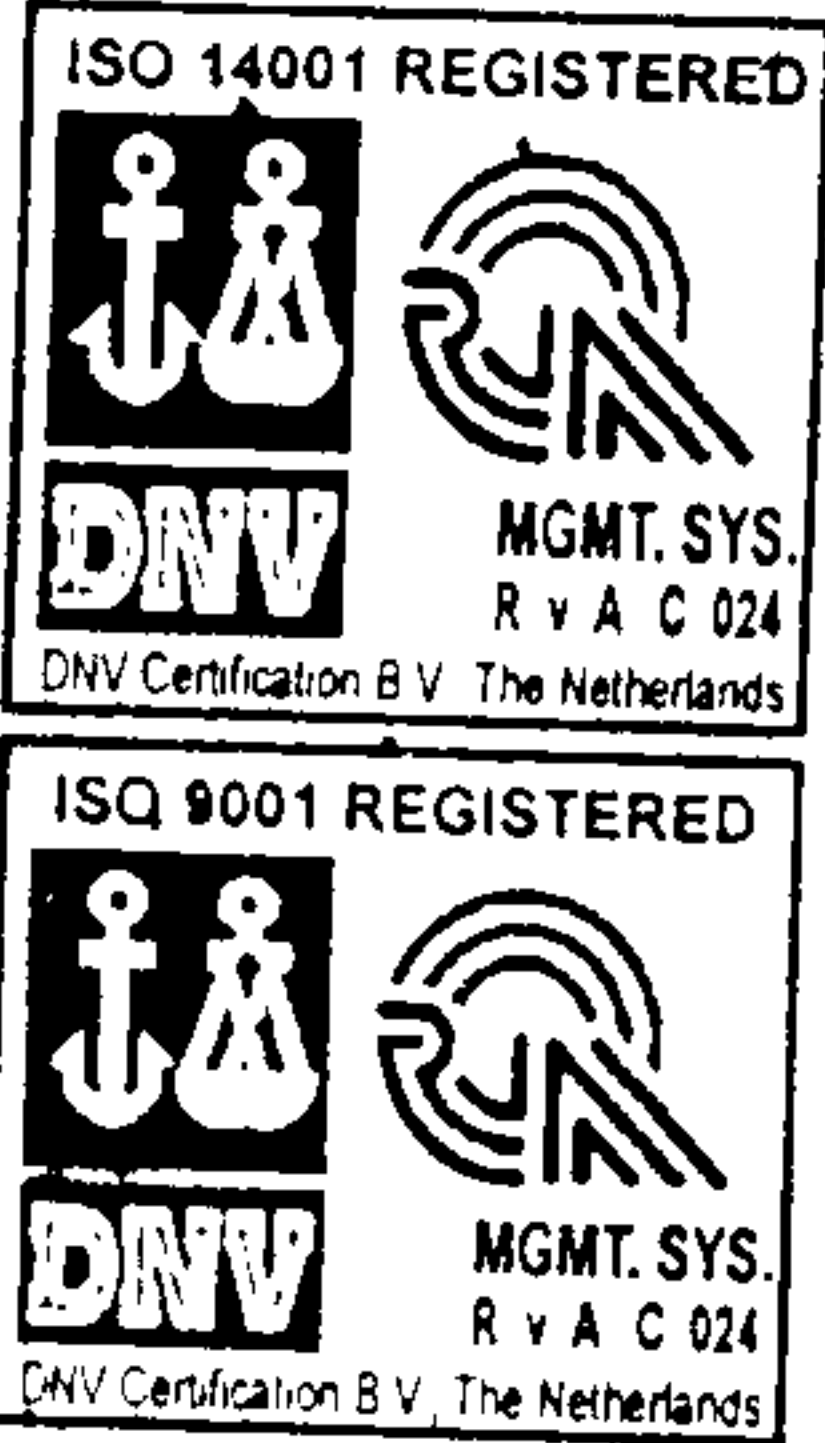




# Punjab Alkalies & Chemicals Limited

Regd. Office : S.C.O. 125-127, Sector 17-B, Chandigarh - 160 017 (INDIA)  
Phone : 0172-4072508-567, E-mail : [info@punjabalkalies.com](mailto:info@punjabalkalies.com) Fax : 0172-2704797  
CIN : L24119CH1975PLC003607, Website : [www.punjabalkalies.com](http://www.punjabalkalies.com)



PACL:SEC:2017: 676

28.09.2017

BSE Limited,  
1st Floor, New Trading Ring,  
Rotunda Building, P.J. Towers,  
Dalal Street, Fort,  
**MUMBAI-400 001.**

**Sub.: Submission of Annual Report under Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.**


Dear Sir,

Pursuant to the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the Financial Year 2016-17 duly approved and adopted by the Members at the 42<sup>nd</sup> Annual General Meeting of the Company held on 27<sup>th</sup> September, 2017.

Please acknowledge receipt.

Thanking you,

Yours faithfully,  
For PUNJAB ALKALIES & CHEMICALS LIMITED

  
COMPANY SECRETARY

Encl: as above.

42<sup>nd</sup>

**pacl**

Punjab Alkalies & Chemicals Limited

**ANNUAL REPORT 2016-17**

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## Punjab Alkalies & Chemicals Limited

BOARD OF DIRECTORS	Shri Rakesh Kumar Verma, IAS, Chairman Shri Amit Dhaka, IAS, Managing Director Smt. Indu Malhotra, IAS Dr. A.K. Kundra, IAS (Retd.) Shri D.C. Mehandru Shri J.S. Mann
COMPANY SECRETARY	CS Sugandha Kukreja
BANKERS	Punjab National Bank Punjab & Sind Bank
AUDITORS	M/s. S. Tandon & Associates, Chartered Accountants, S.C.O. 201-203, 3rd Floor, Sector 34-A, Chandigarh - 160 022 Firm Registration No. 006388N  M/s. A.K. Sood & Associates, Chartered Accountants, S.C.O. 126-127, 2nd Floor, Sector 8-C, Chandigarh - 160 008 Firm Registration No. 000072N
INTERNAL AUDITORS	M/s. Mukesh Raj & Co. Chartered Accountants, # 114, Sector 11-A, Chandigarh-160011 Firm Registration No. 016693N
REGISTERED OFFICE	S.C.O. 125-127, Sector 17-B, Chandigarh-160 017
CIN	L24119CH1975PLC003607
WORKS	Nangal-Una Road, Naya Nangal-140 126 Distt. Ropar, Punjab
REGISTRARS & SHARE TRANSFER AGENTS	M/s. Beetal Financial & Computer Services Private Limited, Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi - 110 062
DEBENTURE TRUSTEE	IDBI Trusteeship Services Limited Asian Building, Ground Floor, 17 R. Kamani Marg, Ballard Estate Mumbai 400 001



## DIRECTORS' REPORT

Your Directors submit their 42<sup>nd</sup> Annual Report together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2017.

### Financial Results

The financial results of the Company for the financial year ended 31<sup>st</sup> March, 2017 are summarised below :-

	(Rs. in crores)	
	2016-17	2015-16
Sales Turnover & Other Income	305.48	277.87
Total Expenditure excluding	321.82	280.04
Finance Costs and Depreciation, etc.		
Finance Costs	3.50	4.64
Cash Profit /(Loss)	(19.84)	(6.81)
Depreciation, etc.	7.81	7.44
Net Loss before tax	27.66	14.25
Provision for taxation	-	-
Net Loss after tax	27.66	14.25

Your Directors report that during the year under review, the Gross Sales of the Company has increased by 11% vis-à-vis previous year due to higher production, the Company has achieved better capacity utilisation of 89% in the financial year under review as compared to 82% and higher combined average realisation per Electro-Chemical Unit (ECU) at Rs.35,864 as against the ECU of Rs. 35,107 during the previous year. In spite of the above favorable factors, the Company has incurred net loss of Rs. 27.66 crores for the year under review as against Rs. 14.25 crores during the previous year due to the reasons beyond control viz. a) provisioning of surcharge and interest amount on deferment of power bills, b) major critical repairs carried out in Plant, c) provision of gratuity and leave encashment consequent upon wage revision and on account of decrease in discount rate as per actuarial valuation. The Company has saved about Rs.6 crores only as compared to Rs.10 crores during the financial year 2015-16 as a result of purchase of part of power at cheaper rates through Indian Energy Exchange under Open Access System as Punjab State Power Corporation Limited (PSPCL) has imposed restrictions on purchasing of Power under Open Access System w.e.f. September, 2016.

In view of the accumulated losses of the Company, the Directors regret their inability to recommend any dividend for the financial year 2016-17.

### Finance and Corporate Debt Restructuring

The CDR Empowered Group had approved the proposal of the Company for One Time Settlement (O.T.S.) of the outstanding Term Loans and Non Convertible Debentures and sanctioned Working Capital Facilities as on 1st April, 2012 on 100% principal basis with a cut-off date of 15th November, 2012. The final tranche of O.T.S. amount had fallen due on 1st April, 2015. The Company could not make the payment of the same on due date. At the request of the Company, the CDR Empowered Group (CDR EG) had modified the terms & conditions of terminal payment of the CDR approved One Time Settlement (OTS) Scheme at its meeting held on 29<sup>th</sup> September, 2015, which was further amended from time to time. Pursuant to the CDR Scheme approved by CDR EG and consent of Shareholders in the Annual General Meeting held on 29<sup>th</sup> September, 2016, the Company had issued and allotted a) i) 66,05,246 equity shares of Rs.10/- each at a price of Rs. 22.95/- each on preferential basis and ii) 27,69,200 Fully Convertible Debentures (FCDs) of Rs.100/- each by way of preferential allotment, to the CDR Lenders upon conversion of their outstanding terminal payment and b) 4,06,000 Non Convertible Debentures (NCDs) of Rs. 100/- each by way of preferential allotment to the CDR Lenders to the extent of Mark to Market loss in respect of fresh equity issued by PACL. These FCDs and NCDs are carrying coupon rate equivalent to base rate of IDBI Bank Limited i.e. 10% p.a. payable six monthly basis.

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

The Company has become a Sick Industrial Company within the meaning of Section 3 (1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and a reference made to the Board for Industrial and Financial Reconstruction (BIFR) under Section 15 of the SICA was registered as BIFR Case No. 152/2015. However, pursuant to the Notifications S.O.3568(E) & S.O. 3569(E) dated 25<sup>th</sup> November, 2016 issued by the Ministry of Finance, SICA has been repealed with effect from 1<sup>st</sup> December, 2016 and all references or inquiry pending before BIFR and/or AAIFR have abated. Accordingly, the reference of the Company to BIFR stands abated.

### Current Operations and Outlook

During the first Four Months of the current financial year, combined average realisation was Rs.41,200 as compared to Rs. 36,660 in the corresponding period of the preceding financial year. The average capacity utilisation of the Plant was 77% as against 91%. The Sales Turnover was Rs.100.00 crores (Gross) with a Provisional Net Loss (before tax) of Rs.1.50 crores as against Sales Turnover of Rs.104.00 crores (Gross) with a Net Loss (before tax) of Rs.1.70 crores in the corresponding period of the preceding financial year.

The Company has suffered a loss of around Rs. 10 crores in damage of membranes/ other equipments due to Explosion in PACL plant on 9<sup>th</sup> May, 2017 and Plant was under breakdown from 10<sup>th</sup> May, 2017 to 31<sup>st</sup> May, 2017 which resulted in production loss. The Loss is covered under Insurance Policy and the expenditure will be reimbursed by Insurance Company. The Company is continuing its efforts to reduce its costs and increase its revenues. The major input cost i.e.

# Punjab Alkalies & Chemicals Limited

Power cost constitutes about 60% of the total production cost. The Government of Punjab has made announcement to reduce the Cost of Power which will benefit the Company in the coming years.

The Company has replaced the Membranes of its Plant Unit-I and Unit-II and the Anodes and Cathodes recoated in Electrolysers of its Plant Unit-I. This has resulted in reduction in power consumption per unit of Caustic Soda Lye and also lead to increase in capacity utilisation.

In view of the Company having become a Sick Industrial Company, the Company had requested the Department of Industries & Commerce, Government of Punjab to provide similar concessions to PACL as are being provided to New Industries like exemption of electricity duty, PIDC (Punjab Infrastructure Development Cess), Octroi etc.

The Government of Punjab has taken a decision to disband the Transport Unions in the State of Punjab. The Company will be benefitted on account of this decision of the Government once implemented.

The Company is planning to reduce the age of superannuation of its employees from 60 years to 58 years. In this regard, the Company has requested the Labour Department, Punjab for amendment in Standing Orders of the Company under the provisions of Section 3 read with Section 10 of the Industrial Employment (Standing Orders) Act, 1946.

In view of the above, the Directors are hopeful of improvement in the Company's financial position in the days to come.

## **Environment and Energy Conservation**

The Company's endeavor has always to accord high priority to carry out its operations in an environment-friendly fashion and has been taking appropriate pollution control and safety measures. Online Monitoring System has been installed at Works as per requirement of Central Pollution Control Board. A Safety Audit of the Plant was got conducted during the financial year 2016-17 from the National Safety Council and its recommendations are being implemented.

The Company continues to place a great emphasis on energy conservation. The Company is getting the Energy Audit conducted on regular basis. The information relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required to be disclosed pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, is given in Annexure-I forming a part of this report.

## **Change in the nature of business**

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

## **Listing**

The Equity Shares of the Company are listed on the BSE Limited. The Annual listing fee for the year 2017-18 has been paid to the BSE Limited.

## **Human Resources**

Your Company continues to develop and upgrade the skills of its human resources. The process of training and development of human resources continued. Industrial relations remain cordial and peaceful during the year.

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

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

## **Policy on Sexual Harassment**

The Company has Zero tolerance for Sexual Harassment at Workplace and has adopted a "Policy on Sexual Harassment at Workplace" in accordance with the provisions of the 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 and framed with the objective of providing a safe working environment, where employees feel secure. The Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## **Corporate Governance**

As per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report for the financial year 2016-17 is annexed herewith as Annexure III forming a part of this report and the Corporate Governance Report for the financial year 2016-17 and Auditors' Certificate regarding compliance of conditions of Corporate Governance are also annexed. The provisions of section 135 of the Companies Act, 2013 in respect of Corporate Social Responsibility are not applicable to the Company in view of the losses of the Company.

## **Directors & Key Managerial Personnel**

The Punjab State Industrial Development Corporation Limited (PSIDC) nominated Shri D.P. Reddy, IAS as Director and Chairman of the Company vice Shri Anirudh Tewari, IAS w.e.f. 26<sup>th</sup> April, 2017. Consequently, Shri Anirudh Tewari, IAS resigned as a Director of the Company w.e.f. 26<sup>th</sup> April, 2017. The Board of Directors of the Company has appointed Shri D.P. Reddy, IAS, as Additional Director of the Company w.e.f. 26<sup>th</sup> April, 2017.



The PSIDC nominated Shri Rakesh Kumar Verma, IAS as Director and Chairman of the Company vice Shri D.P. Reddy, IAS w.e.f. 30<sup>th</sup> June, 2017. Consequently, Shri D.P. Reddy, IAS resigned as a Director of the Company w.e.f. 30<sup>th</sup> June, 2017. The Board of Directors of the Company has appointed Shri Rakesh Kumar Verma, IAS, as Additional Director in the capacity of Chairman the Company w.e.f. 30<sup>th</sup> June, 2017.

The PSIDC nominated Shri Moneesh Kumar, PCS as its Nominee Director on the Board of Directors of the Company in place of Shri Amit Dhaka, IAS w.e.f. 2<sup>nd</sup> January, 2017. Shri Amit Dhaka, IAS resigned as a Director as well as Managing Director of the Company w.e.f. 2<sup>nd</sup> January, 2017. The Board of Directors of the Company has appointed Shri Moneesh Kumar, PCS, as Additional Director of the Company w.e.f. 2<sup>nd</sup> January, 2017 and has also appointed him as the Managing Director of the Company for a period of five years w.e.f. 2<sup>nd</sup> January, 2017.

The PSIDC nominated Shri Amit Dhaka, IAS as its Nominee Director on the Board of Directors of the Company in place of Shri Moneesh Kumar, PCS w.e.f. 20<sup>th</sup> March, 2017. Shri Moneesh Kumar, PCS resigned as a Director as well as Managing Director of the Company w.e.f. 20<sup>th</sup> March, 2017. The Board of Directors of the Company has appointed Shri Amit Dhaka, IAS, as Additional Director of the Company w.e.f. 20<sup>th</sup> March, 2017 and has also appointed him as the Managing Director of the Company for a period of five years w.e.f. 20<sup>th</sup> March, 2017. The Directors feel that the Company will benefit tremendously from his rich experience.

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

Smt Indu Malhotra, IAS, Director of the Company, retires as Director by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment.

The Directors place on record their appreciation of the valuable contribution made by Shri Anirudh Tewari, IAS, Shri D.P. Reddy, IAS and Shri Moneesh Kumar, PCS.

During the year under view, Shri Pradeep Nauhar, resigned as Company Secretary & Sr. General Manager (Co. Affairs) with effect from 19th October 2016. The Board of Directors of the Company had appointed CS Sugandha Kukreja as Company Secretary and Compliancy Officer of the Company with effect from 20th October, 2016.

The Board of Directors of the Company had appointed Shri Ajay Pal Singh as Chief Financial Officer of the Company on 24<sup>th</sup> May, 2017 on Contractual Basis for a further period of one year with effect from 6<sup>th</sup> June, 2017.

#### **Audit Committee**

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

#### **Risk Management Committee**

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

#### **Directors' Responsibility Statement**

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

- (i) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2017, 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 loss 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 31<sup>st</sup> March, 2017 on a 'going concern' basis;
- (v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Declaration of Independent Directors**

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

# Punjab Alkalies & Chemicals Limited

## **Related Party Transactions Policy**

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

## **Vigil Mechanism and Whistle Blower Policy**

The Board of Directors of the Company had adopted the Vigil Mechanism and Whistle Blower Policy of the Company. The same has also been placed on the Company's Website [www.punjabalkalies.com](http://www.punjabalkalies.com).

## **Board Evaluation**

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

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

## **Auditors**

M/s. S. Tandon & Associates, Chartered Accountants (Regn. No. 006388N) and M/s. A.K. Sood & Associates, Chartered Accountants (Regn. No. 000072N), had been appointed as Auditors of the Company in the 39<sup>th</sup> Annual General Meeting (AGM) held on 29<sup>th</sup> September, 2014 for a period of 3 (Three) years in terms of provisions of Section 139 of the Companies Act, 2013 to hold office from the 39<sup>th</sup> AGM to the 42<sup>nd</sup> AGM in the year 2017 (subject to ratification by the members at every Annual General Meeting). Accordingly, the tenure of M/s. S. Tandon & Associates, Chartered Accountants and M/s. A.K. Sood & Associates, Chartered Accountants as Auditors of the Company shall conclude in the ensuing Annual General Meeting. The Board of Directors place on record their appreciation for the services rendered by M/s. S. Tandon & Associates, Chartered Accountants and M/s. A.K. Sood & Associates, during their tenure as Auditors of the Company.

Further, the Board recommends the appointment of M/s. Hari S. & Associates, Chartered Accountants (Regn. No. 007709N) as Auditors of the Company in place of retiring auditors M/s. S. Tandon & Associates, Chartered Accountants and M/s. A.K. Sood & Associates Chartered Accountants, in terms of provisions of Section 139 of the Companies Act, 2013 for the approval of members in the ensuing Annual General Meeting, to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the fifth consecutive Annual General Meeting in the year 2022 (subject to the ratification by members at every Annual General Meeting). Certificate from the proposed auditors has been received to the effect that their appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013.

## **Cost Auditors**

The Board has, subject to the approval of the Shareholders, appointed M/s. J.K. Kabra & Co., Cost Accountants as Cost Auditors of the Company for conducting an audit of the cost accounting records of the Company in respect of the financial year 2017-18.

## **Secretarial Audit**

M/s. A. Arora & Co., Practising Company Secretaries, were appointed as Secretarial Auditors of the Company for the Financial Year 2016-17. Their Secretarial Audit Report of the Company for the financial year ended 31<sup>st</sup> March, 2017 is annexed as Annexure-IV to this Report. The Report does not contain any qualification. M/s. A. Arora & Co., Practising Company Secretaries were reappointed as Secretarial Auditors of the Company for the Financial Year 2017-18.

## **Extract of Annual Return**

Pursuant to Section 134 (3)(a) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return in Form MGT-9 is annexed as Annexure-V to this Report.

## **Acknowledgements**

Your Directors place on record their appreciation of the cooperation and support extended by the Central and State Governments, Financial Institutions, Punjab State Industrial Development Corporation Limited, Punjab State Power Corporation Limited, Company's Bankers and esteemed customers.

Your Directors also acknowledge the valuable contribution made by the members of management team, staff and workforce.

Place : Chandigarh  
Date : August 16, 2017

For and on behalf of the Board  
Sd/-  
(RAKESH KUMAR VERMA)  
Chairman





## ANNEXURE – I TO THE DIRECTORS' REPORT

**Disclosure of particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31<sup>st</sup> March, 2017.**

<b>Energy Consumption and Conservation</b>	<b>2016-17</b>	<b>2015-16</b>
<b>A. Power and Fuel Consumption</b>		
1. Electricity		
(a) Purchased		
(i) From Punjab State Power Corporation Limited		
Units (lacs KWH)	<b>1718.57</b>	1014.94
Total Amount (Rs.in lacs)	<b>14623.96</b>	8753.30
Rate / Unit (Rs.)	<b>8.51</b>	8.62
(ii) From Other Sources through Indian Energy Exchange		
Units (lacs KWH)	<b>637.05</b>	1211.70
Total Amount (Rs.in lacs)	<b>3538.62</b>	7325.46
Rate / Unit (Rs.)	<b>5.55</b>	6.05
(iii) Total		
Units (lacs KWH)	<b>2355.62</b>	2226.64
Total Amount (Rs.in lacs)	<b>18162.58</b>	16078.76
Rate / Unit (Rs.)	<b>7.71</b>	7.22
(b) Own Generation	<b>Nil</b>	Nil
2. Coal	<b>Nil</b>	Nil
3. Furnace Oil/LDO/HSD		
Quantity (K. litres)	<b>1755.06</b>	1059.69
Total Amount (Rs.in lacs)	<b>453.10</b>	231.94
Average Rate (Rs. per K.litre)	<b>25816.68</b>	21887.53
4. Others	<b>Nil</b>	Nil
<b>B. Consumption per Unit of Caustic Soda Produced</b>		
1. Electricity (KWH)		
- Caustic Soda Lye	<b>2667</b>	2731
- Additional Consumption for conversion to Caustic Soda Flakes	<b>Nil</b>	Nil
2. Furnace Oil/LDO/HSD (ltrs.)		
- For Caustic Soda Lye	<b>19.88</b>	13.00
- Additional Consumption for conversion to Caustic Soda Flakes	<b>Nil</b>	Nil

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

The Company has replaced the Membranes of its Plant Unit-I and Unit-II and the Anodes and Cathodes recoated in the Electrolysers of its Plant Unit-I. This has lead to increase in plant efficiency and reduction in power consumption per unit of Caustic Soda Lye.

### Research and Development

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

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

### Technology Absorption, Adaptation and Innovation

The know-how for the Company's 100 TPD Membrane Cell Caustic Soda Plant has been fully absorbed. The know-how for the Company's Mercury Cell to 200 TPD Membrane Cell Converted Caustic Soda Plant has also been fully absorbed. Total foreign exchange utilised during the accounting year is Rs. 350.04 lacs on account of imported Raw Materials, Stores & Spares and Membranes.

For and on behalf of the Board

Place : Chandigarh  
Date : August 16, 2017

Sd/-  
(RAKESH KUMAR VERMA)  
Chairman

# Punjab Alkalies & Chemicals Limited

## ANNEXURE - III TO THE DIRECTORS' REPORT MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE FINANCIAL YEAR 2016-17

### Caustic Soda Industry in India

At present, there are about 35 Caustic Soda Units in operation in the Country having a total operational installed capacity of about 37 lac M.T. per annum. The Caustic Soda and Chlorine are produced as Co-Products in the ratio of 1:0.88. Caustic Soda is used in Alumina, Paper, Textiles, Detergents, Soaps, Pharmaceuticals Industries etc. and Chlorine is used in CPW, Chloromethane, PVC, Pulp & Paper, Pesticides, Water Purification, etc. The growth of this Industry is highly correlated to the GDP in the Country. The demand of the both the products are linked to the Indian GDP group because these products are considered as the building blocks of various other Industries. The domestic demand for Caustic Soda and Chlorine in 2016-17 is estimated to be about 36 lacs TPA and 29 lacs TPA respectively. The prices of Caustic Soda are influenced by import parity alongwith domestic demand - supply situations. The prices of Chlorine are driven only by local demand supply factors and the import of Chlorine derivatives.

The capacity Utilisation of Caustic Soda Industry viz-a-viz PACL for the last five years is as follows:

Year	2011-12	2012-13	2013-14	2014-15	2015-16
PACL	89	96	90	93	82
Caustic Soda Industry	82	81	79	81	84

### Performance

During the financial year 2016-17, the Company's production of Caustic Soda Lye was 88301 M.T. as against 81517 M.T. in the last financial year 2015-16. The capacity utilisation of the Company's plant at 89% in the financial year under review is higher as compared to 82% during the financial year 2015-16. In the financial year 2016-17, the combined average realisation at Rs.35864 per M.T. of Caustic Soda as compared to Rs.35107 per M.T. of Caustic Soda during the preceding financial year. The Sales Turnover during the financial year under review was Rs.302.77 crores as against Rs.272.54 crores in the preceding financial year. This year, the Company has achieved a saving of about Rs.6 crores only as compared to previous year saving of Rs.10 crores as a result of purchase of part of power at cheaper rates through Indian Energy Exchange under Open Access System due to restrictions imposed by PSPCL on purchase of power through Indian Energy Exchange under Open Access System since September, 2016. The Company has incurred a Net Loss (after tax) of Rs.27.66 crores in the financial year 2016-17 because of provisioning of surcharge and interest amount on deferment of power bills, major critical repairs of Plant and additional provisioning of gratuity and leave encashment consequent upon wage revision and on account of decrease in discount rate as per actuarial valuation.

### Marketing

The product-wise Sales of the Company are given below:

Product	Sales	
	Quantity	Value (Rs. in crores)
Caustic Soda Lye	84423 M.T.	274.34
Liquid Chlorine	63348 M.T.	9.38
Hydrochloric Acid	46512 M.T.	5.44
Sodium Hypochlorite	18452 M.T.	8.25
Hydrogen Gas	26.98 Lacs NM <sup>3</sup>	5.36

The combined average sales realisation of all the products has been Rs.35,864 per M.T. of Caustic Soda during the financial year 2016-17 as compared to Rs.35,107 in the preceding financial year.

### Opportunities

The Company has locational advantages as its Caustic Soda Plants are situated in its Complex at Naya Nangal, District Ropar, Punjab, which is close to a State Highway and about 12 Kms. from the Bhakra Left Bank Power Generating Station and about 2.5 Kms. from River Sutlej. These include the availability of uninterrupted Power- a crucial input, continuous water source, skilled labour and proximity to rail/road besides the existence of various end-user Units in industries like paper, fertilizers, soaps and detergents, etc. in its natural marketing zone. The Company is also supplying Hydrogen Gas to two Hydrogen Compressing & Bottling Units adjoining the Company's Plant Complex. The Company is also utilising Hydrogen as a fuel, resulting in gainful utilisation of this by-product.

### Threats

The Chlor-Alkali Industry is a power-intensive industry. The Company's power costs account for about 60% of its total cost of production. A hike in power tariff for the power supplied by the Punjab State Power Corporation Limited (PSPCL) and imposition of restriction on purchase of power under Open Access System constitute threats to the Company's operations. The other possible threats are increase in other input costs and expansion of installed capacities in Indian



Caustic Soda Industry. On the international front, the Chlorine is main product but in India the Caustic Soda is the driving product, resulting in heavy competition due to import of Caustic Soda at lower rates. The Competitors are having their own Power Plants with low power cost resulting in low cost of production. They are expanding their capacities thereby increasing their market share.

#### **Outlook**

The combined average realisation is expected to improve. The Government of India continued the levy of anti-dumping duty on the import of Caustic Soda from some countries in order to curb the unhealthy competition from overseas. The Cost of Power is likely to get reduced as committed by Government of Punjab which will result in low cost of production. The Punjab Government has disbanded the Transport Unions across the States which was earlier major threat for the Company. The Company is expectant to get huge gain on account of this. The company is planing to reduce the age of superannuation of its employees from 60 years to 58 years. In this regard, the company has requested the Labour Department, Punjab for amendment in Standing Orders of the Company under the provisions of section 3 read with Section 10 of the Industrial Employment (Standing Orders) Act, 1946. This will likely to reduce the employee cost in PACL and ultimately benefit the company financially.

The Company is optimistic about a better performance.

#### **Risks and Concerns**

The major concerns for the Company are increase in power wheeling charges, restrictions imposed by PSPCL on purchase of power under Open Access System, rise in other input costs, import of Caustic Soda at cheaper rates, expansion of installed capacities in the domestic Caustic Soda Industry and maintaining the production of Caustic Soda while demand of Chlorine decreases.

#### **Risk Management**

Risks are probability or threat of damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through preemptive action. Risk management is the identification, assessment, and prioritisation of risks followed by coordinated and economical application of resources to minimise, monitor, and control the probability and/or impact of unfortunate events or to maximise the realisation of opportunities. The Company has in place Risk Assessment and Minimisation Procedures to identify, assess and mitigate business risks. Risk Assessment and Minimisation Procedures of the Company are reviewed periodically to ensure that these reflect the current potential risks to its business. The Company has identified (1) Cost of Power-Being Power Intensive Industry and being dependent for the same on Punjab State Power Corporation Limited, (2) Production of Hazardous Chemicals-Caustic Soda and Chlorine, (3) Risk of Loss of production due to breakdown of Plant & Machinery- Plant being old and (4) Locational Disadvantage -Plant at Naya Nangal being quite far off from source of major Raw Material i.e. Industrial Salt, as Major Internal Risks besides (1) Ongoing Expansion in Caustic Soda Capacity - resulting in imbalance in Demand and Supply and (2) Advancement in Technology -Company not being in a position to upgrade due to financial constraints as Major External Risks. The Board of Directors of the Company has constituted a Risk Management Committee to monitor and review the Risk Management Plan of the Company.

#### **Internal Control Systems**

The Company has adequate internal control systems commensurate with its size and nature of its business. The internal control is supplemented by internal audits conducted by the Internal Auditors of the Company. The reports of the Internal Auditors are reviewed by the Management and the Audit Committee of the Board of Directors. The adequacy of the internal control systems is also examined by the Statutory Auditors of the Company. Internal Controls over financial reporting were evaluated by Independent Consultants and no reportable material weakness in the design or operation was observed.

#### **Human Resources**

The Company lays due emphasis on sound human resource management practices and appraisal systems with focus on cordial employer-employee relations to ensure higher level of productivity and operational efficiency. Adequate Initiatives have been taken to strengthen and develop its human resources as a key strength through continuous training inputs and focused development plans. During the financial year under review, the industrial relations continued to be cordial. As on 31<sup>st</sup> March, 2017, the Company had 410 employees (including 21 employees on deputation to Punjab Small Industries and Export Corporation Limited).

#### **Cautionary Statement**

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

For and on behalf of the Board  
Sd/-  
(RAKESH KUMAR VERMA)  
Chairman

Place : Chandigarh  
Date : August 16, 2017

# Punjab Alkalies & Chemicals Limited

## ANNEXURE - IV TO THE DIRECTORS' REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT

For the Financial Year ended 31<sup>st</sup> March, 2017

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

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

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

Based on my verification of the PUNJAB ALKALIES & CHEMICALS LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by PUNJAB ALKALIES & CHEMICALS LIMITED ("the Company") for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder; to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the amendments thereof: Not Applicable as none of the securities of the company were delisted during the audit period.
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 to the extent, as applicable, for preferential issue of securities during the audit period.
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014- Not Applicable as the company has not provided any share based benefits to the employees during the year.
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Not applicable as the company has not issued any debt securities during the financial year under review.
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the company has not bought back any of its securities 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 being listed on the BSE Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

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

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

I further report that during the audit period,

1. The company passed special resolutions authorising the issue and allotment of 66,05,246 equity shares, 27,70,000 Fully Convertible Debentures and 4,06,000 Non-Convertible Debentures and for authorising creation of charge/ mortgage under Section 180 (1)(a) in favour of debenture holders, pursuant to the CDR Scheme approved by the Corporate Debt Restructuring Empowered Group (CDR EG).
2. In view of the aforesaid approvals 66,05,246 equity shares were allotted to the banks and financial institutions (CDR Lenders), upon conversion of part of their outstanding debts/ loans into equity shares of the company.

Apart from the business stated above, there were no instances of:

- (i) Public Issue/ Rights Issue/ sweat equity issue.
- (ii) Redemption / buy-back of securities.
- (iii) Merger / amalgamation / reconstruction etc.
- (iv) Foreign technical collaborations.

Place: Chandigarh  
Date : 11.08.2017

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

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

# Punjab Alkalies & Chemicals Limited

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"Annexure-A"

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

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

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

Place: Chandigarh  
Date : 11-08-2017

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



## ANNEXURE- V TO THE DIRECTOR'S REPORT

### Extract of Annual Return

as on the Financial Year ended on 31<sup>st</sup> March, 2017

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

### Form No. MGT-9

#### I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L24119CH1975PLC003607
- ii) Registration Date : 1<sup>st</sup> December, 1975
- iii) Name of the Company : Punjab Alkalies & Chemicals Limited
- iv) Category / Sub-Category of the Company : Public Company/ Limited by Shares
- v) Address of the Registered office and contact details : S.C.O. 125-127, Sector 17-B, Chandigarh - 160017  
Ph.: (0172)-4072508-567  
Fax: (0172)-2704797
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : M/s. Beetal Financial & Computer Services Private Limited,  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi-110 062.  
Ph.: (011)-29961281-83  
Fax: (011)-29961284

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

S. No.	Name and Description of main Products / Services	NIC Code of the Product/ Service	% to total turnover of the company
1	Caustic Soda Lye	The Company's operation falls under single segment viz. 'Chemicals'- NIC Code	91%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

##### (i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year ( April 01, 2016)				No. of Shares held at the end of the year (March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Government	0	0	0	0	0	0	0	0	0
c) State Government(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	9090000	0	9090000	44.26	9090000	0	9090000	33.49	(10.77)
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (1)</b>	9090000	0	9090000	44.26	9090000	0	9090000	33.49	(10.77)

## Punjab Alkalies & Chemicals Limited

<b>(2) Foreign</b>									
a) NRIs- Individuals	0	0	0	0	0	0	0	0	0
b) Other- Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-Total (A) (2)</b>	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	9090000	0	9090000	44.26	9090000	0	9090000	33.49	(10.77)
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/ UTI	0	11700	11700	0.06	0	11700	11700	0.04	(0.02)
b) Banks / FI	0	9400	9400	0.05	6111923	9400	6121323	22.55	22.50
c) Central Government	0	0	0	0	0	0	0	0	0
d) State Government(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	493323	0	493323	1.82	1.82
g) FIs	0	3150	3150	0.01	0	3150	3150	0.01	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B) (1)</b>	0	24250	24250	0.12	6605246	24250	6629496	24.43	24.30
<b>(2.) Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	1807915	564200	2372115	11.55	1005903	562750	1568653	5.78	(5.77)
ii) Overseas	0	20000	20000	0.10	0	20000	20000	0.7	(0.03)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4726018	1614554	6340572	30.88	5110152	1603269	6713421	24.74	(6.15)
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	2220237	0	2220237	10.81	2643947	0	2643947	9.74	(1.07)
c) Others: (Specify) NRI - Individuals	144261	324115	468376	2.28	152414	322865	475279	1.75	(0.53)
<b>Sub-Total (B) (2)</b>	8898431	2522869	11421300	55.62	8912416	2508884	11421300	42.08	(13.54)
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	8898431	2547119	11445550	55.74	15517662	2533134	18050796	66.51	10.77
<b>C. Shares held by Custodian for ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	17988431	2547119	20535550	100	24607662	2533134	27140796	100	0

### (ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Punjab State Industrial Development Corporation Limited	9090000	44.26	0	9090000	33.49	0	0
	<b>Total</b>	9090000	44.26	0	9090000	33.49	0	0



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

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

Note : Dilution in Percentage of share holding is due to issue of 66,05,246 equity share on preferential basis to CDR Lenders.

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

S. No.	Name of Shareholder	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2016)		Shareholding at the end of the quarter ended 30th June, 2016			Shareholding at the end of the quarter ended 30th September, 2016			Shareholding at the end of the quarter ended 31st December, 2016			Shareholding at the end of the year (31 <sup>st</sup> March, 2017)		
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company	Reason for Increase/ Decrease	No of Shares	% of total Shares of the Company	Reason for Increase/ Decrease	No of Shares	% of total Shares of the Company	Reason for Increase/ Decrease	No of Shares	% of total Shares of the Company	Reason for Increase/ Decrease
1	IDBI Bank Limited	0	0	0	0		0	0		4710034	17.354	Preferential Allotment	4710034	17.354	
2	IFCI Limited	0	0	0	0		0	0		819718	3.020	Preferential Allotment	819718	3.020	
3	Life Insurance Corporation of India	0	0	0	0		0	0		493323	1.817	Preferential Allotment	493323	1.817	
4	The Punjab State Co-op Supp & Mktg Fed Ltd	410000	1.997	410000	1.997		410000	1.997		410000	1.510		410000	1.510	
5	Jay Bharat Dattani	324331	1.579	324331	1.579		324331	1.579		324331	1.195		324331	1.195	
6	Anil Kumar Goel	300000	1.460	300000	1.460		300000	1.460		300000	1.105		300000	1.105	
7	Punjab National Bank	0	0	0	0		0	0		295144	1.088	Preferential Allotment	295144	1.088	
8	Punjab & Sind Bank	0	0	0	0		0	0		287027	1.057	Preferential Allotment	287027	1.057	
9	Vijay Kumar Agarwal	0	0	0	0		0	0		196000	0.722		196000	0.722	
10	Sharda Goyal	150000	0.730	150000	0.730		150000	0.730		150000	0.553		150000	0.553	
11	Parth Infin Brokers (P) Ltd.	168161	0.819	150384	0.732	Transfer	175152	0.853	Transfer	11851	0.437	Transfer	0	0	Transfer
12	Shri Parasram Holdings Pvt. Ltd	167836	0.817	169176	0.824	Transfer	187938	0.915	Transfer	54446	0.201	Transfer	11558	0.043	Transfer

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No.	Name of the Director and Key Managerial Personnel	Shareholding at the beginning of the year (1 <sup>st</sup> April, 2016)	Date wise Increase / Decrease in Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)	Shareholding at the end of the year (31 <sup>st</sup> March, 2017)
1.	Dr. A. K. Kundra, IAS (Retd.), Director	600 Equity Shares	0	600 Equity Shares
2.	Shri Pradeep Nauharia, Company Secretary & Sr. General Manager (Co Affairs)	100 Equity Shares	0	Ceased to be Company Secretary and Sr. General Manager (Co Affairs) with effect from 19th October 2016.

Note : None of the other Directors and Key Management Personnel, was holding any Equity Shares of the Company during the Financial Year ended on 31st March, 2017.

# Punjab Alkalies & Chemicals Limited

## V. INDEBTEDNESS:

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

	Secured Loans (& Working Capital Loans) Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	430336366.63			430336366.63
ii) Interest due but not paid	0.00			0.00
iii) Interest accrued but not due	23927197.00			23927197.00
Total (i+ii+iii)	454263563.63			454263563.63
Change in Indebtedness during the Financial Year				
• Addition	31757917.00			31757917.00
• Reduction	153379465.63			153379465.63
Net changes	121621548.63			121621548.63
Indebtedness at the end of the Financial Year				
i) Principal Amount	276956901.00			276956901.00
ii) Interest due but not paid	00.0			00.0
iii) Interest accrued but not due	55685114.00			55685114.00
Total (i+ii+iii)	332642015.00			332642015.00

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(In Rupees)

S. No.	Particulars of Remuneration	Name of Managing Director		Total Amount
		Shri Amit Dhaka, IAS (01.04.2016 to 02.01.2017 and 20.03.2017 to 31.03.2017)	Shri Moneesh Kumar, PCS (02.01.2017 to 20.03.2017)	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- As % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act			3000000*

\* Minimum Remuneration.

### B. Remuneration to Other Directors:

(In Rupees)

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
1.	Independent Directors	Dr. A.K. Kundra, IAS (Retd.)	Shri D.C. Mehandru	Shri J.S. Mann	Smt Gurmeet Tej, IAS	
	• Fee for attending Board and Committee Meetings	82000	103000	48000	0	233000
	• Commission	0	0	0	0	0
	• Others, please specify	0	0	0	0	0
	Total (1)	82000	103000	48000	0	233000
2.	Other Non-Executive Directors	Shri Anirudh Tewari, IAS	Smt. Indu Malhotra IAS	Shri Rajesh Malhotra		
	• Fee for attending Board and Committee Meetings	30000*	10000*	0		
	• Commission	0	0	0		0
	• Others, please specify	0	0	0		0
	Total (2)	30000	10000	0		40000
	Total (B) = (1+2)					273000
	Total Managerial Remuneration					273000
	Overall Ceiling as per the Act					

\* Paid to the Punjab State Industrial Development Corporation Limited.



**C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/ Whole Time Director:**  
(In Rupees)

S. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Shri Pradeep Nauharia CS & SGM (C.A.) (01.04.2016 to 19.10.2016)	Shri Ajay Pal Singh, CFO	Smt. Sugandha Kukreja (CS) (20.10.2016 onwards)	
1.	Gross salary	1244945	1664658	292102	3201705
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act,	377866	159314	-	537180
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission As % of profit others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	1622811	1823972	292102	3738885

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

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

For and on behalf of the Board

Place : Chandigarh  
Date : August 16, 2017

Sd/-  
(Rakesh Kumar Verma)  
Chairman

# Punjab Alkalies & Chemicals Limited

## CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2016-17

### 1. Brief Statement on the Company's philosophy on Code of Governance

The Company believes in good Corporate Governance and has been practising it for the conduct of its business and for meeting its obligations towards its stakeholders.

The Company had modified its corporate practices from time to time so as to bring them in line with the requirements of Clause 49 of the Listing Agreement with the Stock Exchange as amended from time to time and also to bring them in consonance with the requirements of the Companies Act, 2013. The Company has now further modified its corporate practices so as to bring them in consonance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 2. Board of Directors

The Board of Directors comprises of 6 Directors, of which Chairman is a Non-Executive Director. The Company has a Managing Director and 5 Non-Executive Directors (including a Woman Director) of whom three are Independent Directors. The composition of the Board as on 31<sup>st</sup> March, 2017 is given below:

#### Category of Directorship

Non-Executive-Independent Director 3

Non-Executive-Non-Independent Director 2

Executive Director (Managing Director) 1

**Total Strength 6**

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

Name	Date of Appointment	Date of Cessation	Category	Attendance at Board Meetings during 2016-17 (1.4.2016 to 31.3.2017)	Attendance at last AGM on 29.9.2016	No. of Directorships in other Companies		Memberships of the Committees of the Board of all the Companies*	
						Chairman	Director	Chairman	Member
Shri Anirudh Tewari, IAS, Chairman (PSIDC Nominee)	18.5.2015	26.04.2017	NE&NI	6	No	N.A.	N.A.	N.A.	N.A.
Shri D.P. Reddy, IAS, Chairman (PSIDC Nominee)	26.04.2017	30.06.2017	NE&NI	-	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Rakesh Kumar Verma, IAS, Chairman (PSIDC Nominee)	30.06.2017	-	NE&NI	-	N.A.	-	3	-	-
Shri Amit Dhaka, IAS, Managing Director (PSIDC Nominee)	-As Director: 14.8.2015 -As Managing Director: 17.8.2015	02.01.2017	E&NI	4	Yes	N.A.	N.A.	N.A.	N.A.
Shri Moneesh Kumar, PCS Managing Director (PSIDC Nominee)	02.01.2017	20.03.2017	E&NI	2	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Amit Dhaka, IAS, Managing Director (PSIDC Nominee)	20.03.2017	-	E&NI	1	N.A.	-	2	-	2
Shri D.C. Mehndru	26.6.2002	-	NE&I	7	No	-	1	3	-
Dr. A. K. Kundra, IAS (Retd.)	13.12.2004	-	NE&I	6	No	1	1	1	2
Shri J.S. Mann	12.8.2010	-	NE&I	6	Yes	-	1	-	1
Shri Rajesh Malhotra	8.9.2014	15.7.2016	NE&NI & FIN	-	N.A.	N.A.	N.A.	N.A.	N.A.
Smt. Gurneet Tej, IAS (Woman Director)	11.2.2015	12.8.2016	NE&I	-	N.A.	N.A.	N.A.	N.A.	N.A.
Smt. Indu Malhotra, IAS (PSIDC Nominee & Woman Director)	26.5.2016	-	NE&NI	2	No	-	3	-	-

\*Includes only Audit Committee and Stakeholders Relationship Committee.

NE&NI - Non-Executive Non- Independent Director PSIDC - Punjab State Industrial Development Corporation Limited (Promoter – holding 33.49% of the Subscribed Capital)  
 NE&NI - Non-Executive Non- Independent  
 &FIN Financial Institution Nominee Director  
 NE&I - Non-Executive Independent Director  
 E&NI - Executive Non-Independent Director

Seven Board Meetings were held during the financial year 2016-17 as against the minimum requirement of four meetings in a year. The dates on which the Board Meetings were held are given below:

26<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 27<sup>th</sup> October, 2016, 9<sup>th</sup> November, 2016, 2<sup>nd</sup> January, 2017, 14<sup>th</sup> February, 2017 and 20<sup>th</sup> March, 2017.

The Non-Executive Directors had no pecuniary relationship or transactions with the Company in their personal capacity during the financial year 2016-17 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 30<sup>th</sup> October, 2006 had approved a Code of Conduct for Directors and Senior Management Personnel of the Company with effect from 1<sup>st</sup> January, 2006. The same has also been placed on the Company's Website [www.punjabkalkies.com](http://www.punjabkalkies.com). All the Directors and Senior Management Personnel have affirmed compliance with the said Code during the financial year 2016-17 and the Chief Executive Officer's Declaration to this effect is annexed herewith.

### 3. Audit Committee

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

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

- a. From 23<sup>rd</sup> September, 2015 to 9<sup>th</sup> November, 2016:
  - i. Shri D.C. Mehandru (Chairman)
  - ii. Shri J.S. Mann
  - iii. Smt. Gurneet Tej, IAS (till 12<sup>th</sup> August, 2016)
- b. Since 9<sup>th</sup> November, 2016 onwards
  - i. Shri D.C. Mehandru (Chairman)
  - ii. Shri J.S. Mann
  - iii. Managing Director

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	Category	Attendance during 2016-17 (1.4.2016 to 31.3.2017)
Shri D.C. Mehandru	Chairman	NE&I	4
Shri J.S. Mann	Member	NE&I	4
Smt Gurneet Tej, IAS	Member	NE&I	-
Shri Moneesh Kumar, PCS	Member	E&NI	1
Shri Amit Dhaka, IAS	Member	E&NI	-

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. 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 internal audit reports.

Four meetings of the Audit Committee were held during the financial year 2016-17.

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

25<sup>th</sup> May, 2016, 12<sup>th</sup> August, 2016, 9<sup>th</sup> November, 2016 and 14<sup>th</sup> February, 2017.

### 4. Remuneration of Directors

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

The names 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 2016-17 (1.4.2016 to 31.3.2017)
Dr. A.K. Kundra, IAS (Retd.)	Chairman	NE&I	4
Shri D.C. Mehandru	Member	NE&I	4
Shri J.S. Mann	Member	NE&I	3

Four meetings of the said Committee were held on 26<sup>th</sup> May, 2016, 28<sup>th</sup> July, 2016, 27<sup>th</sup> October, 2016 and 27<sup>th</sup> March, 2017 during the financial year 2016-17.

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

The following are the details of the remuneration paid to the Managing Directors in the financial year 2016-17:

- Shri Amit Dhaka, IAS, Managing Director : Nil  
(From 17<sup>th</sup> August, 2015 to 2<sup>nd</sup> January, 2017)
- Shri Moneesh Kumar, PCS, Managing Director : Nil  
(From 2<sup>nd</sup> January, 2017 to 20<sup>th</sup> March, 2017)
- Shri Amit Dhaka, IAS, Managing Director : Nil  
(From 20<sup>th</sup> March, 2017 onwards)

## Punjab Alkalies & Chemicals Limited

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 from 1<sup>st</sup> January, 2008 is (a) Rs.5,000/- per meeting of the Board of Directors attended and (b) Rs.2,000/- per meeting of the Committee of the Board of Directors attended.

Dr. A.K. Kundra, IAS (Retd.), Director was holding 600 Equity Shares of the Company as on 31<sup>st</sup> March, 2017. None of the other Directors, was holding any Equity Shares of the Company as on 31<sup>st</sup> March, 2017.

### 5. Share Transfer Committee

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

- Managing Director (Chairman)
- Dr. A.K. Kundra, IAS (Retd.)
- Shri D.C. Mehandru

During the financial year 2016-17, twenty meetings of the Share Transfer Committee were held. During the financial year 2016-17, 24 requests for transfer of physical mode shares and 82 requests for dematerialisation were received. Out of the same Nil requests for transfer of physical mode shares and Nil requests for dematerialisation were pending for approval as on 31<sup>st</sup> March, 2017.

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

### 6. Stakeholders Relationship Committee

The Company is having a Stakeholders Relationship Committee (Formerly Shareholders/ Investors Grievance Committee) of the Board of Directors for looking into the redressing of shareholders and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc., with the following Directors as its members:-

- Shri D.C. Mehandru (Chairman) - Non-Executive Independent Director
- Dr. A.K. Kundra, IAS (Retd.) - Non-Executive Independent Director
- Managing Director - Executive Non-Independent Director

Smt. Sugandha Kukreja, Company Secretary is the Compliance Officer.

During the financial year 2016-17, four meetings of the said Committee were held.

During the financial year under review, the total number of complaints/ queries received and replied to the satisfaction of shareholders were Nil. Outstanding complaints/ queries as on 31<sup>st</sup> March, 2017 were Nil. Complaints/ correspondence are usually dealt with within 10-12 days of receipt.

### 7. Risk Management Committee

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

- Managing Director (Chairman) - Executive Non-Independent Director
- Shri D.C. Mehandru - Non-Executive Independent Director
- Shri J.S. Mann - Non-Executive Independent Director
- Shri M.P.S. Rana - Executive Director (Materials & Finance)
- Shri Ajay Pal Singh - Chief Financial Officer

### 8. General Body Meetings

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

S. No.	AGM Particulars	Venue	Date	Time	Details of Special Resolutions passed
1.	39 <sup>th</sup> AGM in respect of the financial year 2013-14	Tagore Theatre, Sector 18, Chandigarh	29 <sup>th</sup> September, 2014	10.30 hours	1. Appointment of Auditors.  2. According of consent to the Board for borrowing monies to the extent of Rs.250 Crores.
2.	40 <sup>th</sup> AGM in respect of the financial year 2014-15	Tagore Theatre, Sector 18, Chandigarh	29 <sup>th</sup> September, 2015	10.30 hours	According of approval to the Appointment of Managing Director.

3.	41 <sup>st</sup> AGM in respect of the financial year 2015-16	Tagore Theatre, Sector 18, Chandigarh	29 <sup>th</sup> September, 2016	10.00 hours	<p>i. According of the consent to the Board of Directors to issue of 66,05,246 Equity Shares of Rs.10/- each at a price of Rs.22.95 per Equity Share on preferential basis to CDR Lenders.</p> <p>ii. According of the consent to the Board of Directors to create, offer, issue and allot 27,70,000 Secured Fully Convertible Debentures of Rs.100/- each to the CDR Lenders.</p> <p>iii. According of the consent to the Board of Directors to issue 4,06,000 Secured Redeemable Non-Convertible or Non-Cumulative Debentures of Rs.100/- each to the CDR Lenders.</p> <p>iv. According of the consent to the Board of Directors for mortgaging/ charging of all the moveable and immoveable properties of the Company in favour of the Debenture holders and/or Debenture Trustees.</p>
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- b) i) No extra ordinary General Meeting (s) were held and No Postal Ballot Notices were issued to the public during the year ended 31<sup>st</sup> March, 2017.
- ii) All the Resolutions including the Special Resolution were passed through e-voting and physical ballot paper and polling process conducted at Annual General Meeting in compliance with the provisions of the Act, and Rule 20 of the Companies (Management and Administration) Rules, 2014.
- iii) During the year under review, no special resolution was passed through postal ballot.
- c) The Ballot and Remote E-Voting facilities are being provided to the Members in respect of the business to be transacted in the ensuing Annual General Meeting of the Company.

#### 9. Disclosures

- a) There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- b) There has been no non-compliance by the Company or penalties or strictures imposed on the Company by any of the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

#### 10. Means of communication

The quarterly Financial Results and Annual Financial Results of the Company are being published in the newspapers i.e. Times of India and Punjabi Jagran 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.punjabkalies.com](http://www.punjabkalies.com). All periodical compliances / filing are also filed electronically on Listing Centre of BSE Limited.

The Management Discussion and Analysis Report for the financial year 2016-17 is a part of the Annual Report for the said financial year.

# Punjab Alkalies & Chemicals Limited

## 11. General Shareholders information

- a) Annual General Meeting : The 42<sup>nd</sup> Annual General Meeting will be held on Wednesday, 27<sup>th</sup> September, 2017 at 10.00 hours in Tagore Theatre, Sector 18, Chandigarh.
- b) Financial Calender : 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017
- c) Date of Book Closure : 21<sup>st</sup> September, 2017 to 27<sup>th</sup> September, 2017 (both days inclusive)
- d) Dividend Payment Date : N.A.
- e) Listing on Stock Exchanges : BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400 001
- f) Stock Code : Bombay Stock Exchange : 506852  
Limited  
  
ISIN No. for Demat Mode : INE607A01014  
Shares
- g) Registrars and Share Transfer Agents : M/s. Beetal Financial & Computer Services Private Limited  
Unit: Punjab Alkalies & Chemicals Limited  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local  
Shopping Centre, New Delhi-110062  
Ph. : (011) - 29961281-83  
Fax: (011) - 29961284  
E-mail ID: beetal@beetalfinancial.com  
Website: www.beetalfinancial.com
- h) Share Transfer System : The Company is having a Share Transfer Committee of the Board of Directors to approve the transfer and transmission of shares, etc. The Share Transfers of Physical Mode Shares are normally processed within 12 days of receipt if the documents are found in order.
- i) Dematerialisation of Shares and liquidity : The trading in the Equity Shares of the Company on the Stock Exchanges is permitted only in Dematerialised Mode w.e.f. 24<sup>th</sup> July, 2000 due to SEBI's directive. The Company has arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for facilitating holding of Company's Shares in Dematerialised Mode. As on 31<sup>st</sup> March, 2017, 90.67% of the total shares have been dematerialised.
- j) Unclaimed Shares : The Company has opened a Depository Account (Demat Account) in the name and style of 'Unclaimed Shares Suspense Account of Punjab Alkalies & Chemicals Limited' with Punjab National Bank (Depository Participant of National Securities Depository Limited (NSDL)), Sector 17-B, Chandigarh for the purpose of complying with the provisions of the Revised Clause 5A of the Listing Agreement with the Bombay Stock Exchange Limited.
- k) Outstanding GDRs/ ADRs/ Warrants or Convertible instruments, conversion date and likely impact on equity. : Nil
- l) Plant Location : Nangal-Una Road,  
Naya Nangal,  
Distt. Ropar (Punjab) – 140 126.
- m) Address for Correspondence : Punjab Alkalies & Chemicals Limited,  
S.C.O. 125-127,  
Sector 17-B,  
Chandigarh-160 017.  
Ph. : (0172) – 4072508-67  
Fax : (0172) – 2704797.  
Website : www.punjabalkalies.com  
CIN: L24119CH1975PLC003607
- n) E-mail ID for Investors' Complaints/Queries : secretarial@punjabalkalies.com

### o) Market Price Data :

High/Low during each month of 2016-17 (1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017) on the BSE Limited:

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April, 2016	15.45	12.06	October, 2016	21.05	15.75
May, 2016	15.80	12.62	November, 2016	20.10	12.20
June, 2016	16.49	13.00	December, 2016	15.00	13.20
July, 2016	18.40	14.65	January, 2017	17.15	14.35
August, 2016	18.70	15.15	February, 2017	16.25	14.55
September, 2016	17.25	14.25	March, 2017	15.50	12.10





p) Distribution of Shareholding as on 31<sup>st</sup> March, 2017:

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
1 - 500	20683	88.54	3034163	11.18
501 - 1000	1455	6.23	1204095	4.44
1001 - 2000	609	2.61	957164	3.53
2001 - 3000	188	0.81	492913	1.82
3001 - 4000	86	0.36	313885	1.16
4001 - 5000	95	0.40	445770	1.64
5001-10000	127	0.54	940583	3.45
10001 & above	118	0.51	19752223	72.78
Total	23361	100.00	27140796	100.00

q) Categories of Shareholding as on 31<sup>st</sup> March, 2017

Category	No. of Shareholders	No. of Shares held	% of Shareholding
Promoters	1	9090000	33.49
Mutual Funds & UTI	10	11700	0.04
Banks /Financial Institution	16	6121323	22.55
Insurance Companies	1	493323	1.82
Central/State Govt	-	-	-
NRI/OCBs/FIIs	503	498429	1.83
Corporate Bodies	1047	1545510	5.69
Indian Public	21477	8944424	32.97
Others	306	436087	1.61
Total	23361	27140796	100.00

For and on behalf of the Board

Sd/-

(RAKESH KUMAR VERMA)

Chairman

Place : Chandigarh

Date : August 16, 2017

**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 31<sup>st</sup> March, 2017.

Sd/-

(AMIT DHAKA)

Managing Director

Din: 007156656

Place : Chandigarh

Date : August 16, 2017

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

To the Members of Punjab Alkalies & Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Punjab Alkalies & Chemicals Limited, for the financial year ended on 31<sup>st</sup> March, 2017, 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 A.K. SOOD & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 000072N

Sd/-  
(GAURAV SOOD)

Partner  
Membership No. 507583

For S.TANDON & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 006388N

Sd/-  
(G.L. SEHGAL)

Partner  
Membership No. 82201

Place: Chandigarh

Date : August 16, 2017

# Punjab Alkalies & Chemicals Limited

## INDEPENDENT AUDITORS' REPORT

To the Shareholders of  
PUNJAB ALKALIES & CHEMICALS LIMITED

### Report on the Financial Statements:

1. We have audited the accompanying financial statements of Punjab Alkalies & Chemicals Limited, which comprise the balance sheet as at 31<sup>st</sup> March, 2017, and the Profit and Loss Statement and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements:

2. 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule 2014. 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 judgement and estimates that are reasonable and prudent; and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility:

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion:

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
  - (b) In the case of the Profit and Loss Statement, of the loss for the year ended on that date; and
  - (c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

### Emphasis of Matter

7. We draw attention to the following Note in the financial statements:

**"Note No. 1(a):** The financial statements are prepared under the historical cost convention and on the basis of going concern. Accumulated losses have resulted in erosion of net worth of the Company. The financial statements have been prepared on a going concern basis on the strength of continued support of the promoters, financial institutions and banks. The Company has filed a reference before the Board for Industrial and Financial Reconstruction (BIFR). BIFR has registered the company's reference as Sick



Industrial Company as Case No. 152/2015. With SICA stands repealed w.e.f. 01.12.2016, BIFR also stands dissolved w.e.f. 01.12.2016. At the request of Company CDR Empowered Group has sanctioned conversion of outstanding loan amount of Rs.4286 lacs into 6605246 Equity Shares as per SEBI Formula i.e. @ Rs.22.95 (Face Value Rs.10/- per share) and Fully Convertible Debentures (FCDs) amounting to Rs.2770 lacs. It was further provided that the Company will issue Non-Convertible Debentures (NCDs) to CDR Lenders to the extent of Mark to Market Loss in respect of fresh Equity issued by PACL. These FCDs and NCDs shall bear coupon rate equivalent to IDBI base rate as on 30th June, 2015 i.e. 10% p.a. CDR EG further approved waiver of interest on outstanding O.T.S. amount during period April to June, 2015. The Company has received sanction from all the financial institutions and banks. The Company has already issued Equity Shares to all the lenders as per the CDR sanction. Further the Company is in the process of issuing Debentures (NCDs & FCDs) to all the lenders as per CDR sanction. The Company has been given time upto 31st May, 2017 for the said issue of Debentures. The Board of Directors, considering the future plan for operations and support of the promoters, lenders, business associates and workmen is hopeful of improved profitability leading to improvement in its financial position. All expenses and incomes to the extent considered payable and receivable respectively, unless stated otherwise, have been accounted for on mercantile basis".

Our opinion is not qualified in respect of this matter.

**Report on Other Legal and Regulatory Requirements:**

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
9. 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 appears from our examination of these books;
  - (c) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, none of the Directors of the Company is disqualified as on 31<sup>st</sup> March, 2017 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"; and
  - (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, 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 litigations on its financial position in its financial statements wherever applicable-Refer Note Nos. 20, 30 and 32 to the financial statements.
    - ii) The Company is not required to make provisions as at 31<sup>st</sup> March 2017 as required under the applicable law or accounting standards for material foreseeable losses, on long term contracts including derivative contracts.
    - iii) There has been no amount required to be transferred to the Investors Education and Protection Fund by the company during the year ended 31<sup>st</sup> March 2017.
    - iv) The Company has provided requisite disclosures in its financial statements as to its holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note No. 36 to the financial statements.

For A.K. SOOD & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 000072N

Sd/-  
(GAURAV SOOD)  
Partner  
Membership No. 507583

For S.TANDON & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 006388N

Sd/-  
(G.L. SEHGAL)  
Partner  
Membership No. 82201

Place: Chandigarh  
Date : May 24, 2017

# Punjab Alkalies & Chemicals Limited

## **ANNEXURE -A TO THE INDEPENDENT AUDITORS' REPORT**

Annexures referred to in Paragraph (8) of The Auditor's Report of even date to the Shareholders of PUNJAB ALKALIES & CHEMICALS LIMITED on the accounts for the year ended 31st March, 2017.

- (i) a) The Company has maintained proper records showing full particulars, including the quantitative details and situation of Fixed Assets.
- b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) a) The stock of finished goods, stores, spare parts and raw material lying in the factory have been physically verified by the management during /at the year-end. In our opinion and according to information and explanations given to us the frequency of physical verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, the procedures of the physical verification of stock followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and according to the information and explanations given to us the Company is maintaining proper records of its inventories and no material discrepancies were noticed on such verification.
- d) Discrepancies noticed on physical verification of inventory were not material and have been adequately dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public during the year within the meaning of Section 73 to 76 of the Act and the rules framed there-under.
- (vi) We have broadly reviewed the books of account as required to be maintained by the Company under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and the records have been made and maintained.
- (vii) a) 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, Wealth Tax, Custom Duty, Excise Duty and Cess and other material statutory dues have been regularly deposited with the appropriate authorities during the year by the company. 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 dues are not deposited on account of disputes pending at various forums:

Name of the Statute	Nature of Dues	Amount in Lacs	Period to which amount relates	Forum Where dispute is pending
Central Excise Act, 1944	Excise duty and Penalty	76.93	July'14 to Feb'15, March'15 to Dec'15 and Jan'14 to June'14	Commissioner Appeals Chandigarh
Central Excise Act, 1944	Excise duty and Penalty	60.17	2004-2008	CESTAT
Central Excise Act, 1944	Excise duty and Penalty	5.49	2004-05 to 2008	CESTAT
Finance Act, 1994	Service Tax and Penalty	4.66	Apr'11 to Dec'11	CESTAT
Finance Act, 1994	Service Tax and Penalty	116.09	Feb'07 to Mar'11	CESTAT
Central Excise Act, 1944	Excise Duty and Penalty	3.11	January 2012 to November 2011	CESTAT
Central Excise Act, 1944	Excise Duty and Penalty	2.66	July 2011 to December 2011	CESTAT
Finance Act, 1994	Service Tax & Penalty	25.79	January 2012 to November 2012	CESTAT
Finance Act, 1994	Service Tax & Penalty	21.70	July 2013 to December 2013 and December 2012 to June 2013	CESTAT
	<b>Total</b>	<b>316.60</b>		

- (viii) According to the information and explanations given to us, the company has not defaulted in repayment of dues to the banks during the year.
- (ix) According to the information and explanations given to us, no term loan has been received by the company during previous year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

## Punjab Alkalies & Chemicals Limited

- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made preferential allotment of Equity Shares to CDR Lenders as per sanction of CDR EG during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For A.K. SOOD & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 000072N

Sd/-  
(GAURAV SOOD)

Partner

Membership No. 507583

For S.TANDON & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 006388N

Sd/-  
(G.L. SEHGAL)

Partner

Membership No.82201

Place: Chandigarh  
Date : May 24, 2017



## **ANNEXURE -B TO THE INDEPENDENT AUDITORS' REPORT**

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

We have audited the internal financial controls over financial reporting of Punjab Alkalies and Chemicals Ltd. as of 31st March 2017 in conjunction with our audit of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

# Punjab Alkalies & Chemicals Limited

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## **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 31<sup>st</sup> March, 2017, 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 A.K. SOOD & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 000072N

Sd/-  
(GAURAV SOOD)

Partner

Membership No. 507583

For S.TANDON & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 006388N

Sd/-  
(G.L. SEHGAL)

Partner

Membership No.82201

Place: Chandigarh  
Date : May 24, 2017





# BALANCE SHEET as at 31st March, 2017

(Rs. in Lacs)

Particulars	Note No.	As at 31.3.2017	As at 31.3.2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds:</b>			
Share Capital	2	2710.48	2049.96
Reserves and Surplus	3	<u>1067.49</u>	<u>3303.48</u>
		<b>3777.97</b>	<b>5353.44</b>
<b>Share Application Money Pending Allotment</b>		-	-
<b>Non Current Liabilities</b>			
Long Term Borrowings	4	2769.57	4285.47
Long Term Provisions	5	<u>1315.92</u>	<u>1036.28</u>
		<b>4085.49</b>	<b>5321.75</b>
<b>Current Liabilities</b>			
Short Term Borrowings	6	249.18	149.21
Trade Payables	7	2595.92	2922.35
Other Current Liabilities	8	8140.65	5495.50
Short Term Provisions	9	<u>28.72</u>	<u>15.05</u>
<b>Total</b>		<b><u>11014.47</u></b>	<b><u>8582.11</u></b>
<b>ASSETS</b>		<b><u>18877.93</u></b>	<b><u>19257.30</u></b>
<b>Non Current Assets</b>			
Fixed Assets			
Tangible Assets	10	10968.26	11445.30
Intangible Assets	10	11.91	-
Capital Work in Progress	11	<u>337.86</u>	<u>155.49</u>
		<b>11318.03</b>	<b>11600.79</b>
Deferred Tax Assets (Net)	12	1028.96	1028.96
Long Term Loans & Advances	13	272.15	319.67
Other Non Current Assets	14	<u>1152.36</u>	<u>740.09</u>
		<b>13771.50</b>	<b>13689.51</b>
<b>Current Assets</b>			
Inventories	15	983.77	1088.77
Trade Receivables	16	560.81	535.00
Cash and Cash Equivalents	17	1875.92	2122.92
Short Term Loans & Advances	18	80.41	166.61
Other Current Assets	19	<u>1605.52</u>	<u>1654.49</u>
		<b>5106.43</b>	<b>5567.79</b>
<b>Total</b>		<b><u>18877.93</u></b>	<b><u>19257.30</u></b>
Significant Accounting Policies			
Notes forming an integral part of the Financial Statements	1 1 to 40		

Sd/-  
(AJAY PAL SINGH)  
Chief Financial Officer

Sd/-  
(SUGANDHA KUKREJA)  
Company Secretary

Sd/-  
(D.C. MEHANDRU)  
Director

Sd/-  
(AMIT DHAKA)  
Managing Director

As per our separate report of even date

For A.K. SOOD & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 000072N

For S.TANDON & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 006388N

Sd/-  
(GAURAV SOOD)

Partner  
Membership No. 507583

Sd/-  
(G.L. SEHGAL)

Partner  
Membership No. 82201

Place: Chandigarh  
Date: May 24, 2017

# Punjab Alkalies & Chemicals Limited

## PROFIT AND LOSS STATEMENT for the year ended 31st March, 2017

(Rs. in Lacs)

Particulars	Note No.	2016-17.	2015-16
<b>INCOME</b>			
Revenue from Operations	21	26810.22	24113.36
Other Income	21	270.82	533.37
<b>Total Revenue</b>		<b>27081.04</b>	<b>24646.73</b>
<b>EXPENDITURE</b>			
Cost of Material Consumed	22	4262.83	4404.83
Changes in Inventories of Finished Goods, Work in progress and stock in Trade	23	42.07	(66.55)
Manufacturing Expenses	24	19124.08	16642.28
Employees benefits expense	25	3164.65	2348.27
Finance Costs	26	350.28	464.47
Administration Expenses	27	802.31	569.75
Selling Expenses	28	1311.40	963.91
Depreciation and Amortisation Expense	10 & 14	781.26	744.01
<b>Total Expenses</b>		<b>29838.88</b>	<b>26070.97</b>
<b>Profit /(Loss) for the year</b>		<b>(2757.84)</b>	<b>(1424.24)</b>
Prior period adjustments		7.82	0.60
<b>Profit /(Loss) before Tax</b>		<b>(2765.66)</b>	<b>(1424.84)</b>
<b>Tax Expenses</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Profit /(Loss) for the year after Tax</b>		<b>(2765.66)</b>	<b>(1424.84)</b>
<b>Earnings /(Loss) per Equity Share of Rs.10/- each:</b>			
Basic (in Rs.)		<b>(11.84)</b>	<b>(6.96)</b>
Diluted (in Rs.)		<b>(11.84)</b>	<b>(6.96)</b>
Significant Accounting Policies	1		
Notes forming an integral part of the Financial Statements	1 to 40		

Sd/-  
(AJAY PAL SINGH)  
Chief Financial Officer

Sd/-  
(SUGANDHA KUKREJA)  
Company Secretary

Sd/-  
(D.C. MEHANDRU)  
Director

Sd/-  
(AMIT DHAKA)  
Managing Director

As per our separate report of even date

For A.K. SOOD & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 000072N

For S.TANDON & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 006388N

Sd/-  
(GAURAV SOOD)

Partner

Membership No. 507583

Sd/-  
(G.L. SEHGAL)

Partner

Membership No. 82201

Place: Chandigarh  
Date: May 24, 2017



# CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

(Rs. in lacs)

Particulars	2016-17	2015-16
<b>A) Cash Flow From Operating Activities:</b>		
Net Profit before tax	(2765.66)	(1424.84)
Adjustments for:		
Depreciation etc.	485.89	495.82
Miscellaneous Expenses Written Off	295.37	248.19
Interest received	(102.84)	(57.37)
Investment Incentive Written back	(2.24)	(2.98)
Gain or (loss) on Fixed Assets	-	(14.42)
Operating Profit Before Working Capital Changes	(2089.48)	(755.60)
Adjustments for:		
Trade and other receivables	169.48	(369.76)
Inventories	105.00	(199.83)
Trade Payable	2729.89	3598.70
Cash Generated From Operations	914.89	2273.51
Direct Taxes Paid	(12.60)	(5.97)
Cash Flow Before Extraordinary Items	902.29	2267.54
Extraordinary Items	-	-
<b>Net Cash From Operating Activities</b>	<b>902.29</b>	<b>2267.54</b>
<b>B) Cash Flow From Investing Activities:</b>		
Purchase of Fixed Assets	(37.97)	(2.25)
Sale/Adjustment of Fixed Assets	-	18.92
Work in progress	(488.63)	(138.14)
Purchase of Membranes and Recoating of Pans	(707.64)	(278.28)
Interest Received	102.84	57.37
<b>Net Cash Used in Investing Activities</b>	<b>(1131.40)</b>	<b>(342.38)</b>
<b>C) Cash Flow From Financing Activities:</b>		
Proceeds from issue of share capital	660.52	-
Proceeds from share premium account	855.38	-
Payment towards Short Term Borrowings (Working Capital)	(17.89)	(500.27)
Repayment to Fls & Banks	(1515.90)	(75.91)
Interest Paid	-	-
<b>Net Cash Used in Financing Activities</b>	<b>(17.89)</b>	<b>(576.18)</b>
Net Increase in Cash And Cash Equivalents	(247.00)	1348.98
Cash And Cash Equivalents-Opening Balance	2122.92	773.94
Cash And Cash Equivalents-Closing Balance	1875.92	2122.92

Sd/-  
(AJAY PAL SINGH)  
Chief Financial Officer

Sd/-  
(SUGANDHA KUKREJA)  
Company Secretary

Sd/-  
(D.C.MEHANDRU)  
Director

Sd/-  
(AMIT DHAKA)  
Managing Director

As per our separate report of even date

For A.K. SOOD & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 000072N

For S.TANDON & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 006388N

Sd/-  
(GAURAV SOOD)  
Partner

Sd/-  
(G.L. SEHGAL)  
Partner

Place: Chandigarh  
Date: May 24, 2017

Membership No. 507583

Membership No. 82201

# Punjab Alkalies & Chemicals Limited

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

### Note No.1

#### Significant Accounting Policies

##### (a) Accounting Convention

The financial statements are prepared under the historical cost convention and on the basis of going concern. Accumulated losses have resulted in erosion of net worth of the Company. The financial statements have been prepared on a going concern basis on the strength of continued support of the promoters, financial institutions and banks. The Company has filed a reference before the Board for Industrial and Financial reconstruction (BIFR). BIFR has registered the company's reference as Sick Industrial Company as Case No. 152/2015. With SICA stands repealed w.e.f. 01.12.2016, BIFR also stands dissolved w.e.f. 01.12.2016. At the request of Company CDR Empowered Group has sanctioned conversion of outstanding loan amount of Rs.4286 lacs into 6605246 Equity Shares as per SEBI Formula i.e. @ Rs.22.95 (Face Value Rs.10/- per share) and Fully Convertible Debentures (FCD) amounting to Rs.2770 lacs. It was further provided that the Company will issue Non-Convertible Debentures (NCD) to CDR Lenders to the extent of Mark to Market Loss in respect of fresh Equity issued by PACL. These FCDs and NCDs shall bear coupon rate equivalent to IDBI base rate as on 30th June, 2015 i.e. 10% p.a. CDR EG further approved waiver of interest on outstanding O.T.S. amount during period April to June, 2015. The Company has received sanction from all the financial institutions and banks. The Company has already issued Equity Shares to all the lenders as per the CDR sanction. Further the Company is in the process of issuing Debentures (NCD & FCD) to all the lenders as per CDR sanction. The Company has been given time upto 31st May, 2017 for the said issue of Debentures. The Board of Directors, considering the future plan for operations and support of the promoters, lenders, business associates and workmen is hopeful of improved profitability leading to improvement in its financial position. All expenses and incomes to the extent considered payable and receivable respectively, unless stated otherwise, have been accounted for on mercantile basis.

##### (b) Fixed Assets

Fixed Assets are stated at values determined by the valuer less depreciation. Machinery Spares have been capitalised as and when procured. Direct costs are capitalised till the assets are ready to be put to use. These costs also includes financing cost (including exchange rate fluctuations) relating to specific borrowing attributable to Fixed Assets. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are taken out from books of accounts and resultant profit (including capital profit) or loss, if any, is reflected in Profit and Loss Statement.

##### (c) Depreciation

The Company has charged depreciation on Fixed Assets as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013. The life of the components identified by Company is not different than the plant and machinery to which these components relate. Fixed Assets individually costing upto Rs.5,000/- are depreciated 100% in the year of purchase. Depreciation on Foreign Exchange adjustments arising from foreign exchange variations is charged on residual useful life of asset. The intangible assets are being amortised over a period of 5 years.

##### (d) Valuation of Inventories

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

##### (e) Revenue Recognition

Sale of goods is recognised at the point of dispatch to the Customer. Sales include excise duty applicable.

**(f) Foreign Exchange Transactions**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of the contract. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the profit and loss statement except in cases where they relate to acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

**(g) Employee Benefits**

- i) **Defined Contribution Plan**  
The Company's Contribution paid/payable during the year towards Provident Fund Scheme and Superannuation Scheme are recognised as expense in the Profit & Loss Statement.
- ii) **Defined Benefit Plan**  
The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary and LIC's actuarial valuation respectively, using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds is consistent with the currency and estimated terms of the defined benefit obligations. Actuarial gains and losses are recognised immediately in the Profit & Loss Statement as income or expense.
- iii) **Gratuity liability** has been covered by master policy of Life Insurance Corporation of India under irrevocable trust.

**(h) 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.

**(i) Government Grants**

Investment Incentive from State Government has been credited to Investment Incentive Account and is being recognised as income on a systematic and rational basis over the useful life of the assets, in the proportion in which the depreciation on these assets is charged.

**(j) Taxes on Income**

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

Deferred tax is recognised on timing difference between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

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 realised.

However, in view of the loss during the financial year 2016-17, the Company has not recognised the Deferred Tax Assets in respect of the loss during the financial year 2016-17.

- (k)** Accounting policies not specifically referred above are consistent with generally accepted accounting practices.

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## Note No. 2

### SHARE CAPITAL

(Rs. in Lacs)

Particulars	As at 31.3.2017	As at 31.3.2016
<b>Authorised</b>		
400,00,000 Equity Shares of Rs. 10/- each (Previous year 400,00,000 Equity Shares)	<u>4000.00</u>	<u>4000.00</u>
<b>Issued</b>		
271,43,146 Equity Shares of Rs. 10/- each (Previous year 205,37,900 Equity Shares)	<u>2714.31</u>	<u>2053.79</u>
<b>Subscribed and Paid Up</b>		
271,40,796 Equity Shares of Rs. 10/- each fully called up (Previous year 205,35,550 Equity Shares)	<u>2714.08</u>	<u>2053.56</u>
Less: Allotment Money unpaid	<u>3.60</u>	<u>3.60</u>
	<u>2710.48</u>	<u>2049.96</u>

#### 2.1 Details of shareholders holding more than 5% shares

Name of Shareholder	As at 31.3.2017		As at 31.3.2016	
	No. of shares held	% age	No. of shares held	% age
Punjab State Industrial Development Corporation Limited (Promoter)	9090000	33.49	9090000	44.26
IDBI Bank Ltd.	4710034	17.35		

## Note No. 3

### RESERVES AND SURPLUS

(Rs. in Lacs)

Particulars	As at 31.3.2017	As at 31.3.2016
<b>Capital Reserve</b>		
Land Subsidy	5.49	5.49
Shares Forfeited Reserve Account	7.03	7.03
Revaluation Reserve		
As per last balance sheet	7076.40	7406.53
Less: Adjusted in respect of Assets sold/ discarded	-	12.40
Less: Depreciation (Net of adjustment)	<u>323.47</u>	<u>317.73</u>
	6752.93	7076.40
<b>Share Premium</b>		
As per last Balance Sheet	3587.75	3587.75
Add: Additional during the year	<u>855.38</u>	-
<b>Investment Incentive</b>	4443.13	3587.75
As per last Balance Sheet		
Less: Written back during the period	2.24	5.22
	<u>2.24</u>	<u>2.98</u>
<b>Profit and Loss Statement</b>	-	2.24
As per last Balance Sheet	(7375.43)	(5950.59)
Add: Transferred from Profit and Loss Statement	<u>(2765.66)</u>	<u>(1424.84)</u>
	(10141.09)	(7375.43)
	<u>1067.49</u>	<u>3303.48</u>

3.1 Investment Incentive from State Govt. is being recognised as income on a systematic and rational basis over the useful life of the assets.



**Note No. 4**

**LONG TERM BORROWINGS**

(Rs. in Lacs)		
Particulars	As at 31.3.2017	As at 31.3.2016
<b>Debentures</b>		
Secured Redeemable Non-Convertible Debentures of Rs. 100/- each		
43,210 (Previous year 66,856) 0% Debentures (4 <sup>th</sup> Series) - (Redeemable by issuing 10% Fully Convertible Debentures as approved by CDR Empowered Group)	43.21	66.85
64,817 (Previous year 1,00,286) 0% Debentures (5 <sup>th</sup> Series) - (Redeemable by issuing 10% Fully Convertible Debentures as approved by CDR Empowered Group)	64.82	100.29
<b>Terms Loans (Secured)</b>		
<b>(a) From Scheduled Banks</b>		
Punjab National Bank	123.18	190.91
Punjab & Sind Bank	120.37	178.37
Funded Interest Term Loans	-	7.88
<b>(b) From Other Banks and Institutions</b>		
Industrial Development Bank of India (IDBI) (Now IDBI Bank Limited)	1975.34	2811.03
Industrial Finance Corporation of India Limited (IFCI) (Now IFCI Limited)	343.78	488.16
Life Insurance Corporation of India (LIC)	98.87	131.07
Funded Interest Term Loans	-	310.91
	<b>2769.57</b>	<b>4285.47</b>

- 4.1 The Term Loans from Punjab National Bank (PNB), Punjab & Sind Bank (PSB), IDBI, IFCI and LIC (except for term loan of Rs.67.85 lacs from PSB, which is secured as per Note No. 4.2 below) and Non-Convertible Debentures are/will be secured by way of mortgage (by way of first charge) of all the immovable properties both present and future and first charge by way of hypothecation of all the movables (save and except book debts) including movable machinery, spares, tools, accessories present and future, subject to prior charges created or to be created in favour of the bankers on stocks etc. for working capital. The above charges will rank pari passu with each other.
- 4.2 The Term Loan of Rs.67.85 lacs from PSB is/will be secured by way of mortgage (by way of fourth charge) of all the immovable properties both present and future and fourth charge by way of hypothecation of all the moveables (save and except current assets).
- 4.3 The Corporate Debt Restructuring (CDR) Empowered Group had restructured the debt liabilities of the Company in January, 2003 and had thereafter revised, reworked and modified the same from time to time. The CDR Empowered Group has approved the Proposal of the Company for One Time Settlement (O.T.S.) of the outstanding Term Loans and Non-Convertible Debentures and Sanctioned Working Capital Facilities as on 1<sup>st</sup> April, 2012 on 100% principal basis with a cut-off date of 15<sup>th</sup> November, 2012. In terms of the same, the Company had to make payment of (a) Upfront Payment of 35% of the O.T.S. Amount as first tranche, 10% of the balance 65% of O.T.S. Amount as second tranche by 30<sup>th</sup> September, 2014 and the remaining 90% of the balance 65% of O.T.S. Amount as third tranche by 1<sup>st</sup> April, 2015 and (b) Interest from 1<sup>st</sup> July, 2012 to 30<sup>th</sup> September, 2012 on the entire outstanding amount and interest from 1<sup>st</sup> October, 2012 to the date of payment of first tranche on 35% of O.T.S. Amount alongwith the payment of first tranche and interest from 1<sup>st</sup> October, 2012 to the date of payment of first tranche on balance 65% of O.T.S. Amount by 31<sup>st</sup> October, 2013. No interest is chargeable on the balance 65% of O.T.S. Amount from the date of payment of first tranche. Accordingly, the Company has made the payments of the first tranche and second tranche of the O.T.S. Amount alongwith interest payable on due dates as per terms of the O.T.S. sanction.

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- 4.4 The final tranche of O.T.S. amount had fallen due on 1<sup>st</sup> April, 2015. The Company could not make the payment of the same on due date. At the request of the Company, the CDR Empowered Group has, inter alia, approved the terms of the said terminal payment i.e. (i) The Outstanding amount (as on 1<sup>st</sup> April, 2015) of terminal payment of OTS amount shall be converted into Equity and Fully Convertible Debentures (FCDs), (ii) Equity Conversion shall be by issuance of fresh equity of 66,05,246 shares as per applicable SEBI norms, (iii) The balance outstanding terminal OTS payment is to be converted into Fully Convertible Debentures (FCDs) and (iv) The Company shall issue Non Convertible Debentures (NCDs) to Lenders to the extent of Mark to Market Loss in respect of fresh Equity issued by the Company; and these FCDs & NCDs shall carry fixed interest rate at IDBI Bank Limited's Base Rate as on cut-off date of 30<sup>th</sup> June, 2015 i.e. 10% p.a. The CDR Empowered Group further approved waiver of interest on outstanding O.T.S. amount during period April, 2015 to June, 2015. The Company has received individual sanctions from all financial institutions and banks. The Company has already issued Equity Shares to all the lenders as per CDR sanction. Further the Company is in the process of issuing Debentures (NCD & FCD) to all the lenders as per CDR sanction. The Company has been given time upto 31<sup>st</sup> May, 2017 for the said issue of Debentures.

### Note No. 5

#### LONG TERM PROVISIONS

(Rs. in Lacs)

Particulars	As at 31.3.2017	As at 31.3.2016
<b>Provision for Employee Benefits</b>		
Gratuity	502.49	400.35
Leave Encashment	813.43	635.93
	<b>1315.92</b>	<b>1036.28</b>

- 5.1 The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary and LIC's actuarial valuation respectively, using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds is consistent with the currency and estimated terms of the defined benefit obligations. Actuarial gains and losses are recognised immediately in the Profit & Loss Statement as income or expense.





**Note No. 6**

**SHORT TERM BORROWINGS**

(Rs. in Lacs)

Particulars	As at 31.3.2017	As at 31.3.2016
<b>Working Capital Loans (Secured)</b>		
Punjab & Sind Bank	-	1.51
Punjab National Bank	-	16.38
	-	<u>17.89</u>
<b>Other Loans and Advances (Unsecured)</b>		
Advances from Customers	<u>249.18</u>	<u>131.32</u>
	<b>249.18</b>	<b>149.21</b>

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

**Note No. 7**

**TRADE PAYABLES**

(Rs. in Lacs)

Particulars	As at 31.3.2017	As at 31.3.2016
<b>Creditors</b>		
Against Capital Goods	<u>9.11</u>	<u>24.91</u>
Others	<u>2586.81</u>	<u>2897.44</u>
	<b>2595.92</b>	<b>2922.35</b>

**Note No. 8**

**OTHER CURRENT LIABILITIES**

(Rs. in Lacs)

Particulars	As at 31.3.2017	As at 31.3.2016
<b>Other Liabilities</b>		
Statutory Liabilities	<u>184.01</u>	<u>154.84</u>
Others Liabilities*	<u>7399.79</u>	<u>5101.39</u>
Interest accrued but not due	<u>556.85</u>	<u>239.27</u>
	<b>8140.65</b>	<b>5495.50</b>

\*Includes electricity bill payable to PSPCL which is shown net of Rs.529.81 lacs recoverable on account of peak load charges on open access based on Memo No. 1169/1250 dated 30.12.2015 of PSPCL.

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Note No. 9

## SHORT TERM PROVISIONS

(Rs. in Lacs)

Particulars	As at 31.3.2017	As at 31.3.2016
<b>Provision for Employee Benefits</b>		
Leave Encashment	27.73	12.54
Bonus	0.99	2.51
	<u>28.72</u>	<u>15.05</u>

- 9.1 The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary and LIC's actuarial valuation respectively, using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds is consistent with the currency and estimated terms of the defined benefit obligations. Actuarial gains and losses are recognised immediately in the Profit & Loss Statement as income or expense.


**Note No. 10**
**TANGIBLE**

Nature of Fixed Assets	GROSS BLOCK (At Cost)				
	As at 1.4.2016	Adjustments from WIP	Additions	Sales/ Adjustments	As at 31.3.2017
Land & Site Development	3095.11	-	-	-	3095.11
Building	1029.40	-	-	-	1029.40
Factory Building	2487.25				2487.25
Tube well	40.74				40.74
Plant & Machinery	27317.67	291.88	28.45	-	27638.00
Electric Installation	19.71		-		19.71
Railway Siding	189.81	-	-	-	189.81
Lab Instruments	25.43	0.36	1.62		27.41
Office Equipment	85.55	-	2.16		87.71
Furniture, Fixtures	67.14	-	2.64	-	69.78
Computers	115.16		3.10	-	118.26
Vehicles	158.97	-	-	-	158.97
<b>Total</b>	<b>34631.94</b>	<b>292.24</b>	<b>37.97</b>	<b>-</b>	<b>34962.15</b>
Previous year	34645.18	43.04	2.25	58.53	34631.94

**INTANGIBLE**

Nature of Fixed Assets	GROSS BLOCK (At Cost)				
	As at 1.4.2016	Adjustments from WIP	Additions	Sales/ Adjustments	As at 31.3.2017
ERP Software	-	14.02	-	-	14.02
<b>Total</b>	<b>-</b>	<b>14.02</b>	<b>-</b>	<b>-</b>	<b>14.02</b>
Previous year	-	-	-	-	-

- 10.1 Depreciation for the year 2016-17 includes Rs.323.47 lacs (Previous year Rs.323.29 lacs) as depreciation arising on revaluation of Fixed Assets, which has been adjusted against Revaluation Reserve and has not been charged to the Profit and Loss Statement.
- 10.2 Fixed Assets are stated at values determined by the valuer less depreciation. Machinery Spares have been capitalised as and when procured. Direct costs are capitalised till the assets are ready to be put to use. These costs also includes financing cost (including exchange rate fluctuations) relating to specific borrowing attributable to Fixed Assets. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are taken out from books of accounts and resultant profit (including capital profit) or loss, if any, is reflected in Profit and Loss Statement.
- 10.3 The Company has charged depreciation on Fixed Assets as per the useful life specified in Part 'C' of Schedule II of the Companies Act, 2013. The life of the components identified by Company is not different than the plant and machinery to which these components relate. Fixed Assets individually costing upto Rs.5,000/- are depreciated 100% in the year of purchase. Depreciation on Foreign Exchange adjustments arising from foreign exchange variations is charged on residual useful life of asset.
- 10.4 The Company had revalued its Fixed Assets (other than the 100 TPD Membrane Cell Plant Power Line) as on 31<sup>st</sup> 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 27<sup>th</sup> October, 2005 and the revalued figures were incorporated in the accounts in the financial year 2005-06. Accordingly a sum of Rs.6243.16 lacs being the surplus of the value of assets over the written down value, had been credited to the Revaluation Reserve.
- 10.5 The Company had revalued its 100 TPD Membrane Cell Plant Power Line as on 31<sup>st</sup> 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 29<sup>th</sup> October, 2007 and the revalued figure was incorporated in the accounts in the financial year 2007-08. Accordingly, a sum of Rs.27.78 lacs being the surplus of the value of the asset over the written down value, had been credited to the Revaluation Reserve.
- 10.6 The Company had revalued its Fixed Assets as on 31<sup>st</sup> 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 29<sup>th</sup> January, 2010 and the revalued figures were incorporated in the accounts in the financial year 2009-10. Accordingly a sum of Rs.4819.99 lacs being the surplus of the value of assets over the written down value, had been credited to the Revaluation Reserve.
- 10.7 Depreciation of Rs.8.10 lacs is being adjusted in Tubewell being excess amount adjusted in factory building during the year 2014-15.

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<b>ASSETS</b>				(Rs. in Lacs)	
<b>DEPRECIATION</b>				<b>NET BLOCK</b>	
Upto 31.3.2016	For 2016-17	Adjustments	Upto 31.3.2017	As at 31.3.2017	As at 31.3.2016
-	-	-	-	3095.11	3095.11
330.03	15.71	-	345.74	683.66	699.37
1500.26	68.68	8.10	1560.84	926.41	986.99
28.24	1.18	(8.10)	37.52	3.22	12.50
20816.20	688.83	-	21505.03	6132.97	6501.47
13.03	1.41	-	14.44	5.27	6.68
103.67	10.06	-	113.73	76.08	86.14
21.38	1.09	-	22.47	4.94	4.05
77.29	4.39	-	81.68	6.03	8.26
62.47	0.99	-	63.46	6.32	4.67
106.29	3.68	-	109.97	8.29	8.87
127.78	11.23	-	139.01	19.96	31.19
23186.64	807.25	-	23993.89	10968.26	11445.30
22414.72	819.11	47.19	23186.64	11445.30	12230.46
<b>ASSETS</b>				<b>(Rs. in Lacs)</b>	
<b>DEPRECIATION</b>				<b>NET BLOCK</b>	
Upto 31.3.2016	or 2016-17		Upto 31.3.2017	As at 31.3.2017	As at 31.3.2016
-	2.11	-	2.11	11.91	-
-	2.11	-	2.11	11.91	-
-	-	-	-	-	-



**Note No. 11**

**CAPITAL WORK IN PROGRESS**

(Rs. in Lacs)

Particulars	Cost as at 1.4.2016	Additions / Adjustments	Transfer to Fixed Assets	Cost as at 31.3.2017
Buildings	2.79	-	-	2.79
Plant & Machinery	140.80	486.51	292.24	335.07
ERD Software	11.90	2.12	14.02	-
<b>Total</b>	<b>155.49</b>	<b>488.63</b>	<b>306.26</b>	<b>337.86</b>
Previous year	60.39	138.14	43.04	155.49

**Note No. 12**

**DEFERRED TAX ASSETS**

(Rs. in Lacs)

Particulars	As at 31.3.2017	As at 31.3.2016
Opening Balance	1028.96	1028.96
Less Deferred Tax Liabilities (net) during the year	-	-
Balance	<u>1028.96</u>	<u>1028.96</u>

12.1 In view of the loss during the financial year 2016-17, the Company has not recognized the Deferred Tax Assets in respect of the loss during the financial year 2016-17.

**Note No. 13**

**LONG TERM LOANS AND ADVANCES**

(Rs. in Lacs)

Particulars	As at 31.3.2017	As at 31.3.2016
<b>Long Term Loans and Advances (Unsecured, Considered Goods unless otherwise stated)</b>		
Security Deposits	272.15	319.67
	<u>272.15</u>	<u>319.67</u>

**Note No. 14**

**OTHER NON CURRENT ASSETS**

(Rs. in Lacs)

Particulars	As at 31.3.2017	As at 31.3.2016
Deferred Expenditure:		
As per last balance sheet	740.09	710.00
Addition during the year	707.64	278.28
	<b>1447.73</b>	<b>988.28</b>
Less: Amortised during the year	<u>295.37</u>	<u>248.19</u>
Closing Balance	<b>1152.36</b>	<b>740.09</b>
	<u>1152.36</u>	<u>740.09</u>

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

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## Note No. 15 INVENTORIES (Rs. in Lacs)

Particulars	As at 31.3.2017	As at 31.3.2016
Raw Materials	344.70	215.20
Stock in process	38.05	37.23
Finished goods	153.20	196.09
Materials in transit	4.88	-
Stores, Spares consumables	442.94	640.25
	<u>983.77</u>	<u>1088.77</u>

## Note No. 16 TRADE RECEIVABLES (Rs. in Lacs)

Particulars	As at 31.3.2017	As at 31.3.2016
Considered Goods except where provided for:		
Debt over six months : secured	20.60	7.10
: unsecured	<u>727.39</u>	633.28
	747.99	640.38
Other Debts : secured	5.84	33.61
: unsecured	<u>445.96</u>	424.99
	451.80	458.60
	1199.79	1098.98
Less: Provision for doubtful debts	<u>638.98</u>	563.98
	<u>560.81</u>	<u>535.00</u>

## Note No. 17 CASH AND CASH EQUIVALENTS (Rs. in Lacs)

Particulars	As at 31.3.2017	As at 31.3.2016
Cash in hand	2.02	2.33
Cheques in hand	65.25	193.46
Balance with Scheduled Banks		
Current Account	544.06	211.35
Cash Credit Account	19.86	-
Fixed Deposits (Including margin money for Letters of Credit and Bank Guarantees)	<u>1244.73</u>	1715.78
	1808.65	1927.13
	<u>1875.92</u>	<u>2122.92</u>

## Note No. 18 SHORT TERM LOANS AND ADVANCES (Rs. in Lacs)

Particulars	As at 31.3.2017	As at 31.3.2016
Unsecured, Considered goods unless otherwise stated		
Suppliers/Service Providers(Including capital goods for Rs.1.69 lacs)	530.18	613.52
Less: Provision for doubtful debts (Others)	<u>474.96</u>	451.44
	55.22	162.08
Staff Advances	25.19	4.53
	<u>80.41</u>	<u>166.61</u>

18.1 The final adjustment of (a) expenses on common facilities with Punjab National Fertilizers & Chemicals Limited (under liquidation) for Railway Siding, Hostel Building, Power Link Line, Land, Tube well, Staff Housing Colony and Storm Water Drain etc., and (b) other expenses aggregating to Rs.460.95 lacs incurred on behalf of Punjab National Fertilizers & Chemicals Limited shall be made as per the settlement by the Official Liquidator of Punjab National Fertilizers & Chemicals Limited. However, an amount of Rs.23.52 lacs (previous year Rs.25.88 lacs) has been provided as doubtful debt during the current year.


**Note No. 19**
**OTHER CURRENT ASSETS**

(Rs. in Lacs)

Particulars	As at 31.3.2017	As at 31.3.2016
Balance with Central Excise	16.54	38.24
Pre paid expenses	39.59	32.59
Amount recoverable	331.88	363.27
Amount recoverable excise	15.90	12.90
Income Tax recoverable	19.81	22.20
Claim recoverable	19.95	149.22
Power subsidy	0.26	0.26
Service tax claimable	1065.46	963.98
Cenvat claimable succeeding year	50.61	38.91
Income tax claimable	37.45	24.85
Advance against water charges	8.07	8.07
	<b>1605.52</b>	<b>1654.49</b>

**Note No. 20**
**CONTINGENT LIABILITIES AND COMMITMENTS**

(Rs. in Lacs)

Particulars	As at 31.3.2017	As at 31.3.2016
a) Letters of Credit Outstanding	-	US\$ 52500
	(-)	(Rs. 3.57)
	-	GBP 20160
	(-)	(Rs.19.85)
	-	EUR 19892.80
	(-)	(RS. 15.03)
b) Bank Guarantees given by Company	179.27	21.66
c) Excise/Service Tax Demand/claims under appeal (Including Rs. 80.90 lacs deposited under protest)	397.50	390.50
d) House Tax on Industrial Buildings for the period 1.10.2010 to 31.3.2013 for which the Company's Revision Petition is pending before the Revisional Authority after the disallowing of the Company's Appeal which was filed before the Appellate Authority after payment of a sum of Rs.20 lacs pursuant to the Order dated 14.3.2014 of the Punjab & Haryana High Court in the Civil Writ Petition filed by the Company.	99.84	99.84
e) Estimated amounts of contracts remaining to be executed on capital account and not provided for	27.55	581.43
f) Differential Interest on delayed payment claimed by PSPCL	608.23	454.08
g) Additional Liability on account of Income Tax Assessments for the Assessment Years 2014-15 onwards (which are pending), is unascertainable.		

**Note No. 21**
**REVENUE**

(Rs. in Lacs)

Particulars	2016-17	2015-16
Revenue from sale of goods	30277.42	27254.10
Revenue from trading of goods	-	-
	<b>30277.42</b>	<b>27254.10</b>
Less: Excise Duty	3467.20	3140.74
	<b>26810.22</b>	<b>24113.36</b>
Other Income:		
Interest received	102.84	57.37
Scrap Sales	121.20	123.62
Misc. Income	43.35	334.81
Investment Incentive written back	2.24	2.98
Excess Provision written back	1.19	0.17
Profit on sale of fixed assets	-	14.42
	<b>270.82</b>	<b>533.37</b>

# Punjab Alkalies & Chemicals Limited

## Note No. 22

### COST OF MATERIALS CONSUMED

(Rs. in Lacs)

Particulars	2016-17	2015-16
Salt	3852.91	3991.84
Soda Ash	58.57	51.54
Barium Carbonate	137.30	207.75
Sulphuric Acid	119.13	89.57
Others	94.92	64.13
	<u>4262.83</u>	<u>4404.83</u>

## Note No. 23

### CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK-IN-PROCESS

(Rs. in Lacs)

Particulars	2016-17	2015-16
<b>Closing Stocks</b>		
Finished Goods	153.20	196.09
Stock in Process	38.05	37.23
	<u>191.25</u>	<u>233.32</u>
<b>Less: Opening Stocks</b>		
Finished Goods	196.09	123.13
Stock in Process	37.23	43.64
	<u>233.32</u>	<u>166.77</u>
<b>Increase/(Decrease) in Stock</b>	<u>-42.07</u>	<u>66.55</u>

## Note No. 24

### MANUFACTURING EXPENSES

(Rs. in Lacs)

Particulars	2016-17	2015-16
Power, Fuel & Utilities	18671.53	16369.02
Stores & Spares consumed	452.54	273.24
Packing Material	0.01	0.02
	<u>19124.08</u>	<u>16642.28</u>

## Note No. 25

### EMPLOYEE BENEFITS EXPENSE

(Rs. in Lacs)

Particulars	2016-17	2015-16
Salaries, Wages & Bonus	2445.74	1935.42
Contribution to Provident, Superannuation & Gratuity funds	488.99	237.20
Staff Welfare, Recruitment & Training Expenses	229.92	175.65
	<u>3164.65</u>	<u>2348.27</u>

## Note No. 26

### FINANCE COST

(Rs. in Lacs)

Particulars	2016-17	2015-16
Interest and Charges		
Term Loans	-	-
Debentures	317.58	239.27
Cash Credit	14.66	101.51
Monitoring Agency Fee	-	100.00
Security Deposits/Others	18.04	23.69
	<u>350.28</u>	<u>464.47</u>




**Note No. 27**
**ADMINISTRATION EXPENSES**

(Rs. in Lacs)

Particulars	2016-17	2015-16
Labour Charges	128.53	107.17
Railway Siding Operations	4.36	6.84
Repair & Maintenance		
Plant & Machinery	132.76	104.58
Building	121.39	4.73
Others	18.49	6.43
	272.64	115.74
Board Meeting Expenses	3.22	3.38
Travelling & Conveyance		
Directors	1.15	2.09
Others	42.79	41.28
	43.94	43.37
Statutory Auditors Remuneration		
Audit Fees	1.01	0.90
Tax Audit Fees	0.07	0.07
Other Services	0.31	0.40
Out of Pocket Expenses	0.60	0.57
	1.99	1.94
Legal & Professional Charges	31.87	12.03
Insurance	71.53	50.69
Printing & Stationery	11.60	10.34
Postage & Telephone	15.18	14.34
Electricity & Water Charges	7.34	5.16
Rent, Rates & Taxes	46.71	49.10
Pollution Control Expenses	109.97	107.81
Miscellaneous Expenses	16.14	15.96
Loss on insurance claim	13.77	-
Doubtful Debts Others	23.52	25.88
	802.31	569.75

**Note No. 28**
**SELLING EXPENSES**

(Rs. in Lacs)

Particulars	2016-17	2015-16
Advertisement	0.62	3.62
Freight, Cartage & Handling	587.07	301.10
Business Promotion	1.91	2.01
Discounts & Commission	646.80	557.18
Provision for doubtful debts	75.00	100.00
	1311.40	963.91

Note No.29. Chandigarh Administration has allotted land to Company for construction of Office Building for Rs.169.47 lacs. Interest on delayed payments amounting to Rs.75.98 lacs has been imposed by the Estate Officer, Chandigarh. The Company is in the process of seeking appropriate legal remedy against the Orders of the Estate Officer imposing penal interest. In the meanwhile the Company has paid Rs.75.98 lacs towards penal interest under protest.

Note No.30. House Tax amounting to Rs. Nil lacs (Previous year Rs.Nil lacs) has been deposited during the year under protest with Municipal Council, Nangal. The total amount of house tax on Company's industrial building and residential units in housing colony deposited under protest is Rs. 168.85 lacs in respect of the years 1987-88 to 2012-13 and the legal cases in respect thereof are pending before Appellate/ Revision Authorities and High Court.

Note No.31. Debit & Credit balances of parties are subject to their confirmation.

## Punjab Alkalies & Chemicals Limited

Note No.32. Legal action had been instituted against customers from whom a total sum of Rs.612.49 lacs (Previous year Rs.613.19 Lacs) is due as the balance of the principal value of goods supplied. Out of these, some cases have been decided and decrees/awards for a principal sum of Rs.80.31 lacs (Previous year Rs.80.31 lacs) have been passed/ announced in favour of the Company. The remaining cases are pending before various Courts/Arbitrators.

Note No.33. **Employee Defined Benefits:**

Defined Benefit Plans-as per Actuarial Valuation as on 31st March, 2017

Particulars	(Rs. in Lacs)	
	Leave Encashment	Gratuity
Expense Recognised in the Profit & Loss Statement for the year	257.34	297.51
Present Value of Defined Benefit Obligation as at 31st March, 2017	841.16	1495.68
Funding of Plan Assets as a percentage of total Plan	Unfunded	66% with LIC
Actuarial Assumptions		
- Discount Rate	7.50%	7.50%
- Expected rate of return on Plan Assets	-	7.50%
- In-service Mortality	Indian Assured Lives (2006-08)	Indian Assured Lives (2006-08)
- Attrition Rate	1% to 2%	1% to 2%
- Salary Rise	6.0%	6.0%
- Remaining Working life	9.88 Years	9.88 Years

Note No.34. **Related Party Disclosures:**

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

1) Significant Interest Entities:

The Punjab State Industrial Development Corporation Limited holds 90,90,000 Equity Shares of the Company, which constitutes 33.49% of the Subscribed Capital.

2) Key Managerial Personnel

- Shri Amit Dhaka, IAS, Managing Director (till 2<sup>nd</sup> January, 2017) and (w.e.f.20<sup>th</sup> March, 2017)
- Shri Moneesh Kumar, PCS, Managing Director (2<sup>nd</sup> January, 2017 to 20<sup>th</sup> March, 2017)
- Shri Ajay Pal Singh, Chief Financial Officer (till 31<sup>st</sup> May, 2016) and (w.e.f.6<sup>th</sup> June, 2016)
- Smt. Sugandha Kukreja, Company Secretary (w.e.f.20<sup>th</sup> October, 2016)
- Shri Pradeep Nauhararia, Company Secretary & Sr. General Manager (CompanyAffairs) (till 19<sup>th</sup> October, 2016)

b) Volume of transaction of related parties (Rs. in lacs)

	2016-17	2015-16
Remuneration (Key Managerial Personnel)		
- Shri Amit Dhaka, IAS, Managing Director (till 2 <sup>nd</sup> January, 2017) and (w.e.f.20 <sup>th</sup> March, 2017)	-	-
- Shri Moneesh Kumar, PCS, Managing Director (2 <sup>nd</sup> January, 2017 to 20 <sup>th</sup> March, 2017)	-	-
- Shri Ajay Pal Singh, Chief Financial Officer (till 31 <sup>st</sup> May, 2016) and (w.e.f.6 <sup>th</sup> June, 2016)	18.24	14.93
- Smt. Sugandha Kukreja, Company Secretary (w.e.f.20 <sup>th</sup> October, 2016)	2.92	-
- Shri Pradeep Nauhararia, Company Secretary & Sr. General Manager (CompanyAffairs) (till 19 <sup>th</sup> October, 2016)	16.23	13.40

Note No.35. A total of 2635 chlorine tonners (including rented tonners) and 53 Chlorine Cylinders of 900 Kg. and 100 Kg. each respectively, were in circulation with various customers as returnable empties, as on 31.3.2017.

Note No.36. The declaration of cash in hand as on 30.12.2016 as per notification no. G.S.R.308 (E) dated 30<sup>th</sup> March, 2017 of Ministry of Corporate Affairs is as follows:

(Amount in Rs.)

Particulars	SBNs	Other denomination Notes	Total
Closing cash in hand as on 08.11.2016	253500.00	27923.32	281423.32
(+) Permitted receipts	-	1250651.00	1250651.00
(-) Permitted Payments	-	1064667.60	1064667.60
(-) Amount deposited in Banks	253500.00	-	253500.00
Closing cash in hand as on 30.12.2016			213906.72

Note No. 37. Based on the information available with the Company, no balance is due to the micro and small enterprises as defined under the MSMED Act, 2006. Further, no interest during the period has been paid or is payable under the terms of the MSMED Act, 2006.

Note No. 38 The Company operates in a single business segment viz. chemicals. Hence segment reporting under AS-17 is not applicable.

Note No. 39 a) The Corresponding figures of the previous year have been regrouped/reclassified, wherever necessary.

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

Note No. 40. **ADDITIONAL INFORMATION AS FAR AS APPLICABLE PURSUANT TO PART II OF SCHEDULE III OF THE COMPANIES ACT, 2013:**

**i) PARTICULARS OF CAPACITY AND PRODUCTION**

Class of Goods	Unit of Qty.	Licensed Capacity		Installed Capacity		Actual Production	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Caustic Soda	MT	99000	99000	99000	99000	88301	81517
Liquid Chlorine	MT	87714	87714	87714	87714	63494	58935
Hydrochloric Acid	MT	73755	73755	39600	39600	55651	49339
		(100% basis)		(100% basis)			
Calcium Hypochlorite	MT	2000	2000	-	-	-	-
(Bleach Liquor)		(As Chlorine)					
Sodium Hypochlorite	MT			1750	1750	18419	13239
				(As Chlorine)			
Hydrogen Gas	Lacs NM <sup>3</sup>	277.20	277.20	277.20	277.20	233.74	211.86

- The Sodium Hypochlorite Units are within the overall licenced capacity (2000 TPA) of Calcium Hypochlorite and Sodium Hypochlorite.

- Actual production of Sodium Hypochlorite is on liquor basis.

- Actual production of Hydrochloric Acid is on 30-33% concentration basis.

- In case of Hydrogen gas, internal consumption and saleable quantity are taken as actual production.

## Punjab Alkalies & Chemicals Limited

### ii) PARTICULARS IN RESPECT OF FINISHED GOODS

(Rs. in lacs)

Class of Goods	Unit of Qty.	Quantity		Value	
		2016-17	2015-16	2016-17	2015-16
SALES:					
Caustic Soda Lye	MT	84423	77631	27433.80	24253.76
Liquid Chlorine	MT	63348	59024	938.19	1379.67
Hydrochloric Acid	MT	46512	40542	543.82	591.41
Sodium Hypochlorite	MT	18452	13283	825.31	549.16
Hydrogen Gas	Lacs NM <sup>3</sup>	26.98	25.20	536.30	480.10
Total				<u>30277.42</u>	<u>27254.10</u>
OPENING STOCKS:					
Caustic Soda Lye	MT	643	359	181.55	102.66
Liquid Chlorine	MT	501	590	9.71	11.76
Hydrochloric Acid	MT	167	663	0.65	3.18
Sodium Hypochlorite	MT	94	138	4.18	5.53
Hydrogen Gas	Lacs NM <sup>3</sup>	-	-	-	-
Total				<u>196.09</u>	<u>123.13</u>
CLOSING STOCKS:					
Caustic Soda Lye	MT	418	643	139.97	181.55
Liquid Chlorine	MT	647	501	7.14	9.71
Hydrochloric Acid	MT	430	167	3.27	0.65
Sodium Hypochlorite	MT	61	94	2.82	4.18
Hydrogen Gas	Lacs NM <sup>3</sup>	-	-	-	-
Total				<u>153.20</u>	<u>196.09</u>
OTHER USE (QUANTITY ONLY):					
		Internal Consumption		Neutralisation/Losses	
Caustic Soda Lye	MT	4103	3602	-	-
Liquid Chlorine	MT	-	-	-	-
Hydrochloric Acid	MT	8876	9293	-	-
Sodium Hypochlorite	MT	-	-	-	-
Hydrogen Gas	Lacs NM <sup>3</sup>	206.76	186.66	-	-

### iii) QUANTITATIVE DETAILS OF CONSUMPTION OF RAW MATERIALS AND CHEMICALS

(Rs. in lacs)

Item	Unit of Qty.	2016-17		2015-16	
		Qty.	Value (Rs.)	Qty.	Value (Rs.)
Salt (NaCl)	MT	140374	3852.91	127509	3991.84
Soda Ash	MT	273	58.57	237	51.54
Barium Carbonate	MT	460	137.30	561	207.75
Sulphuric Acid	MT	1961	119.13	1888	89.57
Others			94.92		64.13
Total			<u>4262.83</u>		<u>4404.83</u>

### iv) DETAILS REGARDING IMPORTED AND INDIGENOUS MATERIAL CONSUMED

(Rs. in lacs)

Item	Imported Value (%)	Indigenous Value (%)	Total Value
Raw Materials and Chemicals	21.96 (0.52%) [2.61 (0.06%)]	4240.87(99.48%) [4402.22 (99.94%)]	4262.83 [4404.83]
Stores and Spares	64.42 (14.24%) [14.67 (5.37%)]	388.12 (85.76%) [258.57(94.63%)]	452.54 [273.24]

Previous year figures are in brackets.



**v) VALUE OF IMPORTS (CIF BASIS)**

(Rs. in lacs)

Particulars	2016-17	2015-16
Raw Materials	38.42	-
Stores and Spares and Membranes	311.62	363.09
Total	350.04	363.09

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

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

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

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

Sd/-  
(AJAY PAL SINGH)  
Chief Financial Officer

Sd/-  
(SUGANDHA KUKREJA)  
Company Secretary

Sd/-  
(D.C. MEHANDRU)  
Director

Sd/-  
(AMIT DHAKA)  
Managing Director

As per our separate report of even date

For A.K. SOOD & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 000072N

For S.TANDON & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 006388N

Sd/-  
(GAURAV SOOD)  
Partner  
Membership No. 507583

Sd/-  
(G.L. SEHGAL)  
Partner  
Membership No. 82201

Place: Chandigarh  
Date: May 24, 2017

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