



Punjab Alkalies & Chemicals Limited

46th ANNUAL REPORT 2020-21

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Our company



The largest producer of Caustic Soda in Northern India, Punjab Alkalies & Chemicals Limited (PACL) was incorporated as a Public Limited Company on 1st December, 1975. It was then called Punjab Alkalies Limited. The name of the Company was subsequently changed to Punjab Alkalies & Chemicals Limited and Fresh Certificate Incorporation dated 19th April, 1983 was issued.

At present, PACL has two units. Unit-1 with a capacity of 100 TPD and Unit-2 with a capacity of 200 TPD. Both these units are based on membrane cell technology. Combined together has a capacity to produce 99000 TPA of Caustic Soda.

MAIN PRODUCT

- Caustic Soda Lye (300 TPD)

BY PRODUCTS

- Hydrochloric Acid
- Liquid Chlorine
- Sodium Hypochlorite
- Hydrogen gas

UNIT LOCATION

PACL's units are located at Naya Nangal in District Ropar, Punjab (India). Due to its strategic location it can easily and cost-effectively cater to the burgeoning market not only of northern India but into the farther reaches of the country. Being in close proximity of the Bhakra Nangal Dam, PACL enjoys uninterrupted power supply. The road as well as rail connectivity too is excellent.

AWARDS & RECOGNITION

In recognition of its stellar performance in various fields PACL has been conferred with various National & State Awards. These include;



for excellence in Industry



in Energy Conservation

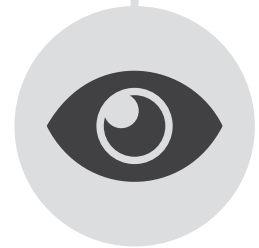


for Largest Reduction in Frequency Rate of Accidents in Chemical Industry

Our vision & mission

VISION

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



MISSION

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





General information

BOARD OF DIRECTORS

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

COMPANY SECRETARY

CS Sugandha Kukreja

CHIEF FINANCIAL OFFICER

Shri Arun Kumar Kaushal

BANKERS

Punjab National Bank
 Punjab & Sind Bank
 Kotak Mahindra Bank Limited
 AU Small Finance Bank Limited

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-160 011
 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



Director's report



Your Directors are pleased to present the 46th Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March, 2021.

FINANCIAL RESULTS



The financial results of the Company for the year ended 31st March, 2021 are summarised below:-

(Rs. in crores)

	2020-21	2019-20
Revenue from Operation and Other Income	281.43	310.89
Finance Costs	5.34	5.17
Depreciation, etc.	17.31	13.17
Total Expenditure excluding Finance Costs and Depreciation, etc.	238.71	274.38
Profit before tax	20.07	18.17
Tax Expenses	11.83	9.37
Profit/(Loss) after tax	8.24	8.80
Earnings per Share (EPS)	2.97	3.24
Basic and diluted (in Rs.)		

Due to COVID-19 pandemic during the year under review, Net Sales Turnover of the Company was Rs. 226.35 crores with a capacity utilisation of 85.09% against the Net Sales Turnover of Rs.290.39 crores with a capacity utilization of 91.60% in the previous year. The combined average realisation per Electro-Chemical Unit (ECU) of the Company was Rs. 27732 (net) as against the ECU of Rs. 33829 (net) during the previous year. In spite of above, your Company has earned a Net Profit (before tax) of Rs. 20.07 crores and Cash profit of Rs. 37.38 crores during the year under review as compared to Net Profit (before tax) of Rs.18.17 crores and Cash profit of Rs. 31.34 crores in the financial year 2019-20.

In view of the accumulated losses of the Company, the Directors regret their inability to recommend any dividend for the financial year 2020-21.

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. The Company has fully redeemed 4,06,000 NCDs issued to CDR Lenders on 1st July, 2020. In accordance with the terms of issue and modification thereof, the Company has also fully redeemed 27,69,200 FCDs issued to CDR Lenders prior to its stated date of redemption. Now the Company has completed its exit from Corporate Debt Restructuring (CDR) framework.

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

IMPACT OF COVID-19

The COVID-19 pandemic has broadened its wrath at an alarming pace and has been able to emerge as a socio-economic and humanitarian crisis worldwide, infecting millions and bringing economic activity to a near standstill.

Due to the ongoing disruption in manufacturing operations and supply chain, the Company's business has been impacted. The Management does not see any risk to Company's ability to continue as a going concern and expects that the Company will be able to meet its liabilities in the foreseeable future, as and when the same would become due.

CURRENT OPERATIONS AND OUTLOOK

During the first four months of the current financial year, the Company has produced 33344 MT of Caustic Soda Lye as against production of 19557 MT during the corresponding period of the previous year. The combined average realisation in this period was Rs.29,900 (approx.). During this period, the Provisional Net Profit (before tax) has been Rs.15.31 (approx.) crores on a Sales Turnover of Rs.99.72 crores (Gross) against a Net Loss (before tax) of Rs.6.40 crores on a Sales Turnover of Rs.56.00 crores in the corresponding period of the preceding financial year.

Since Punjab State Industrial Development Corporation Limited's ceasing to be the Promoter of the Company consequent upon its divestment of the equity stake in the Company and taking over the control of the Company by new Promoter Group, the Company is planning to diversify and value additions. In this direction, the Company is poised to setting up of projects where the Company's by-products like Chlorine and Hydrogen can be gainfully utilized. In continuation of the earlier plan, the Company is expanding its production capacity in a phased manner and for which the Company has already received Environment Clearance from Ministry of Environment, Forest and Climate change.

Electricity plays a pivotal role in manufacture of Caustic Soda and quantity of consumption of electricity and its tariff always affects its prices and ultimately the profitability. Keeping this in view, the Board of Directors in its meeting held on 16th March, 2021 has approved the proposal to purchase and set up a Captive Power Plant of 35 MW capacity by using second hand plant and machinery on EPC basis from Durva Infratech LLP.

The Company is in process of purchasing 49% stake In Flow Tech Chemicals Private Limited (FTCPL) a related party of the company in one or more tranches by 30th June, 2022 and gradually upto 100% stake by 31st December, 2022 as approved by Shareholders in their EOGM held on 30th June, 2021. The Company is also planning for corporate re-structuring with Promoter Group Companies viz. Prayag Chemicals Private Limited and V.S. Polymers Private Limited.

SHARE CAPITAL

During the year, the Company has forfeited 72,152 partly paid up equity shares on which allotment money has not been received by the Company, along with the amount already paid up on such partly paid up shares.

Further the Company has allotted 40,00,000 (representing 12.84%) fully paid up sweat equity shares of Rs.10/- at a premium of Rs.39.38/- each on 03.02.2021 to Shri Naveen Chopra, Managing Director of the Company for non cash consideration in recognition of services rendered by Shri Naveen Chopra and to retain him for the future and the tax liability on such non-monetary perquisite was paid by the Company.

Consequent to the above allotment and forfeiture, paid-up share capital of the Company as on 31st March, 2021 stood at Rs. 31,06,86,440/- (Rupees Thirty one crore six lakhs eighty six thousand four hundred and forty only) divided into 3,10,68,644 (Three crore ten lakhs sixty eight thousand six hundred and forty four) equity shares of Rs. 10/- (Rupees Ten Only) each.

After the closure of financial year and till the date of this report, there has been following changes in the Company's Share Capital:

- a) The Authorized Share Capital of Company has been increased from Rs. 40,00,00,000 (Rupees Forty Crores only) to Rs. 70,00,00,000 (Rupees Seventy Crores only).
- b) The Company has allotted 54,00,000 equity shares of Rs.10 each at a premium of Rs.60/- each on preferential basis/ private placement basis for cash consideration to various allottees on 21st May, 2021.
- c) The Company has allotted 75,00,000 equity shares of Rs.10 each at a premium of Rs.60/- each on 21st May, 2021 to M/s. Durva Infratech LLP on preferential basis/ private placement basis for consideration other than cash against part consideration for purchase of plant and machinery on EPC basis for setting up of captive power plant by the Company.

- d) The Company has allotted 45,00,000 (representing 9.28%) sweat equity shares of Rs.10/- at a premium of Rs. 79.05/- each on 23rd July, 2021 to Shri Naveen Chopra, Managing Director of the Company for non cash consideration in recognition of contribution towards value addition made by Shri Naveen Chopra and the tax liability on such non- monetary perquisite will be borne by the Company.

Consequent to the above allotments, paid-up share capital of the Company now stood at Rs.48,46,86,440/- (Rupees Forty eight crores forty six lakhs eighty six thousand four hundred and forty only) divided into 4,84,68,644 (Four crores eighty four lakhs sixty eight thousand six hundred and forty four) equity shares Rs. 10/- (Rupees Ten Only) each.

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



Eight 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.

CHANGE IN THE NATURE OF BUSINESS

There has been 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 2021-22 has been paid to the BSE Limited.

ENVIRONMENT AND ENERGY CONSERVATION



It has always been the top priority of the Company to carry out its operations in an environment-friendly fashion and the Company has been taking appropriate pollution control and safety measures. Online Monitoring System has already been operative at Works as per requirement of Central Pollution Control Board. A Safety Audit of the Plant was got conducted during the financial year 2020-21 from the National Safety Council and its recommendations are being implemented.

The Company continues to place a great emphasis on energy conservation. The Company gets its 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.

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 2020-21 is annexed as Annexure – IV forming part of this report. The Corporate Governance Report for the financial year 2020-21 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.42.54 lacs based on the average net profit of the last three years on CSR Activities. Accordingly, the amount was spent on various CSR Activities as per the Policy. The detailed report as per Section 135 of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014 has been attached as Annexure 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

Punjab State Industrial Development Corporation Limited (PSIDC) had tendered the equity shares of the Company held by them in the company under the Open Offer and also sold some shares in the open market. Post such sale of shares by PSIDC, they ceased to be the shareholder of the Company. On completion of such Open Offer, the Acquirers became the Promoters of the Company. The Board of Directors of the Company, in its meeting held on 20.10.2020, had, at the instance of Promoters, appointed four new Directors viz. Shri Sukhbir Singh Dahiya, Shri Jatin Dahiya, Shri Jagbir Singh Ahlawat and Smt. Parerna Ahlawat as Additional Directors of the Company and PSIDC had withdrawn the nomination of Shri Alok Shekhar, IAS, Shri Manjit Singh Brar, IAS and Shri Sibin Chakkyadath, IAS w.e.f. 20.10.2020. Consequently, Shri Alok Shekhar, IAS, Shri Manjit Singh Brar, IAS and Shri Sibin Chakkyadath, IAS had resigned from Directorship of the Company w.e.f. 20.10.2020.

Subsequent to the change of Promoters and management, all four Independent Directors viz. Shri D.C. Mehandru, Dr. A.K. Kundra, IAS (Retd.), Shri J.S. Mann, Shri G.S. Sandhu, IAS (Retd.) had also resigned from the Board of Directors of the Company w.e.f. 20.10.2020 and they are no longer associated with the Company.

The Directors place on record their appreciation of the valuable contribution made by Shri Alok Shekhar, IAS, Shri Manjit Singh Brar, IAS, Shri Sibin Chakkyadath, IAS, Shri D.C. Mehandru, Dr. A.K. Kundra, IAS (Retd.), Shri J.S. Mann and Shri G.S. Sandhu, IAS (Retd.).

The Board of Directors in its meeting held on 26.10.2020 had appointed Shri Tilak Raj Bajalia, Shri Kuldip Singh Suhag and Shri Ashok Goyal, as Additional Directors in Independent capacity upon recommendation of Nomination and Remuneration Committee of the Company.

Shri Naveen Chopra, Whole-time Director had been re-designated as Managing Director of Company w.e.f. 29.10.2020 by the Board of Directors upon recommendation of Nomination and Remuneration Committee of the Company.

The Shareholders of the Company at its Extra-Ordinary General Meeting held on 1st December, 2020 had approved the a) Appointment of Shri Sukhbir Singh Dahiya as Director & Chairman liable to retire by rotation, b) Shri Jatin Dahiya, Shri Jagbir Singh Ahlawat and Smt. Parerna Ahlawat as Directors liable to retire by rotation, c)

Shri Tilak Raj Bajalia, Shri Kuldip Singh Suhag and Shri Ashok Goyal as Independent Directors of the Company for a period of 5 years w.e.f. 01.12.2020 and d) Appointment of Shri Naveen Chopra as Managing Director of the Company for a period of 3 years w.e.f. 29.10.2020.

The Board of Directors in its meeting held on 03.02.2021 had appointed Dr. Sanjiv Agarwal and Shri Girish Jagatpal Bhagat as Additional Directors of the Company. Shri Girish Jagatpal Bhagat and Dr. Sanjiv Agarwal have resigned from the Directorship of the Company w.e.f. 18.08.2021 and 27.08.2021, respectively.

The Directors place on record their appreciation of the valuable contribution made by Shri Girish Jagatpal Bhagat and Dr. Sanjiv Agarwal during their tenure.

Subject to the approval of the shareholders, and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 01.04.2021 has appointed Shri Jatin Dahiya as Executive Director of the Company for a period of 3 years w.e.f. 01.04.2021. Resolution seeking the appointment of Shri Jatin Dahiya as Executive Director along with his brief profile, forms part of the Notice of the Annual General Meeting.

Shri Sukhbir Singh Dahiya and Smt. Parema Ahlawat, retires as Directors by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Post completion of Open Offer formalities, the Company has received a letter dated 13th January, 2021 from PSIDC for reclassification /removal of its name from Promoter of the Company. Neither PSIDC holds any share in the Company nor do they exercise any control on the Company as the PSIDC has disinvested all shares of PAQL, held by them. After taking approval from the Shareholders of the Company, the Company has filed application for Reclassification of PSIDC from Promoter Category to Public Category with BSE Limited.

AUDIT COMMITTEE

The Audit Committee of the Board comprises of Shri Ashok Goyal, Shri Kuldip Singh Suhag and Shri Naveen Chopra, Managing Director with Shri Tilak Raj Bajalia as its Chairman.

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, 2021, 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, 2021 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.

RELATED PARTY TRANSACTIONS

Consequent upon acquisition of the PACL by new management in October 2020, the Companies with which PACL was already dealing with and had already entered into Agreements have become related parties. The transactions entered into by the Company with Related Parties were in the ordinary course of business at arm's length price. Since, all the contracts /arrangements / transactions with Related Parties during the year were in the ordinary course of business and/or the same were at arm's length and not being material transaction as defined under the Act /Rules, disclosure in Form AOC-2 under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not required.

The Policy on Related Party Transactions as approved by the Board of Directors may be accessed on the Company's Website. Your Directors draw attention of the Members to Note No. 37 to the Financial Statements which sets out Related Party disclosures.

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.punjabalkalies.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. 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 its Report.

COST AUDITORS

The Board of Directors of the Company at its Meeting held on 21st May, 2021 has reappointed M/s. J.K Kabra & Co., Cost Accountant in practice, as Cost Auditors for the Financial Year 2021-22 as per the provisions of the Companies Act, 2013 to conduct the audit of Cost Records maintained by the Company at a remuneration of Rs.40,000/- plus applicable GST. As per the provisions of the Companies Act, 2013, your Directors propose the Resolution in the Notice in respect of remuneration payable to the Cost Auditors for the Financial Year 2021-22 for your ratification and approval. The Company maintains necessary cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

SECRETARIAL **AUDIT**

M/s. A. Arora & Co., Practising Company Secretaries, were appointed as Secretarial Auditors of the Company for the Financial Year 2020-21. Their Secretarial Audit Report of the Company for the financial year ended 31st March, 2021 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 2021-22.

ANNUAL **RETURN**

The Draft Annual Return of the Company as on March 31, 2021 is available on the Company's Website and can be accessed at Weblink :<https://www.punjabkalies.com/page/annual-return-mgt-7>. The Annual Return of 2019-20 in prescribed Form No. MGT-7, as required under Section 92(1) of the Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014 is placed on the Company's Website at web link: <https://www.punjabkalies.com/page/annual-return-mgt-7>. The same was filed with the Registrar of Companies, Punjab and Haryana (ROC) on Ministry of Corporate Affairs (MCA) portal within prescribed time limit.

ACKNOWLEDGEMENTS

Your Directors express its deep sense of gratitude to the banks, financial institutions, stakeholders, business associates, Central and State Governments for their co-operation and support and look forward to their continued support in future.

Your Directors very warmly thank all our employees for their contribution to your Company's performance. We have immense respect for every person who risked their lives and safety to fight this pandemic.

For and on behalf of the Board

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

Place: Chandigarh
Date: September 02, 2021



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, 2021.

ENERGY CONSUMPTION AND CONSERVATION

		2020-21	2019-20
A.	Power and Fuel Consumption		
1.	Electricity		
	(a) Purchased		
	i) From Punjab State Power Corporation Limited		
	Units (lacs KWH)	1990.33	2322.07
	Total Amount (Rs.in lacs)	12129.57	15134.64
	Rate /Unit (Rs.) (incl. surcharge)	6.09	6.52
	ii) From Other Sources through Indian Energy Exchange		
	Units (lacs KWH)	-	-
	Total Amount (Rs.in lacs)	-	-
	Rate /Unit (Rs.)	-	-
	iii) Total		
	Units (lacs KWH)	1990.33	2322.07
	Total Amount (Rs.in lacs)	12129.57	15134.64
	Rate /Unit (Rs.) (incl. surcharge)	6.09	6.52
	(b) Own Generation	Nil	Nil
2.	Coal		
	Quantity (in kg.)	4330	5936
	Total Amount (Rs. In Lacs)	1.11	1.45
3.	Furnace Oil/LDO/HSD		
	Quantity (K. litres)	270.273	335.939
	Total Amount (Rs.in lacs)	94.00	113.77
	Average Rate (Rs. Per K.litre)	34779.65	33866.35
4.	Husk (Rice)		
	Quantity (In MT)	6931.710	5656.255
	Total Amount (Rs. In Lacs)	255.999	270.60
	Average Rate (Rs. PMT)	3693.15	4784.07
5.	Wooden Logs		
	Quantity (In MT)	Nil	8.7890
	Total Amount (Rs. In Lacs)	Nil	0.43
	Average Rate (Rs. PMT)	Nil	4890.43
B.	Consumption per Unit of Caustic Soda Produced		
1.	Electricity (KWH)		
	Caustic Soda Lye	2363	2562
	Additional Consumption for conversion to Caustic Soda Flakes	Nil	Nil
2.	Furnace Oil/LDO/HSD (ltrs.)		
	For Caustic Soda Lye	3.21	3.71
	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 power consumption PMT of Caustic Soda Lye has come down to 2363 units for the financial year ended 31st March, 2021 as against 2562 units for the financial year ended 31st March, 2020 due to up-gradation to latest technology Generation-6 Electrolysers. This reduced power consumption has resulted in saving of about Rs.10.21 crores. Further the power tariff has reduced from Rs.6.52 per unit for the financial year ended 31st March, 2020 to Rs.6.09 per unit for the financial year ended 31st March, 2021 due to reduction in electricity duty as per Industrial Policy thereby resulting in saving of Rs.9.15 crores.

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.

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.

FOREIGN EXCHANGE EARNINGS AND OUTGO - NIL

For and on behalf of the Board

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

Place: Chandigarh
Date: September 02, 2021



ANNEXURE – II TO THE DIRECTORS’ REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2020-21.

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 & Meetings:					
	Name	Category	Number of meetings	Attendance during the year 2020-21 (During 01.04.2020 to 31.03.2021)		
	1. Shri Kuldip Singh Suhag - Chairman	NE&I		During the financial year 2020-21, one meeting of the Committee was held on 16th March, 2021 and the same was attended by all the Members.		
	2. Shri Ashok Goyal - Member	NE&I				
	3. Shri Tilak Raj Bajalia - Member	NE&I				
	4. Shri Jagbir Singh Ahlawat - Member	NE&I				
3.	Web-link for CSR committee & CSR Policy.			https://www.punjabalkalies.com/page/csr		
4.	Details of Impact assessment of CSR projects			N.A.		
5.	Details of the amount available for set off.			Nil		
6.	Average of profit of the Company for last three financial years:			Rs. 2126.85 lacs		
7.	Prescribed CSR Expenditure: (two percent of the amount mentioned in Item No.3)			Rs. 42.54 lacs		
8.	Details of CSR spent during the year:					
	Total amount spent for the financial year:			Rs. 42.55 lacs		
	Amount unspent, if any:			Nil		
	Manner in which the amount spent during the financial year:					
S. No.	CSR project or activity identified	Sector in which the project is covered	Specify the State and district where projects or programs was undertaken	Amount Allocated (Rs. in lacs)	Amount Spent (Rs. in lacs)	Amount spent: Direct or through implementing agency*
1.	Plantation near local area for Environmental Sustainability.	Environmental sustainability	Local, Punjab	12.00	12.01	Direct
2.	Contribution for Sports	Promoting Sports	Haryana	1.00	1.00	Hockey Haryana
3.	Promoting Education/ Vocational Skills	Promoting education, vocational skills, livelihood	Delhi	9.00	9.00	Medi World Educational Society NGO
4.	Animal Welfare	Animal Welfare	Ghaziabad, Uttar Pradesh	20.54	20.54	Abhay Daanam NGO. (CSR 00001492)
	Total			42.54	42.55	
9.	Details of creation or acquisition of capital asset			Not Applicable		
10.	In case the Company has failed to spend two percent, reason thereof.			Not Applicable		
11.	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.		

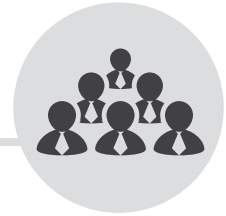
Date: September 02, 2021
Place: Chandigarh

Sd/-
Naveen Chopra
Managing Director
DIN: 08465391

Sd/-
Kuldip Singh Suhag
Chairman
DIN:08925842

ANNEXURE – IV TO THE DIRECTORS’ REPORT

Management discussion & analysis



REPORT FOR THE FINANCIAL YEAR 2020-21

INDIAN ECONOMY



No discussion on the state of Indian economy can begin without taking into consideration the impact of COVID-19 in each and every sphere of human activity. According to the provisional National Income estimates, which was released recently by the National Statistical Office, India’s Gross National Income contracted to -7.20% in 2020-21 as against 4.20% in 2019-20. However, the figures turned out to be slightly better than -8% economic contraction data which was projected earlier. GDP growth in 2019-20, prior to the COVID-19 pandemic, was 4% and the same had been estimated at -7.30 % in 2020-21.

Despite all these setbacks, one figure that stood apart is India’s real GDP growth estimates that stood at rate of 11% in 2021-22. Coupled with nominal GDP growth by 15.4% these two figures turned out to be the highest since independence. Supporting this V-shaped economic recovery the mega vaccination drive that is driving the hopes of a robust recovery in the services sector and prospects for robust growth in consumption and investment.

The Indian economy at present stands of strong fundamentals. The gradual scaling back of lockdowns supported by Atmanirbhar Bharat Mission have placed the economy firmly on the path of revival. These twin measures would lead to a growth by 2.4% in real GDP over the absolute level of 2019-20. It can be said with reasonable certainty that the country’s economy would take about two years not just to reach but also surpass the pre-pandemic levels. These projections are in sync with IMF estimate of real GDP growth of 11.5% in 2021-22 for the country and 6.8% in 2022-23. According to IMF India is expected to emerge as the fastest growing economy in the next two years.

STEPS TO BOOST ECONOMY



Leave more **disposable income in the hands** of individuals; more investible surplus in the hands of businesses



Tinker with **GST and other tax rates** as far as possible.



New Direct Tax Code and **Corporate Tax at 25%** across the board



An **economic stimulus** with a combination of the above



An **investment allowance** (deductible against tax) to encourage fresh investment in plant and machinery



Accelerate **public investment into infrastructure**

CAUSTIC SODA INDUSTRY



At present, there are 32 active Chlor-Alkali Units in India. The production of Caustic Soda during the Financial Year 2020-21 has been 38.22 lakhs MTPA as against the total installed capacity of about 47.75 lakhs MTPA i.e. capacity utilization is approx. 80%.

The main products of Chlor-Alkali industry are the basic raw materials for various industries like Caustic Soda - used in Alumina, Paper & Pulp, Soap, Textiles, Detergents, Pharmaceuticals industries etc. and Chlorine - used

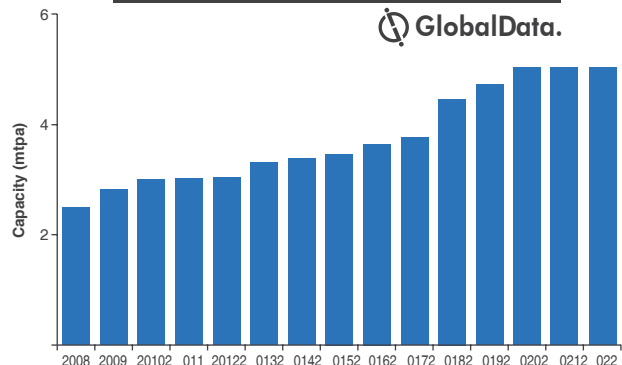
By 2027 the global Caustic Soda market is expected to reach 87.3 million metric tons.



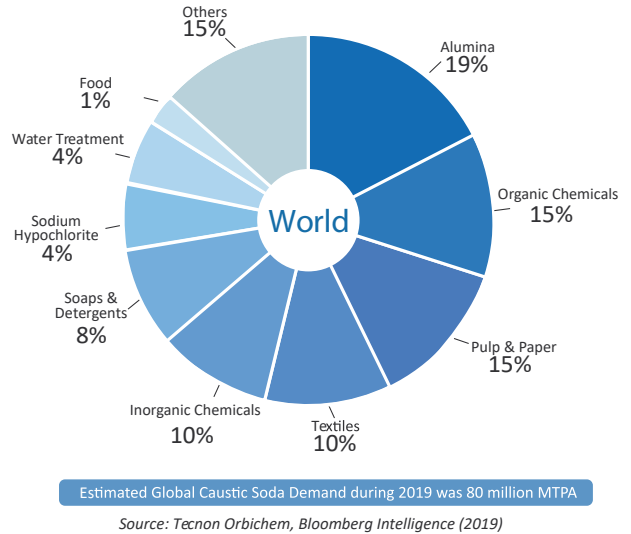
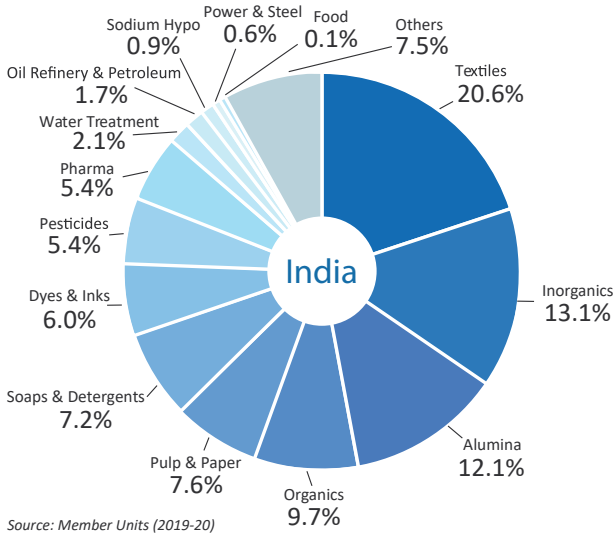
in CPW, Polymers, Dyes & inks, Agro-chemicals, Water treatment etc. The additional capacity expansion during Financial Year 2020-21 was approx. 2.59 lakhs MTPA in India, mainly because of expansion of existing Plants.

Chlor-Alkali (Chemicals) business produces core chemicals viz. Caustic Soda, Chlorine, Hydrogen, Hydrochloric acid and Sodium Hypochlorite, which are widely used in manufacturing processes of other industries. The growth of this business is largely correlated to the GDP growth in the country. Caustic Soda and Chlorine are produced as Co-products in the ratio of 1:0.88. The prices of Caustic Soda are influenced by international prices as well as domestic demand supply factors. Chlorine Prices are driven only by local demand supply factors.

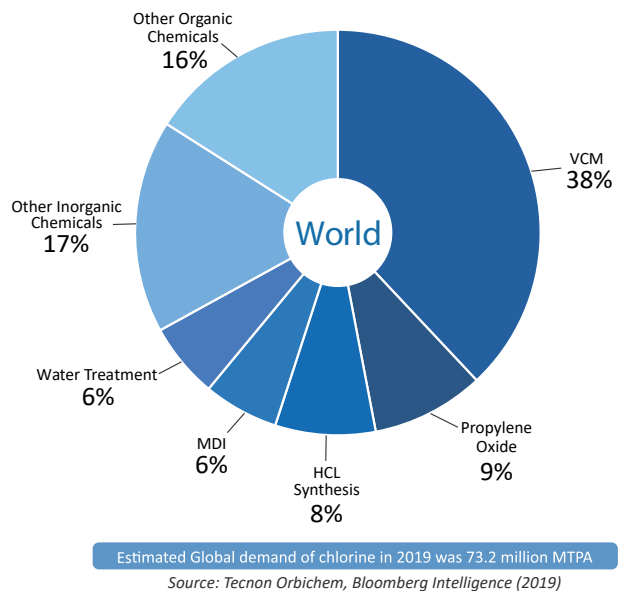
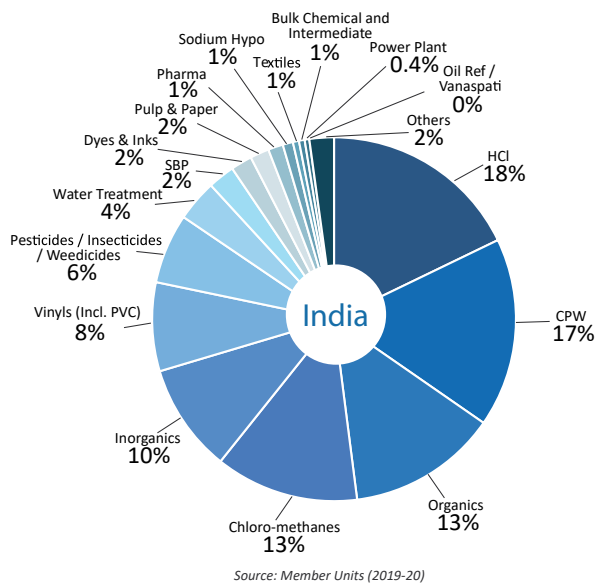
Total Caustic Soda Plant Capacity in India (mtpa) (2008-2020)



CAUSTIC SODA SECTORWISE CONSUMPTION



CHLORINE SECTORWISE CONSUMPTION



PERFORMANCE



The Sales Turnover during the financial year under review was Rs.226.35 crores as against Rs.290.39 crores in the preceding financial year due to impact of COVID-19. The Company has earned net profit before tax of Rs.20.07 crores for the financial year ended 31st March, 2021 as against net profit before tax of Rs.18.17 crores earned during the previous year.

The company has reported EPS of Rs.2.97 for the financial year ended 31st March, 2021 as compared to Rs.3.24 for the financial year ended 31st March, 2020.

The Company's production of Caustic Soda Lye was 84243 MT at capacity utilisation of the plant at 85.09% during the financial year 2020-21, against production of 90645 MT at capacity utilisation of 91.60% during the financial year 2019-20. In the financial year 2020-21, the combined net average realisation was Rs.27,732 per MT of Caustic Soda as compared to Rs.33,829 per MT during the preceding financial year.



MARKETING



FY 2020-21 has been a challenging year which tested the Company's intrinsic strength in the face of the global Covid-19 pandemic. After initial operational hiccups, the Company was able to adapt to the changed circumstances and operations normalised relatively quickly. The Company responded swiftly to support its key asset, its people, by deploying a slew of initiatives related to employee well-being. These included remote working, medical support for the affected, rigorous safety protocols and amending Human Resource (HR) processes. The Company fulfilled all its contractual obligations and agreements and continues to do so and does not foresee any material impact due to non-fulfillment of obligation by any party in existing contracts or agreements.



OPPORTUNITIES



The Company has locational advantages as its Caustic Soda Plants are situated in its Complex at Naya Nangal, District Ropar, Punjab, which is close to a State Highway and about 12 Kms. from the Bhakra Left Bank Power Generating Station and about 2.5 Kms. from River Sutlej. These include the availability of uninterrupted Power— a crucial input, continuous water source, skilled labour and proximity to rail/road besides the existence of various end-user industries like paper, fertilizers, soaps and detergents, etc. in its natural marketing zone.

THREATS

One of the primary challenges facing the industry is the development of cleaner technology, that is membrane cell technology. As the country has no indigenous alternative it is completely dependent on international players not just for the technology but also for the replacement of cell consumables, which is very expensive.

The Chlor-Alkali Industry is a power-intensive industry. Another more crucial threat is Power cost. The Company's power costs account for about 60% of its total cost of production. Any 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 major threats to the Company's operations and that end with the adverse affect on the profitability. The other possible threats are increase in other input costs and on-going expansion of installed capacities in Indian Caustic Soda Industry. The market conditions are such that caustic soda is in demand in India while chlorine is not which is at variance globally where the demand for chlorine is more than that of caustic soda. Even though this might spell an opportunity for the Indian companies having excess chlorine they haven't been able to capitalise on owing to the hazards associated with transportation of chlorine. Besides, Chlorine also finds a place in the list of toxic and hazardous substances banned for transnational transportation under the Basel Convention on hazardous wastes. This augurs not well of India which has a growing chlorine stock that it cannot dispose off while at the same time the dumping of caustic soda is forcing the sector to compete with low international prices. This is unviable for the sector as its production costs are high.

Since Caustic Soda is in excess in the major producing countries the Indian market is also likely to be flooded with cheap caustic soda imports which will make it difficult for the domestic companies to compete with global players on price. Further, the existing excess capacity in the Indian industry will also lead to the flooding of the market with caustic soda. Coupled with increased cost of production due to increase in power cost, these will further affect the performance of existing players adversely in the future.

OUTLOOK

Domestic Caustic is expected to be oversupplied because of on-going expansion by the existing manufacturers. Nonetheless the demand is likely to be recovered post 2021 till 2024-25. In tandem, the Company is also on its way to expand its capacity in a phased manner. With the installation of Generation – 6 Electrolysers, the Company had been able to achieve reduction in power consumption per MT of caustic soda to 2363 Units in financial under review from 2582 Units per MT of Caustic Soda in the previous year. Besides, exemption from Electricity Duty for a period of 10 years and reimbursement of net GST to the extent of 25% for a period 10 years with a cap of Rs.120 crores, by the Government of Punjab under the Industrial and Business Development Policy, would be adding to the profitability of the Company.

As a measure to save on power cost, the Company is setting up a Captive Power Plant of 35 MW capacity by using second hand plant and machinery on EPC basis from Durva Infotech LLP.

In addition, the Company has plans to add more products to its product-mix in such a way so that the Chlorine and Hydrogen can be utilized in-house, more gainfully.

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 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

Hike in power tariff, safety on account of production of Chemicals of Hazardous nature and rise in other input costs are the major areas of concern for the Company. Dumping of Caustic Soda from neighbouring countries at cheaper prices that has the potential to impact realisations of the Electrochemical Unit (ECU) along with the challenge to maintain quality, technical competence, distribution channels etc. in a highly competitive market are some other issues facing the company.

RISK MANAGEMENT

Risks are from the external or internal vulnerabilities and that may be taken care through pre-emptive 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.

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.

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.

For and on behalf of the Board

Sd/-

(Sukhbir Singh Dahiya)

Chairman

DIN: 00169921

Place: Chandigarh
Date: September 02, 2021

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 338 employees (including 45 employees on deputation) as on 31st March, 2021.



ANNEXURE – V TO THE DIRECTORS’ REPORT
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

To,

The Members,
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, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PUNJAB ALKALIES & CHEMICALS LIMITED (“the Company”) for the financial year ended on March 31, 2021 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.
 - h) 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('LODR Regulations') being listed on the BSE Limited;

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

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

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions are carried out through majority and there had been no dissenting views, and therefore not recorded.
4. The company has proper board processes.

Based on the compliance mechanism established by the company, I am of an opinion that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure

compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

1. The following acquirers, together with the Persons Acting in Concert (PAC) with them as listed below, through Open Offer by making a Public Announcement and Detailed Public Statement (including the Corrigendum thereof), have acquired 31.92% of the total share capital of the company. The offer opened on September 17, 2020 and closed on September 30, 2020. As per the disclosure filed by the acquirers and PAC, the shares were accepted under open offer on October 07, 2020 and settlement for the same was concluded on October 08, 2020.

1.	Flowtech Industrial Projects Private Limited (Acquirer 1)	7.	Mrs. Dayawati Dahiya (PAC 1)
2.	Flowtech Chemicals Private Limited (Acquirer 2)	8.	Mr. Mayank Ahlawat (PAC 2)
3.	Mr. Sukhbir Singh Dahiya (Acquirer 3)	9.	Ms. Garima (PAC 3)
4.	Mr. Jagbir Singh Ahlawat (Acquirer 4)	10.	Himalaya Alkalies & Chemicals Limited (PAC 4)
5.	Mr. Jatin Dahiya (Acquirer 5)	11.	Advance Chemicals (PAC 5)
6.	Mrs. Parerna Ahlawat (Acquirer 6)	12.	Tara Mercantile Private Limited (PAC 6)

Consequent upon the open offer, the aforesaid Acquirers and PAC, became the promoters of the company Punjab Alkalies Chemicals Limited.

Punjab State Industrial Development Corporation Limited (PSIDC), the erstwhile promoter of the company on behalf of State Government of Punjab, disposed its entire shareholding of the company under its strategic disinvestment and has consequently applied to be reclassified/ removed from the category of promoter of the company. The application for reclassification/ removal is being processed as per LODR Regulations.

2. The company has forfeited 72,152 partly paid up equity shares vide board resolution dated 03.02.2021. In addition to the previous payment notices served to the shareholders, the company gave a last one time opportunity vide final call notice i.e. Reminder cum Forfeiture notice dated 18.01.2021 to the registered shareholders. The partly paid up shares were forfeited upon non receipt of any outstanding call money.
3. The company has issued and allotted 40,00,000 fully paid up equity shares of Rs. 10/- each at a premium of Rs. 39.38/- per share, as Sweat Equity shares to Mr. Naveen Chopra, Managing Director of the company in compliance with Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002.

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

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

Place: Chandigarh
Date: 02.08.2021

For **A. Arora & Co.**
Company Secretaries
UDIN: F002191C000721569

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: 02.08.2021

For **A. Arora & Co.**
Company Secretaries
UDIN: F002191C000721569

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

Corporate Governance Report

FOR THE FINANCIAL YEAR 2020-21



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.

BOARD OF DIRECTORS

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

Name of Director	Core Skills/ Expertise/ Competencies
Shri Sukhbir Singh Dahiya	He holds a Diploma in Civil Engineering from Haryana State Board of Technical Education. He has an experience of over 30 years including 15 years in chemical industry.
Shri Naveen Chopra	He holds a Degree in Bachelor of Engineering (Chemical) and has done MBA from Panjab University, Chandigarh. He has an experience of over 29 years.
Shri Jatin Dahiya	He holds a Degree in Bachelor of Engineering from Delhi University and Masters in Management from Duke University (United States). He has an experience in the Chemical Industry.
Shri Jagbir Singh Ahlawat	He holds a Diploma in Civil Engineering from Haryana State Board of Technical Education and AMIE (civil) from the Institution of Engineers (India). He has an experience of over 30 years including 17 years in Chemical Industry.
Smt. Parerna Ahlawat	She holds a Degree of Bachelor of Arts from Maharshi Dayanand University.
Shri Tilak Raj Bajalia	Retired Bank Officer. He is an Economics Graduate with Professional Degree of ICWAI and CAIIB. He has 39 years of Banking experience, which spans various business segments such as SME Banking, Corporate Banking, Restructuring of Stressed Assets, Human Resources, Legal and Administration.
Shri Ashok Goyal	He has done Post-Graduation in Economics from Panjab University and has been serving as member of Senate of University and Syndicate and has an experience of about 28 years in the field of Academic Administration.
Shri Kuldip Singh Suhag	He has done Bachelor of Engineering (Civil Engineering) and has an experience of about 42 years in Civil Engineering.

The composition of the Board as on 31st March, 2021 is given below:

Category of Directorship	
Non-Executive-Independent Director	5
Non-Executive-Non-Independent Director	4
Executive Directors	1
Total Strength	10

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

Name	Date of Appointment	Date of Cessation	Category	Inter-se Relationship amongst Directors	Attendance at Board Meetings during 2020-21 (01.04.2020 to 31.03.2021)	Attendance at last AGM on 29.09.2020	No. of Directorships in other Companies*	Memberships of the Committees of the Board of all the Companies**	No. of Directorships in other Listed Companies/ Category	Memberships of the Committees of the Board of all the Companies**	No. of Directorships in other Listed Companies/ Category
Smt. Vini Mahajan, IAS, Chairperson	13.08.2018	14.07.2020	NE&NI	-	1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Alok Shekhar, IAS, Chairman	14.07.2020	20.10.2020	NE&NI	-	2	No	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Sukhbir Singh Dahiya, Chairman	20.10.2020	-	NE& NI	Father of Shri Jatin Dahiya	5	N.A.	-	1	1	-	-
Shri Manjit Singh Brar, IAS, Managing Director	15.02.2019	20.10.2020	E&NI	-	3	Yes	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Naveen Chopra, - As Whole Time Director - As Managing Director	28.05.2019 29.10.2020	-	E&NI	-	8	Yes	-	-	-	2	-
Shri Vineet Kumar, IAS	03.03.2020	23.06.2020	NE&NI	-	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Sibin Chakkrayadath, IAS	24.06.2020	20.10.2020	NE&NI	-	1	No	N.A.	N.A.	N.A.	N.A.	N.A.
Shri D.C. Mehandru	26.06.2002	20.10.2020	NE&I	-	3	Yes	N.A.	N.A.	N.A.	N.A.	N.A.
Dr. A. K. Kundra, IAS (Retd.)	13.12.2004	20.10.2020	NE&I	-	3	Yes	N.A.	N.A.	N.A.	N.A.	N.A.
Shri J.S. Mann	12.08.2010	20.10.2020	NE&I	-	3	No	N.A.	N.A.	N.A.	N.A.	N.A.
Shri G.S. Sandhu, IAS (Retd.)	09.08.2019	20.10.2020	NE&I	-	3	Yes	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Jatin Dahiya - As Director - As Executive Director	20.10.2020 01.04.2021	-	NE& NI	Son of Shri Sukhbir Singh Dahiya	5	N.A.	-	1	-	-	-
Shri Jagbir Singh Ahlawat	20.10.2020	-	NE& NI	Husband of Smt. Parerna Ahlawat	5	N.A.	-	1	-	-	-
Smt. Parerna Ahlawat Woman Director	20.10.2020	-	NE& NI	Wife of Shri Jagbir Singh Ahlawat	1	N.A.	-	-	-	-	-
Shri Tilak Raj Bajalia	26.10.2020	-	NE&I	-	5	N.A.	-	3	1	-	1

Name	Date of Appointment	Date of Cessation	Category	Inter-se Relationship amongst Directors	Attendance at Board Meetings during 2020-21 (01.04.2020 to 31.03.2021)	Attendance at last AGM on 29.09.2020	No. of Directorships in other Companies*	Memberships of the Committees of the Board of all the Companies**	No. of Directorships in other Listed Companies/ Category	Memberships of the Committees of the Board of all the Companies**	No. of Directorships in other Listed Companies/ Category
Shri Ashok Goyal	26.10.2020	-	NE&I	-	5	N.A.	-	-	-	2	-
Shri Kuldip Singh Suhag	26.10.2020	-	NE&I	-	5	N.A.	-	-	-	1	-
Dr. Sanjiv Agarwal	03.02.2021	27.08.2021	NE&I	-	2	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Girish Jagatpal Bhagat	03.02.2021	18.08.2021	NE&I	-	2	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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

**Includes only Audit Committee and Stakeholders Relationship Committee.

NE&NI - Non-Executive Non- Independent Director | NE&I - Non-Executive Independent Director | E&NI - Executive Non-Independent Director

Eight Board Meetings were held during the financial year 2020-21 as against the minimum requirement of four meetings in a year. The dates on which the Board Meetings were held are given below:

24th June, 2020, 14th August, 2020, 20th October, 2020, 26th October, 2020, 29th October, 2020, 3rd February, 2021, 12th February, 2021 and 16th March, 2021.

A separate meeting of Independent Directors was held during the year on 27th March, 2021. The Independent Directors had reviewed the performance of Non-Independent Directors, Board as a whole and Chairperson of the Company. The Independent Directors had also reviewed the quality, content and timeliness of flow of information between the Management and the Board.

The Performance Evaluation of Independent Directors was carried out by the entire Board of 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 2020-21 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 2020-21 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.

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 2020-21 (01.04.2019 to 31.03.2020)
Shri D.C. Mehandru	Chairman	26.6.2002	20.10.2020	NE&I	3
Shri J.S. Mann	Member	25.9.2010	20.10.2020	NE&I	3
Shri Manjit Singh Brar, IAS	Member	15.02.2019	20.10.2020	E&NI	3
Shri Tilak Raj Bajalia	Chairman	26.10.2020	-	NE&I	2
Shri Ashok Goyal	Member	26.10.2020	-	NE&I	2
Shri Kuldip Singh Suhag	Member	26.10.2020	-	NE&I	2
Shri Naveen Chopra	Member	26.10.2020	-	E&NI	2

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.

Five meetings of the Audit Committee were held during the financial year 2020-21.

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

23rd June, 2020, 14th August, 2020, 20th October, 2020, 3rd February, 2021 and 12th February, 2021.

NOMINATION AND REMUNERATION COMMITTEE

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 2020-21 (01.04.2020 to 31.03.2021)
Dr. A.K. Kundra, IAS (Retd.) Date of Cassation: 20.10.2020	Chairman	NE&I	1
Shri D.C. Mehandru Date of Cassation: 20.10.2020	Member	NE&I	1
Shri J.S. Mann Date of Cassation: 20.10.2020	Member	NE&I	1
Shri Ashok Goyal	Chairman	NE&I	3
Shri Tilak Raj Bajalia	Member	NE&I	3
Shri Kuldip Singh Suhag	Member	NE&I	3
Shri Sukhbir Singh Dahiya	Member	NE&NI	3

Four meeting of the said Committee were held on 23rd June, 2020, 29th October, 2020, 3rd February, 2021 and 24th March, 2021 during the financial year 2020-21.

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

Details of the remuneration paid to the Managing Directors in the financial year 2020-21 are as under:-

Shri Manjit Singh Brar, IAS, Managing Director (till 20.10.2020)	Nil
Shri Naveen Chopra, Managing Director (w.e.f. 29.10.2020)	Rs. 2867.79 lacs*
* The remuneration includes issue of sweat equity shares of Rs.1975.20 lacs (including premium) and tax liability of Rs. 844.28 lacs thereon borne by the company.	

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 26th October, 2020 to Rs.25,000/- per meeting of the Board of Directors and meeting of the Committee of the Board of Directors attended.

The details of the number of Equity Shares of the Company held by Directors of the Company as on 31st March, 2021 are as follows:-

Name of Director of the Company	No. of Equity Shares
Shri Sukhbir Singh Dahiya	35,05,264
Shri Jagbir Singh Ahlawat	31,00,020
Smt. Parema Ahlawat	19,75,063
Shri Jatin Dahiya	10,96,507
Shri Naveen Chopra	40,00,000

STAKEHOLDERS RELATIONSHIP CUM SHARE TRANSFER COMMITTEE

Earlier the Company was 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 re-materialisation of shares, etc., with the following Directors as its members:

1. Managing Director (Chairman)
2. Dr. A.K. Kundra, IAS (Retd.)
3. Shri D.C. Mehandru
4. Shri G.S. Sandhu, IAS (Retd)

and (b) 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:-

1. Dr. A.K. Kundra, IAS (Retd.) (Chairman)
2. Shri D.C. Mehandru
3. Shri G.S. Sandhu, IAS (Retd)
4. Managing Director

The Board of Directors through Resolution passed by Circulation on 9th November, 2020, had combined (a) Share Transfer Committee and (b) Stakeholders Relationship Committee and constituted a Stakeholders Relationship cum Share Transfer Committee of the Board of Directors of the Company with the terms of reference as provided in Section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 20 and Part D of the Schedule II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as (including any statutory or other modification(s) or re-enactment thereof, for the time being in force) and to approve the transfer and transmission of shares, sub-division and consolidation of Share certificates, issue of duplicate share certificates and dematerialisation and re-materialisation of shares, etc.

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

Name	Designation	Category	Attendance during 2020-21 (09.11.2021 to 31.03.2021)
Shri Sukhbir Singh Dahiya	Chairman	NE&NI	7
Shri Naveen Chopra, Managing Director	Member	E&NI	7
Shri Ashok Goyal	Member	NE&I	7

CS Sugandha Kukreja, Company Secretary is the Compliance Officer.

During the financial year under review, the total number of complaints/ queries received and replied to the satisfaction of shareholders was two. Outstanding complaints/ queries as on 31st March, 2021 were Nil. Complaints/ correspondence are usually dealt with within 10-12 days of receipt.

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.

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 2020-21, one meeting of the Corporate Social Responsibility Committee was held on 16th March, 2021.

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 2020-21 (01.04.2020 to 31.03.2021)
Shri Kuldip Singh Suhag	Chairman	NE&I	1
Shri Ashok Goyal	Member	NE&I	1
Shri Tilak Raj Bajalia	Member	NE&I	1
Shri Jagbir Singh Ahlawat	Member	NE&NI	1

INDEPENDENT DIRECTORS COMMITTEE

Independent Directors Committee, comprising of all the Independent Directors of the Company, was constituted comprising of a) Dr. A.K. Kundra, IAS (Retd.), Chairman, b) Shri G.S. Sandhu, IAS (Retd.), c) Shri D.C. Mehandru and d) Shri J.S. Mann to provide reasoned recommendations on open offer to the Shareholders of the Target Company in terms of Regulation 26 (7) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

During FY 2020-21, four meetings of Independent Directors Committee were held on 25th August, 2020, 3rd September, 2020, 11th September, 2020 and 14th September, 2020.

GENERAL BODY MEETINGS

- a) The particulars of the last three Annual General Meetings (AGMs) and Extra-Ordinary General Meeting (EOGM) of the Company are:

S. No.	AGM Particulars	Venue	Date	Time	Details of Special Resolutions passed
1.	43rd AGM in respect of the financial year 2017-18	Tagore Theatre, Sector 18, Chandigarh	26th 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>
2.	44th AGM in respect of the financial year 2018-2019	National Institute of Technical Teacher's Training and Research Auditorium, NITTTTR 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 from 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 from 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 from the date of this AGM upto the conclusion of the 49th AGM be held in the year 2024.</p>
3.	45th AGM in respect of the financial year 2019-2020	Punjab Alkalies & Chemicals Limited SCO 125-127 Sector 17-B Chandigarh.	29th September, 2020	12.00 hours	There was no matter that required passing of Special Resolution.
4.	Extra-Ordinary General Meeting	Punjab Alkalies & Chemicals Limited SCO 125-127 Sector 17-B Chandigarh.	1st December, 2020	12.00 hours	<p>I. Alteration in Articles of Association of the Company.</p> <p>II. Appointment of Shri Naveen Chopra as Managing Director of the Company.</p> <p>III. To issue and allot 40,00,000 Sweat Equity Shares to Shri Naveen Chopra, Managing Director of the Company.</p>

- b) (i) No Postal Ballot Notices were issued to the public during the year ended 31st March, 2021.
- (ii) All the Resolutions including the Special Resolution were passed through e-voting and venue voting 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.

DISCLOSURES

- a) During the year under review, no material transactions with any related party as defined under the Act and the Listing Regulations have been entered into, which have a potential conflict with the interest of the Company at large. All contracts/ arrangements/ transactions entered into by your Company with its related parties were on an arm's-length basis and in the ordinary course of business. Attention of the members is drawn to Note 37 of the Financial Statements, forming part of this Annual Report, which sets out the related party disclosures. The Policy on Related Party Transactions is available on the website of the Company www.punjabalkalies.com.
- 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.punjabalkalies.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 |
- g) The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all the amendments from time to time.
- h) Discretionary Requirements:
- The status of discretionary requirements adopted by the Company is as under:
- (i) The Company has separate positions for Chairperson and Managing Director. Shri Sukhbir Singh Dahiya is the Chairman of the Company and Shri Naveen Chopra is the Managing Director of the Company.
- (ii) The Internal Auditors of the Company give their quarterly report to the Audit Committee and the same is taken for review at the time of meetings of the Audit Committee.

- (iii) There are no audit qualifications on the Financial Statements of the Company for the financial year ended 31st March, 2021.
- (iv) Shri Naveen Chopra, Managing Director and Shri Arun Kumar Kaushal, Chief Financial Officer, have issued the Certificate in accordance with Regulation 17(8) of the Listing Regulations with regard to Quarterly and Annual Financial Statements for the Financial Year ended March 31, 2021.

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.punjabalkalies.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 2020-21 is a part of the Annual Report for the said financial year.

GENERAL SHAREHOLDERS INFORMATION

a)	Annual General Meeting	The 46th Annual General Meeting will be held on 30th September, 2021 at 16.00 hours through Video Conferencing (VC) or other Audio Visual Means (OAVM).
b)	Financial Calendar	1st April, 2020 to 31st March, 2021.
c)	Date of Book Closure	24th September, 2021 to 30th September, 2021 (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 Stakeholders Relationship cum 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, 2021, 94.01% 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 2020-21 (1st April, 2020 to 31st March, 2021) on the BSE Limited:					
	Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
	April, 2020	37.80	26.40	October, 2020	56.90	46.45
	May, 2020	38.85	25.80	November, 2020	48.70	42.10
	June, 2020	36.00	29.00	December, 2020	58.00	44.05
	July, 2020	38.30	29.05	January, 2021	63.00	45.55
	August, 2020	64.75	32.00	February, 2021	61.90	50.00
	September, 2020	59.25	43.75	March, 2021	103.85	54.25
p)	Distribution of Shareholding as on 31st March, 2021:					
	Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding	
	1 - 500	18550	90.71	2496239	8.03	
	501 - 1000	1024	5.00	833223	2.68	
	1001 - 2000	388	1.89	617841	1.99	
	2001 - 3000	135	0.66	352661	1.14	
	3001 - 4000	71	0.34	258354	0.83	
	4001 - 5000	60	0.29	282094	0.91	
	5001 - 10000	90	0.44	675699	2.17	
	10001 & above	130	0.63	25552533	82.25	
	Total	20448	100.00	31068644	100.00	

q) Categories of Shareholding as on 31st March, 2021:

Category	No. of Shareholders	No. of Shares Held	% of Shareholding
Promoters	11	15196566	48.91
Mutual Funds & UTI	10	11650	0.04
Banks /Financial Institution	12	9400	0.03
Insurance Companies	-	-	-
Central/State Govt.	-	-	-
NRIs/OCBs/FIIs	494	481967	1.55
Corporate Bodies	939	1401906	4.51
Indian Public	18685	13074273	42.08
Others	296	892882	2.87
Total	20448	31068644	100.00

For and on behalf of the Board

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

Place: Chandigarh
 Date: September 02, 2021



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, 2021.

Place : Chandigarh
Date : September 02, 2021

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

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, 2021, 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 Number 007709N
ICAI UDIN 21523735AAAAKA4541

Sd/-
(Kapil Vohra)
Partner
Membership No.: 523735

Place of Signature: Chandigarh
Date: September 02, 2021

INDEPENDENT AUDITOR'S 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, 2021, 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, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We have conducted our audit of the 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:

- 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of written representations received from the directors as on March 31, 2021, and taken on record by the Board of Directors, none of the directors of the company is disqualified as on March 31, 2021, 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 2021.

For **Hari S. & Associates**

Chartered Accountants

ICAI Firm Registration Number 007709N

ICAI UDIN 21523735AAAAKA4541

Sd/-

Kapil Vohra

Partner

Membership No.: 523735

Place of Signature: Chandigarh

Date: May 21, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**Auditors Report of even date to the Shareholders of Punjab Alkalies & Chemicals Limited on the Accounts for the year ended 31st March 2021**

- (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.
- (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) We have broadly reviewed the books of account as required to be maintained by the Company under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and the records have been made and maintained.
- (vii) a) 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 and the same provided in the books of accounts:-

Name of the Statue	Nature of Dues	Amt in Lakhs	Period to which amount relates	Forum where dispute is pending
Central Excise Act,1944	Excise Duty & Penalty	60.17	2004-2008	CESTAT
Central Excise Act,1944	Excise Duty & Penalty	5.49	April'08 to June'08	CESTAT
Finance Act, 1994	Service Tax Penalty	4.66	April'11 to Dec'11	CESTAT
Finance Act, 1994	Service Tax Penalty	116.09	Feb'07 to March'11	CESTAT
Central Excise Act,1944	Excise Duty & Penalty	3.11	Jan'12 to Nov'12	CESTAT
Central Excise Act,1944	Excise Duty & Penalty	5.32	July'11 to Dec'11	CESTAT
Finance Act, 1994	Service Tax Penalty	25.79	Jan'12 to Nov'12	CESTAT
Finance Act, 1994	Service Tax Penalty	35.85	July'13 to Dec'13, Dec'12 to June'13	CESTAT
Pb. Value Added Tax, 2005	Entry Tax	2.35	2009-10	VAT Tribunal, Chandigarh
Pb. Value Added Tax, 2005	Entry Tax	64.4	2011-12	Dy. Excise & Taxation Commissioner (Appeal), Mohali/Rupnagar.
Pb. Value Added Tax, 2005	Entry Tax	23.73	2012-13	VAT Tribunal, Chandigarh
Pb. Value Added Tax, 2005	Entry Tax ETO Ropar	3.15	2013-14	Appeal Filed on 23.11.2020
House Tax	House Tax	79.84		Revision is Pending

- (viii) According to the information and explanations given to us, the company has not defaulted in repayment of dues to the banks.
- (ix) According to the information and explanations given to us, the company has applied the Term Loans received during the year for the purposes for which the loans were obtained.
- (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) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration, in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (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 give to us and based on our examination of the records of the Company, the Company has allotted 40,00,000 Sweat Equity Shares of Rs 10/- each at premium of Rs 39.38 each to Shri Naveen Chopra, Managing Director of the company.
- (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.

For Hari S. & Associates

Chartered Accountants

ICAI Firm Registration Number 007709N

ICAI UDIN 21523735AAAAKA4541

Sd/-

Kapil Vohra

Partner

Membership No.: 523735

Place of Signature: Chandigarh

Date: May 21, 2021

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”)

We have audited the internal financial controls over financial reporting of Punjab Alkalies & Chemicals Limited (“the Company”) as of 31st March 2021, 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.

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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Hari S. & Associates**

Chartered Accountants

ICAI Firm Registration Number 007709N

ICAI UDIN 21523735AAAAKA4541

Sd/-

Kapil Vohra

Partner

Membership No.: 523735

Place of Signature: Chandigarh

Date: May 21, 2021

BALANCE SHEET as at 31st March, 2021

(Rs. in Lacs)

Particulars	Note No.		As at 31.03.2021	As at 31.03.2020
ASSETS				
Non Current Assets				
a) Property, Plant & Equipment	3	15615.87		16741.20
b) Capital Work in Progress	4	3458.39		1453.30
c) Other Intangible Assets	3	9.40		11.45
d) Financial Assets				
(i) Trade Receivable	5	-		-
(ii) Others	6	594.64		590.53
e) Deferred Tax Assets (Net)	7	-		312.38
f) Other Non Current Assets	8	218.78		395.24
Sub Total: Non Current Assets			19897.08	19504.10
Current Assets				
a) Inventories	9	624.19		786.95
b) Financial Assets				
(i) Trade Receivable	10	1623.66		566.52
(ii) Cash and Cash equivalent	11	762.25		875.31
(iii) Other Bank Balances other than (ii) above	12	36.89		361.07
(iv) Loans	13	8.98		12.94
(v) Others	14	752.18		42.68
c) Other Current Assets	15	864.72		620.99
Sub Total: Current Assets			4672.87	3266.46
Sub Total: Assets			24569.95	22770.56
EQUITY AND LIABILITIES				
Equity				
a) Equity Share Capital	16	3106.86		2710.48
b) Other Equity	17	6556.44		4337.73
Sub Total: Equity			9663.30	7048.21
Liabilities				
Non-Current Liabilities				
a) Financial Liabilities				
(i) Borrowings	18	42.74		-
b) Provisions	19	1329.51		1482.42
c) Deferred Tax Liability (Net)	7	540.20		-
Sub Total: Non-Current Liabilities			1912.45	1482.42
Current Liabilities				
a) Financial Liabilities				
(i) Borrowings	20	242.11		3161.55
(ii) Trade Payables due to :	21			
MSME		210.08		235.33
Others		2553.65		2875.41
b) Other Current Liabilities	22	9624.51		7522.94
c) Provisions	23	363.85		444.70
Sub Total: Current Liabilities			12994.20	14239.93
TOTAL: EQUITY AND LIABILITIES			24569.95	22770.56
Significant Accounting Policies	2			
Notes forming an integral part of the Financial Statements	1 to 42			

Sd/-
(ARUN KUMAR KAUSHAL)
Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
Company Secretary

Sd/-
(JATIN DAHIYA)
Executive Director

Sd/-
(NAVEEN CHOPRA)
Managing Director

As per our separate report of even date

For **HARI S. & ASSOCIATES**
Chartered Accountants
Firm Registration No. 007709N
ICAI UDIN 21523735AAAAKA4541

Sd/-
(KAPIL VOHRA)

Partner
Membership No. 523735

Place: Chandigarh
Date: May 21, 2021

PROFIT AND LOSS STATEMENT for the year ended 31st March, 2021

(Rs. in Lacs)

Particulars	Note No.	2020-21	2019-20
INCOME			
Revenue from Operations	25	22634.78	29038.87
Other Income	25	5508.67	2050.76
Total Revenue		28143.45	31089.63
EXPENDITURE			
Cost of Material Consumed	26	4237.84	5072.13
Purchase of Trading Items		66.85	-
Changes in Inventories of Finished Goods, Work in progress and stock in trade	27	66.54	(192.89)
Manufacturing Expenses	28	12912.36	16132.25
Employees benefits expense	29	2264.52	3437.23
Finance Costs	30	534.35	516.63
Depreciation and Amortisation Expense	3 & 8	1731.88	1317.45
Other Expenses	31	4322.14	2989.54
Total Expenses		26136.48	29272.34
Profit/(Loss) before exceptional item		2006.97	1817.29
Amount written off exceptional item		-	-
Profit/(Loss) after exceptional item		2006.97	1817.29
Tax Expenses			
Current Tax		330.72	290.19
Deferred Tax		852.58	646.63
Profit/(Loss) for the year after Tax		823.67	880.47
Debenture Redemption Reserve		0	0
PROFIT/(LOSS) TRANSFERRED TO OTHER EQUITY		823.67	880.47
Other Comprehensive Income		-120.10	-164.54
Total Comprehensive Income for the year		703.57	715.93
Earnings/(Loss) per Equity Share of Rs.10/- each:			
Basic (in Rs.)		2.97	3.24
Diluted (in Rs.)		2.97	3.24
Significant Accounting Policies	2		
Notes forming an integral part of the Financial Statements	1 to 42		

Sd/-
(ARUN KUMAR KAUSHAL)
Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
Company Secretary

Sd/-
(JATIN DAHIYA)
Executive Director

Sd/-
(NAVEEN CHOPRA)
Managing Director

As per our separate report of even date

For **HARI S. & ASSOCIATES**
Chartered Accountants
Firm Registration No. 007709N
ICAI UDIN 21523735AAAAKA4541

Sd/-
(KAPIL VOHRA)

Partner
Membership No. 523735

Place: Chandigarh
Date: May 21, 2021

CASH FLOW STATEMENT for the year ended 31st March, 2021

(Rs. in Lacs)

Particulars	2020-21	2019-20
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit/(Loss) before tax	2006.97	1817.29
Adjustments for:		
Depreciation and Amortisation Expenses	1555.42	987.26
Foreign Exchange Fluctuations	-	6.91
Miscellaneous Expenses Written Off	176.46	330.19
Sweat Equity and premium thereon	1975.20	-
Excess provision of income tax	(0.09)	-
Provision for Gratuity	147.41	(245.69)
Amount Transferred from WIP to Stores	10.66	371.72
(Gain)/loss on sale of Fixed Assets	(92.24)	(1029.41)
Interest Income	(29.03)	(129.55)
Finance Cost	185.00	318.39
Operating Profit Before Working Capital Changes	5935.76	2427.11
Adjustments for:		
(Increase)/Decrease in Trade receivables	(1057.14)	27.21
(Increase)/Decrease in Other Current Assets	(609.88)	(31.84)
(Increase)/ Decrease in Inventories	162.76	31.07
(Increase)/Decrease in Loan & Advances	(705.54)	1032.51
(Decrease)/Increase in Trade Payable	(347.01)	101.83
(Decrease)/Increase in Short Term Borrowings	(78.41)	57.15
(Decrease)/Increase in Other Current Liabilities	2020.50	(728.35)
(Decrease)/Increase in Short Term Provisions	(121.38)	47.63
	(736.10)	537.21
Cash Generated from Operations	5199.66	2964.32
Direct Taxes (Paid)/Refund	76.05	(236.15)
Cash Flow Before Extraordinary Items	5275.71	2728.17
Extraordinary Items	-	-
Net Cash From Operating Activities	5275.71	2728.17
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(63.95)	(124.95)
Expenditure on work in progress	(2421.57)	(9123.36)
Sale/Adjustment of Fixed Assets	116.65	1242.51
Interest Received	29.03	129.55
Long Term Advances Given	(4.11)	(322.73)
Purchase of Membranes and Recoating of Pans	-	(3.30)
Net Cash Used in Investing Activities	(2343.95)	(8202.28)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	63.04	-
Repayment to Financial Institution and Bank	(3175.20)	-
Interest Paid	(256.84)	(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	(3369.00)	(317.52)
Net Increase/(Decrease) in Cash And Cash Equivalents	(437.24)	(5791.63)
Cash And Cash Equivalents at the beginning of year	1236.38	7028.01
Cash And Cash Equivalents at the end of year*	799.14	1236.38

*Cash and Cash equivalents include deposits having maturity exceeding 3 months amounting to Rs.36.89 lacs as per note 12.

Sd/-
(ARUN KUMAR KAUSHAL)
Chief Financial OfficerSd/-
(SUGANDHA KUKREJA)
Company SecretarySd/-
(JATIN DAHIYA)
Executive DirectorSd/-
(NAVEEN CHOPRA)
Managing DirectorAs per our separate report of even date
For **HARI S. & ASSOCIATES**
Chartered Accountants
Firm Registration No. 007709N
ICAI UDIN 21523735AAAAKA4541Sd/-
(KAPIL VOHRA)
Partner
Membership No. 523735Place: Chandigarh
Date: May 21, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A. Equity Share Capital

(Rs. in Lacs)

Balance as at 1.04.2020	2710.48	Changes in equity share capital during the year	396.38*	Balance as at 31.03.2021	3106.86
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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 1.4.2020	3683.24	101.50	4443.13	46.36	(3903.90)	267.51	(300.11)	4337.73
Total Comprehensive Income for the year	-	-	-	-	823.67	(267.51)	147.41	703.57
Depreciation net of adj.	(43.24)	-	-	-	43.24	-	-	-
Other Reserves	-	-	-	(46.36)	-	-	-	(46.36)
Adj. in respect of Assets sold/ discarded	(17.32)	-	-	-	-	-	-	(17.32)
Debenture Redemption Reserve	-	(101.50)	-	-	101.50	-	-	-
Share Forfeited Reserve	3.62	-	-	-	-	-	-	3.62
Securities Premium Reserve	-	-	1575.20	-	-	-	-	1575.20
Balance as at 31.3.2021	3626.30	-	6018.33	-	(2935.49)	-	(152.70)	6556.44

* Company has allotted 40,00,000 Sweat Equity Shares of Rs 10/- each at premium of Rs 39.38 each to Shri Naveen Chopra, Managing Director of the company and has Forfeited 72,152 Shares of Rs 10/- each having forfeited value of Rs 3.62 lac in meeting of Board of Directors of the company held on 3rd Feb, 2021.

Sd/-
(ARUN KUMAR KAUSHAL)
Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
Company Secretary

Sd/-
(JATIN DAHIYA)
Executive Director

Sd/-
(NAVEEN CHOPRA)
Managing Director

As per our separate report of even date
For **HARI S. & ASSOCIATES**
Chartered Accountants
Firm Registration No. 007709N
ICAI UDIN 21523735AAAAKA4541

Sd/-
(KAPIL VOHRA)
Partner

Membership No. 523735

Place: Chandigarh
Date: May 21, 2021

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**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.

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 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 AND EQUIPMENT

(Rs. in Lacs)

TANGIBLE ASSETS	GROSS BLOCK (At Cost)					DEPRECIATION				NET BLOCK	
	As at 1.04.2020	Transferred from WIP	Additions	Sales/ Adjustments	As at 31.03.2021	Up to 31.03.2020	For 2020-21	Adjustments	Up to 31.03.2021	As at 31.03.2021	As at 31.03.2020
Land & Site Development	3095.11	-	-	-	3095.11	-	-	-	-	3095.11	3095.11
Buildings	1029.40	3.76	-	66.58	966.58	394.54	17.10	29.92	381.72	584.86	634.86
Factory Building	2566.64	0.17	-	-	2566.81	1785.35	88.11	-	1873.46	693.35	781.29
Tube well	46.34	-	-	-	46.34	40.35	1.22	-	41.57	4.77	5.99
Plant & Machinery	33438.60	62.81	2.99	97.61	33406.79	21355.87	1393.33	92.54	22656.66	10750.13	12082.73
Electric Installation	21.58	-	-	-	21.58	18.88	0.22	-	19.10	2.48	2.70
Railway Siding	42.80	85.34	-	-	128.14	33.14	4.74	-	37.88	90.26	9.66
Lab Instruments	55.18	-	-	-	55.18	27.76	3.02	-	30.78	24.40	27.42
Office Equipment	117.78	-	25.66	-	143.44	91.40	6.17	-	97.57	45.87	26.38
Furniture, Fixtures	80.23	-	6.85	-	87.08	67.28	1.72	-	69.00	18.08	12.95
Computers	149.27	-	8.83	-	158.10	132.24	13.26	-	145.50	12.60	17.03
Vehicles	142.04	249.94	19.62	-	411.60	96.96	20.68	-	117.64	293.96	45.08
Total	40784.97	402.02	63.95	164.19	41086.75	24043.77	1549.57	122.46	25470.88	15615.87	16741.20
Previous Year	36039.26	8942.16	124.95	4321.40	40784.97	27135.01	981.79	4073.03	24043.77	16741.20	8904.25

(Rs. in Lacs)

INTANGIBLE ASSETS	GROSS BLOCK (At Cost)					DEPRECIATION				NET BLOCK	
	As at 1.04.2020	Adjustments from WIP	Additions	Sales/ Adjustments	As at 31.03.2021	Up to 31.03.2020	For 2020-21	Adjustments	Up to 31.03.2021	As at 31.03.2021	As at 31.03.2020
ERP Software	26.61	3.80	-	-	30.41	15.16	5.85	-	21.01	9.40	11.45
Total	26.61	3.80	-	-	30.41	15.16	5.85	-	21.01	9.40	11.45
Previous Year	21.70	4.91	-	-	26.61	9.69	5.47	-	15.16	11.45	12.01

- 3.1 Depreciation for the year 2020-21 includes Rs.43.24 lakhs (Previous year Rs. 45.75 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 include 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.

NOTE NO. 4: CAPITAL WORK IN PROGRESS

(Rs. in Lacs)

Particulars	Cost as at 01.04.2020	Additions / Adjustments	Transfer to Fixed Assets	Adjustments	Cost as at 31.03.2021
Buildings	46.48	334.94	3.93	-	377.49
Plant & Machinery	1404.32	1758.50	148.15	10.66	3004.01
Vehicles	-	324.33	249.94	-	74.39
ERP Software	2.50	3.80	3.80	-	2.50
Total	1453.30	2421.57	405.82	10.66	3458.39
Previous Year	1648.73	9123.36	8947.07	371.72	1453.30

NOTE NO. 5: NON CURRENT-FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. in Lacs)

Particulars		As at 31.03.2021	As at 31.03.2020
Considered Good except where provided for			
Secured	-	-	-
Unsecured	726.86	731.09	731.09
		726.86	731.09
Less: Provision for Doubtful Debts (Debtors over 180 days including legal cases)		726.86	731.09
		-	-

NOTE NO. 6: NON CURRENT-FINANCIAL ASSETS - OTHERS

(Rs. in Lacs)

Particulars	As at 31.03.2021	As at 31.03.2020
Long Term Loans and Advances (Unsecured, Considered Goods unless otherwise stated)		
Security Deposits	594.64	590.53
	594.64	590.53

NOTE NO. 7: DEFERRED TAX LIABILITIES/ASSETS (NET)

(Rs. in Lacs)

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Tax Assets	879.62	1479.33
Deferred Tax Liabilities	1419.82	1166.95
Deferred Tax (Liabilities)/Assets (Net)	(540.20)	312.38

NOTE NO. 8: OTHER NON CURRENT ASSETS

(Rs. in Lacs)

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Expenditure:		
As per last balance sheet	395.24	722.13
Addition during the year	-	3.30
	395.24	725.43
Less: Amortized during the year	176.46	330.19
Closing Balance	218.78	395.24
	218.78	395.24

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

NOTE NO. 9: INVENTORIES

(Rs. in Lacs)

Particulars	As at 31.03.2021	As at 31.03.2020
Raw Materials	216.66	290.81
Stock in process	25.43	37.51
Finished goods	161.66	216.12
Stores, Spares and consumables	220.44	242.51
	624.19	786.95

NOTE NO. 10: CURRENT-FINANCIAL ASSETS - TRADE RECEIVABLES

(Rs. in Lacs)

Particulars	As at 31.03.2021	As at 31.03.2020
Considered Goods except where provided for:		
Secured	266.61	22.98
Unsecured	1357.05	543.54
	1623.66	566.52

NOTE NO. 11: CURRENT-FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(Rs. in Lacs)

Particulars	As at 31.03.2021	As at 31.03.2020
Cash in hand	3.03	12.51
Cheques in hand	-	16.01
Balance with Scheduled Banks		
Current Account	306.77	467.79
Cash Credit Account	12.12	48.12
Fixed Deposits	440.33	330.88
	759.22	846.79
	762.25	875.31

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 months or less.

NOTE NO. 12: CURRENT-FINANCIAL ASSETS - OTHER BANK BALANCES

(Rs. in Lacs)

Particulars	As at 31.03.2021	As at 31.03.2020
Bank Deposits with original maturity greater than 3 months including margin money for letters of credit and bank guarantees.	36.89	361.07
	36.89	361.07

NOTE NO. 13: CURRENT-FINANCIAL ASSETS - LOAN

(Rs. in Lacs)

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured, Considered goods		
Loans to employees		
Loans Receivables considered good - Unsecured	-	0.57
Advances to employees	8.98	12.37
	8.98	12.94

NOTE NO. 14: CURRENT-FINANCIAL ASSETS – OTHERS

(Rs. in Lacs)

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured, Considered goods unless otherwise stated		
Suppliers/Service Providers	1313.04	592.01
Less: Provision for doubtful debts (Others)	560.86	549.33
	752.18	42.68

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.546.85 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.11.53 lacs (previous year Rs.21.44 lacs) has been provided as doubtful debt during the current year.

NOTE NO. 15: OTHER CURRENT ASSETS

(Rs. in Lacs)

Particulars	As at 31.03.2021	As at 31.03.2020
Advance Tax paid	-	220.50
Prepaid expenses	51.94	42.94
Excise Claim recoverable	-	-
Income Tax recoverable	20.88	158.51
Insurance Claim recoverable	7.06	6.76
Other recoverable	39.81	170.93
Income tax claimable	5.26	13.28
GST recoverable	731.70	-
Advance against water charges	8.07	8.07
	864.72	620.99

NOTE NO. 16: EQUITY SHARE CAPITAL

(Rs. in Lacs)

Particulars	As at 31.03.2021	As at 31.03.2020
Authorised 400,00,000 Equity Shares of Rs. 10/- each (Previous year 400,00,000 Equity Shares)	4000.00	4000.00
Issued 311,43,146 Equity Shares of Rs. 10/- each (Previous year 271,43,146 Equity Shares)	3114.31	2714.31
Subscribed 311,40,796 Equity Shares of Rs. 10/- each fully called up (Previous year 271,40,796 Equity Shares)	3114.08	2714.08
Paid Up 310,68,644 Equity Shares of Rs. 10/- each fully called up (Previous year 271,40,796 Equity Shares)	3106.86	2714.08
Less: Allotment Money unpaid	-	3.60
	3106.86	2710.48

16.1: Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31.03.2021		As at 31.03.2020	
	No. of shares held	% age	No. of shares held	% age
Punjab State Industrial Development Corporation Limited (PSIDC)*	-	-	9090000	33.49
Flowtech Industrial Projects Pvt. Ltd	1772032	5.70	1650646	6.08
Parerna Ahlawat	1975063	6.36	7400363	2.73
Jagbir Singh Ahlawat	3100020	9.98	-	-
Sukhbir Singh Dahiya	3505264	11.28	1035264	3.81
Naveen Chopra **	4000000	12.87	-	-

*PSIDC has tendered the equity shares held by them under the Open Offer and also sold certain shares in the open market. Post such sale of shares by PSIDC, they ceased to be the shareholder of the Company. On completion of open offer, the Acquirers became the Promoters of our company and has acquired control over the board and management w.e.f. 20th October 2020. The company is in the process of Re-classification of PSIDC from "Promoter Category" to "Public Category".

**The Board of Directors in their meeting held on 3rd February, 2021 has allotted 40,00,000 Sweat Equity Shares to Shri Naveen Chopra, Managing Director of the company.

NOTE NO. 17: OTHER EQUITY

(Rs. in Lacs)

Particulars		As at 31.03.2021	As at 31.03.2020
Capital Reserve			
Land Subsidy		5.49	5.49
Shares Forfeited Reserve Account		10.65	7.03
Revaluation Reserve			
As per last balance sheet	3670.72		3774.09
Less: Adjusted in respect of Assets sold/ discarded	17.32		57.62
Less: Depreciation	43.24		45.75
		3610.16	3670.72
Securities Premium			
As per last Balance Sheet	4443.13		4443.13
Add: Addition during the year	1575.20		-
		6018.33	4443.13
Other Reserve			
Differential discounted value of Debentures		-	46.36
Other Comprehensive Income			
As per last Balance Sheet	(32.60)		131.94
Add: Addition during the year	(120.10)		(164.54)
		(152.70)	(32.60)
Debenture Redemption Reserve			
		-	101.50
Profit and Loss Statement			
As per last Balance Sheet	(3903.90)		(4830.12)
Add: Debenture Redemption Reserve	101.50		-
Add: Depreciation on revalued assets	43.24		45.75
Add: Transferred from Profit and Loss Statement	823.67		880.47
		(2935.49)	(3903.90)
		6556.44	4337.73

NOTE NO. 18: NON CURRENT-FINANCIAL LIABILITIES- BORROWINGS

(Rs. in Lacs)

Particulars	As at 31.03.2021	As at 31.03.2020
Term Loan		
Kotak Mahindra Bank Ltd. Vehicle Loan (Secured by way of hypothecation of vehicles)	63.04	-
Debentures		
Secured Redeemable Non-Convertible Debentures of Rs.100/- each		
IDBI Bank Limited – Nil (Previous Year 2,90,000) 10% Debentures- (Redeemable at par in six equal monthly installments from 1st July, 2020)	-	266.00
IFCI Limited – Nil (Previous Year 50,000) 10% Debentures- (Redeemable at par in six equal monthly installments from 1st July, 2020)	-	45.86
LIC of India – Nil (Previous Year 30,000) 10% Debentures- (Redeemable at par in six equal monthly installments from 1st July, 2020)	-	27.52
PNB – Nil (Previous Year 18,000) 10% Debentures- (Redeemable at par in six equal monthly installments from 1st July, 2020)	-	16.51
PSB – Nil (Previous Year 18,000) 10% Debentures- (Redeemable at par in six equal monthly installments from 1st July, 2020)	-	16.51
Secured Fully Convertible Debentures of Rs.100/- each		
IDBI Bank Limited – Nil (Previous Year 19,75,000) 10% Debentures- (Convertible into equity share of the Company on 1st July, 2020)	-	1775.11
IFCI Limited – Nil (Previous Year 3,44,000) 10% Debentures- (Convertible into equity share of the Company on 1st July, 2020)	-	309.18
LIC of India – Nil (Previous Year 2,07,000) 10% Debentures- (Convertible into equity share of the Company on 1st July, 2020)	-	186.05
PNB – Nil (Previous Year 1,23,200) 10% Debentures- (Convertible into equity share of the Company on 1st July, 2020)	-	110.73
PSB – Nil (Previous Year 1,20,000) 10% Debentures- (Convertible into equity share of the Company on 1st July, 2020)	-	107.86
	63.04	2861.33
Less: Short term maturity of Term loan/FCDs & NCDs within 1 year transferred to Short term borrowing.	20.30	2861.33
	42.74	-

18.1 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.

18.2 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, 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.

18.3 The redemption of Non- Convertible Debentures (NCD) was due from 1st July 2020 in six monthly installments. The redemption of NCD was made on 1st July 2020 in one installment .The redemption date of Fully Convertible Debentures (FCD) was rescheduled by Debenture Holders from 1st July 2020 to 1st January 2021.The redemption of FCDs was got done before due date. As per decision of JLM of Debenture holders/lenders held on 28.04.2021 CDR may deemed to be considered as exited as company has made all payments as per terms of CDR and NDC had already been issued by all lenders.

NOTE NO. 19: NON CURRENT – PROVISIONS

(Rs. in Lacs)

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for Employee Benefits		
Gratuity	504.13	579.16
Leave Encashment	825.38	903.26
	1329.51	1482.42

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 31.03.2021	As at 31.03.2020
Debentures (FCDs & NCDs)/Vehicle Loan		
Short term maturity of Vehicle/Debentures loan within 1year–Refer Note No.18	20.30	2861.33
Working Capital Loans (Secured)		
Punjab National Bank	-	0.01
Other Loans and Advances (Unsecured)		
Advances from Customers	221.81	300.21
	242.11	3161.55

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 31.03.2021	As at 31.03.2020
Creditors		
MSME	210.08	235.33
Others	2553.65	2875.41
	2763.73	3110.74

21.1 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 31.03.2021	As at 31.03.2020
Other Liabilities		
Statutory Liabilities	1310.97	274.75
Expense payable	3608.76	6087.77
Other Liabilities	4704.27	1088.58
Interest accrued but not due	0.51	71.84
	9624.51	7522.94

22.1 Expense payable includes Rs.2721.11 lacs (previous year Rs.5596.54 lacs) payable to PSPCL towards power bills and interest on ACD.

NOTE NO. 23: CURRENT-PROVISIONS

(Rs. in Lacs)

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for Employee Benefits		
Leave Encashment	26.41	147.14
Bonus	6.72	7.37
Provision for taxation	330.72	290.19
	363.85	444.70

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 31.03.2021	As at 31.03.2020
a) Letters of Credit Outstanding	-	29.62
b) Bank Guarantees given by Company	167.74	57.21
c) Estimated amounts of contracts remaining to be executed on capital account and not provided for	1211.63	939.51
d) Additional Liability on account of Income Tax Assessments for the Past Assessment Years (which are pending), is unascertainable.	4.25	-

NOTE NO. 25: REVENUE

(Rs. in Lacs)

Particulars	2020-21	2019-20
Revenue from sale of goods	22634.78	29038.87
	22634.78	29038.87
Other Income:		
Interest received	29.03	129.55
Scrap Sales	214.91	123.60
Misc. Income	1413.20	693.75
Excess Provision written back	3759.29	65.90
Profit on sale of fixed assets	92.24	1037.96
	5508.67	2050.76

25.1 The Company had deferred the power bills for 3 months in 2015-16 and has provided for surcharge and late payment fee on these deferred power bills as per the rules & regulations of the PSPCL. However, PSPCL announced OTS Scheme for the payment of deferred bills in installments and provided major concessions on the late payment fee & surcharge. The Company applied for the OTS Scheme and started making payment as per the Scheme sanctioned by PSPCL. During the current financial year, the Company has written back the excess provision made of Rs.3702.54 lacs after receiving confirmation from PSPCL, vide Memo No. 337 dated 12.4.2021, to the effect that there is no outstanding amount due from PAcl w.r.t. deferred power bills and interest thereon.

NOTE NO. 26: COST OF MATERIALS CONSUMED

(Rs. in Lacs)

Particulars	2020-21	2019-20
Salt	3752.19	4514.82
Soda Ash	61.61	49.39
Barium Carbonate	157.12	234.60
Sulphuric Acid	119.24	130.85
Others	147.68	142.47
	4237.84	5072.13

NOTE NO. 27: CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK-IN-PROCESS

(Rs. in Lacs)

Particulars	2020-21	2019-20
Closing Stocks		
Finished Goods	161.66	216.12
Stock in Process	25.43	37.51
	187.09	253.63
Less: Opening Stocks		
Finished Goods	216.12	19.49
Stock in Process	37.51	41.25
	253.63	60.74
Increase/(Decrease) in Stock	(66.54)	192.89

NOTE NO. 28: MANUFACTURING EXPENSES

(Rs. in Lacs)

Particulars	2020-21	2019-20
Power, Fuel & Utilities	12555.48	15576.17
Stores & Spares consumed	356.88	556.08
	12912.36	16132.25

NOTE NO. 29: EMPLOYEE BENEFITS EXPENSE

(Rs. in Lacs)

Particulars	2020-21	2019-20
Salaries, Wages & Bonus	1774.27	2792.96
Contribution to Provident, Superannuation & Gratuity funds	275.05	368.87
Staff Welfare, Recruitment & Training Expenses	215.20	275.40
	2264.52	3437.23

NOTE NO. 30: FINANCE COST

(Rs. in Lacs)

Particulars	2020-21	2019-20
Interest and Charges:		
Debentures	198.80	318.39
Cash Credit	36.76	10.14
Monitoring Fee	5.00	-
ACD	159.06	107.13
Security Deposits/Others	134.73	80.97
	534.35	516.63

NOTE NO. 31: OTHER EXPENSES

(Rs. in Lacs)

Particulars		2020-21	2019-20
Labour Charges		168.12	165.99
Railway Siding Operations		7.94	6.42
Repair & Maintenance			
Plant & Machinery	132.14		233.48
Building	44.21		91.17
Others	21.14		17.38
		197.49	342.03
Director's Remuneration		2867.79	37.43
Board Meeting Expenses		21.63	5.12
Travelling & Conveyance			
Directors	8.86		1.89
Others	60.76		55.12
		69.62	57.01
Statutory Auditors Remuneration			
Audit Fees	1.20		1.00
Tax Audit Fees	0.15		0.15
Other Services	0.22		0.46
Out of Pocket Expenses	-		-
		1.57	1.61
Legal & Professional Charges		45.39	36.46
Insurance		68.82	66.21
Printing & Stationery		10.30	11.28
Postage & Telephone		17.35	15.55
Electricity & Water Charges		6.43	7.93
Rent, Rates & Taxes		64.87	55.98
Pollution Control Expenses		42.20	35.74
Miscellaneous Expenses		72.52	58.55
Loss on sale of Assets		-	8.55
Loss on insurance claim		-	14.60
Doubtful Debts Others		11.53	21.44
Advertisement		3.55	2.36
Freight, Cartage & Handling		230.92	955.30
Business Promotion		8.62	6.21
Discounts & Commission		375.94	610.94
Chlorine disposal charges		28.75	432.56
Bad debts		-	34.27
Provision for doubtful debts		0.79	-
		4322.14	2989.54

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.617.75 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:

(Rs. in Lacs)

Particulars	As at 31 st March, 2021	
	Deferred Tax Assets	Deferred Tax Liabilities
Timing difference on:		
Fixed Assets	-	1419.82
Provision for Gratuity	189.73	-
Provision for Leave Encashment	248.04	-
Provision for Bonus	1.96	-
C/F Losses and Depreciation	439.89	-
	879.62	1419.82
Net Deferred Tax Liabilities	540.20	

NOTE NO. 35: Employee Defined Benefits:

Defined Benefit Plans-as per Actuarial Valuation as on 31st March, 2021:

(Rs. in Lacs)

Particulars	Leave Encashment	Gratuity
Expense Recognised in the Profit & Loss Statement for the year	(35.83)	97.96
Present Value of Defined Benefit Obligation as at 31 st March, 2021	851.79	1336.38
Funding of Plan Assets as a percentage of total Plan	Unfunded	62% with LIC
Actuarial Assumptions		
- Discount Rate	6.85%	6.85%
- Expected rate of return on Plan Assets	-	6.85%
- In-service Mortality	Indian Assured Lives (2012-14)	Indian Assured Lives (2012-14)
- Attrition Rate	1% to 2%	1% to 2%
- Salary Rise	6.0%	6.0%
- Remaining Working life	12.3Years	12.3Years

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.2006.97 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 spent CSR amount of Rs.42.55 lacs in pursuance of CSR Policy during the year 2020-21.

NOTE NO. 37: Related Party Disclosures:

- a) Names of related Parties and description of relationships, having transactions during the year
- 1) **Significant Interest Entities:** NA
 - 2) **Key Managerial Personnel**
 - Shri Naveen Chopra, Director (w.e.f. 28.5.2019) and Managing Director (w.e.f. 29.10.2020)
 - Shri Ajay Pal Singh, Chief Financial Officer (upto 30.06.2020)
 - Shri Arun Kumar Kaushal, Chief Financial Officer (w.e.f. 01.07.2020)
 - Smt. Sugandha Kukreja, Company Secretary

3) Related Parties where Common Director

- M/s Flowtech Chemicals Pvt. Ltd
- M/s Prayag Chemicals Pvt. Ltd.
- M/s V S Polymers P Ltd.

b) Volume of transaction with related parties

(Rs. in Lacs)

	2020-21	2019-20
Remuneration (Key Managerial Personnel)		
- Shri Naveen Chopra, Director (w.e.f. 28.5.2019 & MD w.e.f. 29.10.2020)	2867.79*	37.43
- Shri Ajay Pal Singh, Chief Financial Officer(up to 30.06.2020)	3.25	12.85
- Shri Arun Kumar Kaushal, Chief Financial Officer (w.e.f. 01.07.2020)	10.52	-
- Smt. Sugandha Kukreja, Company Secretary	14.80	11.05

*The remuneration includes issue of sweat equity shares of Rs. 1975.20 lacs(including premium) and tax liability of Rs. 844.28 lacs thereon borne by the company.

Party Name	Transaction	Amount in Lacs
Flow Tech Chemicals Pvt Ltd.	Sale of Liquid Chlorine, Neutralization Charges, Lease Rent & Purchase of HCL	951.38
Prayag Chem Pvt Ltd.	Sale of Liquid Chlorine	213.60
V S Polymers P Ltd.	Sale of Liquid Chlorine & Caustic Soda Lye	337.18

NOTE NO. 38: A total of 2441 chlorine tonners (including rented tonners) and 2 Chlorine Cylinders of 900 Kg. and 100 Kg. each respectively, were in circulation with various customers as returnable empties, as on 31.3.2021.

NOTE NO. 39: Based on the information available with the Company, an amount of Rs.210.08 lacs is due to the MSME as defined under 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 re-grouped/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

(Rs. in Lacs)

Item	Unit of Qty.	2020-21		2019-20	
		Qty.	Value (Rs.)	Qty.	Value (Rs.)
Salt (NaCl)	MT	133947	3752.19	144126	4514.82
Soda Ash	MT	278	61.61	204	49.39
Barium Carbonate	MT	464	157.12	689	234.60
Sulphuric Acid	MT	1591	119.24	1831	130.85
Others			147.68		142.47
Total			4237.84		5072.13

ii) DETAILS REGARDING IMPORTED AND INDIGENOUS MATERIAL CONSUMED

(Rs. in Lacs)

Item	Imported Value (%)	Indigenous Value (%)	Total Value
Raw Materials and Chemicals	16.91 (0.40%)	4220.93 (99.60%)	4237.84
	[0.00 (0.00%)]	[5072.13 (100%)]	[5072.13]
Stores and Spares	4.88 (1.37%)	351.85 (98.63%)	356.73
	[40.73 (7.32%)]	[515.35 (92.68%)]	[556.08]
Previous year figures are in brackets.			

iii) VALUE OF IMPORTS (CIF BASIS)

(Rs. in Lacs)

Particulars	2020-21	2019-20
Raw Materials	-	-
Stores and Spares, Plant and Membranes	-	5.04
Total	-	5.04

iv) PARTICULARS OF PAYMENT MADE TO OR ON BEHALF OF THE DIRECTORS: Nil**v) EXPENDITURE IN FOREIGN CURRENCY:**

(Rs. in Lacs)

Particulars	2020-21	2019-20
Raw Materials	-	-
Stores and Spares, Plant, etc.	-	162.44
Total	-	162.44

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

Sd/-
(ARUN KUMAR KAUSHAL)
Chief Financial Officer

Sd/-
(SUGANDHA KUKREJA)
Company Secretary

Sd/-
(JATIN DAHIYA)
Executive Director

Sd/-
(NAVEEN CHOPRA)
Managing Director

As per our separate report of even date
For HARI S. & ASSOCIATES
Chartered Accountants
Firm Registration No. 007709N
ICAI UDIN 21523735AAAAKA4541
Sd/-
(KAPIL VOHRA)
Partner
Membership No. 523735

Place: Chandigarh
Date: May 21, 2021



pacl

Punjab Alkalies & Chemicals Limited

REGISTERED OFFICE

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

CIN L24119CH1975PLC003607

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