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

CHEMISTRY FOR PROSPERITY

49TH ANNUAL REPORT 2023-24

GENERAL INFORMATION

BOARD OF DIRECTORS
SHRI SUKHBIR SINGH DAHIYA, CHAIRMAN
SHRI NAVEEN CHOPRA, MANAGING DIRECTOR
SHRI JATIN DAHIYA, EXECUTIVE DIRECTOR
SHRI JAGBIR SINGH AHLAWAT, DIRECTOR
SHRI TILAK RAJ BAJALIA, INDEPENDENT DIRECTOR
SHRI KULDIP SINGH SUHAG, INDEPENDENT DIRECTOR
SHRI ASHOK GOYAL, INDEPENDENT DIRECTOR
MS. TEESTA SANDHU, INDEPENDENT DIRECTOR

COMPANY SECRETARY & CHIEF HR OFFICER
CS SUGANDHA KUKREJA

CHIEF FINANCIAL OFFICER
SHRI ARUN KUMAR KAUSHAL (TILL 30TH JUNE, 2024)
CA SUNIL PARSAD (FROM 1ST JULY, 2024)

BANKERS
HDFC BANK LIMITED
PUNJAB NATIONAL BANK
KOTAK MAHINDRA BANK LIMITED
AU SMALL FINANCE BANK LIMITED

AUDITORS
M/S. S. TANDON & ASSOCIATES LLP
CHARTERED ACCOUNTANTS,
COMPETENT HOUSE, C-157, PHASE-VII
INDUSTRIAL AREA, MOHALI-160 055
FIRM REGISTRATION NO. 006388N

INTERNAL AUDITORS
M/S. H.N. PARDHAN & CO.
CHARTERED ACCOUNTANTS,
I-1, FIRST FLOOR, KIRTI NAGAR
NEW DELHI-110 015
FIRM REGISTRATION NO. 02208N

COST AUDITORS
M/S. KABRA & ASSOCIATES
COST ACCOUNTANTS,
552/1B, ARJUN STREET
MAIN VISHWAS ROAD, VISHWAS NAGAR
DELHI- 110032

REGISTERED OFFICE
S.C.O. 125-127, SECTOR 17-B
CHANDIGARH-160 017
CIN L24119CH1975PLC003607

CORPORATE OFFICE
BAY NO.46-50, SECTOR-31A
CHANDIGARH-160 030

WORKS
NANGAL-UNA ROAD,
NAYA NANGAL-140 126
DISTT. ROPAR, PUNJAB

REGISTRARS & SHARE TRANSFER AGENTS
BEETAL FINANCIAL & COMPUTER
SERVICES PRIVATE LIMITED
BEETAL HOUSE, 3RD FLOOR, 99, MADANGIR
BEHIND LOCAL SHOPPING CENTRE
NEW DELHI - 110 062

AS YOU **FLIP...**

At Primo Chemicals, we have **navigated the complex landscape of the chemical industry** time and time again, backed by our expertise and experience in this business space.

Strategic agility and timely decision-making have remained the cornerstones of our success. We have envisioned, learnt, adapted, evolved, and thrived in a changing market, fortifying our position as a reputed, respected and responsible enterprise.

Consequence!

Our unwavering efforts towards achieving operational excellence and enhancing product quality has helped us **cement solid customer relationships and outperform the sectoral growth.**

But FY24 was different.

The economic slowdown in the West, subdued domestic consumption, dumping by large emerging economies, severely dented the progress of our sector.

We, too, were adversely impacted.

But we stayed resilient amid the unusual upheavals.

And adopted a

contrarian approach.

Being a maverick at heart and an astute strategist at the core, we defied conventional wisdom.

Instead of cutting costs and endeavouring to survive in the near term, we boldly executed our strategic blueprint to thrive over the long term.

Our strategy is best summed in **three words...**

chemistry for prosperity.

Fortifying our position

IN A YEAR THAT WAS RELENTLESS, WE CONTINUED TO FORTIFY OUR POSITION.

We completed the brownfield expansion of our Caustic Soda facility (300 TPD to 500 TPD), sharpening our competitive edge.

We commenced operations of our Stable Bleaching Powder facility (33,000 TPA), allowing us to establish a presence in the water treatment and aquaculture spaces.

We have recently commissioned a captive power plant to meet our internal energy requirements.

These facilities represent a pivotal moment for our business, positioning us as a leading producer of chemicals in India and a major market player, supported by our ambitious growth strategies.

Widening our horizon

IN A SUBDUED BUSINESS ENVIRONMENT, WHEN MOST REMAINED FOCUSED ON INCREASING SALES VOLUMES OF EXISTING PRODUCTS, WE DEPLOYED OUR ENERGY TO WIDEN OUR PRODUCT BASKET.

We achieved a significant milestone by receiving approval from the Punjab Pollution Control Board to launch 26 new products. This approval marks a crucial step in our commitment to environmental sustainability and regulatory compliance.

Our new SBP plant, Aluminium Chloride plant, and Caustic Soda Flakes facility are now operational. We anticipate that these investments will have a noticeable impact on our production capabilities and overall performance in the near future.

The expansions underscore our commitment to value-addition in our business operations and will catalyse our growth as the favourable tailwind winds orchestrate a sectoral rebound.

Strengthening the foundation

WHILE PEERS FOCUSED ON CUTTING COSTS TO TIDE OVER THE IMMEDIATE SECTORAL DULLNESS, WE STRATEGISED TO OPTIMISE OUR COST SHEET TO SUSTAIN OUR PODIUM POSITION OVER THE FORESEEABLE FUTURE.

Unlike some other businesses, energy is the vital ingredient in manufacturing Caustic Soda, accounting for nearly 65% of the manufacturing costs.

With industrialisation being a key priority of the incumbent Government, we understand that power costs will soar, resulting in pressure on business margins.

As a definitive risk mitigation strategy, we commissioned a 35 MW power generating facility to cater to 70% of our energy requirement (when all capacities are on stream).

To ensure the long-term sustainability of the power plant, we have secured a 10-year coal supply agreement with Northern Coalfields Limited, subsidiary of Coal India Limited. This agreement guarantees an annual supply of coal, providing a stable foundation for the plant's operations and contributing to improved financial performance.

The combined initiatives underscore our commitment to sustainable growth and strengthening our market position.

Making sustainability our bedrock

WE RECOGNISE OUR RESPONSIBILITY TO PROMOTE SUSTAINABLE DEVELOPMENT, AND HENCE, WE STRONGLY EMPHASISE MINIMISING OUR ENVIRONMENTAL IMPACT.

Embracing a resilient sustainability model, we focus on contemporary operating platform for aggresive waste water recycling in Plant.

Our Company is using 6th Generation Technology which is more energy efficient than our previous mercury technology. Our new facilities are designed to set new standards in operational effectiveness, incorporating industry-leading safety protocols and sustainable practices, such as solvent-free technology, reduced water usage and waste production, and a focus on clean and renewable energy sources.

We are exploring processes to recycle and reuse byproducts for transforming our waste into valuable resources to minimise environmental impact. By investing in a circular economy approach, we will reduce waste and create new revenue streams. This commitment to sustainability benefits the environment and strengthens our position as a responsible corporate citizen.

Going forward, we are optimistic about the many **opportunities on the horizon.**

MESSAGE FROM THE **CHAIRMAN**

India stands at an inflection point, offering vast opportunities in the chemical sector.

DEAR VALUED SHAREHOLDERS,

I hope you and your family are doing well. As we embark on a New Year, I am glad to report that we have emerged robust and adept from the previous year's challenging business environment. Our Company encountered a period of financial challenge. However, we took the opportunity to adjust and align our strategies and operating model with industry trends. In doing so, we are poised for a revival, guided by our focus on quality and sustainable growth.

A snapshot of our journey

In 2020, we assumed responsibility for marking a significant transition. Since then, we have adapted to the changes that have influenced our path. It has been a remarkable journey, marked by our entrepreneurial spirit and strategic vision. From the outset, we faced obstacles with determination, aiming to deliver value to all stakeholders through thoughtful and effective solutions.

In last year's annual report, we informed you about how successfully we had re-branded our company as 'Primo Chemicals Limited, reflecting our commitment to growth and our passion for providing specialised products and services to our valued customers. I'm thrilled to report that, this year, our brand has not only grown stronger but has also expanded its reach, marking a significant milestone in our journey.

Our transformation, thus, highlights our dedication to progress and excellence, demonstrating our resilience in the face of adversity while remaining steadfast in our commitment to quality and growth.

The backdrop

FY24 was unique in several ways. The Indian economy sustained its status as the fastest-growing major economy for a third year. However, the Indian chemical industry faced significant headwinds owing to plateaued progress and disturbed confidence in many advanced and large developing economies.

Further, crude oil prices and other raw materials increased significantly due to global supply chain disruptions squeezing profit margins for companies. Moreover, oversupply from China, destocking by customers and the channel, and enhanced capacities from domestic players resulted in significant price erosion, impacting business profitability.

Despite these trying times, we remained steadfast in progressing with our business strategies. Interestingly, by the end of the fiscal, we experienced a resurgence in market demand.

A promising future

In FY25 and beyond, we envision a better global economic outlook despite ongoing wars, which should translate into a rebound in prospects for the Indian chemical sector. Further, inflation across the globe is expected to stabilise at a reduced number, prompting central banks to consider interest rate cuts.

India is likely to remain in the global spotlight. With the current Government's recent re-election, ongoing progressive policies and initiatives are expected to continue. Investment activities should see further growth, supported by good government spending and healthy corporate and banking sector balance sheets, creating a favourable environment for renewed private investment. These factors are also expected to lead to increased global capital inflows, contributing to economic growth.

In light of prospects, a greater demand for Caustic Soda and other chemical products in the market is highly likely, considering the growing industrialisation in user sectors like paper, pulp, soap, aluminium, dyes, pigments, etc.

This development presents a significant opportunity to increase our market share, volumes, and profitability. Thus, our immediate focus is to explore opportunities in other chemistry for prosperity. For that, we are diversifying our portfolio, for which we have already received the necessary approvals from the Punjab Pollution Control Board.

We have successfully commissioned a 35 MW Captive Power Plant, which is now operational and generating electricity, marking a significant milestone in our journey towards energy self-sufficiency and reduced reliance on external power sources. This strategic investment will significantly sharpen our edge in an otherwise competitive sectoral landscape, resulting in a surge in profitability.

A concluding note

Going forward, we are optimistic about the many opportunities on the horizon. Our dedication to growth is mirrored by our resolve to remain agile, enabling us to adjust to the ever-evolving industry landscape swiftly. This flexibility ensures our ability to excel and maintain leadership in our sector.

In conclusion, I sincerely thank our stakeholders, including shareholders and investors, for their unwavering support. Our employees' dedication has been crucial in achieving our goals, and our Board members' guidance has been invaluable. Together, the Primo Chemicals team continues to deliver exceptional global value.

I express my profound gratitude to all who have contributed to our Company's remarkable journey. Your support has been instrumental in our success, and we are privileged to have you with us.

Looking ahead, we remain steadfast in our commitment to sustainable growth and creating lasting value, driven by our collective vision of excellence and advancement.

Thank you for being integral to our story.

With warm regards.

SUKHBIR SINGH DAHIYA
Chairman

We are boldly and proactively strengthening our competitive edge to capitalise on emerging opportunities by **investing time and resources to become future-ready.**

DEAR **FELLOW SHAREHOLDERS,**

Building on the momentum of a stellar FY23, we embraced the opportunities and challenges of FY24 with courage and resilience. Although our performance was slightly muted, we were rather pleased with the numbers as they highlighted the organisation's adaptability and collective resilience in navigating unprecedented challenges with agility and determination.

THIS experience has sharpened our focus and enhanced our agility to recalibrate our strategies to respond to trends and accelerate our momentum over the coming years.

Macro-economic overview

India managed well despite facing global economic challenges such as inflation and reduced consumer spending in 2023. Its proactive economic reforms and controlled inflation have positioned the country for strong growth, supported by global partnerships and demographic advantages.

However, the Indian chemical industry in FY24 did not reflect India's broader economic growth trajectory. Although the sector showed resilience, it faced challenges such as global headwinds, de-stocking, weak domestic demands, dumping by China, inflationary headwinds, and rising input costs, adversely impacting its progress.

Performance overview

In line with industry trends, our revenue in the 2023-24 fiscal year stood at ₹396.98 Crores. Although EBITDA and PAT decreased to ₹26.34 Crores and ₹25.86 Crores respectively, positive sales growth was observed in the last two quarters of FY24.

We have also experienced a dip in ECU realisation, where a higher ECU realisation indicates more revenue from their co-products (caustic soda, chlorine, and hydrogen) when their prices are higher during FY24. We saw a YoY decrease of 32% in ECU realisation for the last financial year.

However, these challenges have also catalysed introspection and strategic recalibration. Also, these experiences have fortified our resolve and provided invaluable learning for the future.

Strategic initiatives

Entering FY25, we are boldly and proactively strengthening our competitive edge to capitalise on emerging opportunities by investing time and resources to become future-ready.

To optimise operational efficiency and enhance product quality, Primo has established a 35 MW Captive Power Plant. This investment is projected to significantly curtail energy costs, currently constituting nearly 65% of our manufacturing expenses. By generating our own power, we anticipate substantial reductions in operating costs and a commensurate improvement in overall operational efficiency.

As highlighted last year, we have commenced production at our Stable Bleaching Powder (SBP) facility, which has a capacity of 33,000 metric tons per annum (MTPA). In FY24, we also launched our Caustic Flake and Aluminum Chloride plants. These new additions enhance our product portfolio and fortify our market position, enabling us to better serve clients across the textile, soap, food processing, beverage, sugar, and water treatment industries.

Better times ahead

The global chemical industry faces a complex landscape in 2024 and beyond, contending with supply chain volatility and escalating raw material costs to deliver modest growth.

In stark contrast, India's chemical sector is poised for robust expansion, propelled by rapid industrialisation, surging consumer demand, and government-backed initiatives like PLI and Atmanirbhar Bharat.

We have secured a reliable and sustainable coal supply for our captive power plant through a partnership with Northern Coalfield Limited (a Subsidiary of Coal India Limited). This agreement guarantees a steady fuel source, ensuring a stable energy future for our operations in the years ahead.

We are pleased to announce that we have received approval from the Punjab Pollution Control Board for 26 new products. This approval signifies our commitment to environmental compliance while allowing us to expand our product offerings and take advantage of emerging opportunities.

We are confident we can report a superior performance at the topline and bottomline. While our new capacities, commissioned in FY24, should shore up sales and revenue, the commissioning of the power plant will have an appreciable impact on pruning costs.

Over the medium term, we will remain steadfast on our strategic roadmap to double revenue and profitability. This involves accelerating our growth initiatives and strengthening our business levers for sustaining success.

However, our commitment goes beyond profit margins; it includes the well-being of stakeholders and communities where we operate. This principle guides us towards responsible and sustainable growth, balancing responsible use of resources with strong returns on investment. To that end, we have spent ₹ 183.55 lacs on CSR and various activities to uplift society. The Company have also spent ₹ 80 lacs as a part of Corporate environment responsibility in nearby villages of the plant location.

In summation

India's burgeoning economy offers enormous opportunities for the chemical industry, and Primo Chemicals aims to play a pivotal role in shaping this ecosystem.

Targeted investments in downstream segments and operational efficiency are poised to unlock growth, value and sustainability, aligning seamlessly with our strategic vision for future success.

In the end, I would like to thank our entire team of skilled professionals who, in a constantly changing global economy where external factors affect internal decisions, have not only been able to manage uncertainties but also strengthened our core strengths.

On the same note, I would also like to express my deep gratitude to all our investors and stakeholders for their continuous dedication, confidence, and invaluable insights.

Your unwavering support is fundamental to our progress, inspiring us to pursue excellence consistently.

With warm regards.

NAVEEN CHOPRA
Managing Director

Vision

To evolve as the best company among all chloro alkali industries in India and to address the needs of our stakeholders

To be identified as the most inspiring, innovative, dynamic and incredible company in India

Mission

To produce the best quality product in order to meet the demands of our customers

To strive for continuous improvement in our quality and energy performance, be eco-friendly ensuring growth and profitability through innovation

We are the leading manufacturer of Caustic Soda in North India.

PRIMO CHEMICALS LIMITED, FORMERLY PUNJAB ALKALIES & CHEMICALS LTD., WAS ORIGINALLY INCORPORATED ON 1ST DECEMBER 1975 AS PUNJAB ALKALIES LIMITED BEFORE RE-BRANDING IN APRIL 1983.

Based in Naya Nangal, Punjab, India, Primo is the largest producer of Caustic Soda in North India.

Primo Chemicals boasts a daily production capacity of 500 TPD tonnes of Caustic Soda and is complemented by by-products like Hydrochloric Acid, Liquid Chlorine, Sodium Hypochlorite, Hydrogen gas and other products like Stable Bleaching Powder, Caustic Soda Flakes, Aluminum Chloride.

The manufacturing facilities employ advanced HOECHSTUHDE membrane cell technology, ensuring energy efficiency and environmental sustainability. Currently, the plants produce 165,000 tonnes of Caustic Soda annually.

With almost five decades of industry experience, Primo Chemicals has built a strong reputation for superior product quality and operational excellence. Committed to reliable customer service and driven by market forces, the Company continues to drive advancements in the chemical manufacturing sector, upholding its legacy of expertise and contributing significantly to industry growth.

Our journey

1984
Commenced operations with installed capacity of 37,059 TPA of Caustic Soda and 16,500 TPA of Liquid Chlorine

1988
Changeover from Graphite Anodes to Dimensionally Stable Metal Anodes and installed Anode Control and Protection Device

1991
Installed capacity of Caustic Soda Lye and Liquid Chlorine increased to 41,152 TPA and 29,700 TPA, respectively

1992
Installed capacity of Caustic Soda Lye increased to 50,820 TPA

1995
100 TPD grassroot plant based on the HOECHSTUHDE Membrane Cell Technology was commissioned (now Unit-I) Installed capacity of Caustic Soda Lye increased to 83,820 TPA and Chlorine to 52,800 TPA, respectively

1998
Conversion of existing 170 TPD Mercury Cell Plant to 200 TPD Membrane Cell Plant (now Unit-II)

2019
Conversion of Existing 200 TPD Membrane Cell Plant (Unit-II) from generation 3 to new 6th generation Membrane Cell Plant

2020
Appointment of new management

2022
- Manufacturing capacity expanded from 300 TPD to 500 TPD
- Name Change to 'Primo Chemicals Ltd' with effect from 19th Dec 2022
- Acquisition of 49% stake in Flow Tech Chemicals

2023
- Commissioned 100 TPD SBP Plant at our plant in Naya Nangal, Punjab
- Commissioned 35 MW Captive Power Plant at Naya Nangal, Punjab
- Commissioned 50 TPD Aluminium Chloride Plant at our plant in Naya Nangal, Punjab
- Commissioned 200 TPD Caustic Soda Flaker plant at our Naya Nangal facility, Punjab

Manufacturing facility

Location: Naya Nangal, Ropar, Punjab (India)
Combined Manufacturing facility of Caustic Soda, Stable Bleaching Powder, Aluminium Chloride and Caustic Soda Flakes along with Liquid Chlorine, Hydrochloric Acid, Sodium Hypochlorite, Hydrogen Gas and 35 MW Captive Power plant.

Product portfolio and applications

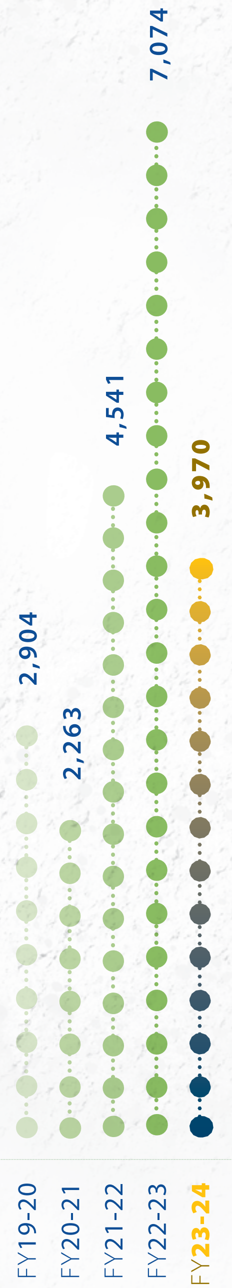
PRODUCTS	END-USER INDUSTRIES
Caustic Soda Lye Caustic Soda Flake	Paper & Paper Pulp, Soap & Detergents, Textile, Dye Stuff industry, Aluminium industry, Fertilisers & Refineries, Viscose & Rayon etc., Water demineralisation
Hydrochloric Acid	Water demineralisation in Power & Fertiliser Plants, Metal pickling, preparation of various metal chloride etc.
Liquid Chlorine	Water treatment plants, Paper manufacturing, Stable bleaching powder, CPW & PVC, Chloromethanes and other, Chlororganic chemicals
Sodium Hypochlorite	Textile bleaching, Laundry trade, Dis-infection of drinking water etc.
Hydrogen Gas	Hydrogenation of vegetable oils and other unsaturated fats, Optical fiber units, As a coolant in power plants, As a fuel
Stable Bleaching Powder	Oxidising Agent, Disinfecting Agent, Textile Industry, Aquaculture, Water treatment process, Household bleaching and cleaning
Aluminium Chloride	Water treatment, Separation of slurry, Sizing in paper industry, Decolourisation & Decontamination of Dyes in textile industry, Sewage water treatment

Marquee customers

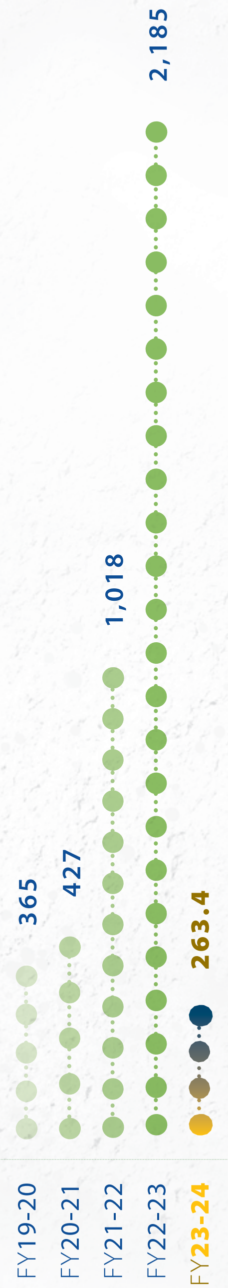
AVON
Dabur Celebrate Life!
Diversey
HMEL Energising a Brighter Tomorrow
IndianOil
CENTRIENT Pharmaceuticals
DCM SHRIRAM
Hindustan Unilever Limited
JSW
JUBILANT INGREVIA
Kuantum The Paper Makers
SATIA INDUSTRIES LIMITED
TRIDENTGROUP Being different is normal
reckitt
Shreyans GROUP
NFL
SRF
wipro
Vardhman

Performance in FY2023-24

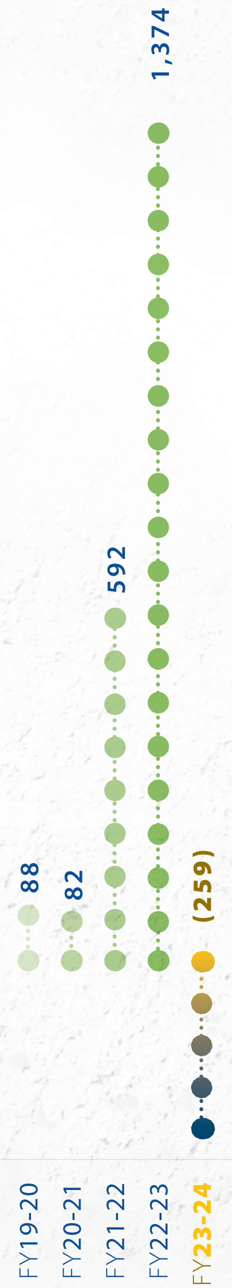
Revenue from operations
(₹ Million)



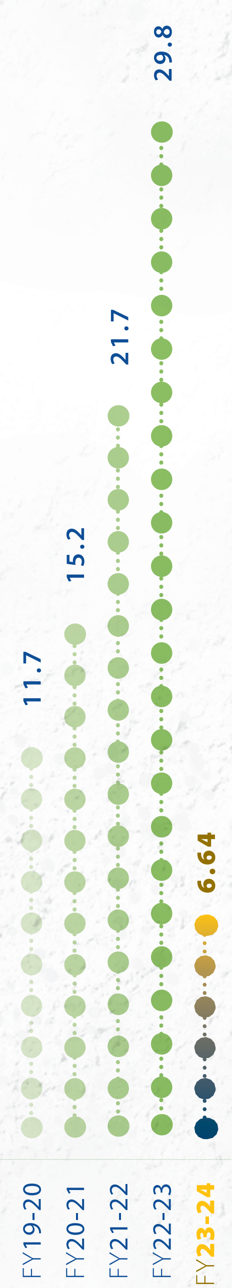
EBITDA
(₹ Million)



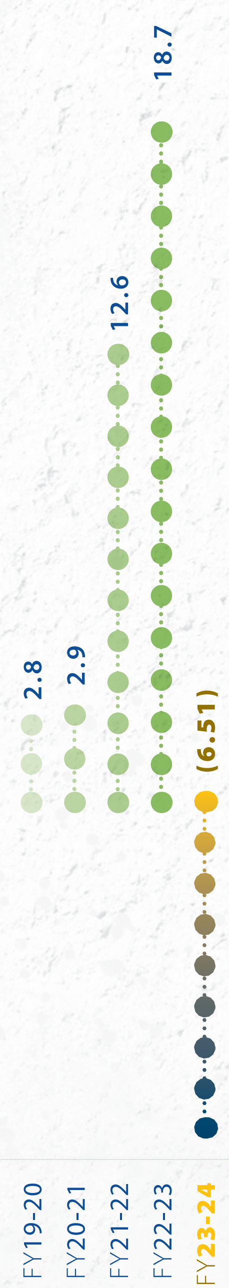
Net Profit
(₹ Million)



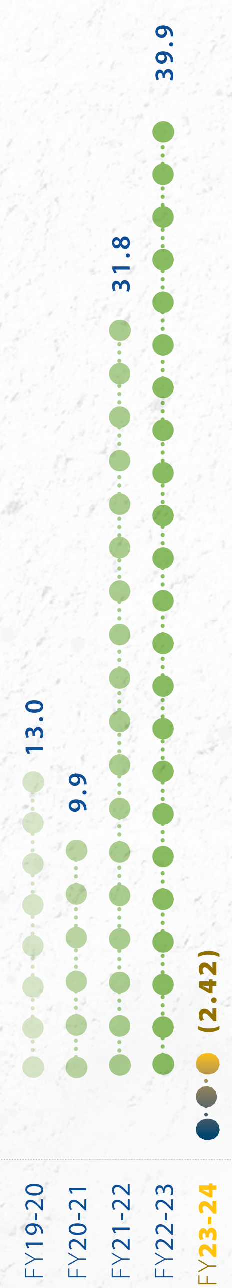
EBITDA Margin
(%)



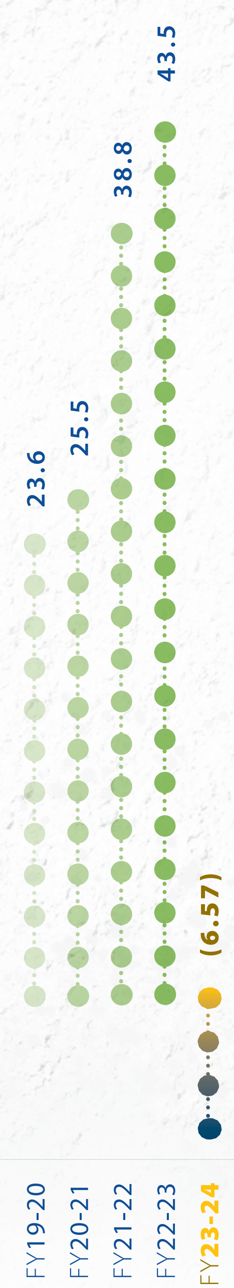
Net Profit Margin
(%)



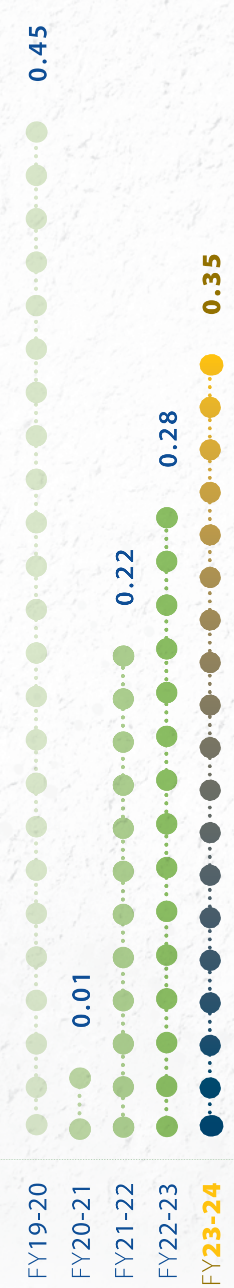
Return on Capital Employed
(%)



Return on Equity
(%)



Net Debt to Equity
(x)



Key differentiators

Five decades of experience in the chemical business

Primo Chemicals has over five decades of experience and leverages unparalleled industry knowledge and expertise. During this extensive period in the industry, they upheld stringent quality standards and adapted swiftly to market dynamics. It reinforces Primo Chemicals' reputation for reliability, excellence, and sustained leadership in manufacturing the Caustic Soda and related chemical products.

Locational advantage, abundant supply of water

This location enables efficient and eco-friendly production practices for the Company by reducing carbon emissions and ensuring direct water supply from the Sutlej River to the plant. Additionally, it provides convenient access to North India, a crucial market, facilitating prompt and cost-effective delivery and improving overall customer service across the operational network.

Largest producer of caustic soda in northern india

Being the largest producer of Caustic Soda in Northern India, Primo Chemicals enjoys significant advantages. This leadership position ensures economies of scale, reliable supply capabilities, and enhanced market influence. It allows Primo Chemicals to cater efficiently to regional demand while maintaining a competitive edge through superior production capacity and market presence.

Logistical advantage

The direct railway line into the Company's plant significantly reduces transportation costs for salt and coal supply and establishes a robust logistics infrastructure for growth. This cost-effective mode of transportation has the potential to expand and manage many other raw materials and final products in the future. This strategic advantage enhances operational efficiency, ensures reliable raw material access, and supports scalable production capabilities, reinforcing Primo Chemicals' position as a competitive and reliable partner in the chemical industry.

Forward integrated in the caustic soda value chain

Primo Chemicals has a definitive edge over its competitors as one of the most vertically integrated companies in the Caustic Soda value chain. By controlling the production, distribution and, to some extent, consumption of downstream products, Primo Chemicals ensures a seamless supply chain and enhanced responsiveness to customer demands, solidifying its position as an industry leader and enhancing customer satisfaction. The acquisition of Flow Tech and the commissioning of Stable Bleaching Powder, Aluminium Chloride, Lye to Flakes capacity were positive steps in that direction.

Industry-leaders as clients

Most of the clients that the Company serves are industry leaders. It positions Primo Chemicals at the forefront of the market. It validates the Company's product quality and reliability and strengthens its reputation. It fosters strategic partnerships and expands the Company's market reach, reinforcing Primo Chemicals' position as a preferred supplier in the chemical industry.

Strategies for growth

Capacity expansion

To meet the growing market demand, Primo Chemicals has commissioned a Stable Bleaching Powder facility with a capacity of 33,000 TPA and has expanded its Caustic Soda capacity by 200 TPD to optimise transportation costs and increase profitability. The Company has already received MoEF (Ministry of Environment & Forests) clearance to expand its Caustic Soda plant (up to 700 TPD). The Company is also focused on ongoing operational efficiency improvements and phased capacity expansions to meet growing market demands effectively.

Enhancing cost efficiency

Energy usage is one of the most important factors for caustic production and makes up a significant portion of the variable cost. Primo Chemicals is enhancing cost-effectiveness through strategic initiatives, including commissioning a 35 MW power plant for captive energy supply and steam generation.
The Company has MOEF clearance for 75 MW Power Plant. The Company is upgrading its existing Caustic Soda Plant from time to time to reduce power consumption and enhance production yield.

Diversifying product offerings for new markets

Primo Chemicals aims to boost future Caustic Soda volumes and ECU (Electro-Chemical Unit) realisations through forward integration. ECU realisation is the revenue or earnings from the sale of a standard Chlorine and Caustic Soda unit. This strategic shift broadens their product portfolio for diverse applications like paper, textiles, pharmaceuticals, and more, enhancing market presence and meeting growing industry demands with increased versatility and growth potential.

Corporate **Social Responsibility**

As a dedicated corporate citizen, Primo Chemicals is deeply committed to making a meaningful difference in the lives of its stakeholders and the wider community. The company addresses pressing social and environmental concerns through a comprehensive range of CSR initiatives, cultivating trust, fostering goodwill, and driving sustainable development.

By integrating ethical values into its core practices, Primo Chemicals enhances its reputation and contributes to a better future, creating a positive impact that resonates with its stakeholders and ensures long-term success. Primo Chemicals consistently allocates funds and resources to support various social causes, charities, and community development projects, strongly emphasising environmental sustainability. The company champions eco-friendly practices, invests in tree plantations, and supports regional development.

Primo Chemicals is committed to a range of community and environmental initiatives. These include planting trees in surrounding areas, supporting animal welfare through feeding, vaccinating, and treating dogs and birds, and distributing stationery items, first aid kits, school uniforms, sports shoes, and sweaters to nearby schools. The company also provides sanitary pads, hygiene kits, and sanitisation kits to nearby schools and adjoining villages.

Moreover, the Company has undertaken various CSR activities through NGOs for conserving natural resources in the plant's vicinity and has contributed to women's empowerment, skill development, animal welfare, education, healthcare, sanitation, and sports promotion in Punjab.

Health Camps

During the 2023-24 period, we organised and conducted a total of 9 medical camps, underscoring our ongoing commitment to community health and well-being. These camps offered essential medical services, including free medicine distribution and diagnostic tests, to 895 individuals in the community. By providing these vital resources, we ensured that patients in the community, who are in real need of these, received the necessary care and attention. Our initiatives have positively impacted the overall health of the communities we support, addressing various health concerns and contributing to their well-being.

The company regularly organises medical camps and maintains a free clinic for the public, inaugurated during FY 2022-23

Donations to schools and nearby villages

Our recent initiatives are focused on significantly supporting students and enhancing the lives of children. As part of this commitment, we conducted a school donation drive, providing essential resources such as stationery, uniforms, shoes and First Aid kits to create an optimal safe learning environment. We also distributed First Aid kits to villages close to our plant to ensure comprehensive support for their medical emergencies. These efforts underscore our dedication to fostering positive growth and development, ensuring that children have the tools and support needed to thrive academically and remain safe.

Distribution of sewing machines and make-up kits

We are dedicated to women's empowerment and skill development through the distribution of sewing machines and makeup kits. By providing these essential tools, we enable women to gain valuable skills, improve their livelihoods, and achieve financial independence. This initiative supports both their personal and professional growth, fostering economic empowerment and self-sufficiency. Through these programs, we aim to create opportunities for women to excel and make positive contributions to their communities.

Wheelchairs, sanitation kits, sanitary pads distribution

As part of our community welfare initiatives, we have distributed wheelchairs and plastic chairs to support individuals with disabilities. This effort aims to enhance the quality of life for those with mobility challenges by providing essential aids and comfortable seating. Additionally, we have distributed sanitation kits and sanitary pads to needy individuals and in slum areas. These actions promote greater independence, inclusion, and overall well-being, reflecting our commitment to empowering and supporting marginalised communities.

Dog feeding, dog vaccination and bird feeding

We support animal welfare through dog and bird feeding programs, as well as dog vaccination initiatives. We provide nourishment to stray dogs and local birds, enhancing their well-being and quality of life. Additionally, our dog vaccination efforts aim to protect and improve the health of stray dogs, preventing the spread of diseases and ensuring a healthier animal population. These initiatives reflect our commitment to compassionate care and making a positive impact on the community's animal population.

Environmental, Social & Governance (ESG)

ENVIRONMENT Planet & Resources

PRIMO CHEMICALS MINIMISES ITS ECOLOGICAL FOOTPRINT THROUGH SUSTAINABLE PRACTICES AND CONSERVING NATURAL RESOURCES. OUR PHILOSOPHY ON CORPORATE GOVERNANCE IS TO UPHOLD FAIR AND TRANSPARENT BUSINESS PRACTICES, ENSURING INTEGRITY AND ACCOUNTABILITY IN ALL OUR OPERATIONS.

Environmental stewardship is a top priority at Primo Chemicals. We recognise that effective environment management is essential to our business and strive to integrate sound practices across our operations to minimise impacts and achieve leadership in environmental responsibility.

To mitigate emissions, we have implemented the following measures:

- Captured fugitive chlorine emissions from various sections using hoods connected to a common duct leading to a chlorine neutraliser
- Installed three High Volume Samplers (HVS) to monitor ambient air quality, regularly tracking PM, Chlorine, and HCl vapours

Water management initiatives include:

- Installing Online Continuous Effluent Monitoring Systems (OCEMS) to monitor treated wastewater reused in processes
- Waste HCl generated during ION Exchange Column regeneration is recycled into main process (80%) and 20% sent to Effluent Treatment Plant (ETP) with caustic soda solution for pH adjustment
- Implementing a resin column to regenerate water for process recycling in both units

Additionally, we have:

- Re-circulated and reused brine drained during sample collection, reducing chloride and TDS content in the ETP
- Conducted regular energy audits to enhance energy efficiency in manufacturing facilities
- Achieved zero liquid discharge as required by the Punjab Pollution Control Board
- Adopted energy efficiency measures wherever possible and engaged in tree planting and other environmental initiatives

Through these efforts, Primo Chemicals demonstrates its commitment to environmental responsibility and sustainability.

On July 31, 2024, the Company launched a free plantation drive to combat harmful emissions and enhance oxygen levels, crucial for improving life quality and meeting humanity's essential needs. Initially, we have planted 500 saplings, with a goal to expand this effort to 2,000 saplings within the year.

SOCIAL

People & Community

CONTINUE TO FOSTER VALUE CREATION WITHIN SOCIETY AND THE COMMUNITY, DRIVING SUSTAINED GROWTH AND PROMOTING ENDURING DEVELOPMENT FOR BOTH.

At Primo, we are dedicated to creating lasting value in the communities we serve, aligning with our company vision. Through our comprehensive CSR initiatives, we strive to positively impact society, focusing on key areas such as environmental sustainability, promoting sports and education, healthcare, vocational skills and livelihood, and animal welfare. Our commitment to giving back to the community is unwavering, and we have made significant strides in these areas.

By driving positive change in the lives of our stakeholders and the wider community, we aim to make a meaningful difference and leave a lasting legacy.

At our company, we are committed to promoting social and community welfare through our comprehensive safety and quality initiatives. We prioritise "Safety First" in all aspects of our operations, ensuring the health and safety of our employees, contractors, and transporters. By implementing modern tools, safety devices, and rigorous work permit systems, we aim to prevent personal injuries, fires, emissions, and explosions.

In addition to our safety efforts, we focus on continuous improvement and innovation to enhance our products and processes, contributing to growth and diversification. Our dedication to delivering high-quality products and reliable services ensures on-time delivery and maximises customer satisfaction. Through these measures, we not only achieve our corporate goals but also contribute positively to the well-being of our community and beyond.

Installation of solar streetlights

We have undertaken the installation of solar streetlights in the vicinity of our plant. This initiative underscores our commitment to sustainability and environmental stewardship by utilising renewable energy sources. The solar street lights not only enhance safety and visibility in the area but also contribute to reducing our carbon footprint and promoting energy efficiency. Through this project, we aim to support the local community while advancing our goals of environmental responsibility and sustainable development.

Cloth bag distribution

Our initiative also extends to a cloth bag distribution campaign to support our "No to Plastic" initiative. By providing reusable cloth bags to community members, we aim to reduce reliance on single-use plastic bags, which contribute to environmental pollution. This campaign promotes sustainable practices and encourages individuals to make eco-friendly choices in their daily lives. Our efforts are designed to foster greater environmental consciousness and support the transition towards more sustainable alternatives, ultimately contributing to a cleaner and greener community.

Health Clinic

As part of our commitment, we proudly opened a permanent health clinic during the last financial year, significantly contributing to the well-being of society at large. This clinic is designed to provide accessible and comprehensive healthcare services to the community, addressing a wide range of medical needs and promoting overall health.

Life at Primo

Primo Chemicals Limited is dedicated to prioritising the well-being and development of its employees as a cornerstone of its organisational ethos. By focusing on comprehensive employee welfare, health and employee involvement, we aim to cultivate a workplace environment where individuals thrive both personally and professionally. These initiatives are carefully crafted to encompass a broad spectrum of support, ranging from health and wellness to skill enhancement.

At Primo, we believe in the power of continuous learning and personal development, offering robust training & development programs and workshops. The organisation serves as a dynamic learning hub, providing resources and opportunities for skill enhancement, keeping the team members at the forefront of industry trends. These initiatives cover a diverse array of topics, including but not limited to, POSH (Prevention of Sexual Harassment), Fire Safety protocols, Corrosion challenges, sustainable management of entire life cycle of chemicals, internal processes, IT and GST regulations etc.

Through these training programs, we equip our employees with knowledge and skills necessary to excel in their roles while ensuring compliance with industry standards and regulations.

Our noteworthy initiatives involve hosting regular Health Camps for our staff. These camps are designed to offer vital health checkups to all employees, ensuring their well-being and extending the benefits to the broader community.

Beyond the confines of professional growth, Primo recognises the importance of a holistic approach to development. Our dedication extends to fostering a balanced life, where employees are encouraged to participate in a diverse array of extracurricular and employee engagement activities which includes Birthday's and Festive celebrations, Quiz competitions under the name of QUIZBIZ initiative, Games, Yoga Camps, Women's Day celebrations etc. From team-building events to community service initiatives, Primo believes that a well-rounded individual contributes not only to the success of the company but also to the betterment of the larger community.

Overall, organising training and development programs is a strategic investment that not only benefits individual employees but also contributes to the organisation's success and sustainability. Also, Employee engagement is the heart and soul of a thriving workplace, characterised by a profound sense of ownership, fulfillment, and camaraderie. When employees are engaged, they take pride in their work, find satisfaction in their roles, and boost morale across the organisation. This fosters a culture of accountability, excellence, and collaboration, ultimately leading to increased productivity and innovation.

GOVERNANCE

Leadership & Governance

OUR PHILOSOPHY ON CORPORATE GOVERNANCE IS TO UPHOLD FAIR AND TRANSPARENT BUSINESS PRACTICES, ENSURING INTEGRITY AND ACCOUNTABILITY IN ALL OUR OPERATIONS.

Corporate Governance Philosophy:
At Primo Chemicals Ltd., our core philosophy is to uphold the highest standards of corporate governance, ensuring fair and transparent business practices, accountability for performance, and strict compliance with applicable statutes.

Transparency and Disclosure:
We prioritise timely and transparent financial and management information disclosure, maintaining open communication with our stakeholders.

Board Composition (as of 31st March 2024):
Our Board consists of-

- 2 Executive Directors
- 4 Non-Executive Independent Directors
- 2 Non-Executive Non-Independent Directors

This composition ensures a balanced and effective governance structure, with a mix of executive leadership, independent oversight, and non-independent expertise, all working together to drive the company's success.

Annual Performance Evaluation:
The Board has conducted a comprehensive annual evaluation of its performance, including-

- Individual Director performance assessments
- Committee performance evaluations
- Board performance as a whole

Evaluation Process:

- Independent Directors' performance was evaluated by the entire Board, excluding the Director being evaluated
- Non-Independent Directors, the Chairman, and the Board were evaluated by the Independent Directors in a separate meeting
- Evaluation by NRC committee of all the directors of the Company.

This rigorous evaluation process ensures accountability, transparency, and continuous improvement in governance and leadership.

Compliance
Primo Chemical adheres rigorously to all applicable regulations and laws governing our industry and operations. We ensure full compliance with environmental, safety, and quality standards mandated by local, national, and international authorities. Our commitment to legal and regulatory adherence reflects our dedication to ethical business practices, responsible operations and safeguarding the well-being of our stakeholders and the environment. By staying abreast of regulatory changes and continuously improving our compliance measures, we strive to maintain the highest standards of integrity and operational excellence.

Board of directors

Mr. Sukhbir Singh Dahiya
Non-Executive Chairman

A seasoned industrialist and though leader with more than three decades of experience, including 18 years in the chemical industry. He earned his Diploma in Civil Engineering from the Haryana State Board of Technical Education.

Mr. Naveen Chopra
Managing Director

With over thirty two years of experience in the chemical industry, he possesses a Bachelor of Engineering degree in Chemical Engineering and has completed an MBA from Punjab University.

Mr. Jatin Dahiya
Executive Director

He has amassed seven years of experience in the chemical industry, holding a Bachelor of Engineering degree from Delhi University and a Master's in Management from Duke University (USA).

Mr. Jagbir Singh Ahlawat
Non-Executive Director

He brings a wealth of diverse experience spanning more than 33 years, with 19 years in the chemical industry. His educational background includes a Diploma in Civil Engineering from Haryana State Board of Technical Education, and AMIE (Civil) from The Institution of Engineers (India).

Mr. Tilak Raj Bajalia
Independent Director

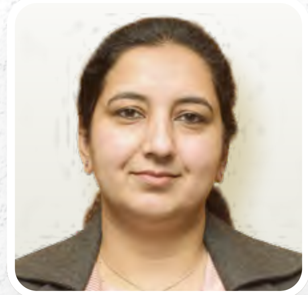
A respected banking veteran with more than 41 years of experience, he was appointed as Deputy Managing Director of SIDBI and have been associated with multiple companies and regulators in various capacities. He graduated in Economics and hold professional degrees from ICWAI and CAIIB.

Mr. Ashok Goyal
Independent Director

A practicing advocate with master's in economics having 29 years of experience in Educational Administration. He also has served as a member of the Senate and Syndicate at Panjab University.

Mr. Kuldip Singh Suhag
Independent Director

He holds a Bachelor of Engineering degree in Civil Engineering and boasts a robust 44-year career in the field, having worked extensively with CPWD and Haryana PWD. Presently, serving as a consultant for the National Highway Authority of India.



Ms. Teesta Sandhu
Independent Director

With 19 years of experience, she has worked in the Hotel Industry, Airlines, Forest Essentials, and Ethos Pvt. Ltd. She holds an MBA with specialisation in HR and Marketing.

STATUTORY REPORTS

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Company's 49th Annual Report on the business and operations of the Company together with Standalone and Consolidated Audited Financial Statements (Ind AS based) for the Financial Year ended 31st March, 2024 and the report of the Auditors thereon.

FINANCIAL HIGHLIGHTS

The financial results of the Company for the year ended 31st March, 2024 are summarised below:-

(₹ In Crores)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operation and Other Income	416.40	733.54	416.40	733.54
Finance Costs	18.21	8.07	18.21	8.07
Depreciation	39.56	23.95	39.56	23.95
Total Expenditure excluding Finance Costs and Depreciation, etc.	390.06	515.02	390.06	515.02
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	26.34	218.52	26.34	218.52
Profit/(Loss) before tax	(31.43)	186.50	(31.43)	186.50
Tax Expenses	(5.57)	52.52	(5.57)	52.52
Profit/ (Loss) after tax	(25.86)	133.98	(25.86)	133.98
Share of Profit of Associates	-	-	0.53	3.41
Net Profit/(Loss) for the period after Associates	(25.86)	133.98	(25.33)	137.40
Earnings per Share (EPS) of ₹2/- Basic and Diluted (in ₹)	(1.07)	5.53	(1.05)	5.67

PERFORMANCE REVIEW & STATE OF COMPANY'S AFFAIRS

The financial year 2023-24 has been a tough year for the Company because of the increase in finance cost due to ongoing investment in setting up of new plants to diversify the product-mix, augmentation of existing Caustic capacity, investment in setting up of Captive Power Plant coupled with sluggish demand and pressure on selling prices of Caustic Soda, Chlorine, etc. coupled with marginally higher input cost – major raw material (Salt).

Despite the undue pressure on operations, the Company has recorded an EBITDA of ₹26.34 Crores during the Financial Year ended 31st March, 2024. The Capacity Utilization at 77% with production of 1,18,899 MT of Caustic Soda Lye (CSL) during the year under review was lower against 1,34,977 MT denoting 91% Capacity Utilization in the preceding year. Consequently, Net Sales Turnover has decreased by 38.96% to ₹396.87 Crores during the financial year ended 31st March, 2024 as against Net Sales Turnover of ₹650.16 Crores during the previous financial year. The combined average sales realization (net of GST) has declined from ₹50,045 per ECU in the Financial Year ended 31st March, 2023 to ₹33,959 for the financial year ended 31st March, 2024. All these factors resulted Company's suffering a Net Loss before Tax of ₹31.43 Crores for the financial year ended 31st March, 2024 as against Net profit before Tax of ₹186.50 Crores during the previous financial year.

During the financial year under review, the Company has commissioned its Aluminium Chloride Plant and Flaker Plant in the middle of the year. The impact of these plants is likely to be reflected in the current year 2024-25 as during the year under review these could not be operated at full capacity due to pressure on the demand for these products in the market. The implication of the operation of the Power Plant on the profitability of the Company would likely to be witnessed in the financial year 2024-25.

ASSOCIATE COMPANY

As on 31st March, 2024, the Company has only one Associate Company namely Flow Tech Chemicals Private Limited (FTCPL), a Promoter Group Company. The total Revenue of FTCPL was ₹228.78 Crores with Profit before tax of ₹ 1.47 Crores as compared to the Revenue of ₹246.56 Crores with Net Profit before tax of ₹9.43 Crores in the previous year. There are no Subsidiary or Joint Venture Companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, the Statement containing salient features of the financial statements of the Associate Company in Form AOC-1 is given in Annexure – I, forming part of this Report.

CHANGE IN CAPITAL STRUCTURE

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

PERFORMANCE AT THE CONSOLIDATED LEVEL

The Company's Associate Company Flow Tech Chemicals Private Limited (FTCPL) which is primarily engaged in the manufacturing of Chlorinated Paraffin (CP) a widely used Plasticizer and Hydrochloric Acid. FTCPL is one of the major consumer of Chlorine, resulting substantial dependence of our Company on its Associate company for the disposal of Chlorine and sustainable operations.

At Consolidated Level, Loss after Tax of the Company was ₹25.33 Crores during the Financial Year 2023-24 as against profit after tax of ₹137.40 Crores in the previous year.

In view of the Net Loss before Tax of ₹31.43 Crores incurred during the financial year ended 31st March, 2024, the Board felt that no dividend be recommended for the financial year ended 31st March, 2024 for payment to the equity shareholders of the Company.

DIVIDEND DISTRIBUTION POLICY

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

FINANCE

The Company, during the year under review, availed financial facilities from AU Small Finance Bank Limited and HDFC Bank Limited for meeting its funds requirement for Working Capital / Operational Capital. The Company has also availed Term Loan from Punjab National Bank for meeting a part of investment in Aluminum Chloride Project besides availing a part of working capital finance from them. The details of the said finance, forms part of Notes of the Financial Statements.

DEPOSITS

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

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

CURRENT OPERATIONS & OUTLOOK

As a part of ongoing expansion plans, the Company has commissioned a) Aluminum Chloride Plant with an installed capacity of 16,500 Ton Per Annum (TPA) to boost Chlorine consumption and b) Caustic Flaker Plant with an installed capacity of 66,000 Ton Per Annum (TPA) for better realization for Caustic Soda. These projects alongwith Stable Bleaching Powder (SBP) Plant commissioned in the FY 2022-23, will have a positive impact on the Company's revenue and profitability of the Company in FY 2024-25.

The Company has achieved a major milestone and achievement towards its vision by commissioning 35 MW Coal and Biomass based Power Plant. It will have a positive impact on the Company's revenue and profitability in the current financial year 2024-25 by reducing power cost which constitutes nearly 65% of cost of production. The Company has secured a 10-year coal supply agreement with Northern Coalfields Limited (A subsidiary of Coal India Limited) to ensure the long-term sustainability of the power plant. This agreement guarantees an annual supply of coal, providing a stable foundation for the plant's operations and contributing to improved financial performance.

The Company has already acquired 49% stake in Flow Tech Chemicals Private Limited (FTCPL) its Promoter Group Company till 31st March, 2024 to strengthen the Company's downstream portfolio and to amplify product profitability. Post 100% acquisition, FTCPL will become wholly owned Subsidiary of the Company.

CREDIT RATING

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to Section 186 of the Act read with the Companies (Meetings of the Board and its Powers) Rules, 2014, disclosures relating to loans, guarantees and investments as on 31st March 2024 are given in the Notes to the Financial Statements.

ENVIRONMENT AND ENERGY CONSERVATION

As a responsible Chemicals manufacturer environmental safety has been one of the key concerns of the Company. It is the constant endeavor of the Company to strive for compliant of stipulated pollution control norms.

The Company gives top priority to ensure clean air and better living environment and to the inhabitants in and around the factory. The Company has in place the Online Monitoring System at Works connected with Central Pollution Control Board server showing Real Time data of all parameters specified by them. A Safety Audit of the Plant was conducted during the financial year 2023-24 by the National Safety Council and its recommendations are being implemented.

The Company strives to enhance energy efficiency in all its manufacturing facilities. Energy Audit is conducted on a regular basis through various agencies, active in the field. Various activities & modifications in the plant process are being implemented which are directed towards achieving the Targeted Specific energy Consumption i.e., Energy Consumption Per Metric Tonne of Caustic Production, as set by Bureau of Energy Efficiency.

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

LISTING

The Equity Shares of the Company are listed on the BSE Limited. The Annual listing fee for the year 2024-25 has been paid to BSE Limited.

CORPORATE SOCIAL RESPONSIBILITY

During the year under review, the Company had to spend ₹183.44 lacs based on the average net profit of the last three years on CSR Activities. Accordingly, an amount of ₹183.55 lacs was spent on various CSR Activities as per the Policy. The detailed report as per Section 135 of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014 has been attached as Annexure III.

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

HUMAN RESOURCES

The Company continues to place great value on its human resources. The process of development and up gradation of human resources continued. The industrial relations remained cordial during the financial year under review. The Company has received full support in implementation of various projects and reforms towards pollution control and ensuring safety and energy conservation.

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

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

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT THE WORKPLACE

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

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

MANAGEMENT DISCUSSION AND ANALYSIS & CORPORATE GOVERNANCE REPORT, BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

(i) Management Discussion and Analysis

As per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report for the financial year 2023-24 is annexed as Annexure – V forming part of this report.

(ii) Corporate Governance Report

The Company has complied with the Corporate Governance Code as stipulated under the Listing Regulations. The Corporate Governance Report for the financial year 2023-24 and Auditors' Certificate regarding compliance of conditions of Corporate Governance are also annexed as Annexure – VI forming part of this report.

(iii) Business Responsibility & Sustainability Report

The Business Responsibility and Sustainability Report (BRSR) for the year ended 31st March, 2024 as stipulated under Regulation 34(2)(f) of SEBI Listing Regulations is annexed as Annexure VII which forms part of this Annual Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

DIRECTORS & KEY MANAGERIAL PERSONNEL

As on 31st March, 2024, the total Board strength comprises of 8 Directors out of which 2 Directors are Executive Directors, 2 are Non-Executive Non-Independent Directors and 4 are Non-Executive Independent Directors.

Declaration of Independent Directors

As on 31st March, 2024, the Company has four Independent Directors on its Board including a woman Independent Director. All the Independent Directors have met the requirements specified under Section 149 (6) of the Act, 2013 regarding holding the position of 'Independent Director' and the necessary Declaration from each Independent Director under Section 149(7) of the Act has been received.

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

Meeting of Board of Directors

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

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an Annual Performance Evaluation of its own performance, its Committees and all the Directors individually. The performance of the Independent Directors was evaluated by the entire Board except the person being evaluated. The exercise of performance evaluation was carried out electronically through a secure application.

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

The Nomination and Remuneration Committee also reviewed the performance of all Directors of the Company. The same was discussed in the Board Meeting that followed the meeting of the Independent Directors and the Nomination and Remuneration Committee. The criteria for evaluation of the performance of the Directors (including Independent Directors) is placed on the Company's website at https://www.primochemicals.in/page/investors.

Retirement by Rotation

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

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

Committees of the Board

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

a. Audit Committee

b. Stakeholders Relationship cum Share Transfer Committee

c. Nomination & Remuneration Committee

d. Corporate Social Responsibility (CSR) Committee

e. Risk Management Committee

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

The Company has formulated a Risk Management Policy as per the requirement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which can be accessed on the Company's website at https://www.primochemicals.in/page/investors. The said Policy includes identification, assessment, response and monitoring system for mitigation of various risks.

Key Managerial Personnel ('KMP')

The Company has re-appointed Shri Naveen Chopra as Managing Director and Jatin Dahiya as Executive Director for a further period of 5 years in its 48th Annual General Meeting held on 29th September, 2023 w.e.f. 29th October, 2023 and 1st April, 2024, respectively.

As on 31st March, 2024, the Company has the following Key Managerial Personnel as per Section 2(51) of the Companies Act, 2013:

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

The Board of Directors of the Company, in its meeting held on 30th May, 2024, has appointed CA Sunil Parsad, Sr. Manager (Finance) as Chief Financial Officer w.e.f. 1st July, 2024 in place of Shri Arun Kumar Kaushal, who had retired from the services of the Company w.e.f. 30th June, 2024.

INTERNAL FINANCIAL CONTROL WITH RESPECT TO FINANCIAL STATEMENTS

The Company has in place adequate Internal Financial Controls with respect to financial statements. No material weakness in the design or operation of such controls was observed during the financial year 2023-24.

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, 2024, 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, 2024 on a 'going concern' basis;

(v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;

(vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

RELATED PARTY TRANSACTIONS

Consequent upon acquisition of the PACL by new management in October 2020, the Companies with which PACL was already dealing with and had already entered into Agreements have become related parties. All the contracts /arrangements / transactions with Related Parties during the year were in the ordinary course of business and were at arm's length. Related Party Transactions approved by members in 48th AGM held on 29th September, 2023 i.e. 1. acquisition of Balance stake of 51% in Flow Tech Chemicals Private Limited at the same price of ₹1418.20 per equity share (by 31st December, 2024) and 2. providing Corporate Guarantee to HDFC Bank Limited for securing the working capital facilities amounting to ₹62.03 Crores to be availed by Flow Tech Chemicals Private Limited, were not executed during the FY 2023-24 and accordingly, transactions entered with Flow Tech are not material in nature for the FY under review. Accordingly, the disclosure of related party transactions as required is not applicable under Section 134(3)(h) of the Act in Form AOC-2 for the financial year 2023-24.

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

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

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

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

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

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

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

AUDITORS & REPORTS THEREON

Statutory Auditors

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

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

Cost Auditors

The Board of Directors of the Company at its Meeting held on 30th May, 2024 has appointed M/s. Kabra & Associates, Cost Accountant in practice, as Cost Auditors for the Financial Year 2024-25 as per the provisions of the Companies Act, 2013 to conduct the audit of Cost Records maintained by the Company at a remuneration of ₹80,000/- plus applicable GST besides the reimbursement of out of Pocket Expenses. As per the provisions of the Companies Act, 2013, your Directors propose the Resolution in the Notice in respect of remuneration payable to the Cost Auditors for the Financial Year 2024-25 for your ratification and approval. The Company maintains necessary cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

Secretarial Auditor

M/s. A. Arora & Co., Practising Company Secretaries, were appointed as Secretarial Auditors of the Company for the Financial Year 2023-24. Their Secretarial Audit Report of the Company for the financial year ended 31st March, 2024 is annexed as Annexure-VIII to this Report. The Report does not contain any qualification. M/s. A. Arora & Co., Practising Company Secretaries have been re-appointed as Secretarial Auditors of the Company for the financial year 2024-25.

Annual Secretarial Compliance Report

The Company has obtained an Annual Secretarial Compliance Report for the financial year ended 31st March, 2024 from M/s. A. Arora & Co., Practising Company Secretaries in compliance with the Regulation 24A of the SEBI Listing Regulations. The said Report for the financial year ended 31st March, 2024 has been submitted to the BSE Limited within the prescribed statutory timelines.

ANNUAL RETURN

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

OTHER DISCLOSURES

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

ii) There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

iii) There was no instances of one time settlement with Banks or Financial Institutions during the year.

iv) During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

v) During the year, no unclaimed dividend was required to be transferred in the Investor Education & Protection Fund of IEPF Authority.

vi) There are no significant and material orders passed by the Regulators or Courts or tribunals impacting the going concern status and the Company's operations in future.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation of the continuous support received by the Company from the investors, participating Banks, Central/State Government Departments, its Customers and Suppliers.

The Directors would like to take this opportunity to show their deep appreciation to all the employees for their hard work, dedication and support which has enabled the Company to face all challenges and maintain sustainability.

For and on behalf of the Board

Sd/-

Place: Chandigarh
Date: 12th August, 2024

(SUKHBIR SINGH DAHIYA)
Chairman
DIN: 00169921

ANNEXURE – I TO THE DIRECTORS' REPORT

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or Joint ventures

Part B Associates and Joint Ventures

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

Name of Associates or Joint Ventures	Flow Tech Chemicals Pvt. Ltd.
1. Latest audited Balance Sheet Date	31st March, 2024
2. Date on which the Associate or Joint Venture was associated or acquired	December, 2021
3. Shares of Associate or Joint Ventures held by the company on the year end	
a. No. of Shares	3,73,700
b. Amount of Investment in Associates or Joint Venture	5299.81 lacs
c. Extent of Holding (in percentage)	49%
4. Description of how there is significant influence	Holding of >20% Equity Shares
5. Reason why the associate/Joint venture is not consolidated.	NA
6. Net worth attributable to shareholding as per latest audited Balance Sheet	₹1377.11Lacs
7. Profit or Loss for the year	
i. Considered in Consolidation	₹53.12 lacs
ii. Not Considered in Consolidation	Nil

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

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

Sd/-	Sd/-	Sd/-	Sd/-
(ARUN KUMAR KAUSHAL)	**(SUGANDHA KUKREJA)**	**(JATIN DAHIYA)**	**(NAVEEN CHOPRA)**
Chief Financial Officer	Company Secretary	Executive Director	Managing Director
	FCS-11578	DIN:08106876	DIN:08465391

As per our separate report of even date
For S. Tandon & Associates LLP
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN: 24518893BKDIDL6319

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

Place: Chandigarh
Date: May 30, 2024

ANNEXURE – II TO THE DIRECTORS' REPORT

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March, 2024.

A. Conservation of Energy

(1) Steps taken by company towards energy conservation:

i) To reduce the energy consumption Per Tonne of Caustic Production, we have successfully replaced the membranes of all the Electrolyzers in Phased manner by July 2023.

ii) Energy meters in different sections which have higher consumption have been installed for Effective monitoring & corrective actions are being taken on continual basis.

iii) Replacement of existing low-capacity Chlorine compressor E, with higher rating Chlorine compressor & Energy efficient motor i.e., IE4 and soft starter for reducing the energy consumption and increasing the productivity.

iv) The conventional lighting fixtures are being replaced with energy efficient LED lighting fixtures.

v) Now motors that are being added in existing/new plant are energy efficient i.e., IE4 class instead of standard/IE2/IE3 motors.

vi) Shifting of HCl Furnace of U-1 to U-2 and clubbing them together reduces the power consumption and utility required for operating the furnace at U-1

vii) Shifting of Cl2 liquefier of U-1 to U-2 clubbing them together reduces the power consumption and utility which facilitates ease of operations.

viii) The wastewater generation reduced by reusing it in the process which thereby minimizes the daily water pumping from raw water pump house & also it reduces the load on RO which contributes to the saving of power consumption.

ix) Initially in Flaker plant both molten salt pumps have to be kept operational irrespective of the daily capacity utilization. Considering the present market scenario the plant needed to be operated at 50% of the rated capacity. To achieve the same, we have modified the salt circuit which resulted in stoppage of one of the pumps, which thereby reduced the power consumption.

x) Installation of VFD on cooling water pumps and Fan of Power Plant.

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

1. The Company has Commissioned Coal based power plant of 35MW as an alternate source of power.
2. Reusing of CCU condensate in cell House, thereby reducing the steam requirement from Boiler.
3. Hot water generated from flue gas heat recovery system of Flaker unit is being used as feed water to Boiler, thereby reduction of fuel consumption in the boiler.
4. Conversion of Flaker Plant salt heating system from Husk to Hydrogen is under evaluation, accordingly proposal will be submitted & which will lead to high realization of Hydrogen.

(3) The capital investment on energy conservation equipment: During the year the Company has invested approx. Rs. 16.95 Crores on energy conservation equipment.

B. Energy Consumption

	2023-24	2022-23
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased		
(i) From Punjab State Power Corporation Limited		
Units (lacs KWH)	*2886.24	3390.42
Total Amount (₹ in lacs)	18551.44	19817.98
Rate /Unit (₹) (incl. surcharge)	6.43	5.87
(ii) From Other Sources through Indian Energy Exchange		
Units (lacs KWH)	-	-
Total Amount (₹in lacs)	-	-
Rate /Unit (₹)	-	-
(iii) Total		
Units (lacs KWH)	2886.24	3390.42
Total Amount (₹ in lacs)	18551.14	19817.98
Rate /Unit (₹) (incl. surcharge)	6.43	5.87
(b) Own Generation	NIL	NIL
2. Coal		
Quantity (in kg.)	514040	2620
Total Amount (₹ In lacs)	46.49	0.85
3. Furnace Oil/LDO/HSD		
Quantity (K. litres)	539.985	192.771
Total Amount (₹ in lacs)	410.52	132.63
Average Rate (₹ Per K.litre)	76024	68800
4. Husk (Rice)		
Quantity (In MT)	6925.89	1880.69
Total Amount (₹ In lacs)	492.84	164.87
Average Rate (₹ PMT)	7115.95	8766.57
B. Consumption per Unit		
1. Electricity (KWH)		
- Caustic Soda Lye	2408	2503
- Additional Consumption for conversion to Caustic Soda Flakes	116	Nil
- Consumption for Aluminum Chloride	101	Nil
- Consumption for Stable Bleaching Powder	380	Nil
2. Furnace Oil/LDO/HSD(ltrs.)		
- For Caustic Soda Lye	4.54	1.43
- 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.

*This does not include 1772900 units capitalised and recovered from employees/contracts.

C. Technology Absorption

i) Major efforts made towards Technology adoption & Benefits

For the production of Caustic Soda in electrolysis process, the Company uses electrolyser elements (anodes and cathodes) made by ThyssenKrupp, Germany. In an effort to modernize the electrolysis operation, the Company has already replaced old Generation-3 Electrolyser elements with latest new generation (Generation-6) elements, thereby decreasing the power consumption and increase in production. To further reduce the power consumption & increase the capacity in Unit -2, One Gen-6 Electrolyser was added & successfully commissioned on 19.11.2023.

We have also undertaken the Pure Brine Acidification of all existing 7 electrolysers which increased efficiency of our Cl2 liquefier & enhanced the Cl2 quality.

In Unit 1 of the Plant, the management has planned to replace the existing old Generation-2 electrolysers with Gen-3 elements & shift the same to Unit-2 at extended cell house.

ii) Information regarding Imported Technology (imported during the last three years reckoned from the beginning of the financial year):

Details of Technology Imported	Technology Imported from	Year of Import	Status
1. Technology Conversion & Expansion by Replacement of Old Gen-3, Electrolysers with Latest Energy Efficient Gen – 6 Elements & complete Electrolysers through Licensors, tkIS Germany, at our existing Caustic soda manufacturing Plant.	German technology through their Indian subsidiary– M/s Thyssenkrupp Industrial Solutions Pvt. Ltd.	2019-2022	Commissioned in a phased manner from Nov, 2019 to April, 2022.
2. Further 80 Elements of Gen- 6 were added in existing 6 no Gen- 6 Electrolysers @13 elements each.	--do--	2022-2023	Completed.
3. Remembraning of 3 Electrolysers in phased manner.	--do--	2022-2023	Completed.
4. Remembraning of A,C,D & F electrolysers.	--do--	2023-2024	Completed.
5. Addition of new Electrolyser - G of Gen-6	--do--	2023-2024	Completed.
6. Brine Acidification of all Existing 07 no of Electrolysers.	--do--	2023-2024	Completed

D. Research and Development

The Research & Development effort of the Company directed towards energy conservation and pollution control is continued & wastewater/effluent generation has been reduced to 30KLD through recycling & reuse of the wastewater generated.

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

E. Foreign Exchange Earnings and Outgo

(Amount in lacs)

Particulars	2023-24	2022-23
Earning	-	-
Outgo	2565.59	4798.73
Total	2565.59	4798.73

For and on behalf of the Board

Sd/-
(SUKHBIR SINGH DAHIYA)
Chairman
DIN: 00169921

Place: Chandigarh
Date: 12th August, 2024

ANNEXURE – III TO THE DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2023-24.

1. Brief outline of CSR Policy:

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

2. Composition of CSR Committee & Meetings:

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

3.	**Web-link for CSR committee & CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company**	https://www.primochemicals.in./page/csr
4.	**Executive summary alongwith web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable**	N.A.
5.	**a) Average net profit of the Company as per Section 135(5):**	₹9171.77 lacs
	b) Two percent of the average of profit as per Section 135 (5)	₹183.44 lacs
	c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	NIL
	d) Amount required to be set off for the financial year	NIL
	e) Total CSR obligation for the financial year (5b+5c – 5d)	₹183.44 lacs
6.	**a). CSR amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Project):**	₹183.55 lacs
	b). Amount spent in Administrative Overheads:	NIL
	c). Amount spent on Impact Assessment, if applicable	NIL
	d). Total amount spent for the Financial Year (6a+6b+6c) (Rs. in lacs)	₹183.55 lacs
	e). CSR amount spent or unspent for the Financial year:	(Rs. in lacs)

Total Amount Spent during the Financial Year.	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer.
₹183.55	NIL				

f). Excess amount for set off, if any:

(Rs. in lacs)

S. No.	Particular	Amount
i.	Two percent of average net profit of the company as per sub-section (5) of Section 135	183.44
ii.	Total amount spent for the financial year	183.55
iii.	Excess amount spent for the financial year [(ii)-(i)]	0.11
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL*

* Excess amount not availed for set-off

7. Details of unspent CSR amount for the preceding three financial year(s): (Rs. in lacs)

S. No.	Preceding Financial year	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135	Balance amount in unspent CSR account under subsection (6) of Section 135 (1)	Amount spent in the financial year	Amount transferred to a fund specified under Schedule VII as per second proviso to sub-section (5) of section 135	Amount remaining to be spent in succeeding financial years	Deficiency
N.A							

8.	Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year	No
9.	Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5)	N.A.

Date: 12th August, 2024
Place: Chandigarh

Sd/-
Naveen Chopra
Managing Director
DIN: 08465391

Sd/-
Kuldip Singh Suhag
Chairman
DIN:08925842

ANNEXURE – V TO THE DIRECTORS' REPORT

Management Discussion & Analysis Report

For the Financial Year 2023-24

Global economy

The global economy defied expectations with a moderate but uneven economic expansion. The global economy registered a growth of 3.2 per cent in 2023, though marginally lower than in 2022, lagging behind historical averages. After peaking in 2022, inflationary pressures declined considerably in 2023. However, inflation is still above the target in many countries. The easing of supply-chain pressures in tradable goods in 2023 led to sharp decline in goods inflation in various countries, reducing logistic challenges. Developed economies faced the brunt of high inflation, rising interest rates and overall dampened activities due to armed conflicts. Emerging economies fared better with stronger domestic demand and less reliance on global trade, achieving growth closer to 4%.

The global economic outlook for 2024 is cautiously optimistic, with the IMF projecting no change in the growth rate, a continuation of the slow recovery from 2023. Developed economies will experience headwinds due to rising interest rates and inflation while emerging markets will see a slightly better performance.

Geopolitical tensions and a potential global slowdown pose risks. Despite surpassing initial expectations, growth remains below historical averages. The key will be navigating inflation and fostering robust domestic demand to ensure a more sustainable recovery.

SOURCE: IMF, WORLD ECONOMIC OUTLOOK, APRIL 2024

Indian economy

India's economy carried forward the momentum it built in financial year 2023 into financial year 2024 despite a gamut of global and external challenges. The focus on stabilising macroeconomic stability ensured that these challenges had minimal impact on India's economy, resulting, India's real GDP accelerated at the rate of 8.2 per cent in financial year 2024, against growth over 7 per cent for a third consecutive year, driven by stable consumption demand and steadily improving investment demand.

The GDP growth was driven by unprecedented government spending and strong consumer demand. This enabled India as the fastest-growing major economy globally for the third consecutive year, aligning with prevailing global emerging market trends.

On the supply side, Gross Value Added (GVA) at 2011-12, prices grew by 7.2 per cent in financial year 2024, with growth remaining broad-based, which was possibly due to higher indirect tax collections and drop in government subsidies.

Within the industrial sector, manufacturing GVA shrugged off a disappointing financial year 2023 and grew by 9.9 per cent in financial year 2024. Manufacturing activities benefitted from reduced input prices while catering to stable domestic demand.

Despite global supply chain disruptions and adverse weather conditions, the combination of measures undertaken by the Government and RBI, domestic inflationary pressures moderated and declined to 5.4 percent in financial year 2024. The effects of these measures are reflected in declination of headline inflation to 3.1 per cent. Consequently, India was the only country amongst its peers to traverse a high-growth and low-inflation path.

Outlook: The Indian economy recovered swiftly from the pandemic, with its real GDP in financial year 2024 being 20 per cent higher than the pre-COVID, financial years 2020 levels. Economists are optimistic about the country's economic momentum. The RBI has revised India's GDP growth forecast for financial year 2025 upward to 7.2% from the previous 7%. The gap between GDP and GVA is anticipated to normalise starting from the second quarter of financial year 2025, driven by increased government spending.

For the full year, inflation is anticipated to remain at 4.5% because of an above-average monsoon easing pressure on food prices. With a strong domestic demand fuelled by rising disposable incomes, government spending on infrastructure and a potential export rebound could propel growth. However, global geopolitical concerns and the resultant economic slowdown will continue to pose challenges.

SOURCE: (https://www.livemint.com/economy/india-q4-gdp-data-live-updates-indian-economy-growth-in-fy24-q4fy24-growth-industrial-agricultural-growth-11717147242187.html

Industry overview

The Indian Chemical industry has immense growth potential due to a large consumer base, increasing urbanization, rising disposable incomes and government initiatives to support manufacturing activities. India is pivotal in manufacturing basic organic chemicals, fertilisers, pesticides, paints, dyes, intermediates, and fine and speciality chemicals. The industry is also known for its cost competitiveness which is primarily driven by skilled workforce, availability of raw materials and lower labour costs compared to developed nations. This provides a competitive advantage in global markets for Chemical manufacturing in India. The country's chemicals industry is mostly de-licensed, except for a few hazardous chemicals.

With more than 80,000 commercial products, India's chemical industry is highly diversified and ranked 6th largest in terms of production of chemicals in the world and 3rd in Asia, contributing 7% to the country's GDP. The chemicals sector, estimated to be worth US$ 220 billion in 2022, is anticipated to grow to US$ 300 billion by 2025 and US$ 1 trillion by 2040.

The chemical industry in India thrives on advanced technology, robust research capabilities, integrated supply chains and enhanced domestic production capacities to minimise reliance on imported raw materials. But, prioritising safety, health and environmental protection has also become essential for sustainable growth and operational excellence in the Indian chemical sector.

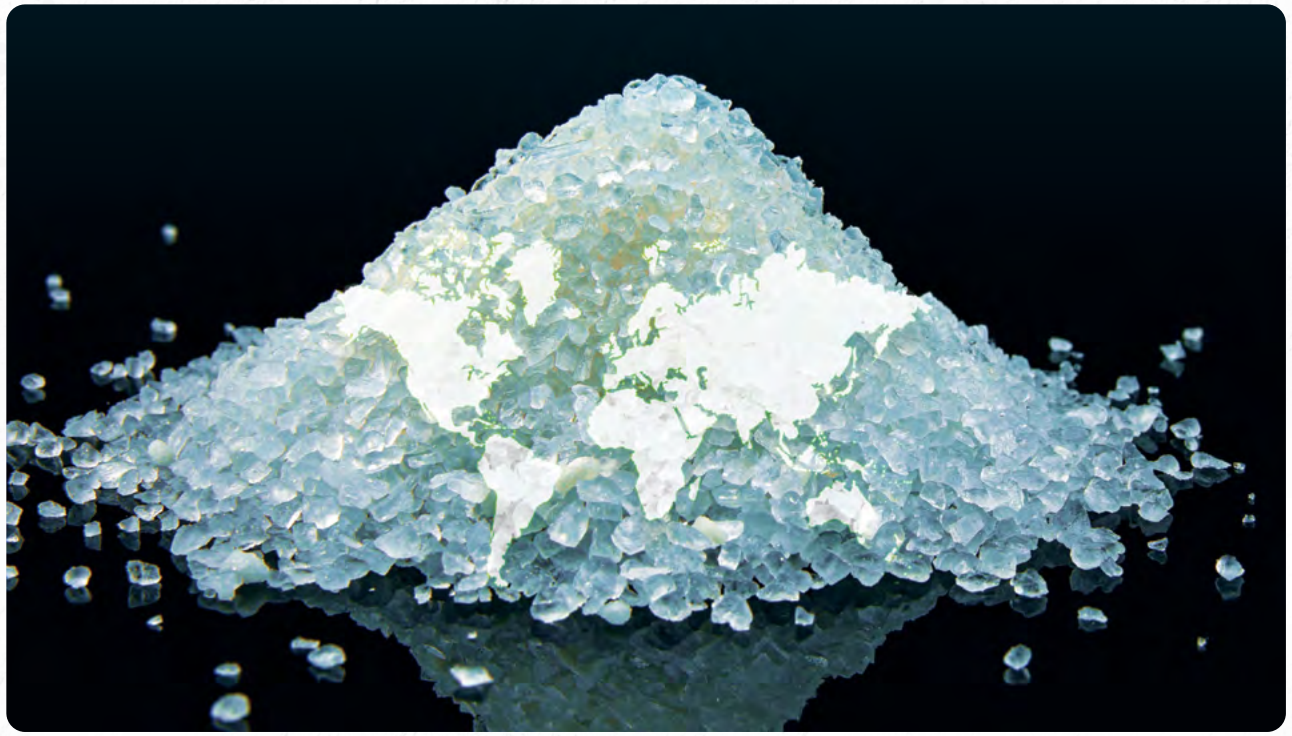
The Department of Chemicals & Petrochemicals plans to introduce a Production-Linked Incentive (PLI) scheme for the chemical & petrochemical sector and revise the Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) guidelines. The government of India is also exploring the launch of a PLI scheme in the chemical sector to enhance local manufacturing capabilities and promote exports besides improving the cost competitiveness of domestically manufactured goods and enhancing domestic capacity and exports.

Opportunities

- Increasing demand from key sectors like agrochemicals, food processing, personal care, home care, etc., is fuelling the demand for the chemical industry. These industries rely upon different chemicals to enhance product performance, improve efficacy, and meet evolving consumer preferences.
- Focusing on innovation and sustainable practices enhances the Indian chemicals industry's competitiveness globally by increasing its product offerings. With increasing investments in infrastructure and technology, India's chemicals industry can capitalise on this growth opportunity, bolstering its position as a key player in the global market.
- India's chemical sector can become attractive to global companies seeking alternatives to China. A skilled workforce, government incentives and a strong existing industry base position India to not only fulfil basic chemical needs but also develop a speciality chemicals niche through focused R&D. This shift towards innovation will solidify India's place as a future leader in the global chemical landscape.
- Supportive government policies and initiatives in the Indian chemical industry include the Production-Linked Incentive (PLI) scheme and modifications to regulatory frameworks. These measures aim to boost domestic manufacturing, encourage R&D investments and promote sustainable practices, fostering growth, competitiveness and alignment with global standards in the sector.

SOURCE: https://www.ibef.org/industry/chemical-industry-india

Global Caustic Soda industry



Demand for caustic soda is concentrated in Asia, Europe and North America, with Asia having the largest and fastest-growing demand. Asia Pacific is expected to remain the dominant region in the global market, while North America and Europe are also important markets.

The global caustic soda market stood at 81.5 million tonnes in 2022 and is anticipated to grow at 3.11% CAGR between 2023 and 2032.

SOURCE: https://www.chemanalyst.com/industry-report/caustic-soda-market-681)

Indian Caustic Soda industry

In India, Caustic soda is a vital chemical in numerous industrial applications. It is extensively used in the pulp and paper industry for bleaching and pulping processes, essential for breaking down lignin and enhancing paper quality. Additionally, caustic soda is a critical ingredient in manufacturing soaps and detergents, aiding saponification and ensuring effective cleaning properties.

Major achievements of the Indian chlor-alkali sector are reflected in increase in exports (4.58 lakh MT) than imports during last three consecutive years, decline in imports and increase in domestic demand to 41.38 lakh MT denoting a rise of 4.2% over the previous year. Installed capacity reached 55.65 Lakh MTPA, representing about 5.5% of the global capacity. Despite an increase in production to 47.43 Lakh MT (an 8.3% increase over the previous year), capacity utilization reduced to 80%, mainly due to the addition of higher capacities during the year.

The market size for caustic soda in India reached more than 460 lakh tonnes in 2023. The India caustic soda market is expected to grow at a CAGR of 6.47% between 2025 and 2035, reaching a volume of 980 lakh tonnes by 2035.

Historically, the western states dominate the caustic soda market as most of Chemicals, textile and other caustic consuming industries are located in this region and salt is locally available. This trend is highly likely as the sector is witnessing greater demand and new capacity expansions.

The industry is expected to benefit from the Government's efforts to promote domestic manufacturing and the expansion of the chemical sector through the implementation of new technologies and R&D.

In financial year 2024, raw material costs remain susceptible to global supply chain disruptions caused by natural disasters or political instability. In contrast, global market rates and domestic supply-demand dynamics impact caustic soda prices. Oversupply due to new capacities was witnessed while domestic prices were impacted by China's participation, reducing the quantity of exports from Gujarat.

Opportunities

- *Robust Growth in India:* The caustic soda industry is expanding due to new capacity additions to meet rising demand from the textile and alumina sectors.
- *Regional Trends:* Consumption and production in Japan and ASEAN countries have declined due to maintenance work and reduced demand recently but are expected to rebound shortly.
- *Diverse Applications:* Increasingly used in industries such as soaps, detergents, pulp and paper, pharmaceuticals, staple fibre production and petroleum refining.
- *Key Sectors Driving Demand:* Rising applications in textiles and dye sectors supported by government initiatives and in the alumina sector for aluminium production.
- *Lightweight chemical:* Caustic soda benefits from low transportation costs due to its lightweight anhydrous form. It enables manufacturers to efficiently supply large quantities and meet high market demand, fostering market growth.

SOURCE: https://www.chemanalyst.com/industry-report/india-caustic-soda-market-1#:~:text=Major%20players%20in%20the%20India,%2C%20Gujarat%20Fluorochemicals%20Ltd.%2C%20Kutch

Company overview

Primo Chemicals is a leading Indian producer of caustic soda, a vital industrial chemical used in paper, soap and aluminium production. With commercial production since January, 1984, they boast a daily Caustic production capacity of around 450 tonnes.

Primo Chemicals goes beyond Caustic Soda, offering a range of essential chemicals like Hydrochloric Acid, Liquid Chlorine and Hydrogen Gas, Aluminium Chloride, Stable Bleaching Powder, Caustic Soda Flakes. This diverse product portfolio caters to various industries, including water treatment, textiles and aquaculture. The Company is also likely to diversify its product-mix by adding capacities of some other in-organic chemicals.

Committed to eco-friendly practices, Primo Chemicals prioritises sustainable and cost-effective technologies. Their focus on safety and a skilled workforce positions them as a reliable partner for businesses seeking high-quality industrial chemicals.

Operational performance

Manufacturing operations

The Company has produced 118899 MT of Caustic Soda Lye (CSL) at a capacity utilization of 77% during the financial year ended 31st March, 2024 as against production of 134977 MT of CSL at capacity utilization of 91.20% in financial year ended on 31st March 2023 due to shifting of Unit -I to Unit-II. In the financial year 2023-24, the sales realization net of GST was ₹50045 as compared to ₹33959 during the preceding financial year.

The power consumption PMT of Caustic Soda Lye decreased to 2408 units for the financial year ended 31st March, 2024 as against 2503 units for the financial year ended 31st March, 2023.

The Company has successfully commissioned the commercial production of Caustic Soda Flakes Plant at Naya Nangal, Punjab, with an installed capacity of 66,000 Ton Per Annum (TPA) and Aluminium Chloride Plant at Naya Nangal, Punjab, with an installed capacity of 16,500 Ton Per Annum (TPA). The Company has also commissioned 35 MW Coal and Biomas based Power Plant, a major milestone in the history of PRIMO towards growth and development.

Marketing

Primo Chemicals has implemented several marketing strategies to bolster its market presence, broaden its customer base and propel growth in the chemical industry. The Company has invested in establishing a unified brand identity comprising an eye-catching logo, tagline and brand messaging. Key objectives are enhancing brand recognition and fostering a favourable reputation among customers and stakeholders. Primo places significant emphasis on cultivating robust relationships with existing customers by delivering customised solutions that meet their specific needs, aiming to elevate customer satisfaction and loyalty and forge enduring partnerships.

Financial performance

During the financial year under review, Revenue from operations stood at ₹396.87 crore vs ₹650.16 crore last financial year on account of drastic drop in ECU realisation.

The Company has incurred net loss before tax of ₹31.43 crores for the financial year ended 31st March, 2024 as against net profit before tax of ₹186.50 crores earned during the previous financial year.

EBITDA in FY 2023-24 stood at ₹26.34 crores as compared to ₹218.52 crores in financial year 2022-23.

Ratios	March 31, 2024	March 31, 2023	Remarks
Debtors Turnover	40	22	Trade receivable turnover ratio has increased due to slow down of market and delayed collection from some customers
Inventory Turnover (in Days)	19	9	Change in inventory turnover ratio on account of increase in Stock in process and finished goods due to commissioning of new projects.
Interest Coverage Ratio	-0.73	24.11	Interest Coverage Ratio declined due to increase in interest expense and loss incurred during the year ended 31.03.2024
Current Ratio	0.61	0.95	Current ratio is decreased on account of increase in short term borrowings and other current liabilities.
Debt Equity Ratio	0.35	0.36	-
Operating Profit Margin (%)	-3.17%	26.52%	Operating profit margin ratio is decreased on account of loss incurred during the year ended 31.03.2024
Net profit Margin (%)	-6.51%	18.94%	Net Profit ratio is decreased on account of loss incurred during the year ended 31.03.2024
Return on Net Worth (%)	-7.61%	36.93%	Return on Net Worth ratio is decreased on account of loss incurred during the year ended 31.03.2024

Internal Control Systems & adequacy

The Company maintains adequate internal control systems tailored to its scale and operations, regularly reinforced through independent internal audits. Audit findings are scrutinised by the management team and the Board of Directors' Audit Committee. Additionally, statutory auditors evaluate the adequacy and effectiveness of these controls. This comprehensive approach ensures that the internal controls adhere to industry standards, enhancing the Company's ability to manage risks, protect assets, and uphold the integrity of its financial reporting practices effectively.

Human resources

Primo Chemicals Limited prioritises its human resources, emphasising continuous skill enhancement and development. Training is a pivotal focus across all levels of personnel within the organisation. The Company maintained harmonious industrial relations throughout the March 31, 2024 fiscal year. As of the same date, Primo Chemicals Limited employed 350+ permanent staff members, excluding 350+ people temporarily, all integral to the organisation's achievements and operational success.

Opportunities

Primo Chemicals Limited, as a player in the Chlor-Alkali industry, is well-positioned to capitalise on the upcoming opportunities in India. The country's robust economic growth, coupled with increasing industrialisation and urbanisation, is driving demand for chlorine and caustic soda.

The government's focus on infrastructure development, particularly in water and sanitation, presents a significant market for PVC, a key chlorine-based product. Moreover, the rising emphasis on hygiene and sanitation, especially post-pandemic, has augmented the demand for chlorine-based disinfectants.

Primo Chemicals can leverage these trends by expanding its production capacity, diversifying its product portfolio, and exploring new market segments. Additionally, By aligning its business strategy with the evolving market dynamics, Primo Chemicals can solidify its position as a key player in the Indian Chlor-Alkali industry.

While the Indian Chlor-Alkali market offers substantial growth prospects, Primo Chemicals Limited can also explore international opportunities to expand its market reach and mitigate risks associated with domestic market fluctuations.

Several factors could favour Primo's foray into international markets. Firstly, a growing global population and increasing industrialisation in developing economies are driving up demand for chlorine, caustic soda, SBP and aluminium chloride. Secondly, the company's competitive pricing and product quality could position it favourably in international markets. Thirdly, India's trade agreements and free trade zones can provide preferential market access.

However, entering foreign markets requires careful consideration of factors such as trade barriers, competition, regulatory compliance, and logistics. Primo can explore strategic partnerships, joint ventures, or acquisitions to overcome these challenges and establish a strong international presence. By diversifying its geographical footprint, Primo can enhance its overall business resilience and profitability.

Threats, risks and concerns

The Company faces several threats and risks that could impact its operations and profitability. The expansion of installed capacities by domestic competitors in the caustic industry poses a significant threat, potentially leading to oversupply, pricing pressures, and intensified competition for market share. Additionally, the presence of global players in the market introduces further competitive pressure, challenging Primo Chemicals to maintain its market position.

Economic fluctuations and volatility in raw material prices can also affect cost structures and profitability. The company is vulnerable to disruptions in the supply chain, which may result from geopolitical events, trade restrictions, or logistical challenges. Regulatory changes, including stricter environmental standards and compliance requirements, could increase operational costs and necessitate substantial investments in technology and processes.

Primo Chemicals Limited also faces several critical risks that could affect its operational and financial stability. One such major concern is the increasing cost of inputs such as power tariffs, raw materials, and transportation. Rising prices for these essential resources can erode profit margins and diminish the overall cost-effectiveness of the company's operations.

The Indian chemical industry is also under significant pressure from global competitors who often benefit from established market presence, advanced technologies, and economies of scale. This creates challenges for Indian companies to compete effectively on price and quality. Additionally, protectionist measures, trade barriers, and fluctuations in foreign exchange rates further complicate the competitive landscape for Indian chemical manufacturers.

Furthermore, technological advancements and shifts in industry standards could require ongoing innovation and adaptation. Risks associated with cyber threats and data breaches are also a concern, given the increasing reliance on digital systems. To mitigate these risks, Primo Chemicals Limited must continuously monitor market dynamics, invest in technology, and implement risk management strategies.

Risk management

Risks are potential threats or adverse events leading to damage, loss, liability or other negative consequences. Effective risk management involves identifying, assessing and prioritising these risks and deploying resources to mitigate, monitor and control their impact. The Company has established a Risk Assessment and Minimisation System.

The Company also has a mechanism to inform the Board about the risk assessment and minimisation procedures. It undertakes periodic reviews to ensure that the risks are identified and controlled using a properly defined framework.

As part of the risk management system, the Company adopts proactive strategies such as optimising power usage, enhancing safety measures, exploring alternate sourcing and improving operational efficiencies to manage these risks effectively and foster sustainable growth.

CAUTIONARY STATEMENT

The statements in this Management Discussion and Analysis Report regarding the Company's future objectives, projections, estimates, expectations, or predictions may be considered forward-looking under applicable laws and regulations. These statements rely on certain assumptions and expectations about future events. However, actual results could differ significantly from those expressed or implied in these statements. The Company's operations may be influenced by various factors, including economic conditions affecting global and domestic demand, fluctuations in prices of finished goods, availability and cost of power and raw materials, regulatory changes, tax policies, economic developments in India, and other factors such as legal disputes and industrial relations. The Company is not obligated to publicly update or revise these forward-looking statements based on subsequent developments, information, or events.

For and on behalf of the Board

Sd/-

(SUKHBIR SINGH DAHIYA)
Chairman
DIN: 00169921

Place: Chandigarh
Date: 12th August, 2024

ANNEXURE – VI TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

FOR THE FINANCIAL YEAR 2023-24

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 four are Independent Directors.

Skills / expertise competencies of the Board of Directors

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

The composition of the Board as on 31st March 2024 is given below:

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

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

Name	Date of Appointment	Date of Cessation	Category	Inter-se Relationship amongst Directors	Attendance at Board Meetings during 2023-24 (01.04.2023 to 31.03.2024)	Attendance at last AGM on 29.09.2023	No. of Directorships in other Companies*		Memberships of the Committees of the Board of all the Companies**		No. of Directorships in other Listed Companies/ Category
							Chairperson	Director	Chairperson	Member	
Shri Sukhbir Singh Dahiya, Chairman	20.10.2020	-	Promoter NE& NI	Father of Shri Jatin Dahiya	5	Yes	-	1	1	-	-
Shri Naveen Chopra, - As Whole Time Director - As Managing Director - Re-appointment as Managing Director	 28.05.2019 29.10.2020 29.10.2023	-	E & NI	-	5	Yes	-	-	-	2	-
Shri Jatin Dahiya - As Director - As Executive Director - Re-appointment As Executive Director	 20.10.2020 01.04.2021 01.04.2024	-	Promoter E& NI	Son of Shri Sukhbir Singh Dahiya	5	Yes	-	1	-	-	-
Shri Jagbir Singh Ahlawat	20.10.2020	-	Promoter NE& NI	-	5	Yes	-	1	-	-	-
Shri Tilak Raj Bajalia	26.10.2020	-	NE&I	-	5	Yes	-	1	1	1	-
Shri Ashok Goyal	26.10.2020	-	NE&I	-	5	Yes	-	1	-	3	1
Shri Kuldip Singh Suhag	26.10.2020	-	NE&I	-	5	No	-	-	-	1	-
Ms. Teesta Sandhu	02.12.2021	-	NE&I	-	5	Yes	-	-	-	-	-

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

**Includes only Audit Committee and Stakeholders Relationship Committee.

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

Five Board Meetings were held during the financial year 2023-24 as against the minimum requirement of four meetings in a year. The dates on which the Board Meetings were held are given below:

26th May, 2023, 28th June, 2023, 14th August, 2023, 4th November, 2023 and 9th February, 2024.

One separate meeting of the Independent Directors was held on 14th August, 2023. The Independent Directors reviewed the performance of Non-Independent Directors, Board as a whole and Chairperson of the Company. The Independent Directors have also reviewed the quality, content and timeliness of flow of information between the Management and the Board.

Nomination & Remuneration Committee has devised the criteria for evaluation of the performance of the Directors (including Independent Directors). The same is placed on the Company's website at https://www.primochemicals.in/page/investors.

Pursuant to the provisions of the Act and Listing Regulations, the Board carried out the Annual Performance Evaluation of its Directors including Independent Directors, Board as well as the working of its committees.

The Non-Executive Directors had no pecuniary relationship or transactions with the Company in their personal capacity during the financial year 2023-24 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 at https://www.primochemicals.in/page/investors. All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Directors and Senior Management Personnel during the financial year 2023-24 and the Chief Executive Officer's Declaration to this effect is annexed herewith.

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

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

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

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

Audit Committee

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

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

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

Name	Designation	Date of Appointment as Member	Date of Cessation as Member	Category	Attendance during 2023-24 (01.04.2023 to 31.03.2024)
Shri Tilak Raj Bajalia	Chairman	26.10.2020	-	NE&I	5
Shri Ashok Goyal	Member	26.10.2020	-	NE&I	5
Shri Kuldip Singh Suhag	Member	26.10.2020	-	NE&I	5
Shri Naveen Chopra	Member	26.10.2020	-	E&NI	5

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 2023-24.

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

26th May, 2023, 28th June, 2023, 14th August, 2023, 4th November, 2023 and 9th February, 2024.

Nomination and Remuneration Committee

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

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

Name	Designation	Category	Attendance during 2023-24 (01.04.2023 to 31.03.2024)
Shri Ashok Goyal	Chairman	NE&I	2
Shri Tilak Raj Bajalia	Member	NE&I	2
Shri Kuldip Singh Suhag	Member	NE&I	2
Shri Sukhbir Singh Dahiya	Member	NE&NI	2

Two meetings of the said Committee were held on 26th May, 2023 and 14th August, 2023 during the financial year 2023-24.

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

The Non-Executive Directors are entitled to Sitting Fee decided by the Board of Directors in accordance with the provisions of the Articles of Association of the Company. The Sitting Fee has been revised with effect from 26th May, 2023 to ₹1,00,000/- per meeting of the Board of Directors and meeting of the Audit Committee of the Board of Directors attended and ₹75,000/- per meeting of the other Committees of the Board of Directors.

Details of the remuneration paid to the Directors in the financial year 2023-24 are as under:-

(₹ in lacs)

Name of Directors	Category	Salary	Sitting Fees*
Shri Naveen Chopra	E&NI	603.99	-
Shri Jatin Dahiya	E&NI	320.62	-
Shri Sukhbir Singh Dahiya	NE&NI	-	17.25
Shri Jagbir Singh Ahlawat	NE&NI	-	6.50
Shri Tilak Raj Bajalia	NE&I	-	13.75
Shri Kuldip Singh Suhag	NE&I	-	13.75
Shri Ashok Goyal	NE&I	-	24.50
Ms. Teesta Sandhu	NE&I	-	7.25

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

The details of the number of Equity Shares held by Directors of the Company as on 31st March, 2024 are as follows:-

Name of Directors	No. of Equity Shares
Shri Sukhbir Singh Dahiya	25278015
Shri Naveen Chopra	42500000
Shri Jagbir Singh Ahlawat	15500100
Shri Jatin Dahiya	5482535
Shri Ashok Goyal	Nil
Shri Tilak Raj Bajalia	Nil
Shri Kuldip Singh Suhag	75580
Ms. Teesta Sandhu	34870

Stakeholders Relationship cum Share Transfer Committee

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

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

Name	Designation	Category	Attendance during 2023-24 (01.04.2023 to 31.03.2024)
Shri Sukhbir Singh Dahiya	Chairman	NE&NI	15
Shri Naveen Chopra	Member	E&NI	15
Shri Ashok Goyal	Member	NE&I	15

CS Sugandha Kukreja, Company Secretary is the Compliance Officer.

During the financial year under review, the total one (1) complaint/ query was received and replied to the satisfaction of shareholders. Outstanding complaints/ queries as on 31st March, 2024 were Nil. Complaints/ correspondence are usually dealt with within 10-12 days of receipt.

Corporate Social Responsibility Committee.

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

During the financial year 2023-24, Two meetings of the Corporate Social Responsibility Committee were held on 26th May, 2023 and 9th February, 2024.

The name and categories of the Chairman and Members of the Corporate Social Responsibility Committee and their attendance at the meeting during the financial year 2023-24 under review are given below:

Name	Designation	Category	Attendance during 2023-24 (01.04.2023 to 31.03.2024)
Shri Kuldip Singh Suhag	Chairman	NE&I	2
Shri Ashok Goyal	Member	NE&I	2
Shri Tilak Raj Bajalia	Member	NE&I	2
Shri Jagbir Singh Ahlawat	Member	NE&NI	2

Risk Management Committee

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

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

Name	Designation	Category	Attendance during 2023-24 (01.04.2023 to 31.03.2024)
Shri Naveen Chopra	Chairman	E&NI	2
Shri Jatin Dahiya	Member	E&NI	2
Ms. Teesta Sandhu	Member	NE&I	2

Two meeting of the said Committee were held on 20th July, 2023 and 16th January, 2024 during the financial year 2023-24.

General Body Meetings

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

S. No.	AGM Particulars	Venue	Date	Details of Special Resolutions passed
1.	46th AGM in respect of the financial year 2020-2021	Punjab Alkalies & Chemicals Limited, Registered Office at SCO 125-127 Sector 17-B Chandigarh. (Through Video Conferencing)	30th September, 2021 at 16:00 hours	Appointment of Shri Jatin Dahiya as Executive Director of the Company for the period of three years w.e.f. 1st April, 2021.
2.	47th AGM in respect of the financial year 2021-22	Punjab Alkalies & Chemicals Limited Registered Office at SCO 125-127 Sector 17-B Chandigarh. (Through Video Conferencing)	15th September, 2022 at 12.30 hours	(i) According of approval for Revision in terms of remuneration payable to Shri Naveen Chopra, (DIN: 08465391) Managing Director with effect from 1st April, 2022. (ii) According of approval for Revision in terms of remuneration payable to Shri Jatin Dahiya, (DIN: 08106876) Executive Director with effect from 1st April, 2022
3.	48th AGM in respect of the financial year 2022-23	Primo Chemicals Limited (Formerly known as Punjab Alkaies & Chemicals Limited) Corporate Office at Bay No. 46-50, Sector 31-A Chandigarh. (Through Video Conferencing)	29th September, 2023 at 12.30 hours	(i) According of approval for variation in terms of remuneration payable to Shri Naveen Chopra, Managing Director with effect from 1st April, 2023. (ii) According of approval for variation in terms of remuneration payable to Shri Jatin Dahiya, Executive Director with effect from 1st April, 2023. (iii) According of approval for re-appointment of Shri Naveen Chopra as Managing Director of the Company for further period of 5 years with effect from 29th October, 2023. (iv) According of approval for re-appointment of Shri Jatin Dahiya as Executive Director of the Company for further period of 5 years with effect from 1st April, 2024. (v) According of approval for adoption of new set of Articles of Association in accordance with the provisions of Companies Act, 2013. (vi) According of approval for adoption of new set of Memorandum of Association in accordance with the provisions of Companies Act, 2013. (vii) According of approval to acquire balance stake of 51% in Flow Tech Chemicals Private Limited by 31st December, 2024 in a phased manner. (viii) According of approval for providing Corporate Guarantee to HDFC Bank Limited, as security for credit facilities of ₹62.03 Crores sanctioned by HDFC Bank Limited to Flow Tech Chemicals Private Limited, Associate Company. (ix) According of approval of the Company to the Board of Directors under Section 180(1)(c) of the Companies Act, 2013 and other applicable Rules to borrow money(ies) to the extent of ₹1000 Crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

				(x) According of approval of the Company to the Board of Directors of the Company, to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate which, shall not exceed a sum of ₹1000 Crores (Rupees One Thousand Crores only) over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

b) **Extraordinary General Meetings:**

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

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

(ii) Details of resolutions passed through Postal Ballot:

During the financial year, No Resolution was passed by the Company through Postal Ballot.

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

Disclosures

a) During the year under review, no material transactions with any related party as defined under the Act and the Listing Regulations have been entered into, which have a potential conflict with the interest of the Company at large. All contracts/ arrangements/ transactions entered into by your Company with its related parties were on an arm's-length basis and in the ordinary course of business. Attention of the members is drawn to Note 40 of the Financial Statements, forming part of this Annual Report, which sets out the related party disclosures. The Policy on Related Party Transactions is available on the website of the Company at https://www.primochemicals.in/page/investors.

b) There has been no non-compliance by the Company or penalties or strictures imposed on the Company by any of the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

c) The Company has in place the policy on Vigil Mechanism and Whistle Blower. The same has also been placed on the Company's Website at https://www.primochemicals.in/page/investors. During the year under review, no person has been denied access to the Chairman of the Audit Committee.

d) Certificate from Company Secretary in practice has been obtained stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/ MCA or any other statutory authority.

e) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are given in Note No. 32 to the Financial Statements.

f) Details of Senior Management as on 31st March, 2024 including the Changes therein) during the year as under:

S. No.	Name	Designation
1.	Shri Munish Aggarwal	Sr. Vice President (Technical)
2.	Shri Pritmohinder Singh	Sr. Vice President (Operations)
3.	Shri Ujjal Didar Singh	Sr. Vice President (Commercial)
4.	Shri MPS Walia	General Manager (Works)
5.	Shri Sanjeev Saunkhla	Chief IT Officer
6.	Shri Arun Kumar Kaushal	Chief Financial Officer
7.	CS Sugandha Kukreja	Company Secretary & CHRO
8.	Shri Devinder Singh Saini	Dy. General Manager (Sales)

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

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

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

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

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

k) Discretionary Requirements:

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

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

(ii) The Internal Auditors of the Company gave their quarterly reports 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 2024.

(iv) Shri Naveen Chopra, Managing Director and Shri Arun Kumar Kaushal, Chief Financial Officer, have issued the Certificate in accordance with Regulation 17(8) of the Listing Regulations with regard to Quarterly and Annual Financial Statements for the Financial Year ended 31st March, 2024.

Means of communication

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

The Management Discussion and Analysis Report for the financial year 2023-24 is a part of the Annual Report for the said financial year.

General Shareholders information

a)	Annual General Meeting	:	27th September, 2024
b)	Financial Calendar	:	1st April, 2023 to 31st March, 2024
c)	Date of Book Closure	:	21st September, 2024 to 27th September, 2024
d)	Dividend Payment Date	:	N.A.
e)	Listing on Stock Exchanges	:	BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
f)	Stock Code	:	BSE Limited : 506852 ISIN No. for Demat Mode : INE607A01022 Shares
g)	Registrars and Share Transfer Agents	:	M/s. Beetal Financial & Computer Services Private Limited Unit: Primo Chemicals Limited Beetal House, 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/ transmission of shares, etc. The share transfers/ transmission received in physical form are processed through R & T Agent, within thirty days from the date of receipt, subject to the documents being valid and complete in all respects.
i)	Dematerialisation of Shares and liquidity	:	The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for facilitating holding of Company's Shares in Dematerialised Mode. As on 31st March, 2024, 234092195 (Constituting 96.59%) were in dematerialized form.
j)	Unclaimed Shares	:	During the financial year 2023-24, no shares of the Company were required to be transferred to the Demat suspense account.
k)	Outstanding GDRs/ ADRs/ Warrants or Convertible instruments, conversion date and likely impact on equity.	:	Nil
l)	Plant Location	:	Nangal-Una Road, Naya Nangal, Distt. Ropar (Punjab)-140 126.
m)	Address for Correspondence	:	Primo Chemicals Limited, Bay No. 46-50, Sector 31-A, Chandigarh-160030 Ph. : (0172) – 2801611 Website : www.primochemicals.in CIN : L24119CH1975PLC003607
n)	E-mail ID for Investors' Complaints/Queries	:	secretarial@primochemicals.in

o) Credit Rating

During the year under review, CARE Ratings Limited have re-affirmed credit ratings to the Company's Long Term and Short Term credit facilities as under:

Facilities	Rating1 dated 5th April, 2023	Rating2 dated 6th July, 2023	Rating3 Dated 11th November, 2023	Rating Action
Long Term Bank Facilities	CARE BBB-(RWD) (Triple B Minus) (Continues to be on Rating Watch with Developing-Implications)	CARE BBB- (RWD) (Triple B Minus) (Continues to be on Rating Watch with Developing Implications)	CARE BBB- Stable (Triple B Minus; Outlook: Stable)	Reaffirmed and removed from Rating Watch with Developing Implications; Stable outlook assigned
Long Term/ Short Term bank Facilities	CARE BBB-/CARE A3 (RWD) (Triple B Minus/ A Three) (Continues to be on Rating Watch with Developing-Implications)	CARE BBB- / CARE A3 (RWD) (Triple B Minus/ A Three) (Continues to be on Rating Watch with Developing Implications)	CARE BBB- ; Stable/CARE A3 (Triple B Minus; Outlook: Stable / A Three)	Reaffirmed and removed from Rating Watch with Developing Implications; Stable outlook assigned

p) Market Price Data:

High/Low during each month of 2023-2024 (1st April, 2023 to 31st March, 2024) on the BSE Limited:

Month	High (₹)	Low (₹)	Month	High (₹)	Low (₹)
April, 2023	80.40	73.10	October, 2023	61.00	53.12
May, 2023	77.00	64.75	November, 2023	55.85	48.85
June, 2023	67.99	62.50	December, 2023	53.00	48.05
July, 2023	71.00	53.19	January, 2024	55.40	45.10
August, 2023	64.80	56.10	February, 2024	48.90	35.00
September, 2023	66.30	57.55	March, 2024	45.29	34.00

q) Performance in comparison to broad-based indices

Company's Share price	Stock Exchange	Indices
	BSE	Sensex
As on 01.04.2023	76.30 (at face value of ₹2/- each)	58991.52
As on 31.03.2024	34.08 (at face value of ₹2/- each)	73651.35
Change (%)	(55.33%)	24.85%

r) Distribution of Shareholding as on 31st March, 2024:

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 5000	42529	93.680	18840625	7.7744
5001 - 10000	1599	3.522	6137264	2.5325
10001 - 20000	632	1.392	4843511	1.9986
20001 - 30000	206	0.454	2615200	1.0791
30001 - 40000	96	0.211	1745866	0.7204
40001 - 50000	74	0.163	1681239	0.6937
50001 - 100000	118	0.260	4128746	1.7037
100001 & above	144	0.317	202350769	83.4976
Total	**45398**	**100.00**	**242343220**	**100.00**

s) Categories of Shareholding as on 31st March, 2024:

Category	No. of Shareholders	No. of Shares Held	% of Shareholding
Promoters	9	75982830	31.35
Indian Public	43012	97996352	40.44
Mutual Funds & UTI	11	4615212	1.90
Banks /Financial Institution	12	47000	0.02
NRIs/OCBs/FIIs	671	4070887	1.68
Corporate Bodies	1028	57438143	23.70
Others	655	2192796	0.90
Total	**45398**	**242343220**	**100.00**

For and on behalf of the Board

Sd/-
(SUKHBIR SINGH DAHIYA)
Chairman
DIN: 00169921

Place: Chandigarh
Date: 12th August, 2024

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, 2024.

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

Place: Chandigarh
Date: 12th August, 2024

Auditors' Certificate on Compliance with the Corporate Governance as per requirements of SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Members of Primo Chemicals Ltd

(Formerly Known as Punjab Alkalies & Chemicals Limited)

We have examined the compliance of conditions of Corporate Governance by Primo Chemicals Ltd (Formerly Known as Punjab Alkalies & Chemicals Limited), for the financial year ended on 31st March, 2024, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

For **S. Tandon & Associates LLP**
Chartered Accountants
(FRN 006388N/N500433)

Sd/-
Nipun Rastogi
Partner
M. No. 518893
Place of Signature: Chandigarh
Date: 30/07/2024
UDIN: 24518893BKDIDQ6191

Annexure- VII to the Directors Report

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

(as per Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L24119CH1975PLC003607
2.	Name of the Listed Entity	Primo Chemicals Limited
3.	Year of incorporation	1975
4.	Registered office address	SCO 125-127, Sector 17-B, Chandigarh
5.	Corporate address	Bay No 46-50, Sector 31-A, Chandigarh
6.	E-mail	secretarial@primochemicals.in
7.	Telephone	0172-2801649
8.	Website	www.primochemicals.in
9.	Financial year for which reporting is being done	2023-2024
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited
11.	Paid-up Capital	Rs. 48.46 Crores
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	CS Sugandha Kukreja secretarial@primochemicals.in 0172-2801611
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone Basis
14.	Name of assurance provider	Not Applicable
15.	Type of assurance obtained	Not Applicable

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing of Chemicals	Manufacturing and Selling of Chemicals	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Chemicals	20119	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1	2	3
International	-	-	-

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	8 (North India)
International (No. of Countries)	-

b. What is the contribution of exports as a percentage of the total turnover of the entity?

NIL

c. A brief on types of customers

The Company access to customers in North India such as Soap, Paper, Textile, Refineries and fertilizers. Manufacturing industries in Performance Chemicals including Specialty and other Chemicals and Industrial Chemicals.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)	137	126	91.97	11	8.03
2.	Other than Permanent (E)	20	19	95.00	1	5.00
3.	**Total employees (D + E)**	**157**	**145**	**92.36**	**12**	**7.64**
			WORKERS			
4.	Permanent (F)	249	233	93.57	16	6.42
5.	Other than Permanent (G)	378	371	98.15	7	1.85
6.	**Total workers (F + G)**	**627**	**604**	**96.33**	**23**	**3.66**

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		DIFFERENTLY ABLED EMPLOYEES				
1.	Permanent (D)	NIL				
2.	Other than Permanent (E)					
3.	Total differently-abled employees (D + E)					
		DIFFERENTLY ABLED WORKERS				
4.	Permanent (F)	NIL				
5.	Other than permanent (G)					
6.	Total differently abled workers (F + G)					

21. Participation/ Inclusion/ Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.50
Key Management Personnel (Other than MD & ED)	2	1	50.00

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2023-2024 (Turnover rate in Current FY)			FY 2022-2023 (Turnover rate in Previous FY)			FY 2021-2022 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10.32%	36.36%	12.41%	4.92%	26.09%	6.74%	8.00%	0%	7.35%
Permanent Workers	5.58%	12.50%	6.02%	3.17%	0%	2.99%	2.88%	0%	2.72%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding /subsidiary /associate companies /joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Flow Tech Chemicals Pvt. Ltd.	Associate	49%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **(Yes/No) Yes**

a. Turnover (in Rs. Crores): 396.98

b. Net worth (in Rs. Crores): 339.74

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes,then provide web-link for grievance redress policy)	FY 2023-2024 Current Financial year			FY 2022-2023 Previous Financial year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, a mechanism is in place to interact with community leaders to understand and address their concerns, if any	NIL	N.A.	-	1	NIL	-
Investors (other than shareholders)	Yes, the contact no., address and email id of different locations have been specified on the following link.https://www.primochemicals.in/page/investors	NIL	N.A.	-	NIL	N.A.	-
Shareholders	Yes, Shareholder can register their grievances at https://scores.gov.in/scores/Welcome.html and also web links of BSE (http://tiny.cc/m1l2vz) The Company has a grievance redressal mechanism for shareholders. The Company has appointed RTA who also takes care of shareholders' enquiries / queries, requests and complaints. The contact no., address and email id have been specified on the following link.https://www.primochemicals.in/page/investors	NIL	N.A.	-	11	NIL	-
Employees and workers	Yes, the Company has in place Whistle Blower mechanism and Prevention of Sexual Harassment Policy specifying the grievance redressal mechanism. https://www.primochemicals.in/page/contact-us	NIL	N.A.	-	NIL	N.A.	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes,then provide web-link for grievance redress policy)	FY 2023-2024 Current Financial year			FY 2022-2023 Previous Financial year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	Yes, The contact no., address and email id of different locations have been specified on the following link. https://www.primochemicals.in/page/contact-us.	52	NIL	-	31	NIL	-
Value Chain Partners	The contact no., address and email id of different locations have been specified on the following link. https://www.primochemicals.in/page/contact-us.	NIL	N.A.	-	NIL	N.A.	-
Other (please specify)	-	NIL	N.A.	-	NIL	N.A.	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt omitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Interference by Villagers and Other village committee members for employment in the organization.	Risk	Less competent manpower in the organization which can impact safety of operations.	1. Developing good relations & trust with villagers, explaining them about risk involved in hazardous nature of work of company & importance of skilled manpower. 2. Proactive meetings/ discussions with authorities to inform them about our compliances.	Negative
2.	Easy availability of desired skilled manpower	Opportunity	High no of Qualified people in the vicinity of the company.	--	Positive
3.	Water Management	Risk	Water is a critical input in chemical production. Companies with water intensive operations face a greater risk of operational disruption due to water scarcity, which can also increase water procurement prices and capital expenditures. Similarly, chemical manufacturing generates process wastewater that must be treated before disposal. Non compliance with water quality regulations may result in regulatory compliance and mitigation costs.	As a responsible chemical manufacturing organization, we put a premium on the ability to moderate water consumption. We have upgraded our wastewater management by replacing normal wastewater treatment with new age technology. This replacement moderated water and power consumption, helping moderate environment impact and conserve natural resources. The company also invested various water conservation schemes, this water is further used in the cooling tower and for other processes.	Negative
4. .	Handling of Hazardous Chemicals	Risk	Chemical company is responsible for managing all risks related to the storage and handling of hazardous chemicals. The improper handling of chemicals and spills can cause harm to the environment or humans and also imposes a heavy fine and reputational risk on the company.	Company ensures that hazardous materials are handled in a manner that mitigates risks to the environment, employees, and the community. In order to maintain the health & safety at workplace company conducts lot of internal and external health and safety audits. Also, the environmental and social parameters relevant are information is provided with the product. In case of hazardous waste, company ensure the waste is managed as per waste management rules and regulations.	Negative
5.	Waste Management	Risk	Typically, waste is generated as part of a company's operations, captive power plant, maintenance of machinery and office administrative work. Improper waste handling may contribute to air pollution, climate change, and various direct and indirect impacts on the ecosystem. It may also cause health and safety risks to personnel exposed to the waste. Non-compliance with waste management regulations may lead to the imposing of heavy fines.	The company replaced and switched to various new technology to reduce the waste generation. This replacement helped to reduce the consumption of a natural resource, reduced waste generation and waste disposal in open land. Additionally the company is taking of it's Plastic Waste generated by it's products and packaging responsibly.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt omitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	Product Safety & Quality	Risk	Product safety and quality is a critical issue for companies in the Chemicals industry. Chemicals' potential to have negative effects on human health or the environment throughout the usage phase can affect consumer demand for the product and regulatory risk, which can then damage sales and lead to higher operational costs, regulatory compliance costs, and mitigation.	To ensure the safety of the product environmental and social parameters relevant to the product such as Safe and responsible usage, Recycling or safe disposal are attached on product packaging. Also we have quality labs at the plant which help us to maintain the product quality. We invested in a combination of standard operating protocols and certifications (ISO 9001 and ISO 14001), strengthening the company's alignment with Quality Management System, Good manufacturing Practices and Standard Operating Procedures.	Negative
7.	Health & Safety	Risk	In chemical industry, Health & Safety can directly impact people and community and disrupt the operations	Health & Safety Management Plan, Process Safety & Risk Management, Emergency Mitigation System etc.	Negative
8.	Business Ethics	Risk	This may impact the brand and trust of stakeholders	Monitoring Mechanism to ensure Ethical Conduct	Negative
9.	Regulatory Issues and Compliance	Risk	Non-compliance may impact the brand image and customer trust and engagement	Adherence to compliance monitoring system	Negative
10.	Energy Efficiency	Opportunity	This may minimise the greenhouse gas (GHG) emissions, improve resource efficiency, cost saving, cleaner environment etc.	Energy saving assessments, key initiatives to optimise energy efficiency.	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

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

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link of the Policy, if available	www.primochemicals.in								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policy extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g.SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015 (QMS) ISO 14001:2015 (EMS) FSSC :22000: 2018 (FSMS) ISO 50001:2018 (EnMS) BIS: 252 2013, (For Caustic Soda Lye) BIS:1065 Part 2 – 2019 (For SBP)								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Commitments and goals wherever required are set by the Company and have been mentioned in the Annual Report wherever applicable. In alignment with vision of the Company, Primo, through its CSR initiatives, shall continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate Citizen with environmental concern; Safety and Environment. The company is also taking proper control measures for health and safety of employees and workers and nearby residents and communities, climate change, pollution management and emission control.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	N.A								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements. The Company is committed to run its operations in an environment-friendly manner. The Company's endeavor is to take all possible measures towards ensuring safety, pollution control and good housekeeping across all its Plants. The Company gives top priority to ensure clean air and better living environment and to the inhabitants in and around the factory. The Company has in place the Online Monitoring System at Works connected with Central Pollution Control Board server showing Real Time data of all parameters specified by them. It is always top most priority of the Company to follow strong Environmental, Social and Governance (ESG) Principles in its business for building a sustainable business for the future. The Company is also having separate policies for Corporate Social Responsibility, Code of Conduct, Whistle Blower Policy and POSH.									

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Shri Naveen Chopra Managing Director
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Company does not have any specific committee to oversee the implementation of the Policy. The Managing Director of the Company oversees and periodically review the implementation.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Director									Periodically/ Need basis								
Compliance with statutory requirements of relevance to the principles, and,rectification of any non-compliances	Director									Quarterly								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	The BR Policy evaluated internally.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
a) The entity does not consider the Principles material to its business (Yes/No)	N.A.								
b) The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
c) The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
d) It is planned to be done in the next financial year (Yes/No)									
e) Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

Essential Indicators

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

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and it impacts	% of persons in respective categories covered by the awareness programs
Board of Directors (Incl. MD and ED)	5	During Board/ Committee Meetings, Directors receive regular presentations covering a range of topics essential to the Company's operations. These include the Company's strategy, business operations, SEBI Regulation, Code of Conduct, finance, risk management, quarterly and annual financial results.	100%
Key Management Personnel	6	Prevention of Sexual Harassment (POSH), ICC Sustainability Conclave, GST, JD/KRA's & KPI setting, Global Market Trends-Chemtech, Prevention of Insider Trading	75%
Employees other than BOD and KMP	34	Prevention of Sexual Harassment (POSH), Fire Safety & Emergency Handling, GST, Women Empowerment, CPR training, JD//KRA's & KPI setting, Wellness, ICC Sustainability Conclave, Usage of GreytHR, Cancer Awareness, Corrosion Challenges, Inventory Control, Sample Collection Techniques, VFD/ACD Commissioning, Pollution Control Monitoring, ISO 45001, Environmental Safety, Prevention of Insider Trading.	73.70%
Workers	30	Fire Safety and Emergency Handling, Road Safety & First Aid, Operation control procedure, Pollution Control monitoring, Industrial safety, preventive maintenance, Computer applications, PLC Working, Personal Protective Equipment (PPE), Soft Starter, Electrical Safety, Behavior based safety, Prevention of Sexual Harassment (POSH), Women Empowerment, CPR training, Wellness, Prevention of Insider Trading	43.00%

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

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

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

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

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

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

Yes

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

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

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

Case Details	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

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

	FY 2023-2024		FY 2022-2023	
	Number	Remarks	Number	Remarks
Number of Complaints received in relation to issues of Conflict of Interest of the Directors	NIL	N.A.	NIL	N.A.
Number of Complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	N.A.	NIL	N.A.

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

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Number of Days of Accounts payable	49	58

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Concentration of Purchases	a) Purchases from trading houses as % of total purchases	10.55%	15.80%
	b) Number of trading houses where purchases are made from	411	226
	c) Purchases from top 10 trading houses as % of total purchases from trading houses	24%	73%
Concentration of Sales	a) Sales to dealers /distributors as % of total sales	91.58%	75.91%
	b) Number of dealers /distributors to whom sales are made	18	18
	c) Sales to top 10 dealers /distributors as % of total sales to dealers /distributors	91.46%	95.87%
Share of RPTs in	a) Purchases (Purchases with related parties / Total Purchases)	3.84%	0.01%
	b) Sales (Sales to related parties /Total Sales)	0.29%	8.28%
	c) Loans & advances (Loans & advances given to related parties /Total loans & advances)	-	-
	d) Investments (Investments in related parties / Total Investments made)	-	100%

Leadership Indicators

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

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
7	Protection of environment	5.44%
5	Transportation of hazardous chemicals	15%
12	Working at height & use of PPE	30.44%

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

Yes

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

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

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

Essential Indicators

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

	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year	Details of improvement in the environmental and social impact
R&D	-	-	-
Capex	-	-	-

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

   Yes.

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

   90%

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

   a) Plastics (including packaging): As per the Plastic Waste Management rules, the company has laid down a procedure for collecting & segregating plastic waste generated during the process. Further recycling & disposal of plastic is carried out as per the CPCB guidelines.

   b) E-waste: The company has standard procedures for handling, storage & disposal of generated E-waste as per E- waste (Management) Rules. Further recycling and disposal of E – generated is carried out as per CPCB guidelines.

   c) Hazardous waste: The company has standard operating procedures for handling, storage and disposal of waste generated in the process classified as Hazardous Waste is disposed of as per CPCB and PPCB guidelines related to HWM 2016 rules. We have an agreement in place with the TSDF site for the safe and sustainable disposal of such Hazardous waste.

   d) Other waste: None.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes /No). If yes, whether the waste collection plan is in line with the Extended Producer responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

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

Leadership Indicators

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

   We have products that exist in the form of Liquid & Gaseous state. Therefore, the Production & dispatch is a continuous synchronized process and the same are dispatched immediately after production. Since the product is hazardous in nature so in order to Reduce the Hazard, the storage duration is kept just minimal. We are planning to conduct LCA in a phased manner in future.

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

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

   LCA not conducted yet. It will be identified after conducting LCA.

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

Indicate Input Material	Recycled or reuse input material to total material	
	FY 2023-2024	FY 2022-2023
Raw Water	6%	Nil

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

	FY 2023-2024 Current Financial Year			FY 2022-2023 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	NIL	NIL	1.Plastic= 1.830 MT 2.Packaging =36.92 MT	NIL	NIL	3.275 MT (sold as scrap)
E-waste	NIL	NIL	0.50 MT	NIL	NIL	NIL
Hazardous waste	NIL	NIL	1. MEE Sludge= 83.010 MT 2. Spent Sulphuric acid= 2381.330 MT 3. Spent Oil= 0.45 KL	NIL	NIL	1. MEE Sludge=179.26 MT 2. Spent Sulphuric acid= 2672.630 MT
Other waste	NIL	NIL	NIL	NIL	NIL	NIL

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

Essential Indicators

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

Category	Total (A)	% of employees covered by									
		Health Insurance		Accidental Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. B	%B/A	No. C	%C/A	No. D	% D/A	No. E	% E/A	No. F	% F/A
Permanent Employees											
Male	126	0*	0%	126	100%	0	0%				
Female	11	0*	0%	11	100%	11	100%	NIL	N.A.	NIL	N.A.
Total	137	0*	0%	137	100%	11	8.00%				
Other than Permanent Employees											
Male	19	0	0%	19	100%	0	0%				
Female	1	0	0%	1	100%	1	100%	NIL	N.A.	NIL	N.A.
Total	20	0	0%	20	100%	1	5.00%				

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

b. Details of measures for the wellbeing of the workers

Category	Total (A)	% of workers covered by									
		Health Insurance		Accidental Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. B	%B/A	No. C	%C/A	No. D	% D/A	No. E	% E/A	No. F	% F/A
PERMANENT WORKERS											
Male	233	0**	0%	233	100%	0	0%				
Female	16	0**	0%	16	100%	16	100%	NIL	N.A.	NIL	N.A.
Total	249	0**	0%	249	100%	16	6.40%				
Other Than Permanent Workers											
Male	371	0	0%	57	15.4%	0	0%				
Female	7	0	0%	0	0%	0	0%	NIL	N.A.	NIL	N.A.
Total	378	0	0%	57	15.1%	0	0.00%				

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

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the company	0.21%	0.15%

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

Benefits	FY 2023-2024 Current Financial Year			FY 2022-2023 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	97.81%	100%	Y	96.5%	100%	Y
Gratuity	100%	100%	N.A.	100%	100%	N.A.
ESI	100%	100%	Y	100%	100%	Y
Others	NIL	NIL	N.A.	NIL	NIL	N.A.

3. Accessibility of workplaces

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

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

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Primo provides equal employment opportunities to all employees and applicants regardless of race, caste, religion, colour, marital status, gender, sexual orientation, age, nationality, ancestry, disability, or any other protected status. The Company believes in treating everyone fairly and does not tolerate any unlawful discrimination when hiring or making workplace rules.

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

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

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

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

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

Category	FY 2023-2024 Current Financial Year			FY 2022-2023 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of emp loyees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
- Male	126	-	0%	130	-	0%
- Female	11	-	0%	13	-	0%
Total Permanent Employees	137	-	0%	143	-	0%
- Male	233	-	0%	228	99	43.4%
- Female	16	-	0%	14	09	64.3%
Total Permanent Workers	249	-	0%	242	108	44.6%

**** No recognized union at present in the Company**

8. Details of training given to employees and workers:

Category	FY 2023-2024 Current Financial Year					FY 2022-2023 Previous Financial Year				
	Total (A)	On Health & Safety Measures		On Skill Upgradation		Total (D)	On Health & Safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
- Male	126	83	65.87%	42	33.33%	130	49	37.69%	49	37.69%
- Female	11	8	72.72%	6	54.54%	13	8	61.54%	12	92.31%
Total	137	91	66.42%	48	35.03%	143	57	39.86%	61	42.66%
Workers										
- Male	233	77	33.04%	30	12.87%	228	102	44.7%	111	48.68%
- Female	16	10	62.50%	0	0	14	13	92.9%	12	85.71%
Total	249	87	34.93%	30	12.04%	242	115	47.52%	123	50.83%

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

Category	FY 2023-2024 Current Financial Year			FY 2022-2023 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	126	118	93.65%	130	121	93.08%
Female	11	10	90.90%	13	13	100%
Total	137	128	93.43%	143	134	93.71%
Workers						
Male	233	226	96.99%	228	199	87.28%
Female	16	14	87.50%	14	11	78.57%
Total	249	240	96.38%	242	210	86.78%

10. Health and safety management system:

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

Primo Chemical's is in process of implementation of Occupational health and safety management system (OSHA) ISO 45001:2018, Consultant has been hired in this regard. Implementation work is in progress and expected to get certification in the current Financial year.

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

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

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

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

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

Yes

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

Safety Incident/Number	Category	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

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

I. Trainings are imparted to the workers/ transporters/officers and staff at each level to inculcate the safety culture among them.

II. Wearing Safety Helmets is made mandatory in the plant.

III. PPE'S have been provided to all the employees after identification of their need & their usage is also ensured by their respective HOS /HODs and Safety department.

IV. SOP'S prepared specifically for a particular operation, are being followed.

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

	FY 2023-2024 Current Financial Year			FY 2022-2023 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	NIL	-	-	NIL
Health & Safety	-	-	NIL	-	-	NIL

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

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

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

Leadership Indicators

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

(A) Employees: Yes

(B) Workers: Yes

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

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

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Employees	-	-	-	-
Workers	-	-	-	-

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

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	10% *
Working Conditions	10% *

*100% of critical value chain partners.

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

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

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

Essential Indicators

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

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

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

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

Leadership Indicators

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

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

   - Stakeholders Relationship Cum Share Transfer Committee ensure to address the grievances of the stakeholders.

   - Risk Management Committee (RMC) is entrusted with the functions of determining efficacy of risk management framework of the Company, evaluation of risks and mitigating measures. The Risk Management Policy of the Company sets out key risk areas including financial risks, legislative and regulatory risks, environmental risks and operational risks.

   - The Corporate Social Responsibility (CSR) Committee ensures feedback from the concerned stakeholders on the CSR initiatives/activities undertaken by the Company.

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

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

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

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

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

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

Category	FY 2023-2024 Current Financial Year			FY 2022-2023 Previous Financial Year		
	Total (A)	No. employees workers Covered (B)	% (B / A)	Total (C)	No. employees workers Covered (D)	% (D / C)
Employees						
Permanent	N.A.					
Other than permanent						
Total Employees						
Workers						
Permanent	N.A.					
Other than permanent						
Total Workers						

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

Category	FY 2023-2024 Current Financial Year					FY 2022-2023 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	%(B/A)	No. (C)	%(C/A)		No. (E)	%(E/A)	No. (F)	% (F/D)
Employees										
Permanent										
Male	126	0	0%	126	100%	130	0	0%	130	100%
Female	11	0	0%	11	100%	13	0	0%	13	100%
Other than Permanent										
Male	19	1	5.26%	18	94.70%	13	0	0%	13	100%
Female	1	0	0%	1	100%	1	0	0%	1	100%
Workers										
Permanent										
Male	233	0	0%	233	100%	228	0	0%	228	100%
Female	16	0	0%	16	100%	14	0	0%	14	100%
Other than Permanent										
Male	371	280	75.47%	91	24.52%	245	185	75.5%	60	24.5%
Female	7	5	71.42%	2	28.57%	3	2	66.7%	1	33.3%

3. Details of remuneration/salary/wages

a) Median remuneration/ wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7	17,25,000	1	7,25,000
Key Managerial Personnel other than MD & ED	1	26,99,577	1	26,55,789
Employees other than BOD and KMP	123	5,92,744	10	4,59,637
Workers	233	2,49,491	16	2,25,692

b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Gross wages paid to females as % of total wages	4.52%	5.37%

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

No

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

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

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

	FY 2023-2024 Current Financial Year			FY 2022-2023 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	-	NIL	NIL	-
Discrimination at workplace	NIL	NIL	-	NIL	NIL	-
Child Labour	NIL	NIL	-	NIL	NIL	-
Forced Labour/ Involuntary Labour	NIL	NIL	-	NIL	NIL	-
Wages	NIL	NIL	-	NIL	NIL	-
Other human rights related issues	NIL	NIL	-	NIL	NIL	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees /workers	NIL	NIL
Complaints on POSH upheld	NIL	NIL

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

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

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

Yes

10. Assessments for the year:

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

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

There were no audit concerns in the above areas for assessment in FY 2023-2024.

Leadership Indicators

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

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

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

NIL

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

Yes

4. Details on assessment of value chain partners:

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

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

There were no audit concerns in the above area from the assessments in FY 2023-2024.

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

Essential Indicators

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

Parameter	FY 2023-2024 (Current Financial Year) (in Joules Lacs)	FY 2022-2023 (Previous Financial Year) (in Joules Lacs)
From renewable sources		
Total electricity consumption (A)	NIL	NIL
Total fuel consumption (B)	NIL	NIL
Energy consumption through other sources (C) Rice Husk	851950959	229352402
Total energy consumed from renewable sources (A+B+C)	**851950959**	**229352402**
From Non-renewable sources		
Total electricity consumption (D)	10390335389	12100343477
Total fuel consumption (E) Coal Furnace Oil	344763378 107537168 237226210	84556773 597727 83959046
Energy consumption through other sources (F)	NIL	NIL
Total energy consumed from non-renewable sources (D+E+F)	**10735098767**	**12184900250**
Total energy consumed (A+B+C+D+E+F)	**11587049726**	**12414252652**
Energy intensity per Rupee of turnover (total energy consumed/ Revenue from Operations)	2.92	1.75
Energy intensity per Rupee of turnover adjusted for Purchasing Power Parity (PPP)* (total energy consumed/ Revenue from Operations adjusted for PPP)	0.81	0.49
Energy intensity in terms of physical output	93885	91912

*Adjustment of PPP has been done by taking average dollar value and latest 2022 data for conversion factor for India published by OECD.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) NO. If yes, name of the external agency.

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

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

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

The compliance certificate i.e. Form D is also submitted to Punjab Energy Development Agency (PEDA) and Bureau of Energy Efficiency (BEE) Vide our letter no. PCL/EC/2023/1048 dated 23.12.2023 After compliance, The PAT cycle -II official closed.

Now we are in PAT cycle -VII and its period from 01.04.2022 to 31.03.2025. The target year is 2024-25 and target SEC is 0.2762 which could be achieved in the end of FY 2024-25.

The current SEC of FY 2023-2024 is 0.241.

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

Parameter	FY 2023-2024 (Current Financial Year)	FY 2022-2023 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	414990	504480
(ii) Groundwater	0	0
(iii) Third party water	0	0
(iv) Seawater /desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres)	**414990**	**504480**
Total volume of water consumption (in kilolitres)	**414990**	**504480**
Water intensity per rupee of turnover *(Water consumed / turnover)*	0.0001045367	0.000071317
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption /Revenue from operations adjusted for PPP)	0.0000288	0.0000197
Water intensity in terms of physical output	1.37	1.54
Water intensity *(optional)* – the relevant metric may be selected by the entity		

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

No

4. Provide the following details related to water discharged

Parameter	FY 2023-2024 (Current Financial Year)	FY 2022-2023 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water	NIL	NIL
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
(ii) Into Groundwater	NIL	NIL
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
(iii) Into Seawater	NIL	NIL
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
(iv) Sent to third-parties	NIL	NIL
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
(v) Others	IN-PROCESS	IN-PROCESS
- No treatment	NIL	NIL
- With treatment – please specify level of treatment	NIL	NIL
Total water discharged (in kilolitres)	**NIL**	**NIL**

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

No

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

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

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

Parameter	Please specify unit	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
NOx	mg/Nm3	N.A.	N.A.
SOx	mg/Nm3	N.A.	N.A.
Particulate matter (PM)	mg/Nm3	62	54
Persistent organic pollutants (POP)	mg/Nm3	N.A.	N.A.
Volatile organic compounds (VOC)	mg/Nm3	N.A.	N.A.
Hazardous air pollutants (HAP)	mg/Nm3 mg/Nm3	N.A.	N.A.
Others – please specify	N.A.	N.A.	N.A.

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

NO.

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

Parameter	Unit	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NIL	NIL
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	NIL	NIL
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)		NIL	NIL
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP		NIL	NIL
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

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

NO

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

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

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

Parameter	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	1.Plastic= 1.830 MT 2.Packaging = 36.92 MT	3.275 MT
E-waste ***(B)***	0.245 MT	NIL
Bio-medical waste ***(C)***	0.032 MT	0.021 MT
Construction and demolition waste ***(D)***	NIL	NIL
Battery waste ***(E)***	0.190 MT	NIL
Radioactive waste ***(F)***	NIL	NIL
Other Hazardous waste. Please specify, if any. ***(G)***	A) MEE Sludge= 71.814 MT B) Spent Sulphuric acid= 2370.506 MT C) Spent Oil= 0.65 KL	A) MEE Sludge=108.870 MT B) Spent Sulphuric acid= 2686.160 MT C) Spent Oil= NIL
Other Non-hazardous waste generated ***(H).*** *Please specify, if any.* (Break-up by composition i.e. by materials relevant to the sector)	Brine Sludge = 2233.165 MT	Brine Sludge = 2467.923 MT
Total (A+B + C + D + E + F + G + H)	**4715.352 MT**	**5266.249 MT**
Waste intensity per Rupee of turnover (total waste generated / Revenue from operations)	0.0000011878	0.0000007445
Waste intensity per Rupee of turnover adjusted for Purchasing Power Parity (total waste generated / Revenue from operations adjusted for PPP)	0.0000003283	0.00000020577
Waste intensity in terms of physical output	0.0156	0.0161
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	2381.330 MT	2672.630 MT
(ii) Re-used	NIL	NIL
(iii) Other recovery operations	0.190 MT	NIL
Total	**2381.52 MT**	**2672.630 MT**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
	Category of waste	
(i) Incineration	NIL	NIL
(ii) Landfilling	NIL	NIL
(iii) Other disposal operations	83.040 MT	179.260 MT
Total	**83.040 MT**	**179.260 MT**

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

NO.

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

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

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

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

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

- No new project taken up this FY 2023-2024

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

Name and brief details of project	EIA Notification No.	Date	Whether conducted by external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link

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

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

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

Leadership Indicators

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

Not Applicable

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

(i) Name of the area: Not Applicable

(ii) Nature of operations: Not Applicable

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover *(Water consumed / turnover)*		
Water intensity *(optional)* – therelevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

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

NO.

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

Parameter	Unit	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Total Scope 3 emissions (Break-up of the GHG intoCO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	NIL	NIL
Total Scope 3 emissions per rupee of turnover	-	NIL	NIL
Total Scope 3 emission intensity *(optional)* – the relevant metric may be selected by the entity	-	NIL	NIL

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

NO.

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

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

Significant aspects that may cause environmental impacts are as follows:

a) Fugitive emissions of Chlorine, Emissions of HCl & unabsorbed Cl_2, Emissions of PM, SO_2, NOx, Deposition of PM & SO_2 on nearby area, Emissions due to venting of gases, Risk during venting of pressurised gas /liquid.

b) Possibility of soil contamination due to improper disposal and/or transportation of solid and hazardous waste, Possibility of groundwater and soil contamination due to improper disposal/ storage of wastewater.

c) Draining material mixed with groundwater and soil can cause damage to flora, fauna found in soil and Soil contamination and destruction of surrounding vegetation and associated biodiversity due to deposition of excess chlorine.

Prevention & Remediation Activities:

a) Surface water quality will not be affected due to the industry as industry follows Zero Liquid Discharge policy (ZLD). Constant R & D is being done to Segregate the Effluent based on Quality i.e. High TDS & Low TDS & reduce the Quantity of Effluent generated. Accordingly Proper SOPs are in place for treatment of Waste Water. ZLD is achieved by recycling and reuse of treated wastewater from RO & MEE plant. Final hazardous solid waste generated is sent to PPCB approved Recycler and Permeate is pumped back to Process System.

b) The concentration of the pollutants in the environment is maintained within the allowable limits as recommended by MOEF&CC, NAAQI and CPCB guidelines. Through PPCB & CPCB recommended APCD's, water scrubbers and Electrostatic precipitator, vegetation, and human settlements in the vicinity of industry is not likely to be affected. Provision of Caustic scrubbers for neutralisation of waste Cl_2 gas in the plant has been made. Standardized SOPs for critical operations are also followed. Industry has already taken adequate Safety measures to handle such like emergency situations by: Inbuilt Control mechanism in the Process operation system, Gas Detectors / Sensors at Critical / Hazardous locations in the plant to Monitor & initiate Safety Control mechanism to control / stop it's spread beyond the source of leakage and to Mitigate the Consequences of leakage, should it spread beyond the plant boundary. All such possible events & Worst case scenario leading to large scale spread of Cl_2 gas, have been postulated & effect thereof in terms of Dispersion in the Air vis - a vis Dose & Distance to which it may effect, has been studied through Dispersion Modelling using ALOHA software. Sensors are also being installed at the plant boundary facing towards adjoining villagers to monitor & ensure that no Fugitive Cl_2 escapes outside the plant.

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

Sr. No.	Initiative undertaken	Details of the initiative (web-link, if any, may be provided along-with summary)	Outcome of the Initiative
1.	Reusage of wastewater generated from IXC.	The wastewater generated recycled back into the process after chemical & resin treatment.	Reduced load on RO by 90%.
2.	Reusage of waste water generated from DM Plant.	The wastewater generated recycled back into the process after chemical & resin treatment.	
3.	Reusage of process condensate in place of DM Water.	The process condensate generated during the whole process was recycled back to process.	This resulted in low DM Water Consumption and also the waste heat of process condensate recovered back.
4.	Green Belt development	Green belt is developed along & inside the premises, we have planted approx. 32000 plants.	This initiative improves our air quality.

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

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

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

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

Not any significant adverse impact.

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

10%*

*100% of Critical Value Chain partners.

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

Essential Indicators

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

Three.

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

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

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

   Not Applicable

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S No.	Public Policy Advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/ No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ others	Web policy link, if available
1.	Advocating Chlorine Emergency Response Network. (CERN)	Provided toll free no to provide necessary help in case of emergency related to leakage of Cl2 in that area.	Yes	Sent to AMAI on monthly basis.	https://amaindia.org/

PRINCIPLE 8 - Businesses should promote inclusive growth and equitable development

Essential Indicators

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

   NIL

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

   Not Applicable.

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

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

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

Parameter	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Directly sourced from MSMEs / small producers	58%	22%
Sourced directly from within the district and neighbouring districts	5%	2%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent /on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-2024 *(Current Financial Year)*	FY 2022-2023 *(Previous Financial Year)*
Rural	-	-
Semi-urban	52.23%	55.88%
Urban	47.76%	44.11%
Metropolitan	-	-

Leadership Indicators

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

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

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

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

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

   No

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

   Not Applicable.

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

   Not Applicable.

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

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

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

   Not Applicable

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

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

Essential Indicators

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

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

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

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

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

	FY 2023-2024 Current Financial Year			FY 2022-2023 Previous Financial Year		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data Privacy	NIL	NIL	-	NIL	NIL	-
Advertising	NIL	NIL	-	NIL	NIL	-
Cyber-security	NIL	NIL	-	NIL	NIL	-
Delivery of Essential Services	NIL	NIL	-	NIL	NIL	-
Restrictive Trade Practices	NIL	NIL	-	NIL	NIL	-
Unfair Trade Practices	NIL	NIL	-	NIL	NIL	-
Other	52	NIL	-	26	NIL	-

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

   NIL

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

   There is a GITC policy that have a section on cyber security. We also carry out periodic risk assessment study on cyber security measures for mitigating risks related to cyber security and data privacy.

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

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

7. Provide the following information relating to data breaches:

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

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

Leadership Indicators

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

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

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

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

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

   The Company informs through emails and phone calls.

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

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

ANNEXURE – VIII TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

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

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

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

Based on my verification of the PRIMO CHEMICALS LIMITED'S (FORMERLY PUNJAB ALKALIES & CHEMICALS LIMITED) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PRIMO CHEMICALS LIMITED (FORMERLY PUNJAB ALKALIES & CHEMICALS LIMITED) ("the Company") for the financial year ended on March 31, 2024 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.

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

c) The Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021 to the extent applicable in respect of the Sweat Equity Shares issued earlier.

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not Applicable to the company during the financial year under review.

e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not Applicable as there was no instance of Buy-Back during the financial year.

f) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021: Not applicable during the financial year under review.

g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.

h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.

(vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, Industrial Dispute Act, 1947, Employee State Insurance Act, 1948, The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Gratuity Act, 1972, The Industrial Employment (Standing Order) Act, 1946, Equal Remuneration Act, 1976 etc.

(vii) Environment Protection Act, 1986 and other environmental laws.

(viii) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.

(ix) The Air (Prevention and Control of Pollution) Act, 1981

(x) The Water (Prevention and Control of Pollution) Act, 1974

(xi) The Boilers Act, 1923, The Explosives Act, 1884 and The Explosives Rules, 2008, Gas Cylinder Rules, 2004.

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

a) Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Government of India.

b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('LODR Regulations') being listed on the BSE Limited;

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

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

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

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, inter alia other matters, with the approval of the members vide special resolution passed at the 48th Annual General Meeting on 29.09.2023, the company has altered its Memorandum of Association and has adopted a new set of the Articles of Association as per the provisions of Companies Act, 2013.

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

(i) Public / Rights / Preferential issue of shares / debentures / sweat equity

(ii) Merger / amalgamation / reconstruction etc.

(iii) Major decisions under Section 180 of the Companies Act, 2013.

(iv) Redemption / Buy-back of Securities

(v) Foreign technical collaborations.

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

Sd/-
AJAY K. ARORA
(Proprietor)

Place: Chandigarh — FCS No. 2191
Date : 29.07.2024 — C P No.: 993
UDIN: F002191F000848399 — Peer review Cert No. 2120/2022

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

"Annexure-A"

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

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records, based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the extent of verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

Sd/-
AJAY K. ARORA
(Proprietor)
FCS No. 2191
C P No.: 993
Peer review Cert No. 2120/2022

Place: Chandigarh
Date : 29.07.2024
UDIN: F002191F000848399

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of Primo Chemicals Ltd (Formerly Known as Punjab Alkalies & Chemicals Limited) ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2024, the Standalone Statement of Profit and Loss (including the Standalone statement of Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind As financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, Profit and Loss statement including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors of the company is disqualified as on March 31, 2024, 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) Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during our audit we did not come across any instance of the audit trail feature being tampered with.

i) Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during our audit we did not come across any instance of the audit trail feature being tampered with.

j) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

k) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigation on its financial position in its Standalone Ind AS financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no amount which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2024.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

For S. Tandon & Associates LLP
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN: 24518893BKDIDK9186
Sd/-
(Nipun Rastogi)
Partner
Membership No. 518893

Place: Chandigarh
Date: May 30, 2024

Annexure A to Auditor's Report

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

i) a) The company has maintained proper records showing full particulars, including the quantitative details and situation of tangible and intangible assets.

b) The Company has a regular programme of physical verification of its property plant and equipment's by which assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (except properties which are taken on lease by the company with duly executed lease agreements in favour of the lessee) disclosed in the Standalone financial statements are held in the name of the company.

d) According to the information and explanations given to us the company has not revalued its Properties, Plant and Equipment's or intangible assets or both during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii) a) The items of inventories has been physically verified by the management during the year. As per our opinion the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.

b) The company has been sanctioned working capital limits of Rs 75 Crores (fund based and non-fund based) and the quarterly returns and statements filed with the banks are in agreement with the books of accounts of company.

iii) The company has not made any investments and not provided any guarantee or security or not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

iv) In our opinion and according to the information and explanations given to us, the company has not given any loans as per section 185 in respect of loans provided to directors. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the company's act 2013 with respect to the investment made.

v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

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

vii) a) According to the information and explanation to us and on the basis of our examination of the records of the company, amount deducted/ accrued in the books of account in respect of undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Custom Duty, Excise duty and Cess and other material statutory dues have been regularly deposited with the appropriate authorities. As explained to us there were no arrears of the statutory dues for the period more than six months from the date, they became payable at the end of the financial year.

b) Following Disputed Statutory Dues are not deposited on account of disputes pending at various forums: Yet to be finalized

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	Excise Duty & Penalty	25.79	Jan'12 to Nov'12	CESTAT
Finance Act, 1994	Excise Duty & Penalty	16.99	July'13 to Dec'13, Dec'12 to June'13	CESTAT

viii) According to the information and explanations given to us, the company has not surrendered or disclosed any income during the year in the tax assessments under the Income Tax Act, 1961.

ix) a) According to the information and explanations given to us, the company has not defaulted in repayment of dues to any lender;

b) The company has not declared willful defaulter by any bank or financial institution or other lender.

c) According to the information and explanations given to us, the company has applied the term loans received during the year for the purposes for which the loans were obtained.

d) According to information and explanations given to us funds raised on short term basis have not been utilized for long term purposes.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x) a) The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) According to the information and explanations give to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xi) a) According to the information and explanations given to us, no fraud by the company or on the company has been noticed or reported during the course of our audit;

b) According to the information and explanations give to us there is no requirement to report under sub-section (12) of section 143 of companies act and also no requirement to file ADT-4 by the auditors as prescribed under rule 13 companies (Audit and auditors) rules 2014 with the central government.

c) There are no whistle-blower complaints that have been received by the company.

xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to us, the company has an adequate internal audit system commensurate with the size and nature of its business and we as statutory auditors have considered the internal audit reports issued by the Internal Auditors for the period under audit in determining the nature, timing and extent of our audit procedure.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

xvi) a) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

b) In our opinion and according to the information and explanations given to us, the Company is not a Non-Banking Financial company or Housing Finance company. Accordingly, paragraph 3(xvi(b)) of the Order is not applicable.

c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company. Accordingly, paragraph 3(xvi(c)) of the Order is not applicable.

xvii) As per the information and explanations given to us, the company has not incurred any cash losses in the financial year and in the immediately preceding financial year;

xviii) There is no resignation of the statutory auditors during the year, accordingly, paragraph 3(xviii) of the Order is not applicable. The previous auditor had been retired and new statutory auditors have been appointed.

(xix) On the basis of financial ratios, aging and expected date of realization of financial assets and payments of financial liabilities and other information accompanying the financial statements, in our opinion and according to the information and explanations given to us, there is no material uncertainty that exists as on the date of the audit report of the company that the company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) a) There are no remaining unspent amounts towards corporate social responsibility on other than ongoing projects requiring transfer to a fund specified in schedule VII to the companies act in compliances with second proviso to sub section (5) of section 135 of the said Act pursuant. Hence reporting under this clause is not applicable.

b) In respect of ongoing projects there are no remaining unspent amounts towards corporate social responsibility as on balance sheet date, so company is not required to transfer the unspent amount to a special account within a period of 30 days from the end of said financial year in compliance with provision of section 135 (6) of the act.

(xxi) There have been no qualifications or adverse remarks by the respective auditors reports of the companies included in the consolidated financial statements.

For S. Tandon & Associates LLP
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN: 24518893BKDIDK9186
Sd/-
(Nipun Rastogi)
Partner
Membership No. 518893

Place: Chandigarh
Date: May 30, 2024

Annexure - B to the 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 **Primo Chemicals Ltd (Formerly Known As Punjab Alkalies & Chemicals Limited)** as of 31st March 2024 in conjunction with our audit of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. Tandon & Associates LLP
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN: 24518893BKDIDK9186
Sd/-
(Nipun Rastogi)
Partner
Membership No. 518893

Place: Chandigarh
Date: May 30, 2024

Standalone Balance Sheet as at March 31, 2024

(₹ in Lakhs)

Particulars	Note No.		As at March 31, 2024	As at March 31, 2023
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	46167.23		27243.11
(b) Right-of-use assets	3a	664.34		550.49
(c) Capital work-in-progress	4	4862.55		21315.93
(d) Other intangible assets	3b	7.96		11.45
(e) Investments accounted for using the equity method	5	5299.81		5299.81
(f) Financial Assets				
(i) Trade receivables	6	-		-
(ii) Other financial assets	7	2257.92		2121.20
(g) Other non-current assets	9	1092.30		1962.97
Sub Total: non-current assets			60352.11	58504.96
Current assets				
(a) Inventories	10	2226.59		1801.41
(b) Financial assets				
(i) Trade receivables	11	3499.63		5163.75
(ii) Cash and cash equivalents	12	47.13		2148.71
(iii) Other bank balances other than (ii) above	12	90.60		956.24
(iv) Other financial assets	13	192.79		731.42
(c) Other current assets	14	4362.45		3246.19
Sub Total: Current Assets			10419.19	14047.72
TOTAL ASSETS			70771.30	72552.68
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15	4846.86		4846.86
(b) Other equity	16	33213.48		35810.03
Sub Total: equity			38060.34	40656.89
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	10614.81		12313.01
(ii) Lease liabilities	18	110.06		44.86
(b) Provisions	19	508.76		470.34
(c) Deferred tax liabilities (net)	8	1613.11		2190.87
Sub Total: non-current liabilities			12846.74	15019.08
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	7031.36		2117.45
(ii) Lease liabilities	18	66.80		4.24
(iii) Trade payables:				
(A) Total outstanding dues of Micro & Small Enterprises	21	455.43		375.87
(B) Total outstanding dues of creditors other than Micro & Small Enterprises	21	2620.42		3950.26
(iv) Other financial liabilities	22	1906.44		2700.46
(b) Other current liabilities	23	7706.97		6463.61
(c) Provisions	24a	76.80		55.12
(d) Current Tax Liabilities (Net)	24b	-		1209.70
Sub Total: Current Liabilities			19864.22	16876.71
TOTAL EQUITY AND LIABILITIES			70771.30	72552.68
Material Accounting Policies	2			
Notes forming an integral part of the standalone financial statements	1 to 51			

For and on Behalf of the Board of Directors

Sd/-
(ARUN KUMAR KAUSHAL)
Chief Financial Officer

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

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

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

As per our separate report of even date
For S. Tandon & Associates LLP
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN : 24518893BKDIDK9186

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

Place: Chandigarh
Date : May 30, 2024

Standalone Statement of Profit and Loss for the Year ended March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue from operations	26	39698.02	70737.70
Other income	26a	1942.14	2616.25
Total income		41640.16	73353.95
EXPENSES			
Cost of material consumed	27	8004.45	8571.73
Purchase of Stock in Trade		1.26	4995.75
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	28	(348.59)	551.63
Manufacturing expenses	29	19658.76	20211.98
Employee benefits expenses	30	3869.47	3182.95
Finance costs	31	1820.57	807.10
Depreciation and amortisation expense	3 & 9	3956.05	2394.68
Other expenses	32	7820.70	13988.33
Total Expenses		44782.67	54704.15
(Loss)/Profit before tax		(3142.51)	18649.80
Tax Expenses			
Current Tax		-	4071.88
Adjustments of tax related to earlier years		19.19	26.68
Deferred Tax		(575.88)	1153.04
Total Tax Expense		(556.69)	5251.60
(Loss)/Profit for the year after Tax		(2585.82)	13398.20
(Loss)/Profit transferred to Other Equity		(2585.82)	13398.20
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation		(10.98)	(235.42)
Income tax relating to items that will not be reclassified to profit or loss	35	(1.88)	(113.02)
Net Other Comprehensive Income		(9.10)	(122.40)
Total Comprehensive Income for the year		(2594.92)	13275.80
Profit before interest, depreciation and tax (EBIDTA)		2634.11	21851.58
Earnings / (loss) per equity share of ₹2/- each			
(a) Basic (in ₹)	36	(1.07)	5.53
(b) Diluted (in ₹)	36	(1.07)	5.53
Material Accounting Policies	2		
Notes forming an integral part of the standalone financial statements	1 to 51		

For and on Behalf of the Board of Directors

Sd/-
(ARUN KUMAR KAUSHAL)
Chief Financial Officer

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

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For S. Tandon & Associates LLP
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Sd/-
(Nipun Rastogi)
Partner
Membership No. 518893

Place: Chandigarh
Date : May 30, 2024

Standalone Statement of Cash Flow for the Year ended March 31, 2024

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A) CASH FLOW FROM OPERATING ACTIVITIES:		
(Loss) /Profit after tax	(2585.82)	13398.20
Adjustments for:		
Income Tax Expense	(556.69)	5251.60
Depreciation and Amortisation Expenses	3668.02	2251.84
Miscellaneous Expenses Written Off	288.03	142.84
Provision for Gratuity	(10.98)	(235.42)
Amount Transferred from WIP to Stores	278.69	0.81
(Gain)/loss on sale of Fixed Assets	(51.79)	(7.30)
Interest Income	(179.55)	(70.44)
Finance Cost	1068.40	288.38
Operating Profit Before Working Capital Changes	1918.31	21020.51
Adjustments for:		
(Increase)/Decrease in Trade receivables	1664.12	(1909.24)
(Increase)/Decrease in Other Current Assets	(959.02)	(975.73)
(Increase)/ Decrease in Inventories	(425.18)	(94.49)
(Increase)/Decrease in current financial assets others & capital advances	1144.14	(1193.71)
(Decrease)/Increase in Trade Payable & creditors for capital goods	(2036.61)	2529.34
(Decrease)/Increase in Short Term Borrowings	(5.25)	5.25
(Decrease)/Increase in Other Current Liabilities & non current liabilities & provisions	1431.03	(1095.87)
(Decrease)/Increase in Short Term Provisions	21.68	(1.88)
Net Working Capital Changes	834.91	(2736.33)
Cash Generated From Operations	2753.22	18284.18
Income Tax (Paid)/Refund	(1386.12)	(3320.96)
Net Cash From Operating Activities	1367.10	14963.22
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(6763.31)	(18229.30)
Sale/Adjustment of Fixed Assets	285.66	7.90
Investment made	-	(2293.23)
Bank deposits (placed)/ matured	897.47	(765.72)
Interest Received	179.55	70.44
Long Term Advances Given	(168.55)	(1447.90)
Purchase of Membranes and Recoating of Pans	(22.87)	(677.27)
Net Cash Used in Investing Activities	(5592.05)	(23335.08)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	4370.22	8934.44
Repayment of term loans to Banks	(5468.41)	(585.38)
Interest Paid	(1044.19)	(225.64)
Principal payment of lease liabilities	(39.03)	-
Interest paid on lease liabilities	(14.37)	(4.24)
Proceeds from Short Term Borrowings (Working Capital)	4319.15	-
Net Cash Flow from Financing Activities	2123.37	8119.18
Net Increase/(Decrease) in Cash And Cash Equivalents	(2101.58)	(252.68)
Cash And Cash Equivalents at the beginning of year	2148.71	2401.39
Cash And Cash Equivalents at the end of year	47.13	2148.71

Explanatory notes to the Standalone Statement of Cash Flows:
(i) Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) -7 "Statement of Cash Flows" prescribed under the Companies (Indian Accounting Standards) Rules, 2015.
(ii) The amount of ₹681 Lakhs (Previous Year - ₹6947 Lakhs) are undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

Notes forming an integral part of the standalone financial statements

For and on Behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
(ARUN KUMAR KAUSHAL)	(SUGANDHA KUKREJA)	(JATIN DAHIYA)	(NAVEEN CHOPRA)
Chief Financial Officer	Company Secretary	Executive Director	Managing Director
	FCS-11578	DIN: 08106876	DIN: 08465391

As per our separate report of even date
For S. Tandon & Associates LLP
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN : 24518893BKDIDK9186

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

Place: Chandigarh
Date : May 30, 2024

Standalone Statement of Changes in Equity for the Year ended March 31, 2024

A. Equity Share Capital

Current reporting period (₹ in Lakhs)

Balance as at 1.4.2023		Changes in equity share capital during the year		Balance as at 31.03.2024	
	4846.86		-		4846.86

Previous reporting period ((₹ in Lakhs)

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

B. Other Equity

Current reporting period (₹ in Lakhs)

	Reserves and Surplus			Other Comprehensive Income (OCI)	Total
	Capital Reserve	Securities premium Reserve	Retained Earnings	Remeasurement of Defined Benefit Plan	
Balance as at 1.4.2023	3531.85	16025.58	16228.81	23.79	35810.03
Total Comprehensive Income for the year	-	-	(2585.82)	(9.10)	(2594.92)
Depreciation	(46.99)	-	46.99	-	-
Other Reserves	-	-	-	-	-
Adj. in respect of Assets sold/discarded(Net)	(1.63)	-	-	-	(1.63)
Share Forfeited Reserve	-	-	-	-	-
Securities Premium Reserve	-	-	-	-	-
Balance as at 31.03.2024	3483.23	16025.58	13689.98	14.69	33213.48

Previous reporting period (₹ in Lakhs)

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

For and on Behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
(ARUN KUMAR KAUSHAL)	(SUGANDHA KUKREJA)	(JATIN DAHIYA)	(NAVEEN CHOPRA)
Chief Financial Officer	Company Secretary	Executive Director	Managing Director
	FCS-11578	DIN: 08106876	DIN: 08465391

As per our separate report of even date
For S. Tandon & Associates LLP
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN : 24518893BKDIDK9186

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

Place: Chandigarh
Date : May 30, 2024

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Company Overview:

Primo Chemicals Limited (Formerly known as Punjab Alkalies & Chemicals Limited) ('the Company') is a limited company incorporated in India. The registered office of the Company is at S.C.O. 125-127, Sector 17-B, Chandigarh - 160017, India. CIN - L24119CH1975PLC003607. The Ordinary (Equity) shares of the Company are listed on the BSE Limited ("BSE") in India.

The financial statements have been approved by Board of Directors in their board meeting held on May 30, 2024.

The company is primarily involved in manufacturing of :

a. Caustic Soda Lye
b. Hydrochloric Acid
c. Liquid Chlorine
d. Sodium Hypochlorite
e. Hydrogen Gas
f. Stable Bleaching Powder
g. Caustic Soda Flakes
h. Aluminium Chloride

NOTE NO. 1: BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Basis of preparation and compliance with Ind AS

The financial Statements are prepared on an accrual/ going concern basis and historical cost convention except for certain financial assets that are measured at fair value. These financial statements of the Company have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company has consistently applied accounting policies to all years. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy.

The presentation of the Financial Statements is based on Ind AS Schedule III of the Act. The financial statements are presented in Indian Rupee and all values are rounded off to the nearest lakh as per the requirement of Schedule III, except when otherwise indicated.

NOTE NO. 2: MATERIAL 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 and with a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements. All expenses and incomes to the extent considered payable and receivable respectively, unless stated otherwise, have been accounted for on mercantile basis.

(b) Use of estimates and judgements

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

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

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

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

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

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

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

ii) Leases:

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

iii) Income Tax:

Deferred tax assets are recognised for the unused tax losses credits for which there is probability of utilisation against the future taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

iv) Provision for rebates and discounts

Provisions for rebates, discounts and other deductions are estimated and provided for in the year of sales and recorded as reduction of revenue. Provisions for such rebates and discounts are accrued and estimated based on past experience, market conditions and current contract prices with customers.

v) Allowance for impairment of trade receivables

The Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

vi) Impairment of Investments

The Company reviews the carrying value of long term investments in equity/preference shares of associate, subsidiaries and joint venture companies carried at cost/amortized cost at the end of each reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(c) Property, Plant & Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost of acquisition or construction is inclusive of freight, duties, taxes, other directly attributable incidental expenses and interest on loans attributable to the acquisition or construction of assets up to the date of assets available for use as intended by management.

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 available for use, as intended by the management. These costs also include financing cost which has been capitalized on qualifying assets as per Ind-AS 23. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are taken out from books of accounts and resultant profit (including capital profit) or loss, if any, is reflected in Statement of Profit & Loss.

The Company has identified spares having value (landed cost) of ₹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.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in Statement of Profit and Loss.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the reporting date.

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Estimated Useful Lives:

Asset	Useful Life
Building	30-60 years
Railway Siding	15 years
Plant and equipment	2-22 years
Furniture and fixtures	8-10 Years
Office Equipments and computers	3- 5 Years
Vehicles	8 Years

(d) Depreciation

The Company has charged depreciation on fixed assets on straight-line basis (SLM) on a pro-rata basis from the date of additions / available for use as intended by management, as per their useful life based on past operational experience as certified by the technical staff of the plant. Fixed Assets individually costing up to ₹5,000/- are depreciated 100% in the year of purchase. The intangible assets are being amortised over a period of 5 years. On assets sold, discarded etc. during the year, depreciation is provided up to the date of sale/discard.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on all tangible assets is provided on the basis of estimated useful life and residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc. Estimated residual value of tangible assets has been taken at 5%.

(e) Intangible Assets:

Intangible Assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. These assets are being amortized over a period of five years. Costs associated with maintaining software programme are recognized as an expense as incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

(f) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(g) Valuation of Inventories

The items of finished goods are valued at lower of cost or estimated net realisable value. 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. 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. Scrap, if any, at the year end does not form part of closing inventory.

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

(h) Investment in associates enterprises

The company prepares separate financial statements to account for investments in associate enterprises. The investments in associates have been accounted for at cost less accumulated impairment, if any.

(i) Financial instruments

Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at Fair value through Profit & Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit and loss.

Classification and subsequent measurement

i) Financial assets

Financial assets at amortised cost : A financial asset is subsequently measured at amortised cost if it is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets carried at fair value through other comprehensive income (FVTOCI) : The Company has made an irrevocable election for its investments which are classified as equity instruments (Other than Investment in Subsidiaries, Joint Venture and Associates) to present the subsequent changes in fair value in other comprehensive income.

Financial assets at FVTPL : A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

ii) Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(j) Revenue Recognition

Revenue is recognised at the transaction price as per agreements with the customers after taking into account the amount of price discount, volume rebate, outgoing taxes (GST) on sales on satisfaction of performance obligation by transfer of effective control of the promised goods to the customer which is generally on dispatch/ delivery of goods, as applicable. The revenue is recognised on point in time basis.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis.

Insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Income from service activities is accounted for on rendering the service in accordance with the contractual terms and when there is no uncertainty in receiving the same.

(k) Government Grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

Government grants are recognized where there is reasonable assurance that the company will comply with the conditions attached to it and that the grants will be received. Grants are presented as part of income in the statement of profit and loss; alternatively they are deducted in reporting the related expense.

(l) Foreign Exchange Transactions

i) Functional and presentation currency

The Financial Statements are presented in Indian Rupee which is the functional and presentation currency of the Company.

ii) Transactions and balances

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

(m) Employee Benefits

i) Defined Contribution Plan :

Employee defined contribution plans include Provident Fund and Employee state insurance. The Company's Contribution paid/payable during the year towards Provident Fund Scheme and Employees's State Insurance (where applicable) are recognised as expense in the Statement of Profit & Loss. The Company has no further obligations under the plan beyond its monthly contributions.

ii) Short-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

iii) Defined Benefit Plan :

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

iv) Gratuity :

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

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

(n) Borrowing Costs

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

(o) 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.

(p) 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 income tax is recognised using the balance sheet approach. 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

(q) Provisions and contingent liabilities

Provisions for claims including litigations are recognised when the Company has a present obligation as a result of past events, in the year when it is established by way of orders of court or government notifications etc. that it is probable that an outflow of resources will be required to settle the obligations and the amount can be reasonably estimated. The provision including any subsequent adjustments are accounted for in the same expenditure line item to which the claim pertains.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

(r) Leases

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

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

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

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. For the short term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The Company as a lessee

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

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

The Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease income as and when due as per terms of agreements. The respective leased assets are included in the financial statements based on their nature.

(s) Statement of Cashflows

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

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the company. The Business activity of the company majorly falls within one business segment viz "Chemicals"."

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

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 3. Property, Plant and Equipment

Property, plant and equipment comprise of owned and leased assets (₹ in Lakhs)

Particulars	Site Devel-opment	Land -Free-hold	Build-ings	Build-ings Factory	Tube well	Plant and Equip-ment	Office Equip-ment	Furni-ture and Fixtures	Comput-er	Vehicles	Electric Installa-tion	Railway Sidings	Lab Instru-ments	Total
Cost or Valuation														
Balance as at 1st April, 2022	**28.15**	**2548.28**	**974.62**	**2566.81**	**46.34**	**34083.89**	**130.06**	**89.41**	**147.74**	**1024.03**	**24.29**	**181.28**	**53.28**	**41898.18**
Additions during the year	-	98.43	-	979.45	-	13169.41	50.92	53.31	50.18	134.66	23.02	-	1.96	14561.34
Disposals during the year	-	-	-	-	-	15.79	-	-	-	-	-	-	-	15.79
Balance as at 31st March 2023	**28.15**	**2646.71**	**974.62**	**3546.26**	**46.34**	**47237.51**	**180.98**	**142.72**	**197.92**	**1158.69**	**47.31**	**181.28**	**55.24**	**56443.73**
Balance as at 1st April, 2023	**28.15**	**2646.71**	**974.62**	**3546.26**	**46.34**	**47237.51**	**180.98**	**142.72**	**197.92**	**1158.69**	**47.31**	**181.28**	**55.24**	**56443.73**
Additions during the year	-	9.01	998.37	1685.34	-	19518.37	184.22	119.62	48.07	51.07	15.87	-	-	22629.94
Disposals during the year	-					214.80				0.13				214.93
Balance as at 31st March, 2024	**28.15**	**2655.72**	**1972.99**	**5231.60**	**46.34**	**66541.08**	**365.20**	**262.34**	**245.99**	**1209.63**	**63.18**	**181.28**	**55.24**	**78858.74**
Accumulated depreciation														
Balance as at 1st April, 2022	-	-	398.29	1960.85	42.79	23981.67	80.70	64.05	123.07	222.54	19.40	48.01	32.00	26973.37
Depreciation expense for the year	-	-	16.45	94.92	1.23	1921.80	15.69	5.43	18.87	153.21	1.50	10.05	3.10	2242.25
Disposals during the year	-	-	-	-	-	15.00	-	-	-	-	-	-	-	15.00
Balance as at 31st March, 2023	**-**	**-**	**414.74**	**2055.77**	**44.02**	**25888.47**	**96.39**	**69.48**	**141.94**	**375.75**	**20.90**	**58.06**	**35.10**	**29200.62**
Balance as at 1st April, 2023	-	-	414.74	2055.77	44.02	25888.47	96.39	69.48	141.94	375.75	20.90	58.06	35.10	29200.62
Depreciation expense for the year	-	-	28.48	130.85	-	3199.75	50.15	18.12	38.93	129.13	4.09	10.04	3.21	3612.75
Disposals during the year	-	-	-	-	-	121.84	-	-	-	0.02	-	-	-	121.86
Balance as at 31st March, 2024	**-**	**-**	**443.22**	**2186.62**	**44.02**	**28966.38**	**146.54**	**87.60**	**180.87**	**504.86**	**24.99**	**68.10**	**38.31**	**32691.51**
Net carrying amount														
Net carrying amount as at 31st March, 2023	**28.15**	**2646.71**	**559.88**	**1490.49**	**2.32**	**21349.04**	**84.59**	**73.24**	**55.98**	**782.94**	**26.41**	**123.22**	**20.14**	**27243.11**
Net carrying amount as at 31st March, 2024	**28.15**	**2655.72**	**1529.77**	**3044.98**	**2.32**	**37574.70**	**218.66**	**174.74**	**65.12**	**704.77**	**38.19**	**113.18**	**16.93**	**46167.23**

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 3a. Right of use assets (₹ in Lakhs)

Particulars	As at March 31, 2024	
	Land -Leasehold	Leasehold Buildings
Cost		
Balance as at April 1, 2022	**565.78**	-
Additions during the year	-	-
Disposals during the year	-	-
Balance as at March 31, 2023	**565.78**	-
Balance as at April 1, 2023	**565.78**	-
Additions during the year	3.87	161.76
Disposals during the year	-	-
Balance as at March 31, 2024	**569.65**	**161.76**
Accumulated Depreciation		
Balance as at April 1, 2022	**7.65**	-
Depreciation expense for the year	7.64	-
Disposals during the year	-	-
Balance as at March 31, 2023	**15.29**	-
Balance as at April 1, 2023	**15.29**	-
Depreciation expense for the year	8.04	43.74
Disposals during the year	-	-
Balance as at March 31, 2024	**23.33**	**43.74**
Net carrying amount		
Net carrying amount as at March 31, 2023	**550.49**	-
Net carrying amount as at March 31, 2024	**546.32**	**118.02**

3.1 Depreciation for the year 2023-24 includes ₹46.99 Lakhs (Previous year ₹46.98 Lakhs) as depreciation arising on revaluation of Fixed Assets.

3.2 Fixed Assets are stated at values determined by the valuer less depreciation. Capital Spares are transferred to capital work in progress and are capitalised as and when issued. Direct costs are capitalised till the assets are available to use. These costs also includes financing cost (including exchange rate fluctuations) relating to specific borrowing attributable to Fixed Assets. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are taken out from books of accounts and resultant profit (including capital profit) or loss, if any, is reflected in Statement of Profit & Loss.

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

3.4 The Company had revalued its Fixed Assets (other than the100 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 ₹6243.16 Lakhs being the surplus of the value of assets over the written down value, had been credited to the Revaluation Reserve.

3.5 The Company had revalued its 100 TPD Membrane Cell Plant Power Line as on 31st March, 2006 on the basis of existing use value by an independent professional valuer. The revaluation of the asset had been approved by the Board of Directors in its meeting held on 29th October, 2007 and the revalued figure was incorporated in the accounts in the financial year 2007-08. Accordingly, a sum of ₹27.78 Lakhs being the surplus of the value of the asset over the written down value, had been credited to the Revaluation Reserve.

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

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 ₹4819.99 Lakhs being the surplus of the value of assets over the written down value, had been credited to the Revaluation Reserve.

3.7 Addition in leasehold land of ₹3.87 Lakhs and Leasehold - Buildings of ₹161.76 represent the present value of right to use of assets of future lease rent calculated in accordance with Ind AS 116 and is being amortised on straight line basis over the remaining term of the lease.

3.8 The company has not revalued its Property, Plant & Equipment during the current financial year.

3.9 The value of Property, Plant and Equipment also include the capitalized borrowing cost amounting to ₹298.16 Lakhs (Previous Year ₹602.71 Lakhs) during the period.

3.10 The life of Power Plant being second hand machineries with renovation activity has been taken at 22 years for depreciation purposes. The depreciation has been charged at Straight Line Method basis.

Note No. 3b. Other Intangible Assets (₹ in Lakhs)

Particulars	As at March 31, 2024
	Computer Software
Cost	
Balance as at April 1, 2022	**30.93**
Amortisation expense for the year	7.00
Deductions during the year	-
Balance as at March 31, 2023	**37.93**
Balance as at April 1, 2023	**37.93**
Amortisation expense for the year	-
Deductions during the year	-
Balance as at March 31, 2024	**37.93**
Accumulated Amortisation	
Balance as at April 1, 2022	**24.53**
Amortisation expense for the year	1.95
Deductions during the year	-
Balance as at March 31, 2023	**26.48**
Balance as at April 1, 2023	**26.48**
Amortisation expense for the year	3.49
Deductions during the year	-
Balance as at March 31, 2024	**29.97**
Net carrying amount as at March 31, 2023	**11.45**
Net carrying amount as at March 31, 2024	**7.96**

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 4

CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Work-In-Progress	4862.55	21315.93

Capital-work-in progress ageing schedule:

As at March 31, 2024 (₹ in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Pilot Plant Project	31.28	-	-	-	31.28
Expansion Project II	2809.38	581.01	-	-	3390.39
SBP Project	41.54	723.08	-	-	764.62
Existing Plant & Machinery	316.43	91.41	23.24	25.20	456.28
Aluminium Chloride-II	197.50	-	-	-	197.50
Others	1.52	0.55	19.01	1.40	22.48
Total	**3397.65**	**1396.05**	**42.25**	**26.60**	**4862.55**

As at March 31, 2023 (₹ in Lakhs)

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

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 5

NON CURRENT FINANCIAL ASSETS - INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Particulars	Face Value Per unit (₹)	As at March 31, 2024		As at March 31, 2023	
		Number	(₹in Lakhs)	Number	(₹in Lakhs)
In Associate Company					
Flow Tech Chemicals Pvt. Ltd. (373700 Unlisted equity Shares of Flow Tech Chemicals Pvt. Ltd. @ ₹1418.20 per share)	10	373700	5299.81	373700	5299.81
		373700	5299.81	373700	5299.81

5.1

The Company has acquired 49% stake in Flow Tech Chemicals Pvt. Ltd. (FTCPL) having principal place of business in Rajpura & Nangal, Punjab, India and has accounted for it at cost in line with Ind AS 28 equity method.

As per Share Purchase Agreement dated 14 July, 2021 read with Supplementary Share Purchase Agreement dated 29 September, 2022 with M/s Flow Tech Chemicals Pvt. Ltd., the Company is to acquire 100% stake in M/s Flow Tech Chemicals Pvt. Ltd. The Company has acquired 49% stake as at 31.03.2024 after payment of cash consideration of ₹5299.81 Lakhs. The Company intends to acquire balance 51% stake by 31.12.2024.

5.2

The company had made investments ₹5299.81 Lakhs in equity shares of Flow Tech Chemicals Pvt. Ltd. The valuation of investment as 31.3.2024 was done by registered valuer based on expected profits, following the assumption consistently, for the next five years in the financial year. As per the valuation report, the valuation on investment in the current financial year is on the higher side, resulting in no impairment provision being provided.

Since no impairment provision has been deemed necessary based on the current valuation, future changes in market conditions, performance expectations in terms of chlorine consumption, or other relevant factors could impact the carrying value of the investment. Therefore, Company shall continue to monitor the investment's performance and reassess its valuation regularly to ensure that it remains reflective of its fair value in accordance with applicable accounting standards.

Note No. 6

NON CURRENT FINANCIAL ASSETS -TRADE RECEIVABLES

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
Considered Good except where provided for:			
a) Total Receivable considered good- Secured	-		-
b) Total Receivable considered good- Unsecured	-		-
c) Trade Receivable which have significant increase in credit risk	19.50		109.35
d) Trade Receivable- Credit impaired	-		-
Total		19.50	109.35
Less: Allowance for expected credit loss (Debtors over 365 days including legal cases)		19.50	109.35
		-	-

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

6.1

(₹ in Lakhs)

Particulars	Outstanding for following periods*					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	19.50	19.50
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-
Total	-	-	-	-	19.50	19.50
Less: Allowance for expected credit loss (Debtors over 365 days including legal cases)	-	-	-	-	19.50	19.50
Net Receivables	-	-	-	-	-	-

*The ageing is from invoice date

Note No.7
NON CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits	2251.82	2083.27
Bank Deposits having maturity of more than 12 months	6.10	37.93
	2257.92	2121.20

Note No. 8
DEFERRED TAX LIABILITIES/ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Assets	2165.58	275.80
Deferred Tax Liabilities	3778.69	2466.67
Deferred Tax (Liabilities)/Assets (Net)	(1613.11)	(2190.87)

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

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:

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	
	Deferred Tax Assets	Deferred Tax Liabilities
Timing difference on:		
Fixed Assets	-	3481.81
Provision for Gratuity	32.32	
Provision for Leave Encashment	167.11	
Provision for Bonus	5.19	
C/F Losses and Depreciation	1745.95	
ROU Assets		135.77
Lease Liability	61.80	
Gratuity Defined Plan Assets (OCI)	153.21	161.11
	2165.58	3778.69
Net Deferred Tax Liabilities	-	(1613.11)

The movement in deferred tax assets during the year is as follows: (₹ in Lakhs)

Deferred Tax Liabilities:	As at April 1, 2023	During the period		As at March 31, 2024
	Opening Balance	Amount Recognised in PL	Amount Recognised in OCI	Closing Balance
Property, Plant and Equipments	2334.11	1147.70	-	3481.81
Right of Use Assets	-	135.77	-	135.77
Gratuity Defined Plan Assets (OCI)	132.56	-	28.54	161.11
Total Deferred Tax Liabilities	2466.67	1283.47	28.54	3778.69

Deferred Tax Assets:	As at April 1, 2023	During the period		As at March 31, 2024
	Opening Balance	Amount Recognised in PL	Amount Recognised in OCI	Closing Balance
Provision for Gratuity	12.80	19.52	-	32.32
Provision for Leave Encashment	136.48	30.63	-	167.11
Provision for Bonus	3.73	1.46	-	5.19
Gratuity Defined Plan Assets (OCI)	122.79	-	30.42	153.21
Lease Liabilities	-	61.80	-	61.80
Carried Forward Losses and Depreciation	-	1745.95	-	1745.95
Total Deferred Tax Assets	275.80	1859.35	30.42	2165.58
Deferred Tax Liabilities (Net)	2190.87	(575.88)	(1.88)	1613.11

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Deferred Tax Liabilities:	As at April 1, 2022	During the period		As at March 31, 2023
	Opening Balance	Amount Recognised in PL	Amount Recognised in OCI	Closing Balance
Property, Plant and Equipments	1351.89	982.22	-	2334.11
Gratuity Defined Plan Assets (OCI)	122.80	-	9.77	132.56
Total Deferred Tax Liabilities	**1474.69**	**982.22**	**9.77**	**2466.67**

Deferred Tax Assets:	As at April 1, 2022	During the period		As at March 31, 2023
	Opening Balance	Amount Recognised in PL	Amount Recognised in OCI	Closing Balance
Provision for Gratuity	157.70	(144.90)	-	12.80
Provision for Leave Encashment	163.40	(26.92)	-	136.48
Provision for Bonus	2.74	0.99	-	3.73
Gratuity Defined Plan Assets (OCI)	-	-	122.79	122.79
Total Deferred Tax Assets	**323.83**	**(170.82)**	**122.79**	**275.80**
Deferred Tax Liabilities (Net)	**1150.85**	**1153.04**	**(113.02)**	**2190.87**

Note No. 9
OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
(i) Capital advances		504.24	1109.75
(ii) Deferred Expenditure:			
As per last balance sheet	853.22		318.79
Addition during the year	22.87		677.27
	876.09		996.06
Less: Amortized during the year	288.03		142.84
		588.06	853.22
Closing Balance		1092.30	1962.97

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

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 10
INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Inventory (Valued at lower of cost and net realisable value)		
Raw Materials	647.35	776.31
Stock in process	213.70	31.31
Finished goods	774.11	597.80
Stock in trade	-	10.11
Stores, Spares and consumables	591.43	385.88
	2226.59	1801.41

Note No. 11
CURRENT FINANCIAL ASSETS -TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Considered Good except where provided for:		
a) Total Receivable considered good- Secured	1943.81	889.76
b) Total Receivable considered good- Unsecured	1555.82	4273.99
c) Trade Receivable which have significant increase in credit risk	-	-
d) Trade Receivable- Credit impaired	-	-
	3499.63	5163.75
Of the above, trade receivables from related parties are as below:		
Trade Receivables from related parties	110.07	2086.33

11.1 Trade receivables are interest and non-interest bearing and are generally up to 60 days terms.

11.2 Secured Trade Receivables are secured by way of security deposit.

11.3 The company does not have any unbilled dues which meets the definition of a receivable as per requirements of Ind AS 115 (i.e entity's right to consideration that is unconditional).

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

11.4 Ageing of trade receivables

As at March 31, 2024 (₹ in Lakhs)

Particulars	Outstanding for following periods*					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3461.24	38.39	-	-	-	3499.63
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

* The ageing is from Invoice date

As at March 31, 2023 (₹ in Lakhs)

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

* The ageing is from Invoice date

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 12

CURRENT FINANCIAL ASSETS–CASH AND CASH EQUIVALENTS (₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
a) Cash and cash equivalents			
Balance with banks			
Current Account (For Corporate Environment Responsibility)	44.15		108.99
Cash Credit Account*	-		634.50
Fixed Deposits with original maturity less than three months	-		1396.88
		44.15	2140.37
Cash in hand		2.98	8.34
Total Cash and cash equivalents		47.13	2148.71
b) Bank Balances other than Cash and Cash Equivalent			
Bank Deposits with original maturity more than 3 months and less than one year including margin money for letters of credit and bank guarantees.		90.60	956.24

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

Note No. 13

OTHER CURRENT FINANCIAL ASSETS (₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
(i) Advances other than capital advances			
Advance to Suppliers/Service Providers	756.65		1301.11
Less: Provision for doubtful debts (Others)	587.36		582.10
		169.29	719.01
(ii) Advance to Director or other officer		-	-
(iii) Other advances			
Advance to Employees		11.97	5.23
(iv) Insurance Claim recoverable		11.53	7.18
		192.79	731.42

13.1 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 ₹573.34 Lakhs (previous year ₹568.09 Lakhs) incurred on behalf of Punjab National Fertilizers & Chemicals Limited shall be made as per the settlement by the Official Liquidator of Punjab National Fertilizers & Chemicals Limited. However, an amount of ₹5.25 Lakhs (previous year ₹5.23 Lakhs) has been provided as doubtful debt during the current year.

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 14

OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	75.01	109.73
Advance Income Tax	240.00	-
Other recoverable	173.76	53.23
Income tax claimable	41.58	73.25
GST recoverable	3824.03	2994.43
GST Input Claimable	-	7.48
Advance against water charges	8.07	8.07
	4362.45	3246.19

Note No. 15

EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
350,000,000 Equity Shares of ₹2/- each	7000.00	7000.00
(Previous year 350,000,000 Equity Shares of ₹2/- each)		
Issued		
242,715,730 Equity Shares of ₹2/- each	4854.31	4854.31
(Previous year 242,715,730 Equity Shares of ₹2/- each)		
Subscribed		
242,703,980 Equity Shares of ₹2/- each fully called up (Previous year 242,703,980 Equity Shares of ₹2/- each)	4854.08	4854.08
Paid Up		
242,343,220 Equity Shares of ₹2/- each fully called up (Previous year 242,343,220 Equity Shares of ₹2/- each)	4846.86	4846.86
	4846.86	4846.86

15.1 Reconciliation of number of Equity Shares and amount outstanding

Particulars	As at March 31, 2024		As at March 31, 2023	
	No of Shares	(₹ in Lakhs)	No of Shares	(₹ in Lakhs)
Paid up capital:				
Opening Balance	242343220	4846.86	242343220	4846.86
Changes during the year	-	-	-	-
Closing Balance	242343220	4846.86	242343220	4846.86

15.2 Rights, preferences and restrictions attached to the equity shareholders : The Company has one class of equity shares having par value of ₹2/- per share. Each shareholder is eligible for one vote per equity share held. All equity shares rank equally with regard to dividends as declared from time to time. In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

15.3 Shareholding of Promoter

Shares held by promoters at the end of the year

S. No	Promoter Name	As at March 31, 2024		As at March 31, 2023		
		No. of Shares	% of total shares	No. of Shares	% of total shares	% Change during the year
1	Sh. Sukhbir Singh Dahiya	25278015	10.43	25278015	10.43	-
2	Sh. Jagbir Singh Ahlawat	15500100	6.40	15500100	6.40	-
3	Smt. Parerna Ahlawat	11068925	4.56	9875315	4.07	0.49
4	Sh. Jatin Dahiya	5482535	2.26	5482535	2.26	-
5	Sh. Mayank Ahlawat	-	-	1960160	0.81	(0.81)
6	Smt. Dayawati Dahiya	3560170	1.47	3560170	1.47	-
7	Smt. Garima Singh	1100000	0.45	1100000	0.45	-
8	M/s Flow Tech Industrial Projects Pvt. Ltd.	9626710	3.97	8860160	3.66	0.31
9	M/s Flow Tech Chemicals Pvt. Ltd.	-	-	-	-	-
10	M/s Himalaya Alkalies & Chemicals Limited	2604390	1.07	2604390	1.07	-
11	M/s Tara Mercantile Pvt. Ltd.	1761985	0.73	1761985	0.73	-
12	M/s Advance Chemicals (Shares held in the name of Mayank Ahlawat first holder and partner)	-	-	-	-	-
	Total	75982830	31.35	75982830	31.35	-

15.4 Details of shareholders holding more than 5% shares

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% age	No. of shares held	% age
Sh. Jagbir Singh Ahlawat	15500100	6.40	15500100	6.40
Sh. Sukhbir Singh Dahiya	25278015	10.43	25278015	10.43
Sh. Naveen Chopra	42500000	17.54	42500000	17.54
M/s Durva Infratech LLP	37500000	15.47	37500000	15.47
M/s Plutus Wealth Management LLP	12400000	5.12	21250000	8.77

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 16

OTHER EQUITY

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
Capital Reserve			
Land Subsidy		5.49	5.49
Shares Forfeited Reserve Account		10.65	10.65
Revaluation Reserve			
As per last balance sheet	3515.71		3562.87
Less: Adjusted in respect of Assets sold/ discarded	1.63		0.18
Less: Depreciation & Amortization	46.99		46.98
		3467.09	3515.71
Securities Premium			
As per last Balance Sheet	16025.58		16025.58
Add: Addition during the year	-		-
		16025.58	16025.58
Other Comprehensive Income			
As per last Balance Sheet	23.79		146.19
Add: Addition during the year	(9.10)		(122.40)
		14.69	23.79
STATEMENT OF PROFIT AND LOSS			
As per last Balance Sheet	16228.81		2783.63
Add: Depreciation on revalued assets	46.99		46.98
Add: Transferred from statement of Profit and Loss	(2585.82)		13398.20
		13689.98	16228.81
		33213.48	35810.03

Note No. 17

NON CURRENT LIABILITIES- BORROWINGS

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
Term Loans & Vehicle Loans			
1. Kotak Mahindra Bank Ltd. (Material Handling Equipment)		54.18	88.63
(Secured by way of hypothecation of material handling equipment)			
2. Kotak Mahindra Bank Ltd. (Vehicles)		-	61.01
(Secured by way of hypothecation of vehicles)			
3. AU Small Finance Bank Limited (Power Plant)		-	3474.64
(Secured by way of first exclusive charge on Plant & Machinery of Power Plant & first charge on Pari-passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh, and first charge on Pari-passu basis on existing other Plant & Machinery and other present and future Current Assets of the company. The charge on security stand satisfied as on March 31, 2024.)			

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 17 (Cont'd)

NON CURRENT LIABILITIES- BORROWINGS

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
4. AU Small Finance Bank Limited TL (Expansion Project)		3330.15	2477.24
(Secured by way of first exclusive charge on Plant & Machinery of Caustic Soda Plant Capacity Expansion & first charge on Pari-passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh, and first charge on Pari-passu basis on existing other Plant & Machinery and other present and future Current Assets of the company. Repayment Tenor: 72 (number) Equated Monthly Instalments starting from the month following the end of moratorium period.)			
5. HDFC Bank Ltd TL (SBP)		2375.00	2657.69
(Secured by way of first exclusive charge on Plant & Machinery of SBP Plant and first charge on Pari Passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A Chandigarh, and first charge on Pari-passu basis on existing other Plant & Machinery(excluding Plant & Machinery of Power Plant and Caustic Soda Plant Capacity expansion) and other present and future Current Assets of the company already hypothecated with AU small finance bank. Repayment Tenor : Up to 72 Months including 6 Months Moratorium (Repayable in 66 equal Monthly Instalments)			
6. HDFC Bank Ltd TL (Capex)		2379.00	2879.84
(Secured by way of first exclusive charge on Plant & Machinery of SBP Plant and Flaker Plant, first charge on Pari Passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh, and first charge on Pari-passu basis on existing other Plant & Machinery(excluding Plant & Machinery of Power Plant and Caustic Soda Plant Capacity expansion) and other present and future Current Assets of the company already hypothecated with AU small finance bank. Repayment Tenor : Up to 72 Months Repayable in equal Monthly Instalments.)			
7. HDFC Bank Ltd TL (Flaker)		2634.00	2640.47
(Secured by way of first exclusive charge on Plant & Machinery of Flaker Plant and first charge on Pari Passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh, and first charge on Pari-passu basis on existing other Plant & Machinery(excluding Plant & Machinery of Power Plant and Caustic Soda Plant Capacity expansion charged to AU small finance bank & SBP Plant charged to HDFC bank) and other present and future Current Assets of the company already hypothecated with AU small finance bank. Repayment Tenor : Up to 84 Months including 6 Months Moratorium (Repayable in 78 equal Monthly Instalments)			

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 17 (Cont'd)

NON CURRENT LIABILITIES- BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
8. Punjab National Bank (Aluminium Chloride)	2430.71	-
(Secured/will be secured by way of first exclusive charge on Plant & Machinery of Aluminium Chloride and first charge on Pari Passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh, and first charge on Pari-passu basis on existing other Plant & Machinery(excluding Plant & Machinery of Power Plant and Caustic Soda Plant Capacity expansion charged to AU small finance bank & SBP Plant charged to HDFC bank) and other present and future Current Assets of the company already hypothecated with AU small finance bank. Repayment Tenor : Up to 84 Months including12 Months Moratorium (Repayable in 72 equal Monthly Instalments)		
9. Punjab National Bank (Car Loan)		
(Secured by way of hypothecation of vehicles) Repayable in 84 months.	123.98	145.69
	13327.02	14425.21
Less: Short term maturity of Term loan/vehicle loan within 1 year transferred to Short term borrowing.	2712.21	2112.20
	10614.81	12313.01

NOTE:- Loans mentioned from point no.1 to 9 are further secured by way of personal guarantee of Chairman and Managing Director of the company.

Note No. 18

NON CURRENT LIABILITIES- LEASE LIABILITY

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liability	176.86	49.10
Less: Short term maturity of Lease liability within 1 year transferred to Short term borrowing.	66.80	4.24
	110.06	44.86

18.1 Maturity analysis of lease liability

Maturity analysis – contractual undiscounted cash flows	As at March 31, 2024	As at March 31, 2023
Less than one year	66.80	4.24
One to five years	94.67	21.20
More than five years	491.69	493.57

18.2 Amounts recognised in the Statement of Profit and Loss

Particulars	As at March 31, 2024	As at March 31, 2023
Interest on lease liabilities (included in Finance Cost)	15.52	5.29
Expenses relating to short-term leases	3.84	3.96
Total amount recognised in Profit and Loss for leases	19.36	9.25

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 19

NON CURRENT LIABILITIES – PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits*		
Gratuity	92.48	43.94
Leave Encashment	416.28	426.40
	508.76	470.34

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

Note No. 20

CURRENT LIABILITIES-BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Short term maturity of Term loan within 1 year –Refer Note No.17	2712.21	2112.20
Cash Credit (AU Small Finance Bank Limited-secured)	1728.83	-
Cash Credit (HDFC Bank Limited-secured)	1736.88	-
HDFC Corporate and Purchase cards (Unsecured)	-	5.25
Cash Credit (Punjab National Bank - Secured)	853.44	-
	7031.36	2117.45

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

Note No. 21

CURRENT FINANCIAL LIABILITIES-TRADE PAYABLE

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Creditors		
Total outstanding dues of Micro & Small Enterprises	455.43	375.87
Total outstanding dues of creditors other than Micro & Small Enterprises	2620.42	3950.26
	3075.85	4326.13

21.1 Amount due to MSME has been determined to the extent such parties have been identified on the basis of information provided by the parties.

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

21.2 Trade Payables ageing schedule

As at March 31, 2024 (₹ in Lakhs)

Particulars	Outstanding for following periods*				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME **	421.89	-	-	-	**421.89**
(ii) Others	2471.55	122.14	7.06	19.67	**2620.42**
(iii) Disputed dues – MSME **	-	18.20	0.09	15.25	**33.54**
(iv) Disputed dues - Others	-	-	-	-	-

*The ageing is from invoice date

** Payment is not payable because of applicable liquidated damages, security, retention on account of performance as per terms of contract and non payment of statutory liabilities by respective parties.

Micromeg Enterprises Pvt Ltd has made a application to Micro and Small enterprises Facilitation Council. The amount claimed by party is not payable because of delay in supply, commissioning and other related issues.

The company has filed a suit for recovery against M/s HEM Marketing Services, Baroda on 13.03.2024 in spite of the fact that, amount is recoverable from the party on account of Liquidated damages and loss suffered by the company due to resolving various issues pertaining to the Material Handling System for SBP Plant.

As at March 31, 2023 (₹ in Lakhs)

Particulars	Outstanding for following periods*				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME **	354.36	-	-	-	**354.36**
(ii) Others	3805.59	99.51	11.63	14.47	**3931.20**
(iii) Disputed dues – MSME **	11.93	3.09	5.63	0.86	**21.51**
(iv) Disputed dues - Others	-	-	-	19.06	**19.06**

Note No. 22
OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Creditors for capital goods	**1818.17**	2604.50
Interest accrued but not due	**88.27**	95.96
	1906.44	2700.46

Note No. 23
OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Other Liabilities		
Statutory Liabilities	**443.68**	220.06
Expenses payable	**2542.76**	2736.55
Other Liabilities	**4541.39**	3297.35
Advances from Customers	**179.14**	209.65
	7706.97	6463.61

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

23.1 Expense payable includes ₹2332.88 Lakhs payable to PSPCL towards power bill. Expense payable in previous year includes ₹2680.13 Lakhs payable to PSPCL towards interest on ACD and power bill.

23.2 Other Liabilities includes mainly Security Payable to Debtors ₹3998.65 Lakhs (Previous year ₹2503.60 Lakhs)

Note No. 24
CURRENT LIABILITIES - PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Provision for Employee Benefits		
Leave Encashment	**61.95**	42.30
Bonus	**14.85**	12.82
	76.80	55.12
b) Net Current Tax Liability		
Provision for taxation	-	4071.88
Less: Advance Tax Paid	-	2862.18
	-	1209.70

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

Note No. 25
CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Letters of Credit Outstanding	**56.84**	2443.19
	(USD - Nil, EURO - Nil)	(USD 1314309, EURO 1486500)
b) Bank Guarantees given by Company	**80.88**	203.61
c) Estimated amounts of contracts remaining to be executed on capital account and not provided for	**2695.28**	5537.03
d) Additional Liability (with interest of ₹33.03 Lakhs (Previous Year - ₹24.52 Lakhs) on account of Income Tax Assessments for the Past Assessment Years against which company has filed appeals. No provision has been made for the interest amount. (see note 25.2 and 25.3 below)	**387.51**	234.64
e) Liability towards legal case PACL vs Tarsem Singh Rana (Gurmeet Oil Carrier) (see note 25.2 and 25.3 below) (Company's appeal in Delhi High Court is pending - Judgement and Decree stayed)	**12.84**	5.26

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

25.1 Continuity Bond amounting to ₹363.41 Crores (2022-23 - ₹364.30 Crores) was executed in favour of custom authorities against which request for cancellation of the bonds had been submitted and acknowledgement of the same has been received from Custom Authorities.

25.2 Pending resolution of the respective proceedings, it is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

25.3 The company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

Note No. 26

REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations		
Revenue from Sales of Goods	39686.77	65015.55
Revenue from trading sales	11.25	5722.15
	39698.02	70737.70

26.1 Disaggregation of the revenue Information

Revenue is disaggregated by geographical market, major products / service lines and timing of revenue recognition as follows

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Geographical markets		
- India	39698.02	70737.70
Major Product / Services lines		
Manufactured goods:		
Caustic Soda Lye	34302.74	62752.54
Caustic Soda Flakes	2502.50	-
Chlorine	411.99	384.35
HCL	774.83	348.40
Hydrogen	630.48	642.77
Sodium Hypochlorite	663.17	882.20
Stable Bleaching Powder	324.64	5.29
Aluminium Chloride	76.42	-
Other (Trading Sale)	11.25	5722.15
Total revenue from operations	39698.02	70737.70

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

26.2 The Company classifies the right to consideration in exchange for deliverables as receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer. Trade receivable are presented net of impairment in the Balance Sheet.

26.3 Revenue recognised from Contract liability (Advances from Customers):

The Contract liability outstanding at the beginning of the year was ₹209.65 Lakhs (Previous year ₹564.36 Lakhs), out of which ₹116.64 Lakhs (Previous year 484.45 Lakhs) has been recognised as revenue during the year ended 31st March 2024.

26.4 Information about major customers

Revenues arising from sales to the company's single large customer is ₹5377.58 Lakhs (Previous Year ₹9380.46 Lakhs). Revenue from second largest customer which also contributed more than 10% of revenue was ₹4939.76 Lakhs. (Previous Year - 9651.28 Lakhs). Revenue from third largest customer which also contributed more than 10% of revenue was ₹4844.68 Lakhs. (Previous Year - 9242.07 Lakhs). No other single customers contributed 10% or more to the Company's revenue during the current and previous financial year.

Note No. 26a

OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Other Income:		
Interest received	179.55	70.44
Scrap sales	168.77	535.51
Goods & Service Tax Incentives	1065.33	1320.30
Misc. Income	77.97	201.07
Excess provision written back	398.62	481.63
Profit on sale of fixed assets	51.90	7.30
	1942.14	2616.25

Note No. 27

COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening Stock	776.31	267.97
Add: Purchases	7875.49	9080.07
Less: Sale of Raw Materials	-	-
Less: Closing Stock	647.35	776.31
Cost of Materials consumed	8004.45	8571.73

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Materials Consumed Comprises of: (₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salt	6443.84	7026.34
Aluminium Ingots	496.20	-
Soda Ash	174.26	260.79
Barium Carbonate	360.42	610.66
Sulphuric Acid	125.81	229.70
Hydrated Lime	237.87	7.81
Others	166.05	436.43
Total	8004.45	8571.73

27.1 Consumption of above is as per actual material consumed.

Note No. 28

CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Closing Stocks		
Finished Goods	774.11	597.80
Stock in Process	213.70	31.31
Stock-in-trade	-	10.11
	987.81	639.22
Less: Opening Stocks		
Finished Goods	597.80	591.04
Stock in Process	31.31	35.38
Stock-in-trade	10.11	564.43
	639.22	1190.85
Increase/(Decrease) in Stock	348.59	(551.63)

Note No.29

MANUFACTURING EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Power, Fuel & Utilities	19513.52	20210.37
Steam Coal Consumption	41.75	-
Packing Material	103.49	1.61
Total	19658.76	20211.98

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 30

EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, Wages & Bonus	2574.09	1975.84
Directors Remuneration	908.66	837.78
Contribution to Provident, Superannuation & Gratuity funds	279.81	239.17
Staff Welfare, Recruitment & Training Expenses	106.91	130.15
Total	3869.47	3182.95

Note No. 31

FINANCE COST

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest and Charges:		
Term Loans	1068.40	288.38
Cash Credit	277.15	69.51
Interest on Advance Consumption Deposit PSPCL	2.68	68.90
Interest on lease liabilities	15.52	5.29
Security Deposits/Others	456.82	375.02
Total	1820.57	807.10

Note No. 32

(₹ in Lakhs)

OTHER EXPENSES

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Labour Charges		497.37	319.78
Railway Siding Operations		5.28	12.11
Stores & Spares consumed		588.64	1555.01
Repair & Maintenance			
Plant & Machinery	300.21		688.88
Building	62.58		301.60
Others	46.82		49.94
		409.61	1040.42
Board Meeting Expenses		83.00	135.68
Travelling & Conveyance			
Directors	26.76		65.25
Others	120.23		270.72
		146.99	335.97

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 32 (Cont'd)

(₹ in Lakhs)

OTHER EXPENSES

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Statutory Auditors Remuneration			
Audit Fees	4.00		2.18
Tax Audit Fees	0.35		0.35
Out of Pocket Expenses	-		0.30
		4.35	2.83
Legal & Professional Charges		239.99	319.57
Insurance		111.28	89.95
Printing & Stationery		27.17	41.24
Postage & Telephone		26.95	20.63
Electricity & Water Charges		9.78	9.27
Rent, Rates & Taxes		88.60	82.11
Pollution Control Expenses		59.48	86.30
CER Expenses		80.00	-
CSR Expenses		183.55	67.60
Miscellaneous Expenses		590.32	172.22
Short term lease payments		3.84	3.96
Loss on sale of Assets		0.11	-
Loss on insurance claim		-	0.14
Doubtful Debts Others		5.25	5.23
Advertisement		5.59	4.75
Freight, Cartage & Handling		2213.37	3313.37
Business Promotion		36.98	36.06
Discounts & Commission		525.53	658.12
Chlorine disposal charges		1787.82	5331.50
Bad debts		89.85	344.49
Total		7820.70	13988.33

Note No. 33: Debit & Credit balances of parties are subject to their confirmation.

Note No. 34 : Legal action had been initiated against customers from whom a total sum of ₹19.50 Lakhs (Previous Year ₹109.35 Lakhs) is due as the balance of the principal value of goods supplied.

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 35

Income Tax

Income tax expense in the statement of profit and loss consists of: (₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current income tax	-	4071.88
Adjustments of tax related to earlier years	19.19	26.68
Deferred tax	(575.88)	1153.04
Income tax expense recognised in the statement of profit and loss	(556.69)	5251.60
Deferred tax arising on income and expense recognised in other comprehensive income		
Remeasurement of defined benefit plan	(1.88)	(113.02)

The reconciliation between the provision of income tax and amounts as computed as per computation of income tax is as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(Loss)/Profit before tax	(3142.51)	18649.80
Enacted income tax rate in India	34.944%	29.120%
Computed expected tax expense	-	5430.82
Effect of:		
Temporary difference of depreciation expense	1147.70	(852.25)
Temporary difference of Right of Use Assets	135.77	-
Effect of Non-deductible expenses/income	(51.61)	(216.18)
Carried forward loss	(1746.04)	-
MAT Credit	-	(290.51)
Lease Liabilities	(61.80)	-
Others	-	1153.04
Prior Period Tax	19.19	26.68
Income tax expense recognised in the statement of profit and loss	(556.69)	5251.60

Note No. 36

Earning Per Share (EPS)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(Loss)/Profit for the year for basic EPS (₹ in Lakhs)	(2585.82)	13398.20
Weighted average number of Ordinary (Equity) Shares of ₹2/- each	242343220	242343220
Basic Earning per share of ₹2/- each (₹.)	(1.07)	5.53
Diluted Earning per share of ₹2/- each (₹.)	(1.07)	5.53

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 37

Employee Defined Benefits:

Gratuity

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

Asset Volatility

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

Changes in bond yields

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

Inflation risk

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

Life expectancy

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

Defined Benefit Plans-as per Actuarial Valuation as on March 31, 2024 (₹ in Lakhs)

Particulars	Leave Encashment		Gratuity	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Expense Recognised in the Profit & Loss Statement for the year	65.05	5.68	44.50	39.12
Present Value of Defined Benefit Obligation as at 31st March, 2024	478.23	468.70	911.99	966.98

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 37 (Cont'd)

(₹ in Lakhs)

Particulars	Funded Plan		Unfunded Plans	
	Gratuity		Leave Encashment	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Amounts recognised in profit or loss				
Current service cost	42.92	33.08	28.91	25.13
Expected Return on Plan Assets	(62.42)	(54.25)	-	-
Net interest expense	64.00	60.29	31.75	37.38
Total	44.50	39.12	60.66	62.51
Amount of recovery for employees on deputation	(3.60)	(7.65)	(2.28)	10.49
Net Actuarial Losses/(Gains)	-	-	4.40	(56.83)
Total amount included in employee benefits expense	40.90	31.47	62.78	16.17
Amounts recognised in other comprehensive income Beginning of period	(33.56)	(268.98)	-	-
Remeasurement (gains)/ losses:				
a) Actuarial (gains)/ losses arising from changes in				
– demographic assumptions	-	-	-	-
– financial assumptions	10.67	73.12	-	-
– experience adjustments	(8.22)	151.92	-	-
b) Return on plan assets, excluding amount included in net interest expense/ (income)	8.53	10.38	-	-
Total remeasurement recognised in OCI	10.98	235.42	-	-
Total amount recognised in other comprehensive income end of period	(22.58)	(33.56)	-	-
Changes in the defined benefit obligation				
Opening defined benefit obligation	966.98	863.06	468.70	561.11
Current service cost	42.92	33.08	28.91	25.13
Past service cost	-	-	-	-
Interest expense	64.00	60.29	31.75	37.38
Remeasurements (gains)/ losses	2.45	225.04	4.40	(56.82)
Benefits paid	(164.36)	(214.49)	(55.52)	(98.10)
Closing defined benefit obligation	911.99	966.98	478.23	468.70
Changes in fair value of plan assets				
Opening fair value of plan assets	923.04	743.19	-	-
Interest income	62.41	54.25	-	-
Return on plan assets excluding interest income				
Contributions by employer	6.95	350.47	-	-
Benefits paid	(164.36)	(214.49)	-	-
Actuarial Gain/(Losses)	(8.53)	(10.38)	-	-
Closing fair value of plan assets	819.51	923.04	-	-

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 37 (Cont'd)

Particulars	Funded Plan		Unfunded Plans	
	Gratuity		Leave Encashment	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Net defined benefit obligation				
Defined benefit obligation	911.99	966.98	478.23	468.7
Fair value of plan assets	819.51	923.04	-	-
Surplus/(Deficit)	92.48	43.94	478.23	468.70
Current portion of the above	-	-	61.95	42.30
Non current portion of the above	92.48	43.94	416.28	426.40
Liability recognised in B/S	92.48	43.94	478.23	468.70
Funding of Plan Assets as a percentage of total Plan	86.11% with LIC	86.11% with LIC	Unfunded	Unfunded
Actuarial Assumptions				
- Discount Rate	6.95%	7.20%	6.95%	7.20%
- Expected rate of return on Plan Assets	6.95%	7.20%	-	-
- In-service Mortality	Indian Assured Lives (2012-14)	Indian Assured Lives (2012-14)	Indian Assured Lives (2012-14)	Indian Assured Lives (2012-14)
- Attrition Rate	1% to 2%	1% to 2%	1% to 2%	1% to 2%
- Salary Rise	3.00%	3.00%	3.00%	3.00%
- Remaining Working life	14 Years	14 Years	14 Years	14 Years

Sensitivity analysis (Amount in Lakhs)

	Gratuity		Leave Encashment	
	31-March-24		31-March-24	
Defined Benefit Obligation (Base)		9,11,98,650		4,78,23,513
	Decrease	Increase	Decrease	Increase
Discount Rate	93414651	89090030	49201694	46519869
Impact of increase/decrease in 50 bps on DBO	2.43%	(2.31%)	2.88%	(2.73%)
Salary Growth Rate	89080393	93393556	46464688	49248991
Impact of increase/decrease in 50 bps on DBO	(2.32%)	2.41%	(2.84%)	2.98%

Expected Cash Flows		31-March-24		31-March-24
Year 1		15585853		6195388
Year 2		9607986		4138108
Year 3		16063321		6641865
Year 4		12044423		5549397
Year 5		12711820		9521847
Year 6 to 10		42076125		23629631

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 38

Financial instruments by category

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Financial Assets		
Measured at fair value through Other Comprehensive Income (FVTOCI)	-	-
Measured at fair value through P&L (FVTPL)	-	-
Measured at amortised cost		
Investment in associate	5299.81	5299.81
Trade receivables	3499.63	5163.75
Cash and Cash Equivalents	47.13	2148.71
Bank Balances other than above	90.60	956.24
Other Financial Assets	2450.71	2852.62
(b) Financial Liabilities :		
Measured at amortised cost		
Borrowings	17646.17	14430.46
Trade Payables	3075.85	4326.13
Lease Liabilities	176.86	49.10
Other financial liabilities	1906.44	2700.46

Note No. 39

Corporate Social Responsibility

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 incurred a loss before tax during the year of ₹(3142.51) Lakhs, however, average net profit before tax of preceding three years is ₹7462.86 Lakhs, therefore, the company 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 ₹183.55 Lakhs in pursuance of it's CSR Policy during the year 2023-24 based on average net profit of ₹9171.77 of preceding three years from FY 2020-21 to FY 2022-23.

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amount required to be spent by the company during the year	183.44	67.60
Amount of expenditure incurred	183.55	67.60
Short fall at the end of the year	-	-
Total of previous year's shortfall	-	-
Reason for shortfall	-	-

Note No. 39 (Contd.)

	Year ended March 31, 2024	Year ended March 31, 2023
Nature of CSR Activities	For Plantation and Neighbourhood Development, Ensuring Animal Welfare, Making Available Safe Drinking Water Near Local Area, Promoting Education / Vocational Skills, Contribution For Sports, Promotion of Healthcare including Preventive Health care, Hygiene Improvement, Empowering women	For Plantation and Neighbourhood Development, Ensuring Animal Welfare, Making Available Safe Drinking Water Near Local Area, Promoting Education / Vocational Skills, Contribution for Sports, Promotion of Healthcare including Preventive Health care, Hygiene Improvement

Note No. 40

Related Party Disclosures:

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

1) **Significant Interest Entities: NA**

2) **Associates-Flow Tech Chemicals Private Limited**

3) **Key Managerial Personnel**

Shri Naveen Chopra, Managing Director

Shri Jatin Dahiya, Executive Director

Shri Arun Kumar Kaushal, Chief Financial Officer

Smt. Sugandha Kukreja, Company Secretary

4) **Related Parties where Common Director**

M/s Prayag Chemicals Pvt. Ltd.

M/s V S Polymers Pvt. Ltd.

M/s Shahenshah Chemicals

5) **Shareholders with more than 10% shareholding**

M/s Durva Infratech LLP.

b) Volume of transaction with related parties

(₹ in Lakhs)

Key management personnel compensation	Year ended March 31, 2024	Year ended March 31, 2023
Short-term employee benefits	978.16	880.13
Post-employment benefits	37.47	42.13
Other long-term benefits	-	-

The post-employment benefits expense is computed based on actuarial valuation.

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Other related party transactions:

(a) Transactions with related parties:

(₹ in Lakhs)

Nature of Transactions	For the Year ended March 31, 2024					For the Year ended March 31, 2023				
	Key management personnel	Flow Tech Chemicals Pvt Ltd	Prayag Chemicals Pvt Ltd	V.S. Polymers Pvt Ltd	Durva Infratech LLP	Key management personnel	Flow Tech Chemicals Pvt Ltd	Prayag Chemicals Pvt Ltd	V.S. Polymers Pvt Ltd	Durva Infratech LLP
Remuneration paid to Sh. Naveen Chopra, Managing Director *	603.99	-	-	-	-	564.91	-	-	-	-
Remuneration paid to Sh. Jatin Dahiya, Executive Director *	320.62	-	-	-	-	272.87	-	-	-	-
Remuneration paid to Sh. Arun Kumar Kaushal, CFO	26.99	-	-	-	-	21.36	-	-	-	-
Remuneration paid to Smt. Sugandha Kukreja, CS	26.56	-	-	-	-	20.99	-	-	-	-
Sale of Goods & Services	-	76.23	9.46	27.46	-	-	4974.30	563.46	320.27	-
Purchase of Goods & Services	-	(0.50)	-	-	303.19	-	0.30	-	-	-
Other:										
Other Income	-	12.05	-	-	-	-	149.75	15.39	9.32	-
Chlorine disposal charges / handling charges	-	1107.57	105.00	209.67	-	-	3067.30	363.42	734.91	-
Chlorine tonner rent	-	-	11.53	-	-	-	-	10.04	-	-
Interest on delayed payment	-	79.10	1.23	0.20	-	-	-	-	-	-
Recovery under Employee benefits	-	1.40	-	-	-	-	5.26	3.24	-	-
Lease Rent	-	0.50	3.60	-	-	-	0.50	-	-	-
Recovery of reimbursible expenses	-	16.12	-	-	8.33	-	36.21	-	-	-
Total	978.16	1292.47	130.82	237.33	311.52	880.13	8233.62	955.55	1064.50	-

* Including Perquisites

(b) Balance outstanding as at the year end

(₹ in Lakhs)

Nature of Outstanding	As at March 31, 2024				As at March 31, 2023			
	Flow Tech Chemicals Pvt Ltd	Prayag Chemicals Pvt Ltd	V.S. Polymers Pvt Ltd	Durva Infratech LLP	Flow Tech Chemicals Pvt Ltd	Prayag Chemicals Pvt Ltd	VS Polymers Pvt Ltd	Durva Infratech LLP
Trade receivables	110.07	-	-	-	1975.94	100.71	9.68	-
Trade payables	-	(2.30)	(2.80)	(1193.80)	-	-	-	-

The transactions with related parties are as per the terms of arrangement between the parties in the normal course of business and to be settled through receipt/payment or sale/purchase of goods or services.

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 41

A total of 2867 chlorine tonners (including rented tonners) were in circulation with various customers as returnable empties as on 31.3.2024.

Note No. 42

Additional Regulatory Information pursuant to the requirement in Division II Schedule III of Companies Act, 2013 are as follows:

a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

b) The Company has not been declared wilful defaulter by any bank or financial institution.

c) The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

d) All the title deeds of Immovable Properties are held in the name of the company except leased properties.

e) The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

f) The company has not granted any loans or advances in the nature of loans to promoters, directors, key managerial personnel and the related parties either severally or jointly with any other person, that are:

(a) repayable on demand; or
(b) without specifying any terms or period of repayment,"

g) Compliance with number of layers of companies: This is not applicable

h) **Utilisation of borrowed funds & Share Premium**

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

i) **Disclosure for Struck off Companies**

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

(₹ in Lakhs)

Name of struck off Company	Nature of transactions with struck-off Company	Balances as at March 31, 2024	Balances as at March 31, 2023	Relationship with the struck-off Company
	Sale of Goods	-	-	-
	Purchase of Goods and receiving of services	-	-	-
	Receiving of Services	-	-	-
Other Entities (I)	Subscription to Equity Shares	0.13	0.08	Equity Shareholder

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

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

Name of Struck off Company	No. of Shares held As at March 31, 2024	Paid-up (In ₹) As at March 31, 2024
Precto Mech-Tech Private Limited	1500	3000
Vaishak Shares Limited	60	120
Niranjan Singh Kartar Singh Forges Pvt Ltd (Niranjan Singh Kartar Singh Forgings Pvt. Ltd. as per MCA records)	1250	2500
Translink Investments Private Ltd	500	1000
Vinco Holdings & Finance Pvt Ltd	500	1000
Ranbros Pvt Ltd (Heavymetal Manufacturing Company Pvt. Ltd. as per MCA records)	2500	5000
Total	**6310**	**12620**

j) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

k) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note No. 43

Financial Risk Management

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

Financial guarantees: The Company is exposed to credit risk in relation to guarantees given to bank. The company's maximum exposure in this regard is ₹0.81 Crores, which is the maximum amount company would have to pay if the guarantee is called upon. Further the company has given bond of ₹363.41 Crores to Custom Authorities against which the liability of custom duty has since been paid. The continuity bond after cancellation is awaited from Custom Authorities.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customer and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding account receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

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

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

The Company primarily has exposure from following types of customers: (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Dealers	3132.86	2207.98
Government Customer	71.75	276.88
Direct Customers	295.02	2678.89
Total	**3499.63**	5163.75

The receivables of ₹1943.81 Lakhs (Previous year ₹889.76 Lakhs) are secured by security deposits.

The provision for doubtful debts or provision for impairment of investments etc is made on case to case basis, based on the information related to financial position, past history/ageing and other relevant available information about the counterparty. The company also makes general provision for lifetime expected credit loss based on its previous experience of provision/write off in previous years The movement in the provision for doubtful debts and provision diminution in value of investments is as under:

(₹ in Lakhs)

	Trade receivables
Provision as at April 1, 2022	**572.84**
Provision made during the year 2022-23	2.50
Written off/(written back) during the year 2022-23	465.99
Provision as at March 31, 2023	**109.35**
Provision as at April 1, 2023	109.35
Provision made during the year 2023-24	-
Written off/(written back) during the year 2023-2024	89.85
Provision as at March 31, 2024	**19.50**

Investments

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

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they become due. The company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also the company is utilising cash credit limits (Fund Based and Non Fund Based) of ₹75 Crore sanctioned by banks from time to time as and when required.

Contractual Maturities of financial liabilities (₹ in Lakhs)

As at March 31, 2024	Carrying Amount	Up to 1 year	Between 1 year to 5 year	Over 5 years	Total
Borrowing	17646.17	7031.35	10614.81	-	17646.17
Trade Payables	3075.85	3075.85	-		3075.85
Lease liabilities	176.86	51.39	65.27	60.2	176.86
Other financial liabilities	1906.44	1906.44	-	-	1906.44
Total liabilities	**22805.32**	**12065.03**	**10680.08**	**60.20**	**22805.32**

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

As at March 31, 2023	Carrying Amount	Up to 1 year	Between 1 year to 5 year	Over 5 years	Total
Borrowing	14430.46	2117.45	12313.01	-	14430.46
Trade Payables	4326.13	4326.13	-	-	4326.13
Lease liabilities	49.10	(1.16)	(6.09)	56.35	49.10
Other financial liabilities	2700.46	2700.46	-	-	2700.46
Total liabilities	**21506.15**	**9142.88**	**12306.92**	**56.35**	**21506.15**

(iii) Reconciliation for financial liabilities arising from financing activities as per Para 44A of IndAS 7.

Particulars	Long term borrowings	Short term borrowings	Interest accrued on borrowings	Lease liability
Opening balance as on April 1, 2022	**6076.15**	**-**	**34.85**	**48.05**
Add: Additions during the year	8934.45	-	95.97	5.28
Less: Repayments during the year	585.38	-	34.85	4.23
Add/(Less): Foreign exchange fluctuation (gain)/loss	-	-	-	-
Less: Derecognition during the year	-	-	-	-
Add/(Less): Amortisation impact on borrowings	-	-	-	-
Closing balance as on March 31, 2023	**14425.22**	**-**	**95.97**	**49.10**
Add: Additions during the year	4370.22	4319.15	88.27	181.16
Less: Repayments during the year	5468.41	-	95.97	53.4
Add/(Less): Foreign exchange fluctuation (gain)/loss	-	-	-	-
Less: Derecognition during the year	-	-	-	-
Add/(Less): Amortisation impact on borrowings	-	-	-	-
Closing balance as on March 31, 2024	**13327.03**	**4319.15**	**88.27**	**176.86**

Foreign Currency risk.

The company is exposed to foreign currency risk to the extent of exchange rate fluctuation at the time of payment of purchase price applicable in Foreign Letter of Credit (FLC) .The currencies in which these transactions are primarily denominated are US Dollar and EURO.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company do not have exposure to the risk of changes in market interest rates relating to company's debt obligations as it is on fixed interest rates.

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

(a) The exposure of the Company's borrowing to interest rate change at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings		
Long Term	13272.84	14275.58
Short Term	4319.15	-
Total Variable rate borrowings	17591.99	14275.58
Fixed rate borrowings		
Long Term	54.18	149.63
Short Term	-	-
Total fixed Rate borrowings	54.18	149.63
Total borrowings	17646.17	14425.21

(b) Sensitivity

Variable interest rate loans are exposed to Interest rate risk, the impact on Profit before tax may be as follows: (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
	Increase/(Decrease)	
Interest rate- increase by 100 basis points (100 bps)*	(175.92)	(142.76)
Interest rate- decrease by 100 basis points (100 bps)*	175.92	142.76

* Holding all other variable constant

Note No. 44

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings. The Company reviews the capital structure of the company on a regular basis and uses debt equity ratio to monitor the same.

The following table summarises the capital structure of the Company: (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Equity attributable to the shareholders of the company	38060.34	40656.89
As percentage of total capital	68%	74%
Total Loans and borrowings	17646.17	14430.46
Total Lease Liability	176.86	49.10
Total Loans and borrowings and Lease Liabilities	17823.03	14479.56
As a percentage of total capital	32%	26%
Total capital (loans, borrowings, lease liabilities and equity)	55883.37	55136.45

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Note No. 45

The Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment (the Ministry) has released draft rules for the Code on November 13, 2020. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

Note No. 46

Fair Value Hierarchy

The company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, borrowings, trade payables and other financial liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

Note No. 47

RATIOS

Particulars	As at March 31, 2024	As at March 31, 2023	Variance %	Reason for Variance exceeding 25%
Current Ratio (Current assets over current liabilities) (Current liabilities: Total current liabilities- Current maturities of non-current borrowings and lease liability)	0.61	0.95	-36%	Current ratio is decreased on account of increase in short term borrowings and other current liabilities.
Debt Equity Ratio (Debt over total shareholder equity) (Debt: Non current borrowing+Current Maturity of borrowing+ Non-current lease liability and current maturity of lease liability)	0.35	0.36	0%	-
Debt Service Coverage Ratio (PAT+Interest on debenture & term loan+depreciation & amortisation- Profit on sale of fixed assets over Interest on term loan & debenture+repayment of debt during the year)	0.35	11.36	-97%	DSCR reduced on account of decrease in profitability and increased finance cost of long term debts
Return on Equity (PAT over total average equity) (Equity: Equity share capital+Other equity)	-6.57%	39.38%	-117%	Change in ROE on account of decrease in profitability
Inventory Turnover Ratio (In days) (Average Inventory over Sale of products in days)	19	9	99%	Change in inventory turnover ratio on account of increase in Stock in process and finished goods due to commissioning of new projects.

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023	Variance %	Reason for Variance exceeding 25%
Trade Receivable Turnover Ratio (In days) (Average trade receivable over Revenue from operations in days)	40	22	83%	Trade receivable turnover ratio has increased due to slow down of market and delayed collection from some customers.
Trade Payable Turnover Ratio (In days) (Average account payable over Total purchases in days)	49	58	-15%	-
Net Capital Turnover Ratio (Revenue from operation over average working capital)	*	*		-
Net Profit Ratio % (PAT over revenue from operations)	-6.51%	18.94%	-134%	Return on equity, Net Profit Ratio, EBITDA, EBIT, Return on capital employed has decreased on account of loss incurred during the year ended 31.03.2024.
EBITDA % (EBITDA over revenue)	6.64%	30.89%	-79%	
EBIT % (EBIT over revenue)	-3.17%	26.52%	-112%	
Return on Capital Employed % (EBIT over capital employed) Capital employed: Equity share capital+other equity-Intangible assets- Misc. exp not written off+Non current borrowings+ Current maturity of borrowings+Non-current lease liability and current maturity of lease liability+Deferred tax liabilities)	-2.42%	42.86%	-106%	
Return on Investment % (Interest on FDs over Weight average of Fixed deposits)	5.02%	4.77%	5%	-

Note:

EBIT - Earnings before interest and taxes including other income

EBITDA - Earnings before interest, taxes, depreciation and amortisation.

PAT - Profit after taxes.

* Net working capital is -ve

Note No. 48

The business activity of the company falls within one broad business segment viz. "Chemicals". Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

Note No. 49

As at 31 March 2024, the Company's current liabilities exceed its current assets by ₹9445.03 Lakhs. During the year, the Company has generated positive cashflows from operations amounting to ₹2753.22 Lakhs. Current liabilities as at 31 March 2024 include

Notes on Standalone Financial Statements For the Year Ended March 31, 2024

outstanding short-term loans (excluding current maturities of long term loans) of ₹4319.15 Lakhs. As per the estimated projections, the Company expects to generate positive cashflows from its operations in the foreseeable future. Further, the Company has unutilized credit facilities of ₹681 Lakhs as at 31 March 2024. Considering the above, the Company is of the view that it will be able to meet its obligations, as and when due, for a period of at least 12 months from the balance sheet date. Therefore, the management believes that the use of going concern assumption in preparation of these financial statements is appropriate.

Note No. 50

a) To make the financial statements more relevant and provide appropriate information to the users, the corresponding figures of the previous year have been re-grouped/reclassified in following cases:

   i) Right of use assets of ₹550.49 Lakhs which was earlier shown under " Property, plant and equipment" in Note no. 3, has now been shown separately on the face of balance sheet (Note No. 3a) .

   ii) Security deposit of ₹2083.27 Lakhs which was shown under "Other Non Current Assets" (Note No. 9) in previous year has been reclassified as "Non current financial assets" (Note No. 7).

   iii) Insurance Claim Recoverable of ₹7.18 Lakhs which was shown under"Other Current Assets" (Note No. 14) in previous year has been reclassified as"Other current financial assets" (Note No. 13).

   iv) Current portion of "Lease liabilities "amounting to ₹4.24 Lakhs has been shown on the face of balance sheet (refer Note No. 18) which was earlier shown under "Current liabilities - Borrowings" (Note No. 20).

   v) Creditors for capital goods for ₹2604.50 Lakhs which was earlier stand included in "Current financial liabilities - Trade Payable" in Note No. 21 has now been reclassified and shown under" Other financial liabilities (Note No. 22)

   vi) "Store & spares consumed" amounting to ₹1555.01 Lakhs was shown under "Manufacturing Expenses" (Note No. 29) in previous year, however the same has been reclassified under head"Other Expenses "(Note No. 32)."

b) The figures have been rounded off to the nearest ₹ Lakhs.

Note No. 51

The Board of Directors of the Company, duly taking into account all the relevant disclosures made, has approved these standalone financial statements in its meeting held on May 30, 2024.

For and on Behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
(ARUN KUMAR KAUSHAL)	(SUGANDHA KUKREJA)	(JATIN DAHIYA)	(NAVEEN CHOPRA)
Chief Financial Officer	Company Secretary	Executive Director	Managing Director
	FCS-11578	DIN: 08106876	DIN: 08465391

As per our separate report of even date
For S. Tandon & Associates LLP
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN : 24518893BKDIDK9186

Place: Chandigarh
Date : May 30, 2024

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of Primo Chemicals Ltd (Formerly Known as Punjab Alkalies & Chemicals Limited) ("the Company"), and its associates "M/s Flow Tech Chemicals Pvt. Ltd" (the Company and its associates together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind As financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the group as at March 31, 2024, the Consolidated profit and Consolidated total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

1. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the Consolidated financial position, financial performance including other comprehensive income, cash flows and changes in equity of the group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

   The respective Board of Directors of the companies included in Group are also responsible for overseeing the financial reporting process of the Group

   Auditor's Responsibility for the Audit of the Financial Statements

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

2. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Group Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

3. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Consolidated Balance Sheet, Consolidated Profit and Loss statement including the Consolidated Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;

e) On the basis of written representations received from the Directors as on 31st March, 2024 taken on record by the Board of Directors of company and its associates, none of directors are disqualified as on 31st March, 2024 from being appointed as a Director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements have disclosed the impact of pending litigation on its financial position in its consolidated Ind AS financial statements.

   ii. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no amount which were required to be transferred to the Investor Education and Protection Fund by the group during the year ended 31st March 2024.

h) Based on our examination, which included test checks, the Company has used accounting software's for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during our audit we did not come across any instance of the audit trail feature being tampered with.

i) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

For S. Tandon & Associates LLP
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN: 24518893BKDIDL6319
Sd/-
(Nipun Rastogi)
Partner
Membership No. 518893

Place: Chandigarh
Date: May 30, 2024

Annexure - A to the 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 P**rimo Chemicals Ltd (Formerly Known as Punjab Alkalies & Chemicals Limited)** as of 31st March 2024 in conjunction with our audit of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S. Tandon & Associates LLP
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN: 24518893BKDIDL6319
Sd/-
(Nipun Rastogi)
Partner
Membership No. 518893

Place: Chandigarh
Date: May 30, 2024

Consolidated Balance Sheet as at March 31, 2024

(₹ in Lakhs)

Particulars	Note No.		As at March 31, 2024	As at March 31, 2023
ASSETS				
Non-current assets				
(a) Property, plant and equipment	3	**46167.23**		27243.11
(b) Right-of-use assets	3a	**664.34**		550.49
(c) Capital work-in-progress	4	**4862.55**		21315.93
(d) Other intangible assets	3b	**7.96**		11.45
(e) Investments accounted for using the equity method	5	**5943.42**		5890.30
(f) Financial Assets				
(i) Trade receivables	6	**-**		-
(ii) Other financial assets	7	**2257.92**		2121.20
(g) Other non-current assets	9	**1092.30**		1962.97
Sub Total: non-current assets			**60995.72**	59095.45
Current assets				
(a) Inventories	10	**2226.59**		1801.41
(b) Financial assets				
(i) Trade receivables	11	**3499.63**		5163.75
(ii) Cash and cash equivalents	12	**47.13**		2148.71
(iii) Other bank balances other than (ii) above	12	**90.60**		956.24
(iv) Other financial assets	13	**192.79**		731.42
(c) Other current assets	14	**4362.45**		3246.19
Sub Total: Current Assets			**10419.19**	14047.72
TOTAL ASSETS			**71414.91**	73143.17
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	15	**4846.86**		4846.86
(b) Other equity	16	**33857.09**		36400.52
Sub Total: equity			**38703.95**	41247.38
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	17	**10614.81**		12313.01
(ii) Lease liabilities	18	**110.06**		44.86
(b) Provisions	19	**508.76**		470.34
(c) Deferred tax liabilities (net)	8	**1613.11**		2190.87
Sub Total: non-current liabilities			**12846.74**	15019.08
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	**7031.36**		2117.45
(ii) Lease liabilities	18	**66.80**		4.24
(iii) Trade payables:				
(A) Total outstanding dues of Micro & Small Enterprises	21	**455.43**		375.87
(B) Total outstanding dues of creditors other than Micro & Small Enterprises	21	**2620.42**		3950.26
(iv) Other financial liabilities	22	**1906.44**		2700.46
(b) Other current liabilities	23	**7706.97**		6463.61
(c) Provisions	24a	**76.80**		55.12
(d) Current Tax Liabilities (Net)	24b	**-**		1209.70
Sub Total: Current Liabilities			**19864.22**	16876.71
TOTAL EQUITY AND LIABILITIES			**71414.91**	73143.17
Material Accounting Policies	2			
Notes forming an integral part of the consolidated financial statements	1 to 51			

For and on Behalf of the Board of Directors

Sd/-
(ARUN KUMAR KAUSHAL)
Chief Financial Officer

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

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

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

As per our separate report of even date
For S. Tandon & Associates LLP
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN : 24518893BKDIDL6319

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

Place: Chandigarh
Date : May 30, 2024

Consolidated Statement of Profit and Loss for the Year ended March 31, 2024

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue from operations	26	**39698.02**	70737.70
Other income	26a	**1942.14**	2616.25
Total income		**41640.16**	73353.95
EXPENSES			
Cost of material consumed	27	**8004.45**	8571.73
Purchase of Stock in Trade		**1.26**	4995.75
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	28	**(348.59)**	551.63
Manufacturing expenses	29	**19658.76**	20211.98
Employee benefits expenses	30	**3869.47**	3182.95
Finance costs	31	**1820.57**	807.10
Depreciation and amortisation expense	3 & 9	**3956.05**	2394.68
Other expenses	32	**7820.70**	13988.33
Total Expenses		**44782.67**	54704.15
(Loss)/Profit before tax		**(3142.51)**	18649.80
Tax Expenses			
Current Tax		**-**	4071.88
Adjustments of tax related to earlier years		**19.19**	26.68
Deferred Tax		**(575.88)**	1153.04
Total Tax Expense		**(556.69)**	5251.60
(Loss)/Profit for the year after Tax		**(2585.82)**	13398.20
Share of Profit / (Loss) of Associate		**53.12**	341.51
(Loss)/Profit transferred to Other Equity		**(2532.70)**	13739.71
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit obligation		**(10.98)**	(235.42)
Income tax relating to items that will not be reclassified to profit or loss	35	**(1.88)**	(113.02)
Net Other Comprehensive Income		**(9.10)**	(122.40)
Total Comprehensive Income for the year		**(2541.80)**	13617.31
Profit before interest, depreciation and tax (EBIDTA)		**2634.11**	21851.58
Earnings/(Loss) per Equity Share of ₹2/- each			
Basic (in ₹)	36	**(1.05)**	5.67
Diluted (in ₹)	36	**(1.05)**	5.67
Material Accounting Policies	2		
Notes forming an integral part of the consolidated financial statements	1 to 51		

For and on Behalf of the Board of Directors

Sd/-
(ARUN KUMAR KAUSHAL)
Chief Financial Officer

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

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

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

As per our separate report of even date
For S. Tandon & Associates LLP
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN : 24518893BKDIDL6319

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

Place: Chandigarh
Date : May 30, 2024

Consolidated Statement of Cash Flow for the Year ended March 31, 2024

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A) CASH FLOW FROM OPERATING ACTIVITIES:		
(Loss) /Profit after tax	(2532.70)	13739.71
Adjustments for:		
Income Tax Expense	(556.69)	5251.60
Depreciation and Amortisation Expenses	3668.02	2251.84
Miscellaneous Expenses Written Off	288.03	142.84
Provision for Gratuity	(10.98)	(235.42)
Amount Transferred from WIP to Stores	278.69	0.81
(Gain)/loss on sale of Fixed Assets	(51.79)	(7.30)
Interest Income	(179.55)	(70.44)
Finance Cost	1068.40	288.38
Operating Profit Before Working Capital Changes	1971.43	21362.02
Adjustments for:		
(Increase)/Decrease in Trade receivables	1664.12	(1909.24)
(Increase)/Decrease in Other Current Assets	(959.02)	(975.73)
(Increase)/ Decrease in Inventories	(425.18)	(94.49)
(Increase)/Decrease In current financial assets others & capital advances	1144.14	(1193.71)
(Decrease)/Increase In Trade Payable & creditors for capital goods	(2036.61)	2529.34
(Decrease)/Increase in Short Term Borrowings	(5.25)	5.25
(Decrease)/Increase In Other Current Liabilities & non current liabilities & provisions	1431.03	(1095.87)
(Decrease)/Increase in Short Term Provisions	21.68	(1.88)
Net Working Capital Changes	834.91	(2736.33)
Cash Generated From Operations	2753.22	18284.18
Income Tax (Paid)/Refund	(1386.12)	(3320.96)
Net Cash From Operating Activities	1367.10	14963.22
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(6763.31)	(18229.30)
Sale/Adjustment of Fixed Assets	285.66	7.90
Investment made	-	(2293.23)
Bank deposits (placed)/ matured	897.47	(765.72)
Interest Received	179.55	70.44
Long Term Advances Given	(168.55)	(1447.90)
Purchase of Membranes and Recoating of Pans	(22.87)	(677.27)
Net Cash Used in Investing Activities	(5592.05)	(23335.08)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	4370.22	8934.44
Repayment of term loans to Banks	(5468.41)	(585.38)
Interest Paid	(1044.19)	(225.64)
Principal payment of lease liabilities	(39.03)	-
Interest paid on lease liabilities	(14.37)	(4.24)
Proceeds from Short Term Borrowings (Working Capital)	4319.15	-
Net Cash Flow from Financing Activities	2123.37	8119.18
Net Increase/(Decrease) in Cash And Cash Equivalents	(2101.58)	(252.68)
Cash And Cash Equivalents at the beginning of year	2148.71	2401.39
Cash And Cash Equivalents at the end of year	47.13	2148.71

Explanatory notes to the Consolidated Statement of Cash Flows:
(i) Statement of Cash Flows has been prepared under the indirect method as set out in Indian Accounting Standards (Ind AS) -7 "Statement of Cash Flows" and prescribed under the Companies (Indian Accounting Standards) Rules, 2015.
(ii) The amount of ₹681 Lakhs (Previous Year - ₹6947 Lakhs) are undrawn borrowing facilities that may be available for future operating activities and to settle capital commitments.

Notes forming an integral part of the consolidated financial statements

For and on Behalf of the Board of Directors

Sd/-
(ARUN KUMAR KAUSHAL)
Chief Financial Officer

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

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

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

As per our separate report of even date
For S. Tandon & Associates LLP
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN : 24518893BKDIDL6319

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

Place: Chandigarh
Date : May 30, 2024

Consolidated Statement of Changes in Equity for the Year ended March 31, 2024

A. Equity Share Capital

Current reporting period (₹ in Lakhs)

Balance as at 1.4.2023	4846.86	Changes in equity share capital during the year	-	Balance as at 31.03.2024	4846.86

Previous reporting period (₹ in Lakhs)

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

B. Other Equity

Current reporting period (₹ in Lakhs)

	Reserves and Surplus			Other Comprehensive Income (OCI)	Total
	Capital Reserve	Securities premium Reserve	Retained Earnings	Remeasurement of Defined Benefit Plan	
Balance as at 1.4.2023	3531.85	16025.58	16228.81	23.79	35810.03
Total Comprehensive Income for the year	-	-	(2532.70)	(9.10)	(2541.80)
Depreciation	(46.99)	-	46.99	-	-
Other Reserves	-	-	-	-	-
Adj. in respect of Assets sold/discarded(Net)	(1.63)	-	-	-	(1.63)
Share Forfeited Reserve	-	-	-	-	-
Securities Premium Reserve	-	-	-	-	-
Balance as at 31.03.2024	3483.23	16025.58	13743.10	14.69	33266.60

Previous reporting period (₹ in Lakhs)

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

For and on Behalf of the Board of Directors

Sd/-
(ARUN KUMAR KAUSHAL)
Chief Financial Officer

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

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

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

As per our separate report of even date
For S. Tandon & Associates LLP
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN : 24518893BKDIDL6319

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

Place: Chandigarh
Date : May 30, 2024

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Company Overview:

Primo Chemicals Limited (Formerly known as Punjab Alkalies & Chemicals Limited) ('the Company') is a limited company incorporated in India. The registered office of the Company is at S.C.O. 125-127, Sector 17-B, Chandigarh - 160017, India. CIN - L24119CH1975PLC003607. The Ordinary (Equity) shares of the Company are listed on the BSE Limited ("BSE") in India.

The financial statements have been approved by Board of Directors in their board meeting held on May 30, 2024.

The company is primarily involved in manufacturing of :

a. Caustic Soda Lye
b. Hydrochloric Acid
c. Liquid Chlorine
d. Sodium Hypochlorite
e. Hydrogen Gas
f. Stable Bleaching Powder
g. Caustic Soda Flakes
h. Aluminium Chloride

NOTE NO. 1: BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Basis of preparation and compliance with Ind AS

The financial Statements are prepared on an accrual/ going concern basis and historical cost convention except for certain financial assets that are measured at fair value. These financial statements of the Company have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company has consistently applied accounting policies to all years. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy.

The presentation of the Financial Statements is based on Ind AS Schedule III of the Act. The financial statements are presented in Indian Rupee and all values are rounded off to the nearest Lakhs as per the requirement of Schedule III, except when otherwise indicated.

NOTE NO. 2: MATERIAL 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 and with a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements. All expenses and incomes to the extent considered payable and receivable respectively, unless stated otherwise, have been accounted for on mercantile basis.

(b) Use of estimates and judgements

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

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

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

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

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

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

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

ii) Leases:

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

iii) Income Tax:

Deferred tax assets are recognised for the unused tax losses credits for which there is probability of utilisation against the future taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

iv) Provision for rebates and discounts

Provisions for rebates, discounts and other deductions are estimated and provided for in the year of sales and recorded as reduction of revenue. Provisions for such rebates and discounts are accrued and estimated based on past experience, market conditions and current contract prices with customers.

v) Allowance for impairment of trade receivables

The Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

vi) Impairment of Investments

The Company reviews the carrying value of long term investments in equity/preference shares of associate, subsidiaries and joint venture companies carried at cost/ amortized cost at the end of each reporting period. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

(c) Property, Plant & Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Cost of acquisition or construction is inclusive of freight, duties, taxes, other directly attributable incidental expenses and interest on loans attributable to the acquisition or construction of assets up to the date of assets available for use as intended by management.

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 available for use, as intended by the management. These costs also include financing cost which has been capitalized on qualifying assets as per Ind-AS 23. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are taken out from books of accounts and resultant profit (including capital profit) or loss, if any, is reflected in Statement of Profit & Loss.

The Company has identified spares having value (landed cost) of ₹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.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset, and is recognised in Statement of Profit and Loss.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the reporting date.

Estimated Useful Lives:

Asset	Useful Life
Building	30-60 years
Railway Siding	15 years
Plant and equipment	2-22 years
Furniture and fixtures	8-10 Years
Office Equipments and computers	3- 5 Years
Vehicles	8 Years

(d) Depreciation

The Company has charged depreciation on fixed assets on straight-line basis (SLM) on a pro-rata basis from the date of additions / available for use as intended by management, as per their useful life based on past operational experience as certified by the technical staff of the plant. Fixed Assets individually costing up to ₹5,000/- are depreciated 100% in the year of purchase. The intangible assets are being amortised over a period of 5 years. On assets sold, discarded etc. during the year, depreciation is provided up to the date of sale/discard.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on all tangible assets is provided on the basis of estimated useful life and residual value determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc. Estimated residual value of tangible assets has been taken at 5%.

(e) Intangible Assets:

Intangible Assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. These assets are being amortized over a period of five years. Costs associated with maintaining software programme are recognized as an expense as incurred.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

(f) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(g) Valuation of Inventories

The items of finished goods are valued at lower of cost or estimated net realisable value. 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. 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. Scrap, if any, at the year end does not form part of closing inventory.

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

(h) Investment in associates enterprises

The company prepares separate financial statements to account for investments in associate enterprises. The investments in associates have been accounted for at cost less accumulated impairment, if any.

(i) Financial instruments

Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at Fair value through Profit & Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit and loss.

Classification and subsequent measurement

i) Financial assets

Financial assets at amortised cost : A financial asset is subsequently measured at amortised cost if it is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets carried at fair value through other comprehensive income (FVTOCI) : The Company has made an irrevocable election for its investments which are classified as equity instruments (Other than Investment in Subsidiaries, Joint Venture and Associates) to present the subsequent changes in fair value in other comprehensive income.

Financial assets at FVTPL : A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

ii) Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(j) Revenue Recognition

Revenue is recognised at the transaction price as per agreements with the customers after taking into account the amount of price discount, volume rebate, outgoing taxes (GST) on sales on satisfaction of performance obligation by transfer of effective control of the promised goods to the customer which is generally on dispatch/delivery of goods, as applicable. The revenue is recognised on point in time basis.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis.

Insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

Income from service activities is accounted for on rendering the service in accordance with the contractual terms and when there is no uncertainty in receiving the same.

(k) Government Grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

Government grants are recognized where there is reasonable assurance that the company will comply with the conditions attached to it and that the grants will be received. Grants are presented as part of income in the statement of profit and loss; alternatively they are deducted in reporting the related expense.

(l) Foreign Exchange Transactions

i) Functional and presentation currency

The Financial Statements are presented in Indian Rupee which is the functional and presentation currency of the Company.

ii) Transactions and balances

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

(m) Employee Benefits

i) Defined Contribution Plan :

Employee defined contribution plans include Provident Fund and Employee state insurance. The Company's Contribution paid/payable during the year towards Provident Fund Scheme and Employees's State Insurance (where applicable) are recognised as expense in the Statement of Profit & Loss. The Company has no further obligations under the plan beyond its monthly contributions.

ii) Short-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

iii) Defined Benefit Plan :

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

iv) Gratuity :

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

(n) Borrowing Costs

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

(o) 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.

(p) 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 income tax is recognised using the balance sheet approach. 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

(q) Provisions and contingent liabilities

Provisions for claims including litigations are recognised when the Company has a present obligation as a result of past events, in the year when it is established by way of orders of court or government notifications etc. that it is probable that an outflow of resources will be required to settle the obligations and the amount can be reasonably estimated. The provision including any subsequent adjustments are accounted for in the same expenditure line item to which the claim pertains.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

(r) Leases

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

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

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

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. For the short term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The Company as a lessee

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

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

The Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease income as and when due as per terms of agreements. The respective leased assets are included in the financial statements based on their nature.

(s) Statement of Cashflows

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

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the company. The Business activity of the company majorly falls within one business segment viz "Chemicals".

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

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 3. Property, Plant and Equipment

Property, plant and equipment comprise of owned and leased assets (₹ in Lakhs)

Particulars	Site Devel-opment	Land -Free-hold	Build-ings	Build-ings Factory	Tube well	Plant and Equip-ment	Office Equip-ment	Furni-ture and Fixtures	Comput-er	Vehicles	Electric Installa-tion	Railway Sidings	Lab Instru-ments	Total
Cost or Valuation														
Balance as at 1st April, 2022	**28.15**	**2548.28**	**974.62**	**2566.81**	**46.34**	**34083.89**	**130.06**	**89.41**	**147.74**	**1024.03**	**24.29**	**181.28**	**53.28**	**41898.18**
Additions during the year	-	98.43	-	979.45	-	13169.41	50.92	53.31	50.18	134.66	23.02	-	1.96	14561.34
Disposals during the year	-	-	-	-	-	15.79	-	-	-	-	-	-	-	15.79
Balance as at 31st March 2023	**28.15**	**2646.71**	**974.62**	**3546.26**	**46.34**	**47237.51**	**180.98**	**142.72**	**197.92**	**1158.69**	**47.31**	**181.28**	**55.24**	**56443.73**
Balance as at 1st April, 2023	**28.15**	**2646.71**	**974.62**	**3546.26**	**46.34**	**47237.51**	**180.98**	**142.72**	**197.92**	**1158.69**	**47.31**	**181.28**	**55.24**	**56443.73**
Additions during the year	-	9.01	998.37	1685.34	-	19518.37	184.22	119.62	48.07	51.07	15.87	-	-	22629.94
Disposals during the year	-					214.80				0.13				214.93
Balance as at 31st March, 2024	**28.15**	**2655.72**	**1972.99**	**5231.60**	**46.34**	**66541.08**	**365.20**	**262.34**	**245.99**	**1209.63**	**63.18**	**181.28**	**55.24**	**78858.74**
Accumulated depreciation														
Balance as at 1st April, 2022	-	-	398.29	1960.85	42.79	23981.67	80.70	64.05	123.07	222.54	19.40	48.01	32.00	26973.37
Depreciation expense for the year	-	-	16.45	94.92	1.23	1921.80	15.69	5.43	18.87	153.21	1.50	10.05	3.10	2242.25
Disposals during the year	-	-	-	-	-	15.00	-	-	-	-	-	-	-	15.00
Balance as at 31st March, 2023	**-**	**0.00**	**414.74**	**2055.77**	**44.02**	**25888.47**	**96.39**	**69.48**	**141.94**	**375.75**	**20.90**	**58.06**	**35.10**	**29200.62**
Balance as at 1st April, 2023	-	-	414.74	2055.77	44.02	25888.47	96.39	69.48	141.94	375.75	20.90	58.06	35.10	29200.62
Depreciation expense for the year	-	-	28.48	130.85	-	3199.75	50.15	18.12	38.93	129.13	4.09	10.04	3.21	3612.75
Disposals during the year	-	-	-	-	-	121.84	-	-	-	0.02	-	-	-	121.86
Balance as at 31st March, 2024	**-**	**-**	**443.22**	**2186.62**	**44.02**	**28966.38**	**146.54**	**87.60**	**180.87**	**504.86**	**24.99**	**68.10**	**38.31**	**32691.51**
Net carrying amount														
Net carrying amount as at 31st March, 2023	**28.15**	**2646.71**	**559.88**	**1490.49**	**2.32**	**21349.04**	**84.59**	**73.24**	**55.98**	**782.94**	**26.41**	**123.22**	**20.14**	**27243.11**
Net carrying amount as at 31st March, 2024	**28.15**	**2655.72**	**1529.77**	**3044.98**	**2.32**	**37574.70**	**218.66**	**174.74**	**65.12**	**704.77**	**38.19**	**113.18**	**16.93**	**46167.23**

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 3a. Right of use assets (₹ in Lakhs)

Particulars	As at March 31, 2024	
	Land -Leasehold	Leasehold Buildings
Cost		
Balance as at April 1, 2022	**565.78**	-
Additions during the year	-	-
Disposals during the year	-	-
Balance as at March 31, 2023	**565.78**	-
Balance as at April 1, 2023	**565.78**	-
Additions during the year	3.87	161.76
Disposals during the year	-	-
Balance as at March 31, 2024	**569.65**	**161.76**
Accumulated Depreciation		
Balance as at April 1, 2022	**7.65**	-
Depreciation expense for the year	7.64	-
Disposals during the year	-	-
Balance as at March 31, 2023	**15.29**	-
Balance as at April 1, 2023	**15.29**	-
Depreciation expense for the year	8.04	43.74
Disposals during the year	-	-
Balance as at March 31, 2024	**23.33**	**43.74**
Net carrying amount		
Net carrying amount as at March 31, 2023	**550.49**	-
Net carrying amount as at March 31, 2024	**546.32**	**118.02**

3.1 Depreciation for the year 2023-24 includes ₹46.99 Lakhs (Previous year ₹46.98 Lakhs) as depreciation arising on revaluation of Fixed Assets.

3.2 Fixed Assets are stated at values determined by the valuer less depreciation. Capital Spares are transferred to capital work in progress and are capitalised as and when issued. Direct costs are capitalised till the assets are available to use. These costs also includes financing cost (including exchange rate fluctuations) relating to specific borrowing attributable to Fixed Assets. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are taken out from books of accounts and resultant profit (including capital profit) or loss, if any, is reflected in Statement of Profit & Loss.

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

3.4 The Company had revalued its Fixed Assets (other than the100 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 ₹6243.16 Lakhs being the surplus of the value of assets over the written down value, had been credited to the Revaluation Reserve.

3.5 The Company had revalued its 100 TPD Membrane Cell Plant Power Line as on 31st March, 2006 on the basis of existing use value by an independent professional valuer. The revaluation of the asset had been approved by the Board of Directors in its meeting held on 29th October, 2007 and the revalued figure was incorporated in the accounts in the financial year 2007-08.

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Accordingly, a sum of ₹27.78 Lakhs being the surplus of the value of the asset over the written down value, had been credited to the Revaluation Reserve.

3.6 The Company had revalued its Fixed Assets as on 31st March, 2009 on the basis of existing use value by an independent professional valuer. The revaluation of assets had been approved by the Board of Directors in its meeting held on 29th January, 2010 and the revalued figures were incorporated in the accounts in the financial year 2009-10. Accordingly a sum of ₹4819.99 Lakhs being the surplus of the value of assets over the written down value, had been credited to the Revaluation Reserve.

3.7 Addition in leasehold land of ₹3.87 Lakhs and Leasehold - Buildings of ₹161.76 represent the present value of right to use of assets of future lease rent calculated in accordance with Ind AS 116 and is being amortised on straight line basis over the remaining term of the lease.

3.8 The company has not revalued its Property, Plant & Equipment during the current financial year.

3.9 The value of Property, Plant and Equipment also include the capitalized borrowing cost amounting to ₹298.16 Lakhs (Previous Year ₹602.71 Lakhs) during the period.

3.10 The life of Power Plant being second hand machineries with renovation activity has been taken at 22 years for depreciation purposes. The depreciation has been charged at Straight Line Method basis.

Note No. 3b. Other Intangible Assets (₹ in Lakhs)

Particulars	As at March 31, 2024
	Computer Software
Cost	
Balance as at April 1, 2022	**30.93**
Amortisation expense for the year	7.00
Deductions during the year	-
Balance as at March 31, 2023	**37.93**
Balance as at April 1, 2023	**37.93**
Amortisation expense for the year	-
Deductions during the year	-
Balance as at March 31, 2024	**37.93**
Accumulated Amortisation	
Balance as at April 1, 2022	**24.53**
Amortisation expense for the year	1.95
Deductions during the year	-
Balance as at March 31, 2023	**26.48**
Balance as at April 1, 2023	**26.48**
Amortisation expense for the year	3.49
Deductions during the year	-
Balance as at March 31, 2024	**29.97**
Net carrying amount as at March 31, 2023	**11.45**
Net carrying amount as at March 31, 2024	**7.96**

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 4

CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Work-In-Progress	**4862.55**	21315.93

Capital-work-in progress ageing schedule:

As at March 31, 2024 (₹ in Lakhs)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Pilot Plant Project	31.28	-	-	-	31.28
Expansion Project II	2809.38	581.01	-	-	3390.39
SBP Project	41.54	723.08	-	-	764.62
Existing Plant & Machinery	316.43	91.41	23.24	25.20	456.28
Aluminium Chloride-II	197.50	-	-	-	197.50
Others	1.52	0.55	19.01	1.40	22.48
Total	**3397.65**	**1396.05**	**42.25**	**26.60**	**4862.55**

As at March 31, 2023 (₹ in Lakhs)

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

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 5

NON CURRENT FINANCIAL ASSETS - INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Particulars	Face Value Per unit (₹)	As at March 31, 2024		As at March 31, 2023	
		Number	(₹in Lakhs)	Number	(₹in Lakhs)
In Associate Company					
Flow Tech Chemicals Pvt. Ltd.	10	**373700**	**5890.30**	373700	5548.79
(373700 Unlisted equity Shares of Flow Tech Chemicals Pvt. Ltd. @ ₹1418.20 per share)					
Add: Share of Profit in Flow Tech Chemicals Pvt. Ltd.			**53.12**		341.51
			5943.42		5890.30

5.1

The Company has acquired 49% stake in Flow Tech Chemicals Pvt. Ltd. (FTCPL) having principal place of business in Rajpura & Nangal, Punjab, India and has accounted for it at cost in line with Ind AS 28 equity method.

As per Share Purchase Agreement dated 14 July, 2021 read with Supplementary Share Purchase Agreement dated 29 September, 2022 with M/s Flow Tech Chemicals Pvt. Ltd., the Company is to acquire 100% stake in M/s Flow Tech Chemicals Pvt. Ltd. The Company has acquired 49% stake as at 31.03.2024 after payment of cash consideration of ₹5299.81 Lakhs. The Company intends to acquire balance 51% stake by 31.12.2024.

5.2

The company had made investments ₹5299.81 Lakhs in equity shares of Flow Tech Chemicals Pvt. Ltd. The valuation of investment as 31.3.2024 was done by registered valuer based on expected profits, following the assumption consistently, for the next five years in the financial year. As per the valuation report, the valuation on investment in the current financial year is on the higher side, resulting in no impairment provision being provided.

Since no impairment provision has been deemed necessary based on the current valuation, future changes in market conditions, performance expectations in terms of chlorine consumption, or other relevant factors could impact the carrying value of the investment. Therefore, Company shall continue to monitor the investment's performance and reassess its valuation regularly to ensure that it remains reflective of its fair value in accordance with applicable accounting standards.

Note No. 6

NON CURRENT FINANCIAL ASSETS -TRADE RECEIVABLES

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
Considered Good except where provided for:			
a) Total Receivable considered good- Secured	-		-
b) Total Receivable considered good- Unsecured	-		-
c) Trade Receivable which have significant increase in credit risk	19.50		109.35
d) Trade Receivable- Credit impaired	-		-
Total		**19.50**	109.35
Less: Allowance for expected credit loss (Debtors over 365 days including legal cases)		**19.50**	109.35
		-	**-**

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

6.1

(₹ in Lakhs)

Particulars	Outstanding for following periods*					
	Less than 6 months	6 months - 1 year	1-2 years	2--3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	19.50	19.50
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-
Total	-	-	-	-	19.50	19.50
Less: Allowance for expected credit loss (Debtors over 365 days including legal cases)	-	-	-	-	19.50	19.50
Net Receivables	-	-	-	-	-	-

*The ageing is from invoice date

Note No.7

NON CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits	**2251.82**	2083.27
Bank Deposits having maturity of more than 12 months	**6.10**	37.93
	2257.92	2121.20

Note No. 8

DEFERRED TAX LIABILITIES/ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Assets	**2165.58**	275.80
Deferred Tax Liabilities	**3778.69**	2466.67
Deferred Tax (Liabilities)/Assets (Net)	**(1613.11)**	(2190.87)

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

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:

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	
	Deferred Tax Assets	Deferred Tax Liabilities
Timing difference on:		
Fixed Assets	-	3481.81
Provision for Gratuity	32.32	
Provision for Leave Encashment	167.11	
Provision for Bonus	5.19	
C/F Losses and Depreciation	1745.95	
ROU Assets		135.77
Lease Liability	61.80	
Gratuity Defined Plan Assets (OCI)	153.21	161.11
	2165.58	3778.69
Net Deferred Tax Liabilities	-	(1613.11)

The movement in deferred tax assets during the year is as follows: ₹ in Lakhs)

Deferred Tax Liabilities:	As at April 1, 2023	During the period		As at March 31, 2024
	Opening Balance	Amount Recognised in PL	Amount Recognised in OCI	Closing Balance
Property, Plant and Equipments	2334.11	1147.70	-	**3481.81**
Right of Use Assets	-	135.77	-	**135.77**
Gratuity Defined Plan Assets (OCI)	132.56	-	28.54	**161.11**
Total Deferred Tax Liabilities	**2466.67**	**1283.47**	**28.54**	**3778.69**

Deferred Tax Assets:	As at April 1, 2023	During the period		As at March 31, 2024
	Opening Balance	Amount Recognised in PL	Amount Recognised in OCI	Closing Balance
Provision for Gratuity	12.80	19.52	-	**32.32**
Provision for Leave Encashment	136.48	30.63	-	**167.11**
Provision for Bonus	3.73	1.46	-	**5.19**
Gratuity Defined Plan Assets (OCI)	122.79	-	30.42	**153.21**
Lease Liabilities	-	61.80	-	**61.80**
Carried Forward Losses and Depreciation	-	1745.95	-	**1745.95**
Total Deferred Tax Assets	**275.80**	**1859.35**	**30.42**	**2165.58**
Deferred Tax Liabilities (Net)	**2190.87**	**(575.88)**	**(1.88)**	**1613.11**

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Deferred Tax Liabilities:	As at April 1, 2022	During the period		As at March 31, 2023
	Opening Balance	Amount Recognised in PL	Amount Recognised in OCI	Closing Balance
Property, Plant and Equipments	1351.89	982.22	-	2334.11
Gratuity Defined Plan Assets (OCI)	122.80	-	9.77	132.56
Total Deferred Tax Liabilities	**1474.69**	**982.22**	**9.77**	**2466.67**

Deferred Tax Assets:	As at April 1, 2022	During the period		As at March 31, 2023
	Opening Balance	Amount Recognised in PL	Amount Recognised in OCI	Closing Balance
Provision for Gratuity	157.70	(144.90)	-	12.80
Provision for Leave Encashment	163.40	(26.92)	-	136.48
Provision for Bonus	2.74	0.99	-	3.73
Gratuity Defined Plan Assets (OCI)	-	-	122.79	122.79
Total Deferred Tax Assets	**323.83**	**(170.82)**	**122.79**	**275.80**
Deferred Tax Liabilities (Net)	**1150.85**	**1153.04**	**(113.02)**	**2190.87**

Note No. 9
OTHER NON CURRENT ASSETS

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
(i) Capital advances		504.24	1109.75
(ii) Deferred Expenditure:			
As per last balance sheet	853.22		318.79
Addition during the year	22.87		677.27
	876.09		996.06
Less: Amortized during the year	288.03		142.84
		588.06	853.22
Closing Balance		1092.30	1962.97

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

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 10
INVENTORIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Inventory (Valued at lower of cost and net realisable value)		
Raw Materials	647.35	776.31
Stock in process	213.70	31.31
Finished goods	774.11	597.80
Stock in trade	-	10.11
Stores, Spares and consumables	591.43	385.88
	2226.59	1801.41

Note No. 11
CURRENT FINANCIAL ASSETS -TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Considered Goods except where provided for:		
a) Total Receivable considered good- Secured	1943.81	889.76
b) Total Receivable considered good- Unsecured	1555.82	4273.99
c) Trade Receivable which have significant increase in credit risk	-	-
d) Trade Receivable- Credit impaired	-	-
	3499.63	5163.75
Of the above, trade receivables from related parties are as below:		
Trade Receivables from related parties	110.07	2086.33

11.1 Trade receivables are interest and non-interest bearing and are generally up to 60 days terms.

11.2 Secured Trade Receivables are secured by way of security deposit.

11.3 The company does not have any unbilled dues which meets the definition of a receivable as per requirements of Ind AS 115 (i.e entity's right to consideration that is unconditional).

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

11.4 Ageing of trade receivables

As at March 31, 2024 (₹ in Lakhs)

Particulars	Outstanding for following periods*					
	Less than 6 months	6 months -1 year	1-2 years	2--3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3461.24	38.39	-	-	-	3499.63
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

* The ageing is from Invoice date

As at March 31, 2023 (₹ in Lakhs)

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

* The ageing is from Invoice date

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 12

CURRENT FINANCIAL ASSETS–CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
a) Cash and cash equivalents			
Balance with banks			
Current Account (For Corporate Environment Responsibility)	44.15		108.99
Cash Credit Account*	-		634.50
Fixed Deposits with original maturity less than three months	-		1396.88
		44.15	2140.37
Cash in hand		2.98	8.34
Total Cash and cash equivalents		47.13	2148.71
b) Bank Balances other than Cash and Cash Equivalent			
Bank Deposits with original maturity more than 3 months and less than one year including margin money for letters of credit and bank guarantees.		90.60	956.24

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

Note No. 13

OTHER CURRENT FINANCIAL ASSETS

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
(i) Advances other than capital advances			
Advance to Suppliers/Service Providers	756.65		**1301.11**
Less: Provision for doubtful debts (Others)	587.36		582.10
		169.29	719.01
(ii) Advance to Director or other officer		-	-
(iii) Other advances			
Advance to Employees		11.97	5.23
(iv) Insurance Claim recoverable		11.53	7.18
		192.79	731.42

13.1 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 ₹573.34 Lakhs (previous year ₹568.09 Lakhs) incurred on behalf of Punjab National Fertilizers & Chemicals Limited shall be made as per the settlement by the Official Liquidator of Punjab National Fertilizers & Chemicals Limited. However, an amount of ₹5.25 Lakhs (previous year ₹5.23 Lakhs) has been provided as doubtful debt during the current year.

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 14

OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	75.01	109.73
Advance Income Tax	240.00	-
Other recoverable	173.76	53.23
Income tax claimable	41.58	73.25
GST recoverable	3824.03	2994.43
GST Input Claimable	-	7.48
Advance against water charges	8.07	8.07
	4362.45	3246.19

Note No. 15

EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
350,000,000 Equity Shares of ₹2/- each	7000.00	7000.00
(Previous year 350,000,000 Equity Shares of ₹2/- each)		
Issued		
242,715,730 Equity Shares of ₹2/- each	4854.31	4854.31
(Previous year 242,715,730 Equity Shares of ₹2/- each)		
Subscribed		
242,703,980 Equity Shares of ₹2/- each fully called up (Previous year 242,703,980 Equity Shares of ₹2/- each)	4854.08	4854.08
Paid Up		
242,343,220 Equity Shares of ₹2/- each fully called up (Previous year 242,343,220 Equity Shares of ₹2/- each)	4846.86	4846.86
	4846.86	4846.86

15.1 Reconciliation of number of Equity Shares and amount outstanding

Particulars	As at March 31, 2024		As at March 31, 2023	
	No of Shares	(₹ in Lakhs)	No of Shares	(₹ in Lakhs)
Paid up capital:				
Opening Balance	242343220	4846.86	242343220	4846.86
Changes during the year	-	-	-	-
Closing Balance	242343220	4846.86	242343220	**4846.86**

15.2 Rights, preferences and restrictions attached to the equity shareholders : The Company has one class of equity shares having par value of ₹2/- per share. Each shareholder is eligible for one vote per equity share held. All equity shares rank equally with regard to dividends as declared from time to time. In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

15.3 Shareholding of Promoter

Shares held by promoters at the end of the year

S. No	Promoter Name	As at March 31, 2024		As at March 31, 2023		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Sh. Sukhbir Singh Dahiya	25278015	10.43	25278015	10.43	-
2	Sh. Jagbir Singh Ahlawat	15500100	6.40	15500100	6.40	-
3	Smt. Parerna Ahlawat	11068925	4.56	9875315	4.07	0.49
4	Sh. Jatin Dahiya	5482535	2.26	5482535	2.26	-
5	Sh. Mayank Ahlawat	-	-	1960160	0.81	(0.81)
6	Smt. Dayawati Dahiya	3560170	1.47	3560170	1.47	-
7	Smt. Garima Singh	1100000	0.45	1100000	0.45	-
8	M/s Flow Tech Industrial Projects Pvt. Ltd.	9626710	3.97	8860160	3.66	0.31
9	M/s Flow Tech Chemicals Pvt. Ltd.	-	-	-	-	-
10	M/s Himalaya Alkalies & Chemicals Limited	2604390	1.07	2604390	1.07	-
11	M/s Tara Mercantile Pvt. Ltd.	1761985	0.73	1761985	0.73	-
12	M/s Advance Chemicals (Shares held in the name of Mayank Ahlawat first holder and partner)	-	-	-	-	-
	Total	75982830	31.35	75982830	31.35	(0.00)

15.4 Details of shareholders holding more than 5% shares

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% age	No. of shares held	% age
Sh. Jagbir Singh Ahlawat	15500100	6.40	15500100	6.40
Sh. Sukhbir Singh Dahiya	25278015	10.43	25278015	10.43
Sh. Naveen Chopra	42500000	17.54	42500000	17.54
M/s Durva Infratech LLP	37500000	15.47	37500000	15.47
M/s Plutus Wealth Management LLP	12400000	5.12	21250000	8.77

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 16

OTHER EQUITY

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
Capital Reserve			
Land Subsidy		5.49	5.49
Shares Forfeited Reserve Account		10.65	10.65
Revaluation Reserve			
As per last balance sheet	3515.71		3562.87
Less: Adjusted in respect of Assets sold/ discarded	1.63		0.18
Less: Depreciation & Amortization	46.99		46.98
		3467.09	3515.71
Securities Premium			
As per last Balance Sheet	16025.58		16025.58
Add: Addition during the year	-		-
		16025.58	16025.58
Other Comprehensive Income			
As per last Balance Sheet	23.79		146.19
Add: Addition during the year	(9.10)		(122.40)
		14.69	23.79
STATEMENT OF PROFIT AND LOSS			
As per last Balance Sheet	16819.30		3032.61
Add: Depreciation on revalued assets	46.99		46.98
Add: Transferred from statement of Profit and Loss	(2532.70)		13739.71
		14333.59	16819.30
		33857.09	36400.52

Note No. 17

NON CURRENT LIABILITIES- BORROWINGS

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
Term Loans & Vehicle Loans			
1. Kotak Mahindra Bank Ltd. (Material Handling Equipment)		54.18	88.63
(Secured by way of hypothecation of material handling equipment)			
2. Kotak Mahindra Bank Ltd. (Vehicles)		-	61.01
(Secured by way of hypothecation of vehicles)			
3. AU Small Finance Bank Limited (Power Plant)		-	3474.64
(Secured by way of first exclusive charge on Plant & Machinery of Power Plant & first charge on Pari-passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh, and first charge on Pari-passu basis on existing other Plant & Machinery and other present and future Current Assets of the company. The charge on security stand satisfied as on March 31, 2024.)			

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 17 (Cont'd)

NON CURRENT LIABILITIES- BORROWINGS

(₹ in Lakhs)

Particulars		As at March 31, 2024	As at March 31, 2023
4. AU Small Finance Bank Limited TL (Expansion Project)		3330.15	2477.24
(Secured by way of first exclusive charge on Plant & Machinery of Caustic Soda Plant Capacity Expansion & first charge on Pari-passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh, and first charge on Pari-passu basis on existing other Plant & Machinery and other present and future Current Assets of the company. Repayment Tenor: 72 (number) Equated Monthly Instalments starting from the month following the end of moratorium period.)			
5. HDFC Bank Ltd TL (SBP)		2375.00	2657.69
(Secured by way of first exclusive charge on Plant & Machinery of SBP Plant and first charge on Pari Passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A Chandigarh, and first charge on Pari-passu basis on existing other Plant & Machinery(excluding Plant & Machinery of Power Plant and Caustic Soda Plant Capacity expansion) and other present and future Current Assets of the company already hypothecated with AU small finance bank. Repayment Tenor : Up to 72 Months including 6 Months Moratorium (Repayable in 66 equal Monthly Instalments)			
6. HDFC Bank Ltd TL (Capex)		2379.00	2879.84
(Secured by way of first exclusive charge on Plant & Machinery of SBP Plant and Flaker Plant, first charge on Pari Passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh, and first charge on Pari-passu basis on existing other Plant & Machinery(excluding Plant & Machinery of Power Plant and Caustic Soda Plant Capacity expansion) and other present and future Current Assets of the company already hypothecated with AU small finance bank. Repayment Tenor : Up to 72 Months Repayable in equal Monthly Instalments.)			
7. HDFC Bank Ltd TL (Flaker)		2634.00	2640.47
(Secured by way of first exclusive charge on Plant & Machinery of Flaker Plant and first charge on Pari Passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh, and first charge on Pari-passu basis on existing other Plant & Machinery(excluding Plant & Machinery of Power Plant and Caustic Soda Plant Capacity expansion charged to AU small finance bank & SBP Plant charged to HDFC bank) and other present and future Current Assets of the company already hypothecated with AU small finance bank. Repayment Tenor : Up to 84 Months including 6 Months Moratorium (Repayable in 78 equal Monthly Instalments)			

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 17 (Cont'd)

NON CURRENT LIABILITIES- BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
8. Punjab National Bank (Aluminium Chloride)	2430.71	-
(Secured/will be secured by way of first exclusive charge on Plant & Machinery of Aluminium Chloride and first charge on Pari Passu basis on existing immovable properties situated at Naya Nangal, Distt-Ropar (Punjab) and Sector 31-A, Chandigarh, and first charge on Pari-passu basis on existing other Plant & Machinery(excluding Plant & Machinery of Power Plant and Caustic Soda Plant Capacity expansion charged to AU small finance bank & SBP Plant charged to HDFC bank) and other present and future Current Assets of the company already hypothecated with AU small finance bank. Repayment Tenor : Up to 84 Months including12 Months Moratorium (Repayable in 72 equal Monthly Instalments)		
9. Punjab National Bank (Car Loan)		
(Secured by way of hypothecation of vehicles) Repayable in 84 months.	123.98	145.69
	13327.02	14425.21
Less: Short term maturity of Term loan/vehicle loan within 1 year transferred to Short term borrowing.	2712.21	2112.20
	10614.81	12313.01

NOTE:- Loans mentioned from point no.1 to 9 are further secured by way of personal guarantee of Chairman and Managing Director of the company.

Note No. 18

NON CURRENT LIABILITIES- LEASE LIABILITY

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liability	176.86	49.10
Less: Short term maturity of Lease liability within 1 year transferred to Short term borrowing.	66.80	4.24
	110.06	44.86

18.1 Maturity analysis of lease liability

Maturity analysis – contractual undiscounted cash flows	As at March 31, 2024	As at March 31, 2023
Less than one year	66.80	4.24
One to five years	94.67	21.20
More than five years	491.69	493.57

18.2 Amounts recognised in the Statement of Profit and Loss

Particulars	As at March 31, 2024	As at March 31, 2023
Interest on lease liabilities (included in Finance Cost)	15.52	5.29
Expenses relating to short-term leases	3.84	3.96
Total amount recognised in Profit and Loss for leases	19.36	9.25

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 19

NON CURRENT LIABILITIES – PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Employee Benefits*		
Gratuity	92.48	43.94
Leave Encashment	416.28	426.40
	508.76	470.34

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

Note No. 20

CURRENT LIABILITIES-BORROWINGS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Short term maturity of Term loan within 1 year –Refer Note No.17	2712.21	2112.20
Cash Credit (AU Small Finance Bank Limited-secured)	1728.83	-
Cash Credit (HDFC Bank Limited-secured)	1736.88	-
HDFC Corporate and Purchase cards (Unsecured)	-	5.25
Cash Credit (Punjab National Bank - Secured)	853.44	-
	7031.36	2117.45

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

Note No. 21

CURRENT FINANCIAL LIABILITIES-TRADE PAYABLE

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Creditors	455.43	375.87
Total outstanding dues of Micro & Small Enterprises	2620.42	3950.26
Total outstanding dues of creditors other than Micro & Small Enterprises	3075.85	4326.13

21.1 Amount due to MSME has been determined to the extent such parties have been identified on the basis of information provided by the parties.

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

21.2 Trade Payables ageing schedule

As at March 31, 2024 (₹ in Lakhs)

Particulars	Outstanding for following periods*				
	Less than 1 year	1--2 years	2--3 years	More than 3 years	Total
(i) MSME **	421.89				**421.89**
(ii) Others	2471.55	122.14	7.06	19.67	**2620.42**
(iii) Disputed dues – MSME **	-	18.20	0.09	15.25	**33.54**
(iv) Disputed dues - Others	-	-	-	-	**-**

*The ageing is from invoice date

** Payment is not payable because of applicable liquidated damages, security, retention on account of performance as per terms of contract and non payment of statutory liabilities by respective parties.

Micromeg Enterprises Pvt Ltd has made a application to Micro and Small enterprises Facilitation Council. The amount claimed by party is not payable because of delay in supply, commissioning and other related issues.

The company has filed a suit for recovery against M/s HEM Marketing Services, Baroda on 13.03.2024 in spite of the fact that, amount is recoverable from the party on account of Liquidated damages and loss suffered by the company due to resolving various issues pertaining to the Material Handling System for SBP Plant.

As at March 31, 2023 (₹ in Lakhs)

Particulars	Outstanding for following periods*				
	Less than 1 year	1--2 years	2--3 years	More than 3 years	Total
(i) MSME **	354.36	-	-	-	**354.36**
(ii) Others	3805.59	99.51	11.63	14.47	**3931.20**
(iii) Disputed dues – MSME **	11.93	3.09	5.63	0.86	**21.51**
(iv) Disputed dues - Others	-	-	-	19.06	**19.06**

Note No. 22

OTHER FINANCIAL LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Creditors for capital goods	**1818.17**	2604.50
Interest accrued but not due	**88.27**	95.96
	1906.44	2700.46

Note No. 23

OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Other Liabilities		
Statutory Liabilities	**443.68**	220.06
Expenses payable	**2542.76**	2736.55
Other Liabilities	**4541.39**	3297.35
Advances from Customers	**179.14**	209.65
	7706.97	6463.61

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

23.1 Expense payable includes ₹2332.88 Lakhs payable to PSPCL towards power bill. Expense payable in previous year includes ₹2680.13 Lakhs payable to PSPCL towards interest on ACD and power bill.

23.2 Other Liabilities includes mainly Security Payable to Debtors ₹3998.65 Lakhs (Previous year ₹2503.60 Lakhs).

Note No. 24

CURRENT LIABILITIES - PROVISIONS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) **Provision for Employee Benefits**		
Leave Encashment	**61.95**	42.30
Bonus	**14.85**	12.82
	76.80	55.12
b) **Net Current Tax Liability**		
Provision for taxation	-	**4071.88**
Less: Advance Tax Paid	-	**2862.18**
	-	**1209.70**

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

Note No. 25

CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
a) Letters of Credit Outstanding	**56.84**	2443.19
	(USD - Nil, EURO - Nil)	(USD 1314309, EURO 1486500)
b) Bank Guarantees given by Company	**80.88**	203.61
c) Estimated amounts of contracts remaining to be executed on capital account and not provided for	**2695.28**	5537.03
d) Additional Liability (with interest of ₹33.03 Lakhs (Previous Year - ₹24.52 Lakhs) on account of Income Tax Assessments for the Past Assessment Years against which company has filed appeals. No provision has been made for the interest amount. (see note 25.2 and 25.3 below)	**387.51**	234.64
e) Liability towards legal case PACL vs Tarsem Singh Rana (Gurmeet Oil Carrier) (see note 25.2 and 25.3 below) (Company's appeal in Delhi High Court is pending - Judgement and Decree stayed)	**12.84**	5.26

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

25.1 Continuity Bond amounting to ₹363.41 Crores (2022-23 - ₹364.30 Crores) was executed in favour of custom authorities against which request for cancellation of the bonds had been submitted and acknowledgement of the same has been received from Custom Authorities.

25.2 Pending resolution of the respective proceedings, it is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

25.3 The company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

Note No. 26

REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations		
Revenue from Sales of Goods	39686.77	65015.55
Revenue from trading sales	11.25	5722.15
	39698.02	70737.70

26.1 Disaggregation of the revenue Information

Revenue is disaggregated by geographical market, major products / service lines and timing of revenue recognition as follows

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Geographical markets		
- India	39698.02	70737.70
Major Product / Services lines		
Manufactured goods:		
Caustic Soda Lye	34302.74	62752.54
Caustic Soda Flakes	2502.50	-
Chlorine	411.99	384.35
HCL	774.83	348.40
Hydrogen	630.48	642.77
Sodium Hypochlorite	663.17	882.20
Stable Bleaching Powder	324.64	5.29
Aluminium Chloride	76.42	-
Other (Trading Sale)	11.25	5722.15
Total revenue from operations	39698.02	70737.70

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

26.2 The Company classifies the right to consideration in exchange for deliverables as receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer. Trade receivable are presented net of impairment in the Balance Sheet.

26.3 Revenue recognised from Contract liability (Advances from Customers):

The Contract liability outstanding at the beginning of the year was ₹209.65 Lakhs (Previous year ₹564.36 Lakhs), out of which ₹116.64 Lakhs (Previous year 484.45 Lakhs) has been recognised as revenue during the year ended 31st March 2024.

26.4 Information about major customers

Revenues arising from sales to the company's single large customer is ₹5377.58 Lakhs (Previous Year ₹9380.46 Lakhs). Revenue from second largest customer which also contributed more than 10% of revenue was ₹4939.76 Lakhs. (Previous Year - 9651.28 Lakhs). Revenue from third largest customer which also contributed more than 10% of revenue was ₹4844.68 Lakhs. (Previous Year - 9242.07 Lakhs). No other single customers contributed 10% or more to the Company's revenue during the current and previous financial year.

Note No. 26a

OTHER INCOME

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Other Income:		
Interest received	179.55	70.44
Scrap sales	168.77	535.51
Goods & Service Tax Incentives	1065.33	1320.30
Misc. Income	77.97	201.07
Excess provision written back	398.62	481.63
Profit on sale of fixed assets	51.90	7.30
	1942.14	2616.25

Note No. 27

COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening Stock	776.31	267.97
Add: Purchases	7875.49	9080.07
Less: Sale of Raw Materials	-	-
Less: Closing Stock	647.35	776.31
Cost of Materials consumed	8004.45	8571.73

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Materials Consumed Comprises of: (₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salt	6443.84	7026.34
Aluminium Ingots	496.20	-
Soda Ash	174.26	260.79
Barium Carbonate	360.42	610.66
Sulphuric Acid	125.81	229.70
Hydrated Lime	237.87	7.81
Others	166.05	436.43
Total	8004.45	8571.73

27.1 Consumption of above is as per actual material consumed.

Note No. 28

CHANGES IN INVENTORIES OF FINISHED GOODS & WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Closing Stocks		
Finished Goods	774.11	597.80
Stock in Process	213.70	31.31
Stock-in-trade	-	10.11
	987.81	639.22
Less: Opening Stocks		
Finished Goods	597.80	591.04
Stock in Process	31.31	35.38
Stock-in-trade	10.11	564.43
	639.22	1190.85
Increase/(Decrease) in Stock	348.59	(551.63)

Note No.29

MANUFACTURING EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Power, Fuel & Utilities	19513.52	20210.37
Steam Coal Consumption	41.75	-
Packing Material	103.49	1.61
Total	19658.76	20211.98

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 30

EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, Wages & Bonus	2574.09	1975.84
Directors Remuneration	908.66	837.78
Contribution to Provident, Superannuation & Gratuity funds	279.81	239.17
Staff Welfare, Recruitment & Training Expenses	106.91	130.15
Total	3869.47	3182.95

Note No. 31

FINANCE COST

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest and Charges:		
Term Loans	1068.40	288.38
Cash Credit	277.15	69.51
Interest on Advance Consumption Deposit PSPCL	2.68	68.90
Interest on lease liabilities	15.52	5.29
Security Deposits/Others	456.82	375.02
Total	1820.57	807.10

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 32

OTHER EXPENSES

(₹ in Lakhs)

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Labour Charges		497.37	319.78
Railway Siding Operations		5.28	12.11
Stores & Spares consumed		588.64	1555.01
Repair & Maintenance			
Plant & Machinery	300.21		688.88
Building	62.58		301.60
Others	46.82	409.61	49.94
			1040.42
Board Meeting Expenses		83.00	135.68
Travelling & Conveyance			
Directors	26.76		65.25
Others	120.23	146.99	270.72
			335.97
Statutory Auditors Remuneration			
Audit Fees	4.00		2.18
Tax Audit Fees	0.35		0.35
Other Services	-		-
Out of Pocket Expenses	-	4.35	0.30
			2.83
Legal & Professional Charges		239.99	319.57
Insurance		111.28	89.95
Printing & Stationery		27.17	41.24
Postage & Telephone		26.95	20.63
Electricity & Water Charges		9.78	9.27
Rent, Rates & Taxes		88.60	82.11
Pollution Control Expenses		59.48	86.30
CER Expenses		80.00	-
CSR Expenses		183.55	67.60
Miscellaneous Expenses		590.32	172.22
Short term lease payments		3.84	3.96
Loss on sale of Assets		0.11	-
Loss on insurance claim		-	0.14
Doubtful Debts Others		5.25	5.23
Advertisement		5.59	4.75
Freight, Cartage & Handling		2213.37	3313.37
Business Promotion		36.98	36.06
Discounts & Commission		525.53	658.12
Chlorine disposal charges		1787.82	5331.50
Bad debts		89.85	344.49
Total		7820.70	13988.33

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 33: Debit & Credit balances of parties are subject to their confirmation.

Note No. 34 : Legal action had been initiated against customers from whom a total sum of ₹19.50 Lakhs (Previous Year ₹109.35 Lakhs) is due as the balance of the principal value of goods supplied.

Note No. 35

Income Tax

Income tax expense in the statement of profit and loss consists of: (₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current income tax	-	4071.88
Adjustments of tax related to earlier years	19.19	26.68
Deferred tax	(575.88)	1153.04
Income tax expense recognised in the statement of profit and loss	(556.69)	5251.60
Deferred tax arising on income and expense recognised in other comprehensive income		
Remeasurement of defined benefit plan	(1.88)	(113.02)

The reconciliation between the provision of income tax and amounts as computed as per computation of income tax is as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(Loss)/Profit before tax	(3142.51)	18649.80
Enacted income tax rate in India	34.944%	29.120%
Computed expected tax expense	-	5430.82
Effect of:		
Temporary difference of depreciation expense	1147.70	(852.25)
Temporary difference of Right of Use Assets	135.77	
Effect of Non-deductible expenses/income	(51.61)	(216.18)
Carried forward loss	(1746.04)	-
MAT Credit	-	(290.51)
Lease Liabilities	(61.80)	
Others	-	1153.04
Prior Period Tax	19.19	26.68
Income tax expense recognised in the statement of profit and loss	(556.69)	5251.60

Note No. 36

Earning Per Share (EPS)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(Loss)/Profit for the year for basic EPS (₹ in Lakhs)	(2532.70)	13398.20
Weighted average number of Ordinary (Equity) Shares of ₹2/- each	242343220	242343220
Basic Earning per share of ₹2/- each (₹)	(1.05)	5.67
Diluted Earning per share of ₹2/- each (₹)	(1.05)	5.67

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 37

Employee Defined Benefits:

Gratuity

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

Asset Volatility

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

Changes in bond yields

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

Inflation risk

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

Life expectancy

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

Defined Benefit Plans-as per Actuarial Valuation as on March 31, 2024 (₹ in Lakhs)

Particulars	Leave Encashment		Gratuity	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Expense Recognised in the Profit & Loss Statement for the year	65.05	5.68	44.50	39.12
Present Value of Defined Benefit Obligation as at 31st March, 2024	478.23	468.70	911.99	966.98

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 37 (Contd.) (₹ in Lakhs)

Particulars	Funded Plan		Unfunded Plans	
	Gratuity		Leave Encashment	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Amounts recognised in profit or loss				
Current service cost	42.92	33.08	28.91	25.13
Expected Return on Plan Assets	(62.42)	(54.25)	-	-
Net interest expense	64.00	60.29	31.75	37.38
Total	44.50	39.12	60.66	62.51
Amount of recovery for employees on deputation	(3.60)	(7.65)	(2.28)	10.49
Net Actuarial Losses/(Gains)	-	-	4.40	(56.83)
Total amount included in employee benefits expense	40.90	31.47	62.78	16.17
Amounts recognised in other comprehensive income Beginning of period	(33.56)	(268.98)	-	-
Remeasurement (gains)/ losses:				
a) Actuarial (gains)/ losses arising from changes in				
– demographic assumptions	-	-	-	-
– financial assumptions	10.67	73.12	-	-
– experience adjustments	(8.22)	151.92	-	-
b) Return on plan assets, excluding amount included in net interest expense/ (income)	8.53	10.38	-	-
Total remeasurement recognised in OCI	10.98	235.42	-	-
Total amount recognised in other comprehensive income end of period	(22.58)	(33.56)	-	-
Changes in the defined benefit obligation				
Opening defined benefit obligation	966.98	863.06	468.70	561.11
Current service cost	42.92	33.08	28.91	25.13
Past service cost	-	-	-	-
Interest expense	64.00	60.29	31.75	37.38
Remeasurements (gains)/ losses	2.45	225.04	4.40	(56.82)
Benefits paid	(164.36)	(214.49)	(55.52)	(98.10)
Closing defined benefit obligation	911.99	966.98	478.23	468.70
Changes in fair value of plan assets				
Opening fair value of plan assets	923.04	743.19	-	-
Interest income	62.41	54.25	-	-
Return on plan assets excluding interest income				
Contributions by employer	6.95	350.47	-	-
Benefits paid	(164.36)	(214.49)	-	-
Actuarial Gain/(Losses)	(8.53)	(10.38)	-	-
Closing fair value of plan assets	819.51	923.04	-	-

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Particulars	Funded Plan Gratuity		Unfunded Plans Leave Encashment	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Net defined benefit obligation				
Defined benefit obligation	**911.99**	966.98	**478.23**	468.7
Fair value of plan assets	**819.51**	923.04	**-**	-
Surplus/(Deficit)	**92.48**	43.94	**478.23**	468.70
Current portion of the above	**-**	-	**61.95**	42.30
Non current portion of the above	**92.48**	43.94	**416.28**	426.40
Liability recognised in B/S	**92.48**	43.94	**478.23**	468.70
Funding of Plan Assets as a percentage of total Plan	**86.11% with LIC**	86.11% with LIC	**Unfunded**	Unfunded
Actuarial Assumptions				
- Discount Rate	**6.95%**	7.20%	**6.95%**	7.20%
- Expected rate of return on Plan Assets	**6.95%**	7.20%	**-**	-
- In-service Mortality	**Indian Assured Lives (2012-14)**	Indian Assured Lives (2012-14)	**Indian Assured Lives (2012-14)**	Indian Assured Lives (2012-14)
- Attrition Rate	**1% to 2%**	1% to 2%	**1% to 2%**	1% to 2%
- Salary Rise	**3.00%**	3.00%	**3.00%**	3.00%
- Remaining Working life	**14 Years**	14 Years	**14 Years**	14 Years

Sensitivity analysis (Amount in Lakhs)

	Gratuity		Leave Encashment	
	31-March-24		31-March-24	
Defined Benefit Obligation (Base)		9,11,98,650		4,78,23,513
	Decrease	Increase	Decrease	Increase
Discount Rate	93414651	89090030	49201694	46519869
Impact of increase/decrease in 50 bps on DBO	2.43%	(2.31%)	2.88%	(2.73%)
Salary Growth Rate	89080393	93393556	46464688	49248991
Impact of increase/decrease in 50 bps on DBO	(2.32%)	2.41%	(2.84%)	2.98%

Expected Cash Flows		31-March-24		31-March-24
Year 1		15585853		6195388
Year 2		9607986		4138108
Year 3		16063321		6641865
Year 4		12044423		5549397
Year 5		12711820		9521847
Year 6 to 10		42076125		23629631

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 38

Financial instruments by category

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(a) Financial Assets		
Measured at fair value through Other Comprehensive Income (FVTOCI)		
Measured at fair value through P&L (FVTPL)		
Measured at amortised cost		
Investment in associate	**5943.42**	5890.30
Trade receivables	**3499.63**	5163.75
Cash and Cash Equivalents	**47.13**	2148.71
Bank Balances other than above	**90.60**	956.24
Other Financial Assets	**2450.71**	2852.62
(b) Financial Liabilities :		
Measured at amortised cost		
Borrowings	**17646.17**	14430.46
Trade Payables	**3075.85**	4326.13
Lease Liabilities	**176.86**	49.10
Other financial liabilities	**1906.44**	2700.46

Note No. 39

Corporate Social Responsibility

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 incurred a loss before tax during the year of ₹(3142.51) Lakhs, however, average net profit before tax of preceding three years is ₹7462.86 Lakhs, therefore, but as 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 ₹183.55 Lakhs in pursuance of it's CSR Policy during the year 2023-24 based on average net profit of ₹9171.77 of preceding three years from FY 2020-21 to FY 2022-23.

(₹ in Lakhs)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Amount required to be spent by the company during the year	**183.44**	67.60
Amount of expenditure incurred	**183.55**	67.60
Short fall at the end of the year	**-**	-
Total of previous year's shortfall	**-**	-
Reason for shortfall	**-**	-

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 39 (Contd.)

	Year ended March 31, 2024	Year ended March 31, 2023
Nature of CSR Activities	**For Plantation and Neighbourhood Development, Ensuring Animal Welfare, Making Available Safe Drinking Water Near Local Area, Promoting Education / Vocational Skills, Contribution For Sports, Promotion of Healthcare including Preventive Health care, Hygiene Improvement, Empowering women**	For Plantation and Neighbourhood Development, Ensuring Animal Welfare, Making Available Safe Drinking Water Near Local Area, Promoting Education / Vocational Skills, Contribution for Sports, Promotion of Healthcare including Preventive Health care, Hygiene Improvement

Note No. 40

Related Party Disclosures:

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

1) **Significant Interest Entities: NA**

2) **Associates-Flow Tech Chemicals Private Limited**

3) **Key Managerial Personnel**

Shri Naveen Chopra, Managing Director

Shri Jatin Dahiya, Executive Director

Shri Arun Kumar Kaushal, Chief Financial Officer

Smt. Sugandha Kukreja, Company Secretary

4) **Related Parties where Common Director**

M/s Prayag Chemicals Pvt. Ltd.

M/s V S Polymers Pvt. Ltd.

M/s Shahenshah Chemicals

5) **Shareholders with more than 10% shareholding**

M/s Durva Infratech LLP.

b) Volume of transaction with related parties

(₹ in Lakhs)

Key management personnel compensation	Year ended March 31, 2024	Year ended March 31, 2023
Short-term employee benefits	**978.16**	880.13
Post-employment benefits	**37.47**	42.13
Other long-term benefits	**-**	-

The post-employment benefits expense is computed based on actuarial valuation.

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Other related party transactions:

(a) Transactions with related parties:

(₹ in Lakhs)

Nature of Transactions	For the Year ended March 31, 2024					For the Year ended March 31, 2023				
	Key management personnel	Flow Tech Chemicals Pvt Ltd	Prayag Chemicals Pvt Ltd	V.S. Polymers Pvt Ltd	Durva Infratech LLP	Key management personnel	Flow Tech Chemicals Pvt Ltd	Prayag Chemicals Pvt Ltd	V.S. Polymers Pvt Ltd	Durva Infratech LLP
Remuneration paid to Sh. Naveen Chopra, Managing Director *	**603.99**	-	-	-	-	564.91	-	-	-	-
Remuneration paid to Sh. Jatin Dahiya, Executive Director *	**320.62**	-	-	-	-	272.87	-	-	-	-
Remuneration paid to Sh. Arun Kumar Kaushal, CFO	**26.99**	-	-	-	-	21.36	-	-	-	-
Remuneration paid to Smt. Sugandha Kukreja, CS	**26.56**	-	-	-	-	20.99	-	-	-	-
Sale of Goods & Services	-	**76.23**	**9.46**	**27.46**	-	-	4974.30	563.46	320.27	-
Purchase of Goods & Services	-	**(0.50)**	-	-	**303.19**	-	0.30	-	-	-
Other:										
Other Income	-	**12.05**	-	-	-	-	149.75	15.39	9.32	-
Chlorine disposal charges / handling charges	-	**1107.57**	**105.00**	**209.67**	-	-	3067.30	363.42	734.91	-
Chlorine tonner rent	-	-	**11.53**	-	-	-	-	10.04	-	-
Interest on delayed payment	-	**79.10**	**1.23**	**0.20**	-	-	-	-	-	-
Recovery under Employee benefits	-	**1.40**	-	-	-	-	5.26	3.24	-	-
Lease Rent	-	**0.50**	**3.60**	-	-	-	0.50	-	-	-
Recovery of reimbursible expenses	-	**16.12**	-	-	**8.33**	-	36.21	-	-	-
Total	**978.16**	**1292.47**	**130.82**	**237.33**	**311.52**	880.13	8233.62	955.55	1064.50	-

* Including Perquisites

(b) Balance outstanding as at the year end

(₹ in Lakhs)

Nature of Outstanding	As at March 31, 2024				As at March 31, 2023			
	Flow Tech Chemicals Pvt Ltd	Prayag Chemicals Pvt Ltd	V.S. Polymers Pvt Ltd	Durva Infratech LLP	Flow Tech Chemicals Pvt Ltd	Prayag Chemicals Pvt Ltd	VS Polymers Pvt Ltd	Durva Infratech LLP
Trade receivables	**110.07**	-	-	-	1975.94	100.71	9.68	-
Trade payables	-	**(2.30)**	**(2.80)**	**(1193.80)**	-	-	-	-

The transactions with related parties are as per the terms of arrangement between the parties in the normal course of business and to be settled through receipt/payment or sale/ purchase of goods or services.

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 41

A total of 2867 chlorine tonners (including rented tonners) were in circulation with various customers as returnable empties as on 31.3.2024.

Note No. 42

Additional Regulatory Information pursuant to the requirement in Division II Schedule III of Companies Act, 2013 are as follows:

a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

b) The Company has not been declared wilful defaulter by any bank or financial institution.

c) The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

d) All the title deeds of Immovable Properties are held in the name of the company except leased properties.

e) The company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

f) The company has not granted any loans or advances in the nature of loans to promoters, directors, key managerial personnel and the related parties either severally or jointly with any other person, that are:

(a) repayable on demand; or

(b) without specifying any terms or period of repayment,

g) Compliance with number of layers of companies: This is not applicable

h) Utilisation of borrowed funds & Share Premium

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

i) Disclosure for Struck off Companies

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

(₹ in Lakhs)

Name of struck off Company	Nature of transactions with struck-off Company	Balances as at March 31, 2024	Balances as at March 31, 2023	Relationship with the struck-off Company
	Sale of Goods	-	-	-
	Purchase of Goods and receiving of services	-	-	-
	Receiving of Services	-	-	-
Other Entities (I)	Subscription to Equity Shares	0.13	0.08	Equity Shareholder

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

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

Name of Struck off Company	No. of Shares held As at March 31, 2024	Paid-up (In ₹) As at March 31, 2024
Precto Mech-Tech Private Limited	1500	3000
Vaishak Shares Limited	60	120
Niranjan Singh Kartar Singh Forges Pvt Ltd (Niranjan Singh Kartar Singh Forgings Pvt. Ltd. as per MCA records)	1250	2500
Translink Investments Private Ltd	500	1000
Vinco Holdings & Finance Pvt Ltd	500	1000
Ranbros Pvt Ltd (Heavymetal Manufacturing Company Pvt. Ltd. as per MCA records)	2500	5000
Total	**6310**	**12620**

j) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

k) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note No. 43

Financial Risk Management

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

Financial guarantees: The Company is exposed to credit risk in relation to guarantees given to bank. The company's maximum exposure in this regard is ₹0.81 Crores, which is the maximum amount company would have to pay if the guarantee is called upon. Further the company has given bond of ₹363.41 Crores to Custom Authorities against which the liability of custom duty has since been paid. The continuity bond after cancellation is awaited from Custom Authorities.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customer and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding account receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

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

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

The Company primarily has exposure from following types of customers: (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Dealers	3132.86	2207.98
Government Customer	71.75	276.88
Direct Customers	295.02	2678.89
Total	**3499.63**	5163.75

The receivables of ₹1943.81 Lakhs (Previous year ₹889.76 Lakhs) are secured by security deposits.

The provision for doubtful debts or provision for impairment of investments etc is made on case to case basis, based on the information related to financial position, past history/ageing and other relevant available information about the counterparty. The company also makes general provision for lifetime expected credit loss based on its previous experience of provision/write off in previous years The movement in the provision for doubtful debts and provision diminution in value of investments is as under:

(₹ in Lakhs)

	Trade receivables
Provision as at April 1, 2022	**572.84**
Provision made during the year 2022-23	2.50
Written off/(written back) during the year 2022-23	465.99
Provision as at March 31, 2023	**109.35**
Provision as at April 1, 2023	109.35
Provision made during the year 2023-24	-
Written off/(written back) during the year 2023-2024	89.85
Provision as at March 31, 2024	**19.50**

Investments

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

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they become due. The company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also the company is utilising cash credit limits (Fund Based and Non Fund Based) of ₹75 Crore sanctioned by banks from time to time as and when required.

Contractual Maturities of financial liabilities (₹ in Lakhs)

As at March 31, 2024	Carrying Amount	Up to 1 year	Between 1 year to 5 year	Over 5 years	Total
Borrowing	17646.17	7031.36	10614.81	-	17646.17
Trade Payables	3075.85	3075.85	-		3075.85
Lease liabilities	176.86	51.39	65.27	60.2	176.86
Other financial liabilities	1906.44	1906.44	-	-	1906.44
Total liabilities	**22805.32**	**12065.04**	**10680.08**	**60.20**	**22805.32**

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

As at March 31, 2023	Carrying Amount	Up to 1 year	Between 1 year to 5 year	Over 5 years	Total
Borrowing	14430.46	2117.45	12313.01	-	14430.46
Trade Payables	4326.13	4326.13	-	-	4326.13
Lease liabilities	49.10	(1.16)	(6.09)	56.35	49.10
Other financial liabilities	2700.46	2700.46			2700.46
Total liabilities	**21506.15**	**9142.88**	**12306.92**	**56.35**	**21506.15**

(iii) Reconciliation for financial liabilities arising from financing activities as per Para 44A of IndAS 7.

Particulars	Long term borrowings	Short term borrowings	Interest accrued on borrowings	Lease liability
Opening balance as on April 1, 2022	**6076.15**	**-**	**34.85**	**48.05**
Add: Additions during the year	8934.45	-	95.97	5.28
Less: Repayments during the year	585.38	-	34.85	4.23
Add/(Less): Foreign exchange fluctuation (gain)/loss	-	-	-	-
Less: Derecognition during the year	-	-	-	-
Add/(Less): Amortisation impact on borrowings	-	-	-	-
Closing balance as on March 31, 2023	**14425.22**	**-**	**95.97**	**49.10**
Add: Additions during the year	4370.22	4319.15	88.27	181.16
Less: Repayments during the year	5468.41	-	95.97	53.4
Add/(Less): Foreign exchange fluctuation (gain)/loss	-	-	-	-
Less: Derecognition during the year	-	-	-	-
Add/(Less): Amortisation impact on borrowings	-	-	-	-
Closing balance as on March 31, 2024	**13327.03**	**4319.15**	**88.27**	**176.86**

Foreign Currency risk.

The company is exposed to foreign currency risk to the extent of exchange rate fluctuation at the time of payment of purchase price applicable in Foreign Letter of Credit (FLC) .The currencies in which these transactions are primarily denominated are US Dollar and EURO.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company do not have exposure to the risk of changes in market interest rates relating to company's debt obligations as it is on fixed interest rates.

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

(a) The exposure of the Company's borrowing to interest rate change at the end of the reporting period are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate borrowings		
Long Term	13272.84	14275.58
Short Term	4319.15	-
Total Variable rate borrowings	17591.99	14275.58
Fixed rate borrowings		
Long Term	54.18	149.63
Short Term	-	-
Total fixed Rate borrowings	54.18	149.63
Total borrowings	17646.17	14425.21

(b) Sensitivity

Variable interest rate loans are exposed to Interest rate risk, the impact on Profit before tax may be as follows: (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
	Increase/(Decrease)	
Interest rate- increase by 100 basis points (100 bps)*	(175.92)	(142.76)
Interest rate- decrease by 100 basis points (100 bps)*	175.92	142.76

* Holding all other variable constant

Note No. 44

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings. The Company reviews the capital structure of the company on a regular basis and uses debt equity ratio to monitor the same.

The following table summarises the capital structure of the Company: (₹ in Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Total Equity attributable to the shareholders of the company	38703.95	40656.89
As percentage of total capital	68%	74%
Total Loans and borrowings	17646.17	14430.46
Total Lease Liability	176.86	49.10
Total Loans and borrowings and Lease Liabilities	17823.03	14479.56
As a percentage of total capital	32%	26%
Total capital (loans, borrowings, lease liabilities and equity)	56526.98	55136.45

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Note No. 45

The Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment (the Ministry) has released draft rules for the Code on November 13, 2020. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

Note No. 46

Fair Value Hierarchy

The company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, borrowings, trade payables and other financial liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

Note No. 47

RATIOS

Particulars	As at March 31, 2024	As at March 31, 2023	Variance %	Reason for Variance exceeding 25%
Current Ratio (Current assets over current liabilities) (Current liabilities: Total current liabilities-Current maturities of non-current borrowings and lease liability)	0.61	0.95	-36%	Current ratio is decreased on account of increase in short term borrowings and other current liabilities.
Debt Equity Ratio (Debt over total shareholder equity) (Debt: Non current borrowing+Current Maturity of borrowing+ Non-current lease liability and current maturity of lease liability)	0.35	0.35	-1%	-
Debt Service Coverage Ratio (PAT+Interest on debenture & term loan+depreciation & amortisation- Profit on sale of fixed assets over Interest on term loan & debenture+repayment of debt during the year)	0.35	11.36	-97%	DSCR reduced on account of decrease in profitability and increased finance cost of long term debts
Return on Equity (PAT over total average equity) (Equity: Equity share capital+Other equity)	-6.47%	38.90%	-117%	Change in ROE on account of decrease in profitability
Inventory Turnover Ratio (In days) (Average Inventory over Sale of products in days)	19	9	99%	Change in inventory turnover ratio on account of increase in Stock in process and finished goods due to commissioning of new projects.

Notes on Consolidated Financial Statements For the Year Ended March 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023	Variance %	Reason for Variance exceeding 25%
Trade Receivable Turnover Ratio (In days) (Average trade receivable over Revenue from operations in days)	40	22	83%	Trade receivable turnover ratio has increased due to slow down of market and delayed collection from some customers.
Trade Payable Turnover Ratio (In days) (Average account payable over Total purchases in days)	49	58	-15%	-
Net Capital Turnover Ratio (Revenue from operation over average working capital)	*	*		-
Net Profit Ratio % (PAT over revenue from operations)	-6.51%	18.94%	-134%	Return on equity, Net Profit Ratio, EBITDA, EBIT, Return on capital employed has decreased on account of loss incurred during the year ended 31.03.2024.
EBITDA % (EBITDA over revenue)	6.64%	30.89%	-79%	
EBIT % (EBIT over revenue)	-3.17%	26.52%	-112%	
Return on Capital Employed % (EBIT over capital employed) Capital employed: Equity share capital+other equity-Intangible assets- Misc. exp not written off+Non current borrowings+ Current maturity of borrowings+Non-current lease liability and current maturity of lease liability+Deferred tax liabilities)	-2.40%	42.47%	-106%	
Return on Investment % (Interest on FDs over Weight average of Fixed deposits)	5.02%	4.77%	5%	-

Note:
EBIT - Earnings before interest and taxes including other income
EBITDA - Earnings before interest, taxes, depreciation and amortisation.
PAT - Profit after taxes.
* Net working capital is -ve

Note No. 48

The business activity of the company falls within one broad business segment viz. "Chemicals". Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

Note No. 49

As at 31 March 2024, the Company's current liabilities exceed its current assets by ₹9445.03 Lakhs. During the year, the Company has generated positive cashflows from operations amounting to ₹2753.22 Lakhs. Current liabilities as at 31 March 2024 include

outstanding short-term loans (excluding current maturities of long term loans) of ₹4319.15 Lakhs. As per the estimated projections, the Company expects to generate positive cashflows from its operations in the foreseeable future. Further, the Company has unutilized credit facilities of INR 681 Lakhs as at 31 March 2024. Considering the above, the Company is of the view that it will be able to meet its obligations, as and when due, for a period of at least 12 months from the balance sheet date. Therefore, the management believes that the use of going concern assumption in preparation of these financial statements is appropriate.

Note No. 50

a) To make the financial statements more relevant and provide appropriate information to the users, the corresponding figures of the previous year have been re-grouped/reclassified in following cases:

i) Right of use assets of ₹550.49 Lakhs which was earlier shown under "Property, plant and equipment" in Note no. 3, has now been shown separately on the face of balance sheet (Note No. 3a) .

ii) Security deposit of ₹2083.27 Lakhs which was shown under "Other Non Current Assets" (Note No. 9) in previous year has been reclassified as "Non current financial assets" (Note No. 7).

iii) Insurance Claim Recoverable of ₹7.18 Lakhs which was shown under "Other Current Assets" (Note No. 14) in previous year has been reclassified as "Other current financial assets" (Note No. 13).

iv) Current portion of "Lease liabilities" amounting to ₹4.24 Lakhs has been shown on the face of balance sheet (refer Note No. 18) which was earlier shown under "Current liabilities - Borrowings" (Note No. 20).

v) Creditors for capital goods for ₹2604.50 Lakhs which was earlier stand included in "Current financial liabilities - Trade Payable" in Note No. 21 has now been reclassified and shown under "Other financial liabilities (Note No. 22)

vi) Store & spares consumed" amounting to ₹1555.01 Lakhs was shown under "Manufacturing Expenses" (Note No. 29) in previous year, however the same has been reclassified under head "Other Expenses" (Note No. 32).

b) The figures have been rounded off to the nearest ₹ Lakhs.

Note No. 51

The Board of Directors of the Company, duly taking into account all the relevant disclosures made, has approved these consolidated financial statements in its meeting held on May 30, 2024.

For and on Behalf of the Board of Directors

Sd/-	Sd/-	Sd/-	Sd/-
(ARUN KUMAR KAUSHAL)	(SUGANDHA KUKREJA)	(JATIN DAHIYA)	(NAVEEN CHOPRA)
Chief Financial Officer	Company Secretary	Executive Director	Managing Director
	FCS-11578	DIN: 08106876	DIN: 08465391

As per our separate report of even date
For S. Tandon & Associates LLP
Chartered Accountants
Firm Registration No. 006388N
ICAI UDIN : 24518893BKDIDL6319

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

Place: Chandigarh
Date : May 30, 2024

Note

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

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India

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CIN: L24119CH1975PLC003607