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**Punjab Alkalies & Chemicals Limited**  
30TH ANNUAL REPORT 2004-05



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## DIRECTORS' REPORT

Your Directors have pleasure in presenting their 30<sup>th</sup> Annual Report together with the Audited Accounts for the financial year ended 31<sup>st</sup> March, 2005.

### Financial Results

Your Directors are pleased to report that your Company has done exceedingly well in the financial year ended 31<sup>st</sup> March, 2005. The financial results of the Company for the financial year ended 31<sup>st</sup> March, 2005 are summarised below :-

|                                                                 | (Rs. in crores)        |                       |
|-----------------------------------------------------------------|------------------------|-----------------------|
|                                                                 | 2004-05<br>(12 months) | 2003-04<br>(9 months) |
| Sales Turnover & Other Income                                   | 209.46                 | 138.86                |
| Total Expenditure excluding<br>Finance Charges and Depreciation | 162.64                 | 115.92                |
| Profit before Finance Charges<br>and Depreciation               | 46.82                  | 22.94                 |
| Finance Charges                                                 | 13.77                  | 9.47                  |
| Cash Profit                                                     | 33.05                  | 13.47                 |
| Depreciation, etc.                                              | 12.84                  | 9.11                  |
| Net Profit                                                      | 20.21                  | 4.36                  |

Members would be happy to note that your Company has posted a Net Profit of Rs. 20.21 crores in the financial year 2004-05 denoting an increase of 248% over that of preceding financial year's Net Profit on an annualised basis, mainly due to increase in the combined average realisation from Rs.23,500 per Electro-Chemical Unit (ECU) in the financial year 2003-04 to Rs.26,500 per ECU in the financial year 2004-05. The Turnover of your Company in the financial year 2004-05 at Rs. 209.46 crores has shown a growth of 13% on the preceding financial year's Turnover on an annualised basis. The Profit before Finance Charges and Depreciation at Rs.46.82 crores reflects an increase of 53% over that in the financial year 2003-04 on an annualised basis.

However, in view of the accumulated losses of the Company, the Directors regret their inability to recommend any dividend for the financial year 2004-05.

The Company had become a Sick Industrial Company within the meaning of Section 3 (1) (o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and a reference had been made to the Board for Industrial and Financial Reconstruction (BIFR) under Section 15 (1) of the SICA. The Company's reference had been registered by BIFR.

### Replacement of Membranes

Your Company has replaced the Membranes in six Electrolysers of its Plant Unit-I and Plant Unit-II and got the recoating of Anodes and Cathodes carried out in two Electrolysers of its Plant Unit-I in the financial year 2004-05 at a cost of about Rs.7.60 crores for reduction of power consumption per unit of Caustic Soda Lye and improvement of capacity utilisation of the Company's Plants.

### Finance and Corporate Debt Restructuring

The Corporate Debt Restructuring (CDR) Empowered Group of CDR Cell had sanctioned a Revised Restructuring Package for the Company under which the debt liabilities of the Company had been restructured, resulting in reduction in rate of interest and reschedulement of repayment of debts. The Company had filed an Appeal before the CDR Core Group against the decision of CDR Empowered Group against some of the conditions stipulated in the said Restructuring Package. The CDR Cell had subsequently modified three conditions. The Company has subsequently accepted the said Revised Restructuring Package subject to the decision of the CDR Empowered Group to keep three conditions viz. part of recompense clause, pledge of shares and sale of converted equity by lenders to the strategic investor, in abeyance till 30<sup>th</sup> June, 2005 or till disinvestment by the Punjab State Industrial Development Corporation Limited of its equity stake in the Company, whichever is earlier and the Monitoring Committee to re-examine the Company's request with regard to modification/waiver of these three conditions. Subsequently, the Company has requested the Industrial Development Bank of India Limited and the CDR Cell for extending this date from 30<sup>th</sup> June, 2005 to 30<sup>th</sup> September, 2005.

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

### Current Operations and Outlook

Your Company has done extremely well in the first quarter ended 30<sup>th</sup> June, 2005 of the financial year 2005-06.

## Punjab Alkalies & Chemicals Limited

### BOARD OF DIRECTORS

Shri S.C. Agrawal, IAS, Chairman  
 Smt. Ravneet Kaur, IAS  
 Dr. A.K. Kundra, IAS (Retd.)  
 Shri Sanjay Kumar, IAS  
 Shri S.K. Sharma  
 Shri J.S. Saraon  
 Shri D.C. Mehandru  
 Shri P.M. Mukherjee (IDBI Nominee)  
 Shri Naresh Saluja (IFCI Nominee)  
 Shri S.P. Singh, IAS, Managing Director

### COMPANY SECRETARY

Shri Pradeep Nauharua

### BANKERS

Punjab National Bank  
 Punjab & Sind Bank

### AUDITORS

M/s. S. Tandon & Associates,  
 Chartered Accountants,  
 S.C.O. 201-203, 3rd Floor, Sector 34-B,  
 Chandigarh - 160 022

M/s. A.K. Sood & Associates,  
 Chartered Accountants,  
 S.C.O. 50-51, IInd Floor, Sector 17-A,  
 Chandigarh - 160 017

### INTERNAL AUDITORS

M/s. Ashwani & Associates,  
 Chartered Accountants,  
 19-A, Udham Singh Nagar,  
 Civil Lines,  
 Ludhiana-141 001

### REGISTERED OFFICE

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

### WORKS

Nangal-Una Road,  
 Naya Nangal-140 126  
 Distt. Ropar, Punjab

## Punjab Alkalies & Chemicals Limited

### NOTICE

Notice is hereby given that the **30th Annual General Meeting** of the Members of **Punjab Alkalies & Chemicals Limited** will be held in **Tagore Theatre, Sector 18, Chandigarh** on **Tuesday, the 27th September, 2005** at **10.30 hours** to transact the following business:-

#### As Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri J. S. Saraon, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri D.C. Mehandru, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors for the current year and to fix their remuneration and in this connection, to consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution :  
"RESOLVED that M/s. S. Tandon & Associates, Chartered Accountants, Chandigarh and M/s. A.K. Sood & Associates, Chartered Accountants, Chandigarh, be and are hereby re-appointed Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting and that their remuneration be fixed by the Board of Directors of the Company."

#### As Special Business

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :  
"RESOLVED that Dr. A. K. Kundra, IAS ( Retd. ) , who was appointed an Additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 on the date of this Annual General Meeting, and in respect of whom the Company has received notices in writing from some members pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."
6. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :  
"RESOLVED that Shri Naresh Saluja, who was appointed an Additional Director of the Company by the Board of Directors and who ceases to hold office under Section 260 of the Companies Act, 1956 on the date of this Annual General Meeting, and in respect of whom the Company has received notices in writing from some members pursuant to Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation."
7. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :  
"RESOLVED that pursuant to the provisions of Sections 269, 198 and 309 and other applicable provisions, if any, of the Companies Act, 1956, approval be and is hereby accorded to the appointment of Shri S.P. Singh, IAS, as Managing Director of the Company for a period of five years with effect from 13th December, 2004.

RESOLVED FURTHER that the Order of the Governor of Punjab dated 16th December, 2004 received from the Government of Punjab, containing the terms and conditions of deputation allowed to Shri S.P. Singh, IAS, which is reproduced below be and is hereby taken note of :

GOVERNMENT OF PUNJAB  
DEPARTMENT OF PERSONNEL  
(I.A.S. BRANCH)  
ORDER OF THE GOVERNOR OF PUNJAB

On his services having been placed at the disposal of the Department of Industries and Commerce for appointment as Managing Director, Punjab Alkalies & Chemicals Ltd., Chandigarh, the following terms and conditions of deputation are allowed to Sh. Satinder Pal Singh, IAS :-

1. Period of Deputation: One year from the 13th December, 2004 or till he remains on deputation against this post whichever is earlier, subject to a right to recall him even earlier if the exigencies of service so require. The borrowing department will give timely notice, say of about two months before the officer is reverted to the parent department on completion of his term of deputation or otherwise.
2. Pay and Special Pay: He will draw his pay in the Super Time Scale of the Indian Administrative Service. He will draw such other allowances as may be admissible under the rules of the Government of Punjab.



The post of Managing Director, Punjab Alkalies & Chemicals Ltd. has been declared equivalent in status and responsibility to the cadre post of Secretary to the Government of Punjab under rule 9(1) of the Indian Administrative Service (Pay) Rules, 1954, vide order dated 4th March, 1999 issued vide endorsement No.1/6/99- IAS(4)/2911 dated 10th March, 1999 of this department.

3. Leave and Leave Travel Concession: As admissible to the officers of the Indian Administrative Services in accordance with the provisions of the All India Service (Leave) Rules, 1955 and All India Services (Leave Travel Concession) Rules, 1955 and the orders of the Central Government issued there-under from time to time, the whole expenditure with regard to leave travel concession will be borne by the borrowing organisation.

As laid down in rule 10.9 of the Punjab Civil Services Rules, Volume-I, Part-I, the whole expenditure in respect of all allowances including dearness pay etc. forming part of the leave salary for the period of leave in or at the end of the foreign service shall be borne by the borrowing organisation.

4. Pay During Joining Time: He will be entitled to joining time pay both on transfer to and on reversion from foreign service under the Indian Administrative Service (Pay) Rules, 1954, and is to be paid for this period from the funds of the borrowing organisation.

5. Medical Facilities: As admissible under the All India Service (Medical Attendance) Rules, 1954. The expenditure in this regard shall be borne by the borrowing organisation.

6. Disability: The payment of leave salary in respect of disability incurred in or through the foreign service, even though the disability manifests itself after the termination of foreign service is to be made from the funds of the borrowing organisation.

7. Travelling Allowance/Daily Allowance: Travelling allowance/ daily allowance would be admissible at the rates applicable in the borrowing organisation and will be paid from the funds of borrowing organisation.

8. Transfer Travelling Allowance: As admissible both for joining the new post and on transfer there-from, it will be payable in accordance with the rules, from the funds of the borrowing organisation.

9. Provident Fund: He will continue to be governed by the All India Services (Provident Fund) Rules, 1955, as amended from time to time. The subscriptions/recoveries of advance on account of General Provident Fund should be remitted to the Under Secretary, Accounts (in ASR Cell) through Treasury Challan as per paragraph 18(i) of letter No.12/220-84-4PP-III/4688, dated 2nd May, 1989 of the Department of Finance.

10. House Rent Allowance: He will be allowed house rent allowance at the same rates as admissible to other Government employees of equivalent categories. If he is already in occupation of Government residential accommodation, he will be permitted to retain the same on payment of five percent of his pay or the standard rent, whichever is less, as house rent from his own pocket, the difference between the market rent and rent paid by him from his own pocket to be paid by the borrowing organisation.

11. No free house, car or conveyance allowance will be allowed to him unless such benefit has been attached as a normal condition of service with the deputation post.

12. He will be liable to recovery from his pay the whole or part of any pecuniary loss caused by him to the foreign employer, while on foreign service, by negligence or breach of orders, by giving him a suitable opportunity to explain his position. Such a recovery will be made under the orders of the appointing authority from his pay drawn while on deputation or reversion therefrom, as the case may be.

13. Leave Salary Contribution and Pension Contribution: The borrowing organisation shall pay leave salary contributions and pension contribution in accordance with the provisions of Rule 10.8 of the Punjab Civil Services Rules, Volume-I, Part-I, annually within fifteen days of the end of each financial year or at the end of the foreign service, if the deputation on foreign service expires before the end of the financial year.

Leave salary contributions and pension contributions should be paid separately and no dues recoverable by Government on any account should be set off against these contributions. The amount of contributions are to be credited under the following Heads of Accounts :-

|                            |                                                                                                                                                                                             |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Leave Salary Contributions | : 0070 - Other Administrative Service - 800 - Other Receipts - 01 - Leave Salary Contributions.                                                                                             |
| Pension Contributions      | : 0071 - Contributions and Recoveries towards pension and other retirement benefits - 101 -Subscriptions and contributions - 01 - Pension contribution of officers lent on foreign service. |

In case of default, interest at the rate of two paise per day per Rs.100/- from the date of expiry of the aforesaid period upto the date on which contributions are finally paid would be recoverable from the foreign employer/ Government employees, as the case may be.

## Punjab Alkalies & Chemicals Limited

14. *Payment of Bonus (Ex-Gratia):* He will not be entitled to the payment of bonus (Ex-Gratia) under the Payment of Bonus Act, 1965.

15. *Group Insurance :* In case he is a member as per the provisions of the All India Group Insurance Rules, 1981/Punjab Government Employees Group Insurance Scheme, 1982, the deduction of a monthly subscription of Rs.120/- per mensem will be made from his salary and the amount be remitted through Bank Draft in favour of the Under Secretary(Accounts), Punjab Civil Secretariat in time.

16. *General:* Other unclassified matters will be governed by the orders of the Government of Punjab/the Government of India as applicable to the officers of the Indian Administrative Services.

Dated, Chandigarh,  
The 16th Dec., 2004

S.S. RAJPUT  
Secretary to the Government of Punjab,  
Department of Personnel

RESOLVED FURTHER as to term 11 of the aforesaid Order of the Governor of Punjab dated 16th December, 2004 that as a normal condition of service attached to the post, the Managing Director shall be entitled to the following :-

1. Suitable residential accommodation with a provision for office at residence on payment of 5% of his basic pay.

OR

Government residential accommodation with a provision for office at residence on payment of 5% of his basic pay or the standard rent, whichever is less as house rent from his own pocket, the difference between the house rent paid by him from his own pocket and the market rent, being payable by the Company.

2. Company's Car with Driver for official use.
3. Use of Company's Car for personal purposes upto 6000 Kms. per year on payment of Rs.100/- per month.
4. Until such time the Company's Car is provided, reimbursement of conveyance expenses for use of his own Car within the radius of 8 Kms. to the extent of Rs.500/- per month and for use beyond 8 Kms., reimbursement of expenses as per rules of the Company in force from time to time.
5. Telephone at residence subject to the condition that personal long distance calls shall be billed to him by the Company.

RESOLVED FURTHER that pursuant to the provisions of Sections 269, 198 and 309 and other applicable provisions, if any, of the Companies Act, 1956, approval be and is hereby accorded to the appointment of Shri S.P. Singh, IAS as Managing Director of the Company for the period of five years with effect from 13th December, 2004 in the Supertime Scale of Indian Administrative Service, which scale as on 13th December, 2004 was and at present is Rs.18400-500-22400 and he shall draw his own pay in the said scale, which pay as on 13th December, 2004 was Rs.18,400/- per month and at present is Rs.18,900/- per month, and he shall be entitled to all other allowances and benefits admissible to him from time to time under Punjab/Central Government Rules, which allowances and benefits at present are as contained in the aforesaid Order of the Governor of Punjab dated 16th December, 2004 and other benefits as indicated hereinabove.

RESOLVED FURTHER that in the event of the Company having no profits or having inadequate profits in any financial year, the aforesaid remuneration shall also be paid as the minimum remuneration.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be necessary to resolve any difficulty and give effect to this resolution."

By Order of the Board of Directors

Registered Office:  
S.C.O.125-127,  
Sector 17-B,  
Chandigarh-160 017  
Dated : July 28, 2005

Sd/-  
(PRADEEP NAUHARIA)  
Company Secretary &  
Gen. Manager (Co. Affairs)

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY (BLANK FORM ENCLOSED) DULY STAMPED, COMPLETED AND SIGNED SHOULD, HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.



2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business at item Nos. 5 to 7 is annexed. The relevant details of the Directors proposed to be appointed/re-appointed at the Annual General Meeting, pursuant to Clause 49 of the Listing Agreement, are also annexed.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 14th September, 2005 to 27th September, 2005 (both days inclusive).
4. Members who have not yet paid the Allotment Money on their new equity shares are requested to remit the same together with interest thereon.
5. The unclaimed Dividends for the years 1989-90, 1990-91, 1991-92, 1992-93, 1993-94 and 1994-95 have been transferred to the General Revenue Account of the Central Government in terms of Section 205A of the Companies Act, 1956. Members who have not claimed their Dividends for the said years are requested to claim the same from the Registrar of Companies, Punjab, H.P. & Chandigarh, 286, Defence Colony, Garha Road, Jalandhar City - 144 001. The unclaimed Dividends for the years 1995-96 and 1996-97 have been transferred to the Investor Education and Protection Fund established by the Central Government in terms of Section 205A read with Section 205C of the Companies Act, 1956.
6. Members are requested to notify immediately changes, if any, in their registered address to the Company specifying full address in Block Capitals with PIN Code of the Post Office.
7. Members are requested to bring with them the attendance slip sent with the Annual Report duly completed and signed and hand it over at the entrance.
8. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
9. Members are requested to bring their copy of the Annual Report alongwith them to the Annual General Meeting.

## EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

### ITEM NO. 5

Dr. A.K. Kundra, IAS (Retd.) was appointed an Additional Director of the Company on 13th December, 2004 by the Board of Directors. Under the provisions of Section 260 of the Companies Act, 1956 he holds office till the date of the ensuing Annual General Meeting. He is however eligible for reappointment. The Company has received notices in writing from some members pursuant to Section 257 of the Companies Act, 1956, signifying their intention to propose at the ensuing Annual General Meeting, his appointment as a Director.

Dr. A.K. Kundra has done M.A. (Economics) and Ph.D. He retired from the Indian Administrative Service in April, 2003. At present, he is holding the position of Insurance Ombudsman, Chandigarh. He has about 38 years of rich and varied administrative and managerial experience. He was associated with the Company as its Managing Director from 8th December, 1982 to 30th April, 1988, as its Director from 30th April, 1988 to 30th November, 1988, as its Chairman and Director from 1st December, 1988 to 7th May, 1990 and again as its Director from 20th July, 1990 to 30th January, 1993. The Directors consider it desirable that the Company should continue to avail itself of his services.

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

None of the Directors, is in any way, concerned or interested in the Resolution excepting Dr. A.K. Kundra.

### ITEM NO. 6

The IFCI Limited (IFCI) had nominated Shri Naresh Saluja as its nominee on the Board of Directors of the Company and had advised the Company to co-opt him on the Board of Directors. Accordingly, Shri Naresh Saluja was appointed an Additional Director of the Company on 28th April, 2005 by the Board of Directors. Under the provisions of Section 260 of the Companies Act, 1956 he holds office till the date of the ensuing Annual General Meeting. He is however eligible for reappointment. The Company has received notices in writing from some members pursuant to Section 257 of the Companies Act, 1956, signifying their intention to propose at the ensuing Annual General Meeting, his appointment as a Director.

Shri Naresh Saluja has done M.Sc. and is a Chartered Financial Analyst and CAIIB. He is working as General Manager in IFCI Limited. He has about 30 years of rich experience. The Directors consider it desirable that the Company should continue to avail itself of his services.

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

None of the Directors, is in any way, concerned or interested in the Resolution excepting Shri Naresh Saluja.

### ITEM NO. 7

The services of Shri S.P. Singh, IAS had been placed by the Government of Punjab at the disposal of the Department of Industries and Commerce for appointment as Managing Director of the Company. The Department of Industries and Commerce had placed his services at the disposal of the Punjab State Industrial Development Corporation Limited for appointment as Managing Director of the Company. The Punjab State Industrial Development Corporation Limited (PSIDC) had nominated Shri S.P. Singh, IAS as a Director on the Board of Directors of the Company with effect from 13th December, 2004.

The Board of Directors of the Company in its meeting held on 13th December, 2004 had pursuant to the provisions of Section 269 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the

(iv)

## Punjab Alkalies & Chemicals Limited

Shareholders and the Central Government, appointed Shri S.P. Singh, IAS as Managing Director of the Company for a period of five years with effect from 13th December, 2004 at the remuneration to be decided later.

The Board of Directors in its meeting held on 28th January, 2005 had taken note of the Order of the Governor of Punjab dated 16th December, 2004 received from the Government of Punjab, containing the terms and conditions of deputation allowed to Shri S.P. Singh, IAS. The said Order of the Governor of Punjab dated 16th December, 2004 is reproduced in the text of the Resolution set out at Item No. 7 of the Notice. The Board had as to term 11 of the said Order of the Governor of Punjab dated 16th December, 2004 resolved that as a normal condition of service attached to the post, the Managing Director shall be entitled to the following :-

1. Suitable residential accommodation with a provision for office at residence on payment of 5% of his basic pay.

OR

Government residential accommodation with a provision for office at residence on payment of 5% of his basic pay or the standard rent, whichever is less as house rent from his own pocket, the difference between the house rent paid by him from his own pocket and the market rent, being payable by the Company.

2. Company's Car with Driver for official use.
3. Use of Company's Car for personal purposes upto 6000 Kms. per year on payment of Rs.100/- per month.
4. Until such time the Company's Car is provided, reimbursement of conveyance expenses for use of his own Car within the radius of 8 Kms. to the extent of Rs.500/- per month and for use beyond 8 Kms., reimbursement of expenses as per rules of the Company in force from time to time.
5. Telephone at residence subject to the condition that personal long distance calls shall be billed to him by the Company.

The Board had further resolved that pursuant to the provisions of Sections 269, 198 and 309 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Shareholders and the Central Government, the appointment of Shri S.P. Singh, IAS as Managing Director of the Company for the period of five years with effect from 13th December, 2004 shall be in the Supertime Scale of Indian Administrative Service, which scale as on 13th December, 2004 was and at present is Rs.18400-500-22400 and he shall draw his own pay in the said scale, which pay as on 13th December, 2004 was Rs. 18,400/- per month and at present is Rs.18,900/- per month and he shall be entitled to all other allowances and benefits admissible to him from time to time under Punjab/ Central Government Rules, which allowances and benefits at present are as contained in the aforesaid Order of the Governor of Punjab dated 16th December, 2004 and other benefits as indicated hereinabove. The Board had further resolved that in the event of the Company having no profits or having inadequate profits in any financial year, the aforesaid remuneration shall also be paid as the minimum remuneration.

The Central Government has vide its letter No.1/97/2005-CL.VII dated 5th July, 2005 conveyed its approval to the appointment of Shri S.P. Singh, IAS as the Managing Director of the Company for a period not exceeding five years with effect from 13th December, 2004 and his remuneration.

Shri S.P. Singh, IAS has done M.A. (English) from Punjabi University, Patiala. He belongs to the Indian Administrative Service. He has about 30 years of rich and varied administrative and managerial experience to his credit.

The approval of the members is sought for appointment of Shri S.P. Singh, IAS as Managing Director of the Company for a period of five years with effect from 13th December, 2004 and the remuneration (including the minimum remuneration) payable to him.

Copies of the said Order of the Governor of Punjab dated 16th December, 2004, Central Government's letter No.1/97/2005-CL.VII dated 5th July, 2005 and other relevant documents are available for inspection by the members at the Registered Office of the Company during business hours on any working day and will also be available at the meeting.

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

None of the Directors, is in any way, concerned or interested in the Resolution excepting Shri S.P. Singh, IAS to the extent of remuneration paid/payable to him.

This Explanatory Statement together with accompanying notice is and should also be treated as an abstract of the terms and memorandum of interest under Section 302 of the Companies Act, 1956.

By Order of the Board of Directors

Registered Office:  
S.C.O.125-127,  
Sector 17-B,  
Chandigarh-160 017  
Dated : July 28, 2005

Sd/-  
(PRADEEP NAUHARIA)  
Company Secretary &  
Gen. Manager (Co. Affairs)



## ANNEXURE TO NOTICE

Details of the Directors proposed to be appointed/re-appointed at the 30th Annual General Meeting on 27th September, 2005 (Pursuant to Clause 49 of the Listing Agreement)

| Name of the Director                                                                         | Shri J.S. Saraon                                                                                                                                                                                                                                                                       | Shri D.C. Mehandru                                                           | Dr. A.K. Kundra, IAS (Retd.)                                                                                                                                 | Shri Naresh Saluja                                                                                                                   | Shri S.P. Singh, IAS, Managing Director                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Birth                                                                                | 11th January, 1927                                                                                                                                                                                                                                                                     | 10th October, 1936                                                           | 15th April, 1943                                                                                                                                             | 19th May, 1950                                                                                                                       | 1st August, 1950                                                                                                                                                                                                                                                                                              |
| Date of Appointment                                                                          | 30th November, 1987                                                                                                                                                                                                                                                                    | 26th June, 2002                                                              | 13th December, 2004                                                                                                                                          | 28th April, 2005                                                                                                                     | 13th December, 2004                                                                                                                                                                                                                                                                                           |
| Qualifications                                                                               | M.Com., LL.B.,<br>P.G.D.Pub.Admin.,<br>Dip. Industrial Management                                                                                                                                                                                                                      | B.A.(Hons.)- Economics, M.A. (Economics), Ph.D.<br>M.A., CALIB, AMI(A)       |                                                                                                                                                              | M.Sc., CFA, CALIB,                                                                                                                   | M.A. (English)                                                                                                                                                                                                                                                                                                |
| Expertise in specific functional areas                                                       | Human Resources and General Management Consultancy                                                                                                                                                                                                                                     | Finance and General Management                                               | General Management and Administration                                                                                                                        | Finance and General Management                                                                                                       | Indian Administrative Service Officer- General Management and Administration                                                                                                                                                                                                                                  |
| Directorships of other Companies as on 28th July, 2005                                       |                                                                                                                                                                                                                                                                                        |                                                                              | Director<br>GAIL (India) Limited                                                                                                                             | Chairman & Director<br>Himachal Consultancy Organisation Limited<br>Director<br>Nijer Agro Foods Limited<br>Satta Synthetics Limited | Member Executive Committee<br>Alkali Manufacturers Association of India                                                                                                                                                                                                                                       |
| Chairmanships/ Memberships of the Committees of the Board of Companies as on 28th July, 2005 | Punjab Alkalies & Chemicals Limited<br>Audit Committee - Chairman<br>Shareholders' - Member<br>Investors Grievance Committee<br>Captive Power - Member<br>Generation Project Committee<br>PACL Corporate - Member<br>Office Building Committee<br>Share Transfer - Member<br>Committee | Punjab Alkalies & Chemicals Limited<br>Audit Committee - Member<br>Committee | GAIL (India) Limited<br>Audit Committee - Chairman<br>Compensation - Member<br>Committee<br>Project - Member<br>Appraisal Committee<br>HR Committee - Member | Nijer Agro Foods Limited<br>Audit Committee - Member<br>Satta Synthetics Limited<br>Audit Committee - Member                         | Punjab Alkalies & Chemicals Limited<br>Share Transfer Committee - Chairman<br>Captive Power - Chairman<br>Generation Project Committee<br>PACL Corporate - Chairman<br>Planning Committee<br>PACL Corporate - Chairman<br>Office Building Committee<br>Shareholders/Investors - Member<br>Grievance Committee |