

Preliminary Information Memorandum (PIM)

And

Invitation of Expression Of Interest (EOI)

For

Proposed Strategic Disinvestment of 33.49% Equity Shareholding

Of

Punjab Alkalies & Chemicals Ltd.

Held by

Government of Punjab

Through

Punjab State Industrial Development Corporation Limited

(Strictly privileged and confidential)



Transaction Advisor to Directorate of Public Enterprises & Disinvestment, Government of Punjab
July, 2020

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All acts, deeds and things done or caused or intended to be done, by GoP, the Company and Resurgent hereunder are based on and in reliance of your acceptance of the terms and conditions of this Disclaimer.

All communications, inquiries and requests for information should be directed to following:

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Associate Vice President
Tel: 0124-4754550
Mob: +91 8745050509
pacldisinvestment@resurgentindia.com

Neither GoP, nor DPED or PACL or PSIDC shall be responsible in any manner to reply to such communication directly to IBs

Glossary

Item	Description
CDR	Corporate Debt Restructuring
CEO	Chief Executive Officer
CIN	Corporate Identification Number
DIPAM	Department of Investment and Public Asset Mangement
DPED	Directorate of Public Enterprises and Disinvestment
EMD	Earnest Money Deposit
EoI	Expression of Interest
FCD	Fully Convertible Debentures
GoP	Government of Punjab
IB(s)	Interested Bidder(s)
NCD	Non-Convertible Debentures
NDU	Non-Disclosure Undertaking
OCBs	Overseas Corporate Bodies
OL	Official Liquidator
OTS	One Time Settlement
PACL	Punjab Alkalies & Chemicals Limited
PIM	Preliminary Information Memorandum
PNFC	Punjab National Fertilizer & Chemicals Limited
POA	Power of Attorney
PSIDC	Punjab State Industrial Development Corporation Limited
RFP	Request For Proposal
SEBI	Securities and Exchange Board of India
TA	Transaction Advisor

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SECTION 1: ADVERTISEMENT

FOR INVITING EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF 33.49% SHAREHOLDING OF PACL HELD BY PSIDC, GoP

1.1 ADVERTISEMENT

Global invitation for Expression of Interest for strategic disinvestment of 33.49% shareholding in Punjab Alkalies & Chemicals Ltd ("PACL" or "company") by Punjab State Industrial Corporation Ltd. (PSIDC).

PACL has been promoted by Punjab State Industrial Development Corporation Limited (PSIDC), a corporation wholly owned by the Government of Punjab (GoP). PACL was incorporated on December 1, 1975 under the name Punjab Alkalies Limited which was subsequently changed to Punjab Alkalies & Chemicals Limited on April 19, 1983.

The registered and head office of PACL is located at Chandigarh and the plant is located at Naya Nangal in District Ropar, Punjab. Presently, PACL has facilities for manufacturing of Caustic soda lye, Liquid Chlorine, Hydrochloric Acid, Sodium Hypochlorite and Hydrogen Gas. Main products of PACL are caustic soda lye, liquid chlorine, hydrochloric acid, hydrogen gas and sodium hypochlorite. PACL is one of the largest caustic soda manufacturers in the country and has an aggregate capacity of 99000 TPA.

The Government of Punjab ("GoP") has granted approval to disinvest 100% of its equity shareholding in PACL (which is equivalent to 33.49% of the total paid up equity share capital of PACL) through Strategic Disinvestment ("Strategic Disinvestment" or "Transaction").

The GoP, through the DPED has appointed Resurgent India Limited ("Resurgent" or "Transaction Advisor") as its advisor to advise and manage the Transaction.

Expression of Interest (EOI) is invited from Interested Bidders having minimum net worth of Rs. 50 crores as on 31.03.2019. The complete invitation of EOI document along with Preliminary Information Memorandum ("PIM") can be viewed / downloaded from following websites:

- www.resurgentindia.com;
- www.punjabalkalies.com
- www.pbindustries.gov.in

Eoi shall be submitted physically by the Interested Bidder on or before 07.09.2020 (at 1100 hours IST) ("Eoi Due Date") at the address mentioned below. Please note that the GoP and the Transaction Advisor reserve the right to accept or reject all or any of the Eois without communicating any reason whatsoever.

Akhilesh Raina, Associate Vice President
Resurgent India Limited
903-906, 9th Floor, Tower-C, Unitech Business Zone, Sector-50,
Nirvana Country, Gurugram-122018, Haryana

Interested Bidders may note that PACL being a listed company is governed by Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. In case any Interested Bidder(s) chooses to make an open offer under SEBI regulations, GoP reserves the right to accept or reject such open offer without communicating any reason whatsoever.

SECTION 2: PRELIMINARY INFORMATION MEMORANDUM

FOR INVITING EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF 33.49% SHAREHOLDING OF PACL HELD BY PSIDC, GoP

2.1 Introduction

PACL was incorporated as a Public Limited Company on December 1, 1975 under the name Punjab Alkalies Limited. The name of the company was subsequently changed to Punjab Alkalies & Chemicals Limited and a Fresh Certificate of Incorporation dated April 19, 1983 consequent on Change of Name was obtained from the Registrar of Companies, Jalandhar. The registered and head office of PACL is located at Chandigarh and the plant is located at Naya Nangal in District Ropar, Punjab.

PACL is one of the largest caustic soda manufacturers in the country and has an aggregate capacity of 99000 TPA. Presently, PACL has facilities for manufacturing of Caustic soda lye, Liquid Chlorine, Hydrochloric Acid, Sodium Hypochlorite and Hydrogen Gas. Main products of PACL are caustic soda lye, liquid chlorine, hydrochloric acid, hydrogen gas and sodium hypochlorite.

Table I –Brief History

Year	Major Events
1984	Commenced operations with an installed capacity of 37,059 TPA of Caustic Soda and 16,500 TPA of Liquid Chlorine
1988	Changeover from Graphite Anodes to Dimensionally Stable Metal Anodes and installed an Anode Control and Protection Device
1991	Installed capacity of Caustic Soda Lye and Liquid Chlorine increased to 41,152 TPA and 29,700 TPA respectively
1992	Installed Capacity of Caustic Soda Lye increased to 50,820 TPA
1995	100 TPD grass root plant, based on the HOECHST-UHDE Membrane Cell Technology, was commissioned. Installed capacity of caustic soda Lye increased to 83,820 TPA and Chlorine to 52,800 TPA respectively.
1998	Conversion of existing 170 TPD Mercury Cell plant to 200 TPD Membrane Cell Plant.
2001	Sodium Hypochlorite plant was installed in 200TPD Membrane cell Plant
2007	Hydrogen Gas Holder was installed in 100 TPD membrane Cell plant.
2019	Modernized Plant Unit-II by replacing old Generation-3 Electrolyzers with latest technology and more efficient Generation- 6 Electrolyzers supplied by Thyssenkrupp. Also replaced old critical equipments by More efficient ones like Chilled water system, Husk based Boiler, Rectifiers, Brine filtration system, VFDs, Liquification system, Pipes & Fittings etc.
2019	The Company has already received EC from MOEF for expansion to 800 TPD, Flaker Unit, Stable Bleaching Plant, Hydrozen Peroxide Plant and Captive Power Plant.
2020	Under Industrial and Business Development Policy, 2017, Punjab Alkalies & Chemicals Limited (PACL) is eligible for 100% Exemption of payment of electricity duty for 10 years up to 100% of Fixed Capital Investment made during expansion/diversification/modernization and for reimbursement of 25% of net GST paid for first 7 years from the date of commencement of

Year	Major Events
	commercial production upto 100% of Fixed Capital Investment made during expansion/diversification modernization.

PACL has been promoted by Punjab State Industrial Development Corporation Limited (PSIDC), a corporation wholly owned by the Government of Punjab. Government of Punjab, through PSIDC holds 90,90,000 equity share of PACL constituting 33.49% of total paid up equity share capital.

The Government of Punjab ("**GoP**") has granted approval to disinvest 100% of its equity shareholding in PACL (which is equivalent to 33.49% of the total paid up equity share capital of PACL) through Strategic Disinvestment ("**Strategic Disinvestment**" or "**Transaction**").

The GoP, through the DPED has appointed Resurgent India Limited ("**Resurgent**" or "**Transaction Advisor**") as its advisor to advise and manage the Transaction.

This PIM contains the following:

- Corporate Information
- Key Strengths
- Industry outlook

2.2 Corporate information

2.2.1 Registered office and plant location

The Registered and Head Office of PACL is located at Chandigarh and the Plant is located at Naya Nangal in District Ropar, Punjab (India). The location is ideal and is well connected by rail and road. Being so close to the Bhakra Dam, the plant has an assured and continuous good quality power supply - which is a major input for Caustic Soda. The addresses of its Registered and Head Office, proposed Corporate Office and Plant are given below:

Registered and Head Office	Proposed Corporate Office	Plant
<i>S.C.O. 125-127, Sector 17B, Chandigarh – 160017 (INDIA) Phones - +91-172-4072569</i>	<i>Plot No. 46-50, Sector 31-A, Chandigarh (under construction)</i>	<i>Nangal-Una Road Naya Nangal - 140 126 Punjab (INDIA) Phones : 0091-1887-220750 to 254 Fax : 0091-1887-220742</i>

2.2.2 Management

Punjab State Industrial Development Corporation Limited (PSIDC), a corporation wholly owned by Govt. of Punjab, is the promoter of the PACL. PSIDC has combined role of an Institutional Entrepreneur and a Financial Institution. PSIDC has a good track record in promoting new projects. The day to day management of PACL is looked after by Shri Manjit Singh Brar, IAS, Managing Director (Nominee of PSIDC) subject to overall superintendence, direction and control of the Board. The Particulars of the Board of Directors is given as under:

Table II – Composition of Board of Directors

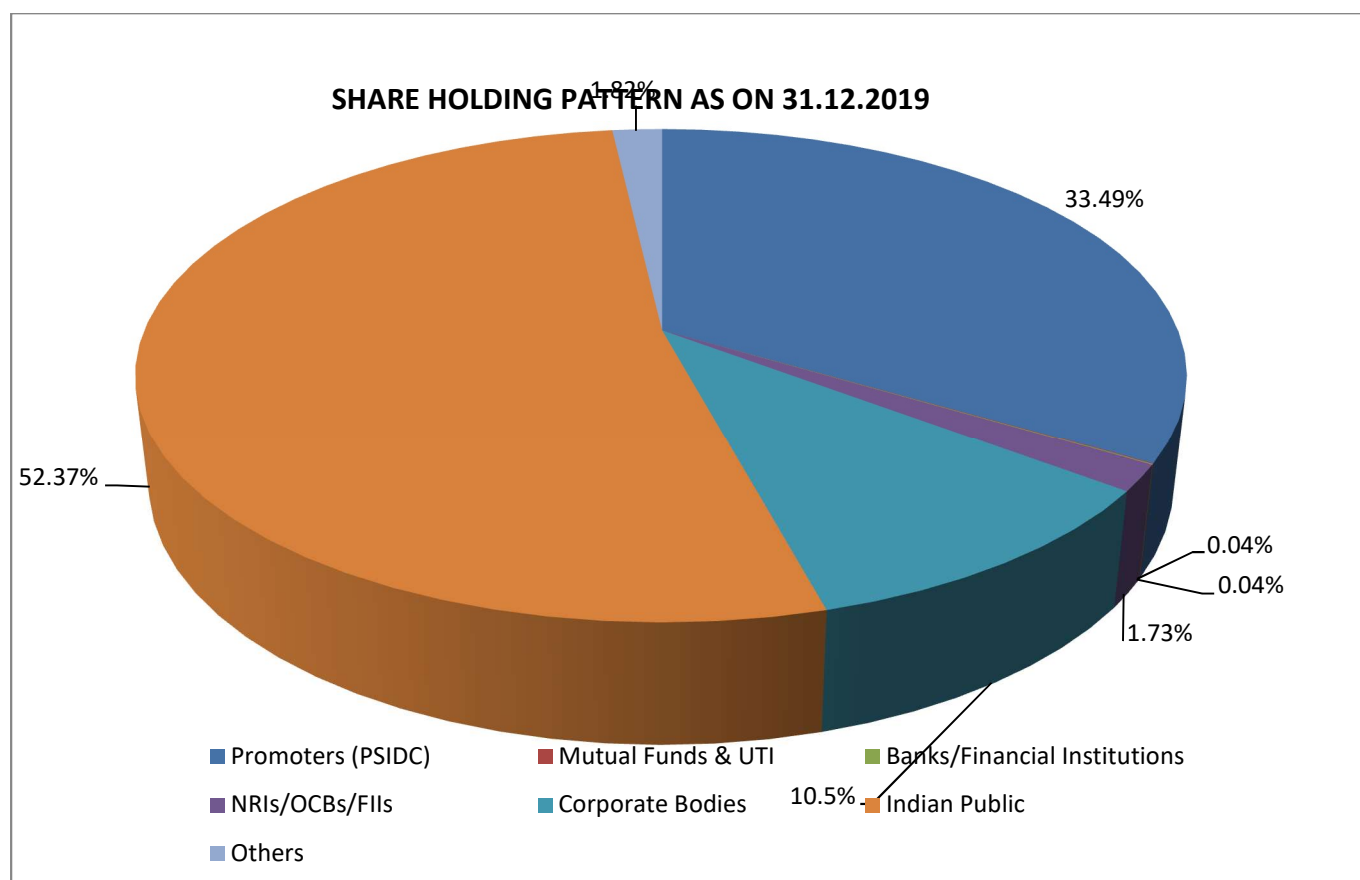
S.No.	Name	Promoter/ Independent
1.	Smt. Vini Mahajan, IAS, Chairperson (PSIDC Nominee)	Promoter's Nominee
2.	Shri Vineet Kumar, IAS (PSIDC Nominee)	Promoter's Nominee
3.	Shri Manjit Singh Brar, IAS, Managing Director (PSIDC Nominee)	Promoter's Nominee
4.	Dr. A. K. Kundra, IAS (Retd.)	Independent
5.	Shri J.S. Man	Independent
6.	Shri G.S. Sandhu, IAS (Retd.)	Independent
7.	Shri D.C. Mehandru	Independent
8.	Shri Naveen Chopra	Whole Time Director

2.2.3 Capital structure

The authorised capital of PACL is Rs.4000 lakhs consisting of 4,00,00,000 equity shares of Rs.10/- each. The issued capital consists of 2,71,43,146 equity shares of Rs.10/- each and the paid up capital consists of 2,71,40,796 shares of Rs.10/- each aggregating to Rs.2714.08 lakhs as at 31.12.2019.

Table III – Shareholding Pattern as on 31.12.2019

Sl.no	Particulars	No of Shareholders	Number of Shares held	Holding %
1	Punjab State Industrial Development Corporation Limited (Promoter)	1	90,90,000	33.49 %
2	Mutual Funds & UTI	10	11,700	0.04 %
3	Banks /Financial Institution	13	10,055	0.04 %
4	NRIs/OCBs/FIIs	501	4,70,707	1.73 %
5	Corporate Bodies	951	28,50,332	10.50 %
6	Indian Public	18,847	1,42,13,335	52.37 %
7	Others	244	4,94,667	1.82 %
Total		20,567	2,71,40,796	100.00 %



2.2.4 Listing & performance of PACL at stock market

The Equity shares of PACL are listed on Bombay Stock Exchange Ltd with a Scrip code 506852.

As on February 14, 2020, the Share of PACL (FV Rs.10/-) is quoted at Rs.31.00 (BSE). For the period from 1.1.2020 to 14.02.2020, the High is Rs.44.95 and Low is Rs.30.00 per share whereas 52 week high is Rs. 85.10 (on 28.05.2019) and low is Rs. 29.45 per share (on 16.12.2019) for the Period 15.02.2019 to 14.02.2020.

Table V – Highlight of the stock prices of PACL at BSE during 1st April 2019 to 14th Feb., 2020

Date	Open Price	High Price	Low Price	Close Price	Wt. Avg. Price	No. of Shares	No. of Trades	Total Turnover	Spread (Rs.)	
									H-L	C-O
01-Apr-19	58.65	60.5	57	60.05	59.72	11739	64	701028	3.5	1.4
15-Apr-19	59.7	61.25	59.7	61.15	60.83	2859	24	173921	1.55	1.45
02-May-19	73	79	71	78.1	74.78	85456	149	6390792	8	5.1
16-May-19	67.95	74	64.35	64.45	64.94	22228	169	1443572	9.65	-3.5
03-Jun-19	73.95	76	72.5	75.05	73.86	7947	83	586932	3.5	1.1
17-Jun-19	80	82	80	81	81.01	10383	53	841161	2	1
01-Jul-19	72.5	73.7	71	72.4	71.58	10414	54	745446	2.7	-0.1
15-Jul-19	68.5	68.6	68.5	68.55	68.54	203	7	13913	0.1	0.05
01-Aug-19	59.25	60.95	57.25	59.1	59.29	4775	51	283089	3.7	-0.15
16-Aug-19	53	55	51.65	52.4	54.62	11251	38	614528	3.35	-0.6
03-Sep-19	52.65	52.65	49	51.3	51.42	647	12	33271	3.65	-1.35
17-Sep-19	56.65	63	56.65	58.05	58.96	6389	85	376684	6.35	1.4
01-Oct-19	49.05	50.35	49.05	50.1	50.10	52497	22	2630037	1.3	1.05
16-Oct-19	52	52	47.25	49.95	49.87	59060	22	2945430	4.75	-2.05
01-Nov-19	43.8	47.4	42.75	43.3	43.53	3325	47	144750	4.65	-0.5
15-Nov-19	32.85	33.8	31.5	33.7	32.53	24637	63	801375	2.3	0.85
02-Dec-19	37	37	34	34.2	34.33	2133	29	73224	3	-2.8
16-Dec-19	29.45	34.5	29.45	34.35	33.44	8242	73	275572	5.05	4.9
31-Dec-19	35.5	35.5	34.3	34.35	34.90	3705	28	129303	1.2	-1.15
07-Jan-20	36.2	36.2	34.85	35	34.98	654	9	22879	1.35	-1.2
16-Jan-20	41.95	44.95	38.1	41.7	41.86	6301	84	263774	6.85	-0.25
31-Jan-20	37.65	38.45	35.5	36.25	36.26	124549	62	4516106	2.95	-1.4
05-Feb-20	36.5	37.8	36.1	36.55	36.98	3213	23	118825	1.7	0.05
10-Feb-20	36.9	37.6	32.4	34.25	35.67	4527	35	161463	5.2	-2.65
14-Feb-20	32.4	33.5	30	31	30.89	8706	93	268937	3.5	-1.4

Source: BSE Website.

2.2.5 Plant details

The caustic soda plant of the company commenced operations in January 1984 originally with an installed capacity of 37,059 TPA of caustic soda. In September 1987, the Company commissioned its Caustic Soda Concentration and Flaking Unit and in 1988, completed the changeover from Graphite Anodes to dimensionally Stable Metal Anodes in all the cells and also installed an Anode Control and Protection Device in its caustic soda plant. In October, 1991, the company commissioned the Capacity Optimization Project Phase-I, as a result of which the installed capacity of Caustic Soda and Liquid Chlorine increased to 41,152 TPA and 29,700 TPA, respectively. The

Capacity Optimization Project Phase-II was commissioned in end 1992 as a result of which the installed capacity of Caustic Soda further increased to 50,820 TPA. The Company has also implemented the Capacity Optimization Project Phase-III to ensure continuity of operations. The company had also commissioned a Waste Air De-chlorination (Sodium Hypochlorite) Unit in November 1992. This was not only an additional Pollution Control Measure but also resulted in production of Sodium Hypochlorite – a saleable product.

The Company's 100 Tons Per Day (TPD) Membrane Cell Caustic Soda Plant based on HOECHST-UHDE Membrane Cell Technology at its existing site at Naya Nangal, District Ropar, Punjab commenced commercial production in August, 1995.

With a view to achieve substantial saving in production cost and eliminate mercury pollution, the company also undertook conversion of existing 170 TPD mercury based Plant into 200 TPD membrane cell plant in 1996-97 which was completed in December, 1998.

PACL has two manufacturing units viz. Unit – I & II, both located at Nangal-Una Road, Naya Nangal, District, Ropar, Punjab. Both the units are engaged in manufacture of Caustic Soda Lye, Liquid Chlorine, Hydrochloric Acid and other products such as Sodium Hypochlorite, and Hydrogen. Unit – I & II have a capacity of 100 TPD and 200 TPD respectively.

PACL has modernized Plant Unit-II recently by replacing old Generation-3 Electrolyzers with latest technology and more efficient Generation- 6 Electrolyzers supplied by Thyssenkrupp. Also replaced old critical equipments by more efficient ones like Chilled water system, Husk based Boiler, Rectifiers, Brine filtration system, VFDs, Liquification system, Pipes & Fittings etc.

Aerial View of Plant



Both the units are co-located at the same site. Unit – I & II are spread over an area of approximately 88.86 acres. While the main manufacturing plants for activities such as Brine saturation/ Precipitation/ Filtration, Electrolysis, etc. are separate for the two units, these units have some common facilities such as stores, administration, dispatches, accounts, quality control, security, etc.

Caustic Soda Concentration Unit



Chlorine Storage Area & Boiler



2.2.6 Technical Details

PACL adopted HOECHST-UHDE Membrane Cell Technology in both the Plants which has following advantages:

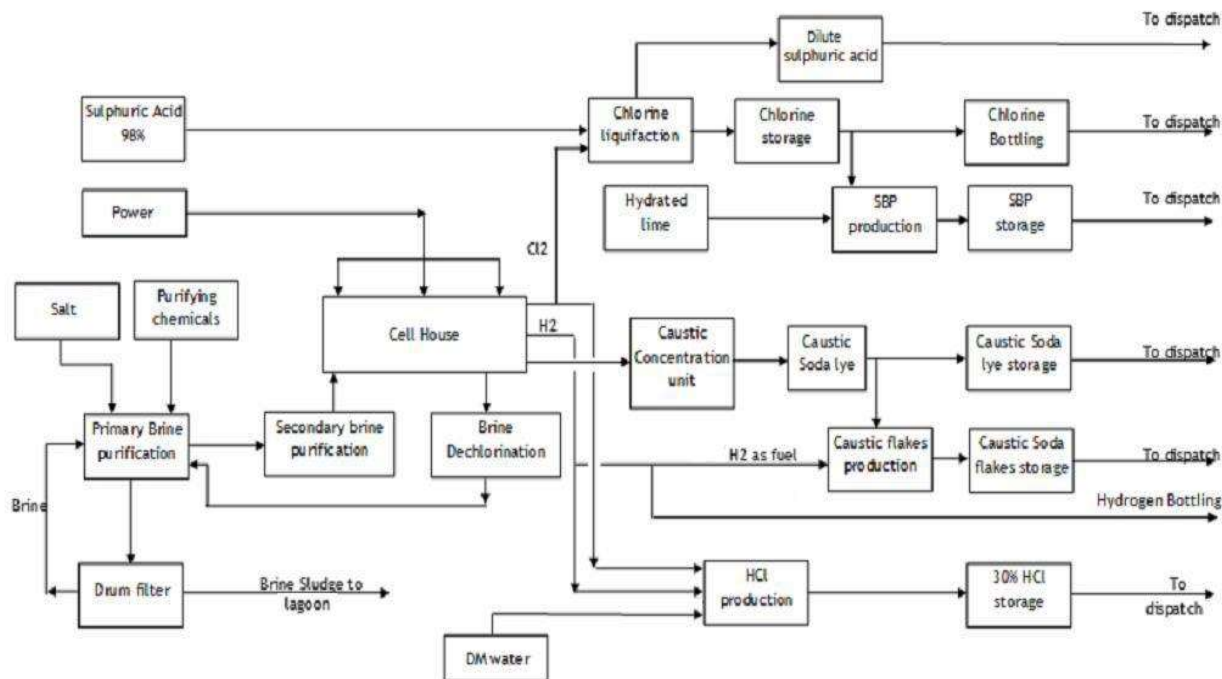
- (1) Highly energy efficient, helps in curtailing the production costs,
- (2) Membrane Cell is environment friendly, which is in line with the Management's commitment to cleaner environment
- (3) Most modern technology for manufacturing caustic soda/chlorine.

PACL in its Unit-I as well as in Unit-II has MEMBRANE CELL TECHNOLOGY with the cell design provided by Krupp Uhde GmbH, Germany (now known as ThyssenKrupp Uhde), who are one of the premier technology suppliers in this field

PACL's ISO-9001-2015 certification from Det Norske Veritas (DNV) is a commitment to its customers to manufacture and deliver quality products that meet their own stringent quality requirements. It is a resolve to give its customers total satisfaction.

The Company has implemented an Environmental Management System conforming to ISO 14001:2015 Standard at its Works and the Company's Environment Management System (EMS) has been certified by Det Norske Veritas (DNV).

Brine



Calcium, magnesium and other multivalent cations and sulphate anions in the raw brine react with these chemicals reacts & flocks are settled & drained while the brine is held in the reactor. pH of the brine is controlled by the addition of caustic-soda to the brine. Then the brine overflows from the reactor into the Brine Clarifier. Flocculent is fed to the brine line entering the clarifier.

Suspended solids in the brine are removed by settling in the Clarifier provided with water seal & insulated from the sides. The brine, thus clarified, flows into clarified Brine Tank over the weir of Clarifier & is pumped out and recirculated to the brine system before Reactor for better clarification. Slurry is periodically measured for better control.

A part of slurry is sent to Sludge Filter System. The clarified brine is sent to Secondary Brine purification section by clarified brine pump.

Electrolysis

Electrolysis section consists of bipolar Electrolysers and their associated equipment. Electrolyser consists of number of bipolar type cell frames with the metal anode and the activated cathode, the Ion exchange membrane, press unit for mounting cell frames, sub-headers for feeding anolyte and catholyte, sub-headers, and oil pressure unit which supplies oil to oil cylinders.

Cell frames holding the Ion Exchange membrane in between are fixed by the oil cylinder installed at the end of the press unit. This structure ensures no leakage of electrolytes because uniform pressure can be applied to gasket surface and cell frame of metal structure ensures no electrolyte leakage caused by deformation even after a long period of operation.

In the electrolytic cells, direct current of very high magnitude is passed through highly purified brine, which dissociates Sodium chloride into Sodium and Chlorine ions. During electrolysis, the cation exchange membrane permits only Sodium ions to migrate from anode compartment and prevents Chlorine ions to migrate to the other compartment. Chlorine gas is evolved in the anode compartment and Caustic Soda and Hydrogen gas are formed in the cathode compartment. This process totally eliminates the use of Mercury and thereby mitigates the risks caused by Mercury pollution in the production of Caustic Soda. The Chlorine and hydrochloric Acid would then be free of Mercury. Besides the process has an advantage of high depletion of brine in the electrolysis, thus reducing the quantity of recycled / lean brine and therefore the sizes of equipment in brine purification section.

Anolyte and Catholyte Circulation

Anolyte circulation system is composed of Anolyte Circulation Tank and anolyte circulation pump. Anolyte is fed into each of anode compartment of cell frames through sub-headers and hoses, and re-circulated to Anolyte circulation Tank. Purified brine is fed to maintain anolyte concentration within a designed level. A part of the anolyte is taken out from Anolyte Circulation Tank to Depleted Brine Tank by overflow.

Anolyte Circulation system is designed to ensure steady and uniform distribution of anolyte to each cell and to cope-up with any change in electrolysis conditions such as production rate change.

The diluted brine collected in Depleted Brine Tank is sent to De-chlorination Tower for removal of Chlorine gas. Chlorine gas generated in electrolyser is separated in Anolyte Circulation Tank and sent to Chlorine gas cooling, drying and compression section.

Catholyte Circulation System is composed of Catholyte Circulation Tank, Catholyte Circulation Pump and Catholyte Cooler.

Catholyte is circulated through cathode compartment of cell frames to Catholyte Circulation Tank by Catholyte Circulation Pump, and a part of it is taken out from Catholyte Circulation Tank to Caustic Soda Tank and sent out

to caustic evaporation section. To keep the concentration of caustic soda at designed level, demineralised water is fed to catholyte inlet sub-header. Hydrogen gas generated in Electrolyser is separated from the catholyte in catholyte Circulation Tank and sent to Hydrogen Gas Cooling and Compression Section. Heat generated in electrolyser is removed by cooling water in Catholyte Cooler.

De-chlorination of Return Brine

De-chlorination section is composed of a Vacuum Tank, Vacuum Pumps, cooler and associated facilities. Return brine (depleted brine) from Electrolysis Section free of chlorine is sent for saturation.

From the vacuum tank chlorine gas is sucked by the vacuum pump through a water cooled cooler and is then introduced to chlorine gas product main line.

The depleted brine, de-chlorinated through vacuum tank still contains small amount of free chlorine which can cause damage to the filter elements in Brine Filters and damage ion exchange resin in Ion Exchange Resin Columns. Sodium Bisulphite is added to kill free chlorine. Return brine is then fed to Return Brine Tank & pumped to salt saturator.

Caustic Concentration

Initially the Caustic Soda Lye produced after electrolysis is of 33% concentration. The 33% Caustic Soda Lye is transferred to Caustic Concentration Unit (CCU) for concentrating it to 47.5% which is then cooled and stored in (MS) tanks and dispatched to customers in road tankers. The caustic soda concentration system consists of triple effect falling film evaporators operating on backward feed flow scheme. 30% caustic solution at 80°C is fed to third effect evaporator. Vapours are separated from solution and concentrated solution of third effect evaporator is pumped to second effect evaporator after passing through two heat exchangers in series. In the second effect evaporator, flash evaporation of liquor takes place and liquor is further heated by steam and vapours are separated in second effect evaporator to concentrate liquor.

Chlorine Liquefaction & Bottling

Chlorine Gas coming out of Electrolysers contains water vapours saturated at about 90°C and has little amount of Sodium Chloride as entrainment. Gas is first passed through Chlorine Recuperator to recover heat in order to pre heat brine being sent to Ion Exchange Columns for feeding the Electrolysers.

It is then cooled in two stages to reduce water vapours load, first by cooling water at about 30°C and then by chilled water at approx. 10°C. Chlorine gas temperature is generally around 15-20°C as cooling below 9-10°C will result into formation of chlorine hydrate. Sodium Chloride entrainment is removed by passing the gas through Wet Chlorine Filter Candles made of Glass Wool. Cooled gas is then dried with direct spray of sulphuric acid in packed towers.

The cooled chlorine gas is led to chlorine Gas Drying Tower. The moisture of chlorine gas is absorbed into sulphuric Acid of 98% concentration fed into the two stage chlorine gas drying tower, and gets diluted to 78% by absorption of moisture from chlorine gas. Chlorine Gas Drying Tower has a cooler to cool circulating sulphuric Acid. The Dry Chlorine gas is sent for compression.

Dry chlorine gas from chlorine Gas Drying Section is compressed to 4 kg/cm² (a) by using Acid Ring type Compressor.

Chlorine gas from compressor is sent to chlorine Gas Liquefaction Unit to be condensed by the Freon 22 refrigerant. The unliquefied gases along with inert gas from Liquefier are sent to HCl Synthesis unit for burning with Hydrogen to produce HCl.

Liquefied chlorine enters Chlorine Storage Tank from where it is transferred by means of compressed dry air to chlorine bottling section. Part of liquid Chlorine is vaporised and sent to nearby customers through pipeline.

Waste chlorine gas, only in case of plant emergency, is led to the Sodium Hypochlorite Unit. Chlorine Gas during start up and plant tripping is fed to the absorption tower. This unit consists of packed tower in which caustic solution is circulated to absorb waste chlorine. Temperature of the liquid is controlled by heat transfer through plate type heat exchanger with chilled water.

After a desired strength of sodium hypochlorite is reached, the solution is sent to a Hypo Reactor. Here it is reacted with fresh chlorine to produce marketable quality Sodium Hypochlorite.

HCL Synthesis

The HCl Synthesis unit consists of combustion furnace fitted with absorbers. The chlorine gas reacts with Hydrogen to form HCl gas which is cooled and absorbed in DM water. The flow rate of DM water is adjusted to obtain 30-33% HCl Solution. The flow rates of Chlorine and Hydrogen are controlled by flow controllers. Safety Interlocking provisions are made which get actuated by flame protection device. The Hydrochloric Acid Solution is collected in a product tank from where is pumped to HCl Storage Tanks.

2.2.8 Statutory Approvals

The company has following statutory approvals

- The company has approval from Govt of India, Ministry of Environment & Forest dated June 26, 2002 for caustic soda plant capacity of 99000 TPA.
- Company has "Consent to Operate" u/s 21 of Air valid till 31/03/2023.
- Company has "Consent to Operate" u/s 25/26 of Water valid till 31/03/2023.
- Company has received environment clearance from Ministry of Environment, Forest and Climate Change for proposed capacity expansion of existing Chlor Alkali Plant and establishment of New Flaker Plant, Hydrogen Peroxide Plant & Captive Power Plant.

2.2.9 Raw material and other inputs

Industrial salt (NaCl) is the main raw material which is purchased by the company and transported from the State of Gujarat by road or rail to the company's plant at Naya Nangal. The requirement of salt is approximately 1,60,000 MT on 100% production basis.

Other Inputs: Barium carbonate, Soda Ash, sodium Bisulphite, sulphuric acid, etc. are other inputs which are used in the process.

Power – Power is one of the major component of the cost of production. The company has a connected power load of **58.876 MW** from Punjab State Power Corporation Limited (PSPCL). The contract demand is 40.00 MVA.

Water – The Company has an arrangement with the Govt. of Punjab for drawing up to 5.3 cusecs of water from the Nangal Dam reservoir. The agreement for the same is executed on yearly basis and the current agreement is valid till 10.05.2020.

Furnace Oil (FO)/Rice Husk: FO/Rice Husk along with Hydrogen (which is a co-product) is used in boilers for producing steam.

2.2.10 Sales & Marketing

The company's products are sold mainly in the states of Punjab, Himachal Pradesh, Haryana, Delhi, Uttar Pradesh, Uttarakhand and Rajasthan and are sold directly to the consumers as also through a network of dealers. Around 15% (FY: 2018-19) of the total sales is direct and the remaining through company's authorised dealers.

The company has been supplying its products to various industries such as paper, soaps & detergents, power, petrochemicals, fertilizers, pharmaceuticals/ chemicals, steel, etc.

2.2.11 Land details

PACL Plant is located at Naya Nangal, District Ropar, Punjab, which is close to State Highway. It is about 3 Km from Nangal Railway Station and about 12 Kms from Bhakra Dam. It is about 2.5 Kms from River Sutlej. It is well connected by rail and road and railway siding facility is available for unloading of raw material, mainly salt. Punjab National Fertilizer & Chemicals Ltd. ("PNFC") and NFL are located in the vicinity of PACL. The total availability of land including office plot at Chandigarh, as per the details provided by PACL, is given below:-

Table VIII – Land Details

Location	Area Available	Ownership Details
Plot No. 46-50, Sector 31-A, Chandigarh	722.085 Sq. Yds	Leasehold for 99 years.
Factory Land – Located in Villages Binewal, Poona, Rampur Sahni (District Ropar)	88.86 acres	Freehold
Old PACL-PNFC Housing Colony – Naya Nangal (Distt. Ropar)	2.674 acres (Area on which PACL Houses/ Quarters, etc. are constructed)	The Houses/ Quarters, etc. of PACL in Old PACL-PNFC Housing Colony are built on 2.674 acres of land leased by NFL exclusively to PACL for a period of 50 years since November 1982. The Houses/Quarters, etc. of PNFC in Old PACL-PNFC Housing Colony are built on the land leased by NFL exclusively to PNFC for a period of 50 years since November 1982. NFL had also leased 30.53 acres of land on 50 years lease since November 1982 to PACL and PNFC jointly. The common parks and roads in the Old PACL-PNFC Housing Colony had been constructed on an area of 13.68 acres out of the said land on joint lease. Out of the remaining about 16.85 acres of vacant and unutilized land on joint lease, PACL has utilized 8.61 acres for the purpose of constructing the New PACL Housing Colony.
New PACL Housing Colony – Naya Nangal (Distt. Ropar)	8.61 acres	

The Company has allocated 3 acres of land to M/s. Flow Tech Chemicals Pvt. Limited for a period of 30 years for setting up CPW Plant which uses liquid chlorine (a product of PACL) as a raw material.

2.2.12 Operational Performance

During the Financial year 2018-19, the capacity utilization (net production) of PACL was 97.8%.

PACL's combined average realization during the year 2018-19 was Rs. 38,633 per Electro Chemical Unit (ECU) as against Rs.38,277 per ECU during 2017-18.

Table IX – Operational Performance of PACL

(Rs. in Crores)

Parameters	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Production (MT)	89370	91915	81517	88301	91029	96835**
Capacity Utilization	90%	93%	82%	89%	92%	97.8%
Net Revenue	267.75	268.86	246.46	270.81	340.71	380.53
Total Expenditure (excl. Fin. Ch. & Depr.)	266.22	273.14	248.87	283.54	316.12*	297.38
PBDIT	1.53	(4.28)	(2.41)	(12.73)	24.59	83.15
Depreciation	10.30	7.74	7.44	8.09	9.12	16.29
Interest	0.80	0.91	4.64	3.50	20.29	8.11
PBT/(Loss)	(9.57)	(12.93)	(14.49)	(24.32)	(4.82)	58.75
Tax	-	-	-	-	-	2.89
Net Profit/(Loss)	(9.57)	(12.93)	(14.49)	(24.32)	(4.82)	55.86
Earnings per share (Rs.)	(4.67)	(6.31)	(7.06)	(10.41)	(1.78)	20.58
Average Capacity Utilization of Industry	79%	81%	85%	83%	84%	89.5%

*includes exceptional item of Rs.11.23 crores. ** net production

Table X- Production Performance for the last 6 years

Product	Unit	Actual Production					
		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Caustic Soda	MT	89370	91915	81517	88301	91029	96835*
Liquid Chlorine	MT	64533	65337	58935	63494	65854	75434
Hydrochloric Acid	MT	51323	57728	49339	55651	53759	54630
Sodium Hypochlorite (as chlorine)	MT	11591	11658	13239	18419	17444	17634
Hydrogen Gas	Lacs NM ³	238.69	244.18	211.86	233.74	240.50	264.84

*Net Production

1. Actual production of Sodium Hypochlorite is on liquor basis.
2. Actual production of Hydrochloric Acid is on 30-33% concentration basis.
3. In case of Hydrogen Gas internal consumption and saleable quantity is taken as actual production.

Table XI – Product-wise Sales for last 6 years

(Rs.in Crores)

Product	Sales											
	2013-14		2014-15		2015-16		2016-17		2017-18		2018-19	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Caustic Soda Lye (MT)	86168	233.07	88385	235.22	77631	215.14	84423	243.26	87163	319.72	97257	338.47
Liquid Chlorine (MT)	64568	13.86	65235	11.68	59024	11.88	63348	7.99	66048	(0.19)	75448	17.75
Hydrochloric Acid (MT)	45118	8.66	48991	9.38	40542	5.16	46512	4.69	47891	2.07	48006	6.59
Sodium Hypochlorite (as chlorine) (MT)	11612	3.79	11539	4.10	13283	4.86	18452	7.33	17426	7.39	17670	9.20
Hydrogen Gas (Lacs NM ³)	32.73	5.49	36.94	6.20	25.20	4.27	26.98	4.77	28.68	4.67	26.40	3.72
Total		264.87		266.58		241.31		268.04		333.66		375.73

Table XII – Financial Performance of PACL*(Rs.in Crores)*

Particulars	As at 31 st Mar'14	As at 31 st Mar'15	As at 31 st Mar'16	As at 31 st Mar'17	As at 31 st Mar'18	As at 31 st Mar'19
Net Block (Incl. CWIP)	130.70	122.91	119.22	115.99	110.58	105.53
Equity Capital	20.50	20.50	20.50	27.10	27.10	27.10
Res. & Surplus (excl. revaluation reserve, land subsidy & investment incentive & share forfeited account)\	35.88	35.88	35.88	44.43	44.43	44.43
Accumulated Losses	46.40	59.51	74.00	98.32	103.15	48.30
Misc. Exp. not written off	8.98	7.10	7.40	11.52	8.27	7.22
Net Worth	1.00	(10.23)	(25.02)	(38.31)	(39.89)	16.01
Long Term Debts	43.61	-	42.86	27.70	31.75	31.75
Current Assets	43.82	36.48	51.70	48.29	78.52	101.15
Current Liabilities & Provisions	55.44	98.11	85.82	110.14	135.92	122.37
DER	40.76	-	-	-	-	1.98
Current Ratio	0.79	0.37	0.60	0.44	0.58	0.83

2.2.13 Debt profile

Debt Profile as at January 31, 2020

(INR Cr)

Term Loans	FCDs	NCDs	Total
IDBI	19.75	2.90	22.65
IFCI	3.44	0.50	3.94
LIC	2.07	0.30	2.37
PNB	1.24	0.18	1.42
PSB	1.20	0.18	1.38
Total	27.70	4.06	31.76

Note;- The Fully Convertible Debentures (FCDs) shall be converted in to Equity Shares of the company on 1st July 2020 at a price which shall be determined in accordance with SEBI ICDR Regulations , 2009 (as amended) and PACL shall have the first right of refusal for redemption before conversion of these FCDs in to Equity Shares.

The Non-Convertible Debentures (NCDs) shall be redeemable at par in six equal monthly installments from 1st July, 2020.

Working capital facilities

(INR Cr)

S.No	Lender	Sanctioned
Fund Based		
1.	Punjab National Bank	3.95
2.	Punjab & Sind Bank	1.32
	Sub –Total	5.27
Non Fund Based		
1.	Punjab National Bank	1.54
2.	Punjab & Sind Bank	0.51
	Sub- Total	2.05
	Total	7.32

2.2.14 Corporate Debt Restructuring (CDR)▪ **Brief Snapshot: CDR Scheme 2002**

- Time Line
 - CDR letter dated 2nd January 2003. The proposal was forwarded for CDR EG on 22nd march 2002
 - CDR EG approved the proposed restructuring package with IDBI appointed as the Monitoring Agency.
- Brief of the CDR package approved
 - Cutoff date: 1st April 2002
 - Interest rate reduced from WAR of 14.91% (IDBI: 14.5%) to 13% on all existing Rupee Term Loans from 1st April 2002.
 - 50% of power bill of Company for 3 years (FY 2004-06) to be deferred by PSEB and to be paid over 10 years with EMIs starting from 1st October 2009, after the entire term loans are repaid. The deferred power bill shall not carry any interest.
 - FCL shall be Rupee tied and payable along with installment of Rupee loans
 - Outstanding of RTL/NCDs to be repaid in 24 quarterly installment Starting from 1st October 2003
- Revised CDR Terms: CDR Letter dated 15th June, 2004
 - Cutoff Date: 1st April 2003
 - Interest rate revised to 10.5% on all existing Rupee Term Loans from 1st April 2003 under Option-A and 9% p.a. under Option-B.
 - Under Option-A, Rs.8 crores to be converted into Equity at par on pro-rata basis on the basis of principal outstanding on Cut Off Date. Under Option-B, no conversion.
 - Under Option-A, Rs.6 crores to be converted into 9% CRPS on pro-rata basis. Redemption in 12 equal quarterly installments commencing from 1.4.2007. Under Option-B no such conversion.
 - Outstanding Rupee Term Loans to be rescheduled for repayment in 28 quarterly installments from 1st April 2006.

- No deferment of power bills.
- FCL installments fallen due up to 1st April 2004 shall be Rupee tied and repayable along with installment of Rupee Loans @ 10.5% p.a.
- Unpaid Interest to be deferred and repaid in 8 equal quarterly installments from 1st July 2004 without carrying any interest.
- Revised CDR Terms: May-June 2009
 - Repayment of Principal for period April 1, 2009 - September 30, 2010 deferred. Rescheduling of balance principal installments of term loan to be paid in 10 quarterly installments from October 1, 2010 to meet the fund requirement for repair of plant & machinery.
- Revised CDR Terms: June, 2010
 - Deferment of Repayment of outstanding principal (2 quarters deferment), repayable within the CDR approved terminal date i.e. in 8 quarterly installments commencing from April 1, 2011.
 - Increase in interest rate from 10.5% to 11% on outstanding Rupee Term Loan and from 9% to 9.25% to protect NPV of future cash flows.
 - Funding of 90% of interest fallen/falling due on 1.4.2010 and 1.7.2010 payable in 4 quarterly installments w.e.f. 1.1.2011. Interest on Funded Interest will be paid 1.7.2010
- Revised CDR Terms: CDR letter dated 28.10.2011.
 - Deferment of principal over dues of TL/FITL falling due between 1.4.2011 & 1.1.2012 so as to be repaid from 1.4.2012 without changing terminal date.
- Revised CDR Terms: CDR letter dated 9.8.2012.
 - Deferment of principal dues fallen due on 1.4.2012 by one quarter subject to repayment of deferred principal amount within the terminal date of CDR package i.e. 31.12.2012.

▪ **Brief Snapshot: CDR Scheme December 24, 2012**

- CDR EG approved on December 2012 that
 - OTS of PACL for INR 87.96 Cr towards
 - Outstanding loan of INR 75.46 Cr and
 - WC facility of INR 12.50 cr.
- The payment of OTS was to be done in three tranches as follows
 - Tranche I- 35% of outstanding loan amount Rs 26.41 Crs to be paid upfront (35% of Rs. 75.46 Crs).
 - Tranche II- 10% of balance outstanding loan amount i.e. Rs 4.90 Crs on or before September 30, 2014.
 - Balance by in April 1, 2015 (After payment of Tranche I & II)
- PACL paid the first and second tranche of OTS as per the prescribed terms but could not pay the final tranche due in April 2015
- The outstanding amount (as on April 1, 2015), of terminal payment for term loan component of OTS amounting to INR 42.86 Crore was converted to
 - Equity (INR 15.16 Cr): Fresh equity issuance of 66,05,246 shares of (Face value INR 10) (Conversion price INR 22.95) amounting to about 35.47% of the outstanding terminal OTS.

- FCD (INR 27.70 Cr): Fully Convertible Debentures amounting to about 64.63% of the outstanding terminal OTS bearing coupon rate equivalent to Base Rate of Lender (10% p.a. at time of conversion) on six monthly basis to be converted to equity on 1st July 2020.
- NCD (INR 4.06 Cr): Non-convertible Debentures bearing coupon rate equivalent to Base Rate of Lender (10% p.a. at time of conversion) to the extent of Mark to Market Loss (Share Price was INR 16.80 on 30th June 2015) in respect of fresh equity issued by PACL w.r.t. OTS.

2.2.15 Manpower

Table XIII – Manpower (As on 31.01.2020)

Location	Manpower				
	Managerial	Supervisory	Skilled	unskilled	Total
Head Office (at Chandigarh)	20	36	15	01	72
Works (at Naya Nangal)	15	78	184	60	337
Total	35	114	199	61	409

2.2.16 Common facilities of PACL & PNFC

PACL & Punjab National Fertilizer & Chemicals Ltd. (PNFC) (under liquidation), both promoted by PSIDC, are located at Naya Nangal, adjacent to each other. To minimize expenditure, it was agreed to share the infrastructure facilities amongst both the units. An Agreement was executed between PACL & PNFC dated 1.3.1986 for sharing the common facilities, which included:

SN	Common facilities	Remarks
(i)	Exchange of land between PACL and PNFC for straightening of common boundary wall, laying of railway tracks and construction of PACL approach road.	Nil
(ii)	Water Reservoir and Pumping System in factory premises of PNFC and at Nangal Dam Reservoir and Water Pipe Line from Nangal Dam Reservoir to Reservoir in PNFC factory premises.	Owned by PNFC. PACL is drawing water through PACL's pipe line and pumps from the Reservoir in PNFC factory to PACL's Reservoir in PACL's premises.
(iii)	Common power sub-station for supply of power.	PACL has got its independent 66 KV power sub-station inside PACL factory premises. Supply to PNFC sub-station located inside PNFC factory premises is being fed from 66 KV sub-station owned by PSEB but located inside PACL factory premises.
(iv)	Common railway track.	The cost of laying the common railway track from NFL factory to the 'Y' junction (i.e. the point from where bifurcation of the Railway Tracks starts for the PACL Factory and PNFC Factory) had been borne by PACL and PNFC jointly in the proportion of 1/3 and 2/3,

SN	Common facilities	Remarks
		respectively. The cost of laying the individual Railway Tracks from the said 'Y' junction to the factories of PACL and PNFC had been borne independently by PACL and PNFC, respectively.
(v)	Loco Shed in PNFC premises	Cost of Construction shared by PACL and PNFC.
(vi)	Storm water drain	-
(vii)	Common PACL-PNFC staff housing colony	The Houses/ Quarters, etc. of PACL in Old PACL-PNFC Housing Colony are built on 2.674 acres of land leased by NFL exclusively to PACL for a period of 50 years since November 1982. The Houses/Quarters, etc. of PNFC in Old PACL-PNFC Housing Colony are built on the land leased by NFL exclusively to PNFC for a period of 50 years since November 1982. NFL had also leased 30.53 acres of land on 50 years lease since November 1982 to PACL and PNFC jointly. The common parks and roads in the Old PACL-PNFC Housing Colony had been constructed on an area of 13.68 acres out of the said land on joint lease. Out of the remaining about 16.85 acres of vacant and unutilised land on joint lease, PACL has utilised 8.61 acres for the purpose of constructing the New PACL Housing Colony.

Subsequent Issues with PNFC:

PNFC had become sick and made a reference to the Board for Industrial and Financial Reconstruction (BIFR) in 1987. BIFR had declared PNFC a sick company and subsequently on 1.3.2000, BIFR recommended winding up of PNFC. The Punjab & Haryana High Court had vide its order dated 27.07.2001 in CP No.71 of 2000 ordered that the PNFC be wound up. The Official Liquidator (OL) attached to the High Court of Punjab & Haryana at Chandigarh as its Liquidator, took possession of the assets of PNFC other than the PNFC's houses/quarters in the housing colony. Currently, the assets and affairs of PNFC (in Liquidation) are under the control of Official Liquidator.

PACL is operating, running and maintaining water supply system since August, 2000 pursuant to various orders passed by the Punjab & Haryana High Court, through its employees and at its expenses.

The OL started the process of sale of assets of PNFC. The High Court had vide its Order dated 27.07.2006 in PACL's Company Petition No. 75 of 2006, issued directions to the Official Liquidator that separate lot of common facilities shall be subject to the rights of PACL in common facilities in terms of the agreement dated 1.3.1986 entered between PNFC & PACL.

In the meanwhile, PSIDC, promoters of PNFC and also guarantors to the secured lenders of PNFC, has settled with all secured creditors of PNFC by way of one time settlement.

The Company has requested the PSIDC to transfer the ownership of PNFC assets like water pumping system, piping, water reservoir etc., which presently vest with PSIDC, to PACL for facilitating uninterrupted supply of water to it, the same is pending.

2.3 Key strengths of PACL

Strengths of PACL include:-

- ❖ One of the largest Caustic Soda manufacturers in the country's Northern Region.
- ❖ Capacity utilization higher than industry average during last 5 years.
- ❖ PACL has modernized its Plant Unit-II by replacing the old Generation-3 Electrolysers with the new latest technology and more efficient Generation-6 Electrolysers with substantial reduction in power consumption PMT of Caustic soda lye. The Company has also replaced old, inefficient critical equipments with new latest technology and more efficient ones like Husk based Thermax Boiler, Rectifiers, Chilled water system, Polish Brine filters, Liquification system, Piping & Fittings etc.
- ❖ PACL has already received EC from MOEF for expansion to 800 TPD, Flaker Unit, Stable Bleaching Plant, Hydrogen Peroxide Plant and Captive Power Plant.
- ❖ Under Industrial and Business Development Policy, 2017, PACL is eligible for 100% Exemption of payment of electricity duty for 10 years wef 19/12/2019 up to 100% of FCI made during expansion/diversification/modernization and for reimbursement of 25% of net GST paid for first 7 years from the date of commencement of commercial production i.e wef 19/12/2019 up to 100% of FCI made during expansion/diversification/modernization.
- ❖ Plant is strategically located at Naya Nangal, District Ropar, Punjab with close proximity to Bhakra Nangal Dam & River Sutlej. Location of plant is best suited due to availability of uninterrupted Power and continuous water resources which are crucial inputs.
- ❖ Existence of several end user Units in industries like paper, fertilizers, soaps and detergents in the vicinity.
- ❖ Existence of Hydrogen Compressing and Bottling Units in close proximity of Plant to whom Hydrogen is supplied by the Company through pipeline.
- ❖ The place is also well connected by rail and road.
- ❖ Hydrogen, a by-product of the Plant, is gainfully utilized as a fuel.
- ❖ The company uses the environment friendly Membrane Cell technology in its manufacturing process.
- ❖ The Company is exempted from weekly offs and power cuts as on date.
- ❖ Products meet quality requirements and the Company possesses ISO: 9001:2015 Certification for its Quality Management System.
- ❖ The company has implemented an environmental management system confirming to ISO 14001:2015 Standard at its works.
- ❖ Large pool of skilled and experienced manpower.
- ❖ Cordial industrial relations with no stoppage of work due to any labour unrest during last more than 25 years.
- ❖ The Company has signed a M.O.U. with M/s. Flow Tech Chemicals Private Limited for setting up a Chlorinated Paraffin Wax (CPW) Plant on B.O.O. basis in the Company's Plant Complex for smooth sale of Chlorine to increase capacity utilization and reduce requirement for additional Chlorine Tonners.

2.4 Industry outlook

Caustic Soda Industry and Indian Scenario

Electrolysis of brine solution results in 3 products – Caustic Soda, Chlorine gas and Hydrogen in the proportion of 1 MT: 0.886 MT: 280 NM³. Combination of Caustic Soda and Chlorine in the above given proportion is termed as Electro Chemical unit (ECU). For caustic soda manufacturers balancing the prices of Caustic Soda & Chlorine becomes critical to get maximum returns on ECU. The ability of the aggregate selling prices of caustic soda and chlorine to generate a surplus over the aggregate cost of production, determines the profitability of a chlor-alkali manufacturer.

Sector wise Caustic Soda consumption in India during 2017-18 are Pulp & Paper (8%), Textiles (20%), Soap & Detergent (7%), Alumina (11%), Dyes and Chemicals(6%), Water Treatment(2%), Pesticides (5%), Pharma (4%), Inorganics (6%), Organics (11%), Others (19%). Major consuming industries for chlorine are vinyls including PVC (7%), CPW (18%), Pulp and Paper (3%), Pesticides/ insecticides (5%), water treatment (2%), Pharmaceutical (1%), Textiles and various organic and inorganic chemicals etc.

Table XIV – Demand-Supply of Caustic Soda during last 6 years

(Figures in '000 MT)

Year	Opening Stock	Production	Imports	Total Domestic Availability	Physical Exports	Domestic Consumption	Closing Stock
2013-14	44.4	2618.3	379.4	3042.1	67.7	2952.2	22.2
2014-15	22.2	2761.1	507.7	3291.0	32.4	3230.7	27.9
2015-16	27.9	2871.0	567.8	3466.7	79.1	3358.2	29.4
2016-17	29.4	3022.5	465.6	3517.5	82.4	3412.6	22.5
2017-18	22.5	3241.9	447.5	3711.9	143.5*	3534.1	34.3
2018-19	34.3	3539.1	-	-	-	-	-

* The export figures include only physical exports of 143550 MT. The figures of deemed exports have been included in domestic consumption.

(Source: The AMAI Annual Reports)

At present there are about 35 Caustic Soda units in operation in the country having a total operation installed capacity of about 39.40 lakhs MT per annum of Caustic Soda. These plants co-produce chlorine in the ratio of 1 : 0.88. Today 95% plants are running on state of the art energy efficient membrane cell technology. Rest 5% are operating on mercury cell process. Gujarat is the largest caustic soda producing state with installed capacity of 2252140 MT. Caustic soda manufacturing is highly energy consuming process & consumes about 2.5 MW per MT of caustic soda. Gujarat Alkalies & Chemicals Ltd. is the market leader with installed capacity of 429,050 TPA. Other major producers are Grasim Industries Ltd., Reliance Industries Ltd., Andhra Sugars Ltd., Sree Rayalseema Alkalies & Allied Industries. In northern India, SIEL Chemical Complex, Rajpura (Punjab) (unit of Mawana Sugars Ltd.), DSCL, Kota and ABCIL, Renukoot Chemical Division, Renukoot are the main competitors.

Imports have increased from 0.38 million tonnes in 2013-14 to 0.45 million tonnes in 2017-18. Exports increased from 67,700 tons to 82,400 tonnes during the same period.

With the shift in emphasis on product innovation, brand building and environmental friendliness, this industry is increasingly moving towards greater customization and customer orientation. The key raw material for the industry is salt and India has adequate volumes of this resource. Indian industry is mature and developed with over 93% capacity based on latest energy efficient, environment friendly membrane cell technology next only to Japan. India has more than adequate capacity to meet domestic demand of both caustic soda & chlorine.

SECTION 3: INVITATION OF EXPRESSION OF INTEREST

FOR STRATEGIC DISINVESTMENT OF 33.49% SHAREHOLDING OF PACL HELD BY PSIDC, GoP

3.1 PROPOSED TRANSACTION

Broad terms of the Transaction

PSIDC, holding 33.49% of issued, subscribed and paid up equity share capital of PACL, has approved disinvestment of its shareholding through Strategic Disinvestment ("**Strategic Disinvestment**" or "**Transaction**").

The Government of Punjab acting through Directorate of Public Enterprise and Disinvestment (DPED) has engaged Resurgent India Limited as Transaction Advisor for providing advisory services and managing the disinvestment process.

The Selected Bidder will be required to lock in its shares for a period of 1 year during which it cannot undertake the sale of its stake in PACL.

The process for the Transaction has been divided into two stages, namely, Stage I and Stage II.

Stage I:

Through this invitation of EoI, the Transaction Advisor is providing the interested bidders ("**IB's**") with instructions for submitting their EOIs to the Transaction Advisor, which would be used for prequalifying the IBs in accordance with Eligibility Criteria and Disqualification conditions detailed in this invitation of EoI. Only those IBs who prequalify in accordance with Eligibility Criteria and Disqualification conditions contained therein shall be allowed to participate in stage II subject to IB's execution of a Non-Disclosure Undertaking ("**NDU**").

Stage II:

Based on an evaluation of the EoIs submitted, IBs, if shortlisted, subject to execution of an NDU (in the format enclosed in Annexure 4), will be provided with request for proposal ("**RFP**") and access to data room, which shall provide further details of PACL and the Transaction in terms of the RFP. Thereafter, financial bids submitted by the shortlisted IBs as per the terms of the RFP shall be opened and evaluated as per procedure laid down by GoP. The IB shall be required to deposit earnest money at Stage-II, if required by GoP. The format, requisite earnest money deposit ("**EMD**") and other formalities related to the RFP will be communicated in due-course.

Interested Bidders may note that PACL being a listed company is governed by Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. In case any Interested Bidder(s) chooses to make an open offer under SEBI regulations, GoP reserves the right to accept or reject such open offer without communicating any reason whatsoever.

Contents of invitation to Eol

This invitation of Eol contains the following:

Section	Content
3.2	Eligibility Criteria for IB
3.3	Instruction For Submission of Eol
3.4	Conditions /Circumstances which may lead to Disqualification of IBs
Annexure: 1	Expression of Interest.
Annexure: 2	Statement of Legal Capacity.
Annexure: 3	Request for Qualification by Sole IB including each of the Consortium member, if applicable, along with supporting documents.
Annexure:4	Non-Disclosure Undertaking
Annexure: 5	Power of Attorney for Sole IB or Consortium of IBs.
Annexure: 6	Consortium Agreement, if applicable.
Annexure: 7	Declaration regarding legal proceedings by Sole IB and each Consortium member, if applicable.
Annexure: 8	Declaration regarding Confidentiality.
Annexure: 9	Affidavit for correctness of documents submitted in the EOI.
Annexure: 10	An undertaking for lock-in of share-holding by Sole IB.
Annexure: 11	An undertaking for lock-in of share-holding by Consortium, if applicable
Annexure: 12	DIPAM Guidelines for qualifications of Bidders

3.2 ELIGIBILITY CRITERIA

The eligibility criteria for the IBs are as follows:

- 3.2.1 Any private limited company or public limited company registered under Companies Act 1956 or 2013, Limited Liability Partnership (LLP) or SEBI registered Alternative Investment Fund (AIF) or a company incorporated outside India, which is eligible to invest in India under the laws of India (subject to such parties obtaining all statutory approvals from GoP/DIPP/RBI etc. by themselves) either as a sole IB or as part of a consortium.
- 3.2.2 IB's should have a minimum Net Worth[§] of **Rs. 50[£] Crore** as on 31st March 2019.
- 3.2.3 IBs shall be in existence for at least 3 financial years as on 31.03.2019.
- 3.2.4 **Conditions for bidding by Consortium**
 - (a) Consortium of IBs ("**Consortium**") may also participate in the Transaction. The Consortium shall not have more than one (1) lead member (the "**Lead Member**"). The Lead Member of the Consortium should have minimum equity contribution of 51% and the minimum equity contribution by other IBs to qualify as a member of the Consortium should be at least 20%.
 - (b) For a Consortium, the combined net worth of all the members of the Consortium should meet the minimum net worth criteria mentioned in clause **3.2.2** above. The Lead member shall have minimum Net Worth of Rs. 26 crore and each member of Consortium shall have a minimum net worth of Rs. 10 Crores as on 31st March 2019
 - (c) In case a Consortium is shortlisted in EoI process and subsequently selected as the strategic investor, it shall be required to incorporate a company ("**Investment Vehicle**") that shall enter into definitive agreements.
 - (d) The shareholding of the members of the Consortium in the Investment Vehicle shall be same as the respective interest of members in Consortium.

[§]**Net Worth** means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation. (Source: Companies Act 2013).

For Limited Liability Partnerships (LLPs), Net Worth shall mean aggregate value of the partner contribution and all reserves created out of the profits, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.

For **SEBI registered Alternative Investment Fund (AIF)** other than LLPs and companies, Net Worth shall mean maximum permissible investment limit for that particular AIF (as per SEBI (Alternative Investment Fund) Regulations, 2012) in a single investee entity.

Net worth should be calculated on the basis of the audited financial statements of an IBs on 31st March 2019. In case the annual accounts of an IB for the financial year ending on 31st March 2019 are not audited then the IB shall submit a certificate from its statutory auditor certifying the Net Worth as at close of such financial year along with the methodology used for calculating such Net Worth. For AIFs, a certificate Statutory Auditor certifying maximum permissible investment shall be submitted.

[£]Where the financial statements are expressed in a currency other than the Indian Rupee, the eligible amount as described above shall be computed by taking the equivalent US Dollar at the exchange rates (reference rate as set by Reserve Bank of India) prevailing on the date of EoI

- (e) All the members of Consortium will be required to lock in shares for the period of 1 year during which they cannot undertake the sale of their stake in Investment Vehicles.
- (f) Restriction on change in composition of Consortium:
 - (i) Any changes in the composition of the Consortium may be permitted only upto the stage of EOI Due Date after the EOI already submitted has been withdrawn and fresh EOI has been submitted upto the EOI Due Date. However, no change in the composition will be permitted after the last date of submission of EOI till the shortlisting of IBs.
 - (ii) If after short listing of IBs, a consortium IB desires a change in the consortium by inclusion/exclusion of members or if a non-consortium IB desires to form a consortium by inducting new member(s), it shall have to apply for such change to the Transaction Advisor. After obtaining approval from the GoP, TA shall qualify/disqualify such a consortium subject to the eligibility criteria and the following:
 - a. The change shall be permitted only once per consortium.
 - b. No change in Lead Member shall be allowed.
 - c. Jumping from one consortium to another shall not be permitted.
 - d. Request for such modification/ withdrawal/ substitution shall be entertained only before the financial bids are received by GoP. However, the last date for such request shall be specified in the Request For Proposal (RFP) document.

3.3 INSTRUCTION FOR SUBMISSION OF EOI

- 3.3.1** This invitation of Eoi along with annexures will be uploaded on the following websites: www.resurgentindia.com, www.punjabkalies.com, www.pbindustries.gov.in. Following receipt of invitation of Eoi, IBs are required to respond in the format as detailed in this invitation of Eoi along with payment of non-refundable fees of Rs. 1,00,000/- (Rupees one lacs only).
- 3.3.2** The non-refundable fees of Rs. 1,00,000/- shall be deposited by the IBs either by way of a demand draft or through electronic mode in the designated account as per the details given hereunder:
- (a) Name of the Account: Resurgent India Ltd.
 - (b) Account number: 50200026623672
 - (c) IFS code: HDFC0003634
 - (d) Name of the Bank: HDFC Bank
 - (e) Branch: Unitech Business Zone, Nirvana Country, Sector-50, Gurgaon-122018, Haryana
 - (f) Swift code: HDFCINBB
- 3.3.3** Subsequently, a site visit (cost of which will be borne by the IBs) may be scheduled to facilitate the shortlisted IBs in their assessment of PACL at the discretion of the GoP. The modalities related to the visit and due diligence will be communicated to the shortlisted IBs in due course.
- 3.3.4** The shortlisted IBs shall carry out their own due diligence, surveys, investigations, examination independent assessment and appraisal of PACL and the Transaction after submitting the Eoi. The GoP/PACL/Transaction Advisor or their respective consultants, agents, officials, advisors and employees make no representations, in relation thereto and shall not be liable in any manner whatsoever. The IBs shall bear all costs associated with the due diligence, preparation and submission of the EOI. PACL, GoP and Transaction Advisor shall not, under any circumstances be responsible or liable for any such costs, whether direct, incidental or consequential.
- 3.3.5** IBs shall have satisfied themselves of their queries before participating in the Transaction. GoP, Transaction Advisor and PACL reserve the right not to respond to questions raised or provide clarifications sought, in their sole discretion. Nothing in this document shall be taken or read as compelling or requiring the GoP, Transaction Advisor and/or PACL to respond to any question or to provide any clarification. No extension of any time and date referred to in this invitation of Eoi shall be granted on the basis or grounds that the GoP or Transaction Advisor or PACL have not responded to any question/ provided any clarification.
- 3.3.6** Details regarding the process post short-listing based on the Eois submitted will be subsequently shared with the IBs in the RFP.
- 3.3.7** EOIs are liable to be rejected by GoP if IBs fail to meet the eligibility criteria as specified in section 3.2 'Eligibility Criteria' and/or are disqualified in accordance with the conditions specified in section 3.4 'Disqualifications' in this invitation of Eoi or for any other reason deemed fit, or even without communicating any reason whatsoever.
- 3.3.8** GoP reserves the right to withdraw from the Transaction, to accept or reject any or all Eois at any stage of the Transaction and/modify the process or any part thereof or to vary any terms at any time without communicating any reason whatsoever. In such an event no financial obligation whatsoever shall accrue

to GoP, the Company, the Transaction Advisor or any of their respective officers, employees, advisors or agents.

3.3.9 At any time prior to the EoI Due Date for submission of EoI, GoP may, for any reason, whether at its own initiative or in response to clarifications requested by any IB, modify the invitation of EoI by the issuance of addendum.

3.3.10 The GoP reserves the right to additionally seek any documents, information, indemnities, warranties, representations or performance obligations from the IBs or any of their related entities to GoP's sole satisfaction without any liability to the Transaction Advisor, GoP and PACL.

3.3.11 Format and Signing of EoI

The IB shall provide all the information sought in this invitation of EoI in the prescribed format. The Transaction Advisor will evaluate only those EoIs that are received in the required formats and complete in all respects.

The EoI shall be typed and signed in indelible blue ink by the authorized signatory of the IB. The IBs shall submit the EoI by mentioning the page number on each document and to be submitted in sequence specified in clause 3.3.12.

The EoI and all related correspondence and documents in relation to the EoI shall be in English language.

All the alterations, omissions, additions or any other amendments made to the EoI shall be initialled by the person(s) signing the EoI.

3.3.12 Documents comprising the EoI.

The IB shall submit the EoI in hard bound. The EoI must be signed by a duly authorized representative of the IB. The IB shall also be required to submit a Power of Attorney (in the form enclosed in Annexure 5) authorizing the signatory of the EoI to commit the IB.

The contents of EoI shall be as under

S. No	Documents
1.	Demand Draft or Proof of payment (in case of electronic payment) of Rs. 1,00,000/- (Rupees one lakh only) towards non-refundable fees
2.	Annexure: 1- Expression of Interest
3.	Annexure: 2- Statement of Legal capacity
4.	Annexure: 5- Power of Attorney for Sole IB or Consortium of IBs.
5.	Annexure: 6- Consortium Agreement, if applicable.
6.	Annexure: 7- Declaration for legal proceedings.
7.	Annexure: 8- Declaration for confidentiality.
8.	Annexure: 9- Affidavit for correctness of documents submitted in EOI.
9.	Annexure: 10- An undertaking for lock-in of share-holding by Sole IB.
10.	Annexure: 11- An undertaking for lock-in of share-holding by Consortium IB.
11.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, stating that [IB/each consortium member] is eligible to participate in the proposed Sale in terms of Clause _____ of its Memorandum and Articles of Association/ _____ (name of Document of Constitution as may be applicable). (specific provision may be reproduced in certificate).

12.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, stating that [IB/each consortium member] is eligible to participate in the proposed Sale in terms of guidelines issued by DIPAM vide No. 3/9/2016-DD-II-B Dated: 28 th September, 2017
13.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, for shareholding pattern.
14.	Statutory auditor's certificate certifying the Net Worth as on 31 st March 2019 as defined in the Eligibility criteria along with a detailed calculation of the Net Worth. In case the annual accounts of an IB for the financial year ending 31 st March 2019 are not audited then the IB shall submit a certificate from its statutory auditor certifying the Net Worth as at close of such financial year along with the methodology used for calculating such Net Worth along with Provisional Financials of 2019.
15.	An affidavit certifying the correctness of the documents submitted in the EOI.
16.	Annexure: 3- Request for Qualification by Sole IB including each of the Consortium member, if applicable, along with supporting documents.
17.	Audited financial statements and annual reports for the immediately three preceding financial years.
18.	A certified true copy of Memorandum of Association, Articles of Association, Certificate of Incorporation, Certificate of Commencement of Business (if applicable).

3.3.13 Submission of Eoi

- (i). Two sets of all the documents listed in clause 3.3.12 should be submitted on or before the Eoi Due Date to the Transaction Advisor in two separate sealed envelopes in the following manner:

Envelope 1: Envelope 1 should contain all the originally signed documents (as listed in clause 3.3.12) and should be sealed and duly superscribed as **"Private and Confidential-Expression of Interest for strategic disinvestment of 33.49% shareholding of Punjab Alkalies & Chemicals Ltd. held by Punjab State Industrial Development Corporation Ltd.-Original"**.

Envelope 2: Envelope 2 should contain a copy of all the originally signed documents (as listed at clause 3.3.12) and should be sealed and duly superscribed as **"Private and Confidential-Expression of Interest for strategic disinvestment of 33.49% shareholding of Punjab Alkalies & Chemicals Ltd. held by Punjab State Industrial Development Corporation Ltd -Copy"**.

Both the envelopes shall clearly indicate the name and address of the IB.

Envelope 1 and Envelope 2 along with soft copy (in compact Disk/pen drive) of documents contained therein shall then be placed in a third envelope ("**Envelope 3**"), which shall be sealed and duly superscribed as **"Private and Confidential-Expression of Interest for strategic disinvestment of 33.49% shareholding of Punjab Alkalies & Chemicals Ltd. held by Punjab State Industrial Development Corporation Ltd"** and shall clearly indicate the name and address of the IB. In addition, the Eoi Due Date should be indicated on the right hand top corner of Envelope 2.

- (ii). The envelope shall be addressed to the following officer and shall be physically submitted at the below mentioned address:

Akhilesh Raina
Associate Vice President
 Resurgent India Limited
 903-906 , 9th Floor, Tower-C,

Unitech Business Zone, Sector-50,
Nirvana Country, Gurugram-122018, Haryana
Tel: 0124-4754550
Mob: + 91 8745050509
pacldisinvestment@resurgentindia.com

- (iii). If the envelope is not sealed and marked as instructed above, the GoP/Transaction Advisor/PACL assumes no responsibility for the misplacement or premature opening of the contents of the EoI submitted and consequent losses, if any, suffered by the IB. Any submission made shall be rejected if it is not marked as per the instructions mentioned in this invitation of EoI.
- (iv). EoI submitted by fax, telex, or e-mail shall not be entertained and shall be summarily rejected.
- (v). All enquiries related to the Transaction should be addressed to the representative of Transaction Advisor mentioned above.

3.3.14 Bidding schedule

Sl. No.	Event Description	Date
1.	Invitation of EoI (Advertisement)	24.07.2020
2.	Start date of receiving queries Through email: pacldisinvestment@resurgentindia.com	24.07.2020
3.	Last date for receiving queries Through email: pacldisinvestment@resurgentindia.com	31.07.2020
4.	Transaction Advisor's response to the queries latest by (To be uploaded on website in form of FAQs)	08.08.2020
5.	Last date of submission of EoI ("EoI Due Date")	07.09.2020 at 1100 hours IST
6.	Opening of EoI	07.09.2020 at 1500 hours IST

GoP, Company and the Transaction Advisor shall bear no responsibility for non-receipt of EoIs/any other correspondence sent by post/e-mail/courier/fax.

3.3.15 Approvals

The IB shall be responsible for obtaining all the applicable approvals to complete the Transaction within a specified time limit. For the purpose of this Transaction, the IB shall ascertain the applicability and implication of all laws pertaining to the Transaction and shall ensure compliance with all the applicable laws.

3.3.16 Late EoIs

Submission of any EoI after the prescribed date and time at Clause 3.3.14 shall not be considered and the EoI shall be summarily rejected.

3.3.17 Substitution/ withdrawal of EoI

- a) The IB may substitute or withdraw its EOI after submission prior to the EOI Due Date. No EOI can be substituted or withdrawn by the IB on or after the EOI Due Date & Time.
- b) Restriction on change in composition of Consortium: Any changes in the composition of the Consortium may be permitted only upto the stage of EOI Due Date after the EOI already submitted has been

withdrawn and fresh EOI has been submitted upto the EOI Due Date. However, no change in the composition will be permitted after the last date of submission of EOI till the shortlisting of IBs.

3.3.18 Continuing Requirements

The IB shall not only meet the eligibility criteria at the time of submission of EOI but shall continue to be eligible throughout the Transaction process. IB shall have the obligation to immediately notify the Transaction Advisor on its becoming ineligible any time during the process. In the event of any IB or the member of Consortium getting disqualified or not meeting the eligibility criteria, such IB or Consortium, as the case may be, shall not be permitted to continue with the bidding.

3.3.19 Evaluation of Eol.

The Transaction Advisor will subsequently examine and evaluate all the Eols in accordance with the provisions of invitation of Eol.

3.3.20 Rejection of Eol

- (i) Notwithstanding anything contained in this invitation of Eol, the GoP reserves the right to reject any or all Eols on the grounds of national interest, national security, public interest or any other grounds without communicating any reasons thereof and without any liability or any obligation for such rejection.
- (ii) The GoP may also annul the Eol process and/or reject all Eols at any time without any liability or any obligation for such acceptance, rejection or annulment, and without communicating any reasons thereof. In the event that the GoP rejects or annuls all the Eols, it may, in its discretion, invite fresh Eols hereunder.
- (iii) The GoP reserves the right not to proceed with the Eol process at any time, without notice or liability, and to reject any Eol without communicating any reasons.

3.3.21 Validity of Eol

The Eols shall be valid for a period of not less than 180 (one hundred and eighty) days from the Eol Due Date. The validity of Eols may be extended at the discretion of the GoP.

3.3.22 Confidentiality

Information relating to the examination, clarification, evaluation and recommendation for the IBs shall not be disclosed to any person who is not officially concerned with the process or is not a retained professional advisor advising the GoP in relation to, or matters arising out of, or concerning the Eol process. The Transaction Advisor will treat all information, submitted as part of the Eol, in confidence and will require all those who have access to such material to treat the same in confidence. The Transaction Advisor shall not divulge any such information unless it is directed to do so by any statutory entity that has the power under law to require its disclosure or is to enforce or assert any right or privilege of the statutory entity and/ or the GoP or as may be required by law or in connection with any legal process.

3.3.23 The completed forms, “Annexures” of the Eol shall be considered as part of the contract documents in the case of successful bid.

3.3.24 All financial statements or data to be derived therefrom referred herein shall mean on a consolidated basis and where consolidated financial statements are not required to be prepared by the entity, such financial statements or data derived therefrom shall mean on a standalone basis.

- 3.3.25** The detailed terms specified in the definitive agreements shall have overriding effect; provided, however, that any conditions or obligations imposed on the IB hereunder shall continue to have effect in addition to its obligations under the definitive agreements.
- 3.3.26** Any condition or qualification or any other stipulation contained in the invitation of EoI shall render the EoI liable to rejection as a non-responsive EoI.
- 3.3.27** The documents including this invitation of EoI and all attached documents are and shall remain or become the properties of the GoP and are transmitted to the IBs solely for the purpose of preparation and the submission of an EoI in accordance herewith. IBs shall not use such documents/information for any purpose other than for preparation and submission of their EoI.
- 3.3.28** A draft of the Non-Disclosure Undertaking (NDU) has been provided in Annexure 4. Shortlisted IBs shall be required to execute the NDU before they can be provided access to data room and the RFP.
- 3.3.29** The IBs shall provide certificates, undertakings, Earnest Money Deposit (EMD) or such similar documents for such amounts and on such terms and conditions prior to submission of the financial bid in Stage II as may be informed by the GoP.
- 3.3.30** The GoP, Company and the Transaction Advisor shall not be liable for any omission, mistake or error in respect of any of the above or on account of any matter or thing arising out of or concerning or relating to the invitation of EoI including any error or mistake therein or in any information or data given by the Transaction Advisor.
- 3.3.31** The GoP and the Transaction Advisor reserve the right to verify all statements, information and documents submitted by the IB in response to the EoI and the IB shall, when so required by the GoP/Transaction Advisor, make available all such information, evidence and documents as may be necessary for such verification. Any such verification or lack of such verification, by the GoP/Transaction Advisor shall not relieve the IB of its obligations or liabilities hereunder nor will it affect any rights of the GoP/Transaction Advisor thereunder.
- 3.3.32** Disinvestment of entire shareholding in Company by GoP will be subject to applicable statutory and regulatory restrictions and approval requirements.
- 3.3.33** Governing Law / Jurisdiction: The Transaction and all matters incidental thereto shall be governed by the laws of India. All disputes arising out of the Transaction shall be subject to the exclusive jurisdiction of the courts at Chandigarh.

3.4 DISQUALIFICATIONS

- 3.4.1** The GoP/Transaction Advisor shall not consider for the purpose of qualification, any EoI which has been found to be incomplete in content or attachments or authenticity.
- 3.4.2** Without prejudice to any other rights or remedies available, the GoP / Transaction Advisor reserves the right to disqualify any IB and exclude its EoI from further consideration for any of the following reasons including without limitation;
- (a) Misrepresentation/false statement is made by the IB or any member of a Consortium in the EoI, at any stage of the Transaction, whether in the EoI, the financial bid, supporting documentation or otherwise and whether written or oral.
 - (b) If the EoI submitted by the IB/Consortiums is in any respect inconsistent with, or demonstrate any failure to comply with, the provisions of the invitation of EoI.
 - (c) Failure by IB / any Consortium member to provide necessary and sufficient information required to be provided in the EoI.
 - (d) Submission of EOI in respect of any IB/ Consortium, where such IB or member had already submitted an EOI or is a member of another Consortium, which has already submitted an EoI in which case, all such EOIs shall be rejected.
 - (e) The IBs/ any member of the Consortium not satisfying the eligibility and requisite qualification criteria specified in this invitation of EoI and hence not eligible.
 - (f) GoP is not satisfied with the sources of funds/ownership structure of the IB/Consortium.
 - (g) Failure by the IB/ any member of the Consortium to comply with any reasonable requests of the GoP and/or the Transaction Advisor in relation to the Transaction.
 - (h) If it is discovered at any time that an IB/ any member of the Consortium and/or its Promoters (defined hereinafter) are subjected to winding up/insolvency/bankruptcy or other proceedings of a similar nature.
 - (i) Any information regarding or in connection with the IB / any member of the Consortium which becomes known that is detrimental to the national security and/or public interest and/or national interest and/or Transaction and/or the interests of PACL and/or GoP.
 - (j) Initiation or existence of any legal proceedings, by or against the IB/ any member of the Consortium in respect of PACL, which proceeding may be prejudiced by the participation of the IB/Consortium in the selection process. For example, inspection by an IB of case files of the Company of matters filed against that IB.
 - (k) The IB or if the IB is a Consortium, then any member of such Consortium or their respective Promoters or parent companies or subsidiaries who do not satisfy the requirements of qualification or are disqualified under the Government of India office memorandum No. 3/9/2016-DoD-II-B dated: 28th September, 2017, (refer Annexure 12) as amended from time to time.

- (l) Non fulfillment of any other condition as listed in the EoI including breach of Non-Disclosure Undertaking.
- (m) In regard to matters relating to the national security and national integrity, any charge-sheet by any Governmental Authority / conviction by a court of law for an offence committed by the IB or any of the members of the IB in case of a Consortium or by any of their respective sister concerns or any of their promoters, promoter group and directors would result in disqualification. The decision in regard to the relationship between the sister concerns would be taken based on the relevant facts and after examining whether the two concerns are substantially controlled by the same person/persons. The term 'Promoter' shall have the same meaning as defined under the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and the term 'promoter group' shall have the same meaning as defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
- "Governmental Authority"** means (a) the government of India or the government of any state or other political subdivision thereof in India; (b) any other governmental or quasi-governmental or statutory or regulatory authority, agency, department, board, commission or instrumentality of India or of any state or political subdivision thereof including without limitation the Foreign Investment Promotion Board and the Reserve Bank of India; or (c) any court, tribunal, judicial or quasi-judicial authority of competent jurisdiction in India or any arbitration tribunal (including a sole arbitrator).
- (n) Any condition or qualification or any other stipulation inserted by the IB/Consortium contained in the EOI shall render the EOI liable to rejection.
- (o) IBs or promoters or promoter group or directors of such IBs/Consortium which are otherwise covered in section 3.2 (Eligibility Criteria) above but are:
- i. debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by any Governmental Authority;
 - ii. appearing in the RBI list of Wilful Defaulters;
- "Wilful Defaulter"** means an issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such.
- (p) If the IB/Consortium does not satisfy any of the requirements as may be issued by the GoP by way of notifications / issue of guidelines / circulars or such similar notifications from time to time including any conditions of disqualifications the EoI submitted by such IB/Consortium shall be disqualified.
- (q) All entities that have been debarred/ banned/ blacklisted by any Governmental Authority, from time to time.
- (r) IBs which are otherwise covered in section 3.2 (Eligibility Criteria) above but are:
- (i) Erstwhile OCBs which are incorporated outside India and are under the adverse notice of RBI;
 - (ii) Prohibited or restricted from investing in PACL basis their status / sector in which PACL operates under the Foreign Exchange Management Act, 1999 or any regulations made thereunder and including the provisions of the Consolidated FDI Policy. It being clarified that

sectors where government approval is required will not be considered as 'restricted' from investing.

"OCBs" mean a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non-Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held directly or indirectly by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on the date of commencement of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under Foreign Exchange Management Regulation Act, 1999.

- (s) If IBs/ any member of the Consortium or any of their officers or employees, directly or indirectly, communicate with any officer/employee of DPED or PSIDC or PACL either before or after submission of its EoI.
- (t) If IBs/ any member of the Consortium or any of their officers or employees, directly or indirectly, disclose the intent/willingness to participate as an Interested Bidder (IB) in EoI process to any officer/employee of DPED or PSIDC or PACL at any time from the date of issue of this invitation of EoI.

- 3.4.3** If any information becomes known after the IB has been qualified to access the data room and receive RFP, which information would have entitled the GoP /Transaction Advisor to reject or disqualify the EOI of relevant IP, the GoP /Transaction Advisor reserves the right to reject the IB at the time or at any time after such information becomes known to the GoP /Transaction Advisor. Where such party is a Consortium, GoP /Transaction Advisor may disqualify the entire Consortium, even if it applied to only one member of the Consortium.
- 3.4.4** If any of the members of the Consortium are disqualified, all the members of the Consortium shall automatically stand disqualified.
- 3.4.5** In addition to the eligibility of the IB being a sole IP, each of the members of Consortium and the Consortium as a whole must be eligible, as per criteria mentioned in this invitation of EoI, on the date of submission of the EOI and must continue to be eligible throughout until the consummation of the Transaction.
- 3.4.6** Any of the outstanding indebtedness of IB availed from either banks or financial institution being classified as 'non-performing asset' or any equivalent classification in the respective jurisdiction on the IB and includes all such indebtedness availed by any of the entities where the IB holds more than 50% in the share capital of such entity or any of the entities that hold more than 50% in the share capital of IB.
- 3.4.7** The GoP determination that one or more of the events specified in Clauses 3.4.1, 3.4.2, 3.4.3, 3.4.4, 3.4.5 and 3.4.6 of section 3.4 (Disqualifications) has occurred shall be final and conclusive.

ANNEXURE 1: EXPRESSION OF INTEREST*(To be typed on the letterhead of the IB /Lead Member of Consortium submitting the Eol)*

Reference No. _____

Date _____

To,
 Mr. Akhilesh Raina
 Associate Vice President
 Resurgent India Limited
 903-906, Unitech Business Zone,
 Tower C, Nirvana Country,
 Sector 50, Gurugram, Haryana - 122018

Sub: GLOBAL INVITATION OF EXPRESSION OF INTEREST FOR STRATEGIC DISINVESTMENT OF 33.49% STAKE HELD BY GOVERNMENT OF PUNJAB IN PUNJAB ALKALIES & CHEMICALS LTD. ("PACL")

Sir,

This is with reference to the advertisement dated ***** ("**Advertisement**") inviting Expression of Interest ("**Eol**") for Sale of such number of shares held by the Government of Punjab, representing 33.49% of the paid up equity share capital of PACL, a company registered under the Companies Act, 1956 having its registered office at S.C.O. 125-127, Sector 17B, Chandigarh – 160017 (INDIA). ("**Strategic Disinvestment**").

As specified in the advertisement, we have read and understood the contents of the Preliminary Information Memorandum (PIM) and the invitation of Expression of Interest (Eol) and are desirous of participating in the Strategic Disinvestment, and for this purpose confirm and undertake as follows:

1. We propose to submit our EOI in individual capacity as _____ (insert name of Interested Bidder)

OR®

We have formed/propose to form a consortium comprising of [____] members ("**Consortium**") as follows:

- a. [●] holding [●] % shareholding in the Consortium;
 - b. [●] holding [●] % shareholding in the Consortium; and
 - c. [●] holding [●] % shareholding in the Consortium.
2. We understand that 33.49 % equity stake of PACL is proposed to be divested and we are interested in bidding for the same. We believe that we/our Consortium/proposed Consortium satisfy the eligibility criteria set out in relevant section of invitation of EOI including the guidelines for qualification of bidders seeking to acquire stake in Public Sector Enterprise through the process of disinvestment issued by GoP vide DIPAM OM No. 3/9/2016-DoD-II-B dated: 28th September, 2017. We certify that in regard to matters other than security and integrity of the country, we have not been convicted by a Court of law or indicted or adverse orders passed

® Strike off whichever is not applicable.

by a regulatory authority which would cast a doubt on our ability to manage the public sector unit when it is disinvested or which relates to a grave offence that outrages the moral sense of the community.

3. We further certify that in regard to matters relating to security and integrity of the country, we have not been charge-sheeted by any agency of the Government of India or convicted by a Court of law for any offence committed by us or by any of our sister concerns.
4. We further certify that no investigation by a regulatory authority is pending either against us or against our sister concerns or against our CEO or any of our directors/ managers/employees.
5. We undertake that in case due to any change in facts or circumstances during the pendency of the Disinvestment process, we are attracted by the provisions of the disqualifications in terms of the subject guidelines, we would intimate the Transaction Advisor immediately.
6. The statement of Legal Capacity and Request For Qualification as per formats indicated hereinafter, duly signed by us/respective members, who jointly satisfy the eligibility criteria, are enclosed.
7. We confirm and represent that we have the requisite corporate authorisations to submit the EOI.
8. We shall be glad to receive further communication on the subject.

Sincerely

_____ (Signature of Authorised Signatory for and on behalf of IB/Consortium)
_____ (Name of Authorised Signatory)
_____ (Designation of Authorised Signatory)
_____ (Name of the Interested Bidder)

Enclosure:

1. Statement of Legal Capacity
2. Request For Qualification

ANNEXURE 2: STATEMENT OF LEGAL CAPACITY

(To be typed on the letterhead of the IB /each member of consortium submitting the Eol)

Reference No. _____

Date _____

To,
 Mr. Akhilesh Raina
 Associate Vice President
 Resurgent India Limited
 903-906, Unitech Business Zone,
 Tower C, Nirvana Country,
 Sector 50, Gurugram, Haryana - 122018

Sub: GLOBAL INVITATION OF EXPRESSION OF INTEREST FOR DISINVESTMENT OF 33.49% STAKE HELD BY GOVERNMENT OF PUNJAB IN PUNJAB ALKALIES & CHEMICALS LIMITED ("PACL")

Sir,

This is with reference to the advertisement dated ***** ("**Advertisement**") inviting Expression of Interest ("**Eol**") for Sale of such number of shares held by the Government of Punjab, representing 33.49% of the paid up equity share capital of PACL, a company registered under the Companies Act, 1956 having its registered office at S.C.O. 125-127, Sector 17B, Chandigarh – 160017 (INDIA). ("**Strategic Disinvestment**").

We have read and understood the contents of the Preliminary Information Memorandum (PIM) and the invitation of Expression of Interest (Eol) and pursuant to this hereby confirm that:

1. We satisfy the eligibility criteria laid out in clause 3.2 of invitation of EOI.

OR[®]

We, the members of Consortium (constitution of which has been described in the Expression of Interest), jointly satisfy the eligibility criteria as laid out in invitation of EOI and we have agreed that _____ (insert member's name) will act as the Lead Member of the Consortium.

2. We/our Consortium/proposed Consortium have agreed that [●] (insert name and designation of individual) will act as our representative and has been duly authorised to submit the EOI ("**Representative**"). Further, the authorised signatory is vested with requisite powers to furnish such letter and Request for Qualification and authenticate the same.

Sincerely

_____ (Authorised Representative and Signatory for and on behalf of IB/Consortium)

_____ (Name of the Person)

_____ (Designation of Authorised Signatory)

[®] Strike off whichever is not applicable.

ANNEXURE 3: FORMAT FOR REQUEST FOR QUALIFICATION

(To be typed on the letterhead of the IB submitting the EoI)
(To be submitted by IB/each member of the consortium)

Reference No. _____

Date _____

To,
Mr. Akhilesh Raina
Associate Vice President
Resurgent India Limited
903-906, Unitech Business Zone,
Tower C, Nirvana Country,
Sector 50, Gurugram, Haryana - 122018

S. No.	Particulars	Details
1.	Name of the Interested Bidder/ Member of Consortium	
2.	Constitution i. Public Limited Company ii. Private Limited Company iii. Limited Liability Partnership (LLP) iv. SEBI Registered Alternate Investment Fund (AIF) v. Others	
3.	If the Interested Bidder is a foreign company, specify list of statutory approvals from GoP/ RBI/ DIPP applied for/ obtained/ awaited, if any	
4.	Memorandum and Articles of Association/Document of Constitution, as may be applicable to the Interested Bidder / member of Consortium	
5.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, stating that Interested Bidder is eligible to participate in the proposed Sale in terms of Clause _____ of its Memorandum and Articles of Association/ _____ (name of Document of Constitution as may be applicable). (specific provision may be reproduced in certificate).	
6.	A certificate duly signed by Company Secretary/ any other officer in charge of legal affairs, stating that Interested Bidder does not attract disqualification vide Office Memorandum No. 3/9/2016-DoD-II-B dated : 28th September, 2017 issued by DIPAM (Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment).	
7.	Basis of eligibility for participation in the process (please mention basis and attach supporting documents)	
8.	Details of Shareholding pattern of the IB including the details establishing ultimate beneficial owner of the IB as on EOI submission date.	
9.	Audited Annual Reports of immediately preceding three financial years (including audited financials with profit and loss statement, balance sheet and cash flow statement and the annual report).	

	In case the annual accounts of an IB for the financial year ending on 31 st March 2019 are not audited then the IB shall submit a certificate from Statutory Auditor certifying the Net Worth as at close of such financial year along with the methodology used for calculating such Net Worth Notes: i. In the case, the financial year of any IB is different than April to March every year; the net worth shall be calculated as on date the latest financial year of such IB ends.	
10.	Equity contribution of member in the Consortium (if applicable)	
11.	Nature of business/products dealt with	
12.	A profile containing information on company/Group's area of operations, capability of the IB, as demonstrated in its past track record, to run its own business.	
13.	List of board of directors along with an overview of the IB's senior management and organization structure including effective place of management of business of IB as on EOI submission date certified by the company secretary of the IB	
14.	Summary of the roles and responsibilities of the directors and key management personnel of the IB certified by the company secretary of the IB	
15.	Brief write up of the IB's of their international operations, joint ventures / alliances (whether international or domestic), nature and size of such operations, equity ownership along with copy of audited financial statements of immediately preceding financial year.	
16.	The names and addresses of those companies and the professional firms, if any, who are (or will be) advising the IB, together with the names of the principal individual advisors at those companies and firms.	
17.	Date & Place of incorporation	
18.	Date of commencement of business	
19.	Full address including phone No., fax No., email address and web address	
	i. Registered Office	
	ii. Head Office	
	iii. Branches	
20.	Detail of Contact Person	
	i. Name	
	ii. Designation	
	iii. Company	
	iv. Address	
	v. Mobile Number	
21.	Detail of Authorised Person	
	i. Name	
	ii. Designation	
	iii. Company	
	iv. Address	
	v. Mobile Number	
22.	Salient features of financial performance for the last three years	
23.	Statutory auditor's certificate certifying the Net Worth as on 31st March 2019 as defined in the Eligibility criteria along with a detailed calculation of the Net Worth. In case the annual accounts of an IB for the financial year ending 31st March 2019 are not audited then the IB	

	shall submit a certificate from its statutory auditor certifying the Net Worth as at close of such financial year along with the methodology used for calculating such Net Worth along with Provisional Financials of 2019.	
24.	Statutory Auditor's certificate certifying the outstanding indebtedness of IB availed from either banks or financial institution being classified as 'non-performing asset' or any equivalent classification in the respective jurisdiction on the IB and includes all such indebtedness availed by any of the entities where the IB holds more than 50% in the share capital of such entity or any of the entities that hold more than 50% in the share capital of IB	
25.	Please provide details of all contingent liabilities that, if materialised, would reasonably be expected to have a material adverse effect on the business, operations (or results of operations), assets, liabilities and/or financial condition of the IB/ Consortium member, or other similar business combination or transaction.	
26.	A detailed statement showing contractual disputes and litigation/ arbitration in the recent past along with parties and amount involved in such disputes and litigation/ arbitration.	
27.	A statement showing pending litigations that, if decided against the IB, shall disqualify the IB in terms of prescribed eligibility criteria and extant Government instructions on disinvestment.	
28.	An affidavit certifying the correctness of documents submitted in the EOI.	

Sincerely

Authorised Signatory
For and on behalf of the (IB/Consortium)

Note: Please follow the order adopted in the format provided. If the Interested IB/ member of Consortium is unable to respond to a particular question/ request, the relevant number must nonetheless be set out with the words 'No response' against it.

ANNEXURE 4: NON DISCLOSURE UNDERTAKING

[ON RS. 200 STAMP PAPER]

This **NON DISCLOSURE UNDERTAKING** ("**Undertaking**") is made on this [●] day of [●], 2020.

BY

[●], a company incorporated under the Companies Act, [1956/2013] / Limited Liability Partnership registered under the Limited Liability Partnership Act, 2008 having corporate identification number / LLP identification number [●] and having its registered office at [●] (the "**IB**");

IN FAVOUR OF:

Government of Punjab, represented by and acting through Managing Director, Punjab State Industrial Development Corporation Ltd. (PSIDC) at Udyog Bhawan, 18 Himalaya Marg, Sector 17 Chandigarh -160017 (India) (the "**Promoter**");

Punjab Alkalies & Chemicals Ltd, a company incorporated under the Companies Act, 1956, having its office 125-127, Sector 17B, Chandigarh – 160017 (INDIA) (India) (the "**PACL**"), which expression shall unless repugnant or contrary to the context or meaning thereof include its successors and assigns; and

The Entities whose names and particulars listed in Schedule 1 (hereinafter referred to as "**Advisors**")

WHEREAS:

- A. The IB along with Consortium Members (as defined hereinafter), if any, has submitted an Expression of Interest for participation in the Strategic Disinvestment by Government of Punjab of 33.49% percent of the equity shares of the Company held by the GoP in PA CL (the "**Transaction**") and has been shortlisted as a "Qualified Interested Bidder"; and
- B. In the context of the IB's interest in the Transaction, the Disclosing Party (as defined hereinafter) may disclose Confidential Information (as defined hereinafter) to the Receiving Party (as defined hereinafter) to enable the IB to evaluate the Transaction.

NOW, THEREFORE, in consideration for receiving the Confidential Information, the IB hereby executes this Undertaking and undertakes, represents, warrants, covenants and agrees to the terms and conditions contained herein:

1. In this Undertaking (including the recitals);

"**Advisors**" means, collectively, Resurgent India Limited.

"Confidential Information" means and includes any and all facts, knowledge, information, documents and materials whether written or otherwise, concerning the business, operations, prospects, finances, or other affairs of PACL, its affiliates, associates or subsidiaries (which includes, without limitation, documents delivered in connection with due diligence, investigation, information relating to the existing business of PACL and new businesses (if any) proposed to be undertaken by PACL, market and company-specific data, agreements related to its business including know-how and technology agreements, agreements relating to licence to use intellectual property rights, graphs, drawing, past, current, and planned research and development, current and planned marketing or distribution methods and processes, customer lists, current and anticipated customer requirements, price lists and other end-user pricing related information, market studies, computer software and programs, database technologies, systems, structures and architectures, historical financial statements, activities, products, specifications, data, know-how, compositions, designs, sketches, photographs, business plans, financial projections and budgets, historical and projected sales, capital spending budgets and plans, current or prospective financing sources, the names and backgrounds of personnel, personnel training techniques and materials, reports relating to PACL's operations prepared by external consultants which are proprietary to the PACL or PSIDC, and any information memorandum /or draft /final offer document, request for proposal, drafts of share purchase agreements or other materials prepared in connection with the Transaction, howsoever documented, that has been or may hereafter be provided or shown to the Receiving Party by the Disclosing Party or is otherwise obtained from review of the Disclosing Party's documents or property or discussions with the Disclosing Party by the Receiving Party irrespective of the form of the communication, and also includes all notes, analyses, compilations, studies, summaries, and other material prepared by the Receiving Party containing or based, in whole or in part, on any information included in the foregoing.

Notwithstanding the foregoing, the following information will not constitute "Confidential Information" for purposes of this Undertaking:

- (a) Information which the IB can prove was already in the possession of the Receiving Party and was available to the Receiving Party on a non-confidential basis prior to its disclosure to the Receiving Party by the Disclosing Party;
- (b) Information which is obtained by the Receiving Party from a third Person who, insofar as is known to the Receiving Party, is not prohibited from disclosing the information to the Receiving party under a contractual, legal or fiduciary obligation to the Disclosing Party; and
- (c) Information which is or becomes generally available to the public otherwise than as a result of a breach of this Undertaking by the Receiving Party.

The decision of the Government of Punjab and/or PACL on whether any information qualifies within the exceptions in (a), (b) and (c) above shall be final, conclusive and binding.

"Consortium" means the IB and all other Consortium Members acting in concert with the IB intending to directly or indirectly participate in the Transaction.

"Consortium Members" means the members of any existing Consortium or future Consortium, formed by the IB for purposes of the Transaction and shall include members (i) who have submitted the Statement of Legal Capacity in the form specified in the "EoI Package" as described in the "Request for Expression of Interest" for participation in disinvestment of PACL in respect of the Transaction as part of any existing consortium, or (ii) of a future consortium previously approved in writing by the DPED; in each case formed by the IB for purposes of the Transaction.

"Disclosing Party" means the Advisors, PACL, PSIDC, Government, other Governmental Authority and/or their respective Representatives, whether jointly or severally.

"Government" means the Government of Punjab through the Directorate of Public Enterprises and Disinvestment (DPED).

"Governmental Authority" means any governmental or regulatory authority, government ministry or department in India or other rule or regulation making entity having jurisdiction or acting on behalf of the Republic of India or any political subdivision thereof.

"Receiving Party" means the IB, Consortium Members and/or their respective Representatives, whether jointly or severally.

"Representative(s)" of any Person includes the directors, officers, employees, agents, consultants, advisors, lenders for financing of this Transaction or other representatives, including legal counsel, accountants and financial advisors of such Person and also includes the Representatives of the Representatives of any Person.

"Person" means any individual, company (including PACL and the Advisors), firm, association, trust, or any other organization or entity (including the Government and any governmental or political subdivision).

2. The Confidential Information disclosed by the Disclosing Party to the Receiving Party, or acquired by the Receiving Party in the course of any studies conducted by the Receiving Party, will be received and treated by the Receiving Party as strictly confidential, subject to its obligations contained herein, and the Receiving Party shall not, without PACL's as well as the Government's prior written consent or as expressly permitted herein, directly or indirectly disclose to any other Person, or use or allow others to disclose or use, the Confidential Information.
3. The Receiving Party will use the Confidential Information only to evaluate the Transaction and to decide whether or not the IB wishes to proceed with the Transaction and not for any purpose other than the Transaction and the Receiving Party will not directly or indirectly use the Confidential Information for any other purpose or in any way detrimental to the Disclosing Party.
4. In consideration of the Disclosing Party providing the Receiving Party with Confidential Information, by the IB's execution of this Undertaking, the IB, for itself and on behalf of all other Receiving Party, agrees that all of the Confidential Information shall be held and treated by the Receiving Party in strict confidence. The IB agrees (a) to disclose Confidential Information only to Consortium Members and/or those of its Representatives and/or those Representatives of Consortium Members who need to know the Confidential Information for the purposes of an evaluation of the Transaction and each such Consortium Member or

Representative of the IB or Representative of Consortium Member will be informed and advised in writing by the IB of the confidential nature of such information and the contents of and the obligations under this Undertaking and (b) to satisfy itself that each such Consortium Member and/or Representative of the IB and/or Representative of Consortium Member will hold and treat the Confidential Information in confidence and act in accordance therewith. The IB agrees that the Confidential Information shall not, without PACL's as well as the Government's prior written consent, be disclosed by the IB and/or each such Consortium Member and/or Representative of the IB and/or Representative of Consortium Member, in any manner whatsoever, in whole or in part, to any third Person, and shall not be used by the IB or each such Consortium Member or Representative of the IB or Representative of Consortium Member other than in connection with an evaluation of the Transaction.

The IB recognises and acknowledges the competitive value and confidential nature of the Confidential Information and the possible resultant impact to PACL and the Government if the Confidential Information is disclosed or allowed to be disclosed to an unauthorised party or used for any purpose other than evaluating the Transaction. The IB acknowledges and agrees that it is imperative that all Confidential Information remains confidential.

The IB, before disclosing any of the Confidential Information to any Consortium Member(s), shall ensure that such Consortium Member(s), has already executed and furnished to the Advisors, a written undertaking identical in form and content as this Confidentiality Undertaking in favour of the Government, PACL and the Advisors. The IBs, before disclosing any of the Confidential Information to any of its Representative(s) and /or Representatives of the Consortium Members, as the case may be, shall ensure that its Representative(s) / Representatives of the Consortium Members, as the case may be, have read and understood this Undertaking and have agreed in writing to be bound by the terms and conditions contained herein. The IB shall ensure that in case of a new Consortium Member, a written undertaking identical in form and content as this Confidentiality Undertaking, shall be executed and furnished to the Advisors within 7 (seven) days of it becoming a Consortium Member.

Notwithstanding any agreement or undertaking, the IB agrees that it shall continue to be responsible and liable for any breach of this Undertaking even though the same is caused by any act or omission of any Consortium Member and/or Representative of the IB and/or the Representative of Consortium Member and shall indemnify and hold the Government, PACL, and the Advisors harmless (including provisions of clause 6 and 14 set forth herein) from any breach of this Undertaking or consequences and claims arising therefrom. In case of Consortium, the IB agrees that for the purpose of this Confidentiality Undertaking, the liability of the IB shall be joint and several with each of the Consortium Members.

5. Except as permitted by Clause 4 herein and except as expressly permitted by a definitive share purchase agreement, if any, entered into by the IB, the Consortium Members and/or any company formed and promoted by them for the acquisition of equity shares of PACL, the Receiving Party will not directly or indirectly disclose to any Person (including another prospective purchaser who has been provided Confidential Information) the fact that the Confidential Information has been made available to the Receiving Party or that the Receiving Party have inspected any portion of the Confidential Information. Except with the prior written consent of PACL and the Government, and except as expressly permitted by such definitive share purchase

agreement, the Receiving Party will not directly or indirectly disclose to any Person the fact that any discussions or negotiations are taking place concerning the Transaction, including the status and content of such discussions or negotiations.

6. On acquiring the Confidential Information on the terms stated in this Undertaking or otherwise, the Receiving Party shall comply with all applicable law, and the IB hereby jointly and severally indemnifies and agrees to hold the Advisors, the Government and PACL indemnified and harmless (without prejudice to Clause 14 set forth below) against all and any consequences arising from any violation by the Receiving Party of such applicable laws.
7. If the Receiving Party is requested or becomes legally compelled (by oral questions, summons, interrogatories, requests for information or documents, subpoena, civil or criminal investigative demand, or similar process) or is required by a Government Authority and/or regulatory body (including any self-regulated organisation) to make any disclosure that is prohibited or otherwise constrained by this Undertaking or any similar undertaking or agreement, the Receiving Party will provide the Advisors, the Government and PACL with prompt written notice of such request so that the Advisors, the Government or PACL may seek an appropriate injunction, protective order or other appropriate remedy. Subject to the foregoing, the Receiving Party may furnish that portion (and only that portion) of the Confidential Information that, in the written opinion of the IB's legal counsel (reasonably acceptable to the Advisors, the Government and PACL), the Receiving Party is legally compelled or is otherwise legally required to disclose or else stand liable for contempt or suffer other material censure or material penalty; provided, however, that the Receiving Party must use best efforts to obtain reliable assurance that confidential treatment will be accorded to any Confidential Information so disclosed.
8. The confidentiality obligations contained in this Undertaking may at the discretion of the Government, PACL and the Advisors, be amended, modified or superseded upon the IB and the Consortium Members and/or any company formed and promoted by them executing definitive agreements, but shall be without prejudice to any of the Advisors', the Government's or PACL's rights in respect of any breach of this Undertaking which may have occurred prior to such amendment, modification or supersession.

The IB agrees that the Government reserves the right, in its sole discretion to modify the process of the Transaction in any part and/or to vary any terms at any time without prior notice to the IB and/or to reject any or all proposals made by the IB with regard to the Transaction.

9. The Government and/or PACL may elect at any time to terminate further access by the Receiving Party to any Confidential Information in connection with its evaluation of the Transaction. After any such termination by the Government and/or PACL, or after the decision of the IB to not proceed with the Transaction as specified in Clause 8 above, (i) the IB (a) will promptly deliver to the concerned Disclosing Party, all Confidential Information including all documents or other materials furnished by such Disclosing Party to the Receiving Party, together with all copies and summaries thereof in the possession or under the control of the Receiving Party, and (b) will destroy materials generated by the Receiving Party that include or refer to any part of the Confidential Information, without retaining a copy of any such material or (ii) alternatively, if the Advisors, the Government or PACL request or give prior written consent to the IB's request, the IB will destroy or cause to be destroyed all Confidential Information in the possession or under the control of the Receiving Party. Any

such destruction pursuant to the foregoing must be confirmed by the IB in writing to each of the Advisors, the Government and PACL (such confirmation must include a list of the destroyed materials). The IB acknowledges that the return of the Confidential Information and the return or destruction of the Confidential Information pursuant to termination or otherwise shall not release the Receiving Party from its obligations under this Undertaking.

10. The Receiving Party shall not deal or communicate (except in the ordinary course of its business) with any officer, director or employee of the Government or PACL regarding the business, operations, prospects or finances of PACL, without the Advisors' prior written consent, unless otherwise agreed to in an executed share purchase agreement entered into in connection with the purchase by the IB and the Consortium Members and/or any company formed and promoted by them, of equity shares of PACL. It is understood that the Advisors will arrange for appropriate contacts for due diligence purposes in connection with the Transaction. Unless otherwise agreed to by the Advisors in writing (i) all communications regarding any possible transaction, (ii) any requests for additional information, (iii) any requests for management meetings, and (iv) any queries regarding the Transaction, will be directed exclusively to the Advisors. However, if the Receiving Party is called upon by the Government and/or PACL for any discussions, the Receiving Party will do so or meet the Government and/or PACL only after duly informing the Advisors in writing.
11. The Government reserves the right, in its sole discretion, to reject any and all proposals made by the Receiving Party with regard to the Transaction and to terminate discussions and negotiations with the Receiving Party at any time. Without limiting the preceding sentence, nothing in this Undertaking (i) requires either the IB or the Government to enter into the Transaction or to negotiate such Transaction for any specified period of time or (ii) requires the Advisors, the Government or PACL to enter into an agreement or an understanding, or prohibits the Advisors, the Government or PACL from entering into any agreement or understanding, for proceeding with the Transaction with any other Person.
12. For a period of 1 (one) year from the date of this Undertaking or till the completion of the Transaction, whichever is later, the Receiving Party shall not, directly or indirectly, solicit for employment or hire any employee of PACL.
13. The IB understands, acknowledges and agrees that the Government, the Advisors and PACL retain the right to determine, in their sole discretion, the information that they wish to make available to the Receiving Party and the personnel through whom the same will be made available. Further, nothing in this Undertaking shall amount to or be construed as the Disclosing Party making any representations or warranties, express or implied, as to the accuracy and/or completeness of the Confidential Information and the Disclosing Party shall have no liability whatsoever to the Receiving Party resulting from the IB's use of the Confidential Information. The IB also agrees that if it determines to proceed with the Transaction, its determination will be solely based on the terms of the definitive agreements as well as on its own investigation, analysis and assessment of its investment. Moreover, unless and until such agreements are entered into, neither the Government nor the IB will be under any legal obligation of any kind with respect to the Transaction except for the matters specifically agreed to in this Undertaking or in another written and duly executed definitive agreement.

14. The IB hereby indemnifies and agrees to hold the Advisors, the Government and PACL indemnified and harmless from all and any damages, losses, costs, or liabilities (including legal fees and the cost of enforcing this indemnity) arising out of or resulting from any unauthorized use or disclosure by any Receiving Party of the Confidential Information or other violation of this Undertaking (notwithstanding that a Receiving Party may not be party to this Undertaking) or of any similar undertaking or agreement. In addition, because an award of money damages (whether pursuant to the foregoing sentence or otherwise) would be inadequate for any breach of this Undertaking or any similar undertaking or agreement by the Receiving Party and any such breach would cause the Disclosing Party irreparable harm, the IB also agrees that, in the event of any breach or threatened breach of this Undertaking or such similar undertaking or agreement, the Advisors, the Government or PACL will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Undertaking but will be in addition to all other remedies available at law or equity to the Advisors, the Government and/or PACL.
15. The IB understands, acknowledges, confirms and agrees that each of the Government, PACL and the Advisors are beneficiaries under this Undertaking. The IB further agrees and confirms that each of the Government, PACL and the Advisors, will be entitled to and may enforce, either individually or jointly, the obligations imposed on the Receiving Party under this Undertaking.
16. The IB agrees that no failure or delay by the Advisors/the Government / PACL in exercising any right, power or privilege hereunder will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege hereto.
17. The terms of this Undertaking may be varied only with PACL's and the Government's prior written agreement. This Undertaking shall be effective as of the date first above given on the first page of this Undertaking.
18. This Undertaking shall be governed by and construed in accordance with the substantive laws of India without giving effect to its conflict of law principles.
19. All notices required or permitted to be given hereunder shall be in writing and shall be valid and sufficient if dispatched by registered airmail, postage or facsimiles as follows.

If the notice is to the Transaction Advisor, to:

Designated Official
 Resurgent India Limited
 903-906, Unitech Business Zone, Tower C, Nirvana Country,
 Sector 50, Gurugram, Haryana – 122018
 P +91-124-4754550
 Email: akhilesh.raina@resurgentindia.com

With a copy to:

Designated Official
 PACL,
 S.C.O. 125-127, Sector 17B, Chandigarh – 160017 (INDIA)

AND

Designated Official

Directorate of Public Enterprises & Disinvestment

Government of Punjab

Plot No 2B, 4th Floor, Vit te Yojna Bhawan, Sectoe-33 A, Chandigarh

If the notice is to PACL, to:

Designated Official of PACL, at the address given hereinabove

With a copy to:

Designated Official of DPED at the address given hereinabove

AND

Designated Official of Transaction Advisor at the address given hereinabove

If the notice is to the DPED, Ministry of Finance, Government of Punjab, to:

Designated Official of DPED, at the address given hereinabove

With a copy to:

Designated Official of PACL, at the address given hereinabove

AND

Designated Official of Transaction Advisor at the address given hereinabove

If the notice is to the IB:

Name:

Designation:

Organisation name and address:

Tel no.

fax no.:

E-mail address:

Any of the IB, the Government, PACL or the Advisors may change its address by a notice given to the other in the manner set forth above. All notices and other communications shall be deemed to have been duly given (i) on the expiry of seven days after posting, if transmitted by registered airmail or (ii) on the date immediately after the date of transmission with confirmed answer back if transmitted by e-mail, telex, cable or facsimile whichever shall first occur.

IN WITNESS WHEREOF, this Undertaking has been executed by the duly authorized representative of the IB on the date and year first hereinabove written.

Witnessed by: (Name of IB)

Name: By:

Address: Name:

Title:

Schedule 1

S. No	Name	Advisor Role
1.	Resurgent India Limited	Transaction Advisor

ANNEXURE 5: POWER OF ATTORNEY-SOLE IB/CONSORTIUM**Power of Attorney for signing of EoI**

(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution and notarized)

To all to whom these presents shall come, We..... (name of the entity) having our registered office at _____ (address of the registered office) do hereby exclusively, unconditionally and irrevocably constitute, nominate, appoint and authorize Mr./Ms. (name),.....son/daughter/wife of and presently residing at, who is presently employed with us/ the Lead Member of our Consortium and holding the position of, as our true and lawful attorney (hereinafter referred to as the "Attorney") to do in our name and on our behalf, to do, execute, and perform all such acts, agreements, deeds, matters and things as are necessary or required in connection with or incidental to submission of our application for qualification for the Strategic Disinvestment of shares held by Government of Punjab representing 33.49% of the paid-up equity share capital of Punjab Alkalies & Chemicals Limited ("PACL") including but not limited to signing and submission of all applications, participate in Pre-Bid and other conferences and providing information/ responses to GoP/Transaction Advisor and generally dealing with TransactionAdvisor/PACL/GoP in all matters in connection with or relating to or arising out of our application for qualification for the Transaction (as defined in the invitation of EoI dated **) issued by Resurgent India Limited.

AND we hereby agree to ratify and confirm and do hereby ratify and confirm all acts, deeds and things done or caused to be done by the Attorney pursuant to and in exercise of the powers conferred by this Power of Attorney and that all acts, deeds and things done by the Attorney in exercise of the powers hereby conferred shall and shall always be deemed to have been done by us concerning or touching these presents as fully and effectually as if we were present and had done, performed or executed the same itself.

All the terms used herein but defined shall have the meaning ascribed to such terms in the invitation of EoI.

We confirm and declare that we have not executed any other power of attorney in favour of any other person(s) in relation to the subject matter of this power of attorney and this power of attorney is irrevocable.

IN WITNESS WHEREOF WE, THE ABOVE NAMED PRINCIPAL HAVE EXECUTED THIS POWER OF ATTORNEY ON THIS DAY OF

.....

(Signature, name, designation and address)

In the presence of:

1.

2.

Accepted

Name, Title and Address of the Attorney)

(To be duly notarized)

Notes:

1. *The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and when it is so required, the same should be under common seal affixed in accordance with the required procedure. The power of attorney shall be appropriately stamped and notarized. The Non Judicial Stamp Paper shall be of the place where the POA is being executed and notarization shall be at the place where the POA is being executed. Stamp Duty to be paid shall be as per the requirement of applicable law including the stamping requirements in the state where it is being executed. For eg: the stamp duty payable on a POA in Delhi is Rs. 50.*
2. *The IB should submit for verification, the extract of the charter documents and documents such as a board or shareholders' resolution/ power of attorney in favour of the person executing this Power of Attorney for the delegation of power hereunder on behalf of the IB.*
3. *For a Power of Attorney executed and issued overseas, the document will also have to be legalized by the Indian Embassy and notarized in the jurisdiction where the Power of Attorney is being issued. However, the Power of Attorney provided by IBs from countries that have signed the Hague Legislation Convention 1961 are not required to be legalized by the Indian Embassy if it carries a conforming Apostille certificate.*

ANNEXURE 6: FORMAT FOR CONSORTIUM AGREEMENT

(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution and notarized)

THIS Consortium Agreement ("**Agreement**") executed on this _____ day of _____ Two thousand _____ between

1. M/s [insert name of Lead Member] _____ a Limited Liability Partnership firm or Company incorporated under the laws of _____ and having its Registered Office at _____, having CIN / LLPIN _____ (hereinafter called the "**Member-1**", which expression shall include its successors, executors and permitted assigns);
2. M/s _____ a Limited Liability Partnership firm or Company incorporated under the laws of _____ and having its Registered Office at _____, having CIN / LLPIN _____ (hereinafter called the "**Member-2**", which expression shall include its successors, executors and permitted assigns); and
3. M/s _____ a Limited Liability Partnership firm or Company incorporated under the laws of _____ and having its Registered Office at _____, having CIN / LLPIN _____ (hereinafter called the "**Member-3**", which expression shall include its successors, executors and permitted assigns),

for the purpose of submitting response to Advertisement dated XXX inviting Expression of Interest for strategic disinvestment of 100% equity shareholding of the Government of Punjab in Punjab Alkalies & Chemicals Limited ("**PACL**"), which is equivalent to 33.49% of the total paid up equity share capital of PACL.

WHEREAS, each Member individually shall be referred to as the "**Member**" and all of the Members shall be collectively referred to as the "**Members**" in this Agreement.

WHEREAS, GoP had invited EoI via advertisement dated XXX;

WHEREAS the Instructions for submitting EoI stipulates that in case EoI is being submitted by a Consortium of IBs, the Members of the Consortium will have to submit a legally enforceable Consortium Agreement in a format specified in invitation of EoI.

All the terms used in capitals in this Agreement but not defined herein shall have the meaning as per the invitation of the EoI.

NOW THEREFORE, THIS AGREEMENT WITNESSTH AS UNDER:

In consideration of the above premises and agreements all the Members in this Consortium do hereby mutually agree as follows:

1. We, the Members of the Consortium and Members to the Agreement do hereby unequivocally agree that Member-1 (M/s _____), shall act as the Lead Member as defined in the EoI for self and on behalf of Member-2, _____, Member-3 and to submit the EoI;
2. We have formed consortium comprising of ____ members as follows:
 1. _____(Insert name)/% of Shareholding in the Consortium
 2. _____(Insert name)/% of Shareholding in the Consortium
 3. _____(Insert name)/% of Shareholding in the Consortium
3. We undertake that after the submission of the EoI, the composition of the Consortium shall be maintained for a period of 1 (one) year, if it is shortlisted as the successful IB.
4. The Lead Member is hereby authorized by the Members of the Consortium and Members to the Agreement to bind the Consortium and receive instructions for and on their behalf.
5. The Lead Member shall be liable and responsible for ensuring the individual and collective commitment of each of the Members of the Consortium in discharging all of their respective obligations. It is clarified that each Member shall be individually liable for the performance of its part of the obligations without in any way limiting the scope of collective liability envisaged in this Agreement.
6. The Lead Member, on behalf of the Consortium, shall inter alia be responsible for liaising with any authority or persons as required.
7. In case of any breach of commitment by any of the Consortium Members, the Lead Member shall be liable for the consequences thereof.
8. Except as specified in the Agreement, it is agreed that sharing of responsibilities as aforesaid shall not in any way be a limitation of responsibility of the Lead Member under these presents.
9. The Lead Member shall be liable irrespective of its scope of work or financial commitments.
10. This Agreement shall be construed and interpreted in accordance with the laws of India and courts at Delhi alone shall have the exclusive jurisdiction in all matters relating thereto and arising thereunder.
11. It is further expressly agreed that the Agreement shall be irrevocable and shall remain valid until the expiration or early revocation/termination of the terms thereof, unless expressly agreed to the contrary by GoP.
12. The Lead Member is authorized and shall be fully responsible for the accuracy and veracity of the representations and information submitted by the Members respectively from time to time in EoI.

13. It is hereby expressly understood between the Members that no Member at any given point of time, may assign or delegate its rights, duties or obligations under the EoI except with prior written consent of GoP.

14. This Agreement

- (i) has been duly executed and delivered on behalf of each Member hereto and constitutes the legal, valid, binding and enforceable obligation of each such Member;
- (ii) sets forth the entire understanding of the Members hereto with respect to the subject matter hereof; and
- (iii) may not be amended or modified except in writing signed by each of the Members and with prior written consent of GoP.

IN WITNESS WHEREOF, the Members have, through their authorized representatives, executed these present on the Day, Month and Year first mentioned above.

For M/s _____ **[Member 1]**

_____ (Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [●])

Witnesses:

(i) Signature _____
Name:
Address:

(ii) Signature _____
Name:
Address:

For M/s _____ **[Member 2]**

_____ (Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership [●])

Witnesses:

(i) Signature _____
Name:
Address:

(ii) Signature _____
Name:

Address:

For M/s _____ **[Member 3]**

_____ (Signature, Name & Designation of the person authorized vide board resolution/power of attorney duly executed by such partners as authorized by the partnership deed governing such partnership dated [●])

Witnesses:

(i) Signature _____

Name:

Address:

(ii) Signature _____

Name:

Address:

[Signature and stamp of Notary of the place of execution]

ANNEXURE 7: DECLARATION

(To be forwarded on the letter head of the sole IB /each member of the Consortium submitting the EoI)

DECLARATION

1. We solemnly declare that we or our Director(s), CEO or principal officers are not convicted by any court of law or are indicted or have received any adverse order from regulatory authority relating to a grave offence with regard to matters other than the security and integrity of the country.

Grave offence for this purpose shall be an offence which is of such nature that outrages the moral sense of the community and shall include

- a) SEBI orders which directly relate to "Fraud" as defined in the SEBI Act, 1992 and/or any of the regulations, rules, circulars, notifications, etc. made thereunder
 - b) SEBI orders on the IB casting doubt on the ability of the IB to manage or hold the stake in PACL
 - c) Any conviction by a court of law
 - d) In case of SEBI's order of prosecution, disqualification will arise only on conviction by court of law.
2. We further declare that we, our promoters, our associate companies have not been issued a charge sheet by any Governmental Authority or convicted by a court of law for any offence with regard to matters relating to the security and integrity of the country.
 3. We further declare that we, our associate company, our Director(s), CEO, principal officers, employees are not under any investigation pending before any regulatory authority or other authority.
 4. We declare that complete information as required is provided in the EoI and /or Statement of Legal Capacity.

(Name and signature of Authorized Signatory)

(IBs' name)

(IBs' Address)

In case any IB is unable to give above undertaking in view of any conviction, indictment, order or investigation as above full details of the same shall be provided including names of persons involved, designation, charge/offence, ordering/investigating agency, status/outcome etc. with supporting/relevant documents. Any entity, which is disqualified from participating in the Transaction, shall not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification. Please also refer to Annexure 12.

ANNEXURE 8: DECLARATION

(To be forwarded on the letterhead of the sole IB /each member of the Consortium submitting the EoI)

DECLARATION

1. We solemnly declare and undertake not to, directly or indirectly, communicate with any officer/employee of DPED or PSIDC or PACL either before or after submission of our EoI.
2. We further declare that we shall not, directly or indirectly, disclose our intent/willingness to participate as an Interested Bidder (IB) in EoI process to any officer/employee of DPED or PSIDC or PACL at any time from the date of issue of this EoI.

(Name and signature of Authorised Signatory)

(IBs' name)

(IBs' Address)

ANNEXURE 9: AFFIDAVIT FOR CERTIFICATION OF DOCUMENTS

(To be duly executed and adequate stamp duty to be paid by the Interested Bidder/ Members of Consortium with respect to this document.)

AFFIDAVIT

I, [name] aged [age] years, resident of [address] working as [designation] an Authorised Signatory on behalf of [name of the Interested Bidder] ("Interested Bidder (IB)") hereby state on solemn affirmation or oath as under:

1. I am the [designation of the deponent] of the Interested Bidder. I am conversant with the facts and circumstances surrounding the subject of this affidavit [and have been authorised to depose to the same pursuant to the power of attorney dated [date] issued pursuant to [particulars of corporate approval]. I am filing this affidavit to place on record verification of facts and documents in connection with the bidding process concerning strategic disinvestment of Punjab Alkalies & Chemicals Limited (PACL).
2. I state that I have reviewed the contents of the PIM and EOI and the requirements of each of them in relation to the strategic disinvestment of PACL and also the terms and conditions thereof.
3. I state that all documents and information submitted with the EOI of [insert name of the IB] has been personally verified and has also been verified by the concerned authority within [insert name of the IB]

[Insert separate paragraphs for each information/ document physically submitted with the Transaction Advisor, in a chronological sequence].

4. I state that each of the documents submitted is true, correct and complete in all respects and that nothing has been concealed in the information submitted as mentioned above.
5. I understand that in case of any untrue, incomplete or incorrect information is submitted, the EOI/Bid submitted by [insert name of the IB] shall be liable to be disqualified.
6. I state that, in the event [insert name of the IB] are attracted by any of the disqualifications or any other factor which makes us ineligible in terms of the PIM during the pendency of the process of Strategic Disinvestment, the EOI/Bid submitted by [insert name of the IB] shall be liable to be disqualified.
7. I state that, in the event of any change in the information or documents submitted by [insert name of the IB], we the [insert name of the IB] shall immediately notify the Advisor along with the copy of all the relevant documents.
8. This Affidavit has been provided by me and on behalf of [insert name of the IB] for the purpose of confirming the correctness, completeness and validity of all documents and information submitted by [insert name of the IB] in relation to strategic disinvestment of PACL.

Solemnly affirmed and verified on this [day] day of [month] [year] at [place].

Before me

[particulars of notarisation]

(Signature of Deponent)

Name, Designation & Address of Deponent

Name, Designation & Address

ANNEXURE 10: UNDERTAKING

(To be forwarded on the letterhead of the sole IB)

1. We solemnly declare and undertake to lock-in our entire shareholding in the Company that we may acquire pursuant to the Transaction for a period of 1 (one) year from the date of completion of the Transaction.
2. We further declare and undertake that we shall continue the business of the Company in its entirety as being conducted as on the completion of the Transaction on a going concern basis for a period of 1 (one) year from the date of the completion of the Transaction

(Name and signature of Authorised Signatory)

(IBs' name)

(IBs' Address)

ANNEXURE 11: UNDERTAKING

(To be forwarded on the letterhead of each Consortium Member)

1. We undertake to lock-in entire shareholding in Punjab Alkalies & Chemicals Limited ("**PACL**") that Investment Vehicle, duly incorporated by the Consortium, may acquire pursuant to the Transaction for a period of 1 (one) year from the date of completion of the Transaction.
2. We undertake that we shall not change or alter our stake in the Investment Vehicle, duly incorporated by the Consortium, for a period of 1 (one) year from the date of the completion of the Transaction.
3. We further declare and undertake that we shall continue the business of the Company in its entirety as being conducted as on the completion of the Transaction on a going concern basis for a period of 1 (one) year from the date of the completion of the Transaction.

(Name and signature of Authorised Signatory)

(IBs' name)

(IBs' Address)

ANNEXURE 12: DEPARTMENT OF INVESTMENT AND PUBLIC ASSET MANAGEMENT (DIPAM) GUIDELINES

No. 3/9/2016-DoD-II-B
Government of India
Department of Investment & Public Asset Management
Block 14, CGO Complex
New Delhi.

Dated: 28th September, 2017

OFFICE MEMORANDUM

Sub: Guidelines for qualification of Bidders seeking to acquire stakes in Public Sector Enterprises through the process of disinvestment

Government has examined the issue of framing comprehensive and transparent guidelines defining the criteria for bidders interested in PSE-disinvestment so that the parties selected through competitive bidding could inspire public confidence. Earlier, criteria like net worth, experience etc. used to be prescribed. Based on experience and in consultation with concerned departments, Government has decided to prescribe the following additional criteria for the qualification/ disqualification of the parties seeking to acquire stakes in public sector enterprises through disinvestment:

- (a) In regard to matters other than the security and integrity of the country, any conviction by a Court of Law or indictment/ adverse order by a regulatory authority that casts a doubt on the ability of the bidder to manage the public sector unit when it is disinvested, or which relates to a grave offence would constitute disqualification. 'Grave offence' is defined to be of such a nature that it outrages the moral sense of the community. The decision in regard to the nature of the offence would be taken on case to case basis after considering the facts of the case and relevant legal principles, by the Government. 'Grave Offence' would include the below noted cases:
 - a. Only those orders of SEBI are to be treated as coming under the category of 'Grave Offences' which directly relate to 'Fraud' as defined in the SEBI Act and / or regulations.
 - b. Only those orders of SEBI that cast a doubt on the ability of the bidder to manage the public-sector unit, when it is disinvested, are to be treated as adverse.
 - c. Any conviction by Court of Law.
 - d. In cases in which SEBI also passes a prosecution order, disqualification of the bidder should arise only on conviction by the Court of Law.
- (b) In regard to matters relating to the security and integrity of the country, any charge-sheet by an agency of the Government/ conviction by a Court of Law for an offence committed by the bidding party or its Associate Company as defined in Companies Act, 2013 would result in disqualification. The decision in regard to the

relationship interse between the concerns, would be taken based on the relevant facts and after examining whether the two concerns are substantially controlled by the same person/ persons.

- (c) In both (a) and (b), disqualification shall continue for a period that Government deems appropriate.
- (d) Any bidder, which is disqualified from participating in the disinvestment process, would not be allowed to remain associated with it or get associated merely because it has preferred an appeal against the order based on which it has been disqualified. The mere pendency of appeal will have no effect on the disqualification.
- (e) The disqualification criteria would come into effect immediately and would apply to all bidders for various disinvestment transactions, which have not been completed as yet.
- (f) Before disqualifying a concern, a Show Cause Notice as to why it should not be disqualified, would be issued to it and it would be given an opportunity to explain its position.
- (g) These criteria will be prescribed in the advertisements seeking Expression of Interest (EOI) from the interested parties. The interested parties would be required to provide the information on the above criteria, along with their Expressions of Interest (EOI). The bidders shall be required to provide with their EOI an undertaking to the effect that no investigation by a regulatory authority, which if decided against the bidder, may disqualify the bidder in terms of (a) & (b) above or the eligibility criteria prescribed in the EOI, is pending against them. In case any investigation is pending in case which if decided against the bidder, may disqualify the bidder in terms of (a) & (b) above or the eligibility criteria prescribed in the EOI against the bidder or the concern in which the bidder has substantial interest or against its CEO or any of its Directors/ Managers, full details of such investigation including the name of the investigating agency, the charge/ offence for which the investigation has been launched, name and designation of persons against whom the investigation has been launched and other relevant information should be disclosed, to the satisfaction of the Government. For other criteria also, a similar undertaking shall be filed along with EOI.

sd/-

(Aseem kumar Jha)

Under Secretary to the Government of India