
Managing Director

As per our separate report of even date
For HARI S. & ASSOCIATES
Chartered Accountants
Firm Registration No. 007709N
ICAI UDIN 20523735AAAADQ2932
Sd/-
(KAPIL VOHRA)
Partner
Membership No. 523735

Place: Chandigarh
Date : June 24, 2020

Punjab Alkalies & Chemicals Limited

PROFIT AND LOSS STATEMENT for the year ended 31st March, 2020

(Rs. in Lacs)

Particulars	Note No.	2019-20	2018-19
INCOME			
Revenue from Operations	25	29038.87	37573.36
Other Income	25	2050.76	479.22
Total Revenue		<u>31089.63</u>	<u>38052.58</u>
EXPENDITURE			
Cost of Material Consumed	26	5072.13	5751.34
Changes in Inventories of Finished Goods, Work in progress and stock in Trade	27	(192.89)	126.61
Manufacturing Expenses	28	16132.25	17763.71
Employees benefits expense	29	3474.66	2727.59
Finance Costs	30	516.63	811.34
Depreciation and Amortisation Expense	3 & 8	1317.45	1628.82
Other Expenses	31	2952.11	3367.68
Total Expenses		<u>29272.34</u>	<u>32177.09</u>
Profit /(Loss) before exceptional item		1817.29	5875.49
Amount written off exceptional item		-	-
Profit /(Loss) after exceptional item		1817.29	5875.49
Tax Expenses			
Current Tax		290.19	219.51
Deferred Tax		646.63	69.95
Profit /(Loss) for the year after Tax		880.47	5586.03
Debenture Redemption Reserve		0	101.50
Profit/(Loss) transferred to other Equity		880.47	5484.53
Other Comprehensive Income		-164.54	105.97
Total Comprehensive Income for the year		715.93	5692.00
Earnings /(Loss) per Equity Share of Rs.10/- each:			
Basic (in Rs.)		3.24	20.58
Diluted (in Rs.)		3.24	20.58
Significant Accounting Policies	2		
Notes forming an integral part of the Financial Statements	1 to 42		

Sd/-
(AJAY PAL SINGH)
Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
Company Secretary

Sd/-
(NAVEEN CHOPRA)
Director

Sd/-
(MANJIT SINGH BRAR)
Managing Director

As per our separate report of even date
For HARI S. & ASSOCIATES
Chartered Accountants
Firm Registration No. 007709N
ICAI UDIN 20523735AAAADQ2932
Sd/-
(KAPIL VOHRA)
Partner
Membership No. 523735

Place: Chandigarh
Date: June 24, 2020


CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

(Rs. in lacs)

Particulars	2019-20	2018-19
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit /(Loss) before tax	1817.29	5875.49
Adjustments for:		
Depreciation and Amortisation Expenses	987.26	1116.98
Foreign Exchange Fluctuations	6.91	(10.88)
Miscellaneous Expenses Written Off	330.19	511.84
Provision for Gratuity	(245.69)	16.72
Amount Transferred from WIP to Stores	371.72	213.83
(Gain)/loss on sale of Fixed Assets	(1029.41)	(7.34)
Interest Income	(129.55)	(295.81)
Finance Cost	318.39	317.52
Operating Profit Before Working Capital Change	2427.11	7738.35
Adjustment for:		
(Increase)/Decrease in Trade receivables	27.21	(89.13)
(Increase)/Decrease in Other Current Assets	(31.84)	581.05
(Increase)/Decrease in Inventories	31.07	69.62
(Increase)/Decrease in Loan & Advances	1032.51	(939.16)
(Decrease)/Increase in Trade Payable	101.83	939.23
(Decrease)/Increase in Short Term Borrowings	57.15	(38.16)
(Decrease)/Increase in Other Current Liabilities	(728.35)	(2560.61)
(Decrease)/Increase in Short Term Provisions	47.63	48.00
Cash Generated From Operations	2964.32	5749.19
Direct Taxes Paid	(236.15)	(312.95)
Cash Flow Before Extraordinary Items	2728.17	5436.24
Extraordinary Items	-	-
Net Cash From Operating Activities	2728.17	5436.24
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(124.95)	(337.26)
Expenditure on work in progress	(9123.36)	(3195.56)
Sale / Adjustment of Fixed Assets	1242.51	76.15
Interest Received	129.55	295.81
Long Term Advances Given	(322.73)	14.81
Purchase of Membranes and Recoating of Pans	(3.30)	(407.45)
Net Cash Used in Investing Activities	(8202.28)	(3553.50)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	-	-
Repayment to Financial Institution and Bank	-	-
Interest Paid	(317.52)	(317.52)
Proceeds from issue of share capital	-	-
Proceeds from share premium account	-	-
Payment towards Short Term Borrowings (Working Capital)	-	-
Net Cash Flow from Financing Activities	(317.52)	(317.52)
Net Increase in Cash And Cash Equivalents	(5791.63)	1565.22
Cash And Cash Equivalents at the beginning of year	7028.01	5462.79
Cash And Cash Equivalents at the end of year*	1236.38	7028.01

*Cash and Cash equivalents include deposits having maturity exceeding 3 months amounting to Rs.361.07 lacs as per note 12.

 Sd/-
 (AJAY PAL SINGH)
 Chief Financial Officer

 Sd/-
 (SUGANDHA KUKREJA)
 Company Secretary

 Sd/-
 (NAVEEN CHOPRA)
 Director

 Sd/-
 (MANJIT SINGH BRAR)
 Managing Director

 For HARI S. & ASSOCIATES
 Chartered Accountants
 Firm Registration No. 007709N
 ICAI UDIN 20523735AAAADQ2932
 Sd/-

 (KAPIL VOHRA)
 Partner
 Membership No. 523735

 Place: Chandigarh
 Date: June 24, 2020

Punjab Alkalies & Chemicals Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. In lacs)

A. Equity Share Capital

Balance as at 1.4.2019	2710.48	Changes in equity share capital during the year	0.00	Balance as at 31.3.2020	2710.48
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B. Other Equity

(Rs. In lacs)

	Reserves and Surplus				Retained Earnings	Other Comprehensive Income (OCI)		Total
	Capital Reserve	Debenture Redemption Reserve	Securities premium Reserve	Debt Instruments (Differential discounted value of Debentures)		Debt instrument through OCI (Debentures)	Remeasurement of Defined Benefit Plan	
Balance as at 1.4.2019	3786.61	101.50	4443.13	199.61	(4830.12)	186.36	(54.42)	3832.67
Total Comprehensive Income for the year	-	-	-	-	880.47	81.15	(245.69)	715.93
Depreciation net of adj.	(45.75)	-	-	-	45.75	-	-	-
Other Reserves	-	-	-	(153.25)	-	-	-	(153.25)
Adj. in respect of Assets sold/discarded	(57.62)	-	-	-	-	-	-	(57.62)
Balance as at 31.3.2020	3683.24	101.50	4443.13	46.36	(3903.90)	267.51	(300.11)	4337.73

Sd/-
(AJAY PAL SINGH)
Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
Company Secretary

Sd/-
(NAVEEN CHOPRA)
Director

Sd/-
(MANJIT SINGH BRAR)
Managing Director

Place: Chandigarh
Date: June 24, 2020

As per our separate report of even date

For HARI S. & ASSOCIATES
Chartered Accountants
Firm Registration No. 007709N
ICAI UDIN 20523735AAAADQ2932

Sd/-
(KAPIL VOHRA)
Partner
Membership No. 523735



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

Note No.1

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(a) BASIS OF PREPARATION AND COMPLIANCE WITH IND AS

- (i) For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013. In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4 of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2017 and the Company is required to prepare its financial statements in accordance with Ind ASs for the year ended March 31, 2018. These financial statements as and for the year ended March 31, 2018 (the "Ind AS Financial Statements") are the first financial statements, the Company has prepared in accordance with Ind AS.
- (ii) The Company had prepared a separate set of financial statements for the year ended March 31, 2017 in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (the "Audited Previous GAAP Financial Statements"), which were approved by the Board of Directors of the Company on May 24, 2017. The management of the Company has complied the Special Purpose Comparative Ind AS Financial Statements using the Audited Previous GAAP Financial Statements and made required Ind AS adjustments. The Audited Previous GAAP Financial Statements, and the Special purpose Comparative Ind AS Financial Statements, do not reflect the effects of events that occurred subsequent to the respective date of approval of the Audited Previous GAAP Financial Statements.

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.

The Company has discounted Debentures in accordance with the effective interest method at the rate of 14% p.a. based on IRR and recognize the balances arrived as per the method in Other Reserve account and in long term borrowings.

(b) 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 Profit and Loss Statement.

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.

(c) 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.

(d) 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

Punjab Alkalies & Chemicals Limited

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.

- (e) **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.
- (f) **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.
- (g) **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 profit and loss statement.
- (h) **Employee Benefits**
- i) **Defined Contribution Plan**
The Company's Contribution paid/payable during the year towards Provident Fund Scheme and Superannuation Scheme are recognised as expense in the Profit & Loss Statement.
 - ii) **Defined Benefit Plan**
The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary and LIC's actuarial valuation respectively, 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 where the currency and terms of the Government Bonds is consistent with the currency and estimated terms of the defined benefit obligations. Actuarial valuation has been done in accordance with Ind-AS 19. Actuarial gains and losses due to re-measurement in the present value of defined benefit obligations resulting from experience are recognized in other comprehensive income. The Company has also reinstated the provision for gratuity due to revaluation of defined benefit in accordance with Ind-AS 19.
 - iii) Gratuity liability has been covered by master policy of Life Insurance Corporation of India under irrevocable trust.
- (i) **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.
- (j) **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 because of renovation and up-gradation of plant and continuation of current market conditions.
- (k) Accounting policies not specifically referred above are consistent with generally accepted accounting practices.



Note No. 3

PROPERTY, PLANT. & EQUIPMENT

(Rs. in Lacs)

TANGIBLE ASSETS	GROSS BLOCK (At Cost)				
	As at 1.4.2019	Transferred from WIP	Additions	Sales/ Adjustments	As at 31.3.2020
Land & Site Development	3095.11	-	-	-	3095.11
Buildings	1029.40	-	-	-	1029.40
Factory Building	2553.65	12.99	-	-	2566.64
Tube well	46.34	-	-	-	46.34
Plant & Machinery	28581.77	8923.24	103.52	4169.93	33438.60
Electric Installation	21.58	-	-	-	21.58
Railway Siding	189.81	-	-	147.01	42.80
Lab Instruments	45.59	5.30	4.29	-	55.18
Office Equipment	114.29	-	3.49	-	117.78
Furniture, Fixtures	79.00	0.13	1.10	-	80.23
Computers	143.12	0.50	5.65	-	149.27
Vehicles	139.60	-	6.90	4.46	142.04
Total	36039.26	8942.16	124.95	4321.40	40784.97
Previous Year	35387.38	1819.67	337.26	1505.05	36039.26

INTANGIBLE ASSETS PARTICULARS	GROSS BLOCK (At Cost)				
	As at 1.4.2019	Adjustments from WIP	Additions	Sales/ Adjustments	As at 31.3.2020
ERP Software	21.70	4.91	-	-	26.61
Total	21.70	4.91	-	-	26.61
Previous year	21.70	-	-	-	21.70

- 3.1 Depreciation for the year 2019-20 includes Rs.45.75 lakhs (Previous year Rs.2557.53 lakhs) as depreciation arising on revaluation of Fixed Assets,
- 3.2 Fixed Assets are stated at values determined by the valuer less depreciation. Machinery Spares have been capitalised as and when procured. 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 Profit and Loss Statement
- 3.3 The Company has charged depreciation on Fixed Assets as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013. The life of the components identified by Company is not different than the plant and machinery to which these components relate. Fixed Assets individually costing upto Rs.5,000/- are depreciated 100% in the year of purchase. Depreciation on Foreign Exchange adjustments arising from foreign exchange variations is charged on residual useful life of asset
- 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 lacs 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 lacs 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 lacs being the surplus of the value of assets over the written down value, had been credited to the Revaluation Reserve.

Punjab Alkalies & Chemicals Limited

(Rs. in Lacs)

DEPRECIATION				NET BLOCK	
Upto 31.3.2019	For 2019-20	Adjustments	Upto 31.3.2020	As at 31.3.2020	As at 31.3.2019
-	-	-	-	3095.11	3095.11
377.17	17.37	-	394.54	634.86	652.23
1697.50	87.85	-	1785.35	781.29	856.15
39.13	1.22	-	40.35	5.99	7.21
24473.07	843.09	3960.29	21355.87	12082.73	4108.70
17.34	1.54	-	18.88	2.70	4.24
133.83	7.82	108.51	33.14	9.66	55.98
25.11	2.65	-	27.76	27.42	20.48
86.90	4.50	-	91.40	26.38	27.39
65.65	1.63	-	67.28	12.95	13.35
123.65	8.59	-	132.24	17.03	19.47
95.66	5.53	4.23	96.96	45.08	43.94
27135.01	981.79	4073.03	24043.77	16741.20	8904.25
24817.22	3669.94	1352.15	27135.01	8904.25	10570.16

(Rs. in Lacs)

DEPRECIATION				NET BLOCK	
Upto 31.3.2019	For 2019-20	Adjustments	Upto 31.3.2020	As at 31.3.2020	As at 31.3.2019
9.69	5.47	-	15.16	11.45	12.01
9.69	5.47	-	15.16	11.45	12.01
5.12	4.57	-	9.69	12.01	16.58



Note No. 4

CAPITAL WORK IN PROGRESS

(Rs. in Lacs)

Particulars	Cost as at 1.4.2019	Additions / Adjustments	Transfer to Fixed Assets	Adjustments	Cost as at 31.3.2020
Buildings	9.66	49.81	12.99	-	46.48
Plant & Machinery	1632.07	9073.14	8929.17	371.72	1404.32
ERP Software	7.00	0.41	4.91	-	2.50
Total	1648.73	9123.36	8947.07	371.72	1453.30
Previous Year	487.39	3195.56	1819.67	214.55	1648.73

Note No. 5

NON CURRENT-FINANCIAL ASSETS-TRADE RECEIVABLES

(Rs. in Lacs)

Particulars	As at 31.3.2020	As at 31.3.2019
Considered Good except where Provided for		
Secured	-	5.10
Unsecured	731.09	766.49
	731.09	771.59
Less: Provision for Doubtful Depts (Debtors over 180 days including legal cases)	731.09	763.98
	-	7.61

Note No. 6

NON CURRENT - FINANCIAL ASSETS - OTHERS

(Rs. in Lacs)

Particulars	As at 31.3.2020	As at 31.3.2019
Long Term Loans and Advances (Unsecured, Considered Goods unless otherwise stated)		
Security Deposits	590.53	267.80
	590.53	267.80

Note No. 7

DEFERRED TAX ASSETS

(Rs. in Lacs)

Particulars	As at 31.3.2020	As at 31.3.2019
Deferred Tax Assets	1479.33	1607.50
Deferred Tax Liabilities	1166.95	648.49
Deferred Tax Assets (Net)	312.38	959.01

Note No. 8

OTHER NON CURRENT ASSETS

(Rs. in Lacs)

Particulars	As at 31.3.2020	As at 31.3.2019
Deferred Expenditure		
As per last balance sheet	722.13	826.52
Addition during the year	3.30	407.45
	725.43	1233.97
Less: Amortised during the year	330.19	511.84
Closing Balance	395.24	722.13
	395.24	722.13

Punjab Alkalies & Chemicals Limited

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

Note No. 9	INVENTORIES	(Rs. in Lacs)	
Particulars	As at 31.3.2020	As at 31.3.2019	
Raw Materials	290.81	200.88	
Stock in process	37.51	41.25	
Finished goods	216.12	19.49	
Stores, Spares consumables	242.51	556.40	
	<u>786.95</u>	<u>818.02</u>	

Note No. 10	CURRENT - FINANCIAL ASSETS - TRADE RECEIVABLES	(Rs. in Lacs)	
Particulars	As at 31.3.2020	As at 31.3.2019	
Considered Goods except where provided for:			
Secured	22.98	25.19	
Unsecured	543.54	560.93	
	<u>566.52</u>	<u>586.12</u>	

Note No. 11	CURRENT - FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS	(Rs. in Lacs)	
Particulars	As at 31.3.2020	As at 31.3.2019	
Cash in hand	12.51	1.91	
Cheques in hand	16.01	132.95	
Balance with Scheduled Banks			
Current Account	467.79	841.33	
Cash Credit Account	48.12	21.81	
Fixed Deposits	330.88	3010.22	
	<u>846.79</u>	<u>3873.36</u>	
	<u>875.31</u>	<u>4008.22</u>	

11.1 Cash and Cash equivalents comprise cash and cheques in hand and cash at banks including Fixed Deposits with original maturity period of 3 month or less

Note No. 12	CURRENT - FINANCIAL ASSETS - OTHERS BANK BALANCES	(Rs. in Lacs)	
Particulars	As at 31.3.2020	As at 31.3.2019	
Bank Deposits with original maturity greater than 3 months including margin money for letters of credit and bank guarantees.	361.07	3019.79	
	<u>361.07</u>	<u>3019.79</u>	

Note No. 13	CURRENT - FINANCIAL ASSETS - LOAN	(Rs. in Lacs)	
Particulars	As at 31.3.2020	As at 31.3.2019	
Unsecured, Considered goods			
Loan to employees			
Loan Receivables considered good - Unsecured	0.57	1.43	
Advances to employees	12.37	19.54	
	<u>12.94</u>	<u>20.97</u>	



Note No. 14

CURRENT - FINANCIAL ASSETS-OTHERS

(Rs. in Lacs)

Particulars	As at 31.3.2020	As at 31.3.2019
Unsecured, Considered goods unless otherwise stated		
Suppliers/Service Providers(Including capital goods for Rs.9.89 lacs)	592.01	1595.06
Less: Provision for doubtful debts (Others)	549.33	<u>527.90</u>
	42.68	<u>1067.16</u>

14.1 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.535.32 lacs 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.21.44 lacs (previous year Rs.28.78 lacs) has been provided as doubtful debt during the current year.

Note No. 15

OTHER CURRENT ASSETS

(Rs. in Lacs)

Particulars	As at 31.3.2020	As at 31.3.2019
Advanced Tax Paid	220.50	-
Prepaid expenses	42.94	53.92
Excise Claim, recoverable	-	4.48
Income Tax recoverable	158.51	345.80
Insurance Claim recoverable	6.76	17.42
Other recoverable	170.93	112.97
Income tax claimable	13.28	29.85
Assets held for sale	-	22.35
Advance against water charges	8.07	<u>8.07</u>
	620.99	<u>594.86</u>

Note No. 16

EQUITY SHARE CAPITAL

(Rs. in Lacs)

Particulars	As at 31.3.2020	As at 31.3.2019
Authorised		
400,00,000 Equity Shares of Rs. 10/- each (Previous year 400,00,000 Equity Shares)	4000.00	<u>4000.00</u>
Issued		
271,43,146 Equity Shares of Rs. 10/- each (Previous year 271,43,146 Equity Shares)	2714.31	<u>2714.31</u>
Subscribed and Paid Up		
271,40,796 Equity Shares of Rs. 10/- each fully called up (Previous year 271,40,796 Equity Shares)	2714.08	2714.08
Less: Allotment Money unpaid	3.60	3.60
	2710.48	<u>2710.48</u>

Punjab Alkalies & Chemicals Limited

16.1 Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31.3.2020		As at 31.3.2019	
	No. of shares held	% age	No. of shares held	% age
Punjab State Industrial Development Corporation Ltd. (Promoter)	9090000	33.49	9090000	33.49
Flow tech Industrial Project Pvt. Ltd.	1650646	6.08	-	-

Note No. 17

OTHER EQUITY

(Rs. in Lacs)

Particulars	As at 31.3.2020	As at 31.3.2019
Capital Reserve		
Land Subsidy	5.49	5.49
Shares Forfeited Reserve Account	7.03	7.03
Revaluation Reserve		
As per last balance sheet	3774.09	6416.43
Less: Adjusted in respect of Assets sold/ discarded	57.62	84.81
Less: Depreciation (Net of adjustment)	45.75	2557.53
	3670.72	3774.09
Securities Premium		
As per last Balance Sheet	4443.13	4443.13
Add: Additional during the year	-	-
	4443.13	4443.13
Other Reserve		
Differential discounted value of Debenture	46.36	199.61
Other Comprehensive Income		
As per last Balance Sheet	131.94	25.97
Add: Addition during the year	(164.54)	105.97
	(32.60)	131.94
Debenture Redemption Reserve	101.50	101.50
Profit and Loss Statement		
As per last Balance Sheet	(4830.12)	(10314.65)
Add: Depreciation on revalued assets	45.75	-
Add; Transferred from Profit and Loss Statement	880.47	5484.53
	(3903.90)	(4830.12)
	4337.73	3832.67



Note No. 18

NON CURRENT-FINANCIAL LIABILITIES-BORROWINGS

(Rs. in Lacs)

Particulars	As at 31.3.2020	As at 31.3.2019
Debenture		
Secured Redeemable Non-Convertible Debentures of Rs.100/- each		
IDBI Bank Limited – 2,90,000 (Previous Year 2,90,000) 10% Debentures- (Redeemable at par in six equal monthly installments from 1 st July, 2020)	266.00	258.84
IFCI Limited – 50,000 (Previous Year 50,000) 10% Debentures- (Redeemable at par in six equal monthly installments from 1 st July, 2020)	45.86	44.63
LIC of India – 30,000 (Previous Year 30,000) 10% Debentures- (Redeemable at par in six equal monthly installments from 1 st July, 2020)	27.52	26.78
PNB – 18,000 (Previous Year 18,000) 10% Debentures- (Redeemable at par in six equal monthly installments from 1 st July, 2020)	16.51	16.07
PSB – 18,000 (Previous Year 18,000) 10% Debentures- (Redeemable at par in six equal monthly installments from 1 st July, 2020)	16.51	16.07
Secured Fully Convertible Debentures of Rs.100/- each		
IDBI Bank Limited – 19,75,000 (Previous Year 19,75,000) 10% Debentures- (Convertible into equity share of the Company on 1 st July, 2020)	1775.11	1730.83
IFCI Limited – 3,44,000 (Previous Year 3,44,000) 10% Debentures- (Convertible into equity share of the Company on 1 st July, 2020)	309.18	301.47
LIC of India – 2,07,000 (Previous Year 2,07,000) 10% Debentures- (Convertible into equity share of the Company on 1 st July, 2020)	186.05	181.41
PNB – 1,23,200 (Previous Year 1,23,200) 10% Debentures- (Convertible into equity share of the Company on 1 st July, 2020)	110.73	107.97
PSB – 1,20,000 (Previous Year 1,20,000) 10% Debentures- (Convertible into equity share of the Company on 1 st July, 2020)	107.86	105.16
	2861.33	2789.23
Less: Short term maturity of Debentures (NCDs & FCDs) within 1 year transferred to Short term borrowing.	2861.33	-
	<u>-</u>	<u>2789.23</u>

- 18.1 The Fully Convertible Debentures (FCDs) shall be converted into Equity Shares of the Company on 1st July, 2020 at a price which shall be determined in accordance with SEBI ICDR Regulations, 2009 (as amended) and PACL shall have the first right of refusal for redemption before conversion of these FCDs into Equity Shares.
- 18.2 The Fully Convertible Debentures issued upon part conversion of their outstanding terminal payment and Non-Convertible Debentures issued to the extent of Mark to Market Loss in respect of fresh Equity issued as approved by CDR EG to CDR Lenders (Now Debenture holders) viz. IDBI Bank Limited, IFCI Limited, Life Insurance Corporation of India, Punjab National Bank and Punjab & Sind Bank, are/will be secured by way of existing charge on Movable or/and Immovable Properties of the Company.
- 18.3 The Corporate Debt Restructuring (CDR) Empowered Group had restructured the debt liabilities of the Company in January, 2003 and had thereafter revised, reworked and modified the same from time to time. The CDR Empowered Group has approved the Proposal of the Company for One Time Settlement (O.T.S.) of the outstanding Term Loans and Non-Convertible Debentures and Sanctioned Working Capital Facilities as on 1st April, 2012 on 100% principal basis with a cut-off date of 15th November, 2012. In terms of the same, the Company had to make payment of (a) Upfront Payment of 35% of the O.T.S. Amount as first tranche, 10% of the balance 65% of O.T.S. Amount as second tranche by 30th September, 2014 and the remaining 90% of the balance 65% of O.T.S. Amount as third tranche by 1st April, 2015 and (b) Interest from 1st July, 2012 to 30th September, 2012 on the entire outstanding amount and interest from 1st October, 2012 to the date of payment of first tranche on 35% of O.T.S. Amount along with the payment of first tranche and interest from 1st October, 2012 to the date of payment of first tranche on balance 65% of O.T.S. Amount by 31st October, 2013. No interest is chargeable on the balance 65% of O.T.S. Amount from the date of payment of first tranche
- 18.4 The final tranche of O.T.S. amount had fallen due on 1st April, 2015. The Company could not make the payment of the same on due date. At the request of the Company, the CDR Empowered Group has, inter alia,

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approved the terms of the said terminal payment i.e. (i) The Outstanding amount (as on 1st April, 2015) of terminal payment of OTS amount shall be converted into Equity and Fully Convertible Debentures (FCDs), (ii) Equity Conversion shall be by issuance of fresh equity of 66,05,246 shares as per applicable SEBI norms, (iii) The balance outstanding terminal OTS payment is to be converted into Fully Convertible Debentures (FCDs) and (iv) The Company shall issue Non Convertible Debentures (NCDs) to Lenders to the extent of Mark to Market Loss in respect of fresh Equity issued by the Company; and these FCDs & NCDs shall carry fixed interest rate at IDBI Bank Limited's Base Rate as on cut-off date of 30th June, 2015 i.e. 10% p.a. The CDR Empowered Group further approved waiver of interest on outstanding O.T.S. amount during period April, 2015 to June, 2015. The Company has issued Equity Shares and Debentures (NCDs & FCDs) to all the lenders as per CDR sanction.

Note No. 19

NON CURRENT- PROVISIONS

(Rs. in Lacs)

Particulars	As at 31.3.2020	As at 31.3.2019
Provision for Employee Benefits		
Gratuity	579.16	301.08
Leave Encashment	903.26	765.78
	<u>1482.42</u>	<u>1066.86</u>

19.1 The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary and LIC's actuarial valuation respectively, 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 where the currency and terms of the Government Bonds is consistent with the currency and estimated terms of the defined benefit obligations. Actuarial gains and losses are recognised immediately in the Profit & Loss Statement as income or expense and other comprehensive income as per Ind-AS 19.

Note No. 20

CURRENT - FINANCIAL LIABILITIES-BORROWINGS

(Rs. in Lacs)

Particulars	As at 31.3.2020	As at 31.3.2019
Debentures (FCDs & NCDs)		
Short term maturity of Debentures within 1 year – Refer Note No.18	2861.33	-
Working Capital Loans (Secured)		
Punjab National Bank	0.01	-
Other Loans and Advances (Unsecured)		
Advances from Customers	300.21	243.07
	<u>3161.55</u>	<u>243.07</u>

20.1 Cash Credit from the banks is secured by way of hypothecation (by way of first charge) of raw materials, stocks in process, finished goods, stores and spares and book debts of the Company wherever situated and is/ will be secured by way of mortgage (by way of second charge) on all the immovable properties both present and future.

Note No. 21

CURRENT-FINANCIAL LIABILITIES-TRADE PAYABLE

(Rs. in Lacs)

Particulars	As at 31.3.2020	As at 31.3.2019
Creditors		
MSME	235.33	325.13
Others	2875.41	2676.87
	<u>3110.74</u>	<u>3002.00</u>



21.1 Trade payable includes creditors against capital goods amounting to Rs.745.35 lacs (Previous Year Rs.850.29 lacs)

21.2 Amount due to MSME has been determined to the extent such parties have been identified on the basis of information collected by the Management.

Note No. 22

OTHER CURRENT LIABILITIES

(Rs. in Lacs)

Particulars	As at 31.3.2020	As at 31.3.2019
Other Liabilities		
Statutory Liabilities	274.75	433.72
Expense payable	6087.77	7090.33
Others Liabilities:	1088.58	1070.88
Interest accrued but not due	71.84	71.05
	<u>7522.94</u>	<u>8665.98</u>

22.1 Expense payable includes Rs. 5596.54 lacs (Previous year Rs. 6788.49 lacs) payable to PSPCL towards power bills and surcharge thereon.

Note No. 23

CURRENT-PROVISIONS

(Rs. in Lacs)

Particulars	As at 31.3.2020	As at 31.3.2019
Provision for Employee Benefits		
Leave Encashment	147.14	101.65
Bonus	7.37	5.23
Provision for taxation	290.19	219.51
	<u>444.70</u>	<u>326.39</u>

23.1 The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary and LIC's actuarial valuation respectively, 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 where the currency and terms of the Government Bonds is consistent with the currency and estimated terms of the defined benefit obligations. Actuarial gains and losses are recognised immediately in the Profit & Loss Statement as income or expense and other comprehensive income as per Ind-AS 19

Note No. 24

CONTINGENT LIABILITIES AND COMMITMENTS

(Rs. in Lacs)

Particulars	As at 31.3.2020	As at 31.3.2019
a) Letters of Credit Outstanding	29.62	2889.11
b) Bank Guarantees given by Company	57.21	318.78
c) Estimated amounts of contracts remaining to be executed on capital account and not provided for	939.51	6951.43
d) Differential amount on delayed payment claimed by PSPCL	-	641.81
e) Additional Liability on account of Income Tax Assessments for the Assessment Years 2017-18 onwards (which are pending), is unascertainable.		

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Note No. 25		
REVENUE		(Rs. in Lacs)
Particulars	2019-20	2018-19
Revenue from sale of goods	<u>29038.87</u>	<u>37573.36</u>
	<u>29038.87</u>	<u>37573.36</u>
Other Income:		
Interest received	129.55	295.81
Scrap Sales	123.60	142.86
Misc. Income	693.75	27.46
Excess Provision written back	65.90	0.01
Profit on sale of fixed assets	<u>1037.96</u>	<u>13.08</u>
	<u>2050.76</u>	<u>479.22</u>
Note No. 26		
COST OF MATERIALS CONSUMED		(Rs. in Lacs)
Particulars	2019-20	2018-19
Salt	4514.82	5099.35
Soda Ash	49.39	67.73
Barium Carbonate	234.60	283.33
Sulphuric Acid	130.85	177.82
Others	<u>142.47</u>	<u>123.11</u>
	<u>5072.13</u>	<u>5751.34</u>
Note No. 27		
CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK-IN-PROCESS		(Rs. in Lacs)
Particulars	2019-20	2018-19
Closing Stocks		
Finished Goods	216.12	19.49
Stock in Process	<u>37.51</u>	<u>41.25</u>
	<u>253.63</u>	<u>60.74</u>
Less: Opening Stocks		
Finished Goods	19.49	147.61
Stock in Process	<u>41.25</u>	<u>39.74</u>
	<u>60.74</u>	<u>187.35</u>
Increase/(Decrease) in Stock	<u>192.89</u>	<u>(126.61)</u>
Note No. 28		
MANUFACTURING EXPENSES		(Rs. in Lacs)
Particulars	2019-20	2018-19
Power, Fuel & Utilities	15576.17	17378.20
Stores & Spares consumed	556.08	385.51
	<u>16132.25</u>	<u>17763.71</u>
Note No. 29		
EMPLOYEE BENEFITS EXPENSE		(Rs. in Lacs)
Particulars	2019-20	2018-19
Salaries, Wages & Bonus	2830.39	2224.04
Contribution to Provident, Superannuation & Gratuity funds	368.87	272.44
Staff Welfare, Recruitment & Training Expenses	<u>275.40</u>	<u>231.11</u>
	<u>3474.66</u>	<u>2727.59</u>



Note No. 30

FINANCE COST

(Rs. in Lacs)

Particulars	2019-20	2018-19
Interest and Charges		
Debtures	318.39	317.52
Cash Credit	10.14	15.38
ACD	107.13	106.28
Security Deposits/Others	80.97	372.16
	<u>516.63</u>	<u>811.34</u>

Note No. 31

OTHER EXPENSES

(Rs. in Lacs)

Particulars	2019-20	2018-19
Labour Charges	165.99	136.84
Railway Siding Operations	6.42	6.50
Repair & Maintenance		
Plant & Machinery	233.48	284.96
Building	91.17	187.73
Others	17.38	19.51
		<u>492.20</u>
Board Meeting Expenses	342.03	6.93
Travelling & Conveyance	5.12	
Directors	1.89	4.88
Others	55.12	69.95
	57.01	74.83
Statutory Auditors Remuneration		
Audit Fees	1.00	0.50
Tax Audit Fees	0.15	0.07
Other Services	0.46	0.52
Out of Pocket Expenses	-	-
Legal & Professional Charges	1.61	1.09
Insurance	36.46	96.76
Printing & Stationery	66.21	85.01
Postage & Telephone	11.28	12.01
Electricity & Water Charges	15.55	18.15
Rent, Rates & Taxes	7.93	8.37
Pollution Control Expenses	55.98	306.95
Miscellaneous Expenses	35.74	72.75
Loss on sale of Assets	58.55	282.46
Loss on insurance claim	8.55	5.74
Doubtful Debts Others	14.60	-
Advertisement	21.44	28.78
Freight, Cartage & Handling	2.36	13.65
Business Promotion	955.30	913.73
Discounts & Commission	6.21	14.63
Chlorine disposal charges	610.94	688.36
Bad debts	432.56	41.12
Provision for doubtful debts	34.27	10.82
	-	50.00
	<u>2952.11</u>	<u>3367.68</u>

Note No.32. Debit & Credit balances of parties are subject to their confirmation.

Note No.33. Legal action had been instituted against customers from whom a total sum of Rs.617.75 lacs (Previous year Rs.640.40 Lacs) is due as the balance of the principal value of goods supplied.

Note No.34. 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:

Punjab Alkalies & Chemicals Limited

(Rs. in Lacs)

Particulars	As at 31st March, 2020	
	Deferred Tax Assets	Deferred Tax Liabilities
Timing difference on:		
Fixed Assets	-	1166.95
Provision for Gratuity	168.65	-
Provision for Leave Encashment	305.88	-
Provision for Bonus	2.15	-
C/F Losses and Depreciation	1002.65	-
	<u>1479.33</u>	<u>1166.95</u>
Net Deferred Tax Assets	<u>312.38</u>	

Note No.35. **Employee Defined Benefits:**

Defined Benefit Plans-as per Actuarial Valuation as on 31st March, 2020 (Rs. in Lacs)

Particulars	Leave Encashment	Gratuity
Expense Recognised in the Profit & Loss Statement for the year	258.56	88.20
Present Value of Defined Benefit Obligation as at 31st March, 2020	1050.40	1726.89
Funding of Plan Assets as a percentage of total Plan	Unfunded	67% with LIC
Actuarial Assumptions		
- Discount Rate	6.60%	6.60%
- Expected rate of return on Plan Assets	-	6.60%
- In-service Mortality	Indian Assured Lives (20012-14)	Indian Assured Lives (2012-14)
- Attrition Rate	1% to 2%	1% to 2%
- Salary Rise	6.0%	6.0%
- Remaining Working life	11.6 Year	11.6 Years

Note No.36. **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.1817.29 lacs, 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 deposited the CSR amount of Rs.21.58 lacs pertaining to the year 2018-19 with Punjab CSR Authority on 30.3.2020.

Note No.37. **Related Party Disclosures:**

- a) Names of related Parties and description of relationships, having transactions during the year
 - 1) Significant Interest Entities:
The Punjab State Industrial Development Corporation Limited holds 90,90,000 Equity Shares of the Company, which constitutes 33.49% of the Subscribed Capital.
 - 2) Key Managerial Personnel
 - Shri Manjit Singh Brar, IAS, Managing Director
 - Shri Naveen Chopra, Director (w.e.f. 28.5.2019)
 - Shri Ajay Pal Singh, Chief Financial Officer
 - Smt. Sugandha Kukreja, Company Secretary
- b) Volume of transaction of related parties



	(Rs. in lacs)	
	2019-20	2018-19
Remuneration (Key Managerial Personnel)		
-Shri Manjit Singh Brar, IAS, Managing Director	-	-
-Shri Naveen Chopra, Director (w.e.f. 28.5.2019)	37.43	-
-Shri Ajay Pal Singh, Chief Financial Officer	12.85	12.33
-Smt. Sugandha Kukreja, Company Secretary	11.05	8.02

Note No.38. A total of 2159 chlorine tonners (including rented tonners) and 1 Chlorine Cylinders of 900 Kg. and 100 Kg. each respectively, were in circulation with various customers as returnable empties, as on 31.3.2020.

Note No. 39. Based on the information available with the Company, an amount of Rs.235.33 lacs is due to the MSME as defined under the MSMED Act, 2006. Further, interest amounting to Rs.0.53 lacs has been provided under the terms of the MSMED Act, 2006.

Note No. 40. The Company operates in a single business segment viz. chemicals.

Note No. 41. a) The Corresponding figures of the previous year have been regrouped/reclassified, wherever necessary.

b) The figures have been rounded off to the nearest Rs. Lacs.

Note No. 42. **ADDITIONAL INFORMATION AS FAR AS APPLICABLE PURSUANT TO PART II OF SCHEDULE III OF THE COMPANIES ACT, 2013:**

i) QUANTITATIVE DETAILS OF CONSUMPTION OF RAW MATERIALS AND CHEMICALS

Item	Unit of Qty.	2019-20		2018-19	
		Qty.	Value(Rs.)	Qty.	Value(Rs.)
Salt (NaCl)	MT	144126	4514.82	163568	5099.35
Soda Ash	MT	204	49.39	287	67.73
Barium Carbonate	MT	689	234.60	806	283.33
Sulphuric Acid	MT	1831	130.85	2104	177.82
Others			142.47		123.11
Total			5072.13		5751.34

ii) DETAILS REGARDING IMPORTED AND INDIGENOUS MATERIAL CONSUMED

Item	2019-20		Total Value
	Imported Value (%)	Indigenous Value (%)	
Raw Materials and Chemicals	0.00 (0.00%)	5072.13 (100%)	5072.13
	[9.89 (0.17%)]	[5741.45 (99.83%)]	[5751.34]
Stores and Spares	40.73 (7.32%)	515.35 (92.68%)	556.08
	[22.77 (5.91%)]	[362.74 (94.09%)]	[385.51]

Previous year figures are in brackets.

iii) VALUE OF IMPORTS (CIF BASIS)

Particulars	(Rs. in lacs)	
	2019-20	2018-19
Raw Materials	-	33.30
Stores and Spares and Membranes	5.04	880.63
Total	5.04	913.93

Punjab Alkalies & Chemicals Limited

iv) **PARTICULARS OF PAYMENT MADE TO OR ON BEHALF OF THE DIRECTORS : Nil**

v) **EXPENDITURE IN FOREIGN CURRENCY:**

	(Rs. in lacs)	
Particulars	2019-20	2018-19
Raw Materials	-	29.79
Stores and Spares, Plants, etc.	<u>162.44</u>	<u>624.80</u>
Total	<u>162.44</u>	<u>654.59</u>

vi) **REMITTANCE IN FOREIGN CURRENCY ON ACCOUNT OF DIVIDEND: Nil**

vii) **EARNING IN FOREIGN CURRENCY: Nil**

Sd/-
(AJAY PAL SINGH)
Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
Company Secretary

Sd/-
(NAVEEN CHOPRA)
Director

Sd/-
(MANJIT SINGH BRAR)
Managing Director

Place: Chandigarh
Date: June 24, 2020

As per our separate report of even date
For HARI S. & ASSOCIATES
Chartered Accountants
ICAI Firm Registration No. 007709N
ICAI UDIN20523735AAAADQ2932
Sd/-
(KAPIL VOHRA)
Partner
Membership No. 523735

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