

Punjab Alkalies & Chemicals Limited

NOTICE

Notice is hereby given that the **41st Annual General Meeting** of the Members of **Punjab Alkalies & Chemicals Limited** will be held in **Tagore Theatre, Sector 18, Chandigarh** on **Thursday, the 29th September, 2016** at **10.00 hours** to transact the following business:-

As Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2016 and the Profit and Loss Statement for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Anirudh Tewari (DIN: 02682553) who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of Auditors and to fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Sections 139(1) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013 and the applicable provisions of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of M/s. S. Tandon & Associates, Chartered Accountants, Chandigarh (Firm Registration No. 006388N) and M/s. A.K. Sood & Associates, Chartered Accountants, Chandigarh (Firm Registration No. 000072N), as the Auditors of the Company to hold office from the conclusion of the 41st Annual General Meeting until the conclusion of the 42nd Annual General Meeting to be held in the year 2017, be and is hereby ratified and that their remuneration be fixed by the Board of Directors of the Company."

As Special Business

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED that Smt. Indu Malhotra, IAS (DIN: 02986786), who was appointed an Additional Director of the Company by the Board of Directors and who ceases to hold office under Section 161(1) of the Companies Act, 2013 on the date of this Annual General Meeting and in respect of whom the Company has received notice in writing from a member pursuant to Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director, be and is hereby appointed a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."
5. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable provisions of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval be and is hereby accorded to the appointment of M/s. J.K. Kabra & Co., Cost Accountants as the Cost Auditors of the Company, for conducting an audit of the Cost Accounting Records of the Company in respect of Organic and Inorganic Chemicals for the financial year 2016-17 at a remuneration of Rs.22,500/- (Rupees Twenty Two Thousand and Five Hundred only) besides the reimbursement of out of pocket expenses.
RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be necessary to give effect to this resolution."
6. To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 42 & 62 and other applicable provisions of the Companies Act, 2013 and the relevant Rules and all other applicable Laws, Rules and Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, permissions, sanctions, consents and exemptions as may be necessary or as may be prescribed or pursuant to the conditions imposed while granting the same, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include a Committee of Directors) to offer, issue and allot 66,05,246 (Sixty Six Lacs Five Thousand Two Hundred Forty Six) fully paid up Equity Shares of the Company having face value of Rs.10/- each at a premium of Rs.12.95 per Share i.e. at a price of Rs. 22.95 (Rupees Twenty Two & paise Ninety Five only) per Equity Share to the following CDR Lenders ("Proposed Equity Shares Allottees") on a preferential basis upon conversion of a part of the outstanding terminal payment as on 1st April 2015 aggregating to Rs 42.86 crores and on such other terms and conditions as approved by the Corporate Debt Restructuring Empowered Group ("CDR EG") on 29th September, 2015 and conveyed to the Company vide Letter of Approval No. BY.CDR (VB) No. 432/2015-16 dated 29th October 2015 as amended by CDR EG on 22nd February, 2016 ("CDR LOA as amended") as under, which "CDR LOA as amended" from time to time, be and is hereby also approved:



S.No.	Name of Equity Shares Allottees (CDR Lenders)	No. of Shares to be allotted	Issue Price per share (in Rs.)	Amount of Debt being converted (Rs. in crores)	Total Amount of Debt (Rs. in crores)
1.	IDBI Limited	47,10,034	22.95	10.81	30.56
2.	IFCI Limited	8,19,718	22.95	1.88	5.32
3.	Life Insurance Corporation of India	4,93,323	22.95	1.13	3.20
4.	Punjab National Bank	2,95,144	22.95	0.68	1.92
5.	Punjab & Sind Bank	2,87,027	22.95	0.66	1.86
	Total	66,05,246		15.16	42.86

RESOLVED FURTHER THAT the new Equity Shares now being offered shall rank pari passu with the existing Equity Shares of the Company in all respects, save and except that these new Equity Shares will qualify for dividend, if any, only from the date of allotment on pro-rata basis.

RESOLVED FURTHER THAT the Relevant Date for the purpose of conversion of debt into Equity Shares of the Company shall be 29th September 2015 being the date on which such conversion is approved by the CDR-EG.

RESOLVED FURTHER THAT the Equity Shares to be so issued and allotted as above, shall be subject to the lock-in for a period of 1 (One) year from the date of trading approval as per the provisions of ICDR Regulations, as amended from time to time.

RESOLVED FURTHER THAT the Equity Shares to be so issued and allotted as above shall be listed and traded on all the stock exchanges on which the existing Shares of the Company are listed.

RESOLVED FURTHER that the Board of Directors of the Company (including a Committee thereof) be and is hereby authorised to do all acts, deeds and things as it may in its absolute discretion, deem necessary and desirable for such purpose, including without any limitation, issuing clarifications on the issue and allotment of the Equity Shares, resolving any difficulties, effecting any modification to the foregoing (including any modifications to the terms of the issue), preparing, signing and filing applications with the appropriate authorities/ Stock Exchanges/ SEBI etc. for obtaining requisite approvals, permissions, exemptions, etc. and liaising with the appropriate authorities to obtain the same, and entering into contracts, arrangements, agreements to give effect to this resolution."

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution: "RESOLVED THAT pursuant to the provisions of Sections 42, 62, 71 and other applicable provisions of the Companies Act, 2013 and the relevant Rules and all other applicable Laws, Rules and Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, permissions, sanctions, consents and exemptions as may be necessary or as may be prescribed or imposed while granting the same, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include a Committee of Directors) to create, offer, issue and allot 27,70,000 (Twenty Seven Lacs Seventy Thousand) Secured Fully Convertible Debentures (hereinafter referred to as "FCDs") of Rs.100/- (Rupees Hundred Only) at par each carrying a coupon rate equivalent to base rate of IDBI Bank Limited as on the cut off date i.e. 30.06.2015 i.e. 10% payable on six monthly basis to the following CDR Lenders (Proposed Allottees) by way of a Preferential Allotment, against the part conversion of outstanding terminal payment (as on 1st April 2015) of Rs 42.86 crores and on such other terms and conditions as approved by the Corporate Debt Restructuring Empowered Group ("CDR EG") on 29th September, 2015 and conveyed to the Company vide Letter of Approval No. BY.CDR (VB) No. 432/2015-16 dated 29th October 2015 as amended by CDR EG on 22nd February, 2016 ("CDR LOA as amended") as under:

S.No.	Name of Proposed Allottees (CDR Lenders)	No. of Fully Convertible Debentures	Issue Price per Debenture (in Rs.)	Amount of Debt being converted (Rs.in crores)	Total Amount of Debt (Rs.in crores)
1.	IDBI Limited	19,75,000	100	19.75	30.56
2.	IFCI Limited	3,44,000	100	3.44	5.32
3.	Life Insurance Corporation of India	2,07,000	100	2.07	3.20
4.	Punjab National Bank	1,24,000	100	1.24	1.92
5.	Punjab & Sind Bank	1,20,000	100	1.20	1.86
	Total	27,70,000		27.70	42.86

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RESOLVED FURTHER THAT the said FCDs shall be secured by way of creating Fresh charge on existing and future Plant & Machinery of Unit II (200 TPD Membrane Cell Caustic Soda Plant) or such other security(ies) as may be acceptable to the CDR Lenders and each such Debentures shall be converted into equity shares of the Company on 1st July, 2020, at price determined in accordance with SEBI ICDR Regulations, 2009 and PACL shall have the first right of refusal for redemption before conversion of these FCDs into Equity Shares.

RESOLVED FURTHER THAT in accordance with the provisions of SEBI ICDR Regulations the "Relevant Date" for the purpose of determining the pricing of the equity shares to be issued upon conversion of FCDs shall be 1st June, 2020 being the date 30 (Thirty) days prior to the date on which Debenture holders shall be entitled to apply for equity shares.

RESOLVED FURTHER THAT the equity shares to be issued and allotted upon conversion of FCDs shall be in dematerialised form and subject to the Memorandum and Articles of Association and shall rank pari passu with the existing Equity Shares of the Company in all respects, save and except that these new Equity Shares will qualify for dividend, if any, only from the date of allotment on pro-rata basis.

RESOLVED FURTHER THAT the Equity Shares to be issued upon conversion of FCDs, shall be subject to the lock-in for a period of 1 (One) year from the date of trading approval as per the provisions of ICDR Regulations, as amended from time to time.

RESOLVED FURTHER that the Board of Directors of the Company (including a Committee thereof) be and is hereby authorised to do all acts, deeds and things as it may in its absolute discretion, deem necessary and desirable for such purpose, including without any limitation, issuing clarifications on the issue and allotment of the Fully Convertible Debentures, resolving any difficulties, effecting any modification to the foregoing (including any modifications to the terms of the issue), preparing, signing and filing applications with the appropriate authorities/ Stock Exchanges/ SEBI etc. for obtaining requisite approvals, permissions, exemptions, etc. and liaising with the appropriate authorities to obtain the same, entering into contracts, arrangements, agreements to give effect to this resolution."

8. To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution:
 "RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions of the Companies Act, 2013 and the relevant Rules and all other applicable Laws, Rules and Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, permissions, sanctions, consents and exemptions as may be necessary or as may be prescribed or imposed while granting the same, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include a Committee of Directors) of the Company to create, offer, issue and allot 4,06,000 Secured Redeemable Non-Convertible Cumulative or Non Cumulative at the option of the CDR Lenders, Debentures of Rs.100/- each at par to the extent of Mark to Market Loss in respect of fresh Equity issued by PACL i.e. subject to an aggregate amount not exceeding Rs.4.06 crores to the following CDR Lenders ("Proposed Allottees") on a preferential basis upon conversion of a part of the outstanding terminal payment as on 1st April 2015 of Rs 42.86 crores and on such other terms and conditions as approved by the Corporate Debt Restructuring Empowered Group ("CDR EG") on 29th September, 2015 and conveyed to the Company vide Letter of Approval No. BY.CDR (VB) No. 432/2015-16 dated 29th October 2015 as amended by CDR EG on 22nd February, 2016 ("CDR LOA as amended") as under:

S.No.	Name of Proposed Allottees (CDR Lenders)	No. of Non Convertible Debentures	Issue Price per Debenture (in Rs.)	Total Amount (Rs. in crores)
1.	IDBI Limited	2,90,000	100	2.90
2.	IFCI Limited	50,000	100	0.50
3.	Life Insurance Corporation of India	30,000	100	0.30
4.	Punjab National Bank	18,000	100	0.18
5.	Punjab & Sind Bank	18,000	100	0.18
	Total	4,06,000		4.06

RESOLVED FURTHER THAT the said NCDs shall be secured by way of creating Fresh charge on existing and future Plant & Machinery of Unit II (200 TPD Membrane Cell Caustic Soda Plant) or such other security(ies) as may be acceptable to the CDR Lenders.

RESOLVED FURTHER that the Board of Directors of the Company (including a Committee thereof) be and is hereby authorised to do all acts, deeds and things as it may in its absolute discretion, deem necessary and desirable

(iii)



for such purpose, including without any limitation, issuing clarifications on the issue and allotment of the Non Convertible Debentures, resolving any difficulties, effecting any modification to the foregoing (including any modifications to the terms of the issue), preparing, signing and filing applications with the appropriate authorities/ Stock Exchanges/ SEBI etc. for obtaining requisite approvals, permissions, exemptions, etc. and liaisoning with the appropriate authorities to obtain the same, and entering into contracts, arrangements, agreements to give effect to this resolution."

9. To consider and, if thought fit, to pass with or without modifications, the following resolution as Special Resolution: "RESOLVED that the consent of the Company be and is hereby accorded in terms of section 180(1) (a) and/or other applicable provisions, if any, of the Companies Act, 2013 and relevant rules (including any statutory provision(s) and re-enactment thereof for the time being in force) to mortgaging and/or charging by the Board of Directors of the Company of all the immovable and moveable properties of the Company wheresoever situate, present or future, and the whole of the undertaking of the Company in favour of the Debenture holders or Debenture Trustees (to be appointed by the Board of Directors) or their Agents on such terms and conditions and as such time or times and in such form and manner as the Board of Directors may deem fit and as may be agreed between the Board of Directors and the Debenture holders and Debenture Trustees or their Agents to secure:

- (a) Fully Convertible Debentures of Rs.100/- each aggregating to Rs.27.70 crores; and
(b) Non-Convertible Debentures of Rs.100/- each aggregating to Rs.4.06 crores

proposed to be issued by the Company together with interest thereon, premia on repayment or on redemption, costs, charges, expenses and all other monies payable by Company to the Debenture Holders and/or Debenture Trustees or their Agents in terms of the Debenture Trust Deed/Trust Agreement/ Memorandum of Terms and Conditions to be entered into by the Company in respect of the said Debentures.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with the Debenture Holders and/or Debenture Trustees or their Agents, the Debenture Trust Deed(s)/Trust Agreement(s) and other documents and execute all such other deeds, documents and to do all such acts, deeds and things as may be necessary for giving effect to the above resolution"

Registered Office:
S.C.O.125-127,
Sector 17-B,
Chandigarh-160 017
CIN: L24119CH1975PLC003607
Dated: August 31, 2016

By Order of the Board of Directors
Sd/-
(PRADEEP NAUHARIA)
Company Secretary &
Sr. Gen. Manager (Co. Affairs)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY (BLANK FORM ENCLOSED) DULY STAMPED, COMPLETED AND SIGNED SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other Member.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of business at item Nos. 4 to 9 is annexed. The relevant details of the Directors proposed to be appointed/ re-appointed at the Annual General Meeting, as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, are also annexed.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 23rd September, 2016 to 29th September, 2016 (both days inclusive).
4. Members who have not yet paid the Allotment Money on their new equity shares are requested to remit the same together with interest thereon.
5. The unclaimed Dividends for the years 1989-90, 1990-91, 1991-92, 1992-93, 1993-94 and 1994-95 have been transferred to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Members who have not claimed their Dividends for the said years are requested to claim the same from the Registrar of Companies, Punjab, H.P. & Chandigarh, Corporate Bhawan, Plot No. 4-B, Sector 27-B, Madhya Marg, Chandigarh 160 019. The unclaimed Dividends for the years 1995-96 and 1996-97 have been transferred to

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the Investor Education and Protection Fund established by the Central Government in terms of Section 205A read with Section 205C of the Companies Act, 1956.

6. Members are requested to notify immediately changes, if any, in their registered address to the Company or its Registrars & Share Transfer Agents, M/s. Beetal Financial & Computer Services Private Limited, specifying full address in Block Capitals with PIN Code of the Post Office.
7. (a) Members who have not registered their e-mail address and changes, if any, in the same, with the Company for the purpose of receiving notices, documents, Annual Reports and other shareholders' communications, etc., electronically, by e-mail, are requested to register their latest e-mail address, with (i) the Company or its Registrars & Share Transfer Agents in case of shares held in Physical Mode and (ii) the Company or its Registrars & Share Transfer Agents and/or their Depository through their Depository Participant in case of shares held in Dematerialised Mode; and send the 'Form for Registering E-mail Address' available on the Company's Website www.punjabalkalies.com, duly completed and signed, to the Company or its Registrars & Share Transfer Agents.
- (b) The said documents (including the "CDR LOA as amended" from time to time for conversion of Debt into Equity referred to in the Resolutions Nos. 6 to 8 & Explanatory Statement in respect thereof), shall also be available on the Company's Website www.punjabalkalies.com and physical copies of the same will also be available for inspection at the Registered Office of the Company during business hours on any working day.
8. Members are requested to submit their Income Tax Permanent Account Number (PAN) details alongwith a self certified copy of their PAN Card to (a) the Company or its Registrars & Share Transfer Agents in case of shares held in Physical Mode and (b) their Depository through their Depository Participant in case of shares held in Dematerialised Mode; in view of the Securities and Exchange Board of India's mandate.
9. Members are requested to bring with them the attendance slip sent with the Annual Report duly completed and signed and hand it over at the entrance.
10. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
11. Members are requested to bring their copy of the Annual Report alongwith them to the Annual General Meeting.
12. The Company is by way of three separate Special Resolutions at Nos. 6 to 8, seeking the consent of the members to the Board of Directors to issue Equity Shares, Fully Convertible Debentures and Non Convertible Debentures on preferential basis to CDR Lenders viz. IDBI Bank Limited, IFCI Limited, Life Insurance Corporation of India, Punjab National Bank and Punjab & Sind Bank upon conversion of the last tranche of the O.T.S. Amount into the same pursuant to CDR LOA as amended from time to time.
The Remote E-Voting facilities are being provided to the members in respect of business to be transacted in the said meeting including the said three Special Resolutions. The said three resolutions should be construed to be Special Resolutions through Postal Ballot in view of Section 2 (65) of the Companies Act, 2013 which defines Postal Ballot to mean voting by post or through any electronic mode.
13. The Ballot and Remote E-Voting facilities are being provided to the Members in respect of the business to be transacted in the ensuing Annual General Meeting of the Company. The detailed process and instructions for Remote E-Voting are enclosed and the same form an integral part of this Notice.
14. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
15. **No Gift or Gift Coupon will be distributed at the Annual General Meeting.**

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

ITEM NO. 4

The Punjab State Industrial Development Corporation Limited (PSIDC) has under the provisions of Articles 129 (a) of the Articles of Association of the Company nominated Smt. Indu Malhotra, IAS, Managing Director, PSIDC as Director of the Board of Directors of the Company vide its letter dated 16th February, 2016. Accordingly, Smt. Indu Malhotra, IAS was appointed Additional Director of the Company with effect from 26th May, 2016 by the Board of Directors. Under the provisions of Section 161(1) of the Companies Act, 2013 she holds office as Director till the date of the ensuing Annual General Meeting. She is however eligible for reappointment.

The Company has received notice in writing from a Member pursuant to Section 160 of the Companies Act, 2013, signifying his intention to propose at the ensuing Annual General Meeting, the appointment of Smt. Indu Malhotra, IAS as Director.



Smt. Indu Malhotra, IAS has given declaration that she is not disqualified from being appointed as Director under Section 164 of the Companies Act, 2013 and has given her consent to act as Director.

The brief Profile of the said Director is given in the Annexure to this Notice.

The Directors recommend the Resolutions for the approval of the members.

None of the Directors, Key Managerial Personnel and their relatives, is in any way, concerned or interested in the Resolution set out at Item No. 4 of the Notice excepting Smt. Indu Malhotra, IAS.

ITEM NO. 5

The Board of Directors of the Company, on the recommendation of the Audit Committee, has, subject to the approval of the Shareholders, appointed M/s. J.K. Kabra & Co., Cost Accountants as Cost Auditors of the Company for conducting an audit of the Cost Accounting Records of the Company in respect of Organic and Inorganic Chemicals for the financial year 2016-17 at a remuneration of Rs.22,500/- (Rupees Twenty Two Thousand and Five Hundred only) besides the reimbursement of out of pocket expenses.

The approval of the members is sought for the said appointment and remuneration of M/s. J.K. Kabra & Co., Cost Accountants as Cost Auditors of the Company for conducting an audit of the Cost Accounting Records of the Company in respect of Organic and Inorganic Chemicals for the financial year 2016-17, pursuant to Section 148 and other applicable provisions of the Companies Act, 2013 and the applicable provisions of the Companies (Audit and Auditors) Rules, 2014.

The Directors recommend the Resolution for the approval of the members.

Copies of the relevant documents are available for inspection by the members at the Registered Office of the Company during business hours on any working day and will also be available at the meeting.

None of the Directors, Key Managerial Personnel and their relatives, is in any way, concerned or interested in the Resolution.

ITEM NOS.6 to 8:

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 had 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. As per the sanctioned OTS Scheme, the Company was to make the payment of final tranche on 1st April, 2015. The Company could not make payment of final tranche on due date. At the request of the Company, the CDR Empowered Group has on 29th September, 2015, Inter-alia, approved (as amended from time to time) the terms of the said terminal payment i.e. (i) The Outstanding (as on 1st April, 2015) amount 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 with a lock-in period of one year from the date of approval, (iii) The balance outstanding terminal OTS payment is to be converted into Fully Convertible Debentures (FCDs) and shall be converted into equity on 1st July, 2020, (iv) PACL shall issue Non Convertible Debentures (NCDs) to CDR Lenders to the extent of Mark to Market Loss in respect of fresh Equity issued by PACL; and these FCDs and NCDs shall bear a coupon rate equivalent to Base Rate of IDBI Bank as on cut off date i.e. 10% p.a. payable on the six monthly basis, which was conveyed to the Company vide CDR Letter No. BY.CDR (VB) No. 432/2015-16 dated 29th October 2015 as amended by CDR EG on 22nd February, 2016 ("CDR LOA as amended")

The Board of Directors at its meetings held on 9th November, 2015 and 26th May, 2016 had approved the said CDR LOA dated 29th October, 2015 and the Amendment, respectively (CDR LOA as amended).

Consequent to the aforesaid approval of the CDR Empowered Group, the Company is under an obligation to convert the outstanding (as on 1st April, 2015) amount of terminal payment which is Rs. 42.86 Crore into Equity Shares and Fully Convertible Debentures in the following manner and subject to the terms and conditions as provided under the CDR LOA as amended from time to time:

- a) Issue and Allotment of 66,05,246 Equity Shares of Rs.10/- each at a premium of Rs.12.95 per Share i.e. at a price of Rs. 22.95 per Equity Share which shall cover the 35.37% of the Outstanding Terminal Amount Payment (As on 1st April, 2015) and shall be allotted on Proportionate Basis to the CDR Lenders as provided under Resolution No. 6.
- b) Issue and Allotment of 27,70,000 Fully Convertible Debentures of Rs. 100/- each at par which shall cover the 64.63% of which outstanding terminal OTS amount payment (As on 1st April, 2015), which shall carry the coupon rate equivalent to the base rate IDBI Bank and shall be allotted on proportionate basis to the CDR Lenders as provided under Resolution No. 7.

1. The New Equity Shares now being offered shall rank pari passu with the existing Equity Shares of the Company in all respects, save and except that these new Equity Shares will qualify for dividend, if any, only from the date of allotment on pro-rata basis.
2. The Equity shares issued to CDR Lenders shall be in locked- in for a period of one year from the date of Trading Approval.

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The details of the issue and other particulars as required in terms of Regulation 73 (1) of SEBI (ICDR) Regulations, 2009 and the relevant Rules under the Companies Act, 2013 are as follows:

- a) **Objects of the Preferential Issue:** The object of the preferential issue is to comply with the Approval of the Corporate Debt Restructuring by allotment of equity shares, FCDs & NCDs of the Company to the CDR Lenders pursuant conversion of outstanding terminal payment into the same as envisaged in the CDR LOA.
- b) **Proposal of the Promoters, directors or key management personnel of the issuer to subscribe to the offer:** None of the promoters, directors or key management persons is either envisaged by CDR LOA or intends to subscribe to the proposed preferential issue of Shares and FCDs.
- c) **Change in control:** The contemplated issue and allotment of Equity shares shall not in any manner result in any change in control or management.
- d) **Shareholding Pattern before and after the preferential issue of Equity Shares:**

S. No.	Category of Shareholders	Pre Allotment		Post Allotment	
		No. of Shares	% of Paid Up Capital	No. of Shares	% of Paid Up Capital
A	Promoter & Promoter Group	9090000	44.26	9090000	33.49
B	Public Shareholding:				
	Bodies Corporate	2362589	11.50	2362589	8.71
	Financial Institutions/Banks	9400	0.05	6614646	24.37
	Mutual Funds	11700	0.06	11700	0.04
	NRIs	458679	2.23	458679	1.69
	Foreign Institutional Investors (FIIs)	3150	0.02	3150	0.01
	Overseas Body Corporate	20000	0.10	20000	0.07
	Trust	15800	0.07	15800	0.06
	Indian Public	8564232	41.71	8564232	31.56
	Total	20535550	100.00	27140796	100.00

The pre-allotment shareholding has been given on the basis of data available as on August 5, 2016.

As the conversion price of the Fully Convertible Debentures is to be ascertained in accordance with the provisions of SEBI (ICDR) Regulations 2009 and will be ascertained only at a date thirty days prior to the date on which holder of FCDs shall be entitled to apply for conversion of FCDs into equity shares i.e. 1st July, 2020, therefore it is not possible to calculate the post issue shareholding pattern after the conversion of FCDs into Equity Shares.

- e) **Time within which the preferential issue shall be completed:** The equity shares and FCDs's shall be allotted to the concerned allottees in accordance with and within the time limit specified under the SEBI ICDR Regulations, unless exempted.
- f) Identity of the proposed allottees, the percentage of post preferential issue capital that may be held by them and change in control:

Equity Shares

S. No.	Name of Allottees	No. of Shares to be allotted	% of Post Preferential Issue Capital	Amount of Debt being converted (Rs. in crores)	Total Amount of Debt (Rs. in crores)
1.	IDBI Limited	47,10,034	17.35	10.81	30.56
2.	IFCI Limited	8,19,718	3.02	1.88	5.32
3.	Life Insurance Corporation of India	4,93,323	1.82	1.13	3.20
4.	Punjab National Bank	2,95,144	1.09	0.68	1.92
5.	Punjab & Sind Bank	2,87,027	1.06	0.66	1.86
	Total	66,05,246	24.34	15.16	42.86



Fully Convertible Debentures

S.No.	Name of Proposed Allottees (CDR Lenders)	No. of Fully Convertible Debentures	Issue Price per Debenture (in Rs.)	Amount of Debt being converted (Rs.in crores)	Total Amount of Debt (Rs.in crores)
1.	IDBI Limited	19,75,000	100	19.75	30.56
2.	IFCI Limited	3,44,000	100	3.44	5.32
3.	Life Insurance Corporation of India	2,07,000	100	2.07	3.20
4.	Punjab National Bank	1,24,000	100	1.24	1.92
5.	Punjab & Sind Bank	1,20,000	100	1.20	1.86
	Total	27,70,000		27.70	42.86

The above does not envisage a change in control.

- g) Certificate from Statutory Auditors:** M/s. S. Tandon & Associates, Chartered Accountants and M/s. A.K. Sood & Associates, Chartered Accountants, have certified that the issue of Equity Share & Fully Convertible Debentures is being made in accordance with provision of SEBI ICDR Regulations. A copy of the said certificate is open for inspection by the members at the Registered Office of the Company during business hours on any working day and will also be available at the meeting.

Relevant Date & Pricing:

- (i) As per the terms of the approval of the CDR, conversion of Outstanding Terminal Payment into equity shares shall be at Rs. 22.95 per share.
- (ii) The Minimum Share Price as per the SEBI Price Formula with the Relevant Date as 30th August, 2016 i.e. the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue. In terms of Regulations 71 of SEBI ICDR Regulations in case of preferential issue of equity shares is Rs.15.65 per share.
- (iii) The Minimum Share Price as per SEBI Pricing Formula with the relevant date as 29.09.2015 i.e. the date of approval of the approval of the Corporate Debt Restructuring Cell Empowered Group, is Rs.19.09 per share.
- (iv) The price at which shares are proposed to be issued i.e. Rs. 22.95 per share is higher than the minimum prices indicated at (ii) & (iii) and therefore, the said price is in consonance with the SEBI (ICDR) Regulations.
- (v) The Conversion Price of the Fully Convertible Debentures is to be ascertained in accordance with the provisions of SEBI (ICDR) Regulations 2009 and will be ascertained only at a date thirty days prior to the date on which holder of FCDs shall be entitled to apply for conversion of FCDs into equity shares i.e 1st July, 2020.

- a) LOCK-IN PERIOD:** The Equity Securities allotted to the CDR Lenders shall be locked in for a period of 1 (one) year as per the provisions of ICDR Regulations.

Fully Convertible Debentures will be converted into Equity Shares on 1st July, 2020 and Equity Share allotted to the CDR Lenders upon conversion shall be locked in for a period of 1 (one) year as per the provisions of ICDR Regulations.

In terms of the "CDR LOA as amended" from time to time, the Company is also required to issue 4,06,000 Non Convertible Debentures of Rs.100/- each at par to CDR lenders to the extent of Mark to Market loss in respect of Fresh Equity issued by the Company and these NCDs shall bear a coupon rate equivalent to the base rate of IDBI Bank i.e. 10% and shall be repaid from 1st July, 2020 in 6 equal monthly installments.

Copies of all the relevant documents including "CDR LOA as amended" from time to time as referred to in the Resolution Nos. 6 to 8 and Explanatory Statement shall be available on the Company's Website www.punjabkalies.com and physical copies of the same will also be available for inspection by the members at the Registered Office of the Company during business hours on any working day and will also be available at the meeting.

The Remote E-Voting facilities are being provided to the members in respect of business to be transacted in the said meeting including the said three Special Resolutions. The said three resolutions should be construed to be Special Resolutions through Postal Ballot in view of Section 2 (65) of the Companies Act, 2013 which defines Postal Ballot to mean voting by post or through any electronic mode.

Your Directors recommend the Special Resolutions as set out at Item Nos. 6 to 8 for your approval.

None of the Directors and Key Managerial Personnel or their relatives is concerned in any way or interested in any manner in the aforesaid Resolutions.

Punjab Alkalies & Chemicals Limited

ITEM NO. 9

The Convertible Debentures and /or Non-Convertible Debentures proposed to be issued by the Company will have to be secured by a mortgage charge on the immovable and moveable properties of the Company, both present and future, as may be decided at the time of issue, in favour of the Debenture holders and/ or Debenture Trustees and/or their Agents.

Section 180(1) (a) of the Companies Act, 2013 provides, inter-alia, that the Board of Directors of a public company shall not, without the consent of such public company in general meeting, sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the company, or where the company owns more than one undertaking of the whole, or substantially the whole, of such undertaking.

Since the mortgaging/ charging by the Company of its immovable and moveable properties in favour of the Debenture holders and/ or Debenture Trustees may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 180(1) (a) of the Companies Act, 2013 before creation of said mortgage/charges.

The Directors recommend the Special Resolution for the approval of the members.

None of the Directors and Key Managerial Personnel or their relatives is concerned in any way or interested in any manner in the aforesaid Resolution.

Registered Office:
S.C.O.125-127,
Sector 17-B,
Chandigarh-160 017
CIN: L24119CH1975PLC003607
Dated: August 31, 2016

By Order of the Board of Directors
Sd/-
(PRADEEP NAUHARIA)
Company Secretary &
Sr. Gen. Manager (Co. Affairs)



ANNEXURE TO NOTICE

Details of the Directors proposed to be appointed/re-appointed at the 41st Annual General Meeting on 29th September, 2016
(Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

Name of the Director	Shri Anirudh Tewari, IAS, Chairman & Director	Smt. Indu Malhotra, IAS, Director
Date of Birth	2 nd April, 1967	29 th September, 1963
Date of Appointment	18 th May, 2015	26 th May, 2016
Qualifications	B.E. (Electronics), M.A. (Economics) Masters in International Development Policy	M.Sc.(Zoology), M.Phil., Ph.D.
Expertise in specific functional areas	Indian Administrative Service Officer- General Management and Administration	Indian Administrative Service Officer- General Management and Administration
Directorships of other Companies as on 12 th August, 2016	<u>Chairman & Director</u> Punjab Communications Limited Director Punjab State Container & Warehousing Corporation Limited Punjab Genco Limited Punjab State Industrial Development Corporation Limited Punjab Small Industries and Export Corporation Limited Punjab Information & Communication Technology Corporation Limited	<u>Chairman & Director</u> Indian Acrylics Limited Managing Director Punjab State Industrial Development Corporation Limited <u>Director</u> Patiala City Local Bus Services Limited Punjab Small Industries and Export Corporation Limited
Chairmanships/Memberships of the Committees of the Board of Companies as on 12 th August, 2016	-	-
Number of Equity Shares of the Company held	Nil	Nil

pacl Punjab Alkalies & Chemicals Limited

(CIN: L24119CH1975PLC003607)
Registered Office: SCO 125-127, Sector 17-B, Chandigarh - 160017
Form No. MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :	
Registered Address :	
E-mail Id :	
Folio No./ DP ID/ Client ID :	

I/We, being the member(s) holding _____ shares of the above named company, hereby appoint:

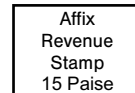
- Name: _____ Address: _____
E-mail Id : _____ Signature: _____, or failing him/ her
- Name: _____ Address: _____
E-mail Id : _____ Signature: _____, or failing him/ her
- Name: _____ Address: _____
E-mail Id : _____ Signature: _____

as my/our proxy to attend and vote (on a poll or otherwise) for me/us and on my/our behalf at the 41st Annual General Meeting of the company, to be held on Thursday, the 29th day of September, 2016 at 10.00 Hours in Tagore Theatre, Sector 18, Chandigarh and at any adjournment thereof in respect of the Resolutions indicated in the Notice dated 31st August, 2016 convening the said Annual General Meeting.

Signed this _____ day of _____, 2016.

Signature of Member(s)

Signature of Proxy holder(s)



- Notes:
- The Proxy need NOT be a Member.
 - This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
 - No Gift or Gift Coupon will be distributed at the Annual General Meeting.**