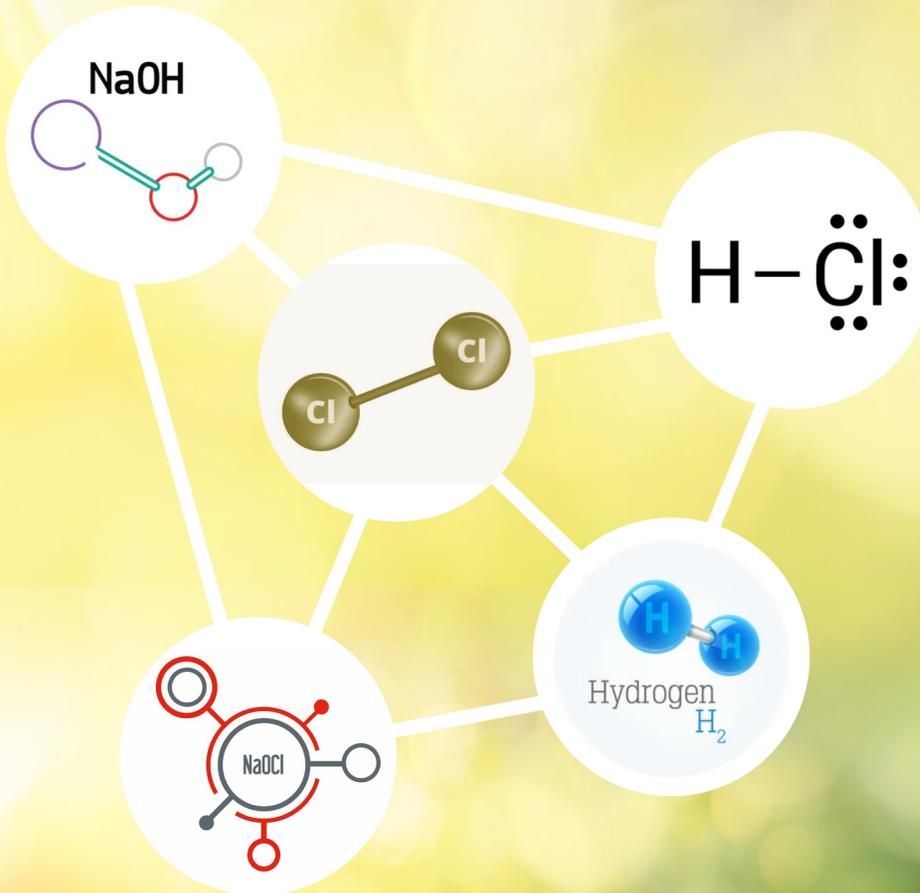




Punjab Alkalies & Chemicals Limited

47th ANNUAL REPORT 2021-22



Building a better business for the future

**pacl**

**Punjab Alkalies & Chemicals Limited**

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## GENERAL INFORMATION

### BOARD OF DIRECTORS

Shri Sukhbir Singh Dahiya, Chairman  
Shri Naveen Chopra, Managing Director  
Shri Jatin Dahiya, Executive Director  
Shri Jagbir Singh Ahlawat, Director  
Shri Tilak Raj Bajalia, Independent Director  
Shri Kuldip Singh Suhag, Independent Director  
Shri Ashok Goyal, Independent Director  
Ms. Teesta Sandhu, Independent Director

### COMPANY SECRETARY & COMPLIANCE OFFICER

CS Sugandha Kukreja

### CHIEF FINANCIAL OFFICER

Shri Arun Kumar Kaushal

### BANKERS

AU Small Finance Bank Limited

### STATUTORY AUDITORS

M/s. Hari S. & Associates,  
Chartered Accountants,  
3228, Sector 15-D  
Chandigarh - 160 015  
Firm Registration No. 007709N

### INTERNAL AUDITORS

M/s. Shah & Punamiya  
Chartered Accountants,  
A-45, New Putlibai Kapor Niwas CHS LTD,  
S V Road, Vile Parle West,  
Mumbai 400056

### COST AUDITORS

M/s. Kabra & Associates,  
Cost Accountants,  
552/1B, Arjun Street,  
Main Vishwas Road, Vishwas Nagar  
Delhi-110032

### REGISTERED OFFICE

S.C.O. 125-127, Sector 17-B,  
Chandigarh-160 017  
CIN L24119CH1975PLC003607

### 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  
Tel: 011-29961281-83  
Fax: 011-29961284  
Email ID: beetalrta@gmail.com  
Website: www.beetalfinancial.com

## BOARD OF DIRECTORS: DIVERSIFIED EXPERIENCE



**Shri Sukhbir Singh Dahiya, (Chairman)**

An industrialist though leader with experience of over 31 years including 16 years in chemical Industry. He holds Diploma in Civil Engineering from Haryana State Board of Technical Education



**Shri Naveen Chopra, (Managing Director)**

Extensive experience in chemical industry spanning over 30 years. Holds a Degree in Bachelor of Engineering (Chemical) and has done MBA from Panjab University



**Shri Ashok Goyal, (Independent Director)**

Has experience of 29 years in General Administration and has completed Post-Graduation in Economics from Panjab University. Has served as a member of Senate of University & Syndicate, Panjab University



**Shri Tilak Raj Bajalia, (Independent Director)**

A banking veteran with over 39 years of experience. Appointed as Deputy Managing Director of SIDBI and associated with multiple companies and regulators in different capacities. An Economics Graduate with Professional Degree from ICWAI and CAIIB



**Ms. Teesta Sandhu, (Independent Director)**

17 years of experience which includes working with the Hotel Industry, Airlines, Forest Essentials and Ethos Pvt. Ltd. Has done MBA with specialization in HR and Marketing.



**Shri Kuldip Singh Suhag, (Independent Director)**

He has done Bachelor of Engineering (Civil Engineering) and has an experience of about 42 years in Civil Engineering, associated with CPWD, Haryana PWD Currently working as a consultant in National Highway Authority of India



**Shri Jagbir Singh Ahlawat, (Director)**

He has diverse experience of over 31 years, including 18 years in Chemical Industry. Holds a Diploma in Civil Engineering from Haryana State Board of Technical Education and AMIE (Civil) from The Institution of Engineers (India)



**Shri Jatin Dahiya, (Executive Director)**

Experience of 4 years in the chemical industry. Holds a Degree in Bachelor of Engineering from Delhi University and Masters in Management from Duke University (US)



## Who We Are ?

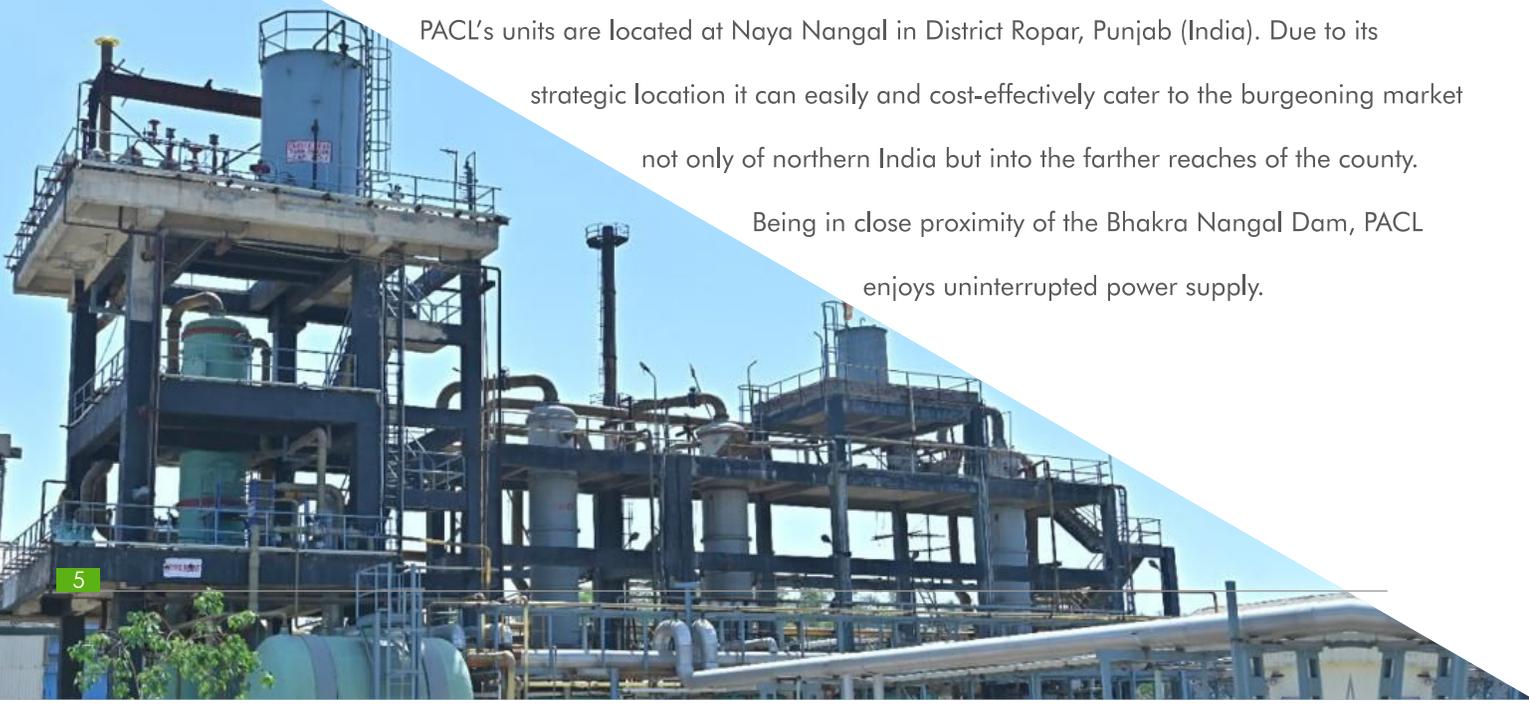
Punjab Alkalies & Chemicals Ltd is one of the largest producers of Caustic Soda in North India region.

The company's main product is Caustic Soda Lye (500 TPD) and by products include Hydrochloric Acid, Liquid Chlorine, Sodium Hypochlorite and Hydrogen gas. The company has a diversified client base and caters to wide range of industries.

PACL has two state -of - art manufacturing units situated in Punjab which are energy efficient, eco-friendly HOECHST-UHDE membrane cell technology and the present combined plant manufacturing capacity is 165,000 TPA of Caustic Soda.

PACL's units are located at Naya Nangal in District Ropar, Punjab (India). Due to its strategic location it can easily and cost-effectively cater to the burgeoning market not only of northern India but into the farther reaches of the county.

Being in close proximity of the Bhakra Nangal Dam, PACL enjoys uninterrupted power supply.



## CHAIRMAN MESSAGE



Dear Shareholders,

I hope you and your family is staying safe and healthy.

The last two years have been eventful where we have endured a global pandemic, the worst of which is behind us now, we have also faced challenges arising from emerging geo-political tensions, supply chain disruptions and inflationary pressures. As a society, we presented a resilient outlook and now look forward to next phase of growth.

Your Company has also emerged stronger after passing through an uncertain and challenging business environment arising due to the health pandemic. This buoyant recovery and performance is an outcome of strong business fundamentals, robust balance sheet and experienced leadership.

During the fiscal year, PACL has recorded highest ever Revenue growth since inception, with strong increase in profitability. During the year, your Company has reported Revenue from Operations of Rs.4,541 million, a stellar growth of 101% compared to FY2021. EBITDA for the year increased by 138% to Rs. 1,018 million, with margins of 21.7%, one of the best in the industry. Net Profit registered more than five-fold increase to Rs. 567 million. The strong performance was primarily driven by increased revenue and streamlining of expenses such as employee cost and other operating expenses. During the year under review, our Capacity utilisation stood at 117%.

The growth was also supported by capacity expansions and improvement in Caustic Soda price realization, which was led by higher demand and increase in market-wide commodity prices, in line with the global markets.

In addition, our relentless focus on developing efficient manufacturing processes and disciplined working capital management has placed PACL on the path to deliver sustainable and profitable growth in the coming years.

### KEY DEVELOPMENT DURING THE YEAR

In FY2022, company has prioritized and implemented numerous initiatives to drive growth. Stakeholders will appreciate the greater efficiency introduced for faster and effortless implementation of new projects.

From installed capacity perspective, existing Caustic Soda facility was operating at near peak levels during the FY2022. To address the rising demand, we have expanded manufacturing capacity from 300 tonnes per day (TPD) to 500 TPD, thereby placing PACL in a strong position within the Industry to meet customer demand, this is expected to result in strong growth in both topline and profitability in the next fiscal year (FY2023).

In line of our previous commitment, PACL has acquired 49% stake in Flow Tech Chemicals Pvt. Limited (Flowtech), which is engaged primarily in the manufacturing of Chlorinated Paraffin, a widely used plasticiser and Hydrochloric Acid. Flowtech is one of our major customers of chlorine and this strategic acquisition will support higher chlorine consumption, which is essential to ramp up the overall caustic production. The acquisition will provide enhanced control over manufacturing and also optimize our manufacturing process. Our plan is to acquire upto 100% stake in Flowtech by December, 2022.

Management team is dedicated and focussed on transparent and timely disclosures, with an objective of building higher accountability towards the shareholders.



## STRATEGIC GROWTH PRIORITIES

Looking ahead, we believe in the new fiscal year, PACL will embark on its next phase of growth with several strategic initiatives outlined and planned:

The work of commissioning of 35MW Coal and Biomass based thermal Power Plant is in progress, which will provide captive energy source, thereby reducing the cost of production.

PACL is also making progress in commissioning Stable Bleaching Powder (SBP) Plant. Currently, the company is also awaiting regulatory approvals for Aluminium Chloride project. To utilize hydrogen more economically and as part of forward integration, the Company is going ahead with Hydrogen Peroxide Project, for which Environment Clearance is already available. All these projects are expected to be completed in the FY2022-23 and contribution in revenue from these investments is anticipated in FY2024.

PACL is also likely to commission its Caustic Flaking Unit which will boost the demand of Caustic Soda and is also likely to provide expansion opportunities in the export market.

Total outlay for these projects is estimated at Rs.300 crores.

PACL has also applied for Environmental Clearance for a Paracetamol API manufacturing project, where Benzene and Chlorine are the key raw materials. The manufacturing unit will be backward integrated through the consumption of PACL's products such as Chlorine, Hydrochloric Acid, Hydrogen Gas and Caustic Soda. This is an important milestone project, with investment commitment of about Rs.170 crores and will be funded through a combination of internal accruals and debt.

The management of the company remains fully committed in implementing these new outlined projects, which will catapult PACL to newer heights over the next two years.

## INDUSTRY LANDSCAPE

The chemical industry was impacted to a large extent by the COVID-19 pandemic, as majority of the businesses saw pressure on gross and operating profit margins during the first half of FY22. Operating costs increased due to a significant rise in input material prices as imports from China were reduced and there was inaccessibility of key raw materials due to supply chain constraints. Furthermore, higher freight costs due to declining container availability and power constraint had also an adverse impact on operational expenses.

However, there was visible pick-up in demand from end-user industries from second quarter onwards and the trend continued on a positive note. The combination of these factors led to increase in commodity prices and realization

improved, especially in the last quarter of the fiscal. If we look specifically at Caustic Soda business, the volumes remained strong and were supported by improved realization, in line with global commodity prices.

The industry continues to receive policy support from the Government, as it is focussed on enhancing domestic manufacturing and reducing Country's reliance on imports through various programmes like Atmanirbhar Bharat and PLI programmes. In addition, the introduction of PLI programmes for the automotive, electrical, textile, pharmaceutical and other sectors, will also contribute positively in driving the demand for feedstock chemicals.

The management of PACL is confident of continuing the profitable growth journey, driven by a supportive demand environment. The various strategic initiatives undertaken and planned by PACL will help us to grow in the coming years and create value for all stakeholders.

I would now like to take this opportunity to express my deep sense of gratitude to all of our stakeholders, customers, employees, business associates, suppliers, regulators and Board of Directors and lenders for their continued support. The commitment of all our employees to the growth of our Company is invaluable.

Finally, let me express my deepest gratitude to each one of you, our shareholders. I look forward to your continued trust and confidence in the coming years.

Looking ahead, with the unstinted support of all our stakeholders, we are confident of building a better and sustainable future for PACL.

Warm Regards,

**S.S. Dahiya**  
Chairman

## Vision

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

## Mission

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



# Creating Value for Stakeholders

## 1. Organization Efficiency Led by Government Disinvestment

1. Greater efficiency with prompt balanced decision making and higher accountability towards shareholders
2. Better and timely disclosures protecting interest of the investors
3. Improved relations and perception among customers and suppliers
4. Faster implementation and execution of new projects
5. Transformation towards lean cost structure enhances profitability
6. Expansion plan outlined to deliver rapid growth in terms of revenue and scale of operations

## 2. Expansion To Drive Incremental Revenue and Profitability

- a) Capacity and Product Portfolio Expansion
  - Caustic Soda manufacturing capacity enhanced to 500 MT/Day from 300 MT/Day
  - In addition, commissioning Flaker and Stable Bleaching Powder plant
  - Optimizing use of Chlorine by increasing inhouse pipeline supply to group company Flow Tech, commissioning of project SBP plant and by adding new product of Aluminium chloride
- b) Meet the growing demand from key end-user industries such Agrochemicals, FMCG, Pharmaceutical and other ancillary industries
- c) Optimizing Resources and Enhancing Profitability
  - Consistent production and supply of current products
  - Diversify product portfolio by launching new products
  - Optimize manufacturing and transportation cost
  - Safer operations with transfer of products through pipeline

## 3. Double the Revenue and Profitability in Next 2 Years Growth

- a) Favourable Industry Dynamics, Significant Improvement in Caustic Soda Realizations
- b) Cost Optimization and Enhanced Profitability
  - 35 MW Power Plant will be commissioned providing captive energy source and also reducing cost of production
  - New Products to be launched such as Caustic flakes, Stable bleaching powder, Aluminum chloride and Hydrogen Peroxide
- c) Higher Caustic Soda Production from Newly Launched Project
  - Operationalization of SBP and Aluminum project full year benefits
  - Higher operational efficiencies and improved profitability from recently launched projects

### New Projects

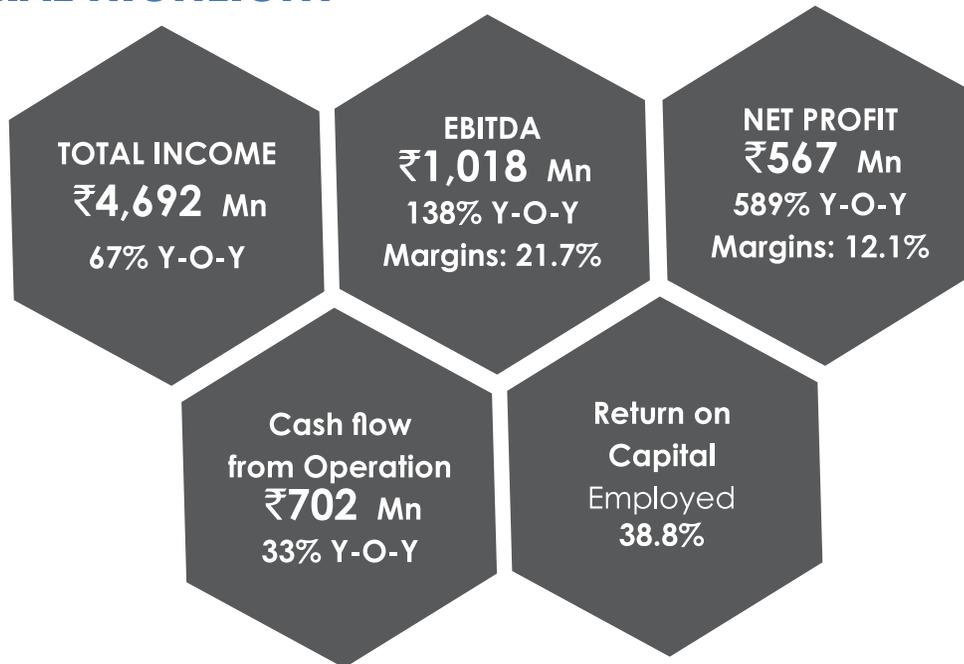
- a) Capacity Expansion from 300 TPD to 500 TPD
- b) Higher Caustic Soda Production and Forward Integration
  - Commissioning of SBP (Stable Bleaching Powder) Plant by Q3 FY23
  - Aluminum Chloride project which should operationalize by Q4 FY23
- c) Hydrogen Peroxide project is also in pipeline
  - Project will result in higher consumption of chlorine, resulting in an increase in the production of Caustic soda
- d) Paracetamol API Project
 

Environmental clearance awaited for Paracetamol API manufacturing project which will have bulk consumption of PACL's product such as Chlorine, Hydrochloric acid, Hydrogen gas and Caustic Soda

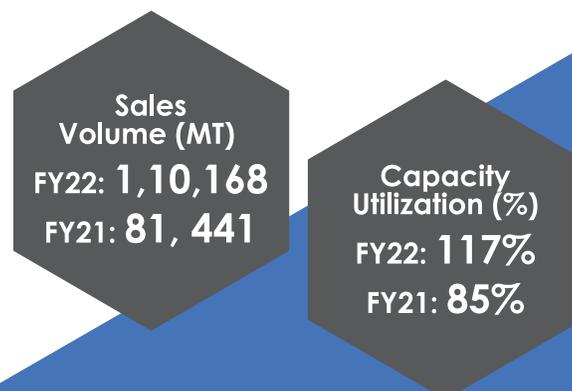


# FY2022 KEY HIGHLIGHTS

## FINANCIAL HIGHLIGHT



## BUSINESS HIGHLIGHTS



# STRATEGIC INITIATIVES UNDERTAKEN IN FY2022



## Manufacturing Capacity

- Increase in Installed Capacity from 300 TPD to 500 TPD
- Capacity Utilization levels increased from 85% in FY21 to 117% in FY22



## Cost Optimization Measures

- Streamlining of Employee expenses through deputation and retirement of 20 to 25 employees in a year
- Reducing transportation cost by using Railways as a mode of transportation for salt and transportation of finished goods by its own tankers & trucks also



## Further plans for cost rationalization and expected benefits for the company

- Increasing production leading to reduction in fixed cost
- Implementing modifications in plant to reduce cost of production



## Capital Expenditure Plans

- Commissioning of SBP plant
- Commissioning of Caustic Flaker plant
- Aluminium Chloride Manufacturing
- Captive power plant
- Hydrogen Peroxide
- Paracetamol API Manufacturing

### Strategic Investments

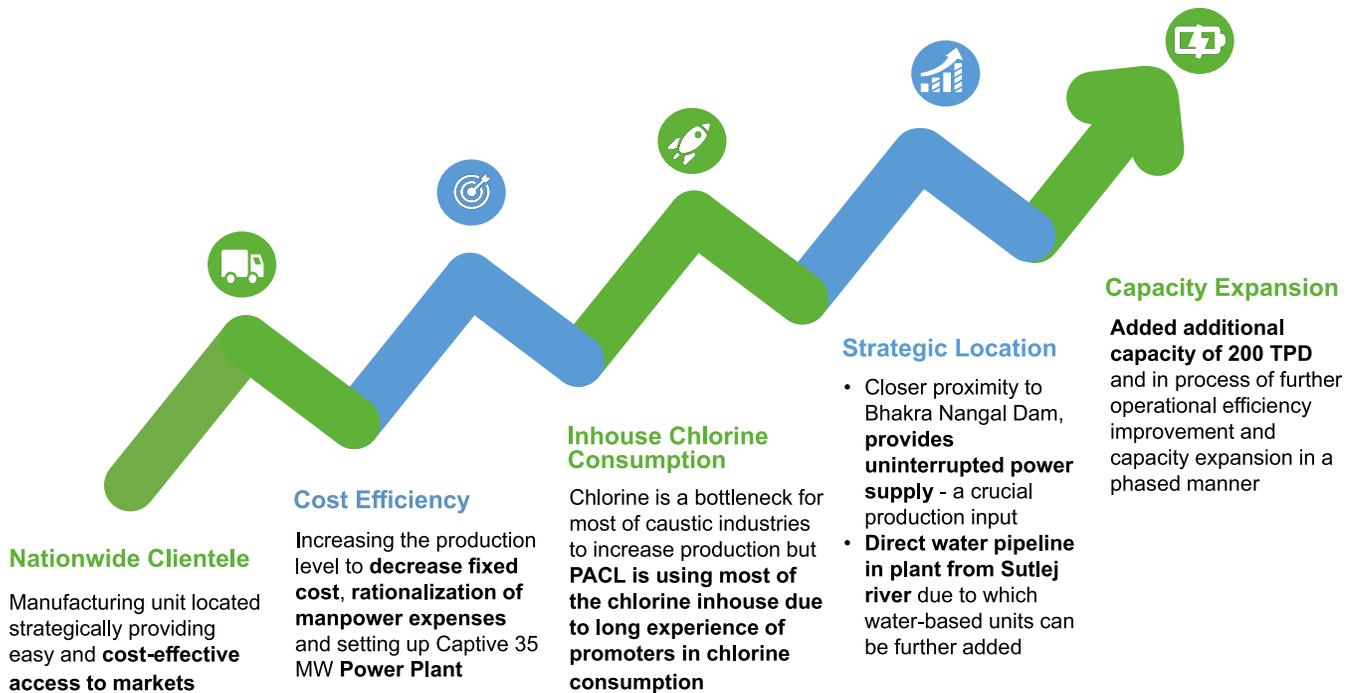
- Acquisition of Flow Tech



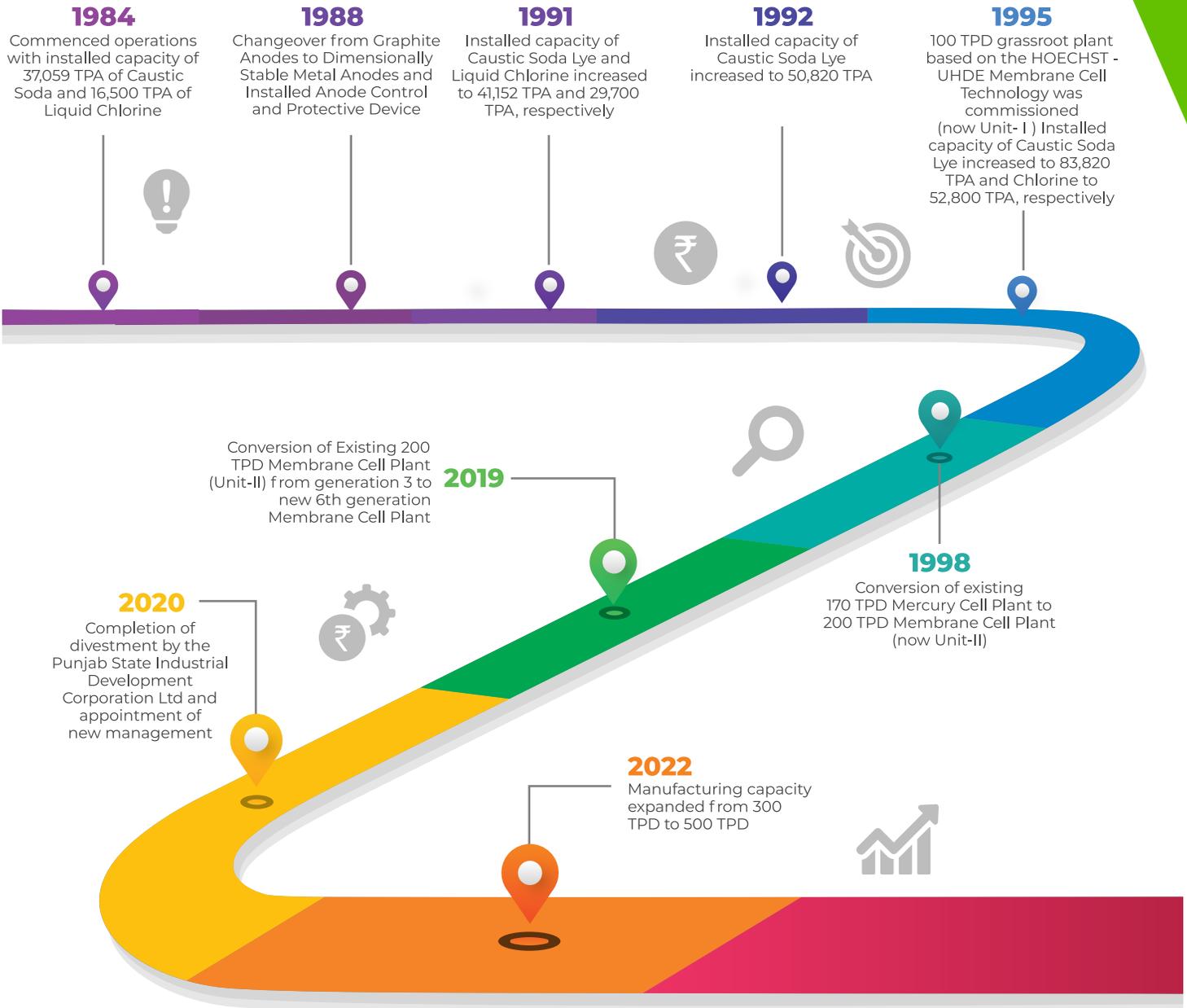
## New Products to be Launched

- Caustic Flakes
- Stable Bleaching Powder
- Aluminium Chloride
- Hydrogen Peroxide

## OUR COMPETITIVE ADVANTAGES

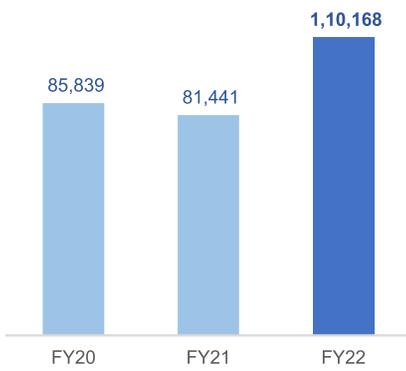


# JOURNEY SO FAR

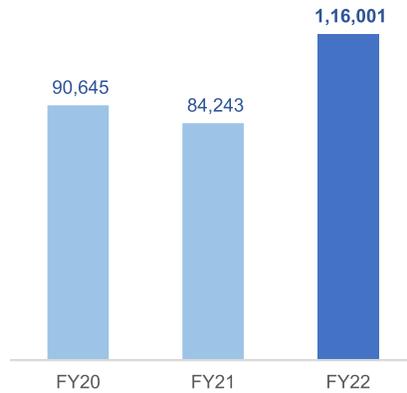


# Operational KPI's

Sales Volumes (MT)



Utilised Capacity (TPA)



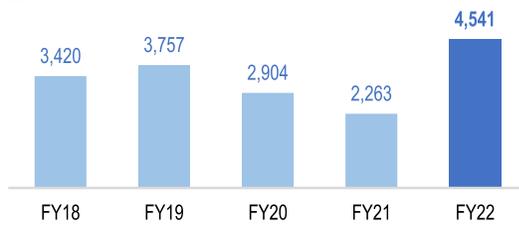
Capacity Utilization (%)



# Annual Performance Trends – Last 5 Years

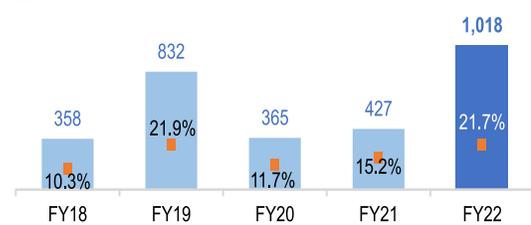
## Revenue from Operations

↑ 7.3% CAGR

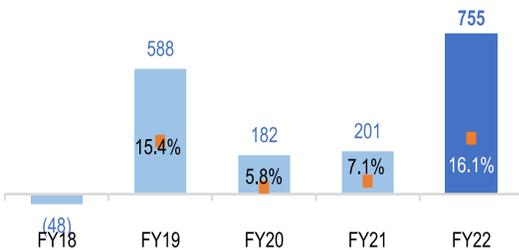


## EBITDA and Margins

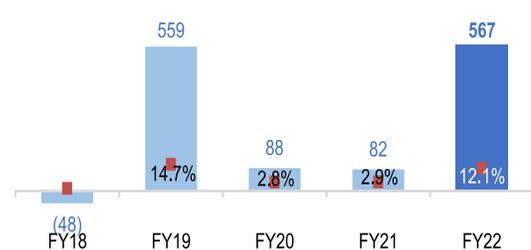
↑ 29.9% CAGR



## PBT and Margins



## Net Profit and Margins



# What We do?

## MANUFACTURING - LARGEST PRODUCER OF CAUSTIC SODA

IN NORTHERN INDIA

PACL through its two state of art manufacturing facilities is engaged in the manufacturing of chemicals such as Caustic Soda, Chlorine, Hydrogen, Hydrochloric acid and Sodium Hypochlorite, which are widely used in manufacturing processes of other industries.



## PRODUCT PORTFOLIO AND APPLICATIONS



### CAUSTIC SODA LYE

- Paper & Paper Pulp
- Soap & Detergents
- Textile, Dye Stuff Industry
- Aluminum Industry
- Fertilizers and Refineries
- Viscose & Rayon etc.
- Water Demineralization



### LIQUID CHLORINE

- Water Treatment Plants
- Paper Manufacturing
- Stable Bleaching Powder
- CPW & PVC
- Chloromethanes and other Chlor-organic chemicals



### HYDROCHLORIC ACID

- Water Demineralization in Power & Fertilizer plants
- Metal Pickling
- Preparation of various metal chloride etc.



### SODIUM HYPOCHLORITE

- Textile Bleaching
- Laundry Trade
- Dis-infection of Drinking Water etc.



### HYDROGEN GAS

- Hydrogenation of Vegetable Oils
- Optical Fibre Units
- As a coolant in Power Plants
- As a Fuel

## DIRECTORS' REPORT



Your Directors have pleasure in presenting their 47th Annual Report on the business and operations of the Company togetherwith Standalone and Consolidated Audited Financial Statements (Ind AS based) for the Financial Year ended 31st March, 2022 and the report of the Auditors thereon.

## FINANCIAL RESULTS – SUMMARY AND HIGHLIGHTS



The financial results of the Company for the year ended 31st March, 2022 are summarised below:-

(Rs. In Crores)

Particulars	Standalone		Consolidated
	2021-22	2020-21	2021-22
Revenue from Operation and & Other Income	469.22	281.43	469.22
Finance Costs	8.82	5.34	8.82
Depreciation	17.46	17.32	17.46
Total Expenditure excluding Finance Costs and Depreciation, etc.	367.41	238.7	367.41
Profit before tax	75.53	20.07	75.53
Tax Expenses	18.81	11.84	18.81
Profit after tax	56.72	8.24	56.72
Share of Profit / (Loss) of Associates	-	-	2.49
Net Profit/(Loss) for the period after associates	56.72	8.24	59.21
Earning per Share (EPS) of Rs.10/- Basic and diluted (in Rs.)	12.52	2.97	13.07
Earning per Share (EPS) of Rs.2/- Basic and diluted (in Rs.) (Equity Share of Rs.10/- each had been split into five equity shares of Rs.2/- each on 28.01.2022)	2.50	-	2.61

## RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

During the year under review, the Company's performance had been exceptionally good particularly last quarter of the year, driven by strong volume and realizations. The highlights of the Company's performance for the year ended 31st March, 2022 are as under:



## AT STANDALONE LEVEL

The Company has recorded an EBITDA of Rs.101.82 crores during the financial year ended 31st March, 2022 as compared to Rs.42.73 crores in the previous financial year resulting an increase of 138.28% in EBITDA margin.

The Company has produced 1,16,001 MT of Caustic Soda Lye (CSL) at a capacity utilization of 117.17% during the financial year ended 31st March, 2022 as against net production of 84,243 MT of Caustic Soda Lye (CSL) at capacity utilization of 85.09% during the previous financial year. The Net Sales Turnover has increased by 93.46% to Rs.436.93 crores during the financial year ended 31st March, 2022 as against Net Sales Turnover of Rs.225.85 crores during the previous financial year. Your Company has earned Net profit before tax of Rs.75.53 crores for the financial year ended 31st March, 2022 as against Net profit before tax of Rs.20.07 crores during the previous financial year.

The landed cost of raw material per metric tonnes (PMT) of Caustic Soda Lye increased from Rs.5,030/- during the financial year ended 31st March, 2021 to Rs.5,305/- during the financial year ended 31st March, 2022, mainly because of increase in landed cost of salt, barium carbonate, soda ash and sulphuric acid. Despite this significant increase in raw materials, your Company has delivered significant growth in its operations and financial performance.

The combined average sales realization (net of GST) has increased from Rs.27,732/- for the financial year ended 31st March, 2021 to Rs.39,661/- for the financial year ended 31st March, 2022. Other operating expenses have increased due to allotment of Sweat Equity Shares to the Managing Director and tax thereon.

## AT CONSOLIDATED LEVEL

As on 31st March, 2022, the Company has acquired 27.80% Stake in Flow Tech Chemicals Pvt. Ltd. (FTCPL), a Promoter Group Company, engaged primarily in the manufacturing of Chlorinated Paraffin (CP) a widely used plasticiser and Hydrochloric Acid. FTCPL is one of the major customers of Chlorine from PACL, therefore PACL is highly dependent on FTCPL for disposal of Chlorine and continuity of its operations and the FTCPL becomes the Associate Company of PACL.

At Consolidated Level, Profit after Tax of the Company was Rs.59.21 crores during the year 2021-22.

Due to various ongoing expansion plans of the Company, the Directors regret their inability to recommend any dividend for the financial year 2021-22. The Company believes that investment of the available cash to capitalize on available opportunity will help in enhancing wealth for all stakeholders.

## ASSOCIATE COMPANY

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the Statement containing salient features of the financial statements of the Company's Associate in Form AOC 1 is given in Annexure I forming part of this Report.

## DIVIDEND DISTRIBUTION POLICY

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

## UTILISATION OF FUNDS

The Company has allotted 54,00,000 equity shares of Rs.10/- each at a price of Rs.60/- each on preferential basis/ private placement basis for cash consideration to various allottees on 21st May, 2021. The Company affirms that there has been no deviation or variation in utilisation of proceeds of the said Equity Shares.

During the financial year under review, the Company has not raised any fund through fixed deposits.

## CREDIT RATING

CARE Ratings Limited have assigned credit ratings to the Company's Long Term and Short Term credit facilities as under:



Facilities	Amount (Rs. Crore)	Rating1	Rating Action
Long Term Bank Facilities	97.51	CARE BBB-(CWD) (Triple B Minus)(Under Credit watch with Developing Implications)	Continuous to be on Credit watch with Developing Implications
Long Term/ Short Term bank Facilities	20.00	CARE BBB- /CARE A3 (CWD) (Triple B Minus/ A Three)(Under Credit watch with Developing Implications)	Continuous to be on Credit watch with Developing Implications
<b>Total Facilities</b>	<b>117.51</b>		

## CURRENT OPERATIONS AND OUTLOOK

The Company with its new Promoter Group and its experienced senior management team is committed to implement the outlined strategic growth plan and deliver accelerated growth in the coming years. PACL now operating with following competitive and strategic advantages:

- Greater efficiency with prompt balanced decision making and higher accountability towards Shareholders.
- Better and timely disclosures protecting interest of the investors.
- Improved relations and perception among customers and suppliers.
- Faster implementation and execution of new projects.
- Transformation towards lean cost structure will enhance profitability.
- Expansion plan outlined to deliver rapid growth in terms of revenue and scale of operations.

The Company has expanded its manufacturing capacity of Caustic Soda Lye from 300 tonnes per day (TPD) to 500 TPD which will help in increasing production volumes of caustic soda by about 40% and will result in incremental revenue. The growth momentum is anticipated to continue in the coming years driven by strong demand scenario and prices are expected to stabilize at current levels amidst the ongoing rising global energy price environment.

In Caustic Soda Industry which is a Power Intensive Industry, power plays a very vital role as the power cost constitutes approximately 60% of cost of production

and regular increase in power tariff by State Electricity supplier(s) adversely impacts the prices of Caustic Soda and ultimately affecting the profitability. Keeping in view this aspect, the Company is implementing a 35 MW Captive Power Plant, which will not only provide energy but also reduce the cost of production across the Company's operations.

Towards diversification, the Company is implementing a Caustic Soda Flaking Project and projects for manufacture Stable Bleaching Powder and Aluminium Chloride. The Company has already acquired 49% equity stake in one of its Promoter Group Company Flow Tech Chemicals Private Limited (FTCPL) till 30th June, 2022. The Company plans to acquire 100% equity stake in FTCPL by 31st December, 2022. Post this acquisition, FTCPL will become wholly owned Subsidiary of the Company. The Company also has plans for corporate restructuring of two Promoter Group companies namely Prayag Chemicals Private Limited and V.S. Polymers Private Limited and necessary application has been made to the BSE Limited for their No-Objection. These propositions will boost the consumption of Chlorine, which is essential to ramp up overall caustic production. In addition the lower transportation cost and reduced turnaround times due to location proximity will support the Company in driving its revenue.

## SHARE CAPITAL

During the year under review, there has been following changes in the Company's Share Capital:

- The Authorized Share Capital of Company has been increased from Rs.40,00,00,000 (Rupees Forty Crores only) to 70,00,00,000 (Rupees Seventy Crores only).

- b. The Company has allotted 54,00,000 equity shares of Rs.10 each at a price of Rs.60/- each on preferential basis/private placement basis for cash consideration to various allottees on 21st May, 2021.
- c. The Company has allotted 75,00,000 equity shares of Rs.10 each at a price of Rs.60/- each on 21st May, 2021 to M/s. Durva Infratech LLP on preferential basis/private placement basis for consideration other than cash against part consideration for purchase of plant and machinery on EPC basis for setting up of captive power plant by the Company.
- d. The Company has allotted 45,00,000 sweat equity shares of Rs.10/- at a price of Rs. 89.05 each on 23rd July, 2021 to Shri Naveen Chopra, Managing Director of the Company for non-cash consideration in recognition of contribution towards value addition made by Shri Naveen Chopra.
- e. In order to enhance the liquidity in the capital market, to widen shareholder base and to make the shares more affordable to small investors, the Board of Directors of the Company in its meeting held on 2nd December, 2021 and further the Shareholders in their meeting held on 28th December, 2021, had approved the sub-division of each equity share having face value of Rs.10/- each into 5 (Five) equity shares having face value of Rs.2/- each with effect from 28th January, 2022 (Record Date) and accordingly amended the Capital Clauses of the Memorandum and Articles of Association of the Company.

Consequent to the above allotments and Sub-Division, paid-up share capital of the Company as on 31st March, 2022 and now stood at Rs.48,46,86,440/- (Rupees Forty eight crores forty six lacs eighty six thousand four hundred and forty only) divided into 24,23,43,220 (Twenty four crores twenty three lacs forty three thousand two hundred and twenty) equity shares Rs.2/- (Rs. Two only) each.

## MEETINGS OF THE BOARD

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

## ENVIRONMENT AND ENERGY CONSERVATION



The Company is committed to run its operations in an environment-friendly manner. The Company's endeavor is to take all possible measures towards ensuring safety, pollution control and good house-keeping across all its Plants. Online Monitoring System has been installed at Works as per requirement of Central Pollution Control Board. A Safety Audit of the Plant was conducted during the financial year 2021-22 from the National Safety Council and its recommendations are being implemented.

The Company strives to make enhance energy efficiency of all its manufacturing facilities. The Energy Audit is conducted on a 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-II forming a part of this report.

## CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company.

## LISTING

The Equity Shares of the Company are listed on the BSE Limited. The Annual listing fee for the year 2022-23 has been paid to the BSE Limited.



## CORPORATE SOCIAL RESPONSIBILITY



During the year under review, the Company had to spend Rs.57.94 lacs based on the average net profit of the last three years on CSR Activities. Accordingly, the amount was spent on various CSR Activities as per the Policy. The detailed report as per Section 135 of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014 has been attached as Annexure III.

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

## HUMAN RESOURCES

The Company continues to place great value on its human resources. The process of development and up gradation of human resources continued. The industrial relations remained cordial during the financial year under review.

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

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

## POLICY ON SEXUAL HARASSMENT

The Company has zero tolerance for Sexual Harassment at Workplace and has in place a "Policy on Sexual Harassment at Workplace" pursuant to Sexual

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder. The Policy aims to provide protection to employees at the Workplace and prevent and redress complaints of sexual harassment. The Policy has been framed with the objective of providing a safe working environment, where employees feel secure. Internal Complaints Committee has been setup to redress complaints regarding sexual harassment. During the year under review, the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

## CORPORATE GOVERNANCE

As per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report for the financial year 2021-22 is annexed as Annexure - V forming part of this report. The Corporate Governance Report for the financial year 2021-22 and Auditors' Certificate regarding compliance of conditions of Corporate Governance are also annexed.

## DIRECTORS & KEY MANAGERIAL PERSONNEL

The Board of Directors in its meeting held on 1st April, 2021 had, on the basis of recommendations of the Nomination and Remuneration Committee, appointed Shri Jatin Dahiya as Executive Director of the Company for a period of 3 years w.e.f. 1st April, 2021, subject to the approval of the shareholders. The said appointment of Shri Jatin Dahiya had been further approved by the shareholders of the Company in their Annual General Meeting held on 30th September, 2021.

Smt. Parerna Ahlawat had resigned from the Board of Directors of the Company vide her resignation letter dated 11th November, 2021, and is no longer associated with the Company.

The Directors place on record their appreciation of the valuable contribution made by Smt. Parerna Ahlawat during her tenure.



The Board of Directors had, in its meeting held on 2nd December, 2021, appointed Ms. Teesta Sandhu, as Additional Director in Independent capacity till the conclusion of ensuing Annual General Meeting, upon recommendation of Nomination and Remuneration Committee of the Company. Pursuant to the provisions of Section 149 of the Companies Act, 2013, the Board of Directors is seeking appointment of Ms. Teesta Sandhu, as an Independent Director of the Company for a term of five consecutive years.

Shri Jagbir Singh Ahlawat, retires as Director by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

## AUDIT COMMITTEE

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

## RISK MANAGEMENT COMMITTEE

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the annual accounts for the financial year ended 31st March, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period under review;

- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Directors have prepared the annual accounts for the financial year ended 31st March, 2022 on a 'going concern' basis;
- (v) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (vi) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## DECLARATION OF INDEPENDENT DIRECTORS

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

## RELATED PARTY TRANSACTIONS

Consequent upon acquisition of the PACL by new management in October 2020, the Companies with which PACL was already dealing with and had already entered into Agreements have become related parties. The transactions entered into by the Company with Related Parties were in the ordinary course of business and were at arm's length price. All the contracts / arrangements / transactions with Related Parties during the year were in the ordinary course of business and/or the same were at arm's length. Also, there were no material related party contracts entered into by the Company during the year under review. Accordingly, the disclosure of related party transactions as required is



not applicable under Section 134(3)(h) of the Act in Form AOC-2 for the financial year 2021-22.

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

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

In line with the requirements of the Companies Act, 2013 and the SEBI Regulations, the Company has formulated a Policy on Related Party Transactions which can be accessed on the Company's website at [www.punjabkalies.com](http://www.punjabkalies.com). Detailed Disclosure on Related Party transactions have been provided under the Notes on Financial Statements.

## VIGIL MECHANISM AND WHISTLE

### BLOWER POLICY

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

## BOARD EVALUATION



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

The performance of the Independent Directors was evaluated by the entire Board except the person being evaluated.

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

## AUDITORS

M/s.Hari S. & Associates, Chartered Accountants (Regn. No.007709N), Statutory Auditors of the company, have been appointed by the shareholders in the Annual General Meeting held on 27th September, 2017 for a period of five years i.e. from the conclusion of 42nd Annual General Meeting until the conclusion of the 47th Annual General Meeting to be held in the year 2022, at such remuneration as may be fixed by the Board of Directors. Section 139 of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 required that the appointment of the statutory auditors will be subject to ratification by shareholders at every Annual General Meeting; but pursuant to the notification of the Central Government dated 7th May, 2018, the ratification provision has been withdrawn. Accordingly, the tenure of M/s. Hari S. & Associates, Chartered Accountants, shall conclude in the ensuing Annual General Meeting. The Board of Directors place on record their appreciation for the services rendered by M/s. Hari S. & Associates, Chartered Accountants during their tenure as Auditors of the Company.

Further, the Board recommends the appointment of M/s. S. Tandon & Associates, Chartered Accountants (Regn No.006388N) as Auditors of the Company in place of retiring auditors M/s. Hari S. & 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 Annual General Meeting to be held in the year 2027. 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.

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

## COST AUDITORS

The Board of Directors of the Company at its Meeting held on 5th May, 2022 has appointed M/s. Kabra & Associates, Cost Accountant in practice, as Cost



Auditors for the Financial Year 2022-23 as per the provisions of the Companies Act, 2013 to conduct the audit of Cost Records maintained by the Company at a remuneration of Rs.50,000/- plus applicable GST besides the reimbursement of out of Pocket Expenses. As per the provisions of the Companies Act, 2013, your Directors propose the Resolution in the Notice in respect of remuneration payable to the Cost Auditors for the Financial Year 2022-23 for your ratification and approval. The Company maintains necessary cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

## SECRETARIAL AUDIT

M/s. A. Arora & Co., Practising Company Secretaries, were appointed as Secretarial Auditors of the Company for the Financial Year 2021-22. Their Secretarial Audit Report of the Company for the financial year ended 31st March, 2022 is annexed as Annexure-VI to this Report. The Report does not contain any qualification. M/s. A. Arora & Co., Practising Company Secretaries have been re-appointed as Secretarial Auditors of the Company for the financial year 2022-23.

## BUSINESS RESPONSIBILITY REPORT



Pursuant to the recent amendment in the SEBI (LODR) Regulations, 2015, top 1000 companies based on market capitalization as on 31st March of every Financial year are required to have "Business Responsibility Report" (BRR) as part of their Annual Report in line with Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company being covered in the top 1000 companies based on market capitalization as on 31st March, 2022 is required to have the Business Responsibility Report as part of Annual Report for the year 2021-22. Accordingly, the Company has adopted the Business Responsibility Policy which is available on the website of the Company. The Business Responsibility Report for the year ended 31st March, 2022 as stipulated under Regulation 34 of SEBI Listing Regulations is annexed as Annexure VII which forms part of this Annual Report.

## ANNUAL RETURN

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

## OTHER DISCLOSURES

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of financial year is not applicable.

The requirement to disclose the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable as there is no instance of one time settlement during the year under review.

## ACKNOWLEDGEMENTS

The Directors wish to thank to the Central and State Governments, Company's Bankers, financial institutions, stakeholders, business associates and Business Constituents for their continued cooperation and support to the Company and look forward to their continued support in future.

The Directors also wish to express their appreciation of the valuable services rendered by the employees of the Company at all levels.

For and on behalf of the Board

Place: Chandigarh  
Date: 1<sup>st</sup> August, 2022

Sd/-  
**(Sukhbir Singh Dahiya)**  
Chairman

## ANNEXURE – I TO THE DIRECTORS’ REPORT

### Form AOC-1

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

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

#### Part B Associates and Joint Ventures

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

1.	Name of Associates or Joint Ventures	Flow Tech Chemicals Pvt. Ltd.
2.	Latest audited Balance Sheet Date	31.03.2022
3.	Date on which the Associate or Joint Venture was associated or acquired	30 <sup>th</sup> October, 2021
4.	Shares of Associate or Joint Ventures held by the company on the year end	
	a. No. of shares	2,12,000
	b. Amount of Investment in Associates or Joint Venture	3006.58 lacs
	c. Extent of Holding (in percentage)	27.80%
5.	Description of how there is significant influence	Holding of >20% Equity Shares
6.	Reason why the associate/Joint venture is not consolidated	NA
7.	Net worth attributable to shareholding as per latest audited Balance Sheet	561.87 Lacs
8.	Profit or Loss for the year	
	i. Considered in Consolidation	248.98 lacs
	ii. Not Considered in Consolidation	Nil

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

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

Sd/-  
**(ARUN KUMAR KAUSHAL)**  
Chief Financial Officer

Sd/-  
**(SUGANDHA KUKREJA)**  
Company Secretary  
FCS-11578

Sd/-  
**(JATIN DAHIYA)**  
Executive Director  
DIN: 08106876

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

As per our separate report of even date  
For **HARI S. & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 007709N  
ICAI UDIN 22523735AJQATV1780

Sd/-  
**(KAPIL VOHRA)**

Partner  
Membership No. 523735  
Place: Chandigarh

Place: Phuket  
Date : May 5, 2022

## ANNEXURE – II TO THE DIRECTORS’ REPORT

**Disclosure of particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo pursuant to the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors’ Report for the financial year ended 31<sup>st</sup> March, 2022.**

### A. CONSERVATION OF ENERGY

**(1) Steps taken by company towards energy conservation:**

- i) Replacement of Cooling tower pumps + motors with energy efficient pump + motors.
- ii) Installation of VFD at FD fan of Rice husk fired boiler.
- iii) Installation of Energy meters in Plant.
- iv) Replacement of existing reciprocating chilled water compressor by energy efficient screw compressor.
- v) Replacement of reciprocating Instrument Air Compressor with new energy efficient screw compressors.
- vi) Replacement of existing lighting fixtures with low wattage LED lighting fixtures.
- vii) New harmonic filters 5<sup>th</sup> & 11<sup>th</sup> added after enhancement of contract demand to maintain power factor @ 0.99.
- viii) New motors that are being added are energy efficient i.e. IE3 class instead of standard motors.

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

- i) The Company is at the advance stage of Commissioning 35MW Coal based power plant as an alternate source of power.
- ii) Modification in boiler fuel tubes & H2 piping done to increase boiler capacity, thereby reducing the Hydrogen venting & minimize the use of Husk/FO while meeting the total plant steam requirement by running two boilers on pure Hydrogen gas only.

### B. ENERGY CONSUMPTION

Particulars		2021-22	2020-21
<b>A.</b>	<b>Power and Fuel Consumption</b>		
1.	Electricity		
	(a) Purchased		
	<b>(i) From Punjab State Power Corporation Limited</b>		
	Units (lacs KWH)	2800.01	1990.33
	Total Amount (Rs.in lacs)	16599.59	12129.57
	Rate /Unit (Rs.) (incl. surcharge)	5.93	6.09
	<b>(ii) From Other Sources through</b>		
	Indian Energy Exchange	-	-
	Units (lacs KWH)	-	-
	Total Amount (Rs.in lacs)	-	-
	Rate /Unit (Rs.)		
	<b>(iii) Total</b>		
	Units (lacs KWH)	2800.01	1990.33
	Total Amount (Rs.in lacs)	16599.53	12129.57
	Rate /Unit (Rs.) (incl. surcharge)	5.93	6.09
	(b) Own Generation	Nil	Nil
2.	<b>Coal</b>	973	4330
	Quantity (in kg.)	0.24	1.11
	Total Amount (Rs. In Lacs)		
3.	<b>Furnace Oil/LDO/HSD</b>		
	Quantity (K. litres)	223.323	270.273
	Total Amount (Rs.in lacs)	125.90	94.00
	Average Rate (Rs. Per K.litre)	56375.38	34779.65



<b>4.</b>	<b>Husk (Rice)</b>		
	Quantity (In MT)	4296.780	6931.710
	Total Amount (Rs. In Lacs)	281.06	255.999
	Average Rate (Rs. PMT)	6541.08	3693.15
<b>5.</b>	<b>Wooden Logs</b>		
	Quantity (In MT)	Nil	Nil
	Total Amount (Rs. In Lacs)	Nil	Nil
	Average Rate (Rs. PMT)	Nil	Nil
<b>B.</b>	<b>Consumption per Unit of Caustic Soda Produced</b>		
	1. Electricity (KWH)		
	- Caustic Soda Lye	2414	2363
	- Additional Consumption for conversion to Caustic Soda Flakes	Nil	Nil
	2. Furnace Oil/LDO/HSD(ltrs.)		
	- For Caustic Soda Lye	1.93	3.21
	- Additional Consumption for conversion to Caustic Soda Flakes	Nil	Nil

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

## C. TECHNOLOGY ABSORPTION

### i) Major efforts made towards Technology adoption & Benefits

For the production of Caustic Soda in electrolysis process, the Company uses electrolyzer elements (anodes and cathodes) made by ThyssenKrupp, Germany. In an effort to modernize the electrolysis operation, the Company has already replaced old Generation-3 electrolyser elements with latest new generation (Generation-6) elements, thereby decreasing the power consumption and increase in production.

In Unit 1 of the plant the company is operating 200 elements 100 each of old Generation-2 & Generation-3 and is in the process of conversion of these old Generation elements into latest technology Generation 6 elements.

### ii) INFORMATION REGARDING IMPORTED TECHNOLOGY

Details of Technology Imported	Technology Imported from	Year of Import	Status
Replacement of Old generation elements with Energy Efficient New Generation 6 Elements at Caustic Soda Plant.	German technology through their Indian subsidiary – M / s . Thyssenkrupp Industrial Solutions Pvt. Ltd.	2019-2022	Commissioned in a phased manner from Nov 2019 to April 2022.

## D. 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

## E. FOREIGN EXCHANGE EARNINGS AND OUTGO - Rs. 832.55 lacs

For and on behalf of the Board

Sd/-

**(Sukhbir Singh Dahiya)**

Chairman

DIN:00169921

Place : Chandigarh  
Date : 01<sup>st</sup> August, 2022

## ANNEXURE – III TO THE DIRECTORS' REPORT

### Annual Report on Corporate Social Responsibility (CSR) activities for the financial year 2021-22.

1.	<b>Brief outline of CSR Policy:</b> Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors on the recommendation of the CSR Committee laid down a CSR Policy. The Policy lays down the manner in which CSR Activities covered under Schedule VII of the Companies Act, 2013 will be taken up and implemented by the Company. A copy of the Policy is available on Company's website.																																		
2.	<b>Composition of CSR Committee &amp; Meetings:</b> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 5%;">S. No.</th> <th style="width: 20%;">Name</th> <th style="width: 30%;">Designation/ Nature of Directorship</th> <th style="width: 15%;">Number of meetings of CSR Committee held during the year</th> <th style="width: 30%;">Number of meetings of CSR Committee attended during the year</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Shri Kuldeep Singh Suhag</td> <td>Chairman/ Non-Executive &amp; Independent Director</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>2.</td> <td>Shri Ashok Goyal</td> <td>Member / Non-Executive &amp; Independent Director</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>3.</td> <td>Shri Tilak Raj Bajalia</td> <td>Member / Non-Executive &amp; Independent Director</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>4.</td> <td>Shri Jagbir Singh Ahlawat</td> <td>Member/ Non-Executive &amp; Non-Independent Director</td> <td style="text-align: center;">1</td> <td style="text-align: center;">1</td> </tr> </tbody> </table>										S. No.	Name	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year	1.	Shri Kuldeep Singh Suhag	Chairman/ Non-Executive & Independent Director	1	1	2.	Shri Ashok Goyal	Member / Non-Executive & Independent Director	1	1	3.	Shri Tilak Raj Bajalia	Member / Non-Executive & Independent Director	1	1	4.	Shri Jagbir Singh Ahlawat	Member/ Non-Executive & Non-Independent Director	1	1
S. No.	Name	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year																															
1.	Shri Kuldeep Singh Suhag	Chairman/ Non-Executive & Independent Director	1	1																															
2.	Shri Ashok Goyal	Member / Non-Executive & Independent Director	1	1																															
3.	Shri Tilak Raj Bajalia	Member / Non-Executive & Independent Director	1	1																															
4.	Shri Jagbir Singh Ahlawat	Member/ Non-Executive & Non-Independent Director	1	1																															
3.	<b>Web-link for CSR committee &amp; CSR Policy.</b>					<a href="https://www.punjabkalies.com/page/csr">https://www.punjabkalies.com/page/csr</a>																													
4.	<b>Details of Impact assessment of CSR projects</b>					N.A.																													
5.	<b>Details of the amount available for set off.</b>					NIL																													
6.	<b>Average of profit of the Company for last three financial years:</b>					Rs.2896.88 lacs																													
7.	<b>a) Two percent of the average of profit as per Section 135 (5)</b>					Rs.57.94 lacs																													
	<b>b) Surplus arising out of the CSR projects or programs or activities of the previous financial years.</b>					NIL																													
	<b>c) Amount required to be set off for the financial year</b>					NIL																													
	<b>d) Total CSR obligation for the financial year (7a+7b - 7c)</b>					Rs.57.94 lacs																													
8.	<b>a). CSR amount spent or unspent for the financial year:</b>																																		
	<b>Total Amount Spent during the Financial Year. (in Rs.)</b>		<b>Amount Unspent (in Rs.)</b>																																
			<b>Total Amount transferred to Unspent CSR Account as per section 135(6).</b>				<b>Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).</b>																												
		<b>Amount</b>	<b>Date of transfer</b>	<b>Name of the Fund</b>	<b>Amount</b>	<b>Date of transfer.</b>																													
Rs.57.95 lacs		NIL																																	
<b>b). Details of CSR amount spent against ongoing projects for the financial year:</b>																																			
1.	2.	3.	4.	5.		6.	7.	8.	9.	10.	11.																								
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency																								
				State	District						Name	CSR Registration Number																							
NIL																																			



c). Details of CSR amount spent against other than ongoing projects for the financial year:									
1. S No	2. Name of the Project.	3. Item from the list of activities in Schedule VII to the Act.	4. Local area Yes/No	5. Location of the project.		6. Amount spent in the cur- rent financial Year (in Rs. Lacs)	7. Mode of Imple- menta- tion Direct (Yes/ No)	8. Mode of Implementation - Through Implementing Agency	
				State/ UT	District			Name	CSR Registration Number
1.	Plantation near Local area for Environmental Sustainability	Ensuring environmental sustainability, ecological balance	Yes	Punjab	Rupnagar	12.40	Yes	-	-
2.	Making Available Safe Drinking Water Near Local Area	Promotion of Health care including Preventive Health care	Yes	Punjab	Rupnagar	11.44	Yes	-	-
3.	Promoting Educational/ Vocational Skills	Promoting education	No	New Delhi	South Delhi	4.00	No	Mediworld Educational Society	CSR00014358
			Yes	Punjab	Rupnagar	0.52	Yes	-	-
4.	Ensuring Animal Welfare	Animal welfare	No	Maharashtra	Mumbai & Thane	4.00	No	Utkarsh Global Foundation	CSR00003183
5.	Promotion of Health care including Preventive Health care	Promotion of Health care including Preventive Health care	Yes	Punjab	Rupnagar	24.59	Yes	-	-
			Yes	Chandigarh	Chandigarh	1.00	No	Rotary & Blood Bank Society Resource Centre	CSR00008544
		<b>Total</b>				57.95			
<b>d) Amount spent in Administrative Overheads</b>						NIL			
<b>e) Amount spent on Impact Assessment, if applicable</b>						N.A.			
<b>f) Total amount spent for the Financial Year (8b+8c+8d+8e) (in lacs)</b>						57.95			
<b>g) Excess amount for set off, if any</b>						N.A.			
9.	<b>a) Details of unspent CSR amount for the preceding three financial year(s):</b>						N.A.		
	<b>b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):</b>						N.A.		

<p>10.</p>	<p>In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year</p> <p>a) Date of creation or acquisition of the capital asset(s).</p> <p>b) Amount of CSR spent for creation or acquisition of capital asset.</p> <p>c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.</p> <p>d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).</p>	<p>N.A.</p>
<p>11.</p>	<p>Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).</p>	<p>N.A.</p>

Date: 1<sup>st</sup> August, 2022  
Place: Chandigarh

Sd/-  
**Naveen Chopra**  
Managing Director  
DIN: 08465391

Sd/-  
**Kuldip Singh Suhag**  
Chairman  
DIN: 08925842





# ANNEXURE – V TO THE DIRECTORS' REPORT

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### FOR THE FINANCIAL YEAR 2021-22

## ECONOMY OVERVIEW

### GLOBAL ECONOMY

The global economy registered a strong recovery in 2021 and is expected to grow by 6.1%, driven by strong consumer spending and a moderate investment growth which resulted in the worldwide recovery. Trade in goods has also rebounded, returning to pre-pandemic levels. Global trade value reached a new record of \$28.5 trillion in 2021, up 25% from 2020. While the first half of 2021 had the most rise in global commerce, the trend was also maintained in the second half of the year. However, during the year end, the threat from omicron variant and emerging geopolitical tensions had once again gripped the world and major economies across the globe had slowed dramatically as the effects of fiscal and monetary stimulants faded and serious supply-chain disruptions were on the rise again.

The near-term forecast for the global economy is uncertain. New waves of COVID-19 infections, ongoing Russia Ukraine crisis, lingering supply-chain challenges, and growing inflationary pressures, Central Banks rising interest rates to curb the inflation are all posing substantial obstacles to the global economic growth as a result the world economy is expected to grow at a slower pace of 3.6% in 2022, as compared to last year.

### INDIAN ECONOMY

India's economy reported an impressive recovery and clear signs of a 'V-shaped' rebound in 2021, after witnessing one of the worst economic contractions in 2020. The country steadily recovered supported by government's fiscal and monetary stimulus packages, effective implementation of world's largest vaccination program and reduced lockdowns. This bolstered manufacturing and exports while also restoring consumer confidence.

According to the International Monetary Fund, India's economy would grow at its quickest rate in the next two years and will also be one of the fastest growing economy. Resurgence in GST collection, rail freight, steel consumption, and multiple other factors are projected to contribute to the economic revival.

The Advanced Estimates of real GDP growth (YoY) of 9.2% in FY 2021-22 reinforce the GDP growth momentum established in the second wave. In FY2021-22, India's nominal gross domestic product (GDP) is expected to be Rs. 232.15 trillion (US\$ 3.12 trillion) at current prices. This is supported by a significant rebound in key high frequency indicators and with rapid growth in vaccination coverage.

However, when the world and Indian economy seems to recover from the pandemic and headed towards normalcy, the geopolitical tension between Russia – Ukraine started. This has resulted in increase in commodity and fuel prices, and consequently rise in inflation, for addressing which steps are being considered and implemented by the central banks. The uncertain macroeconomic factors may impact the pace of growth however India is still expected to remain one of the fastest growing economy.

## INDUSTRY OVERVIEW

### INDIAN CHEMICAL INDUSTRY

The Indian Chemical Industry product offering comprises of approximately 80,000 commercial goods. The industry caters and operates in different segments such as specialty chemicals, bulk chemicals, agrochemicals, petrochemicals, polymers, fertilisers and many other categories.

Domestic chemical industry plays a crucial role in addressing basic needs in the fields of clothing and textiles, communication, health care and entertainment. The industry is highly diversified, and it has players which are operating in all spheres and scales, which makes the country a global leader in overseas market, ranking 14<sup>th</sup> in exports and 8<sup>th</sup> in imports (excluding pharmaceuticals).

In terms of scale, domestic chemicals industry stood at US \$ 178 billion in 2019 and by 2025 it is expected to reach US\$



304 billion, registering a CAGR of 9.3%. In the last fiscal year, recovery in domestic demand and higher realisations owing to increased crude oil prices and stronger exports are expected to drive revenue growth to 19-20% YoY in fiscal year 2023, up from 9-10% in fiscal year 2022. Due to an improvement in domestic demand and better realisation, small and medium firms in the domestic chemicals industry are predicted to have 18-23 % revenue growth. Even global firms are now considering India to assure a steady supply of high-quality chemicals at low rates.

The industry's growth and outlook is characterized by continuous investment in Research and Development which is critical to improve quality standards, expand product portfolio, increase cost efficiencies and compete at par with global firms. The current spending on R&D is in the range of 2-3% of revenues but it is expected that over time this will increase in line of 9-10% spent by leading global companies. With policy support through introduction of the Patent Act 2005 and contribution of numerous scientific institution, the product innovation will assume higher importance and will be driving factor for growth.

The Indian government supports the chemical industry through various means such as lowering basic customs duties on a variety of imported goods and encouraging the "Make in India" programme. Except for a few dangerous chemicals, the government has permitted industrial licence and 100 percent FDI in the chemical sector via the automated approach.

## OUTLOOK

Over the next decade, India's chemicals business is expected to develop rapidly. The chemical industry is support pillar for agricultural and industrial development, and with the current per capita domestic consumption at about 1/10<sup>th</sup> of the world average, it is clear indication that the demand potential is yet to be fully realized.

With Strong domestic demand growth and the emergence of better strategy in global supply chains, the availability of cost-effective and talented workforce and India's quickly improving legislative and regulatory environment are major factors that will be driving the trajectory.

## CAUSTIC SODA INDUSTRY

The Chloro- Alkali industry in India has 35 operating units with a combined installed capacity of ~4.8 million tons per annum of Caustic Soda. Chlor-Alkali (Chemicals) business produces chemicals viz. Caustic Soda, Chlorine, Hydrogen, Hydrochloric acid and Sodium Hypochlorite, which are widely used in manufacturing processes of other industries. The main products of Chlor-Alkali industry are the basic raw materials for various industries like Caustic Soda - used in Alumina, Paper & Pulp, Soap, Textiles, Detergents, Pharmaceuticals industries etc. and Chlorine – used in CPW, Polymers, Dyes & inks, Agro-chemicals, Water treatment etc. Both caustic and chlorine are considered as the building blocks of various industries and the growth of this business is largely correlated to the GDP growth in the country. As GDP is expected to register a higher growth, the demand of these products is also expected to increase. Caustic Soda and Chlorine are produced as Co-products in the ratio of 1:0.89. The domestic demand for Caustic Soda in 2022-23 is estimated to be about 3.8 million tons per annum, grew by 8% partially due to push on post COVID consumption. In the long run the demand is expected to grow at 5%. While demand of caustic has registered higher growth however chlorine has not increased in same proportion due to lower growth in downstream industries. There are significant capacity additions of about 0.9 - 1 million tons per annum in pipeline over next 12-15 months.

## BUSINESS OVERVIEW

Punjab Alkalies & Chemicals Limited (PACL) is the largest producer of Caustic Soda in Northern India and boasts of a diversified clientele base spread across the country. PACL is operating two units based on Membrane Cell Technology in its Plant Complex at Naya Nangal, Distt. Ropar Punjab (India). PACL has increased its Caustic production capacity from 300 TPA to 500 TPA resulting into combined manufacturing capacity of 1 65,000 TPA of Caustic Soda. Key product in company's product portfolio include Caustic Soda Lye with by-products of Hydrochloric Acid, Liquid Chlorine, Sodium Hypochlorite and Hydrogen gas.



## KEY INITIATIVES

- Installed manufacturing capacity has been increased from 300 TPD to 500 TPD, resulting in annual capacity of 165,000 TPA with increase in capacity overall utilization levels.
- Cost Optimization Measures carried out through streamlining of employee expenses and reducing transportation cost with further efficiencies expected through increasing production leading to reduction in fixed cost and Implementing modifications in plant to reduce cost of production.
- Capital Expenditure Plans to expand and strengthen operations and enlarge product portfolio through launch of new products planned: Caustic Flakes, Stable Bleaching Powder, Aluminium Chloride and Hydrogen Peroxide.

## PERFORMANCE REVIEW

In the financial year 2021-22, Revenues from Operations stood at Rs.454.06 crores, an increase of 100% on year-on-year basis. Revenue growth was supported by robust operational performance with growth in sales volumes of Caustic soda lye supported by pent up demand from major end-user Industries including pulp and paper, detergent and other chemicals.

EBITDA for the year stood at Rs.101.80 crores, increase of 138% on year-on-year basis with margins improving to 21.7% from 15.2% in financial year 2020-21. EBITDA margin improvement was driven by increasing operational efficiency and better revenue visibility. Profit after Tax increased seven-fold and stood at Rs. 56.70 crores. The Company continues to generate strong cash flows and Cash flow from Operations stood at Rs.70.23 crores, increase of 33.1% on year-on-year basis.

PACL is optimistic of maintaining and enhancing the growth momentum as company builds a strong foundation with a clear expansion plan and strategic outlook, creating wealth for all stakeholders.

The Company's production of Caustic Soda Lye was 1,16,001 MT at capacity utilisation of the plant at 117.17% during the financial year 2021-22 against production of 84,243 MT at capacity utilisation of 85.09% during the financial year 2020-21. In the financial year 2021-22, the combined net average realisation was Rs.27,732/- per MT of Caustic Soda as compared to Rs.39,661 per MT during the preceding financial year. The Company has earned a Net Profit (before tax) of Rs.75.53 crores in the Financial Year 2021-22 against Net Profit (before tax) of Rs.20.07 crores during 2020-21.

The power consumption PMT of Caustic Soda Lye increased to 2414 units for the financial year ended 31<sup>st</sup> March, 2022 as against 2363 units for the financial year ended 31<sup>st</sup> March, 2021. Further the power tariff has reduced from Rs.6.09 per unit for the financial year ended 31<sup>st</sup> March, 2021 to Rs.5.93 per unit for the financial year ended 31<sup>st</sup> March, 2022 because of increase in incurrent load or high production.

## GROWTH STRATEGY AND OUTLOOK

In the financial year 2022-23, the Company is working on implementing several initiatives which will augment and deliver incremental growth:

- 35 MW Power Plant will be commissioned which will not only act as a captive energy source but also result in reduction of the cost of production across operations.
- A SBP (Stable Bleaching Powder) Plant is being commissioned which is expected to be operationalized by Q3 FY23.
- For Aluminium Chloride project regulatory approvals are awaited. The said Project is expected to be operationalized by Q4 FY23.

These projects will consume chlorine as a key raw material thereby increasing the production of caustic soda and will drive company topline and profitability.

As a step towards forward integration to utilize hydrogen more gainfully, the Company is going ahead with Hydrogen Peroxide Project for which Environment Clearance is already available.



In addition to the above, PACL's Application for Environmental Clearance for a Paracetamol API manufacturing project is under consideration before the Ministry of Environment, Forest and Climate Change, Government of India. This project will have Benzene and Chlorine as the key raw materials. This will result in backward integration of the manufacturing unit with consumption of PACL's products such as chlorine, hydrochloric acid, hydrogen gas and caustic soda.

With all these projects underway, the Company is well positioned to build a better business for the future.

## MARKETING

Financial Year 2021-22 has been a challenging year which tested the Company's intrinsic strength in the face of the global Covid-19 pandemic. After initial operational hiccups, the Company was able to adapt to the changed circumstances and operations normalised relatively quickly. The Company responded swiftly to support its key asset, its people, by deploying a slew of initiatives related to employee well-being. These included remote working, medical support for the affected, rigorous safety protocols and amending Human Resource (HR) processes. The Company fulfilled all its contractual obligations and agreements and continues to do so and does not foresee any material impact due to non-fulfillment of obligation by any party in existing contracts or agreements. The Company has been able to market the additional quantity of its products resulted from creation of additional production capacity.

## OPPORTUNITIES

The Company's two Caustic Soda Plants are located in its Plant Complex at Naya Nangal, District Ropar, Punjab in close vicinity of a State Highway and around 12 Kms. from the Bhakra Left Bank Power Generating Station and about 2.5 Kms. from Sutlej River. The Company has locational advantages of availability of uninterrupted Power supply – a major input, perennial source of water, skilled labour and close proximity to road/rail and the presence of several end-user Units in industries like paper, fertilizers, soaps and detergents, etc. in its Natural Marketing zone. Presence of inplant railway line as a cost effective transportation mode with potential to expand and manage many other raw materials and final products.

The Company is supplying Hydrogen Gas through pipeline to one Hydrogen Compressing & Bottling Unit situated near the PACL Complex and is also utilising Hydrogen as a fuel, which result in a considerable improvement of utilisation of its bye-product Hydrogen Gas. The Company is also supplying Chlorine Gas through pipeline to one of its new Promoter Group Chlorinated Paraffin Wax (CPW) Plant situated within the PACL Complex. This results in regular supply of Chlorine besides saving on transportation cost.

## 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. Every increase in power cost constitutes a threat to the Company's operations. Power also constitutes a major threat to the Company's operations because of imposition of restriction on purchase of power under Open Access System and that end with the adverse effect on the profitability. The other possible threats are increase in other input costs, existing excess capacity and on-going expansion of installed capacities in Indian Caustic Soda Industry.

Another challenge being faced by the industry is dependency on international markets for import of membranes which are regularly required for carrying its operations on environment friendly and energy efficient Membrane Cell Technology. The membranes are not indigenously available.

Other threats are on account of lower pace of demand of Chlorine as compared to the demand of Caustic in the market and Increasing prices of Coal in International and Domestic market could also increase the prices of Power.

## RISKS AND CONCERNS

The major areas of concern for the Company are hike in power tariff, safety on account of production of Chemicals of Hazardous nature, rise in other input costs, expansion of installed capacities in the domestic caustic industry, cheaper and imports of Caustic Soda at cheaper rates.



## 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 increase in wheeling charges for purchasing power under Open-access (2) Production of Hazardous Chemicals – Caustic Soda and Chlorine, and (3) 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) import of Caustic at cheaper rates.

## INTERNAL CONTROL SYSTEMS

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

## HUMAN RESOURCES

The Company considers its human resources to be the key thrust area. The Company has always stood by its commitment of harnessing and developing its human resources. The training and development of human resources is an ongoing process. The HR department endeavors to create a work environment that ensures employees continued wellbeing and each individual personal potential is fully aligned with Company's growth strategy. The industrial relations remained cordial during the financial year under review. The Company had 357 employees (including 41 employees on deputation) as on 31<sup>st</sup> March, 2022.

## 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

Place: Chandigarh  
Date: 01<sup>st</sup> August, 2022

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



## ANNEXURE – VI TO THE DIRECTORS' REPORT

### Form No. MR-3

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,

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

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

Based on my verification of the PUNJAB ALKALIES & CHEMICALS LIMITED'S books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 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, 2022 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 (Share Based Employee Benefits) Regulations 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021: Not Applicable during the financial year under review.
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: applicable to the extent of and in respect of preferential issue of equity shares by the company.



- e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: Not Applicable as there was no instance of Buy-Back during the financial year.
  - f) The erstwhile Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015- Not applicable as the company has not issued any debt securities during the financial year under review.
  - g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021: Not applicable during the financial year under review.
  - h) 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.
  - i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021- Not applicable as the company has not delisted any securities from any stock exchange during the financial year under review.
  - j) Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002.
- (vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, Industrial Dispute Act, 1947, Employee State Insurance Act, 1948, The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Gratuity Act, 1972, The Industrial Employment (Standing Order) Act, 1946, Equal Remuneration Act, 1976 etc.
- (vii) Environment Protection Act, 1986 and other environmental laws.
- (viii) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.
- (ix) The Air (Prevention and Control of Pollution) Act, 1981
- (x) The Water (Prevention and Control of Pollution) Act, 1974
- (xi) The Boilers Act, 1923, The Explosives Act, 1884 and The Explosives Rules, 2008, Gas Cylinder Rules, 2004.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Government of India.
- b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('LODR Regulations') being listed on the BSE Limited;

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

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

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

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

I further report that during the audit period:

1. With the approval of the members in the Extra Ordinary General Meeting held on 12.04.2021:
  - a. The authorised share capital of the company was increase from Rs. 40.00 Crores to Rs. 70.00 Crores and consequent alterations were carried out in the Memorandum and Articles of Association of the company.
  - b. The company has issued and allotted 75,00,000 fully paid up equity shares of Rs. 10/- each at a premium of Rs. 50/- each on preferential issue basis to M/s Durva Infratech LLP for consideration other than Cash.



- c. The company has issued and allotted 54,00,000 fully paid up equity shares of Rs. 10/- each at a premium of Rs. 50/- each on preferential issue basis.
  - d. The Board of Directors were authorised to borrow money(ies) to the extent of Rs. 500 Crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher under Section 180 (1)(c) and to sell, mortgage and /or charge, on all or any of the movable and /or immovable properties of the Company both present and future subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013, from time to time.
2. With the approval of the members in the Extra Ordinary General Meeting held on 30.06.2021:
- a. The company submitted an application under Regulation 30 read with 31A(8)(d) of the LODR Regulations, and with the subsequent approval of BSE Limited, reclassified Punjab State Industrial Development Corporation Limited (PSIDC), the erstwhile promoter of the company on behalf of State Government of Punjab, to the non promoter category as per the LODR Regulations.
  - b. The company has issued and allotted 45,00,000 fully paid up equity shares of Rs. 10/- each at a premium of Rs. 79.05/- per share, as Sweat Equity shares to Mr. Naveen Chopra, Managing Director of the company in compliance with Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002.
  - c. The Board of Directors were authorised under Section 186 of the Companies Act, 2013 and other applicable Rules for loans, investment or guarantee or security not exceeding Rs. 200 crores over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more.
  - d. The Board of Directors of the Company were authorised for transactions between the Company and shareholders of Flow Tech Chemicals Private Limited ("FTCPL"), a related party of the Company in connection with purchasing of stake of upto 49%, in one or more tranches (by 30<sup>th</sup> June, 2022) and gradually upto 100% stake (by 31<sup>st</sup> December, 2022) in phased manner. As per the approval, as on March 31, 2022, the company had acquired 27.80% of the total shareholding of Flowtech Chemicals Private Limited, thereby making FTCPL an associate of the company.
3. With the approval of the members in the Extra Ordinary General Meeting held on 28.12.2021, the company approved the sub-division of each equity share of face value Rs. 10/- each into 5 equity shares of face value of Rs. 2/- each and consequent alterations were carried out in the Memorandum and Articles of Association of the company. Accordingly, the company gave effect to the sub-division after fixing 28.01.2022 as the record date.
4. The Board of Directors of the company, with the recommendation of the Audit Committee and the Committee of Independent Directors, have approved the draft composite scheme of amalgamation of Prayag Chemicals Private Limited and V. S. Polymers Private Limited (collectively referred to as the 'transferor Companies/ amalgamating companies') with Punjab Alkalies & Chemicals Limited (transferee company / amalgamated company).

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

- (i) Redemption/ Buy-Back of securities.
- (ii) Foreign technical collaborations.

Place: Chandigarh  
Date : 20.06.2022

For **A. Arora & Co.**  
Company Secretaries  
UDIN: F002191D000508928

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.

**“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 : 20.06.2022

For **A. Arora & Co.**  
Company Secretaries  
UDIN: F002191D000508928

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

## ANNEXURE VII TO THE DIRECTORS' REPORT

### BUSINESS RESPONSIBILITY REPORT 2021-2022

[Regulation 34(2)(f) of SEBI Listing Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY		
1.	Corporate Identity Number (CIN) of the Company:	L24119CH1975PLC003607
2.	Name of the Company :	Punjab Alkalies and Chemicals Limited
3.	Registered address :	S.C.O. 125-127, Sector 17-B, Chandigarh - 160017
4.	Website: Email:	www.punjabalkalies.com secretarial@punjabalkalies.com
5.	Financial Year reported:	2021-22
6.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Chemicals- NIC Code - 2411
7.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Caustic Soda Lye Hydrochloric Acid Liquid Chlorine
8.	Total number of locations where business activity is undertaken by the Company	
	a. Number of International Locations (Provide details of major 5)	NIL
	b. Number of National Locations	One Plant Location: Nangal-Una Road, Naya Nangal, Distt. Ropar (Punjab)-140 126.
9	Markets served by the Company- Local/State/National/ International	Local, State and National
SECTION B : FINANCIAL DETAILS OF THE COMPANY		
1.	Paid up Capital (INR in Crore):	Rs.48.46 crores
2.	Total Turnover (INR in Crore):	Rs.454.07 crores (On Standalone basis)
3.	Total profit after taxes (INR in Crore) :	Rs.56.72 crores (On Standalone basis)
4.	Total Spending on Corporate Social Responsibility (CSR) (in Lacs)	Rs.57.95 lacs
	As percentage of Profit After Tax (%)	The Company has spent 2% of the average net profits of last three years
5.	List of activities in which expenditure in 4 above has been incurred:	
	<ul style="list-style-type: none"> <li>• Environment</li> <li>• Preventive Health</li> <li>• Promotion of Education and Vocational Skills</li> <li>• Animal Welfare</li> <li>• Community Development</li> </ul>	
SECTION C: OTHER DETAILS		
1.	Does the Company have any Subsidiary Company/ Companies?	No
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s)	Not Applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No

**SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION**

1.	<b>Details of Director/Directors responsible for BR</b>	
	(a) Details of the Director/Directors responsible for implementation of the BR policy/policies:	
	<b>Particular</b>	<b>Details of Directors</b>
	DIN Number	08465391
	Name of Director	Shri Naveen Chopra
	Designation	Managing Director
	(b) Details of the BR head:	
	Name of BR head	Shri Naveen Chopra
	Designation	Managing Director
	Telephone Number	0172-4072500-01
	Email ID	managingdirector@punjabkalies.com
2.	<b>Principle-wise (as per NVGs) BR Policy/policies:</b>	
	The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:	
	<b>P1:</b> Ethics, Transparency and Accountability.	
	<b>P2:</b> Product Life Cycle Sustainability.	
	<b>P3:</b> Wellbeing of all employees.	
	<b>P4:</b> Stakeholders Engagement.	
	<b>P5:</b> Human Rights.	
	<b>P6:</b> Preservation of Environment.	
	<b>P7:</b> Responsible Advocacy.	
	<b>P8:</b> Inclusive Growth.	
	<b>P9:</b> Customer Value	

<b>(a) Details of compliance (Reply in Y/N)</b>											
1.	No.	Questions	Ethics, Transparency and Accountability.	Product Responsibility	Well-being of Employees	Stakeholder Engagement	Human Rights	Environment	Responsible advocacy	Inclusive Growth	Customer Value
			P1	P2	P3	P4	P5	P6	P7	P8	P9
	1.	Do you have a policy / policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
	2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, the policies are based on the "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business" released by the Ministry of Corporate Affairs, Government of India.								
	4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner / CEO/ appropriate Board Director?	Yes. The Business Responsibility Policy covering all the Nine Principles / Policies is approved by the Board in their meeting held on 1 <sup>st</sup> August, 2022 and signed by the Managing Director.								
	5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company does not have any specific committee to oversee the implementation of the Policy. The Managing Director oversees the implementation.								
	6.	Indicate the link for the policy to be viewed online?	The Policies of the Company are available on the website of the Company at the below-mentioned link: <a href="https://www.punjabkalies.com/page/investors">https://www.punjabkalies.com/page/investors</a>								
	7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The BR policies are communicated through this report. However BR Policies are available on the website of the Company								
	8.	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The BR Policies will be evaluated internally.								
<b>(b) If answer to the question at serial number 1 against any principle, is "No", please explain why: (Tick up to 2 options)</b>											
	No		P1	P2	P3	P4	P5	P6	P7	P8	P9
	1.	The Company has not understood the Principles.	Not Applicable								
	2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
	3.	The Company does not have financial or manpower resources available for the task.									
	4.	It is planned to be done within next 6 months									
	5.	It is planned to be done within the next 1 year									
	6.	Any other reason (please specify)									



<b>3.</b>	<b>Governance related to BR:</b>
	<p>a). Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.</p> <p>Pursuant to amendments in the SEBI (LODR) Regulations, 2015, top 1000 companies based on market capitalization are required to have "Business Responsibility Report" (BRR) as part of their Annual Report.</p> <p>Accordingly, this is the first year of implementation.</p> <p>Therefore, endeavour is to develop system, which can support assessment of the BR performance of the Company at a regular interval.</p>
	<p>b). Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?</p> <p>The Company is publishing Business Responsibility Report first time in the current financial year 2021-2022 as a part of Annual Report. The Business Responsibility Report can be accessed at the website of the Company i.e. <a href="http://www.punjabkalies.com">www.punjabkalies.com</a></p>

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1: Ethics, Transparency and Accountability.

- 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

Yes.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the year under review, the Company had received 1 (One) Complaint from a shareholder and such complaint was satisfactorily resolved. The Company has not received any other Complaint from the other stakeholders.

#### Principle 2: Product Life Cycle Sustainability.

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

Caustic Soda Lye, Liquid chlorine and Hydro-chloric Acid

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

- (a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

One of the major raw material is Salt which is a natural product being produced from either sea water or from subsoil water by natural evaporation process in sun light. No chemical which may harm environment is used during manufacturing process. 90% of the salt is transported through inplant Railway line.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Energy Conservation Annexure in the Directors Report gives broad information on this subject.

- 3. Does the Company have procedures in place for sustainable sourcing (including transportation)?**

Yes

**(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Presence of inplant railway line as a Cost effective transportation mode with potential to expand and manage many other raw materials and final products. A portion of liquid chlorine and hydrogen gas is supplied through pipeline.

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes.

Transportation from Local Transporters in bulk, Motor & ceiling fan winding from local vendors, Rubber lining repair jobs & supply of gasket sheets & other items, Supply of Oxygen & DA gas cylinders from local vendors in emergency, supply of N2 cylinders in emergency, supply of other hardware items from local vendors, machining & fabrication of gears, shafts & other ump spares & repairs from local vendors. IT & Computer hardware jobs, installation of cameras.

**5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.**

Yes.

1. Company recycles 100% effluent water by treatment through RO & MEE system & further takes it into cooling tower & maintains the Zero Liquid discharge philosophy.
2. Used transformer oil is 100% recycled back through sale to the authorised recycler.
3. 78% Sulphuric acid generated from raw material 98% Sulphuric acid and entire such quantity is sold out to authorised consumer.

**Principle 3: Wellbeing of all employees.**

**1. Total number of permanent employees.**

Total number of employees are 357 as on 31<sup>st</sup> March, 2022

**2. Total number of employees hired on temporary/contractual/casual basis.**

As on 31<sup>st</sup> March, 2022, 26 number of employees are on temporary/ contractual basis and 215 number of employees on casual basis.

**3. Number of permanent women employees. Number of permanent women employees as on 31<sup>st</sup> March 2022**

Total number of Permanent Women employees are 20 as on 31<sup>st</sup> March, 2022

**4. Number of permanent employees with disabilities. Number of permanent employees with disabilities as on 31<sup>st</sup> March 2022 – Nil**

**5. Employee association that is recognized by the management.**

There are two registered trade unions:

- 1) PACL Karamchari Sangh affiliated to BMS and 2) The Employees union affiliated to INTUC.

**6. Percentage of permanent employees as members of this recognized employee association?**

As on 31<sup>st</sup> March, 2022. there are 108 workmen in regular pay-scale who are members of these Unions.

7. **Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Nil

8. **Percentage of employees given safety & skill up-gradation training in the last year?**

75% of employees were given safety & skill up-gradation training in the last year

**Principle 4: Stakeholders Engagement.**

1. **Has the Company mapped its internal and external stakeholders? The Company has mapped its internal and external stakeholders as follows; -**

The Company will map its stakeholder in due course

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?**

The Company will identify disadvantaged, vulnerable and marginalized stakeholders in the vicinity of its operations and engages with them regularly to address their needs and concerns in due course.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

Yes, the Company has taken some initiatives through its Corporate Social Responsibility projects.

**Principle 5: Human Rights.**

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint ventures /Suppliers / Contractors /NGOs / Others?**

The Company has not framed any specific human rights policy. Though other policies like Whistle Blower and Sexual Harassment Policy deals with the issue of protecting the rights of all the employees on the company working in any business division of the company. The Company is motivated to safeguard the human rights of all stakeholders internal / external in true spirit.

2. **How many stakeholder complaints with respect to Human Rights have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaint was received regarding violation of human rights during the financial year 2021-22

**Principle 6: Preservation of Environment.**

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures / Suppliers/ Contractors / NGOs / others.**

The Policy related to Principle 6 covers Company and applicable stakeholders.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

The Company tries to adopt renewable energy and energy efficiency measures in its operations wherever possible, plant trees and take other initiatives to protect and save the environment.

3. **Does the Company identify and assess potential environmental risks? Y/N**

Yes. Potential environmental risks are identified and assessed before any new project / expansion of existing



plant by way of conducting Environmental Impact Assessment & preparing Environment Management Plan for the same.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Yes, the Company constantly endeavors to improve its environmental performance and reduction of emission from its existing facilities. For the new products under development the Company ensures minimal impact by optimizing the process parameters & controlling emissions. The Company does not have registered any projects under the Clean Development Mechanism. Our Company has achieved and maintained ZERO LIQUID DISCHARGE (ZLD) as per requirement of Punjab Pollution Control Board. An online Monitoring System has been installed in line with directions of CPCB to ensure the emissions within permissible limits.

**5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

The Company has taken various initiatives on conservation of energy and technology absorption, which is a part of the Directors' Report available at [www.punjabkalies.com/page/investors](http://www.punjabkalies.com/page/investors).

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?**

Yes. The emissions/waste generated by the Company for Financial Year 2021-2022 are within permissible limits given by Central and State Pollution Control Boards.

**7. Number of show cause/ legal notices received from CPCB/SPCB which is pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

During the Financial year under review, There are no such show cause/ legal notices received from Central Pollution Control Board/ State Pollution Control Board which are pending.

**Principle 7: Responsible advocacy.**

**1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

Yes. Alkali Manufacture and Association of India, New Delhi.

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

The Company supports the initiatives taken by above associations in their endeavor to advance or improve public good, wherever applicable

**Principle 8: Inclusive Growth.**

**1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle? If yes details thereof.**

Yes. The Company has well defined CSR Policy which covers Preventive Health, Promotion of Education and Vocational Skills, Animal Welfare etc.

**2. Are the programmes /projects undertaken through in house team/own foundation/external NGO/ government structures/any other organization?**

The Company has adopted a collaborative approach to CSR directly and through outside NGOs to assess the best utilization of the available funds.

**3. Have you done any impact assessment of your initiative?**

Not Applicable

**4. What is your Company's direct contribution to community development projects- Amount in Rs. and the details of the projects undertaken?**

The Company undertakes Community Development Projects under the CSR Policy. The details have been given in the Annual Report.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so?**

The Company ensures that the initiatives undertaken under the aegis of CSR are thoughtfully selected, well-executed and accepted and valued by the intended beneficiaries.

**Principle 9: Customer Value.**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

No consumer cases are pending.

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)**

Yes, the Company adheres to all the applicable statutory laws regarding product labeling and displays relevant information on product label.

**3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

There have been no cases relating to unfair trade practices, irresponsible advertising and/or anticompetitive behavior against the Company during the last five years and as at the end of Financial Year

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

The Company's product goes to Intermediaries and User Industries.

## CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2021-22

Brief Statement on the Company's philosophy on Code of Governance

The Company's core philosophy on the code of Corporate Governance is to ensure fair and transparent business practices with accountability for performance. The compliance of applicable statute is of utmost importance to the Company. The transparent and timely disclosure of financial and management information always remains priority for the Company.

The Company is in compliance with the provisions of Corporate Governance specified in Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

### BOARD OF DIRECTORS

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

Name of Director	Core Skills/ Expertise/ Competencies
Shri Sukhbir Singh Dahiya	He holds a Diploma in Civil Engineering from Haryana State Board of Technical Education. He has an experience of over 31 years including 16 years in chemical industry.
Shri Naveen Chopra	He holds a Degree in Bachelor of Engineering (Chemical) and has done MBA from Panjab University, Chandigarh. He has an experience of over 30 years.
Shri Jatin Dahiya	He holds a Degree in Bachelor of Engineering from Delhi University and Masters in Management from Duke University (United States). He has an experience of 4 years in the Chemical Industry.
Shri Jagbir Singh Ahlawat	He holds a Diploma in Civil Engineering from Haryana State Board of Technical Education and AMIE (civil) from the Institution of Engineers (India). He has an experience of over 31 years including 18 years in Chemical Industry.
Shri Tilak Raj Bajalia	Retired Bank Officer. He is an Economics Graduate with Professional Degree of ICWAI and CAIIB. He has 39 years of Banking experience, which spans various business segments such as SME Banking, Corporate Banking, Restructuring of Stressed Assets, Human Resources, Legal and Administration.
Shri Ashok Goyal	He has done Post-Graduation in Economics from Panjab University and has been serving as member of Senate of University and Syndicate and has an experience of about 29 years in the field of Academic Administration.
Shri Kuldip Singh Suhag	He has done Bachelor of Engineering (Civil Engineering) and has an experience of about 42 years in Civil Engineering.
Ms. Teesta Sandhu	She has done MBA with specialization in HR and Marketing. She has about 17 years of experience which includes working with the Oberoi Group of Hotels, Hilton, Marriott Hotels, Cinopolis India Ltd, Kingfisher Airlines, Forest Essentials and Ethos Pvt. Ltd.

The composition of the Board as on 31<sup>st</sup> March, 2022 is given below:

#### Category of Directorship

Non-Executive-Independent Director	4
Non-Executive-Non-Independent Director	2
Executive Director	2
<b>Total Strength</b>	<b>8</b>

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



Name	Date of Appointment	Date of Cessation	Category	Inter-se Relationship amongst Directors	Attendance at Board Meetings during 2021-22 (01.04.2021 to 31.03.2022)	Attendance at last AGM on 30.09.2021	No. of Directorships in other Companies*		Memberships of the Committees of the Board of all the Companies**		No. of Directorships in other Listed Companies/ Category
							Chairperson	Director	Chairperson	Member	
Shri Sukhbir Singh Dahiya, Chairman	20.10.2020	-	NE & NI	Father of Shri Jatin Dahiya	9	Yes	-	1	1	-	-
Shri Naveen Chopra, - As Whole Time Director - As Managing Director	28.05.2019 29.10.2020	-	E & NI	-	9	Yes	-	-	-	2	-
Shri Jatin Dahiya - As Director - As Executive Director	20.10.2020 01.04.2021	-	E & NI	Son of Shri Sukhbir Singh Dahiya	8	Yes	-	1	-	-	-
Shri Jagbir Singh Ahlawat	20.10.2020	-	NE & NI	Husband of Smt. Parema Ahlawat	9	Yes	-	1	-	-	-
Smt. Parema Ahlawat Woman Director	20.10.2020	11.11.2021	NE & NI	Wife of Shri Jagbir Singh Ahlawat	1	Yes	NA	NA	NA	NA	NA
Shri Tilak Raj Bajajia	26.10.2020	-	NE&I	-	9	Yes	-	2	2	1	-
Shri Ashok Goyal	26.10.2020	-	NE&I	-	9	Yes	-	-	-	2	-
Shri Kuldip Singh Suhag	26.10.2020	-	NE&I	-	9	Yes	-	-	-	1	-
Dr. Sanjiv Agarwal	03.02.2021	27.08.2021	NE&I	-	3	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Shri Girish Jagatpal Bhagat	03.02.2021	18.08.2021	NE&I	-	2	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Ms. Teesta Sandhu	02.12.2021	-	NE&I	-	2	N.A.	-	-	-	-	-

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

\*\*Includes only Audit Committee and Stakeholders Relationship Committee.

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

Nine Board Meetings were held during the financial year 2021-22 as against the minimum requirement of four meetings in a year. The dates on which the Board Meetings were held are given below:

1<sup>st</sup> April, 2021, 21<sup>st</sup> May, 2021, 11<sup>th</sup> August, 2021, 23<sup>rd</sup> August 2021, 2<sup>nd</sup> September, 2021, 11<sup>th</sup> November, 2021, 2<sup>nd</sup> December, 2021, 13<sup>th</sup> January, 2022 and 11<sup>th</sup> February, 2022.

Two separate meetings of the Independent Directors were held on 2<sup>nd</sup> September, 2021 and 1<sup>st</sup> August, 2022. The Independent Directors had reviewed the performance of Non-Independent Directors, Board as a whole and Chairperson of the Company. The Independent Directors had also reviewed the quality, content and timeliness of flow of information between the Management and the Board.

The Performance Evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Director being evaluated.

The Non-Executive Directors had no pecuniary relationship or transactions with the Company in their personal capacity during the financial year 2021-22 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 13<sup>th</sup> February, 2018 had approved a Code of Conduct for Directors and Senior Management Personnel of the Company with effect from 13<sup>th</sup> February, 2018. The same has also been placed on the Company's Website [www.punjabkalis.com](http://www.punjabkalis.com). All the Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Directors and Senior Management Personnel during the financial year 2021-22 and the Chief Executive Officer's Declaration to this effect is annexed herewith.

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

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

## AUDIT COMMITTEE

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

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

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

Name	Designation	Date of Appointment as Member	Date of Cessation as Member	Category	Attendance during 2021-22 (01.04.2021 to 31.03.2022)
Shri Tilak Raj Bajalia	Chairman	26.10.2020	-	NE&I	6
Shri Ashok Goyal	Member	26.10.2020	-	NE&I	6
Shri Kuldip Singh Suhag	Member	26.10.2020	-	NE&I	6
Shri Naveen Chopra	Member	26.10.2020	-	E&NI	6

NE&I - Non-Executive Independent Director

E&NI - Executive Non - Independent Director

In addition to the Members of the Audit Committee, the Chief Financial Officer, Internal Auditors and the Statutory Auditors attended the meetings of the Committee as invitees. The Company Secretary of the Company acts as Secretary of the Committee. Members held discussions with Statutory Auditors during the meetings of the Committee. The Audit Committee reviewed the quarterly, half yearly and year to date un-audited and annual audited financial of the Company before submission to the Board of Directors for its consideration and approval. The Committee also reviewed the internal audit reports.

Six meetings of the Audit Committee were held during the financial year 2021-22.

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

21<sup>st</sup> May 2021, 11<sup>th</sup> August, 2021, 2<sup>nd</sup> September, 2021, 11<sup>th</sup> November, 2021, 13<sup>th</sup> January 2022 and 11<sup>th</sup> February, 2022.

## NOMINATION AND REMUNERATION COMMITTEE

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

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

Name	Designation	Category	Attendance during 2021-22 (01.04.2021 to 31.03.2022)
Shri Ashok Goyal	Chairman	NE&I	2
Shri Tilak Raj Bajalia	Member	NE&I	2
Shri Kuldip Singh Suhag	Member	NE&I	2
Shri Sukhbir Singh Dahiya	Member	NE&NI	2

Two meeting of the said Committee were held on 18<sup>th</sup> May, 2021 and 2<sup>nd</sup> December, 2021 during the financial year 2021-22.

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

Details of the remuneration paid to the Managing Directors/Executive Director in the financial year 2021-22 are as under:-

- Shri Naveen Chopra, Managing Director  
(w.e.f. 29.10.2020) : Rs.5773.01 lacs\*

\* The remuneration includes issue of sweat equity shares of Rs.4007.25 lacs (including premium) and tax liability of Rs.1712.86 lacs thereon borne by the company.

- Shri Jatin Dahiya , Executive Director : Rs. 25.24 lacs

The Non-Executive Directors are entitled to Sitting Fee decided by the Board of Directors in accordance with the provisions of the Articles of Association of the Company. The Sitting Fee has been revised with effect from 11<sup>th</sup> November, 2021 to Rs.50,000/- per meeting of the Board of Directors and meeting of the Committee of the Board of Directors attended.

The details of the number of Equity Shares held by Directors of the Company as on 31<sup>st</sup> March, 2022 are as follows:-

Name of Directors	No. of Equity Shares
Shri Sukhbir Singh Dahiya	25278015
Shri Jagbir Singh Ahlawat	15500100
Ms. Teesta Sandhu	34870
Shri Jatin Dahiya	5482535
Shri Naveen Chopra	42500000
Shri Kuldip Singh Suhag	72080

## STAKEHOLDERS RELATIONSHIP CUM SHARE TRANSFER COMMITTEE

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

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

Name	Designation	Category	Attendance during 2021-22 (01.04.2021 to 31.03.2022)
Shri Sukhbir Singh Dahiya	Chairman	NE&NI	17
Shri Naveen Chopra,	Member	E&NI	17
Shri Ashok Goyal	Member	NE&I	17

CS Sugandha Kukreja, Company Secretary is the Compliance Officer.

During the financial year under review, the total one (1) complaint/ query was received and replied to the satisfaction of shareholders. Outstanding complaints/ queries as on 31<sup>st</sup> March, 2022 were Nil. Complaints/ correspondence are usually dealt with within 10-12 days of receipt.

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

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE.

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

During the financial year 2021-22, one meeting of the Corporate Social Responsibility Committee was held on 13<sup>th</sup> January, 2022.

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

Name	Designation	Category	Attendance during 2021-22 (01.04.2021 to 31.03.2022)
Shri Kuldip Singh Suhag	Chairman	NE&I	1
Shri Ashok Goyal	Member	NE&I	1
Shri Tilak Raj Bajalia	Member	NE&I	1
Shri Jagbir Singh Ahlawat	Member	NE&NI	1



## RISK MANAGEMENT COMMITTEE

In line with the provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Company was required to constitute a Risk Management Committee and to formulate and recommend to the Board Risk Management Policy of the Company. Since the Company has fallen under top 1,000 entities based on the Market Capitalization, as on dated 31<sup>st</sup> March, 2022 the Board of Directors in its meeting held on 5<sup>th</sup> May, 2022 constituted Risk Management Committee to formulate and recommend to the Board Risk Management Policy of the Company.

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

Name	Designation	Category
Shri Naveen Chopra	Chairman	E&NI
Shri Jatin Dahiya	Member	E&NI
Ms. Teesta Sandhu	Member	NE&I

## GENERAL BODY MEETINGS

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

S. No.	AGM Particulars	Venue	Date	Details of Special Resolutions passed
1.	44 <sup>th</sup> AGM in respect of the financial year 2018-2019	National Institute of Technical Teacher's Training and Research Auditorium, NITTR Complex, Sector 26, Chandigarh.	14 <sup>th</sup> September, 2019 at 10.00 hours	<p>I. According to the Appointment of Dr. A.K. Kundra, IAS (Retd.) (DIN: 00154024) who has attained the age of 76 years as an Independent Director, not liable to retire by rotation, for a second term of five consecutive years from the date of this AGM upto the conclusion of the 49<sup>th</sup> AGM be held in the year 2024.</p> <p>II. According to the Appointment of Shri D.C. Mehandru (DIN: 00308524) who has attained the age of 82 years as an Independent Director, not liable to retire by rotation, for a second term of five consecutive years from the date of this AGM upto the conclusion of the 49<sup>th</sup> AGM be held in the year 2024.</p> <p>III. According to the Appointment of Shri J.S. Mann (DIN: 00399381) as an Independent Director, not liable to retire by rotation, for a second term of five consecutive years from the date of this AGM upto the conclusion of the 49<sup>th</sup> AGM be held in the year 2024.</p>
2.	45 <sup>th</sup> AGM in respect of the financial year 2019-2020	Punjab Alkalies & Chemicals Limited SCO 125-127 Sector 17-B Chandigarh.	29 <sup>th</sup> September, 2020 at 12.00 hours	There was no matter that required passing of Special Resolution.
3.	46 <sup>th</sup> AGM in respect of the financial year 2020-2021	Punjab Alkalies & Chemicals Limited SCO 125-127 Sector 17-B Chandigarh.	30 <sup>th</sup> September, 2021 at 16:00 hours	Appointment of Shri Jatin Dahiya as Executive Director of the Company for the period of three years w.e.f. 1 <sup>st</sup> April, 2021.
4.	Extra-Ordinary General Meeting	Punjab Alkalies & Chemicals Limited SCO 125-127 Sector 17-B Chandigarh.	12 <sup>th</sup> April, 2021 at 12.00 hours	<p>I. Substitution of the Article 5 of the Articles of Association of the Company consequent upon increase of Authorised Share Capital of the Company with the revised Article 5.</p> <p>II. According of approval for the issue of 75,00,000 Equity Shares of Rs.10/- each at a price of Rs.60/- per share to M/s. Durva Infratech LLP, on preferential basis for consideration other than cash.</p> <p>III. According of approval for the issue of 54,00,000 Equity Shares of Rs.10/- each at a price of Rs.60/- each on preferential basis for cash consideration.</p>

				<p>IV. According of approval of the Company to the Board of Directors under Section 180 (1)(c) of the Companies Act, 2013 and other applicable Rules to borrow money(ies) to the extent of Rs.500 Crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.</p> <p>V. According of approval of the Company to the Board of Directors under Section 180(1)(a) of the Companies Act, 2013 and other applicable Rules to sell, mortgage and /or charge, on all or any of the movable and /or immovable properties of the Company both present and future subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013, from time to time.</p>
5.	Extra-Ordinary General Meeting	Punjab Alkalies & Chemicals Limited SCO 125-127 Sector 17-B Chandigarh.	30 <sup>th</sup> June, 2021 at 12.30 hours	<p>I. According of approval to take on record the valuation report obtained by the Company from Er. Jasvinder S. Josan, Registered Valuer (Registration No. CC/CHD/TECH/ Valuer-513/05-06/05) for the issue and allotment of 75,00,000 equity shares by the Company to Durva Infratech LLP for consideration other than cash and approved by the members in their previous Extra Ordinary General Meeting held on 12th April, 2021.</p> <p>II. According of approval for Issue and allotment of 45,00,000 Sweat Equity Shares to Shri Naveen Chopra, Managing Director of the Company.</p> <p>III. According of approval to increase in remuneration payable to Shri Naveen Chopra, Managing Director of the Company, for the financial year 2021-22, on account of issue and allotment of 45,00,000 equity shares as sweat equity.</p> <p>IV. According to the approval of the Company to the Board of Directors of the Company, to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate which, shall not exceed a sum of Rs.200 Crores over and above the limit as prescribed under Section 186 of the Companies Act, 2013.</p>
6.	Extra-Ordinary General Meeting	Punjab Alkalies & Chemicals Limited SCO 125-127 Sector 17-B Chandigarh.	28 <sup>th</sup> December, 2021 at 12.30 hours	According of Consent for Alteration of Article 5 of the Articles of Association of the Company consequent upon the sub-division of authorised share capital of the Company.

- b) (i) No Postal Ballot Notices were issued to the public during the year ended 31<sup>st</sup> March, 2022.
- (ii) All the Resolutions including the Special Resolution were passed through e-voting and venue voting conducted at Annual General Meeting/Extra Ordinary General Meeting in compliance with the provisions of the Act, and Rule 20 of the Companies (Management and Administration) Rules, 2014.
- (iii) During the year under review, no special resolution was passed through postal ballot.

## DISCLOSURES

- a) During the year under review, no material transactions with any related party as defined under the Act and the Listing Regulations have been entered into, which have a potential conflict with the interest of the Company at large. All contracts/ arrangements/ transactions entered into by your Company with its related parties were on an arm's-length basis and in the ordinary course of business. Attention of the members is drawn to Note 43 of the Financial Statements, forming part of this Annual Report, which sets out the related party disclosures. The Policy on Related Party Transactions is available on the website of the Company [www.punjabalkalies.com](http://www.punjabalkalies.com).
- b) There has been no non-compliance by the Company or penalties or strictures imposed on the Company by any of the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.



- c) The Company has in place the policy on Vigil Mechanism and Whistle Blower. The same has also been placed on the Company's Website [www.punjabkalies.com](http://www.punjabkalies.com). During the year under review, no person has been denied access to the Chairman of the Audit Committee.
- d) Certificate from Company Secretary in practice has been obtained stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI/ MCA or any other statutory authority.
- e) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are given in Note No. 35 to the Financial Statements.
- f) Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal ) Act, 2013.

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

- g) The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all the amendments from time to time.
- h) Discretionary Requirements:  
The status of discretionary requirements adopted by the Company is as under:
- (i) The Company has separate positions for Chairperson and Managing Director. Shri Sukhbir Singh Dahiya is the Chairman of the Company and Shri Naveen Chopra is the Managing Director of the Company.
- (ii) The Internal Auditors of the Company give their quarterly report to the Audit Committee and the same is taken for review at the time of meetings of the Audit Committee.
- (iii) There are no audit qualifications on the Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2022.
- (iv) Shri Naveen Chopra, Managing Director and Shri Arun Kumar Kaushal, Chief Financial Officer, have issued the Certificate in accordance with Regulation 17(8) of the Listing Regulations with regard to Quarterly and Annual Financial Statements for the Financial Year ended March 31, 2022.

## MEANS OF COMMUNICATION

The quarterly Financial Results and Annual Financial Results of the Company are being published in the newspapers i.e. Financial Express/ Times of India and Amar Ujala and filed electronically on Listing Centre of BSE Limited in accordance with the requirements of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and are also available on the website of the Company [www.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 2021-22 is a part of the Annual Report for the said financial year.

## GENERAL SHAREHOLDERS INFORMATION

a)	Annual General Meeting	: The 47 <sup>th</sup> Annual General Meeting will be held on 15 <sup>th</sup> September, 2022 at 12.30 hours through Video Conferencing (VC) or other Audio Visual Means (OAVM).
b)	Financial Calendar	: 1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022.
c)	Date of Book Closure	: 9 <sup>th</sup> September, 2022 to 15 <sup>th</sup> September, 2022 (both days inclusive)
d)	Dividend Payment Date	: N.A.
e)	Listing on Stock Exchanges	: BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001
f)	Stock Code	: BSE Limited : 506852 ISIN No. for Demat Mode : INE607A01022 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: beetalrta@gmail.com Website: www.beetalfinancial.com
h)	Share Transfer System	The Company is having a Stakeholders Relationship cum Share Transfer Committee of the Board of Directors to approve the transfer and transmission of shares, etc. The Share Transfers of Physical Mode Shares are normally processed within 12 days of receipt if the documents are found in order.
i)	Dematerialisation of Shares and liquidity	: The trading in the Equity Shares of the Company on the Stock Exchanges is permitted only in Dematerialised Mode w.e.f. 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, 2022, 96.09% 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) – 4072515-16 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 2021-2022 (1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022) on the BSE Limited:

Month	High (Rs.)	Low (Rs.)	Month	High (Rs.)	Low (Rs.)
April, 2021	100.20	85.10	October, 2021	174.90	127.75
May, 2021	115.50	76.70	November, 2021	229.00	144.80
June, 2021	97.95	80.00	December, 2021	294.00	214.00
July, 2021	134.80	79.00	January, 2022	351.70	66.50
August, 2021	124.00	104.70	February, 2022	82.50	65.00
September, 2021	139.40	110.00	March, 2022	91.80	66.00

**p) Performance in comparison to broad-based indices**

Company's Share price	Stock Exchange	Indices Sensex
	BSE	
As on 01.04.2021	93.70 (at face value of Rs.10/- each)	28265.31
As on 31.03.2022	86.20 (at face value of Rs.2/- each)	49509.15

**q) Distribution of Shareholding as on 31<sup>st</sup> March, 2022:**

Range of Shares	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Up to 5000	22820	95.57	12500696	5.1583
5001 - 10000	1002	4.06	3988974	1.6460
10001 - 20000	354	1.43	2776902	1.1459
20001 - 30000	124	0.50	1606957	0.6631
30001 - 40000	64	0.25	1145534	0.4727
40001 - 50000	55	0.22	1273294	0.5254
50001 - 100000	94	0.38	3408610	1.4065
100001 & above	137	0.55	215642253	88.9822
<b>Total</b>	<b>24650</b>	<b>100.00</b>	<b>242343220</b>	<b>100.00</b>

**r) Categories of Shareholding as on 31<sup>st</sup> March, 2022:**

Category	No. of Shareholders	No. of Shares Held	% of Shareholding
Promoters	10	75982830	31.35
Mutual Funds & UTI	10	58250	0.02
Banks /Financial Institution	12	47000	0.02
Insurance Companies	0	0	0
Central/State Govt.	0	0	0
NRIs/OCBs/FIIs	511	2655704	1.10
Corporate Bodies	955	69155985	28.53
Indian Public	22833	92704308	38.26
Others	319	1739143	0.72
<b>Total</b>	<b>24650</b>	<b>242343220</b>	<b>100.00</b>

For and on behalf of the Board

Place: Chandigarh  
Date: 01<sup>st</sup> August, 2022

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

## CHIEF EXECUTIVE OFFICER'S DECLARATION

REGARDING THE CODE OF CONDUCT  
FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL.

The Board of Directors of the Company had approved the Code of Conduct for Directors and Senior Management Personnel of the Company.

All Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2022.

Place : Chandigarh  
Date : 01<sup>st</sup> August, 2022

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





## AUDITORS' CERTIFICATE

### ON COMPLIANCE WITH THE CORPORATE GOVERNANCE AS PER REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To the Members of Punjab Alkalies & Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by Punjab Alkalies & Chemicals Limited, for the financial year ended on 31st March, 2022, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

For **Hari S. & Associates**

Chartered Accountants

ICAI Firm Registration Number 007709N

ICAI UDIN: 22523735ANZMTH2911

Sd/-

**(Kapil Vohra)**

Partner

Membership No. 523735

Place of Signature: Chandigarh

Date: 01<sup>st</sup> August, 2022

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Punjab Alkalies & Chemicals Limited

Report on the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying Standalone Ind AS financial statements of Punjab Alkalies & Chemicals Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, the Standalone Statement of Profit and Loss (including the Standalone statement of Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind As financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

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

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

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss statement including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors of the company is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigation on its financial position in its Standalone Ind AS financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There has been no amount which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31<sup>st</sup> March 2022.
- iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) and (b) above, contain any material misstatement.

For **Hari S. & Associates**

Chartered Accountants

ICAI Firm Registration Number 007709N

ICAI UDIN 22523735AJQAIS7738

Sd/-

**Kapil Vohra**

Partner

Membership No 523735

Place of Signature: Chandigarh

Date: May 5, 2022



## Annexure A to Auditor's Report

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

- i) a) The company has maintained proper records showing full particulars, including the quantitative details and situation of tangible and intangible assets.
- b) The Company has a regular programme of physical verification of its property plant and equipment's by which assets are verified in a phased manner over a period of three years. In accordance with this programme, certain property plant and equipment's 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 (except properties which are leased by the company with duly executed lease agreements in favour of the lessee) disclosed in the Standalone financial statements are held in the name of the company.
- d) According to the information and explanations given to us the company has not revalued its Properties, Plant and Equipment's or intangible assets or both during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) a) The stock of inventory has been physically verified by the management during the year. As per our opinion the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- b) The company has been sanctioned working capital limits of Rs 20 crores and the quarterly returns and statements filed with the banks are in agreement with the books of accounts of company.
- iii) The company has made investments but not provided any guarantee or security or not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- a) In our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest.
- iv) In our opinion and according to the information and explanations given to us, the company has not given any loans as per section 185 in respect of loans provided to directors. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the company's act 2013.
- v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable. Hence, reporting under clause 3 (v) of Order is not applicable.
- vi) We have broadly reviewed the books of account as required to be maintained by the Company under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and the records have been made and maintained.
- vii) a) According to the information and explanation to us and on the basis of our examination of the records of the company, amount deducted/ accrued in the books of account in respect of undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Custom Duty, Excise duty and Cess and other material statutory dues have been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. 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	Amt. in Lakhs	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty & Penalty	60.17	2004-2008	CESTAT
Central Excise Act, 1944	Excise Duty & Penalty	5.49	April'08 to June'08	CESTAT
Finance Act, 1994	Service Tax Penalty	4.66	April'11 to Dec'11	CESTAT
Finance Act, 1994	Service Tax Penalty	116.09	Feb'07 to March'11	CESTAT
Central Excise Act, 1944	Excise Duty & Penalty	3.11	Jan'12 to Nov'12	CESTAT
Central Excise Act, 1944	Excise Duty & Penalty	5.32	July'11 to Dec'11	CESTAT
Finance Act, 1994	Service Tax Penalty	25.79	Jan'12 to Nov'12	CESTAT
Finance Act, 1994	Service Tax Penalty	35.85	July'13 to Dec'13, Dec'12 to June'13	CESTAT
Pb. Value Added Tax, 2005	Entry Tax	7.42	2009-10	VAT Tribunal, Chandigarh
Pb. Value Added Tax, 2005	Entry Tax	54.59	2011-12	Dy. Excise & Taxation Commissioner (Appeal), Mohali/Rupnagar.
Pb. Value Added Tax, 2005	Entry Tax	57.91	2012-13	VAT Tribunal, Chandigarh
Pb. Value Added Tax, 2005	Entry Tax ETO Ropar	4.2	AY 2013-14	Appeal Filed on 23.11.2020
House Tax	House Tax	79.84		Revision is Pending

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

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

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

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

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

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

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

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



- b) Company has made preferential allotment of equity shares during the year and in our opinion the requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.
- c) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has allotted 45,00,000 Sweat Equity Shares of Rs 10/- each at premium of Rs 79.05 each to Shri Naveen Chopra, Managing Director of the company.
- xi) a) According to the information and explanations given to us, no fraud by the company or on the company has been noticed or reported during the course of our audit;
- b) According to the information and explanations give to us there is no requirement to report under sub-section (12) of section 143 of companies act and also no requirement to file ADT-4 by the auditors as prescribed under rule 13 companies (Audit and auditors) rules 2014 with the central government.
- c) According to the information and explanations give to us there are no whistle-blower complaints had been found.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- xiv) a) According to the information and explanations given to us, the company has an adequate internal audit system commensurate with the size and nature of its business and we as a statutory auditors considered the internal audit reports issued by the Internal Auditors for the period under audit.
- d) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- 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) a) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- b) In our opinion and according to the information and explanations given to us, the Company is not a Non-Banking Financial or Housing Finance company. Accordingly, paragraph 3(xvi(b)) of the Order is not applicable.
- c) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company. Accordingly, paragraph 3(xvi(c)) of the Order is not applicable.
- xvii) As per the information and explanations given to us, the company has not incurred any cash losses in the financial year and in the immediately preceding financial year;
- xviii) There is no resignation of the statutory auditors during the year, accordingly, paragraph 3(xviii) of the Order is not applicable;
- (xix) On the basis of financial ratio, aging and expected date of realization of financial assets and payments of financial liabilities, other information accompanying the Standalone financial statements, in our opinion and according to the information and explanations given to us nothing has come to our attention that which cause us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.



- (xx)a) There are no remaining unspent amounts towards corporate social responsibility on other than ongoing projects requiring transfer to a fund specified in schedule VII to the companies act in compliances with second proviso to sub section (5) of section 135 of the said Act pursuant. Hence reporting under this clause is not applicable.
- b) In respect of ongoing projects there are no remaining unspent amounts towards corporate social responsibility as on balance sheet date, so company is not required to transfer the unspent amount to a special account within a period of 30 days from the end of said financial year in compliance with provision of section 135 (6) of the act.

For **Hari S. & Associates**  
Chartered Accountants  
ICAI Firm Registration Number 007709N  
ICAI UDIN 22523735AJQAIS7738

Sd/-  
**Kapil Vohra**  
Partner  
Membership No 523735

Place of Signature: Chandigarh  
Date: May 5, 2022



## Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Punjab Alkalies & Chemicals Limited. as of 31st March 2022 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 Standalone financial statements, whether due to fraud or error.

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

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

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



### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Hari S. & Associates**  
Chartered Accountants  
ICAI Firm Registration Number 007709N  
ICAI UDIN 22523735AJQAIS7738

Sd/-  
**Kapil Vohra**  
Partner  
Membership No 523735

Place of Signature: Chandigarh  
Date: May 5, 2022

## STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022

(Rs. in Lakhs)

Particulars	Note No.		As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>				
<b>Non Current Assets</b>				
a) Property, Plant & Equipment	3	15482.94		15615.87
b) Capital Work in Progress	4	17652.16		3455.89
c) Other Intangible Assets	3a	6.40		9.40
d) Intangible assets under development	4a	3.62		2.50
e) Financial Assets				
(i) Investments	5	3006.58		-
(ii) Trade Receivable	6	-		-
(iii) Loans	7	-		-
(iv) Others	8	112.70		-
f) Deferred Tax Assets (Net)	9	-		-
g) Other Non Current Assets	10	1416.23		1453.70
<b>Sub Total: Non Current Assets</b>			<b>37680.63</b>	<b>20537.36</b>
<b>Current Assets</b>				
a) Inventories	11	1706.92		624.19
b) Financial Assets				
(i) Trade Receivable	12	3254.51		1623.66
(ii) Cash and Cash equivalent	13	2401.39		762.25
(iii) Other Bank Balances other than (ii) above	13	115.75		36.89
(iv) Loans	14	-		8.98
(v) Others	15	178.21		111.90
c) Other Current Assets	16	2245.93		864.72
<b>Sub Total: Current Assets</b>			<b>9902.71</b>	<b>4032.59</b>
<b>TOTAL: ASSETS</b>			<b>47583.34</b>	<b>24569.95</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity Share Capital	17	4846.86		3106.86
b) Other Equity	18	22534.41		6556.44
<b>Sub Total: Equity</b>			<b>27381.27</b>	<b>9663.30</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
a) Financial Liabilities				
(i) Borrowings	19	5267.25		42.74
(ii) Lease Liability	20	43.81		-
(iii) Trade Payables	21	-		-
b) Provisions	22	633.38		1329.51
c) Deferred Tax Liability (Net)	9	1150.85		540.20
<b>Sub Total: Non Current Liabilities</b>			<b>7095.29</b>	<b>1912.45</b>
<b>Current Liabilities</b>				
a) Financial Liabilities				
(i) Borrowings	23	813.14		20.30
(ii) Other financial liabilities	24	34.85		0.51
(iii) Trade Payables:	25			
(A) Total outstanding dues of Micro & Small Enterprises		241.90		210.08
(B) Total outstanding dues of creditors other than Micro & Small Enterprises		4159.38		2553.65
b) Other Current Liabilities	26	7400.11		9845.81
c) Provisions	27a	57.00		33.13
d) Current Tax Liability (Net)	27b	400.40		330.72
<b>Sub Total: Current Liabilities</b>			<b>13106.78</b>	<b>12994.20</b>
<b>TOTAL: EQUITY AND LIABILITIES</b>			<b>47583.34</b>	<b>24569.95</b>
Significant Accounting Policies	2			
Notes forming an integral part of the Financial Statements	1 to 51			

 Sd/-  
**(ARUN KUMAR KAUSHAL)**  
 Chief Financial Officer

 Sd/-  
**(SUGANDHA KUKREJA)**  
 Company Secretary  
 FCS-11578

 Sd/-  
**(JATIN DAHIYA)**  
 Executive Director  
 DIN:08106876

 Sd/-  
**(NAVEEN CHOPRA)**  
 Managing Director  
 DiN:08465391

 As per our separate report of even date  
 For **HARI S. & ASSOCIATES**  
 Chartered Accountants  
 Firm Registration No. 007709N  
 ICAI UDIN 22523735AJQAIS7738

 Sd/-  
**(KAPIL VOHRA)**  
 Partner  
 Membership No. 523735  
 Place: Chandigarh

 Place: Phuket  
 Date : May 5, 2022



## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in Lakhs)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
<b>INCOME</b>			
Revenue from Operations	29	<b>45406.79</b>	22634.78
Other Income	29a	<b>1515.40</b>	5508.67
<b>Total Income</b>		<b>46922.19</b>	28143.45
<b>EXPENDITURE</b>			
Cost of Material Consumed	30	<b>6153.54</b>	4237.84
Purchase of Stock in Trade		<b>2271.86</b>	66.85
Changes in Inventories of Finished Goods, Work in progress and stock in trade	31	<b>(1003.76)</b>	66.54
Manufacturing Expenses	32	<b>17470.30</b>	12912.36
Employees benefits expense	33	<b>1744.23</b>	2264.52
Finance Costs	34	<b>881.96</b>	534.35
Depreciation and Amortisation Expense	3 & 10	<b>1746.30</b>	1731.88
Other Expenses	35	<b>10104.26</b>	4322.14
<b>Total Expenses</b>		<b>39368.69</b>	26136.48
<b>Profit/(Loss) before exceptional item</b>		<b>7553.50</b>	2006.97
<b>Amount written off exceptional item</b>		-	-
<b>Profit/(Loss) after exceptional item</b>		<b>7553.50</b>	2,006.97
<b>Tax Expenses</b>			
Current Tax		<b>1393.52</b>	330.72
Deferred Tax		<b>487.85</b>	852.58
<b>Profit/(Loss) for the year after Tax</b>		<b>5672.13</b>	823.67
<b>Debtore Redemption Reserve</b>		-	-
<b>Profit/(Loss) transferred to Other Equity</b>		<b>5672.13</b>	823.67
<b>Other Comprehensive Income</b>		<b>421.69</b>	(120.10)
<b>Tax relating to items that will not be re-classified to P &amp; L A/c</b>		<b>122.80</b>	-
<b>Net Other Comprehensive Income</b>		<b>298.89</b>	(120.10)
<b>Total Comprehensive Income for the year</b>		<b>5971.02</b>	703.57
<b>Earnings/(Loss) per Equity Share of Rs 10/- each</b>			
Basic (in Rs.)		<b>12.52</b>	2.97
Diluted (in Rs.)		<b>12.52</b>	2.97
<b>Earnings/(Loss) per Equity Share of Rs 2/- each</b>			
Basic (in Rs.)		<b>2.50</b>	-
Diluted (in Rs.)		<b>2.50</b>	-
(Equity Share of Rs 10/- each had been split into five equity shares of Rs 2/- each on 28.01.2022)			
Significant Accounting Policies	2		
Notes forming an integral part of the Financial Statements	1 to 51		

Sd/-  
**(ARUN KUMAR KAUSHAL)**  
Chief Financial Officer

Sd/-  
**(SUGANDHA KUKREJA)**  
Company Secretary  
FCS-11578

Sd/-  
**(JATIN DAHIYA)**  
Executive Director  
DIN:08106876

Sd/-  
**(NAVEEN CHOPRA)**  
Managing Director  
DiN:08465391

As per our separate report of even date  
For **HARI S. & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 007709N  
ICAI UDIN 22523735AJQAIS7738

Place: Phuket  
Date : May 5, 2022

Sd/-  
**(KAPIL VOHRA)**  
Partner  
Membership No. 523735  
Place: Chandigarh

## STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit/(Loss) before tax	7553.50	2006.97
Adjustments for:		
Depreciation and Amortisation Expenses	1617.91	1555.42
Miscellaneous Expenses Written Off	128.39	176.46
Sweat Equity and security premium thereon *	4007.25	1975.20
Excess provision of income tax	-	(0.09)
Provision for Gratuity	421.69	147.41
Amount Transferred from WIP to Stores	51.45	10.66
(Gain)/loss on sale of Fixed Assets	(11.46)	(92.24)
Interest Income	(23.03)	(29.03)
Finance Cost	22.37	185.00
<b>Operating Profit Before Working Capital Changes</b>	<b>13768.07</b>	<b>5935.76</b>
Adjustments for:		
(Increase)/Decrease in Trade receivables	(1630.85)	(1057.14)
(Increase)/Decrease in Other Current Assets	(1326.02)	(609.88)
(Increase)/ Decrease in Inventories	(1082.73)	162.76
(Increase)/Decrease in financial assets others	120.88	(705.54)
(Decrease)/Increase in Trade Payable	1637.55	(347.01)
(Decrease)/Increase in Short Term Borrowings	-	(0.01)
(Decrease)/Increase in Other Current Liabilities	(3108.60)	1942.10
(Decrease)/Increase in Short Term Provisions	23.87	(121.38)
	<b>(5365.90)</b>	<b>(736.10)</b>
<b>Cash Generated From Operations</b>	<b>8402.17</b>	<b>5199.66</b>
Direct Taxes (Paid)/Refund	(1379.03)	76.05
<b>Cash Flow Before Extraordinary Items</b>	<b>7023.14</b>	<b>5275.71</b>
Extraordinary Items	-	-
<b>Net Cash From Operating Activities</b>	<b>7023.14</b>	<b>5275.71</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(378.35)	(63.95)
Expenditure on work in progress	(15311.04)	(2421.57)
Sale/Adjustment of Fixed Assets	16.84	116.65
Investment made	(3006.58)	
Bank deposits placed	(228.45)	(36.89)
Bank deposits matured	36.89	7.69
Interest Received	23.03	29.03
Long Term Advances Given	(40.73)	(4.11)
Purchase of Membranes and Recoating of Pans	(228.40)	-
<b>Net Cash Used in Investing Activities</b>	<b>(19116.79)</b>	<b>(2373.15)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Long Term Borrowings	6097.74	63.04
Repayment to Financial Institution and Bank	(84.64)	(3175.20)
Interest Paid	(20.31)	(256.84)
Proceeds from issue of share capital **	1290.00	-
Proceeds from security premium account **	6450.00	-
Payment towards Short Term Borrowings (Working Capital)	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>13732.79</b>	<b>(3369.00)</b>
<b>Net Increase/(Decrease) in Cash And Cash Equivalents</b>	<b>1639.14</b>	<b>(466.44)</b>
Cash And Cash Equivalents at the beginning of year	762.25	1228.69
Cash And Cash Equivalents at the end of year	2401.39	762.25

\* Allotment of 45,00,000 Sweat Equity Shares to Managing Director @ Rs 10/- each amounting to Rs 450 lakhs (2020-21 Rs 400 lakhs) and Security Premium @ Rs 79.05/- amounting to Rs 3557.25 lakhs (2020-21: Rs 1575.20 lakhs) has been added back under cash flow from operating activities being a non-cash item.

\*\* Significant non-cash movements during the year include allotment of 75,00,000 Equity Shares of Rs.10/- each amounting Rs 750 lakhs (2020-21 Rs NIL) and Security Premium @ Rs 50/- amounting to Rs 3750 lakhs (2020-21: NIL) to M/s Durva Infra tech LLP on Preferential basis for consideration other than cash for setting up of 35MW captive Power Plant

Sd/-  
**(ARUN KUMAR KAUSHAL)**  
Chief Financial Officer

Sd/-  
**(SUGANDHA KUKREJA)**  
Company Secretary  
FCS-11578

Sd/-  
**(JATIN DAHIYA)**  
Executive Director  
DIN:08106876

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

As per our separate report of even date  
For **HARI S. & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 007709N  
ICAI UDIN 22523735AJQAIS7738

Sd/-  
**(KAPIL VOHRA)**  
Partner  
Membership No. 523735  
Place: Chandigarh

Place: Phuket  
Date : May 5, 2022

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

### A. Equity Share Capital

#### Current reporting period

(Rs. in Lakhs)

Balance as at 1.4.2021	3106.86	Changes in equity share capital during the year	1740.00	Balance as at 31.03.2022	4846.86
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#### Previous reporting period

(Rs. in Lakhs)

Balance as at 1.4.2020	2710.48	Changes in equity share capital during the year	396.38	Balance as at 31.3.2021	3106.86
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### B. Other Equity

#### Current reporting period

(Rs. in Lakhs)

	Reserves and Surplus					Other Comprehensive Income (OCI)		Total
	Capital Reserve	Deben- ture Re- demp- tion Reserve	Securi- ties pre- mium Reserve	Debt In- stru- ments (Differential discounted value of Debentures)	Retained Earnings	Debt instrument through OCI	Remeasure- ment of De- fined Benefit Plan	
						(Deben- tures)		
Balance as at 1.4.2021	3626.30	-	6018.33	-	(2935.49)	-	(152.70)	6,556.44
Total Comprehensive Income for the year	-	-	-	-	5672.13	-	298.89	5971.02
Depreciation	(46.99)	-	-	-	46.99	-	-	-
Other Reserves	-	-	-	-	-	-	-	-
Adj. in respect of Assets sold/discarded(Net)	(0.30)	-	-	-	-	-	-	(0.30)
Debtenture Redemption Reserve	-	-	-	-	-	-	-	-
Share Forfeited Reserve	-	-	-	-	-	-	-	-
Securities Premium Reserve	-	-	10007.25	-	-	-	-	10007.25
Balance as at 31.03.2022	3579.01	-	16025.58	-	2783.63	-	146.19	22534.41

Previous reporting period									
	Reserves and Surplus						Other Comprehensive Income (OCI)		Total
	Capital Reserve	Deben- ture Re- demp- tion Reserve	Securi- ties pre- mium Reserve	Debt In- stru- ments (Differential discounted value of Debtentures)	Retained Earnings	Debt instrument through OCI	Remeasur- ement of De- fined Benefit Plan		
						(Deben- tures)			
Balance as at 1.4.2020	3683.24	101.5	4443.13	46.36	(3903.90)	267.51	(300.11)	<b>4337.73</b>	
Total Comprehensive Income for the year	-	-	-	-	823.67	(267.51)	147.41	703.57	
Depreciation net of adj.	(43.24)	-	-	-	43.24	-	-	-	
Other Reserves				(46.36)	-	-	-	(46.36)	
Adj. in respect of Assets sold/discarded	(17.32)	-	-	-	43.24	-	-	(17.32)	
Debtenture Redemption Reserve	-	(101.50)	-	-	101.5	-	-	-	
Share Forfeited Reserve	3.62	-	-	-	-	-	-	3.62	
Securities Premium Reserve	-	-	1575.2	-	-	-	-	1575.20	
Balance as at 31.3.2021	3626.30	-	6018.33	-	(2935.49)	-	(152.70)	<b>6556.44</b>	
<p>The Company has allotted (a) 7500000 Equity Shares of Rs 10/- each at a price of Rs 60/- each to Durva Infratech LLP on preferential basis for consideration other than cash for setting up of 35 MW Captive Power Plant, (b) 54,00,000 Equity Shares of Rs 10/- each at a price of Rs 60/- each on preferential basis for cash consideration as approved by Board of Directors in their meeting held on 21st May, 2021 and (c) 45,00,000 Sweat Equity Shares of Rs 10/- each at a price of Rs 89.05/- each to Shri Naveen Chopra, Managing Director of the company as approved by Board of Directors on 23rd July, 2021.</p>									

Sd/-  
**(ARUN KUMAR KAUSHAL)**  
Chief Financial Officer

Sd/-  
**(SUGANDHA KUKREJA)**  
Company Secretary  
FCS-11578

Sd/-  
**(JATIN DAHIYA)**  
Executive Director  
DIN:08106876

Sd/-  
**(NAVEEN CHOPRA)**  
Managing Director  
DiN:08465391

As per our separate report of even date  
For **HARI S. & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 007709N  
ICAI UDIN 22523735AJQAI57738

Place: Phuket  
Date : May 5, 2022

Sd/-  
**(KAPIL VOHRA)**  
Partner  
Membership No. 523735  
Place: Chandigarh

## NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Punjab Alkalies & Chemicals Limited ('the Company') is a limited company incorporated in India. The addresses of its registered office and principal activities of the Company are disclosed in the introduction to the Annual Report. The Ordinary (Equity) shares of the Company are listed on the, the BSE Limited ("BSE") in India.

### Note No. 1: BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### a) Basis of preparation and compliance with Ind AS

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company has consistently applied accounting policies to all years. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial period commencing from April 1, 2021. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

### Note No. 2: SIGNIFICANT ACCOUNTING POLICIES

#### (a) Accounting Convention

The financial statements are prepared under the historical cost convention except for certain financial assets and liabilities that are measured at fair value and on the basis of going concern. The financial statements have been prepared on a going concern basis on the strength of profitability, liquidity and continued support of the promoters, financial institutions and banks. All expenses and incomes to the extent considered payable and receivable respectively, unless stated otherwise, have been accounted for on mercantile basis.

#### (b) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, intangible assets, fair value of financial assets/liabilities and impairment of investments.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### (i) Uncertainty relating to COVID outbreak:

The Company has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports, up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company has accrued its liabilities and also expects to fully recover the carrying amount of inventories, trade receivables, intangible assets and investments. The eventual outcome of impact of the global health pandemic may be different from that estimated as on the date of approval of these financial statements.

##### (ii) Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

**iii) Leases:**

The Company considers all the extension-options under the commercial contract for determining the lease-term which forms the basis for the measurement of right of-use asset and the corresponding lease-liability.

**iv) Other estimates:**

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

**(c) Property, Plant & Equipment**

Tangible Assets are stated at fair values. Machinery Spares have been capitalised as and when issued. Direct costs are capitalised until the property, plant and equipment are ready for use, as intended by the management. These costs also include financing cost which has been capitalized on qualifying assets as per Ind-AS 23. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are taken out from books of accounts and resultant profit (including capital profit) or loss, if any, is reflected in Statement of Profit & Loss.

The Company has identified spares having value (landed cost) of Rs.10000/- & above and having life of more than one year in line with the Ind-AS 16. These spares are transferred to capital work in progress account and are capitalized as and when issued. The full value of these spares is being depreciated over their useful life using the straight-line method.

**(d) Intangible Assets**

Intangible Assets acquired are measured on initial recognition at cost. These assets are being amortized over a period of five years. Costs associated with maintaining software programme are recognized as an expense as incurred.

**(e) Depreciation**

The Company has charged depreciation on fixed assets on straight-line basis (SLM) as per their useful life based on past operational experience as certified by the technical staff of the plant. Fixed Assets individually costing upto Rs.5,000/- are depreciated 100% in the year of purchase. The intangible assets are being amortised over a period of 5 years.

**(f) Valuation of Inventories**

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

**(g) Investment in associates enterprises**

The Company accounts for its investments in subsidiaries, associates and joint ventures at cost less accumulated impairment, if any.

**(h) Financial instruments**

Trade receivables are initially recognised when they originate. All other financial assets and financial Liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

Current financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

**(i) Revenue Recognition**

Revenue from Sale of goods is measured at the fair value of consideration received or receivable taking into account the amount of price discount, volume rebate, outgoing taxes (GST) on sales. Any amounts receivable from the customer are recognized as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch of goods.

**(j) Government Grants**

The Company is not availing any government grant.

**(k) 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 Statement of Profit & Loss.

**(l) 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 Statement of Profit & Loss.

**ii) Defined Benefit Plan**

The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary and LIC's actuarial valuation respectively, using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds is consistent with the currency and estimated terms of the defined benefit obligations. Actuarial valuation has been done in accordance with Ind-AS 19. Actuarial gains and losses due to re-measurement in the present value of defined benefit obligations resulting from experience are recognized in other comprehensive income.

**iii)** Gratuity liability has been covered by master policies of Life Insurance Corporation of India under irrevocable trust.

**(m) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in Statement of Profit & Loss in the period in which they are incurred.

**(n) 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.

**(o) Taxes on Income**

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

Deferred tax has been recognised in accordance with IND-AS 12 on the basis of tax consequences of difference between the carrying amounts of assets and liabilities and their tax base.

Deferred tax assets are recognised to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**(p) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

**(q) Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**The Company as a lessee**

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**(r) Statement of Cashflows**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cashflows are segregated into and presented as cashflows from operating, investing and financing activities.

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

<b>3. Property, Plant and Equipment</b>														
Property, plant and equipment comprise of owned and leased assets.														
Particulars											(Rs. in Lakhs)			
											As at March 31, 2022	As at March 31, 2021		
(a) Property, plant and equipment owned											<b>14,924.81</b>	15,097.19		
(b) Right of use assets											<b>558.13</b>	518.68		
<b>Total</b>											<b>15,482.94</b>	15,615.87		
(a) Property, plant and equipment owned														
Particulars	Site Development	Land Freehold	Buildings	Buildings Factory	Tubewell	Plant and Equipment	Office Equipment	Furniture & Fixtures	Computer	Vehicles	Electric Installation	Railway Sidings	Lab Instruments	Total
Cost														
Balance as at 1st April, 2020	28.15	2,548.28	1,029.40	2566.64	46.34	33438.60	117.78	80.23	149.27	142.04	21.58	42.80	55.18	40,266.29
Additions during the year (including transfer from CWIP)	-	-	3.76	0.17	-	65.80	25.66	6.85	8.83	269.56	-	85.34	-	465.97
Disposals during the year	-	-	66.58	-	-	97.61	-	-	-	-	-	-	-	164.19
<b>Balance as at 31st March, 2021</b>	<b>28.15</b>	<b>2,548.28</b>	<b>966.58</b>	<b>2,566.81</b>	<b>46.34</b>	<b>33406.79</b>	<b>143.44</b>	<b>87.08</b>	<b>158.10</b>	<b>411.60</b>	<b>21.58</b>	<b>128.14</b>	<b>55.18</b>	<b>40,568.07</b>
<b>Balance as at 1st April, 2021</b>	<b>28.15</b>	<b>2,548.28</b>	<b>966.58</b>	<b>2,566.81</b>	<b>46.34</b>	<b>33,406.79</b>	<b>143.44</b>	<b>87.08</b>	<b>158.10</b>	<b>411.60</b>	<b>21.58</b>	<b>128.14</b>	<b>55.18</b>	<b>40,568.07</b>
Additions during the year (including transfer from CWIP)	-	-	8.04	-	-	712.57	17.04	11.32	22.66	612.55	2.71	53.14	0.00	1,440.03
Disposals during the year	-	-	-	-	-	35.47	30.42	8.99	33.02	0.12	-	-	1.90	109.92
<b>Balance as at 31st March, 2022</b>	<b>28.15</b>	<b>2,548.28</b>	<b>974.62</b>	<b>2,566.81</b>	<b>46.34</b>	<b>34083.89</b>	<b>130.06</b>	<b>89.41</b>	<b>147.74</b>	<b>1024.03</b>	<b>24.29</b>	<b>181.28</b>	<b>53.28</b>	<b>41,898.18</b>
<b>Accumulated Depreciation</b>														
Balance as at 1st April, 2020	-	-	394.54	1785.35	40.35	21355.87	91.40	67.28	132.24	96.96	18.88	33.14	27.76	24,043.77
Depreciation expense for the year	-	-	17.10	88.11	1.22	1393.33	6.17	1.72	13.26	20.68	0.22	4.74	3.02	1,549.57
Disposals during the year	-	-	29.92	-	-	92.54	-	-	-	-	-	-	-	122.46
Impairment during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2021</b>	<b>-</b>	<b>-</b>	<b>381.72</b>	<b>1873.46</b>	<b>41.57</b>	<b>22656.66</b>	<b>97.57</b>	<b>69.00</b>	<b>145.50</b>	<b>117.64</b>	<b>19.10</b>	<b>37.88</b>	<b>30.78</b>	<b>25,470.88</b>
Balance as at 1st April, 2021	-	-	381.72	1873.46	41.57	22656.66	97.57	69.00	145.50	117.64	19.10	37.88	30.78	25,470.88
Depreciation expense for the year	-	-	16.57	87.39	1.22	1,358.62	12.06	3.60	8.94	104.89	0.30	10.13	3.02	1,606.74
Disposals during the year	-	-	-	-	-	33.61	28.93	8.55	31.37	(0.01)	-	-	1.80	104.25
<b>Balance as at 31st March, 2022</b>	<b>-</b>	<b>-</b>	<b>398.29</b>	<b>1960.85</b>	<b>42.79</b>	<b>23981.67</b>	<b>80.70</b>	<b>64.05</b>	<b>123.07</b>	<b>222.54</b>	<b>19.40</b>	<b>48.01</b>	<b>32.00</b>	<b>26,973.37</b>
<b>Net carrying amount</b>														
<b>Net carrying amount as at 31st March, 2021</b>	<b>28.15</b>	<b>2,548.28</b>	<b>584.86</b>	<b>693.35</b>	<b>4.77</b>	<b>10,750.13</b>	<b>45.87</b>	<b>18.08</b>	<b>12.60</b>	<b>293.96</b>	<b>2.48</b>	<b>90.26</b>	<b>24.40</b>	<b>15,097.19</b>
<b>Net carrying amount as at 31st March, 2022</b>	<b>28.15</b>	<b>2,548.28</b>	<b>576.33</b>	<b>605.96</b>	<b>3.55</b>	<b>10,102.22</b>	<b>49.36</b>	<b>25.36</b>	<b>24.67</b>	<b>801.49</b>	<b>4.89</b>	<b>133.27</b>	<b>21.28</b>	<b>14,924.81</b>

<b>3. Property, Plant and Equipment (Contd.)</b>	
<b>(b) Right of use assets</b>	(Rs. in Lakhs)
<b>Particulars</b>	<b>As at March 31, 2022</b>
	<b>Land -Leasehold</b>
Cost	
<b>Balance as at 1st April, 2020</b>	<b>518.68</b>
Additions during the year	-
Disposals during the year	-
<b>Balance as at 31st March, 2021</b>	<b>518.68</b>
<b>Balance as at 1st April, 2021</b>	<b>518.68</b>
Additions during the year	47.10
Disposals during the year	-
<b>Balance as at 31st March, 2022</b>	<b>565.78</b>
<b>Accumulated Amortisation</b>	
Balance as at 1st April, 2020	-
Depreciation expense for the year	-
Disposals during the year	-
Impairment during the year	-
<b>Balance as at 31st March, 2021</b>	<b>-</b>
<b>Balance as at 1st April, 2021</b>	<b>-</b>
Depreciation expense for the year	7.65
Disposals during the year	-
<b>Balance as at 31st March, 2022</b>	<b>7.65</b>
Net carrying amount	
<b>Net carrying amount as at 31st March, 2021</b>	<b>518.68</b>
<b>Net carrying amount as at 31st March, 2022</b>	<b>558.13</b>
<b>3a. Other Intangible Assets</b>	(Rs. in Lakhs)
<b>Particulars</b>	<b>Computer Software</b>
Cost	
<b>Balance as at 1st April, 2020</b>	<b>26.61</b>
Additions during the year	3.80
Deductions during the year	-
<b>Balance as at 31st March, 2021</b>	<b>30.41</b>
<b>Balance as at 1st April, 2021</b>	<b>30.41</b>
Additions during the year	0.52
Deductions during the year	-
<b>Balance as at 31st March, 2022</b>	<b>30.93</b>
<b>Accumulated Amortisation</b>	
<b>Balance as at 1st April, 2020</b>	<b>15.16</b>
Amortisation expense for the year	5.85
Deductions during the year	-

<b>Balance as at 31st March, 2021</b>	<b>21.01</b>
<b>Balance as at 1st April, 2021</b>	<b>21.01</b>
Amortisation expense for the year	3.52
Deductions during the year	-
<b>Balance as at 31st March, 2022</b>	<b>24.53</b>
Net carrying amount	
Net carrying amount as at 31st March, 2021	9.40
<b>Net carrying amount as at 31st March, 2022</b>	<b>6.40</b>

- 3.1 Depreciation for the year 2021-22 includes Rs. 46.99 Lakhs (Previous year Rs. 43.24 Lakhs) as depreciation arising on revaluation of Fixed Assets.
- 3.2 Fixed Assets are stated at values determined by the valuer less depreciation. Capital Spares are transferred to capital work in progress and are capitalised as and when issued. Direct costs are capitalised till the assets are 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 Statement of Profit & Loss.
- 3.3 The Company has charged depreciation on fixed assets on straight-line basis (SLM) as per their useful life based on past operational experience as certified by the technical staff of the plant. Fixed Assets individually costing upto Rs.5,000/- are depreciated 100% in the year of purchase. The intangible assets are being amortised over a period of 5 years.
- 3.4 The Company had revalued its Fixed Assets (other than the 100 TPD Membrane Cell Plant Power Line) as on 31st March, 2004 on the basis of existing use value by an independent professional valuer. The revaluation of assets had been approved by the Board of Directors in its meeting held on 27th October, 2005 and the revalued figures were incorporated in the accounts in the financial year 2005-06. Accordingly a sum of Rs.6243.16 Lakhs being the surplus of the value of assets over the written down value, had been credited to the Revaluation Reserve.
- 3.5 The Company had revalued its 100 TPD Membrane Cell Plant Power Line as on 31st March, 2006 on the basis of existing use value by an independent professional valuer. The revaluation of the asset had been approved by the Board of Directors in its meeting held on 29th October, 2007 and the revalued figure was incorporated in the accounts in the financial year 2007-08. Accordingly, a sum of Rs.27.78 Lakhs being the surplus of the value of the asset over the written down value, had been credited to the Revaluation Reserve.
- 3.6 The Company had revalued its Fixed Assets as on 31st March, 2009 on the basis of existing use value by an independent professional valuer. The revaluation of assets had been approved by the Board of Directors in its meeting held on 29th January, 2010 and the revalued figures were incorporated in the accounts in the financial year 2009-10. Accordingly a sum of Rs.4819.99 Lakhs being the surplus of the value of assets over the written down value, had been credited to the Revaluation Reserve.
- 3.7 Addition in leasehold land of Rs 47.10 Lakhs represent the present value of right to use of assets of future lease rent calculated in accordance with Ind AS 116 and is being amortised on straight line basis over the remaining term of the lease.
- 3.8 The company has not revalued its Property, Plant & Equipment during the current financial year.

<b>Note No. 4</b>					
<b>CAPITAL WORK IN PROGRESS</b>					
(Rs. in Lakhs)					
Particulars	Cost as at 1.4.2021	Additions / Adjustments	Transfer to Fixed Assets	Adjustments	Cost as at 31.3.2022
Buildings	377.49	114.54	8.04	-	<b>483.99</b>
Plant & Machinery	3004.01	14657.35	441.74	51.45	<b>17168.17</b>
Vehicles	74.39	538.03	612.42	-	-
<b>Total</b>	<b>3455.89</b>	<b>15309.92</b>	<b>1062.20</b>	<b>51.45</b>	<b>17652.16</b>
Previous Year	1450.80	2417.77	402.02	10.66	3455.89

<b>Capital-work-in progress ageing schedule:</b>						(Rs. in Lakhs)
Particulars	Amount in CWIP for a period of				Total	
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress						
Expansion Project	4289.89	1373.92	1200.80	-	6864.61	
SBP Project	988.39	-	-	-	988.39	
Flaker Project	971.06	-	-	-	971.06	
Power Project	7830.26	32.29	-	-	7862.55	
Corporate Building	105.89	331.18	43.52	2.79	483.38	
Factory Building	0.61	-	-	-	0.61	
Existing Plant & Machinery	247.50	179.46	9.36	20.69	457.01	
Others	24.55	-	-	-	24.55	
<b>Total A</b>	<b>14458.15</b>	<b>1916.85</b>	<b>1253.68</b>	<b>23.48</b>	<b>17652.16</b>	
Projects temporarily suspended	-	-	-	-	-	
NA	-	-	-	-	-	
<b>Total B</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Grand Total A+B</b>	<b>14458.15</b>	<b>1916.85</b>	<b>1253.68</b>	<b>23.48</b>	<b>17652.16</b>	

<b>Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan:</b>					
Particulars	To be completed in				Total More than 3 years
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Total</b>	-	-	-	-	-

<b>Note No. 4a</b>					
<b>INTANGIBLE ASSETS UNDER DEVELOPMENT</b>					
(Rs. in Lakhs)					
Particulars	Cost as at 1.4.2021	Additions/ Adjustments	Transfer to Fixed Assets	Adjustments	Cost as at 31.3.2022
ERP Software	2.50	1.12	-	-	<b>3.62</b>
<b>Total</b>	<b>2.50</b>	<b>1.12</b>	<b>-</b>	<b>-</b>	<b>3.62</b>
Previous Year	2.50	3.80	3.80	-	<b>2.50</b>

Intangible assets under development ageing schedule:					
(Rs. in Lakhs)					
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
ERP	1.12	-	-	2.50	3.62
<b>Total</b>	<b>1.12</b>	<b>-</b>	<b>-</b>	<b>2.50</b>	<b>3.62</b>

Note No. 5					
NON CURRENT-FINANCIAL ASSETS - INVESTMENTS					
(Rs. in Lakhs)					
Particulars	Face Value Per unit (Rs)	As at March 31, 2022		As at March 31, 2021	
		Number	(Rs in Lakhs)	Number	(Rs in Lakhs)
In Associate Company					
Flow Tech Chemicals Pvt. Ltd.	10	212000	3006.58	-	-
(212000 Unlisted equity Shares of Flow Tech Chemicals Pvt. Ltd. @ Rs 1418.20 per share)		<b>212000</b>	<b>3006.58</b>	-	-

**Note No. 5.1**  
The Company has acquired 27.80% stake in Flow Tech Chemicals Pvt. Limited and has accounted for it at cost under equity method as per Ind AS 28

Note No. 6			
NON CURRENT-FINANCIAL ASSETS - TRADE RECEIVABLES			
(Rs. in Lakhs)			
Particulars		As at March 31, 2022	As at March 31, 2021
<b>Considered Good except where provided for:</b>			
a) Total Receivable considered good- Secured		-	-
b) Total Receivable considered good- Unsecured		-	-
c) Trade Receivable which have significant increase in credit risk		<b>572.84</b>	-
d) Trade Receivable- Credit impaired		-	726.86
<b>Less: Allowance for expected credit loss (Debtors over 180 days including legal cases)</b>		<b>572.84</b>	726.86
		-	-

Note No. 6.1						
(Rs. in Lakhs)						
Particulars	Outstanding for following periods*					Total
	Less than 6 months	6 months - 1 year	1-2 years	2--3 years	More than 3 years	
	(i) Undisputed Trade receivables – considered good	-	-	-	-	
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-

(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	572.84	572.84
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-
Total	-	-	-	-	572.84	572.84
Less: Allowance for expected credit loss (Debtors over 180 days including legal cases)	-	-	-	-	572.84	572.84
Net Receivables	-	-	-	-	-	-

\*The ageing is from invoice date

**Note No. 7**
**NON CURRENT-FINANCIAL ASSETS - LOANS**

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans to related parties	-	-
Other Loans	-	-
Loans Receivables-considered good- Secured	-	-
Loans Receivables-considered good- Unsecured	-	-
Loans Receivables which have significant increase in Credit Risk	-	-
Loan Receivables- credit impaired	-	-

**Note No.8**
**NON CURRENT-FINANCIAL ASSETS - OTHERS**

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	-	-
Bank Deposits having maturity of more than one year	112.70	-
	112.70	-

**Note No. 9**
**DEFERRED TAX LIABILITIES/ASSETS (NET)**

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets	323.84	879.62
Deferred Tax Liabilities	1474.69	1419.82
Deferred Tax (Liabilities)/Assets (Net)	(1150.85)	(540.20)

**Note No. 10**
**OTHER NON CURRENT ASSETS**

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Capital advances	462.07	640.28
(ii) Advances other than capital advances:		
Security deposits	635.37	594.64
Advances to related parties	-	-
Other advances (Specify)	-	-
(iii) Deferred Expenditure:		
As per last balance sheet	218.78	395.24
Addition during the year	228.40	-
	447.18	395.24
Less: Amortized during the year	128.39	176.46
<b>Closing Balance</b>	<b>318.79</b>	<b>218.78</b>
	<b>1416.23</b>	<b>1453.70</b>

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

**Note No. 11**
**INVENTORIES**

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Inventory</b>		
Raw Materials	267.97	216.66
Stock in process	35.38	25.43
Finished goods	591.04	161.66
Stock in trade	564.43	-
Stores, Spares and consumables	248.10	220.44
	<b>1706.92</b>	<b>624.19</b>

**Note No. 12**
**CURRENT-FINANCIAL ASSETS -TRADE RECEIVABLES**

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Considered Goods except where provided for:		
a) Total Receivable considered good- Secured	2062.68	266.61
b) Total Receivable considered good- Unsecured	1191.83	1357.05
c) Trade Receivable which have significant increase in credit risk	-	-
d) Trade Receivable- Credit impaired	-	-
	<b>3254.51</b>	<b>1623.66</b>

<b>Note No. 12.1</b>						
(Rs. in Lakhs)						
Particulars	Outstanding for following periods*					
	Less than 6 months	6 months -1 year	1-2 years	2--3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	3254.51	-	-	-	-	3254.51
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

\* The ageing is from Invoice date

<b>Note No. 13</b>			
<b>CURRENT-FINANCIAL ASSETS–CASH AND CASH EQUIVALENTS</b>			
(Rs. in Lakhs)			
Particulars	As at		As at
	March 31, 2022		March 31, 2021
a) Cash and cash equivalents			
Balance with banks			
Current Account	18.48		306.77
Cash Credit Account* (AU Small Finance Bank Ltd.)	2,380.45		12.12
Fixed Deposits with original maturity less than 1 year	-		440.33
		2398.93	759.22
Cash in hand		2.46	3.03
<b>Total Cash and cash equivalents</b>		<b>2401.39</b>	<b>762.25</b>

b) Bank Balances other than Cash and Cash Equivalent		
Bank Deposits with original maturity less than one year including margin money for letters of credit and bank guarantees.	115.75	36.89

\* Secured by first pari - passu charge by way of hypothecation on present and future current assets of the Company and second charge by way of hypothecation over the power plant exclusively funded by AU Small finance Bank Ltd. and any other plant & machinery which shall be financed by the new lender.

<b>Note No. 14</b>		
<b>CURRENT-FINANCIAL ASSETS -LOAN</b>		
(Rs. in Lakhs)		
Particulars	As at	As at
	March 31, 2022	March 31, 2021
Loans to related parties	-	-
Other Loans		
Loans Receivables-considered good- Secured	-	-
Loans Receivables-considered good- Unsecured	-	8.98
Loans Receivables which have significant increase in Credit Risk	-	-
Loan Receivables- credit impaired	-	-
	-	8.98

<b>Note No. 15</b>			
<b>OTHER CURRENT FINANCIAL ASSETS</b>			
			(Rs. in Lakhs)
Particulars		As at March 31, 2022	As at March 31, 2021
(i) Advances other than capital advances			
-Security Deposits	-		-
- Advance to Related Party	-		-
- Other Advances	-		-
Suppliers/Service Providers	<b>753.26</b>		672.76
Less: Provision for doubtful debts (Others)	<b>576.87</b>		560.86
		<b>176.39</b>	111.90
(ii) Advance to Director or other officer		-	-
(iii) Other advances			
Employees		<b>1.82</b>	-
		<b>178.21</b>	111.90

15.1 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.562.86 Lakhs incurred on behalf of Punjab National Fertilizers & Chemicals Limited shall be made as per the settlement by the Official Liquidator of Punjab National Fertilizers & Chemicals Limited. However, an amount of Rs.16.01 Lakhs (previous year Rs.11.53 Lakhs) has been provided as doubtful debt during the current year.

<b>Note No. 16</b>			
<b>OTHER CURRENT ASSETS</b>			
			(Rs. in Lakhs)
Particulars		As at March 31, 2022	As at March 31, 2021
Prepaid expenses		<b>50.96</b>	51.94
Income Tax recoverable		<b>21.88</b>	20.88
Insurance Claim recoverable		<b>7.18</b>	7.06
Other recoverable		<b>70.26</b>	39.81
Income tax claimable		<b>59.45</b>	5.26
GST recoverable		<b>1,674.13</b>	731.70
GST Input Claimable		<b>354.00</b>	-
Advance against water charges		<b>8.07</b>	8.07
		<b>2,245.93</b>	864.72

<b>Note No. 17</b>			
<b>EQUITY SHARE CAPITAL</b>			
			(Rs. in Lakhs)
Particulars		As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>			
350,000,000 Equity Shares of Rs. 2/- each		<b>7000.00</b>	4000.00
(Previous year 400,00,000 Equity Shares @10/- each)			
<b>Issued</b>			
242,715,730 Equity Shares of Rs. 2/- each		<b>4854.31</b>	3114.31
(Previous year 311,43,146 Equity Shares @ 10 each )			
<b>Subscribed</b>			
242,703,980 Equity Shares of Rs. 2/- each fully called up (Previous year 311,40,796 Equity Shares @10/ each )		<b>4854.08</b>	3114.08

Paid Up		
242,343,220 Equity Shares of Rs. 2/- each fully called up (Previous year 310,68,644 Equity Shares @ 10 each )	<b>4846.86</b>	3106.86
	<b>4846.86</b>	3106.86

### 17.1 Reconciliation of number of Equity Shares and amount outstanding

Particulars	As at March 31, 2022			As at March 31, 2021	
	Pre sub division	Post sub division	(Rs. in Lakhs)	No of Shares	(Rs. in Lakhs)
	No of Shares	No of Shares			
Paid up capital:					
Opening Balance	<b>31068644</b>	<b>155343220</b>	<b>3106.86</b>	27140796	2714.08
Add: Equity Shares issued on Preferential basis	<b>5400000</b>	<b>27000000</b>	<b>540.00</b>	-	-
Add: Equity Shares issued on Preferential basis other than cash for supply of plant & Machinery	<b>7500000</b>	<b>37500000</b>	<b>750.00</b>	-	-
Add: Sweat Equity shares issued to Managing Director	<b>4500000</b>	<b>22500000</b>	<b>450.00</b>	4000000	400.00
Less: Forfeited Shares	-	-	-	72152	7.22
Closing Balance		<b>242343220</b>	<b>4846.86</b>	31068644	3106.86

17.2 Allotment of 75,00,000 Equity Shares of Rs.10/- each at a price of Rs.60/- each to M/s Durva Infra tech LLP on Preferential basis for consideration other than cash of setting up of 35MW captive Power Plant and Allotment of 54,00,000 Equity Shares of Rs.10/- each at a price of Rs.60/- each on Preferential basis for cash consideration as approved by the Board of Directors in their meeting held on 21st May, 2021.

17.3 Allotment of 45,00,000 Sweat Equity Shares of Rs 10/- each at a price of Rs 89.05/- each to Shri Naveen Chopra, Managing Director of the company as approved by Board of Directors on 23rd July, 2021.

17.4 The Company has made Sub-division of each Equity Share of Rs 10/- each into 5 (five) Equity Shares of Rs 2/- each as per approval of Board in their meeting held on 2nd December, 2021, approval of shareholders in EOGM held on 28th December, 2021 with record date for the same was 28th January, 2022.

### 17.5 Shareholding of Promoter

Shares held by promoters at the end of the year

S. No	Promoter Name	As at March 31, 2022		As at March 31, 2021		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Sh. Sukhbir Singh Dahiya	<b>25278015</b>	<b>10.43</b>	3505264	11.28	(0.85)
2	Sh. Jagbir Singh Ahlawat	<b>15500100</b>	<b>6.40</b>	3100020	9.98	(3.58)
3	Smt. Parerna Ahlawat	<b>9875315</b>	<b>4.07</b>	1975063	6.36	(2.29)
4	Sh. Jatin Dahiya	<b>5482535</b>	<b>2.26</b>	1096507	3.53	(1.27)
5	Sh. Mayank Ahlawat	<b>1960160</b>	<b>0.81</b>	392032	1.26	(0.45)
6	Smt. Dayawati	<b>3560170</b>	<b>1.47</b>	712034	2.29	(0.82)
7	Smt. Garima	<b>1100000</b>	<b>0.45</b>	220000	0.71	(0.26)
8	Flow Tech Industrial Projects Pvt.Ltd.	<b>8860160</b>	<b>3.66</b>	1772032	5.70	(2.04)
9	Flow Tech Chemicals Pvt. Ltd.	-	-	1550339	4.99	(4.99)
10	Himalaya Alkalies & Chemicals Limited	<b>2604390</b>	<b>1.07</b>	520878	1.68	(0.61)
11	Tara Mercantile Pvt. Ltd.	<b>1761985</b>	<b>0.73</b>	352397	1.13	(0.40)
12	Advance Chemicals (Shares held in name of Shri Mayank Ahlawat, first holder and partner)	-	-	-	-	-
<b>Total</b>		<b>75982830</b>	<b>31.35</b>	15196566	48.91	(17.56)

**17.6 Details of shareholders holding more than 5% shares**

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares held	% age	No. of shares held	% age
Flowtech Industrial Projects Pvt. Ltd.	8860160	3.66	1772032	5.70
Jagbir Singh Ahlawat	15500100	6.40	3100020	9.98
Sukhbir Singh Dahiya	25278015	10.43	3505264	11.28
Parerna Ahlawat	9875315	4.07	1975063	6.36
Naveen Chopra	42500000	17.54	4000000	12.87
Durva Infratech LLP	37500000	15.47	-	-
Plutus Wealth Management LLP	21250000	8.77	-	-

**Note No. 18**
**OTHER EQUITY**

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserve		
Land Subsidy	5.49	5.49
Shares Forfeited Reserve Account	10.65	10.65
Revaluation Reserve		
As per last balance sheet	3610.16	3670.72
Less: Adjusted in respect of Assets sold/ discarded	0.30	17.32
Less: Depreciation & Amortization	46.99	43.24
	3562.87	3610.16
Securities Premium		
As per last Balance Sheet	6018.33	4443.13
Add: Addition during the year	10007.25	1575.20
	16025.58	6018.33
Other Comprehensive Income		
As per last Balance Sheet	(152.70)	(32.60)
Add: Addition during the year	298.89	(120.10)
	146.19	(152.70)
<b>STATEMENT OF PROFIT AND LOSS</b>		
As per last Balance Sheet	(2935.49)	(3903.90)
Add: Debenture Redemption Reserve	-	101.5
Add: Depreciation on revalued assets	46.99	43.24
Add: Transferred from STATEMENT OF PROFIT AND LOSS	5672.13	823.67
	2783.63	(2935.49)
	22534.41	6556.44

<b>Note No. 19</b>		
<b>NON CURRENT LIABILITIES- BORROWINGS</b>		
(Rs. in Lakhs)		
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Term Loan & Vehicle Loan		
Kotak Mahindra Bank Ltd. (Handling Equipment) (Secured by way of hypothecation of equipment)	<b>120.24</b>	-
Kotak Mahindra Bank Ltd. (Vehicles) (Secured by way of hypothecation of vehicles)	<b>122.47</b>	63.04
AU Small Finance Bank Limited (Power Plant) (Secured by first charge of machinery of Power Plant & first charge on Pari- Pasu basis on existing land & Building and Plant & Machinery)	<b>3,113.35</b>	-
AU Small Finance Bank Limited (Expansion) (Secured by first charge on machinery of Caustic Soda plant capacity expansion & first charge on Pari -Pasu basis on existing land & Building and Plant & Machinery)	<b>2,553.03</b>	-
Punjab National Bank (Car Loan) (Secured by way of hypothecation of vehicles)	<b>167.06</b>	-
	<b>6,076.15</b>	63.04
Less: Short term maturity of Term loan/vehicle loan within 1 year transferred to Short term borrowing.	<b>808.90</b>	20.30
	<b>5,267.25</b>	42.74

<b>Note No. 20</b>		
<b>NON CURRENT LIABILITIES- LEASE LIABILITY</b>		
(Rs. in Lakhs)		
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Lease Liability	<b>48.05</b>	-
Less: Short term maturity of Lease liability within 1 year transferred to Short term borrowing.	<b>4.24</b>	-
	<b>43.81</b>	-

<b>Note No. 21</b>		
<b>NON CURRENT LIABILITIES- TRADE PAYABLES</b>		
(Rs. in Lakhs)		
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Trade Payables	-	-
	-	-

<b>Note No. 22</b>		
<b>NON CURRENT – PROVISIONS</b>		
(Rs. in Lakhs)		
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Provision for Employee Benefits*		
Gratuity	<b>119.88</b>	504.13
Leave Encashment	<b>513.50</b>	825.38
	<b>633.38</b>	1329.51

\* 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 Statement of Profit & Loss as income or expense and other comprehensive income as per Ind-AS 19.

<b>Note No. 23</b>		
<b>CURRENT LIABILITIES-BORROWINGS</b>		
(Rs. in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Vehicle Loan		
Short term maturity of Term loan within 1 year –Refer Note No.19	<b>808.90</b>	20.30
Short term maturity of Lease liability within 1 year –Refer Note No.20	<b>4.24</b>	-
Working Capital Loans (Secured)		
AU Small Finance Bank Ltd.	-	-
Other Loans and Advances (Unsecured)	-	-
	<b>813.14</b>	20.30
23.1 Cash Credit from the banks is secured by way of hypothecation (first charge) present and future current assets of the Company wherever and second charge by way of hypothecation over the power plant exclusively funded by AU Small finance Bank Ltd. and any other plant & machinery which shall be financed by the new lender.		

<b>Note No. 24</b>		
<b>OTHER FINANCIAL LIABILITIES</b>		
(Rs. in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due	<b>34.85</b>	0.51
	<b>34.85</b>	0.51

<b>Note No. 25</b>		
<b>CURRENT-FINANCIAL LIABILITIES-TRADE PAYABLE</b>		
(Rs. in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Creditors		
Total outstanding dues of Micro & Small Enterprises	<b>241.90</b>	210.08
Total outstanding dues of creditors other than Micro & Small Enterprises	<b>4159.38</b>	2553.65
	<b>4401.28</b>	2763.73

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

<b>Note No. 25.2</b>					
<b>Trade Payables ageing schedule</b>					
(Rs. in Lakhs)					
Particulars	Outstanding for following periods*				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	219.16	-	-	-	219.16
(ii) Others	3944.11	94.85	12.33	89.03	4140.32
(iii) Disputed dues – MSME	8.39	8.88	5.47	-	22.74
(iv) Disputed dues - Others	-	-	-	19.06	19.06

\*The ageing is from invoice date

<b>Note No. 26</b>		
<b>Other Current Liabilities</b>		
		(Rs. in Lakhs)
Particulars	As at March 31, 2022	As at March 31, 2021
<b>Other Liabilities</b>		
Statutory Liabilities	<b>103.77</b>	1310.97
Expenses payable	<b>2179.69</b>	3608.76
Other Liabilities	<b>4549.05</b>	4704.27
Advances from Customers	<b>567.60</b>	221.81
	<b>7400.11</b>	9845.81
26.1 Expense payable includes Rs. 1088.43 Lakhs (previous year Rs.2721.11 Lakhs payable to PSPCL towards power bill & interest on ACD) payable to PSPCL towards interest on ACD.		
<b>Note No. 27</b>		
<b>CURRENT-PROVISIONS</b>		
		(Rs. in Lakhs)
Particulars	As at March 31, 2022	As at March 31, 2021
a) Provision for Employee Benefits		
Leave Encashment	<b>47.61</b>	26.41
Bonus	<b>9.39</b>	6.72
	<b>57.00</b>	33.13
<b>b) Net Current Tax Liability</b>		
Provision for taxation	<b>1393.52</b>	330.72
Less: Advance Tax Paid	<b>993.12</b>	-
	<b>400.40</b>	330.72
27.1 The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary and LIC's actuarial valuation respectively, using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds is consistent with the currency and estimated terms of the defined benefit obligations. Actuarial gains and losses are recognised immediately in the Profit & Loss Statement as income or expense and other comprehensive income as per Ind-AS 19		
<b>Note No. 28</b>		
<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>		
		(Rs. in Lakhs)
Particulars	As at March 31, 2022	As at March 31, 2021
a) Letters of Credit Outstanding	<b>582.28</b>	-
	<b>(USD 773491.30)</b>	-
b) Bank Guarantees given by Company	<b>168.49</b>	167.74
c) Estimated amounts of contracts remaining to be executed on capital account and not provided for	<b>2257.75</b>	1211.63
d) Additional Liability on account of Income Tax Assessments for the Past Assessment Years against which company has filed appeals.	<b>174.60</b>	4.25
28.1 Continuity Bond amounting to Rs 10000 Lac was executed in favour of custom authorities against which custom duty has since been paid.		

<b>Note No. 29</b>		
<b>REVENUE FROM OPERATIONS</b>		
	(Rs. in Lakhs)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from sale of goods	<b>43,693.06</b>	22585.30
Revenue from trading sales	<b>1713.73</b>	49.48
	<b>45406.79</b>	22634.78
<b>Note No. 29a</b>		
<b>OTHER INCOME</b>		
	(Rs. in Lakhs)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Other Income:</b>		
Interest received	<b>23.03</b>	29.03
Scrap Sales	<b>220.79</b>	214.91
GST Incentive	<b>975.57</b>	1006.92
Misc. Income	<b>66.95</b>	406.28
Excess Provision written back	<b>217.60</b>	3759.29
Profit on sale of fixed assets	<b>11.46</b>	92.24
	<b>1515.40</b>	5508.67
<b>Note No. 30</b>		
<b>COST OF MATERIALS CONSUMED</b>		
	(Rs. in Lakhs)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salt	<b>5224.32</b>	3752.19
Soda Ash	<b>136.32</b>	61.61
Barium Carbonate	<b>388.42</b>	157.12
Sulphuric Acid	<b>179.53</b>	119.24
Others	<b>224.95</b>	147.68
	<b>6153.54</b>	4237.84
30.1 Consumption of above is as per actual material consumed.		

<b>Note No. 31</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS &amp; STOCK-IN-PROCESS</b>		
	(Rs. in Lakhs)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Closing Stocks		
Finished Goods	<b>591.04</b>	161.66
Stock in Process	<b>35.38</b>	25.43
Stock-in-trade	<b>564.43</b>	-
	<b>1190.85</b>	187.09
Less: Opening Stocks		
Finished Goods	<b>161.66</b>	216.12
Stock in Process	<b>25.43</b>	37.51
Stock-in-trade	-	-
	<b>187.09</b>	253.63
Increase/(Decrease) in Stock	<b>1003.76</b>	(66.54)

<b>Note No.32</b>		
<b>MANUFACTURING EXPENSES</b>		
(Rs. in Lakhs)		
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Power, Fuel & Utilities	<b>17081.34</b>	12555.48
Stores & Spares consumed	<b>388.96</b>	356.88
	<b>17470.30</b>	12912.36
<b>Note No. 33</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
(Rs. in Lakhs)		
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Salaries, Wages & Bonus	<b>1401.53</b>	1774.27
Contribution to Provident, Superannuation & Gratuity funds	<b>233.41</b>	275.05
Staff Welfare, Recruitment & Training Expenses	<b>109.29</b>	215.20
	<b>1744.23</b>	2264.52

<b>Note No. 34</b>		
<b>FINANCE COST</b>		
(Rs. in Lakhs)		
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Interest and Charges:		
Debentures/Term Loans	<b>21.42</b>	198.80
Cash Credit	<b>35.77</b>	36.76
Monitoring Fee	-	5.00
Interest on Advance Consumption Deposit PSPCL	<b>222.00</b>	159.06
Security Deposits/Others	<b>602.77</b>	134.73
	<b>881.96</b>	534.35

<b>Note No. 35</b>		
<b>OTHER EXPENSES</b>		
(Rs. in Lakhs)		
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Labour Charges	<b>186.11</b>	168.12
Railway Siding Operations	<b>5.86</b>	7.94
Repair & Maintenance		
Plant & Machinery	<b>203.04</b>	132.14
Building	<b>70.83</b>	44.21
Others	<b>29.20</b>	21.14
	<b>303.07</b>	197.49
Director's Remuneration	<b>5792.03</b>	2867.79
Board Meeting Expenses	<b>46.43</b>	21.63
Travelling & Conveyance		
Directors	<b>42.71</b>	8.86
Others	<b>106.25</b>	60.76
	<b>148.96</b>	69.62
Statutory Auditors Remuneration		

Audit Fees	1.50		1.20
Tax Audit Fees	0.25		0.15
Other Services	1.00		0.22
Out of Pocket Expenses	-		-
		2.75	1.57
Legal & Professional Charges		145.09	45.39
Insurance		74.89	68.82
Printing & Stationery		14.63	10.30
Postage & Telephone		14.05	17.35
Electricity & Water Charges		9.38	6.43
Rent, Rates & Taxes		109.17	64.87
Pollution Control Expenses		50.36	42.2
CER Expenses		108.00	-
CSR Expenses		57.95	42.50
Miscellaneous Expenses		201.47	28.02
Loss on sale of Assets		-	-
Loss on insurance claim		-	-
Doubtful Debts Others		16.01	11.53
Advertisement		1.36	3.55
Freight, Cartage & Handling		1035.18	232.92
Business Promotion		38.98	8.62
Discounts & Commission		514.99	375.94
Chlorine disposal charges		1182.31	28.75
Bad debts		45.23	-
Provision for doubtful debts		-	0.79
		10104.26	4322.14

**Note No. 36**

Debit & Credit balances of parties are subject to their confirmation.

**Note No. 37**

Legal action had been initiated against customers from whom a total sum of Rs.464.51 Lakhs (Previous year Rs.617.75 Lakhs) is due as the balance of the principal value of goods supplied.

**Note No. 38**

Deferred Tax: The Company has recognized deferred tax in accordance with IND-AS 12. The major elements of Deferred Tax Assets and Liabilities are given below:

(Rs. in Lakhs)

Particulars	As at March 31, 2022	
	Deferred Tax Assets	Deferred Tax Liabilities
<b>Timing difference on:</b>		
Fixed Assets	-	1351.89
Provision for Gratuity	157.7	-
Provision for Leave Encashment	163.4	-
Provision for Bonus	2.74	
Tax relating to items that will not be re-classified to P & L A/c (OCI)	-	122.80
	323.84	1474.69
<b>Net Deferred Tax Liabilities</b>	1150.85	-

<b>Note No. 39</b>		
<b>Income Tax</b>		
<b>Income tax expense in the statement of profit and loss consists of:</b>		(Rs. in Lakhs)
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Current income tax	<b>1393.52</b>	330.72
Deferred tax	<b>487.85</b>	852.58
Income tax expense recognised in the statement of profit and loss	<b>1881.37</b>	1183.30
Deferred tax arising on income and expense recognised in other comprehensive income		
Remeasurement of defined benefit plan	<b>122.80</b>	-
The reconciliation between the provision of income tax of the Company and amounts computed by the Indian statutory income tax rate is as follows:		
		(Rs. in Lakhs)
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Profit before tax	<b>7553.50</b>	2006.97
Enacted income tax rate in India	<b>29.120%</b>	17.472%
Computed expected tax expense	<b>2199.58</b>	350.66
<b>Effect of:</b>		
Temporary difference of depreciation expense	<b>46.80</b>	7.54
Effect of Non-deductible expenses/income	<b>395.10</b>	(6.50)
B/F Depreciation as per income tax return	<b>(561.20)</b>	-
MAT Credit	<b>(686.76)</b>	-
Others	<b>487.85</b>	852.58
Adjustment for Ind AS		-20.98
Income tax expense recognised in the statement of profit and loss	<b>1881.37</b>	1183.30
<b>Note No. 40</b>		
<b>Earning Per Share (EPS)</b>		
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Profit for the year for basic EPS (Rs in Lakhs)	<b>5672.13</b>	823.67
Weighted average number of Ordinary (Equity) Shares of Rs 10/- each	<b>45308370</b>	27754186
Basic Earning per share of Rs 10/- each (Rs.)	<b>12.52</b>	2.97
Diluted Earning per share of Rs 10/- each (Rs.)	<b>12.52</b>	2.97
Weighted average number of Ordinary (Equity) Shares of Rs 2/- each	<b>226541850</b>	-
Basic Earning per share of Rs 2/- each (Rs.)	<b>2.50</b>	-
Diluted Earning per share of Rs 2/- each (Rs.)	<b>2.50</b>	-

**Note No. 41**  
**Employee Defined Benefits:**

**Gratuity**

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

**Asset Volatility**

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

### Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' investment in debt instruments.

### Inflation risk

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement benefit obligation is sensitive to inflation and accordingly, an increase in inflation rate would increase the plan's liability.

### Life expectancy

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

### Defined Benefit Plans-as per Actuarial Valuation as on March 31, 2022

(Rs. in Lakhs)

Particulars	Leave Encashment		Gratuity	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Expense Recognised in the Profit & Loss Statement for the year	<b>(222.38)</b>	(35.83)	<b>85.51</b>	97.96
Present Value of Defined Benefit Obligation as at 31st March, 2022	<b>561.11</b>	851.79	<b>863.06</b>	1336.38

(Rs. in Lakhs)

Particulars	Funded Plan		Unfunded Plans	
	Gratuity		Leave Encashment	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Amounts recognised in profit or loss				
Current service cost	<b>61.17</b>	71.83	<b>39.39</b>	47.08
Expected Return on Plan Assets	<b>(57.01)</b>	(68.72)	-	-
Net interest expense	<b>89.91</b>	101.27	<b>55.73</b>	64.22
<b>Total</b>	<b>94.07</b>	104.38	<b>95.12</b>	111.30
Amount of recovery for employees on deputation	<b>(8.56)</b>	(6.42)	<b>(8.24)</b>	(7.74)
<b>Net Actuarial Losses/(Gains)</b>	-	-	<b>(309.26)</b>	(155.17)
<b>Total amount included in employee benefits expense</b>	<b>85.51</b>	97.96	<b>(222.38)</b>	(51.61)
Amounts recognised in other comprehensive income	<b>152.70</b>	300.12	-	-
Beginning of period				
Remeasurement (gains)/ losses:				
a) Actuarial (gains)/ losses arising from changes in				
- demographic assumptions	-	-	-	-
- financial assumptions	<b>(306.38)</b>	(19.42)	-	-
- experience adjustments	<b>(125.46)</b>	(129.39)	-	-
b) Return on plan assets, excluding amount included in net interest expense/ (income)	<b>10.15</b>	1.39	-	-
Total remeasurement recognised in OCI	<b>(421.69)</b>	(147.42)	-	-
Total amount recognised in other comprehensive income end of period	<b>(268.99)</b>	152.70	-	-
Changes in the defined benefit obligation				
Opening defined benefit obligation	<b>1336.38</b>	1726.89	<b>851.79</b>	1050.40
Current service cost	<b>61.17</b>	71.84	<b>39.39</b>	47.08
Past service cost	-	-	-	-
Interest expense	<b>89.92</b>	101.28	<b>55.72</b>	64.22
Remeasurements (gains)/ losses	<b>(431.84)</b>	(148.81)	<b>(309.26)</b>	(155.17)
Benefits paid	<b>(192.57)</b>	(414.82)	<b>(76.53)</b>	(154.74)



Closing defined benefit obligation	<b>863.06</b>	1336.38	<b>561.11</b>	851.79
Changes in fair value of plan assets	-	-	-	-
Opening fair value of plan assets	<b>832.25</b>	1147.74	-	-
Interest income	<b>57.01</b>	68.72	-	-
Return on plan assets excluding interest income	-	-	-	-
Contributions by employer	<b>56.64</b>	32.00	-	-
Benefits paid	<b>(192.57)</b>	(414.82)	-	-
Actuarial Gain/(Losses)	<b>(10.15)</b>	(1.38)	-	-
Closing fair value of plan assets	<b>743.18</b>	832.26	-	-
Net defined benefit obligation	-	-	-	-
Defined benefit obligation	<b>863.06</b>	1336.38	<b>561.11</b>	851.79
Fair value of plan assets	<b>743.18</b>	832.25	-	-
Surplus/(Deficit)	<b>(119.88)</b>	(504.13)	<b>(561.11)</b>	(851.79)
Current portion of the above	-	-	<b>(47.61)</b>	(26.41)
Non current portion of the above	<b>(119.88)</b>	(504.13)	<b>(513.50)</b>	(825.38)
Liability recognised in B/S	<b>(119.88)</b>	(504.13)	<b>(561.11)</b>	(851.79)
Funding of Plan Assets as a percentage of total Plan	<b>Unfunded</b>	Unfunded	<b>86.11% with LIC</b>	62% with LIC
Actuarial Assumptions				
- Discount Rate	<b>7.30%</b>	6.85%	<b>7.30%</b>	6.85%
- Expected rate of return on Plan Assets	-	-	<b>7.30%</b>	6.85%
- In-service Mortality	<b>Indian Assured Lives (2012-14)</b>	Indian Assured Lives (2012-14)	<b>Indian Assured Lives (2012-14)</b>	Indian Assured Lives (2012-14)
- Attrition Rate	<b>1% to 2%</b>	1% to 2%	<b>1% to 2%</b>	1% to 2%
- Salary Rise	<b>1.00%</b>	6.00%	<b>1.00%</b>	6.00%
- Remaining Working life	<b>14 Years</b>	12.3 Years	<b>14 Years</b>	12.3 Years

**Note No. 42**

Corporate Social Responsibility: In accordance with section 135 (5) of the Companies Act, 2013, a Company, meeting the Corporate Social Responsibility (CSR) applicability criteria, needs to spend in every financial year, at least 2% of its average net profits made during the three immediately preceding financial years in pursuance of its CSR Policy. Since the Company has earned net profit before tax of Rs.7553.50 Lakhs, it meets the CSR applicability criteria and accordingly needs to spend minimum 2% of its average net profits for the immediately preceding three years on CSR activities in pursuance of its CSR policy. The Company has spent CSR amount of Rs.57.95 Lakhs in pursuance of CSR Policy during the year 2021-22

**Corporate Social Responsibility:**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amount required to be spent by the company during the year	<b>57.94</b>	42.54
Amount of expenditure incurred	<b>57.95</b>	42.55
Short fall at the end of the year	-	-
Total of previous year's shortfall	-	-
Reason for shortfall	-	-
<b>Nature of CSR Activities</b>		(Rs in Lakhs)
For Plantation	<b>12.40</b>	12.01
Making Available Safe Drinking Water Near Local Water Near Local Area	<b>11.44</b>	-
Promoting Education / Vocational Skills	<b>4.52</b>	9.00
Ensuring Animal Welfare	<b>4.00</b>	20.54
Contribution For Sports	-	1.00
Promotion of Healthcare including Preventive Health care	<b>25.59</b>	-
<b>Total</b>	<b>57.95</b>	42.55

**Note No. 43**
**Related Party Disclosures:**

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

**1) Significant Interest Entities: NA**
**2) Key Managerial Personnel**

Shri Naveen Chopra, Managing Director

Shri Jatin Dahiya, Executive Director

Shri Arun Kumar Kaushal, Chief Financial Officer

Smt. Sugandha Kukreja, Company Secretary

**3) Related Parties where Common Director**

M/s Flowtech Chemicals Pvt. Ltd

M/s Prayag Chemicals Pvt. Ltd.

M/s V S Polymers P Ltd.

M/s Shahenshah Chemicals

**b) Volume of transaction with related parties**

(Rs in Lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Remuneration (Key Managerial Personnel)		
Shri Naveen Chopra, Managing Director	5773.01*	2867.79
Shri Ajay Pal Singh, Chief Financial Officer (upto 30.06.2020)	-	3.25
Shri Jatin Dahiya, Executive Director	25.24	-
Shri Arun Kumar Kaushal, Chief Financial Officer (w.e.f. 01.07.2020)	14.08	10.52
Smt. Sugandha Kukreja, Company Secretary	13.93	14.80

\*The remuneration includes issue of sweat equity shares of Rs. 4007.25 Lakhs (including security premium) and tax liability of Rs 1712.86 Lakhs thereon borne by the company.

(Rs. in Lakhs)

Party Name	Year ended March 31, 2022	Year ended March 31, 2021
M/s Flowtech Chemicals Pvt. Ltd	2508.83	951.38
M/s Prayag Chemicals Pvt. Ltd.	1706.48	213.60
M/s V S Polymers P Ltd.	1459.57	337.18
M/s Shahenshah Chemicals	46.43	-

**Note No. 44**

A total of 2827 chlorine tonners (including rented tonners) and nil Chlorine Cylinders of 900 Kg. and 100 Kg. each respectively, were in circulation with various customers as returnable empties, as on 31.3.2022.

**Note No. 45**

Additional Regulatory Information to be provided as per amendments in Schedule III of Companies Act, 2013 are as follows:

- The Company has not held any Benami property.
- The Company has not been declared wilful defaulter by any bank or financial institution.



- c) All the title deeds of Immovable Properties are held in the name of the company except leased properties.  
d) There are no pending registration of charges or satisfaction of charges with the Registrar of Companies (ROC).  
e) The company has not granted any loans or advances in the nature of loans to promoters, Directors, key managerial personnel and the related parties  
f) Compliance with number of layers of companies: This is Not Applicable

**g) Utilisation of borrowed funds & Share Premium**

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the company (ultimate beneficiaries). The company has not received any fund from any party(s) (funding party) with the understanding whether, directly or indirectly lend or invest in other persons or entities identify by on or behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

**h) Disclosure for Struck off Companies**

The following table depicts the details of balances outstanding in respect of transactions undertaken with a company struck-off under section 248 of the Companies Act, 2013:

(Rs.in Lakhs)				
Name of struck off Company	Nature of transactions with struck-off Company	Balance as at March 31, 2022	Balance as at March 31, 2021	Relationship with the struck-off Company
	Sale of Goods	-	-	-
	Purchase of Goods and receiving of services	-	-	-
	Receiving of Services	-	-	-
Other Entities(I)	Subscription to Equity Shares	<b>0.07</b>	0.07	Equity Shareholder

**Details of other struck off entities holding equity shares in the Company is as below:**

Name of Struck off Company	No. of Shares held as on March, 2022	Paid-up as at March, 2022 (In Rs.)	No. of Shares held as on March, 2021	Paid-up as at March, 2021 (In Rs.)
Precto Mech-Tech Private Limited	<b>1500</b>	<b>3000</b>	300	3000
Vaishak Shares Limited	<b>60</b>	<b>120</b>	12	120
Niranjan Singh Kartar Singh Forges Pvt Ltd	<b>1250</b>	<b>2500</b>	250	2500
(Niranjan Singh Kartar Singh Forgings Pvt. Ltd. as per MCA records)				
Translink Investments Private Ltd	<b>500</b>	<b>1000</b>	100	1000
<b>Total</b>	<b>3310</b>	<b>6620</b>	662	6620

**Note No. 46**

**Financial Risk Management**

The company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

Financial guarantees: The Company is exposed to credit risk in relation to guarantees given to bank. The company's maximum exposure in this regard is Rs 7.51 crores, which is the maximum amount company would have to pay if the guarantee is called upon. Further the company has given bond of Rs 100 crores to Custom Authorities against which the liability of custom duty has since been paid, The continuity bond after cancellation is awaited from Custom Authorities.

**Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customer and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding account receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.



### Trade and other receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates also has influence on credit risk assessment. The company has taken dealer securities which are considered in determination of expected carried losses, where applicable. The company makes an allowance for doubtful trade receivable using the simplified approach for expected credit loss and by continuously monitoring the recoverability of receivable balances.

The Company primarily has exposure from following types of customers:		
	(Rs.in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
Dealers	<b>2616.97</b>	371.53
Government Customer	<b>155.48</b>	125.50
Direct Customers	<b>482.06</b>	1126.63
<b>Total</b>	<b>3,254.51</b>	1,623.66
The receivables of Rs 2062.68 Lakhs (Previous year Rs 266.61 Lakhs) are secured by security deposits.		

### Investments

The company limits its exposure to credit risk by generally investing in liquid securities and only with counter parties that have a good credit rating. The company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

### Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they become due. The company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also the company is utilising cash credit limits of Rs 20 crore sanctioned by banks from time to time as and when required.

### Foreign Currency risk.

The company is exposed to foreign currency risk to the extent of exchange rate fluctuation at the time of payment of purchase price applicable in Foreign Letter of Credit (FLC). The currencies in which these transactions are primarily denominated are US Dollar and Japanese -Yen -(Yen ).

### Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company do not have exposure to the risk of changes in market interest rates relating to company's debt obligations as it is on fixed interest rates.

### Note No. 47

### Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings. The Company reviews the capital structure of the company on a regular basis and uses debt equity ratio to monitor the same.

The following table summarises the capital structure of the Company:

	(Rs.in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
Total Equity attributable to the shareholders of the company	27381.27	9663.30
As percentage of total capital	82%	99%
Total Loans and borrowings	6080.39	63.04
Total Lease Liability	48.05	-
Total Loans and borrowings and Lease Liabilities	6128.44	63.04
As a percentage of total capital	18%	1%
<b>Total capital (loans, borrowings, lease liabilities and equity )</b>	<b>33509.71</b>	9726.34

**Note No. 48**

The Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment (the Ministry) has released draft rules for the Code on November 13, 2020. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published.

<b>Note No. 49</b>		
<b>RATIOS</b>		
<b>Particulars</b>	<b>Year ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Current Ratio	<b>0.81</b>	0.31
(Current assets over current liabilities)		
(Current liabilities: Total current liabilities-Current maturities of non-current borrowings and lease liability)		
Debt Equity Ratio	<b>0.22</b>	0.01
(Debt over total shareholder equity)		
(Debt: Non current borrowing+Current Maturity of borrowing+Non-current lease liability and current maturity of lease liability)		
Debt Service Coverage Ratio	<b>24.01</b>	0.79
(PAT+Interest on debenture & term loan+depreciation & amortisation- Profit on sale of fixed assets over Interest on term loan & debenture+repayment of debt during the year)		
Return on Equity	<b>30.62%</b>	9.86%
(PAT over total average equity)		
(Equity: Equity share capital+Other equity)		
Inventory Turnover Ratio (In days)	<b>9</b>	11
(Average Inventory over Sale of products in days)		
Trade Receivable Turnover Ratio (In days)	<b>20</b>	18
(Average trade receivable over Revenue from operations in days)		
Trade Payable Turnover Ratio (In days)	<b>53</b>	62
(Average account payable over Total purchases in days)		
Net Capital Turnover Ratio	<b>*</b>	*
(Revenue from operation over average working capital)		
Net Profit Ratio %	<b>12.49%</b>	3.64%
(PAT over revenue from operations)		
EBITDA %	<b>22.42%</b>	18.88%
(EBITDA over revenue)		
EBIT %	<b>17.98%</b>	9.03%
(EBIT over revenue)		
Return on Capital Employed %	<b>38.03%</b>	26.02%
(EBIT over capital employed)		
Capital employed: Equity share capital+other equity-Intangible assets- Misc exp not written off+Non current borrowings+Current maturity of borrowings+Non-current lease liability and current maturity of lease liability+Deferred tax liabilities)		
Return on Investment %	<b>3.94%</b>	5.99%
(Interest on FDs over Weight average of Fixed deposits)		



**Note:**

EBIT - Earnings before interest and taxes including other income  
EBITDA - Earnings before interest, taxes, depreciation and amortisation.

PAT - Profit after taxes.

\* Net working capital is -ve

**Explanation for variances exceeding 25%**

Current ratio is improved on account of increase in debtors outstanding (increased turnover) and decrease in other liabilities.

Change in Debt equity ratio is on account of issue of fresh equity shares and raising of new term loans.

Debt service coverage ratio improved on account of increase in EBIT during the year ended March 31, 2022

Return on Equity, Net profit ratio, EBIT % and Return on capital employed is improved on account of increase in profits during the year ended March 31, 2022

Trade Payable Turnover Ratio improved on account of decrease in trade payables.

Return on investment ratio decreases on account of falling Interest rates.

**Note No. 50**

The Company operates in a single business segment viz. chemicals.

**Note No. 51**

- a) The Corresponding figures of the previous year have been re-grouped/reclassified, wherever necessary.
- b) The figures have been rounded off to the nearest Rs. Lakhs.

Sd/-  
**(ARUN KUMAR KAUSHAL)**  
Chief Financial Officer

Sd/-  
**(SUGANDHA KUKREJA)**  
Company Secretary  
FCS-11578

Sd/-  
**(JATIN DAHIYA)**  
Executive Director  
DIN: 08106876

Sd/-  
**(NAVEEN CHOPRA)**  
Managing Director  
DiN: 08465391

As per our separate report of even date  
For **HARI S. & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 007709N  
ICAI UDIN 22523735AJQAIS7738

Place: Phuket  
Date : May 5, 2022

Sd/-  
**(KAPIL VOHRA)**  
Partner  
Membership No. 523735  
Place: Chandigarh



## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of Punjab Alkalies & Chemicals Limited

### Report on the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying Consolidated Ind AS financial statements of Punjab Alkalies & Chemicals Limited ("the Company"), and its associates "M/s Flow Tech Chemicals Pvt. Ltd" (the Company and its associates together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind As financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the group as at March 31, 2022, the Consolidated profit and Consolidated total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

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

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

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



The respective Board of Directors of the companies included in Group are also responsible for overseeing the financial reporting process of the Group

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

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

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

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Consolidated Balance Sheet, Consolidated Profit and Loss statement including the Consolidated Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of written representations received from the Directors as on 31st March, 2022 taken on record by the Board of Directors of company and its associates, none of directors are disqualified as on 31st March, 2022 from being appointed as a Director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements has disclosed the impact of pending litigation on its financial position in its consolidated Ind AS financial statements.
  - ii. The group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no amount which were required to be transferred to the Investor Education and Protection Fund by the group during the year ended 31st March 2022.



- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

For **Hari S. & Associates**

Chartered Accountants

ICAI Firm Registration Number 007709N

ICAI UDIN: 22523735AJQATV1780

Sd/-

**Kapil Vohra**

Partner

Membership No 523735

Place of Signature: Chandigarh

Date: May 5, 2022

## Annexure - A to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Punjab Alkalies & Chemicals Limited**. ("the company") as of 31st March 2022 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Hari S. & Associates**

Chartered Accountants

ICAI Firm Registration Number 007709N

ICAI UDIN: 22523735AJQATV1780

Sd/-

**Kapil Vohra**

Partner

Membership No 523735

Place of Signature: Chandigarh

Date: May 5, 2022



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022

(Rs. in Lakhs)

Particulars	Note No.		As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>				
<b>Non Current Assets</b>				
a) Property, Plant & Equipment	3		15482.94	15615.87
b) Capital Work in Progress	4		17652.16	3455.89
c) Other Intangible Assets	3a		6.40	9.40
d) Intangible assets under development	4a		3.62	2.50
e) Financial Assets				
(i) Investments	5		3255.56	-
(ii) Trade Receivable	6		-	-
(iii) Loans	7		-	-
(iv) Others	8		112.70	-
f) Deferred Tax Assets (Net)	9		-	-
g) Other Non Current Assets	10		1416.23	1453.70
<b>Sub Total: Non Current Assets</b>			<b>37929.61</b>	<b>20537.36</b>
<b>Current Assets</b>				
a) Inventories	11		1706.92	624.19
b) Financial Assets				
(i) Trade Receivable	12		3254.51	1623.66
(ii) Cash and Cash equivalent	13		2401.39	762.25
(iii) Other Bank Balances other than (ii) above	13		115.75	36.89
(iv) Loans	14		-	8.98
(v) Others	15		178.21	111.90
c) Other Current Assets	16		2245.93	864.72
<b>Sub Total: Current Assets</b>			<b>9902.71</b>	<b>4032.59</b>
<b>TOTAL: ASSETS</b>			<b>47832.32</b>	<b>24569.95</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity Share Capital	17		4846.86	3106.86
b) Other Equity	18		22783.39	6556.44
<b>Sub Total: Equity</b>			<b>27630.25</b>	<b>9663.30</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
a) Financial Liabilities				
(i) Borrowings	19		5267.25	42.74
(ii) Lease Liability	20		43.81	-
(iii) Trade Payables	21		-	-
b) Provisions	22		633.38	1329.51
c) Deferred Tax Liability (Net)	9		1150.85	540.20
<b>Sub Total: Non Current Liabilities</b>			<b>7095.29</b>	<b>1912.45</b>
<b>Current Liabilities</b>				
a) Financial Liabilities				
(i) Borrowings	23		813.14	20.30
(ii) Other financial liabilities	24		34.85	0.51
(iii) Trade Payables:	25			
(A) Total outstanding dues of Micro & Small Enterprises			241.90	210.08
(B) Total outstanding dues of creditors other than Micro & Small Enterprises			4159.38	2553.65
b) Other Current Liabilities	26		7400.11	9845.81
c) Provisions	27a		57.00	33.13
d) Current Tax Liability (Net)	27b		400.40	330.72
<b>Sub Total: Current Liabilities</b>			<b>13106.78</b>	<b>12994.20</b>
<b>TOTAL: EQUITY AND LIABILITIES</b>			<b>47832.32</b>	<b>24569.95</b>
Significant Accounting Policies	2			
Notes forming an integral part of the Financial Statements	1 to 51			

Sd/-  
**(ARUN KUMAR KAUSHAL)**  
Chief Financial Officer

Sd/-  
**(SUGANDHA KUKREJA)**  
Company Secretary  
FCS-11578

Sd/-  
**(JATIN DAHIYA)**  
Executive Director  
DIN: 08106876

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

As per our separate report of even date  
For **HARI S. & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 007709N  
ICAI UDIN 22523735AJGATB1780

Sd/-  
**(KAPIL VOHRA)**  
Partner  
Membership No. 523735  
Place: Chandigarh

Place: Phuket  
Date : May 5, 2022

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in Lakhs)

Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
<b>INCOME</b>			
Revenue from Operations	29	45406.79	22634.78
Other Income	29a	1515.40	5508.67
<b>Total Income</b>		<b>46922.19</b>	<b>28143.45</b>
<b>EXPENDITURE</b>			
Cost of Material Consumed	30	6153.54	4237.84
Purchase of Stock in Trade		2271.86	66.85
Changes in Inventories of Finished Goods, Work in progress and stock in trade	31	(1003.76)	66.54
Manufacturing Expenses	32	17470.30	12912.36
Employees benefits expense	33	1744.23	2264.52
Finance Costs	34	881.96	534.35
Depreciation and Amortisation Expense	3 & 10	1746.30	1731.88
Other Expenses	35	10104.26	4322.14
<b>Total Expenses</b>		<b>39368.69</b>	<b>26136.48</b>
<b>Profit/(Loss) before exceptional item</b>		<b>7553.50</b>	<b>2006.97</b>
<b>Amount written off exceptional item</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) after exceptional item</b>		<b>7553.50</b>	<b>2,006.97</b>
<b>Tax Expenses</b>			
Current Tax		1393.52	330.72
Deferred Tax		487.85	852.58
<b>Profit/(Loss) for the year after Tax</b>		<b>5672.13</b>	<b>823.67</b>
<b>Share of Profit/(Loss) of Associates</b>		<b>248.98</b>	<b>-</b>
<b>Net Profit/(Loss) for the period after associates</b>		<b>5921.11</b>	<b>823.67</b>
<b>Debenture Redemption Reserve</b>		<b>-</b>	<b>-</b>
<b>Profit/(Loss) transferred to Other Equity</b>		<b>5921.11</b>	<b>823.67</b>
<b>Other Comprehensive Income</b>		<b>421.69</b>	<b>(120.10)</b>
<b>Tax relating to items that will not be re-classified to P &amp; L A/c</b>		<b>122.80</b>	<b>-</b>
<b>Net Other Comprehensive Income</b>		<b>298.89</b>	<b>(120.10)</b>
<b>Total Comprehensive Income for the year</b>		<b>6220.00</b>	<b>703.57</b>
<b>Earnings/(Loss) per Equity Share of Rs 10/- each</b>			
Basic (in Rs.)		13.07	2.97
Diluted (in Rs.)		13.07	2.97
<b>Earnings/(Loss) per Equity Share of Rs 2/- each</b>			
Basic (in Rs.)		2.61	-
Diluted (in Rs.)		2.61	-
(Equity Share of Rs 10/- each had been split into five equity shares of Rs 2/- each on 28.01.2022)			
Significant Accounting Policies	2		
Notes forming an integral part of the Financial Statements	1 to 51		

 Sd/-  
**(ARUN KUMAR KAUSHAL)**  
 Chief Financial Officer

 Sd/-  
**(SUGANDHA KUKREJA)**  
 Company Secretary  
 FCS-11578

 Sd/-  
**(JATIN DAHIYA)**  
 Executive Director  
 DIN: 08106876

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

 As per our separate report of even date  
 For **HARI S. & ASSOCIATES**  
 Chartered Accountants  
 Firm Registration No. 007709N  
 ICAI UDIN 22523735AJQATB1780

 Sd/-  
**(KAPIL VOHRA)**  
 Partner  
 Membership No. 523735  
 Place: Chandigarh

 Place: Phuket  
 Date : May 5, 2022



## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2022

(Rs. in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit/(Loss) before tax	7553.50	2006.97
Adjustments for:		
Depreciation and Amortisation Expenses	1617.91	1555.42
Miscellaneous Expenses Written Off	128.39	176.46
Sweat Equity and security premium thereon *	4007.25	1975.20
Excess provision of income tax	-	(0.09)
Provision for Gratuity	421.69	147.41
Amount Transferred from WIP to Stores	51.45	10.66
(Gain)/loss on sale of Fixed Assets	(11.46)	(92.24)
Interest Income	(23.03)	(29.03)
Finance Cost	22.37	185.00
<b>Operating Profit Before Working Capital Changes</b>	<b>13768.07</b>	<b>5935.76</b>
Adjustments for:		
(Increase)/Decrease in Trade receivables	(1630.85)	(1057.14)
(Increase)/Decrease in Other Current Assets	(1326.02)	(609.88)
(Increase)/ Decrease in Inventories	(1082.73)	162.76
(Increase)/Decrease in financial assets others	120.88	(705.54)
(Decrease)/Increase in Trade Payable	1637.55	(347.01)
(Decrease)/Increase in Short Term Borrowings	-	(0.01)
(Decrease)/Increase in Other Current Liabilities	(3108.60)	1942.10
(Decrease)/Increase in Short Term Provisions	23.87	(121.38)
	<b>(5365.90)</b>	<b>(736.10)</b>
<b>Cash Generated From Operations</b>	<b>8402.17</b>	<b>5199.66</b>
Direct Taxes (Paid)/Refund	(1379.03)	76.05
<b>Cash Flow Before Extraordinary Items</b>	<b>7023.14</b>	<b>5275.71</b>
Extraordinary Items	-	-
<b>Net Cash From Operating Activities</b>	<b>7023.14</b>	<b>5275.71</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(378.35)	(63.95)
Expenditure on work in progress	(15311.04)	(2421.57)
Sale/Adjustment of Fixed Assets	16.84	116.65
Investment made	(3006.58)	
Bank deposits placed	(228.45)	(36.89)
Bank deposits matured	36.89	7.69
Interest Received	23.03	29.03
Long Term Advances Given	(40.73)	(4.11)
Purchase of Membranes and Recoating of Pans	(228.40)	-
<b>Net Cash Used in Investing Activities</b>	<b>(19116.79)</b>	<b>(2373.15)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Long Term Borrowings	6097.74	63.04
Repayment to Financial Institution and Bank	(84.64)	(3175.20)
Interest Paid	(20.31)	(256.84)
Proceeds from issue of share capital **	1290.00	-
Proceeds from security premium account **	6450.00	-
Payment towards Short Term Borrowings (Working Capital)	-	-
<b>Net Cash Flow from Financing Activities</b>	<b>13732.79</b>	<b>(3369.00)</b>
<b>Net Increase/(Decrease) in Cash And Cash Equivalents</b>	<b>1639.14</b>	<b>(466.44)</b>
Cash And Cash Equivalents at the beginning of year	762.25	1228.69
Cash And Cash Equivalents at the end of year	2401.39	762.25

\* Allotment of 45,00,000 Sweat Equity Shares to Managing Director @ Rs 10/- each amounting to Rs 450 lakhs (2020-21 Rs 400 lakhs) and Security Premium @ Rs 79.05/- amounting to Rs 3557.25 lakhs (2020-21: Rs 1575.20 lakhs) has been added back under cash flow from operating activities being a non-cash item.

\*\* Significant non-cash movements during the year include allotment of 75,00,000 Equity Shares of Rs.10/- each amounting Rs 750 lakhs (2020-21 Rs NIL) and Security Premium @ Rs 50/- amounting to Rs 3750 lakhs (2020-21: NIL) to M/s Durva Infra tech LLP on Preferential basis for consideration other than cash for setting up of 35MW captive Power Plant

Sd/-  
(ARUN KUMAR KAUSHAL)  
Chief Financial Officer

Sd/-  
(SUGANDHA KUKREJA)  
Company Secretary  
FCS-11578

Sd/-  
(JATIN DAHIYA)  
Executive Director  
DIN: 08106876

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

As per our separate report of even date  
For HARI S. & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 007709N  
ICAI UDIN 22523735AJQATB1780

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

Place: Phuket  
Date : May 5, 2022

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

### A. Equity Share Capital

#### Current reporting period

(Rs. in Lakhs)

Balance as at 1.4.2021	3106.86	Changes in equity share capital during the year	1740.00	Balance as at 31.03.2022	4846.86
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#### Previous reporting period

(Rs. in Lakhs)

Balance as at 1.4.2020	2710.48	Changes in equity share capital during the year	396.38	Balance as at 31.3.2021	3106.86
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### B. Other Equity

#### Current reporting period

(Rs. in Lakhs)

	Reserves and Surplus					Other Comprehensive Income (OCI)		Total
	Capital Reserve	Deben- ture Re- demp- tion Reserve	Securi- ties pre- mium Reserve	Debt In- stru- ments (Differential discounted value of Debentures)	Retained Earnings	Debt instrument through OCI	Remeasur- ment of De- fined Benefit Plan	
						(Deben- tures)		
Balance as at 1.4.2021	3626.30	-	6018.33	-	(2935.49)	-	(152.70)	6,556.44
Total Comprehensive Income for the year	-	-	-	-	5921.11	-	298.89	6220.00
Depreciation	(46.99)	-	-	-	46.99	-	-	-
Other Reserves	-	-	-	-	-	-	-	-
Adj. in respect of Assets sold/discarded(Net)	(0.30)	-	-	-	-	-	-	(0.30)
Debt Redemption Reserve	-	-	-	-	-	-	-	-
Share Forfeited Reserve	-	-	-	-	-	-	-	-
Securities Premium Reserve	-	-	10007.25	-	-	-	-	10007.25
Balance as at 31.03.2022	3579.01	-	16025.58	-	3032.61	-	146.19	22783.39

Previous reporting period								
	Reserves and Surplus					Other Comprehensive Income (OCI)		Total
	Capital Reserve	Deben- ture Re- demp- tion Reserve	Securi- ties pre- mium Reserve	Debt In- stru- ments (Differential discounted value of Debentures)	Retained Earnings	Debt instrument through OCI (Deben- tures)	Remeasure- ment of De- fined Benefit Plan	
Balance as at 1.4.2020	3683.24	101.5	4443.13	46.36	(3903.90)	267.51	(300.11)	4337.73
Total Comprehensive Income for the year	-	-	-	-	823.67	(267.51)	147.41	703.57
Depreciation net of adj.	(43.24)	-	-	-	43.24	-	-	-
Other Reserves	-	-	-	(46.36)	-	-	-	(46.36)
Adj. in respect of Assets sold/discarded	(17.32)	-	-	-	-	-	-	(17.32)
Debenture Redemption Reserve	-	(101.50)	-	-	101.5	-	-	-
Share Forfeited Reserve	3.62	-	-	-	-	-	-	3.62
Securities Premium Reserve	-	-	1575.2	-	-	-	-	1575.20
Balance as at 31.3.2021	3626.30	-	6018.33	-	(2935.49)	-	(152.70)	6556.44
<p>The Company has allotted (a) 7500000 Equity Shares of Rs 10/- each at a price of Rs 60/- each to Durva Infratech LLP on preferential basis for consideration other than cash for setting up of 35 MW Captive Power Plant, (b) 54,00,000 Equity Shares of Rs 10/- each at a price of Rs 60/- each on preferential basis for cash consideration as approved by Board of Directors in their meeting held on 21st May, 2021 and (c) 45,00,000 Sweat Equity Shares of Rs 10/- each at a price of Rs 89.05/- each to Shri Naveen Chopra, Managing Director of the company as approved by Board of Directors on 23rd July, 2021.</p>								

Sd/-  
**(ARUN KUMAR KAUSHAL)**  
Chief Financial Officer

Sd/-  
**(SUGANDHA KUKREJA)**  
Company Secretary  
FCS-11578

Sd/-  
**(JATIN DAHIYA)**  
Executive Director  
DIN: 08106876

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

As per our separate report of even date  
For HARI S. & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 007709N  
ICAI UDIN 22523735AJQATB1780

Place: Phuket  
Date : May 5, 2022

Sd/-  
**(KAPIL VOHRA)**  
Partner  
Membership No. 523735  
Place: Chandigarh



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Punjab Alkalies & Chemicals Limited ('the Company') is a limited company incorporated in India. The addresses of its registered office and principal activities of the Company are disclosed in the introduction to the Annual Report.

The Ordinary (Equity) shares of the Company are listed on the, the BSE Limited ("BSE") in India.

### Note No. 1: BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### a) Basis of preparation and compliance with Ind AS

These consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company has consistently applied accounting policies to all years. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial period commencing from April 1, 2021. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

### Note No. 2: SIGNIFICANT ACCOUNTING POLICIES

#### (a) Accounting Convention

The financial statements are prepared under the historical cost convention except for certain financial assets and liabilities that are measured at fair value and on the basis of going concern. The financial statements have been prepared on a going concern basis on the strength of profitability, liquidity and continued support of the promoters, financial institutions and banks. All expenses and incomes to the extent considered payable and receivable respectively, unless stated otherwise, have been accounted for on mercantile basis.

#### (b) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, intangible assets, fair value of financial assets/liabilities and impairment of investments.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### (i) Uncertainty relating to COVID outbreak:

The Company has considered internal and certain external sources of information including credit reports, economic forecasts and industry reports, up to the date of approval of the financial statements in determining the impact on various elements of its financial statements. The Company has used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company has accrued its liabilities and also expects to fully recover the carrying amount of inventories, trade receivables, intangible assets and investments. The eventual outcome of impact of the global health pandemic may be different from that estimated as on the date of approval of these financial statements.

##### (ii) Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

**iii) Leases:**

The Company considers all the extension-options under the commercial contract for determining the lease-term which forms the basis for the measurement of right of-use asset and the corresponding lease-liability.

**iv) Other estimates:**

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

**(c) Property, Plant & Equipment**

Tangible Assets are stated at fair values. Machinery Spares have been capitalised as and when issued. Direct costs are capitalised until the property, plant and equipment are ready for use, as intended by the management. These costs also include financing cost which has been capitalized on qualifying assets as per Ind-AS 23. When an asset is scrapped or otherwise disposed off, the cost and related depreciation are taken out from books of accounts and resultant profit (including capital profit) or loss, if any, is reflected in Statement of Profit & Loss.

The Company has identified spares having value (landed cost) of Rs.10000/- & above and having life of more than one year in line with the Ind-AS 16. These spares are transferred to capital work in progress account and are capitalized as and when issued. The full value of these spares is being depreciated over their useful life using the straight-line method.

**(d) Intangible Assets**

Intangible Assets acquired are measured on initial recognition at cost. These assets are being amortized over a period of five years. Costs associated with maintaining software programme are recognized as an expense as incurred.

**(e) Depreciation**

The Company has charged depreciation on fixed assets on straight-line basis (SLM) as per their useful life based on past operational experience as certified by the technical staff of the plant. Fixed Assets individually costing upto Rs.5,000/- are depreciated 100% in the year of purchase. The intangible assets are being amortised over a period of 5 years.

**(f) Valuation of Inventories**

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

**(g) Investment in associates enterprises**

The Company accounts for its investments in subsidiaries, associates and joint ventures at cost less accumulated impairment, if any.

**(h) Financial instruments**

Trade receivables are initially recognised when they originate. All other financial assets and financial Liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

Current financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

**(i) Revenue Recognition**

Revenue from Sale of goods is measured at the fair value of consideration received or receivable taking into account the amount of price discount, volume rebate, outgoing taxes (GST) on sales. Any amounts receivable from the customer are recognized as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch of goods.

**(j) Government Grants**

The Company is not availing any government grant.

**(k) 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 Statement of Profit & Loss.

**(l) 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 Statement of Profit & Loss.

**ii) Defined Benefit Plan**

The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary and LIC's actuarial valuation respectively, using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds is consistent with the currency and estimated terms of the defined benefit obligations. Actuarial valuation has been done in accordance with Ind-AS 19. Actuarial gains and losses due to re-measurement in the present value of defined benefit obligations resulting from experience are recognized in other comprehensive income.

iii) Gratuity liability has been covered by master policies of Life Insurance Corporation of India under irrevocable trust.

**(m) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in Statement of Profit & Loss in the period in which they are incurred.

**(n) 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.

**(o) Taxes on Income**

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

Deferred tax has been recognised in accordance with IND-AS 12 on the basis of tax consequences of difference between the carrying amounts of assets and liabilities and their tax base.

Deferred tax assets are recognised to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**(p) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

**(q) Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significant judgement. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**The Company as a lessee**

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**(r) Statement of Cashflows**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cashflows are segregated into and presented as cashflows from operating, investing and financing activities.

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

3. Property, Plant and Equipment													(Rs. in Lakhs)	
Property, plant and equipment comprise of owned and leased assets.													As at March 31, 2022	As at March 31, 2021
Particulars													14,924.81	15,097.19
(a) Property, plant and equipment owned													558.13	518.68
(b) Right of use assets													15,482.94	15,615.87
<b>Total</b>														
(a) Property, plant and equipment owned														
Particulars	Site Development	Land Freehold	Buildings	Buildings Factory	Tubewell	Plant and Equipment	Office Equipment	Furniture & Fixtures	Computer	Vehicles	Electric Installation	Railway Sidings	Lab Instruments	Total
Cost														
Balance as at 1st April, 2020	28.15	2,548.28	1,029.40	2566.64	46.34	33438.60	117.78	80.23	149.27	142.04	21.58	42.80	55.18	40,266.29
Additions during the year (including transfer from CWIP)	-	-	3.76	0.17	-	65.80	25.66	6.85	8.83	269.56	-	85.34	-	465.97
Disposals during the year	-	-	66.58	-	-	97.61	-	-	-	-	-	-	-	164.19
<b>Balance as at 31st March, 2021</b>	<b>28.15</b>	<b>2,548.28</b>	<b>966.58</b>	<b>2,566.81</b>	<b>46.34</b>	<b>33406.79</b>	<b>143.44</b>	<b>87.08</b>	<b>158.10</b>	<b>411.60</b>	<b>21.58</b>	<b>128.14</b>	<b>55.18</b>	<b>40,568.07</b>
Balance as at 1st April, 2021	28.15	2,548.28	966.58	2,566.81	46.34	33,406.79	143.44	87.08	158.10	411.60	21.58	128.14	55.18	40,568.07
Additions during the year (including transfer from CWIP)	-	-	8.04	-	-	712.57	17.04	11.32	22.66	612.55	2.71	53.14	-	1,440.03
<b>Disposals during the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35.47</b>	<b>30.42</b>	<b>8.99</b>	<b>33.02</b>	<b>0.12</b>	<b>-</b>	<b>-</b>	<b>1.90</b>	<b>109.92</b>
<b>Balance as at 31st March, 2022</b>	<b>28.15</b>	<b>2,548.28</b>	<b>974.62</b>	<b>2,566.81</b>	<b>46.34</b>	<b>34083.89</b>	<b>130.06</b>	<b>89.41</b>	<b>147.74</b>	<b>1024.03</b>	<b>24.29</b>	<b>181.28</b>	<b>53.28</b>	<b>41,898.18</b>
Accumulated Depreciation														
Balance as at 1st April, 2020	-	-	394.54	1785.35	40.35	21355.87	91.40	67.28	132.24	96.96	18.88	33.14	27.76	24,043.77
Depreciation expense for the year	-	-	17.10	88.11	1.22	1393.33	6.17	1.72	13.26	20.68	0.22	4.74	3.02	1,549.57
<b>Disposals during the year</b>	<b>-</b>	<b>-</b>	<b>29.92</b>	<b>-</b>	<b>-</b>	<b>92.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122.46</b>
Impairment during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2021	-	-	381.72	1873.46	41.57	22656.66	97.57	69.00	145.50	117.64	19.10	37.88	30.78	25,470.88
Balance as at 1st April, 2021	-	-	381.72	1873.46	41.57	22656.66	97.57	69.00	145.50	117.64	19.10	37.88	30.78	25,470.88
<b>Depreciation expense for the year</b>	<b>-</b>	<b>-</b>	<b>16.57</b>	<b>87.39</b>	<b>1.22</b>	<b>1,358.62</b>	<b>12.06</b>	<b>3.60</b>	<b>8.94</b>	<b>104.89</b>	<b>0.30</b>	<b>10.13</b>	<b>3.02</b>	<b>1,606.74</b>
Disposals during the year	-	-	-	-	-	33.61	28.93	8.55	31.37	(0.01)	-	-	1.80	104.25
<b>Balance as at 31st March, 2022</b>	<b>-</b>	<b>-</b>	<b>398.29</b>	<b>1960.85</b>	<b>42.79</b>	<b>23981.67</b>	<b>80.70</b>	<b>64.05</b>	<b>123.07</b>	<b>222.54</b>	<b>19.40</b>	<b>48.01</b>	<b>32.00</b>	<b>26,973.37</b>
Net carrying amount														
Net carrying amount as at 31st March, 2021	28.15	2,548.28	584.86	693.35	4.77	10,750.13	45.87	18.08	12.60	293.96	2.48	90.26	24.40	15,097.19
Net carrying amount as at 31st March, 2022	28.15	2,548.28	576.33	605.96	3.55	10,102.22	49.36	25.36	24.67	801.49	4.89	133.27	21.28	14,924.81

<b>3. Property, Plant and Equipment (Contd.)</b>	
<b>(b) Right of use assets</b>	(Rs. in Lakhs)
<b>Particulars</b>	<b>As at March 31, 2022</b>
	<b>Land -Leasehold</b>
Cost	
<b>Balance as at 1st April, 2020</b>	<b>518.68</b>
Additions during the year	-
Disposals during the year	-
<b>Balance as at 31st March, 2021</b>	<b>518.68</b>
<b>Balance as at 1st April, 2021</b>	<b>518.68</b>
Additions during the year	47.10
Disposals during the year	-
<b>Balance as at 31st March, 2022</b>	<b>565.78</b>
<b>Accumulated Amortisation</b>	
Balance as at 1st April, 2020	-
Depreciation expense for the year	-
Disposals during the year	-
Impairment during the year	-
<b>Balance as at 31st March, 2021</b>	<b>-</b>
<b>Balance as at 1st April, 2021</b>	<b>-</b>
Depreciation expense for the year	7.65
Disposals during the year	-
<b>Balance as at 31st March, 2022</b>	<b>7.65</b>
<b>Net carrying amount</b>	
<b>Net carrying amount as at 31st March, 2021</b>	<b>518.68</b>
<b>Net carrying amount as at 31st March, 2022</b>	<b>558.13</b>
<b>3a. Other Intangible Assets</b>	
<b>Particulars</b>	<b>Computer Software</b>
	Rs in Lakhs
<b>Cost</b>	
Balance as at 1st April, 2020	26.61
Additions during the year	3.80
<b>Deductions during the year</b>	<b>-</b>
<b>Balance as at 31st March, 2021</b>	<b>30.41</b>
Balance as at 1st April, 2021	30.41
Additions during the year	0.52
<b>Deductions during the year</b>	<b>-</b>
<b>Balance as at 31st March, 2022</b>	<b>30.93</b>
<b>Accumulated Amortisation</b>	
Balance as at 1st April, 2020	15.16
Amortisation expense for the year	5.85



<b>Deductions during the year</b>	-
<b>Balance as at 31st March, 2021</b>	<b>21.01</b>
Balance as at 1st April, 2021	21.01
Amortisation expense for the year	3.52
<b>Deductions during the year</b>	-
<b>Balance as at 31st March, 2022</b>	<b>24.53</b>
<b>Net carrying amount</b>	
Net carrying amount as at 31st March, 2021	9.40
<b>Net carrying amount as at 31st March, 2022</b>	<b>6.40</b>

- 3.1 Depreciation for the year 2021-22 includes Rs. 46.99 lakhs (Previous year Rs. 43.24 lakhs) as depreciation arising on revaluation of Fixed Assets.
- 3.2 Fixed Assets are stated at values determined by the valuer less depreciation. Capital Spares are transferred to capital work in progress and are capitalised as and when issued. Direct costs are capitalised till the assets are 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 Statement of Profit & Loss.
- 3.3 The Company has charged depreciation on fixed assets on straight-line basis (SLM) as per their useful life based on past operational experience as certified by the technical staff of the plant. Fixed Assets individually costing upto Rs.5,000/- are depreciated 100% in the year of purchase. The intangible assets are being amortised over a period of 5 years.
- 3.4 The Company had revalued its Fixed Assets (other than the 100 TPD Membrane Cell Plant Power Line) as on 31st March, 2004 on the basis of existing use value by an independent professional valuer. The revaluation of assets had been approved by the Board of Directors in its meeting held on 27th October, 2005 and the revalued figures were incorporated in the accounts in the financial year 2005-06. Accordingly a sum of Rs.6243.16 lakhs being the surplus of the value of assets over the written down value, had been credited to the Revaluation Reserve.
- 3.5 The Company had revalued its 100 TPD Membrane Cell Plant Power Line as on 31st March, 2006 on the basis of existing use value by an independent professional valuer. The revaluation of the asset had been approved by the Board of Directors in its meeting held on 29th October, 2007 and the revalued figure was incorporated in the accounts in the financial year 2007-08. Accordingly, a sum of Rs.27.78 lakhs being the surplus of the value of the asset over the written down value, had been credited to the Revaluation Reserve.
- 3.6 The Company had revalued its Fixed Assets as on 31st March, 2009 on the basis of existing use value by an independent professional valuer. The revaluation of assets had been approved by the Board of Directors in its meeting held on 29th January, 2010 and the revalued figures were incorporated in the accounts in the financial year 2009-10. Accordingly a sum of Rs.4819.99 lakhs being the surplus of the value of assets over the written down value, had been credited to the Revaluation Reserve.
- 3.7 Addition in leasehold land of Rs 47.10 lakhs represent the present value of right to use of assets of future lease rent calculated in accordance with Ind AS 116 and is being amortised on straight line basis over the remaining term of the lease.
- 3.8 The company has not revalued its Property, Plant & Equipment during the current financial year.

**Note No. 4**
**CAPITAL WORK IN PROGRESS**

(Rs. in Lakhs)

Particulars	Cost as at 1.4.2021	Additions / Adjustments	Transfer to Fixed Assets	Adjustments	Cost as at 31.3.2022
Buildings	377.49	114.54	8.04	-	<b>483.99</b>
Plant & Machinery	3004.01	14657.35	441.74	51.45	<b>17168.17</b>
Vehicles	74.39	538.03	612.42	-	-
<b>Total</b>	<b>3455.89</b>	<b>15309.92</b>	<b>1062.20</b>	<b>51.45</b>	<b>17652.16</b>
Previous Year	1450.80	2417.77	402.02	10.66	3455.89

**Capital-work-in progress ageing schedule:**

(Rs. in Lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Expansion Project	4289.89	1373.92	1200.80	-	6864.61
SBP Project	988.39	-	-	-	988.39
Flaker Project	971.06	-	-	-	971.06
Power Project	7830.26	32.29	-	-	7862.55
Corporate Building	105.89	331.18	43.52	2.79	483.38
Factory Building	0.61	-	-	-	0.61
Existing Plant & Machinery	247.50	179.46	9.36	20.69	457.01
Others	24.55	-	-	-	24.55
<b>Total A</b>	<b>14458.15</b>	<b>1916.85</b>	<b>1253.68</b>	<b>23.48</b>	<b>17652.16</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total B</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total A+B</b>	<b>14458.15</b>	<b>1916.85</b>	<b>1253.68</b>	<b>23.48</b>	<b>17652.16</b>

**Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan:**

(Rs. in Lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Total</b>	-	-	-	-	-

**Note No. 4a**
**INTANGIBLE ASSETS UNDER DEVELOPMENT**

(Rs. in Lakhs)

Particulars	Cost as at 1.4.2021	Additions/ Adjustments	Transfer to Fixed Assets	Adjustments	Cost as at 31.3.2022
ERP Software	2.50	1.12	-	-	3.62
<b>Total</b>	<b>2.50</b>	<b>1.12</b>	<b>-</b>	<b>-</b>	<b>3.62</b>
Previous Year	2.50	3.80	3.80	-	2.50

Intangible assets under development ageing schedule:					
(Rs. in Lakhs)					
Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
ERP	1.12	-	-	2.50	3.62
<b>Total</b>	<b>1.12</b>	<b>-</b>	<b>-</b>	<b>2.50</b>	<b>3.62</b>

Note No. 5					
NON CURRENT-FINANCIAL ASSETS - INVESTMENTS					
(Rs. in Lakhs)					
Particulars	Face Value Per unit (Rs)	As at March 31, 2022		As at March 31, 2021	
		Number	(Rs in Lakhs)	Number	(Rs in Lakhs)
In Associate Company					
Flow Tech Chemicals Pvt. Ltd.	10	212000	3006.58	-	-
(212000 Unlisted equity Shares of Flow Tech Chemicals Pvt. Ltd. @ Rs 1418.20 per share)				-	-
Add: Share of Profit in Flow Tech Chemicals Pvt. Ltd.			248.98	-	-
		<b>212000</b>	<b>3255.56</b>	-	-

**Note No. 5.1**  
The Company has acquired 27.80% stake in Flow Tech Chemicals Pvt. Limited and has accounted for it at cost under equity method as per Ind AS 28

Note No. 6			
NON CURRENT-FINANCIAL ASSETS - TRADE RECEIVABLES			
(Rs. in Lakhs)			
Particulars		As at March 31, 2022	As at March 31, 2021
<b>Considered Good except where provided for:</b>			
a) Total Receivable considered good- Secured	-		-
b) Total Receivable considered good- Unsecured	-		-
c) Trade Receivable which have significant increase in credit risk	<b>572.84</b>		-
d) Trade Receivable- Credit impaired	-		726.86
<b>Less: Allowance for expected credit loss (Debtors over 180 days including legal cases)</b>		<b>572.84</b>	<b>726.86</b>
		-	-

<b>Note No. 6.1</b>						
						(Rs. in Lakhs)
Particulars	Outstanding for following periods*					Total
	Less than	6 months	1-2	2--3	More than	
	6 months	-1 year	years	years	3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	572.84	<b>572.84</b>
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-
Total	-	-	-	-	572.84	<b>572.84</b>
Less: Allowance for expected credit loss (Debtors over 180 days including legal cases)	-	-	-	-	572.84	<b>572.84</b>
Net Receivables	-	-	-	-	-	-
*The ageing is from invoice date						

<b>Note No. 7</b>		
<b>NON CURRENT-FINANCIAL ASSETS - LOANS</b>		
		(Rs. in Lakhs)
Particulars	As at March 31, 2022	As at March 31, 2021
Loans to related parties	-	-
Other Loans		
Loans Receivables-considered good- Secured	-	-
Loans Receivables-considered good- Unsecured	-	-
Loans Receivables which have significant increase in Credit Risk	-	-
Loan Receivables- credit impaired	-	-

<b>Note No.8</b>		
<b>NON CURRENT-FINANCIAL ASSETS - OTHERS</b>		
		(Rs. in Lakhs)
Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	-	-
Bank Deposits having maturity of more than one year	<b>112.70</b>	-
	<b>112.70</b>	-

<b>Note No. 9</b>		
<b>DEFERRED TAX LIABILITIES/ASSETS (NET)</b>		
	(Rs. in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets	<b>323.84</b>	879.62
Deferred Tax Liabilities	<b>1474.69</b>	1419.82
Deferred Tax (Liabilities)/Assets (Net)	<b>(1150.85)</b>	(540.20)

<b>Note No. 10</b>		
<b>OTHER NON CURRENT ASSETS</b>		
	(Rs. in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
(i) Capital advances	<b>462.07</b>	640.28
(ii) Advances other than capital advances:		
Security deposits	<b>635.37</b>	594.64
Advances to related parties	-	-
Other advances (Specify)	-	-
(iii) Deferred Expenditure:		
As per last balance sheet	<b>218.78</b>	395.24
Addition during the year	<b>228.40</b>	-
	<b>447.18</b>	395.24
Less: Amortized during the year	<b>128.39</b>	176.46
<b>Closing Balance</b>	<b>318.79</b>	218.78
	<b>1416.23</b>	1453.70

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

<b>Note No. 11</b>		
<b>INVENTORIES</b>		
	(Rs. in Lakhs)	
Particulars	As at March 31, 2022	As at March 31, 2021
<b>Inventory</b>		
Raw Materials	<b>267.97</b>	216.66
Stock in process	<b>35.38</b>	25.43
Finished goods	<b>591.04</b>	161.66
Stock in trade	<b>564.43</b>	-
Stores, Spares and consumables	<b>248.10</b>	220.44
	<b>1706.92</b>	624.19

**Note No. 12**
**CURRENT-FINANCIAL ASSETS -TRADE RECEIVABLES**

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Considered Goods except where provided for:		
a) Total Receivable considered good- Secured	<b>2062.68</b>	266.61
b) Total Receivable considered good- Unsecured	<b>1191.83</b>	1357.05
c) Trade Receivable which have significant increase in credit risk	-	-
d) Trade Receivable- Credit impaired	-	-
	<b>3254.51</b>	1623.66

**Note No. 12.1**

(Rs. in Lakhs)

Particulars	Outstanding for following periods*					Total
	Less than 6 months	6 months -1 year	1-2 years	2--3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3254.51	-	-	-	-	3254.51
(ii) Undisputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-

\* The ageing is from Invoice date

**Note No. 13**
**CURRENT-FINANCIAL ASSETS–CASH AND CASH EQUIVALENTS**

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Cash and cash equivalents		
Balance with banks		
Current Account	<b>18.48</b>	306.77
Cash Credit Account* (AU Small Finance Bank Ltd.)	<b>2,380.45</b>	12.12
Fixed Deposits with original maturity less than 1 year	-	440.33
	<b>2398.93</b>	759.22
Cash in hand	<b>2.46</b>	3.03
<b>Total Cash and cash equivalents</b>	<b>2401.39</b>	762.25

## b) Bank Balances other than Cash and Cash Equivalent

Bank Deposits with original maturity less than one year including margin money for letters of credit and bank guarantees.	<b>115.75</b>	36.89
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\* Secured by first pari - passu charge by way of hypothecation on present and future current assets of the Company and second charge by way of hypothecation over the power plant exclusively funded by AU Small finance Bank Ltd. and any other plant & machinery which shall be financed by the new lender.

**Note No. 14****CURRENT-FINANCIAL ASSETS -LOAN**

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans to related parties	-	-
Other Loans		
Loans Receivables-considered good- Secured	-	-
Loans Receivables-considered good- Unsecured	-	8.98
Loans Receivables which have significant increase in Credit Risk	-	-
Loan Receivables- credit impaired	-	-
	-	8.98

**Note No. 15****OTHER CURRENT FINANCIAL ASSETS**

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Advances other than capital advances		
-Security Deposits	-	-
- Advance to Related Party	-	-
- Other Advances	-	-
Suppliers/Service Providers	<b>753.26</b>	672.76
Less: Provision for doubtful debts (Others)	<b>576.87</b>	560.86
	<b>176.39</b>	111.90
(ii) Advance to Director or other officer	-	-
(iii) Other advances		
Employees	<b>1.82</b>	-
	<b>178.21</b>	111.90

15.1 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.562.86 lakhs incurred on behalf of Punjab National Fertilizers & Chemicals Limited shall be made as per the settlement by the Official Liquidator of Punjab National Fertilizers & Chemicals Limited. However, an amount of Rs.16.01 lakhs (previous year Rs.11.53 lakhs) has been provided as doubtful debt during the current year.

<b>Note No. 16</b>		
<b>OTHER CURRENT ASSETS</b>		(Rs. in Lakhs)
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Prepaid expenses	50.96	51.94
Income Tax recoverable	21.88	20.88
Insurance Claim recoverable	7.18	7.06
Other recoverable	70.26	39.81
Income tax claimable	59.45	5.26
GST recoverable	1,674.13	731.70
GST Input Claimable	354.00	-
Advance against water charges	8.07	8.07
	<b>2,245.93</b>	<b>864.72</b>

<b>Note No. 17</b>		
<b>EQUITY SHARE CAPITAL</b>		(Rs. in Lakhs)
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Authorised</b>		
350,000,000 Equity Shares of Rs. 2/- each	7000.00	4000.00
(Previous year 400,00,000 Equity Shares @10/- each)		
<b>Issued</b>		
242,715,730 Equity Shares of Rs. 2/- each	4854.31	3114.31
(Previous year 311,43,146 Equity Shares @ 10 each )		
<b>Subscribed</b>		
242,703,980 Equity Shares of Rs. 2/- each fully called up (Previous year 311,40,796 Equity Shares @10/ each )	4854.08	3114.08
<b>Paid Up</b>		
242,343,220 Equity Shares of Rs. 2/- each fully called up (Previous year 310,68,644 Equity Shares @ 10 each )	4846.86	3106.86
	<b>4846.86</b>	<b>3106.86</b>

<b>17.1 Reconciliation of number of Equity Shares and amount outstanding</b>					
<b>Particulars</b>	<b>As at March 31, 2022</b>			<b>As at March 31, 2021</b>	
	<b>Pre sub division</b>	<b>Post sub division</b>	<b>(Rs. in Lakhs)</b>	<b>No of Shares</b>	<b>(Rs. in Lakhs)</b>
	<b>No of Shares</b>	<b>No of Shares</b>			
Paid up capital:					
Opening Balance	31068644	155343220	3106.86	27140796	2714.08
Add: Equity Shares issued on Preferential basis	5400000	27000000	540.00	-	-
Add: Equity Shares issued on Preferential basis other than cash for supply of plant & Machinery	7500000	37500000	750.00	-	-
Add: Sweat Equity shares issued to Managing Director	4500000	22500000	450.00	4000000	400.00
Less: Forfeited Shares	-	-	-	72152	7.22
<b>Closing Balance</b>		<b>242343220</b>	<b>4846.86</b>	<b>31068644</b>	<b>3106.86</b>



**17.2** Allotment of 75,00,000 Equity Shares of Rs.10/- each at a price of Rs.60/- each to M/s Durva Infra tech LLP on Preferential basis for consideration other than cash of setting up of 35MW captive Power Plant and Allotment of 54,00,000 Equity Shares of Rs.10/- each at a price or Rs.60/- each on Preferential basis for cash consideration as approved by the Board of Directors in their meeting held on 21st May,2021.

**17.3** Allotment of 45,00,000 Sweat Equity Shares of Rs 10/- each at a price of Rs 89.05/- each to Shri Naveen Chopra, Managing Director of the company as approved by Board of Directors on 23rd July, 2021.

**17.4** The Company has made Sub-division of each Equity Share of Rs 10/- each into 5 (five) Equity Shares of Rs 2/- each as per approval of Board in their meeting held on 2nd December, 2021, approval of shareholders in EOGM held on 28th December, 2021 with record date for the same was 28th January, 2022.

### 17.5 Shareholding of Promoter

Shares held by promoters at the end of the year

S. No	Promoter Name	As at March 31, 2022		As at March 31, 2021		% Change during the year
		No. of Shares	% of total shares	No. of Shares	% of total shares	
1	Sh. Sukhbir Singh Dahiya	25278015	10.43	3505264	11.28	(0.85)
2	Sh. Jagbir Singh Ahlawat	15500100	6.40	3100020	9.98	(3.58)
3	Smt. Parerna Ahlawat	9875315	4.07	1975063	6.36	(2.29)
4	Sh. Jatin Dahiya	5482535	2.26	1096507	3.53	(1.27)
5	Sh. Mayank Ahlawat	1960160	0.81	392032	1.26	(0.45)
6	Smt. Dayawati	3560170	1.47	712034	2.29	(0.82)
7	Smt. Garima	1100000	0.45	220000	0.71	(0.26)
8	Flow Tech Industrial Projects Pvt.Ltd.	8860160	3.66	1772032	5.70	(2.04)
9	Flow Tech Chemicals Pvt. Ltd.	-	-	1550339	4.99	(4.99)
10	Himalaya Alkalies & Chemicals Limited	2604390	1.07	520878	1.68	(0.61)
11	Tara Mercantile Pvt. Ltd.	1761985	0.73	352397	1.13	(0.40)
12	Advance Chemicals (Shares held in name of Shri Mayank Ahlawat, first holder and partner)	-	-	-	-	-
<b>Total</b>		<b>75982830</b>	<b>31.35</b>	15196566	48.91	<b>(17.56)</b>

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

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares held	% age	No. of shares held	% age
Flowtech Industrial Projects Pvt. Ltd.	8860160	3.66	1772032	5.70
Jagbir Singh Ahlawat	15500100	6.40	3100020	9.98
Sukhbir Singh Dahiya	25278015	10.43	3505264	11.28
Parerna Ahlawat	9875315	4.07	1975063	6.36
Naveen Chopra	42500000	17.54	4000000	12.87
Durva Infratech LLP	37500000	15.47	-	-
Plutus Wealth Management LLP	21250000	8.77	-	-

<b>Note No. 18</b>			
<b>OTHER EQUITY</b>			
(Rs. in Lakhs)			
Particulars		As at March 31, 2022	As at March 31, 2021
<b>Capital Reserve</b>			
Land Subsidy		5.49	5.49
Shares Forfeited Reserve Account		10.65	10.65
Revaluation Reserve			
As per last balance sheet	3610.16		3670.72
Less: Adjusted in respect of Assets sold/ discarded	0.30		17.32
Less: Depreciation & Amortization	46.99		43.24
		3562.87	3610.16
<b>Securities Premium</b>			
As per last Balance Sheet	6018.33		4443.13
Add: Addition during the year	10007.25		1575.20
		16025.58	6018.33
<b>Other Comprehensive Income</b>			
As per last Balance Sheet	(152.70)		(32.60)
Add: Addition during the year	298.89		(120.10)
		146.19	(152.70)
<b>STATEMENT OF PROFIT AND LOSS</b>			
As per last Balance Sheet	(2935.49)		(3903.90)
Add: Debenture Redemption Reserve	-		101.5
Add: Depreciation on revalued assets	46.99		43.24
Add: Transferred from STATEMENT OF PROFIT AND LOSS	5921.11		823.67
		3032.61	(2935.49)
		22783.39	6556.44

<b>Note No. 19</b>			
<b>NON CURRENT LIABILITIES- BORROWINGS</b>			
(Rs. in Lakhs)			
Particulars		As at March 31, 2022	As at March 31, 2021
Term Loan & Vehicle Loan			
Kotak Mahindra Bank Ltd. ( Handling Equipment ) (Secured by way of hypothecation of equipment )		120.24	-
Kotak Mahindra Bank Ltd. (Vehicles ) (Secured by way of hypothecation of vehicles )		122.47	63.04
AU Small Finance Bank Limited (Power Plant ) (Secured by first charge of machinery of Power Plant & first charge on Pari- Pasu basis on existing land & Building and Plant & Machinery)		3,113.35	-
AU Small Finance Bank Limited (Expansion) (Secured by first charge on machinery of Caustic Soda plant capacity expansion & first charge on Pari -Pasu basis on existing land & Building and Plant & Machinery)		2,553.03	-
Punjab National Bank (Car Loan) (Secured by way of hypothecation of vehicles)		167.06	-
		6,076.15	63.04
Less: Short term maturity of Term loan/vehicle loan within 1 year transferred to Short term borrowing.		808.90	20.30
		5,267.25	42.74

<b>Note No. 20</b>		
<b>NON CURRENT LIABILITIES- LEASE LIABILITY</b>		
(Rs. in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Lease Liability	<b>48.05</b>	-
Less: Short term maturity of Lease liability within 1 year transferred to Short term borrowing.	<b>4.24</b>	-
	<b>43.81</b>	-
<b>Note No. 21</b>		
<b>NON CURRENT LIABILITIES- TRADE PAYABLES</b>		
(Rs. in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Trade Payables	-	-
	-	-
<b>Note No. 22</b>		
<b>NON CURRENT – PROVISIONS</b>		
(Rs. in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits*		
Gratuity	<b>119.88</b>	504.13
Leave Encashment	<b>513.50</b>	825.38
	<b>633.38</b>	1329.51
<p>* 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 Statement of Profit &amp; Loss as income or expense and other comprehensive income as per Ind-AS 19.</p>		

<b>Note No. 23</b>		
<b>CURRENT LIABILITIES-BORROWINGS</b>		
(Rs. in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Vehicle Loan		
Short term maturity of Term loan within 1 year –Refer Note No.19	<b>808.90</b>	20.30
Short term maturity of Lease liability within 1 year –Refer Note No.20	<b>4.24</b>	-
Working Capital Loans (Secured)		
AU Small Finance Bank Ltd.	-	-
Other Loans and Advances (Unsecured)	-	-
	<b>813.14</b>	20.30
<p>23.1 Cash Credit from the banks is secured by way of hypothecation (first charge) present and future current assets of the Company wherever and second charge by way of hypothecation over the power plant exclusively funded by AU Small finance Bank Ltd. and any other plant &amp; machinery which shall be financed by the new lender.</p>		

**Note No. 24**
**OTHER FINANCIAL LIABILITIES**

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due	<b>34.85</b>	0.51
	<b>34.85</b>	0.51

**Note No. 25**
**CURRENT-FINANCIAL LIABILITIES-TRADE PAYABLE**

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Creditors</b>		
Total outstanding dues of Micro & Small Enterprises	<b>241.90</b>	210.08
Total outstanding dues of creditors other than Micro & Small Enterprises	<b>4159.38</b>	2553.65
	<b>4401.28</b>	2763.73

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

**Note No. 25.2**
**Trade Payables ageing schedule**

(Rs. in Lakhs)

Particulars	Outstanding for following periods*				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	219.16	-	-	-	219.16
(ii) Others	3944.11	94.85	12.33	89.03	4140.32
(iii) Disputed dues – MSME	8.39	8.88	5.47	-	22.74
(iv) Disputed dues - Others	-	-	-	19.06	19.06

\*The ageing is from invoice date

**Note No. 26**
**Other Current Liabilities**

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Other Liabilities</b>		
Statutory Liabilities	<b>103.77</b>	1310.97
Expenses payable	<b>2179.69</b>	3608.76
Other Liabilities	<b>4549.05</b>	4704.27
Advances from Customers	<b>567.60</b>	221.81
	<b>7400.11</b>	9845.81

26.1 Expense payable includes Rs. 1088.43 lakhs (previous year Rs.2721.11 lakhs payable to PSPCL towards power bill & interest on ACD) payable to PSPCL towards interest on ACD.

<b>Note No. 27</b>		
<b>CURRENT-PROVISIONS</b>		
(Rs. in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
<b>a) Provision for Employee Benefits</b>		
Leave Encashment	47.61	26.41
Bonus	9.39	6.72
	<b>57.00</b>	33.13
<b>b) Net Current Tax Liability</b>		
Provision for taxation	1393.52	330.72
Less: Advance Tax Paid	993.12	-
	<b>400.40</b>	330.72
27.1 The Company's liabilities towards leave encashment and gratuity are determined by an independent actuary and LIC's actuarial valuation respectively, using the Projected Unit Credit Method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds is consistent with the currency and estimated terms of the defined benefit obligations. Actuarial gains and losses are recognised immediately in the Profit & Loss Statement as income or expense and other comprehensive income as per Ind-AS 19		
<b>Note No. 28</b>		
<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>		
(Rs. in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
a) Letters of Credit Outstanding	582.28	-
	<b>(USD 773491.30)</b>	-
b) Bank Guarantees given by Company	168.49	167.74
c) Estimated amounts of contracts remaining to be executed on capital account and not provided for	2257.75	1211.63
d) Additional Liability on account of Income Tax Assessments for the Past Assessment Years against which company has filed appeals.	174.60	4.25
28.1 Continuity Bond amounting to Rs 10000 Lac was executed in favour of custom authorities against which custom duty has since been paid.		

<b>Note No. 29</b>		
<b>REVENUE FROM OPERATIONS</b>		
(Rs. in Lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from sale of goods	43,693.06	22585.30
Revenue from trading sales	1713.73	49.48
	<b>45406.79</b>	22634.78
<b>Note No. 29a</b>		
<b>OTHER INCOME</b>		
(Rs. in Lakhs)		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Other Income:</b>		
Interest received	23.03	29.03
Scrap Sales	220.79	214.91
GST Incentive	975.57	1006.92
Misc. Income	66.95	406.28
Excess Provision written back	217.60	3759.29
Profit on sale of fixed assets	11.46	92.24
	<b>1515.40</b>	5508.67

<b>Note No. 30</b>		
<b>COST OF MATERIALS CONSUMED</b>		
	(Rs. in Lakhs)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salt	<b>5224.32</b>	3752.19
Soda Ash	<b>136.32</b>	61.61
Barium Carbonate	<b>388.42</b>	157.12
Sulphuric Acid	<b>179.53</b>	119.24
Others	<b>224.95</b>	147.68
	<b>6153.54</b>	4237.84
30.1 Consumption of above is as per actual material consumed.		

<b>Note No. 31</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS &amp; STOCK-IN-PROCESS</b>		
	(Rs. in Lakhs)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Closing Stocks</b>		
Finished Goods	<b>591.04</b>	161.66
Stock in Process	<b>35.38</b>	25.43
Stock-in-trade	<b>564.43</b>	-
	<b>1190.85</b>	187.09
<b>Less: Opening Stocks</b>		
Finished Goods	<b>161.66</b>	216.12
Stock in Process	<b>25.43</b>	37.51
Stock-in-trade	-	-
	<b>187.09</b>	253.63
<b>Increase/(Decrease) in Stock</b>	<b>1003.76</b>	(66.54)

<b>Note No.32</b>		
<b>MANUFACTURING EXPENSES</b>		
	(Rs. in Lakhs)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power, Fuel & Utilities	<b>17081.34</b>	12555.48
Stores & Spares consumed	<b>388.96</b>	356.88
	<b>17470.30</b>	12912.36

<b>Note No. 33</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
	(Rs. in Lakhs)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages & Bonus	<b>1401.53</b>	1774.27
Contribution to Provident, Superannuation & Gratuity funds	<b>233.41</b>	275.05
Staff Welfare, Recruitment & Training Expenses	<b>109.29</b>	215.20
	<b>1744.23</b>	2264.52

<b>Note No. 34</b>		
<b>FINANCE COST</b>		
	(Rs. in Lakhs)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Interest and Charges:</b>		
Debentures/Term Loans	<b>21.42</b>	198.80
Cash Credit	<b>35.77</b>	36.76
Monitoring Fee	-	5.00
Interest on Advance Consumption Deposit PSPCL	<b>222.00</b>	159.06
Security Deposits/Others	<b>602.77</b>	134.73
	<b>881.96</b>	534.35

<b>Note No. 35</b>		
<b>OTHER EXPENSES</b>		
	(Rs. in Lakhs)	
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Labour Charges	<b>186.11</b>	168.12
Railway Siding Operations	<b>5.86</b>	7.94
Repair & Maintenance		
Plant & Machinery	<b>203.04</b>	132.14
Building	<b>70.83</b>	44.21
Others	<b>29.20</b>	21.14
	<b>303.07</b>	197.49
Director's Remuneration	<b>5792.03</b>	2867.79
Board Meeting Expenses	<b>46.43</b>	21.63
Travelling & Conveyance		
Directors	<b>42.71</b>	8.86
Others	<b>106.25</b>	60.76
	<b>148.96</b>	69.62
Statutory Auditors Remuneration		
Audit Fees	<b>1.50</b>	1.20
Tax Audit Fees	<b>0.25</b>	0.15
Other Services	<b>1.00</b>	0.22
Out of Pocket Expenses	-	-
	<b>2.75</b>	1.57
Legal & Professional Charges	<b>145.09</b>	45.39
Insurance	<b>74.89</b>	68.82
Printing & Stationery	<b>14.63</b>	10.30
Postage & Telephone	<b>14.05</b>	17.35
Electricity & Water Charges	<b>9.38</b>	6.43
Rent, Rates & Taxes	<b>109.17</b>	64.87
Pollution Control Expenses	<b>50.36</b>	42.2

CER Expenses		108.00	-
CSR Expenses		57.95	42.50
Miscellaneous Expenses		201.47	28.02
Loss on sale of Assets		-	-
Loss on insurance claim		-	-
Doubtful Debts Others		16.01	11.53
Advertisement		1.36	3.55
Freight, Cartage & Handling		1035.18	232.92
Business Promotion		38.98	8.62
Discounts & Commission		514.99	375.94
Chlorine disposal charges		1182.31	28.75
Bad debts		45.23	-
Provision for doubtful debts		-	0.79
		<b>10104.26</b>	<b>4322.14</b>

**Note No. 36**

Debit & Credit balances of parties are subject to their confirmation.

**Note No. 37**

Legal action had been initiated against customers from whom a total sum of Rs.464.51 lakhs (Previous year Rs.617.75 Lakhs) is due as the balance of the principal value of goods supplied.

**Note No. 38**

Deferred Tax: The Company has recognized deferred tax in accordance with IND-AS 12. The major elements of Deferred Tax Assets and Liabilities are given below:

(Rs. in Lakhs)		
Particulars	As at March 31, 2022	
	Deferred Tax Assets	Deferred Tax Liabilities
<b>Timing difference on:</b>		
Fixed Assets	-	1351.89
Provision for Gratuity	157.7	-
Provision for Leave Encashment	163.4	-
Provision for Bonus	2.74	-
Tax relating to items that will not be re-classified to P & L A/c (OCI)	-	122.80
	<b>323.84</b>	<b>1474.69</b>
<b>Net Deferred Tax Liabilities</b>	<b>1150.85</b>	<b>-</b>

**Note No. 39**

**Income Tax**

Income tax expense in the statement of profit and loss consists of:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current income tax	1393.52	330.72
Deferred tax	487.85	852.58
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>1881.37</b>	<b>1183.30</b>
Deferred tax arising on income and expense recognised in other comprehensive income		
<b>Remeasurement of defined benefit plan</b>	<b>122.80</b>	<b>-</b>

**The reconciliation between the provision of income tax of the Company and amounts computed by the Indian statutory income tax rate is as follows:**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	7553.50	2006.97
Enacted income tax rate in India	29.120%	17.472%
Computed expected tax expense	2199.58	350.66
<b>Effect of:</b>		
Temporary difference of depreciation expense	46.80	7.54
Effect of Non-deductible expenses/income	395.10	(6.50)
B/F Depreciation as per income tax return	(561.20)	-
MAT Credit	(686.76)	-
Others	487.85	852.58
Adjustment for Ind AS		(20.98)
<b>Income tax expense recognised in the statement of profit and loss</b>	<b>1881.37</b>	<b>1183.30</b>
<b>Note No. 40 Earning Per Share (EPS)</b>		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit for the year for basic EPS (Rs in Lakhs)	5921.11	823.67
Weighted average number of Ordinary (Equity) Shares of Rs 10/- each	45308370	27754186
Basic Earning per share of Rs 10/- each (Rs.)	13.07	2.97
Diluted Earning per share of Rs 10/- each (Rs.)	13.07	2.97
Weighted average number of Ordinary (Equity) Shares of Rs 2/- each	226541850	-
Basic Earning per share of Rs 2/- each (Rs.)	2.61	-
Diluted Earning per share of Rs 2/- each (Rs.)	2.61	-

**Note No. 41  
Employee Defined Benefits:**

**Gratuity**

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

**Asset Volatility**

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets underperform compared to this yield, this will create or increase a deficit. The defined benefit plans may hold equity type assets, which may carry volatility and associated risk.

**Changes in bond yields**

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' investment in debt instruments.

**Inflation risk**

The present value of some of the defined benefit plan obligations are calculated with reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. The post retirement benefit obligation is sensitive to inflation and accordingly, an increase in inflation rate would increase the plan's liability.

**Life expectancy**

The present value of defined benefit plan obligation is calculated by reference to the best estimate of the mortality of plan participants, both during and after the employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Defined Benefit Plans-as per Actuarial Valuation as on March 31, 2022**

(Rs. in Lakhs)

Particulars	Leave Encashment		Gratuity	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Expense Recognised in the Profit & Loss Statement for the year	<b>(222.38)</b>	(35.83)	<b>85.51</b>	97.96
Present Value of Defined Benefit Obligation as at 31st March, 2022	<b>561.11</b>	851.79	<b>863.06</b>	1336.38

(Rs. in Lakhs)

Particulars	Funded Plan		Unfunded Plans	
	Gratuity		Leave Encashment	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Amounts recognised in profit or loss				
Current service cost	<b>61.17</b>	71.83	<b>39.39</b>	47.08
Expected Return on Plan Assets	<b>(57.01)</b>	(68.72)	-	-
Net interest expense	<b>89.91</b>	101.27	<b>55.73</b>	64.22
<b>Total</b>	<b>94.07</b>	104.38	<b>95.12</b>	111.3
Amount of recovery for employees on deputation	<b>(8.56)</b>	(6.42)	<b>(8.24)</b>	(7.74)
<b>Net Actuarial Losses/(Gains)</b>	-	-	<b>(309.26)</b>	(155.17)
<b>Total amount included in employee benefits expense</b>	<b>85.51</b>	97.96	<b>(222.38)</b>	(51.61)
Amounts recognised in other comprehensive income	<b>152.7</b>	300.12	-	-
Beginning of period				
Remeasurement (gains)/ losses:				
a) Actuarial (gains)/ losses arising from changes in				
- demographic assumptions	-	-	-	-
- financial assumptions	<b>(306.38)</b>	(19.42)	-	-
- experience adjustments	<b>(125.46)</b>	(129.39)	-	-
b) Return on plan assets, excluding amount included in net interest expense/ (income)	<b>10.15</b>	1.39	-	-
Total remeasurement recognised in OCI	<b>(421.69)</b>	(147.42)	-	-
Total amount recognised in other comprehensive income end of period	<b>(268.99)</b>	152.70	-	-
Changes in the defined benefit obligation				
Opening defined benefit obligation	<b>1336.38</b>	1726.89	<b>851.79</b>	1050.4
Current service cost	<b>61.17</b>	71.84	<b>39.39</b>	47.08
Past service cost	-	-	-	-
Interest expense	<b>89.92</b>	101.28	<b>55.72</b>	64.22
Remeasurements (gains)/ losses	<b>(431.84)</b>	(148.81)	<b>(309.26)</b>	(155.17)
Benefits paid	<b>(192.57)</b>	(414.82)	<b>(76.53)</b>	(154.74)



Closing defined benefit obligation	<b>863.06</b>	1336.38	<b>561.11</b>	851.79
Changes in fair value of plan assets	-	-	-	-
Opening fair value of plan assets	<b>832.25</b>	1147.74	-	-
Interest income	<b>57.01</b>	68.72	-	-
Return on plan assets excluding interest income	-	-	-	-
Contributions by employer	<b>56.64</b>	32	-	-
Benefits paid	<b>(192.57)</b>	(414.82)	-	-
Actuarial Gain/(Losses)	<b>(10.15)</b>	(1.38)	-	-
Closing fair value of plan assets	<b>743.18</b>	832.26	-	-
Net defined benefit obligation	-	-	-	-
Defined benefit obligation	<b>863.06</b>	1336.38	<b>561.11</b>	851.79
Fair value of plan assets	<b>743.18</b>	832.25	-	-
Surplus/(Deficit)	<b>(119.88)</b>	(504.13)	<b>(561.11)</b>	(851.79)
Current portion of the above	-	-	<b>(47.61)</b>	(26.41)
Non current portion of the above	<b>(119.88)</b>	(504.13)	<b>(513.50)</b>	(825.38)
Liability recognised in B/S	<b>(119.88)</b>	(504.13)	<b>(561.11)</b>	(851.79)
Funding of Plan Assets as a percentage of total Plan	<b>Unfunded</b>	Unfunded	<b>86.11% with LIC</b>	62% with LIC
Actuarial Assumptions				
- Discount Rate	<b>7.30%</b>	6.85%	<b>7.30%</b>	6.85%
- Expected rate of return on Plan Assets	-	-	<b>7.30%</b>	6.85%
- In-service Mortality	<b>Indian Assured Lives (2012-14)</b>	Indian Assured Lives (2012-14)	<b>Indian Assured Lives (2012-14)</b>	Indian Assured Lives (2012-14)
- Attrition Rate	<b>1% to 2%</b>	1% to 2%	<b>1% to 2%</b>	1% to 2%
- Salary Rise	<b>1.00%</b>	6.00%	<b>1.00%</b>	6.00%
- Remaining Working life	<b>14 Years</b>	12.3 Years	<b>14 Years</b>	12.3 Years

**Note No. 42**

**Corporate Social Responsibility:** In accordance with section 135 (5) of the Companies Act, 2013, a Company, meeting the Corporate Social Responsibility (CSR) applicability criteria, needs to spend in every financial year, at least 2% of its average net profits made during the three immediately preceding financial years in pursuance of its CSR Policy. Since the Company has earned net profit before tax of Rs.7553.50 lakhs, it meets the CSR applicability criteria and accordingly needs to spend minimum 2% of its average net profits for the immediately preceding three years on CSR activities in pursuance of its CSR policy. The Company has spent CSR amount of Rs.57.95 lakhs in pursuance of CSR Policy during the year 2021-22

**Corporate Social Responsibility:**

(Rs. in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amount required to be spent by the company during the year	<b>57.94</b>	42.54
Amount of expenditure incurred	<b>57.95</b>	42.55
Short fall at the end of the year	-	-
Total of previous year's shortfall	-	-
Reason for shortfall	-	-

Nature of CSR Activities	(Rs in Lakhs)	
<b>For Plantation</b>	<b>12.40</b>	12.01
Making Available Safe Drinking Water Near Local Water Near Local Area	<b>11.44</b>	-
Promoting Education / Vocational Skills	<b>4.52</b>	9.00
Ensuring Animal Welfare	<b>4.00</b>	20.54
Contribution For Sports	-	1.00
Promotion of Healthcare including Preventive Health care	<b>25.59</b>	-
<b>Total</b>	<b>57.95</b>	42.55

**Note No. 43**
**Related Party Disclosures:**

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

**1) Significant Interest Entities: NA**
**2) Key Managerial Personnel**

Shri Naveen Chopra, Managing Director

Shri Jatin Dahiya, Executive Director

Shri Arun Kumar Kaushal, Chief Financial Officer

Smt. Sugandha Kukreja, Company Secretary

**3) Related Parties where Common Director**

M/s Flowtech Chemicals Pvt. Ltd

M/s Prayag Chemicals Pvt. Ltd.

M/s V S Polymers P Ltd.

M/s Shahenshah Chemicals

**b) Volume of transaction with related parties**

(Rs in Lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
Remuneration (Key Managerial Personnel)		
Shri Naveen Chopra, Managing Director	<b>5773.01*</b>	2867.79
Shri Ajay Pal Singh, Chief Financial Officer (upto 30.06.2020)	-	3.25
Shri Jatin Dahiya, Executive Director	<b>25.24</b>	-
Shri Arun Kumar Kaushal, Chief Financial Officer (w.e.f. 01.07.2020)	<b>14.08</b>	10.52
Smt. Sugandha Kukreja, Company Secretary	<b>13.93</b>	14.80

\*The remuneration includes issue of sweat equity shares of Rs. 4007.25 Lakhs (including security premium) and tax liability of Rs 1712.86 Lakhs thereon borne by the company.

Party Name	Year ended March 31, 2022	Year ended March 31, 2021
M/s Flowtech Chemicals Pvt. Ltd	<b>2508.83</b>	951.38
M/s Prayag Chemicals Pvt. Ltd.	<b>1706.48</b>	213.60
M/s V S Polymers P Ltd.	<b>1459.57</b>	337.18
M/s Shahenshah Chemicals	<b>46.43</b>	-

#### Note No. 44

A total of 2827 chlorine tonners (including rented tonners) and nil Chlorine Cylinders of 900 Kg. and 100 Kg. each respectively, were in circulation with various customers as returnable empties, as on 31.3.2022.

#### Note No. 45

Additional Regulatory Information to be provided as per amendments in Schedule III of Companies Act, 2013 are as follows:

- The Company has not held any Benami property.
- The Company has not been declared wilful defaulter by any bank or financial institution.
- All the title deeds of Immovable Properties are held in the name of the company except leased properties.
- There are no pending registration of charges or satisfaction of charges with the Registrar of Companies (ROC).
- The company has not granted any loans or advances in the nature of loans to promoters, Directors, key managerial personnel and the related parties
- Compliance with number of layers of companies: This is Not Applicable

#### g) Utilisation of borrowed funds & Security Premium

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the company (ultimate beneficiaries). The company has not received any fund from any party(s) (funding party) with the understanding whether, directly or indirectly lend or invest in other persons or entities identify by on or behalf of the company (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

#### h) Disclosure for Struck off Companies

The following table depicts the details of balances outstanding in respect of transactions undertaken with a company struck-off under section 248 of the Companies Act, 2013:

(Rs.in Lakhs)				
Name of struck off Company	Nature of transactions with struck-off Company	Balance as at March 31, 2022	Balance as at March 31, 2021	Relationship with the struck-off Company
	Sale of Goods	-	-	-
	Purchase of Goods and receiving of services	-	-	-
	Receiving of Services	-	-	-
Other Entities(I)	Subscription to Equity Shares	0.07	0.07	Equity Shareholder

#### Details of other struck off entities holding equity shares in the Company is as below:

Name of Struck off Company	No. of Shares held as on March, 2022	Paid-up as at March, 2022 (In Rs.)	No. of Shares held as on March, 2021	Paid-up as at March, 2021 (In Rs.)
Precto Mech-Tech Private Limited	1500	3000	300	3000
Vaishak Shares Limited	60	120	12	120
Niranjan Singh Kartar Singh Forges Pvt Ltd	1250	2500	250	2500
(Niranjan Singh Kartar Singh Forgings Pvt. Ltd. as per MCA records)				
Translink Investments Private Ltd	500	1000	100	1000
<b>Total</b>	<b>3310</b>	<b>6620</b>	<b>662</b>	<b>6620</b>

#### Note No. 46

##### Financial Risk Management

The company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

**Financial guarantees:** The Company is exposed to credit risk in relation to guarantees given to bank. The company's maximum exposure in this regard is Rs 7.51 crores, which is the maximum amount company would have to pay if the guarantee is called upon. Further the company has given bond of Rs 100 crores to Custom Authorities against which the liability of custom duty has since been

paid, The continuity bond after cancellation is awaited from Custom Authorities.

#### Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customer and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding account receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

#### Trade and other receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates also has influence on credit risk assessment. The company has taken dealer securities which are considered in determination of expected carried losses, where applicable. The company makes an allowance for doubtful trade receivable using the simplified approach for expected credit loss and by continuously monitoring the recoverability of receivable balances.

The Company primarily has exposure from following types of customers:		
(Rs.in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Dealers	2616.97	371.53
Government Customer	155.48	125.50
Direct Customers	482.06	1126.63
<b>Total</b>	<b>3,254.51</b>	1,623.66
The receivables of Rs 2062.68 Lakhs (Previous year Rs 266.61 Lakhs) are secured by security deposits.		

#### Investments

The company limits its exposure to credit risk by generally investing in liquid securities and only with counter parties that have a good credit rating. The company does not expect any losses from non-performance by these counterparties, and does not have any significant concentration of exposures to specific industry sectors.

#### Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they become due. The company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also the company is utilising cash credit limits of Rs 20 crore sanctioned by banks from time to time as and when required.

#### Foreign Currency risk.

The company is exposed to foreign currency risk to the extent of exchange rate fluctuation at the time of payment of purchase price applicable in Foreign Letter of Credit (FLC). The currencies in which these transactions are primarily denominated are US Dollar and Japanese -Yen -(Yen).

#### Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The company do not have exposure to the risk of changes in market interest rates relating to company's debt obligations as it is on fixed interest rates.

#### Note No. 47

#### Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings. The Company reviews the capital structure of the company on a regular basis and uses debt equity ratio to monitor the same.

The following table summarises the capital structure of the Company:

(Rs.in Lakhs)		
Particulars	As at March 31, 2022	As at March 31, 2021
Total Equity attributable to the shareholders of the company	<b>27630.25</b>	9663.30
As percentage of total capital	<b>82%</b>	99%
Total Loans and borrowings	<b>6076.15</b>	63.04
Total Lease Liability	<b>48.05</b>	-
Total Loans and borrowings and Lease Liabilities	<b>6124.20</b>	63.04
As a percentage of total capital	<b>18%</b>	1%
<b>Total capital (loans, borrowings, lease liabilities and equity )</b>	<b>33754.45</b>	9726.34

**Note No. 48**

The Code on Social Security, 2020 (the Code) has been enacted, which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified. The Ministry of Labour and Employment (the Ministry) has released draft rules for the Code on November 13, 2020. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules are published

Note No. 49		
RATIOS		
Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Current Ratio</b>	<b>0.81</b>	0.31
(Current assets over current liabilities)		
(Current liabilities: Total current liabilities-Current maturities of non-current borrowings and lease liability)		
<b>Debt Equity Ratio</b>	<b>0.22</b>	0.01
(Debt over total shareholder equity)		
(Debt: Non current borrowing+Current borrowing+Non-current and current lease liability)		
<b>Debt Service Coverage Ratio</b>	<b>24.82</b>	0.79
(PAT+Interest on debenture & term loan+depreciation & amortisation- Profit on sale of fixed assets over Interest on term loan & debenture+repayment of debt during the year)		
<b>Return on Equity</b>	<b>31.75%</b>	9.86%
(PAT over total average equity)		
(Equity: Equity share capital+Other equity)		
<b>Inventory Turnover Ratio (In days)</b>	<b>9</b>	11
(Average Inventory over Sale of products in days)		
<b>Trade Receivable Turnover Ratio (In days)</b>	<b>20</b>	18
(Average trade receivable over Revenue from operations in days)		
<b>Trade Payable Turnover Ratio (In days)</b>	<b>53</b>	62
(Average account payable over Total purchases in days)		
<b>Net Capital Turnover Ratio</b>	*	*
(Revenue from operation over average working capital)		
<b>Net Profit Ratio %</b>	<b>13.04%</b>	3.64%
(PAT over revenue from operations)		
<b>EBITDA %</b>	<b>22.97%</b>	18.88%
(EBITDA over revenue)		

<b>EBIT %</b>	<b>18.51%</b>	9.03%
(EBIT over revenue)		
<b>Return on Capital Employed %</b>	<b>38.93%</b>	26.02%
(EBIT over capital employed)		
<b>Return on Investment %</b>	<b>3.94%</b>	5.99%
(Interest on FDs over Weight average of Fixed deposits)		
Capital employed: Equity share capital+other equity-Intangible assets- Misc exp not written off+Non current borrowings+Current borrowings+Non-current and current lease liability+Deferred tax liabilities)		

**Note:**

EBIT - Earnings before interest and taxes including other income  
EBITDA - Earnings before interest, taxes, depreciation and amortisation.

PAT - Profit after taxes.  
\* Net working capital is -ve

**Explanation for variances exceeding 25%**

Current ratio is improved on account of increase in debtors outstanding (increased turnover) and decrease in other liabilities.

Change in Debt equity ratio is on account of issue of fresh equity shares and raising of new term loans.

Debt service coverage ratio improved on account of increase in EBIT during the year ended March 31<sup>st</sup>, 2022

Return on Equity, Net profit ratio, EBIT % and Return on capital employed is improved on account of increase in profits during the year ended March 31<sup>st</sup>, 2022

Trade Payable Turnover Ratio improved on account of decrease in trade payables.

Return on investment ratio decreases on account of falling Interest rates.

**Note No. 50**

The Company operates in a single business segment viz. chemicals.

**Note No. 51**

a) The Corresponding figures of the previous year have been re-grouped/reclassified, wherever necessary.  
b) The figures have been rounded off to the nearest Rs. Lakhs.

Sd/-  
**(ARUN KUMAR KAUSHAL)**  
Chief Financial Officer

Sd/-  
**(SUGANDHA KUKREJA)**  
Company Secretary  
FCS-11578

Sd/-  
**(JATIN DAHIYA)**  
Executive Director  
DIN: 08106876

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

As per our separate report of even date  
**For HARI S. & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 007709N  
ICAI UDIN 22523735AJQATB1780

Place: Phuket  
Date : May 5, 2022

Sd/-  
**(KAPIL VOHRA)**  
Partner  
Membership No. 523735  
Place: Chandigarh





Punjab Alkalies & Chemicals Limited

REGISTERED OFFICE

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

CIN L24119CH1975PLC003607